UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

X ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2001

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number No.	Registrant, State of Incorporation, Address of Principal Executive Offices and Telephone Number	IRS Employer Identification
1-11299	ENTERGY CORPORATION (a Delaware corporation) 639 Loyola Avenue New Orleans, Louisiana 70113 Telephone (504) 576-4000	72-1229752
1-10764	ENTERGY ARKANSAS, INC. (an Arkansas corporation) 425 West Capitol Avenue, 40th Floor Little Rock, Arkansas 72201 Telephone (501) 377-4000	71-0005900
1-27031	ENTERGY GULF STATES, INC. (a Texas corporation) 350 Pine Street Beaumont, Texas 77701 Telephone (409) 838-6631	74-0662730
1-8474	ENTERGY LOUISIANA, INC. (a Louisiana corporation) 4809 Jefferson Highway Jefferson, Louisiana 70121 Telephone (504) 840-2734	72-0245590
0-320	ENTERGY MISSISSIPPI, INC. (a Mississippi corporation) 308 East Pearl Street Jackson, Mississippi 39201 Telephone (601) 368-5000	64-0205830
0-5807	ENTERGY NEW ORLEANS, INC. (a Louisiana corporation) 1600 Perdido Street, Building 505 New Orleans, Louisiana 70112 Telephone (504) 670-3674	72-0273040
1-9067	SYSTEM ENERGY RESOURCES, INC. (an Arkansas corporation) Echelon One 1340 Echelon Parkway Jackson, Mississippi 39213 Telephone (601) 368-5000	72-0752777

Securities registered pursuant to Section 12(b) of the Act:

Registrant	Title of Class	Name of Each Exchange on Which Registered
Entergy Corporation	Common Stock, $0.01 Par Value - 222,201,504 shares outstanding at February 28, 2002	New York Stock Exchange, Inc. Chicago Stock Exchange Inc. Pacific Exchange Inc.
Entergy Arkansas Capital I	8-1/2% Cumulative Quarterly Income Preferred Securities, Series A	New York Stock Exchange, Inc.
Entergy Gulf States, Inc.	Preferred Stock, Cumulative, $100 Par Value:	
	$4.40 Dividend Series	New York Stock Exchange, Inc.
	$4.52 Dividend Series	New York Stock Exchange, Inc.
	$5.08 Dividend Series	New York Stock Exchange, Inc.
	Adjustable Rate Series B (Depository Receipts)	New York Stock Exchange, Inc.
Entergy Gulf States Capital I	8.75% Cumulative Quarterly Income Preferred Securities, Series A	New York Stock Exchange, Inc.
Entergy Louisiana Capital I	9% Cumulative Quarterly Income Preferred Securities, Series A	New York Stock Exchange, Inc.

Securities registered pursuant to Section 12(g) of the Act:

Registrant	Title of Class
Entergy Arkansas, Inc.	Preferred Stock, Cumulative, $100 Par Value Preferred Stock, Cumulative, $0.01 Par Value
Entergy Gulf States, Inc.	Preferred Stock, Cumulative, $100 Par Value
Entergy Louisiana, Inc.	Preferred Stock, Cumulative, $100 Par Value Preferred Stock, Cumulative, $25 Par Value
Entergy Mississippi, Inc.	Preferred Stock, Cumulative, $100 Par Value
Entergy New Orleans, Inc.	Preferred Stock, Cumulative, $100 Par Value

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes X No ____

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrants' knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

The aggregate market value of Entergy Corporation Common Stock, $0.01 Par Value, held by non-affiliates, was $9.2 billion based on the reported last sale price of $41.28 per share for such stock on the New York Stock Exchange on February 28, 2002. Entergy Corporation is directly or indirectly the sole holder of the common stock of Entergy Arkansas, Inc., Entergy Gulf States, Inc., Entergy Louisiana, Inc., Entergy Mississippi, Inc., Entergy New Orleans, Inc., and System

Energy Resources, Inc.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement of Entergy Corporation to be filed in connection with its Annual Meeting of Stockholders, to be held May 10, 2002, are incorporated by reference into Parts I and III hereof.

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This combined Form 10-K is separately filed by Entergy Corporation, Entergy Arkansas, Inc., Entergy Gulf States, Inc., Entergy Louisiana, Inc., Entergy Mississippi, Inc., Entergy New Orleans, Inc., and System Energy Resources, Inc. Information contained herein relating to any individual company is filed by such company on its own behalf. Each company makes representations only as to itself and makes no other representations whatsoever as to any other company.

This report should be read in its entirety. No one section of the report deals with all aspects of the subject matter.

FORWARD-LOOKING INFORMATION

The following constitutes a "Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995: Investors are cautioned that forward-looking statements contained herein with respect to the revenues, earnings, performance, strategies, prospects and other aspects of the business of Entergy Corporation, Entergy Arkansas, Inc., Entergy Gulf States, Inc., Entergy Louisiana, Inc., Entergy Mississippi, Inc., Entergy New Orleans, Inc., and System Energy Resources, Inc. and their affiliated companies may involve risks and uncertainties. A number of factors could cause actual results or outcomes to differ materially from those indicated by such forward-looking statements. These factors include, but are not limited to, risks and uncertainties relating to: the effects of weather, the performance of generating units and transmission systems, the possession of nuclear materials, fuel and purchased power prices and availability, the effects of regulatory decisions and changes in law, litigation, capital spending requirements and the availability of capital, the onset of competition, the ability to recover net regulatory assets and other potential stranded costs, the effects of recent developments in the California electricity market on the utility industry nationally, advances in technology, changes in accounting standards, corporate restructuring and changes in capital structure, the success of new business ventures, changes in the markets for electricity and other energy-related commodities, including the use of financial and derivative instruments and volatility of changes in market prices, changes in interest rates and in financial and foreign currency markets generally, the economic climate and growth in Entergy's service territories, changes in corporate strategies, actions of rating agencies, and other factors.

DEFINITIONS

Certain abbreviations or acronyms used in the text and notes are defined below:

Abbreviation or Acronym	Term
ADEQ	Arkansas Department of Environmental Quality
AFUDC	Allowance for Funds Used During Construction
Algiers	15th Ward of the City of New Orleans, Louisiana
ALJ	Administrative Law Judge
ANO 1 and 2	Units 1 and 2 of Arkansas Nuclear One Steam Electric Generating Station (nuclear), owned by Entergy Arkansas
APB	Accounting Principles Board
APSC	Arkansas Public Service Commission
Availability Agreement	Agreement, dated as of June 21, 1974, as amended, among System Energy and Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans, and the assignments thereof
BCF	One billion cubic feet of natural gas
BCF/D	One billion cubic feet of natural gas per day
BPS	British pounds sterling
Board	Board of Directors of Entergy Corporation
Boston Edison	Boston Edison Company
Cajun	Cajun Electric Power Cooperative, Inc.
CitiPower	CitiPower Pty., an electric distribution company serving Melbourne, Australia and surrounding suburbs, which was sold by Entergy effective December 31, 1998
Consolidated Edison	Consolidated Edison, Inc.
Council	Council of the City of New Orleans, Louisiana
D.C. Circuit	United States Court of Appeals for the District of Columbia Circuit
DOE	United States Department of Energy
domestic utility companies	Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans, collectively
EITF	Emerging Issues Task Force
ENHC	Entergy Nuclear Holding Company #1
EPA	United States Environmental Protection Agency
EPAct	Energy Policy Act of 1992
EPDC	Entergy Power Development Corporation
EPMC	Entergy Power Marketing Corporation
ET&M	Entergy Trading and Marketing, Ltd.
ETHC	Entergy Technology Holding Company
EWG	Exempt wholesale generator under PUHCA
EWO	Entergy Wholesale Operations, which primarily consists of Entergy's power development business
Entergy	Entergy Corporation and its various direct and indirect subsidiaries
Entergy Arkansas	Entergy Arkansas, Inc.

Entergy Corporation Entergy Corporation, a Delaware corporation Entergy Gulf States Entergy Gulf States, Inc., including its wholly owned subsidiaries - Varibus Corporation, GSG&T, Inc., Prudential Oil & Gas, Inc., and Southern Gulf Railway Company

Abbreviation or Acronym	Term
Entergy-Koch	Entergy-Koch, L.P., a joint venture equally owned by Entergy and Koch Industries, Inc.
Entergy London	Entergy London Investments plc, formerly Entergy Power UK plc (including its wholly owned subsidiary, London Electricity plc), which was sold by Entergy effective December 4, 1998
Entergy Louisiana	Entergy Louisiana, Inc.
Entergy Mississippi	Entergy Mississippi, Inc.
Entergy New Orleans	Entergy New Orleans, Inc.
Entergy Nuclear	Entergy Nuclear, Inc.
Entergy Nuclear Operations	Entergy Nuclear Operations, Inc.
Entergy Operations	Entergy Operations, Inc.
Entergy Power	Entergy Power, Inc.
Entergy Services	Entergy Services, Inc.
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
FitzPatrick	James A. FitzPatrick nuclear power plant, 825 MW facility located near Oswego, New York, purchased in November 2000 from NYPA by Entergy's domestic non-utility nuclear business
FUCO	Exempt foreign utility company under PUHCA
Grand Gulf 1 and 2	Units 1 and 2 of Grand Gulf Steam Electric Generating Station (nuclear), 90% owned or leased by System Energy
GWH	Gigawatt hours, which equals one million kilowatt-hours
Independence	Independence Steam Electric Station (coal), owned 16% by Entergy Arkansas, 25% by Entergy Mississippi, and 7% by Entergy Power
Indian Point 1	Indian Point Energy Center Unit 1 - nuclear power plant that has been shut-down and in safe storage since the 1970s, located in Westchester County, New York, purchased in September 2001 from Consolidated Edison by Entergy's domestic non-utility nuclear business
Indian Point 2	Indian Point Energy Center Unit 2 - nuclear power plant, 970 MW facility located in Westchester County, New York, purchased in September 2001 from Consolidated Edison by Entergy's domestic non-utility nuclear business
Indian Point 3	Indian Point Energy Center Unit 3 - nuclear power plant, 980 MW facility located in Westchester County, New York, purchased in November 2000 from NYPA by Entergy's domestic non-utility nuclear business

DEFINITIONS (Concluded)

Abbreviation or Acronym	Term
N/A	Not applicable
Nelson Unit 6	Unit No. 6 (coal) of the Nelson Steam Electric Generating Station, owned 70% by Entergy Gulf States
NERC	North American Electric Reliability Council
Net debt ratio	Gross debt less cash and cash equivalents divided by total capitalization less cash and cash equivalents
NRC	Nuclear Regulatory Commission
NYPA	New York Power Authority
Pilgrim	Pilgrim Nuclear Station, 670 MW facility located in Plymouth, Massachusetts, purchased in July 1999 from Boston Edison by Entergy's domestic non-utility nuclear business
PRP	Potentially Responsible Party (a person or entity that may be responsible for remediation of environmental contamination)
PUCT	Public Utility Commission of Texas
PUHCA	Public Utility Holding Company Act of 1935, as amended
PURPA	Public Utility Regulatory Policies Act of 1978
RTO	Regional transmission organization
Reallocation Agreement	1981 Agreement, superseded in part by a June 13, 1985 decision of FERC, among Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy relating to the sale of capacity and energy from Grand Gulf
Ritchie Unit 2	Unit 2 of the R. E. Ritchie Steam Electric Generating Station (gas/oil)
River Bend	River Bend Steam Electric Generating Station (nuclear)
SEC	Securities and Exchange Commission
SFAS	Statement of Financial Accounting Standards, promulgated by the FASB
SMEPA	South Mississippi Electric Power Agency, which owns a 10% interest in Grand Gulf 1
System Agreement	Agreement, effective January 1, 1983, as modified, among the domestic utility companies relating to the sharing of generating capacity and other power resources
System Energy	System Energy Resources, Inc.
System Fuels	System Fuels, Inc.
tons/hr	Tons per hour, used as a measure of steam production
UK	The United Kingdom of Great Britain and Northern Ireland
Unit Power Sales Agreement	Agreement, dated as of June 10, 1982, as amended and approved by FERC, among Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy, relating to the sale of capacity and energy from System Energy's share of Grand Gulf 1
Warren Power	Warren Power Plant, 300 MW simple cycle gas turbine merchant power plant located in Vicksburg, Mississippi
Waterford 3	Unit No. 3 (nuclear) of the Waterford Steam Electric Generating Station, 100% owned or leased by Entergy Louisiana
weather-adjusted usage	electric usage excluding the effects of weather deviations
White Bluff	White Bluff Steam Electric Generating Station, 57% owned by Entergy Arkansas

PART I

Item 1. Business
BUSINESS OF ENTERGY

Entergy Corporation

Entergy Corporation is a Delaware corporation which, through its subsidiaries, engages principally in the following businesses: domestic utility, domestic non-utility nuclear, and energy commodity services. Domestic non-utility nuclear and energy commodity services are sometimes referred to as the competitive businesses. Entergy Corporation has no significant assets other than the stock of its subsidiaries. Entergy Corporation is a registered public utility holding company under PUHCA. As such, Entergy Corporation and its subsidiaries generally are subject to the broad regulatory provisions of PUHCA. PUHCA generally limits registered public utility holding company activity to direct and indirect ownership of domestic integrated utility businesses, domestic and foreign electric generation ventures, foreign utility ownership, telecommunications and information service businesses, and certain other domestic energy related businesses. Following are the percentages of Entergy's consolidated revenues and net income generated by Entergy's reportable operating segments and the percentage of total assets held by them:

Segment	% of Revenue			% of Net Income			% of Total Assets		
	2001	2000	1999	2001	2000	1999	2001	2000	1999
Domestic utility	77	74	73	77	87	93	78	81	82
Domestic non-utility nuclear	8	3	1	17	7	3	13	9	3
Energy commodity services	14	23	26	14	8	(7)	9	10	8
Other	1	-	-	(8)	(2)	11	-	-	7

Additional financial information regarding Entergy Corporation's operating segments is contained in Note 12 to the financial statements.

Domestic Utility

The domestic utility is Entergy's predominant business segment, as shown in the chart above. Entergy Corporation has five wholly-owned domestic retail electric utility subsidiaries: Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans. As of December 31, 2001, these utility companies provided retail electric service to approximately 2.6 million customers in portions of the states of Arkansas, Louisiana, Mississippi, and Texas. In addition, Entergy Gulf States furnishes natural gas utility service in and around Baton Rouge, Louisiana, and Entergy New Orleans furnishes natural gas utility service in New Orleans, Louisiana. The business of the domestic utility companies is subject to seasonal fluctuations, with the peak sales period normally occurring during the third quarter of each year. During 2001, the domestic utility companies' combined retail electric sales volumes as a percentage of total electric sales volumes were: residential - 28.6%; commercial - 22.7%; and industrial - 38.2%. Retail electric revenues from these sectors as a percentage of total electric revenues were: residential - 36.1%; commercial - 25.7%; and industrial - 31.7%. Sales to governmental and municipal sectors and to nonaffiliated utilities accounted for the balances of electric sales and revenues. The major industrial customers of the domestic utility companies are in the chemical, petroleum refining, and paper industries. State or local regulatory authorities regulate the retail rates and services of Entergy's domestic retail utility subsidiaries.

Entergy Corporation also owns 100% of the voting stock of System Energy, an Arkansas corporation that owns and leases an aggregate 90% undivided interest in Grand Gulf. System Energy sells all of the capacity and energy from its interest in Grand Gulf 1 at wholesale to its only customers, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans. Management discusses sales from Grand Gulf 1 more thoroughly in "CAPITAL REQUIREMENTS AND FUTURE FINANCING - Certain Grand Gulf-related Financial and Support Agreements - Unit Power Sales Agreement" below. System Energy's wholesale power sales are subject to the jurisdiction of FERC.

Entergy Services, a Delaware corporation wholly-owned by Entergy Corporation, provides management, administrative, accounting, legal, engineering, and other services primarily to the domestic utility subsidiaries of Entergy Corporation. Entergy Operations, a Delaware corporation, is also wholly-owned by Entergy Corporation and provides nuclear management, operations and maintenance services under contract for ANO, River Bend, Waterford 3, and Grand Gulf 1, subject to the owner oversight of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy, respectively. Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans own 35%, 33%, 19%, and 13%, respectively, of the common stock of System Fuels, a Louisiana corporation that implements and manages certain programs to procure, deliver, and store fuel supplies for those companies. Entergy Services, Entergy Operations, and System Fuels provide their services to the domestic utility companies and System Energy on an "at cost" basis, pursuant to service agreements approved by the SEC under PUHCA. Information regarding affiliate transactions is contained in Note 16 to the financial statements.

Entergy Gulf States has wholly-owned subsidiaries that (i) own and operate intrastate gas pipelines in Louisiana used primarily to transport fuel to two of Entergy Gulf States' generating stations; (ii) own the Lewis Creek Station, a gas-fired generating plant, which is leased to and operated by Entergy Gulf States; and (iii) own several miles of railroad track constructed in Louisiana primarily for the purpose of transporting coal for use as boiler fuel at Entergy Gulf States' Nelson Unit 6 generating facility.

Domestic Non-Utility Nuclear

Entergy's domestic non-utility nuclear business is focused on acquiring, owning, operating, and selling power from nuclear power plants and providing operations and management services to nuclear power plants owned by other utilities in the United States. Operations and management services, including decommissioning services, are provided through Entergy's wholly-owned subsidiary, Entergy Nuclear.

Entergy's domestic non-utility nuclear business owns the following operating nuclear power plants:

Power Plant	Acquired	Capacity	Percent Ownership	Location
Pilgrim	July 1999	670 MW	100%	Plymouth, MA
FitzPatrick	Nov. 2000	825 MW	100%	Oswego, NY
Indian Point 3	Nov. 2000	980 MW	100%	Westchester County, NY
Indian Point 2	Sept. 2001	970 MW	100%	Westchester County, NY

In August 2001, Entergy's domestic non-utility nuclear business agreed to purchase the 510 MW Vermont Yankee Nuclear Power Plant in Vernon, Vermont, from Vermont Yankee Nuclear Power Corporation (VYNPC) for $180 million, to be paid in cash upon closing. Entergy will receive the plant, nuclear fuel, inventories, and related real estate. The liability to decommission the plant, as well as related decommissioning trust funds of approximately $280 million, will also be transferred to Entergy. Management expects to close the transaction in the summer of 2002, pending the approvals of the NRC, the Public Service Board of Vermont, and other regulatory agencies.

Entergy's non-utility nuclear business has entered into power purchase agreements (PPAs) to sell the power produced by its power plants at prices established in the PPAs. To the extent that a plant's output is not subject to a PPA, power sales would be subject to the fluctuation of market power prices. Following is a summary of the amount of the Entergy non-utility nuclear business's capacity currently subject to PPAs. Entergy continues to pursue opportunities to extend the existing PPAs and to enter into new PPAs with other parties.

Capacity subject to PPAs Entergy's Capacity Power Pool in the Power Pool 2002 2003 2004 2005

New York ISO 2,775 MW 100% 100% 79% 0% ISO New England 670 MW 100% 85% 85% 20%

In addition, Entergy will sell 100% of Vermont Yankee's output up to its rated capacity to VYNPC's current owner-utilities under a 10-year PPA executed in conjunction with the transaction, which management expects to close in the summer of 2002. The PPA includes an adjustment clause where the prices specified in the PPA will be adjusted downward annually, beginning in 2006, if power market prices drop below the PPA prices. Vermont Yankee is a part of the ISO New England.

Entergy Nuclear is authorized to provide services to nuclear power plants owned by entities that are not affiliated with Entergy. Services provided include engineering, operations and maintenance, fuel procurement, management and supervision, technical support and training, administrative support, and other managerial or technical services required to operate, maintain, and decommission nuclear electric power facilities. Currently Entergy Nuclear is providing decommissioning services for the Maine Yankee nuclear power plant, which is owned by Maine Yankee Atomic Power Company. Entergy Nuclear completed successfully in 2001 its decommissioning services project for Millstone Unit 1. The cost of decommissioning and insuring the plants that Entergy provides decommissioning services for is the responsibility of the plant owners.

Entergy Nuclear also is a party to two business arrangements that assist it in providing operation and management services. Entergy Nuclear and Framatome ANP intend to jointly offer operating license renewal and life extension services to nuclear power plants in the United States. Framatome has provided and continues to provide license renewal services to several utilities owning nuclear power plants in the United States. Entergy Nuclear acquired TLG Services in September 2000. The TLG acquisition assists Entergy Nuclear in providing decommissioning, engineering, and related services to nuclear power plant owners.

Energy Commodity Services

During the third quarter of 2001, Entergy began integration of Entergy-Koch and Entergy Wholesale Operations into the energy commodity services segment. Prior to the third quarter of 2001, Entergy-Koch and Entergy Wholesale Operations operated and were reported as separate segments. Prior to the first quarter of 2001, Entergy had also operated and reported its power marketing and trading segment separately. On January 31, 2001, Entergy contributed substantially all of its power marketing and trading business to Entergy-Koch, which is now a part of the energy commodity services segment.

Marketing and Trading

In January 2001, subsidiaries of Entergy and Koch Industries, Inc. formed an unconsolidated 50/50 limited partnership, Entergy-Koch, L.P. Entergy-Koch engages in the gathering, transmission, and storage of natural gas in the Gulf Coast region of the United States through its Gulf South Pipeline subsidiary. Entergy-Koch also engages in physical and financial natural gas and power trading, and weather derivatives trading, in the United States, the United Kingdom, Western Europe, and Canada through its Entergy-Koch Trading subsidiaries. In the formation of the partnership, Entergy contributed most of the assets and trading contracts of its power marketing and trading business and $414 million of cash. Koch contributed its 8,800-mile Koch Gateway Pipeline (which has been renamed the Gulf South Pipeline), gas storage facilities including the 65.8 BCF Bistineau storage facility located near Shreveport, Louisiana, and Koch Energy Trading, which marketed and traded electricity, gas, weather derivatives, and other energy-related commodities and services.

The Gulf South Pipeline system includes approximately 7,650 miles of transmission pipelines and approximately 1,150 miles of gathering pipelines. Gulf South Pipeline gathers natural gas from the Gulf South region and transports it to local distribution companies, industrial facilities, power generators, utility companies, other pipelines, and natural gas marketing companies. The pipeline system covers parts of Texas, Louisiana, Mississippi, Alabama, and Florida; connects to the Henry Hub, located in Vermilion Parish, Louisiana; and has 67 interconnects with interstate pipelines. Gulf South Pipeline has a total of 68 BCF of working gas storage capacity at two facilities, including Bistineau.

Entergy-Koch Trading buys and sells natural gas, power, and other energy-related services and commodities. Entergy-Koch Trading provides energy management using knowledge systems that promote fundamental and quantitative understanding of market risk. The energy management services provide customers with the opportunity to manage the various risk exposures embedded in their businesses and capitalize on non-optimized resources. Entergy-Koch Trading provides customers these solutions by utilizing its proprietary analytical models and its knowledge of the marketplace, natural gas pipelines, power transmission infrastructure, transportation management, gas storage, weather, and the interaction of these factors.

Entergy and Koch Industries each indirectly own half of the limited partnership interests in Entergy-Koch, L.P. Entergy and Koch Industries also indirectly own half of the equity of the general partner of Entergy-Koch, L.P. The general partner has an eight-member board of directors. Entergy and Koch each appoint four members of the board.

Although the ownership interests are equal, the capital accounts for Entergy and Koch are different. As described above, each contributed different assets to the partnership with those contributed by Koch valued at more than those contributed by Entergy. Through 2003, substantially all of the partnership profits allocated to Entergy, except that profits from weather trading and international trading are allocated disproportionately to Koch and Entergy, respectively.

In the partnership agreement, Entergy agreed to contribute $72.7 million to the partnership in January 2004. Koch also will receive a distribution of $72.7 million in 2004. In addition, at that time, Entergy-Koch's assets will be revalued for capital account purposes. If the value of the assets exceeds their carrying value for capital account purposes, then that difference will be allocated to the capital accounts. Entergy expects that after this revaluation the capital accounts of Entergy and Koch Industries will be approximately equal and that future profit allocations other than for weather trading and international trading will be equal. If the capital accounts differ significantly, however, then profits may be allocated disproportionately to one partner or the other until the capital accounts are approximately equal.

The partnership agreement provides that losses are allocated between the capital accounts of the partners based on ownership interest. Distributions from operations are shared based on ownership interest and distributions in the event of liquidation are shared based on capital accounts, as revalued at the time of the liquidation. Prior to 2004, a partner may transfer its partnership interest only with the consent of the other partner. Beginning in 2004, a partner may transfer its interest to a third party, only if it has first offered to sell its interest to the other partner at the approximate sales price and the other partner has not accepted the offer. Certain buy/sell rights are triggered (a) at the option of the non-defaulting partner, upon a change of control of, or material breach of the agreement by, either partner or (b) at the option of either partner, at any time beginning in 2004. Under the buy/sell rights, the initiating partner offers to sell all its partnership interest at a specified price and other terms or to buy all of the other partner's partnership interest at the same price and same other terms.

Power Development

EWO primarily conducts Entergy's power development business, which is focused on acquiring or developing power generation projects in North America and Europe. The power development business owns interests in the following electric generation assets that are currently operating or are under construction:

Investment	Percent Ownership	Status
United Kingdom - Damhead Creek, 800 MW	100%	operational
U.S. (AR)- Ritchie Unit 2, 544 MW	100%	operational
U.S. (AR)- Independence Unit 2, 842 MW	14%	operational
U.S. (MS)- Warren Power, 300 MW	100%	operational
U.S. (IA)- Top of Iowa Wind Farm, 80 MW	99%	operational
U.S. (LA)- RS Cogen, 425 MW	50%	under construction
U.S. (IL)- Crete, 320 MW	50%	under construction
U.S. (TX)- Harrison County, 550 MW	70%	under construction

Entergy owns its interest in RS Cogen through an unconsolidated 50% interest in RS Cogen, L.L.C., and the remaining 50% interest is owned by PPG Industries, an industrial customer of Entergy Gulf States. Entergy owns its interest in Crete through an unconsolidated 50% interest in Crete Energy Ventures, LLC, and the remaining 50% interest is owned by DTE Energy. The Harrison County plant will be co-owned, with the other 30% held by Northeast Texas Electric Cooperative. Entergy's power development business has several other development projects in the planning stages, including announced projects in the United States, Spain, and Bulgaria.

EWO also owns interests in projects in Argentina, Chile, and Peru that are unconsolidated affiliates of Entergy. The Latin American projects are not a core part of Entergy's strategy, and Entergy is considering strategies to maximize the value of these investments, including possibly selling them.

In 2000, Entergy entered into an unconsolidated 50/50 joint venture with The Shaw Group Inc. that is named EntergyShaw, L.L.C. EntergyShaw provides management, engineering, procurement, construction, and commissioning services for electric power plants. EntergyShaw was created to operate in the electric power generation market and provide services to Entergy's power development business. EntergyShaw's operations may require the support of Entergy Corporation guarantees. EntergyShaw is currently constructing the Crete and Harrison County plants. Entergy has guaranteed the obligations of EntergyShaw to construct the Harrison County plant, and Entergy's maximum liability on the guarantee is $232.5 million.

Domestic and Foreign Generation Investment Restrictions and Risks

Entergy's ability to invest in domestic and foreign generation businesses is subject to the SEC's regulations under PUHCA. As authorized by the SEC, Entergy is allowed to invest an amount equal to 100% of its average consolidated retained earnings in domestic and foreign generation businesses. As of December 31, 2001, Entergy's investments subject to this rule totaled $1.64 billion constituting 46.6% of its average consolidated retained earnings.

Entergy's ability to guarantee obligations of its non-utility subsidiaries is also limited by SEC regulations under PUHCA. In August 2000, the SEC issued an order, effective through December 31, 2005, that allows Entergy to issue up to $2 billion of guarantees to its non- utility companies.

International operations are subject to the risks inherent in conducting business abroad, including possible nationalization or expropriation, price and currency exchange controls, inflation, limitations on foreign participation in local enterprises, and other restrictions. Changes in the relative value of currencies may favorably or unfavorably affect the financial condition and results of operations of Entergy's non-U.S. businesses. In addition, exchange control restrictions in certain countries may limit or prevent the repatriation of earnings.

Selected Data

Selected domestic utility customers and sales data for 2001 are summarized in the following tables:

2001	Area Served	Customers as of December 31, Electric	Gas
		(In Thousands)	
Entergy Arkansas	Portions of Arkansas	647	-
Entergy Gulf States	Portions of Texas and Louisiana	690	89
Entergy Louisiana	Portions of Louisiana	644	-
Entergy Mississippi	Portions of Mississippi	404	-
Entergy New Orleans	City of New Orleans, except Algiers, which is provided electric service by Entergy Louisiana	189	148
Total customers		2,574	237

2001 - Selected Domestic Utility Electric Energy Sales Data

	Entergy Arkansas (In GWH)	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy	Entergy (a)
Electric Department:							
Sales to retail customers	19,377	33,837	28,524	12,621	5,597	-	99,956
Sales for resale:							
Affiliates	7,217	1,087	381	1,728	115	8,921	-
Others	4,909	3,305	334	289	59	-	8,896
Total	31,503	38,229	29,239	14,638	5,771	8,921	108,852
Average use per residential customer (KWH)	12,627	15,115	14,670	14,268	11,650	-	13,993

(a) Includes the effect of intercompany eliminations.

2001 - Selected Domestic Utility Natural Gas Sales Data

Entergy New Orleans and Entergy Gulf States sold 15,427,960 and 6,682,931 MCF, respectively, of natural gas to retail customers in 2001. For the years ended December 31, 2001, 2000, and 1999, revenues from natural gas operations were not material for Entergy Gulf States. Entergy New Orleans' products and services are discussed below in "BUSINESS SEGMENTS".

Refer to "SELECTED FINANCIAL DATA - FIVE-YEAR COMPARISON OF ENTERGY CORPORATION AND SUBSIDIARIES, ENTERGY ARKANSAS, INC., ENTERGY GULF STATES, INC., ENTERGY LOUISIANA, INC., ENTERGY MISSISSIPPI, INC., ENTERGY NEW ORLEANS, INC., and SYSTEM ENERGY RESOURCES, INC." which follow each company's financial statements in this report, for further information with respect to operating statistics.

Employees

As of December 31, 2001, Entergy had 15,054 employees as follows:

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Full-time:
  Entergy Corporation
-
  Entergy Arkansas
1,626
  Entergy Gulf States
1,668
  Entergy Louisiana
960
  Entergy Mississippi
906
  Entergy New Orleans
386
  System Energy
-
  Entergy Operations
3,181
  Entergy Services
2,632
  Entergy Nuclear Operations
2,948
  Other subsidiaries
564

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       Total Full-time
14,871
  Part-time
183

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       Total Entergy
15,054

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Approximately 4,900 employees are represented by the International Brotherhood of Electrical Workers Union (IBEW), the Utility Workers Union of America (UWUA), and the International Brotherhood of Teamsters Union (IBT). In 2001, Entergy Gulf States - Transmission, Distribution and Customer Service reached a new agreement with IBEW covering approximately 814 employees. Entergy Gulf States - Fossil will be negotiating a new agreement with IBEW covering approximately 297 employees in 2002.

Industry Restructuring and Competition

As a result of the actions of federal legislative and regulatory bodies over the period of approximately the past twenty years, wholesale markets have been developing in which electricity, gas, and other energy-related products and services are purchased and sold at market-based (rather than traditional cost-based) rates. These wholesale markets are continuing to grow and evolve. This evolution is changing the ways in which public utilities conduct their business and has changed the nature of the participants in these wholesale markets, which now include not only public utilities but also power marketers and traders, other energy commodity marketers and traders, wholesale generators of electricity, and a wide range of wholesale customers.

Utilities, including the domestic utility companies, may be required or encouraged to sell generating plants or interests therein, or the output from such plants. Additionally, with regard to transmission assets, FERC originally set December 15, 2001 as the date by which all owners and operators of transmission lines should sell or turn over operating and management responsibility for their transmission systems to independent parties. This date has also been delayed as utility companies and their federal and state regulators work to resolve various issues. Entergy responded to FERC by filing plans to transfer control of its transmission assets to a non- affiliated transmission company subject to control by an RTO, and is now working with the Southern Company and others to obtain approval from FERC of an RTO structure. These changes will alter the historical structure from the operation of the domestic utility companies' electric generation and transmission assets as an integrated system supporting utility service throughout their combined service territories.

Major changes in the retail utility business have also been occurring in some parts of the United States, including some states in which Entergy's

domestic utility companies operate. Events that occurred in 2001, including the crisis in California's restructured power supply market and the bankruptcy of Enron, have slowed these changes. Both Texas and Arkansas adopted legislation in 1999 aimed at separating ("unbundling") traditionally integrated public utilities into distinct distribution, transmission, generation, and various types of retail marketing businesses, and aimed at introducing competition into the generation component of utility service. Texas originally required restructuring and corporate unbundling by January 1, 2002 but has delayed implementation in Entergy Gulf States' service territory at least until September 15, 2002. Arkansas has also delayed its retail access plan until at least October 2003 and the APSC has asked the Arkansas General Assembly for a further delay until at least 2010. Other jurisdictions in which the domestic utility companies operate have not enacted retail competition and utility unbundling legislation. Further changes in restructuring in Entergy's service territories may result from the effects of the developments in other electric retail markets, the Enron bankruptcy, developments at the FERC on transmission issues, and future developments in the power supply industry.

As changes in the wholesale and retail electricity markets in the Entergy system have taken place, regulators and legislators in different jurisdictions have not coordinated these changes. In some cases, actions by one jurisdiction may conflict with actions by another, creating potentially incompatible obligations for public utilities and holding companies, including the Entergy system. Examples include:

o the LPSC's docket relating to the changes in corporate structure of Entergy Gulf States as a result of complying with the Texas restructuring law, including generation issues, and its potential impact on Louisiana retail ratepayers (described more fully below in this "Industry Restructuring and Competition" under "Texas - Business Separation Plan" and "Texas - Generation-Related Issues");
o System Agreement restructuring issues, including a separate proceeding at the LPSC to review the proposed System Agreement restructuring (described more fully below in "Rate Matters, Regulation and Litigation - Wholesale Matters - System Agreement"); and
o an LPSC show cause order to Entergy Gulf States and Entergy Louisiana why they should not be enjoined from transferring their transmission assets to an independent transmission company or similar organization (described more fully below in "Rate Matters, Regulation and Litigation - Wholesale Matters - Open Access Transmission and Entergy's Independent Transmission Company Proposal").

It is too early to predict accurately what the ultimate effects of changes in U.S. energy markets will be, or their timing, or how potentially incompatible regulatory obligations will be resolved. Restructuring issues are complex and are continually affected by events at the national, regional, state and local levels. However, these changes may result in fundamental alterations in the way traditional integrated utilities and holding company systems, like Entergy and its domestic utility companies, conduct their business. Some of these alterations may be positive for Entergy and its affiliates, while others may not be.

These changes are resulting in increased costs associated with utility unbundling and transitioning to new organizational structures and ways of conducting business. It is possible that the new organizational structures that may be required will result in lost economies of scale, less beneficial cost sharing arrangements within utility holding company systems, and, in some cases, greater difficulty and cost in accessing capital. Furthermore, these changes could result in early refinancing of debt, the reorganization of debt, or other obligations between newly-formed companies. As a result of federal and state "codes of conduct" and affiliate transaction rules, adopted as part of restructuring, new non-utility affiliates in the Entergy System may be precluded from, or limited in, doing business with affiliated electric market participants. In addition, regulators may impose limits on, rather than have the market set, wholesale energy prices. There are a number of other changes that may result from electric business competition and unbundling, including, but not limited to, changes in labor relations, management and staffing, structure of operations, environmental compliance responsibility, and other aspects of the utility business.

As a potential result of restructuring, Entergy's domestic utility companies may no longer be able to apply regulated utility accounting principles to some or all of their operations, and they may be required to write off certain regulatory assets or recognize asset impairments (described more fully below in Note 2 to the financial statements under "Rate and Regulatory Matters - Electric Industry Restructuring and the Continued Application of SFAS 71"). Following is a summary of the status of the transition to competition in Entergy's five retail jurisdictions:

Electric Jurisdiction	Status of Retail Open Access	% of Entergy's Consolidated 2001 Revenues Derived from Retail Utility Operations in the Jurisdiction
Arkansas	Commencement delayed by amended law until at least October 2003, APSC has recommended delay until at least 2010.	13.6%
Texas	Delayed until at least September 15, 2002 in Entergy Gulf States' service area in a settlement approved by the **PUCT.**	10.7%
Louisiana	The LPSC has deferred pursuing retail open access, pending developments at the federal level and in other states.	33.4%

Mississippi MPSC has recommended not 9.8% pursuing open access at this time.
New Orleans City Council has taken no 5.1% action on Entergy's proposal filed in 1997.

Arkansas

Under current Arkansas legislation, the target date for retail open access has been delayed until no sooner than October 1, 2003 and no later than October 1, 2005. In December 2001, the APSC recommended to the Arkansas General Assembly that legislation be enacted during the 2003 legislative session to either repeal the legislation authorizing retail open access or further delay retail open access until at least 2010. Entergy Arkansas supports the proposal for further delay of retail open access but opposes repeal of deregulation legislation as premature at this time.

Texas

In June 1999, the Texas legislature enacted a law providing for competition in the electric utility industry through retail open access. The law provided for retail open access by most investor-owned electric utilities on January 1, 2002. As discussed below, retail open access for Entergy Gulf States was subsequently delayed until at least September 15, 2002. With retail open access, generation and a new retail electric provider operation are competitive businesses, but transmission and distribution operations continue to be regulated. The new retail electric providers are the primary point of contact with customers. The provisions of the new law:

o require a rate freeze through December 31, 2001 (subject to extension, as described below), with rates reduced by 6% beyond that for residential and small commercial customers of most incumbent utilities except Entergy Gulf States, whose rates are exempt from the 6% reduction requirement. These rates to residential and small commercial customers are known as the "price-to-beat," and they may be adjusted periodically after retail open access begins for fuel and purchased power costs according to PUCT rules;
o require utilities to charge the price-to-beat rates until 36 months after the date competition begins or 40% of customers in the jurisdiction have chosen an alternative supplier, whichever comes first. Nevertheless, the price-to-beat rates must continue to be made available at least through 2006;
o required utilities to submit a plan to separate (unbundle) their generation, transmission, distribution, and retail electric provider functions, which Entergy Gulf States filed in January 2000 as discussed below;
o require utilities to comply with a code of conduct to ensure that utilities do not allow affiliates to have a business advantage over competitors;
o require operation in a non-discriminatory manner of transmission and distribution facilities by an organization independent from the generation and retail operations by the time competition is implemented;
o allow for recovery of stranded costs incurred in purchasing power and providing electric generation service if the costs are approved by the PUCT;
o allow for securitization of regulatory assets and PUCT-approved stranded costs;
o provide for the determination of and mitigation measures for generation market power; and
o required utilities to file separated cost data and proposed transmission, distribution, and competition transition tariffs by April 1, 2000 (Entergy Gulf States filed a non-unanimous settlement in March 2001 addressing these tariffs and costs, as discussed below).

On August 3, 2001, the PUCT staff filed a petition requesting that the PUCT determine whether the market is ready for retail open access in the portion of Texas within the Southeastern Electric Reliability Council (SERC), which includes Entergy Gulf States' service territory. Several parties, including Entergy Gulf States and the PUCT staff, agreed to a non-unanimous settlement that was approved by the PUCT after a hearing in October 2001. In December 2001, the PUCT issued a written order approving the settlement. The settlement agreement contains several points, including:

o a delay in the commencement of retail open access in Entergy Gulf States' Texas service territory until at least September 15, 2002, subject to certain provisions of the settlement agreement;
o recovery of transition to competition costs incurred by Entergy Gulf States through December 31, 2001 if a rate proceeding is initiated for Entergy Gulf States during the delay period. The settlement agreement provides for a rate freeze during the delay period. Entergy cannot predict whether a new rate proceeding for Entergy Gulf States will be initiated during the delay period or what the outcome of such proceeding might be;
o suspension of additional capacity auctions until at least sixty days before retail open access commences (the capacity auctions are discussed below);
o continuation of Entergy Gulf States' pilot project;
o initiation by the PUCT of a project to develop market protocols to support retail open access;
o efforts to develop an interim solution to implement retail open access no sooner than September 15, 2002 in the event that a functional, FERC-approved RTO is not likely to be achieved in the 2002 time frame (the RTO and related power region certification issue are discussed below);
o continuation of pending proceedings (discussed below) to determine the fuel and base rate components of the price-to-beat rates with implementation of these rates when retail open access begins, without escalation of the fuel component during the delay period;
o continuation of Entergy Gulf States' current bundled rates and fuel factor methodology until the commencement of retail open access unless addressed in the interim solution;

o continuation of efforts by Entergy Gulf States to obtain the appropriate approvals with respect to its business separation plan (discussed below) with the actual business separation not occurring until the eve of retail open access; and
o filing by Entergy Gulf States for certification by the PUCT of a qualified power region, which filing must contain an assessment of market power, including transmission constraints.

In February 2002, certain cities in Texas (cities) served by Entergy Gulf States filed a petition in district court in Travis County, Texas seeking judicial review of the order issued by the PUCT. The cities' petition alleges that the PUCT's order is unlawful because it violates statutory and constitutional provisions. Entergy will defend vigorously its position that the cities' claims are without merit. Management cannot predict the outcome of this litigation at this time.

Business Separation Plan

Entergy Gulf States' business separation plan provides for the separation of its generation, transmission, distribution and retail electric functions. It has been amended during the course of various PUCT and LPSC proceedings and is subject to further change and regulatory proceedings as described below.

The amended plan currently provides that Entergy Gulf States will be separated into the following principal companies:

o a Texas distribution company, which will own and operate Entergy Gulf States' electric distribution system in Texas;
o an intermediate transmission company;
o a Texas generation company (which may be more than one legal entity), which initially will purchase capacity and energy from the generating assets allocated to Texas load (Texas generating assets), and eventually will own those assets;
o Texas retail electric providers, which will provide competitive retail electric service in Texas; and
o Entergy Gulf States-Louisiana.

Entergy Gulf States-Louisiana will:

o own and operate Entergy Gulf States' electric distribution system in Louisiana, the Texas generating assets (until they are transferred to the Texas generation company), the remainder of Entergy Gulf States' generating assets, and Entergy Gulf States' other businesses that are not separated, and own Entergy Gulf States' transmission assets allocated to Louisiana (until they are transferred to the intermediate transmission company described in the next bullet); and
o indirectly own a portion of an intermediate transmission company, which will own Entergy Gulf States' electric transmission assets allocated to Texas, and later Entergy Gulf States' transmission assets allocated to Louisiana.

Entergy Gulf States' assets and liabilities (other than its long- term debt and liabilities) will be allocated among these companies generally based upon categorizing them by function. Entergy Gulf States will allocate assets and liabilities not associated with a single function based upon specified factors. In an April 2001 filing with the LPSC discussing its separation methodology, Entergy Gulf States included a balance sheet separated by jurisdiction and function. The balance sheet was based on September 30, 1999 balances. In this balance sheet, Entergy Gulf States allocated approximately 27% of the net utility plant balance to Texas generation, approximately 12% to Texas distribution, approximately 6% to Texas transmission, approximately 7% to Louisiana transmission, and less than 1% to Texas retail. Applying these percentages to Entergy Gulf States' December 31, 2001 net utility plant book value of $4.3 billion, for illustrative purposes only, results in net book values of approximately $1.2 billion for Texas generation, approximately $520 million for Texas distribution, approximately $260 million for Texas transmission, approximately $300 million for Louisiana transmission, approximately $20 million for Texas retail, and approximately $2.0 billion for the remainder of Entergy Gulf States-Louisiana. The actual allocations could materially differ from these figures because of a number of factors, including changes to the plan and the allocation methodology. In addition, the actual allocations will be based on allocation factors and account balances as of a different date.

The business separation plan provides that Entergy Gulf States- Louisiana will retain liability for all of its long-term debt and liabilities and that the property transferred to the Texas companies will be released from the lien of Entergy Gulf States' mortgage on the basis of property additions. Pursuant to separate agreements, the Texas distribution company and the intermediate transmission company will each assume a portion of Entergy Gulf States' long-term debt and liabilities, which assumptions will not act to release Entergy Gulf States-Louisiana's liability. The Texas distribution company and the intermediate transmission company will undertake to pay the outstanding assumed long-term debt and liabilities within 1 year and 3 years, respectively, of the assumption. Entergy must provide a contingent indemnity with respect to the intermediate transmission company's assumed portion of Entergy Gulf States' long-term debt and liabilities in the event that the obligations under the debt assumption agreement have not been extinguished within one year of the assumption. The Texas generation company will be required to pay an allocated portion of the outstanding principal amount of Entergy Gulf States' long-term debt and liabilities each time that Texas generating assets are transferred to it, and the transfers must be completed within 3 years of the commencement of retail open access.

After the transfer of the Texas distribution and transmission assets contemplated by the current business separation plan, the distribution and transmission businesses conducted by the Texas distribution company and the intermediate transmission company, respectively, will continue to be regulated as to rates by the PUCT and the FERC, respectively. Accordingly, management believes that the Texas distribution company and

the intermediate transmission company will be able to fund the payment of the assumed debt within the required period from a combination of cash flow from operations and third party financing.

Entergy Gulf States filed the business separation plan with the PUCT in January 2000 and amended that plan in June and November 2000 and January 2001. In July 2000, the PUCT approved the amended business separation plan in an interim order. In January 2001, the PUCT consolidated remaining action on the business separation plan into the unbundled cost of service proceeding discussed below. In December 2001, the PUCT abated the proceeding and indicated it will consider a final order in a timely manner consistent with the settlement agreement delaying retail open access. The outcome of the LPSC proceedings described below, which have resulted in amendments to the plan beyond what was approved by the PUCT, have been and will continue to be reported to the PUCT and the Office of Public Utility Counsel and may require additional PUCT action before the business separation plan is final.

The LPSC opened a docket to identify the changes in corporate structure and operations of Entergy Gulf States, and their potential impact on Louisiana retail ratepayers, resulting from restructuring in Texas and Arkansas. In those proceedings, Entergy Gulf States and the LPSC staff reached a settlement on certain Texas business separation plan issues described above, and after a May 2001 hearing, the LPSC issued an interim order in July 2001 approving the settlement. In July 2001, Entergy Gulf States and the LPSC staff completed an additional settlement on business separation plan issues relating to the separation of Texas distribution and transmission. A hearing on the distribution and transmission settlement has been held and the LPSC approved the settlement in September 2001. With respect to issues related to the separation of generation, the LPSC had scheduled a hearing in November 2001 to address settled issues. In light of the delay in the commencement of retail open access, the procedural schedule in the LPSC docket has been temporarily suspended to assess the impact of the PUCT approval of the settlement agreement delaying retail open access.

Generation-related Issues

Regarding the generation-related issues referred to in the preceding paragraph, Entergy Gulf States has not yet reached agreement with the LPSC staff on certain matters related to the separation of the Texas generating assets. Entergy Gulf States has proposed that Texas generating assets be a jurisdictional portion (approximately 45 - 50%) of each generating plant and that Entergy Gulf States-Louisiana continue to operate the plants. Entergy Gulf States has also suggested that certain generating assets be allocated by specific plant such that the Texas generating assets have approximately the Texas jurisdictional portion of the capacity and value of all of Entergy Gulf States' generating assets.

Until the Texas generating assets are transferred to the Texas generation company, which, as currently proposed, will occur within three years from the commencement of retail open access in Texas, Entergy Gulf States-Louisiana expects to sell most of the Texas jurisdictional capacity and energy from these assets to the Texas generation company under a power sale agreement. The power sale agreement is expected to require the Texas generation company to pay all costs, including a reasonable return on equity, for the capacity and energy of the Texas generating assets. The Texas generation company is expected to sell most of this capacity and energy to Entergy's affiliated Texas retail electric providers at a negotiated rate and sell any remainder to the market. Entergy's affiliated Texas retail electric providers will use the capacity and energy to provide retail electric service to retail customers in Texas, including Entergy's price-to-beat obligation, which requires it to sell electricity to residential and small commercial customers in the service territory of the Texas distribution company at a rate equal to the existing base rates plus a fuel component.

Up to 20% of capacity and energy from the Texas generating assets must be sold to third parties under PUCT rules, or to Entergy's domestic utility companies that elect to purchase it, as described below:

o Under the Texas restructuring legislation and a stipulation, Entergy Gulf States offered to sell at auction entitlements to approximately 15% (approximately 425MW) of its Texas-jurisdictional installed generation capacity. Auctions occurred in September 2001, but because of the delay in retail open access, Entergy has unwound the auction transactions, and no liability exists for them. Additional capacity auctions are suspended until at least 60 days prior to the introduction of retail open access. The obligation to auction capacity entitlements continues for up to 60 months after retail open access occurs, or until 40% of current customers have chosen an alternative supplier, whichever comes first.
o Under the settlement of proceedings affecting the System Agreement, which are described below in "Rate Matters, Regulation, and Litigation - Rate Matters - Wholesale Rate Matters - System Agreement," Entergy's domestic utility companies have the option to purchase up to 5% of the megawatt capacity of the Texas generating assets. Each company has until March 15, 2002 to elect to purchase its pro rata share of the 5% of capacity. If the capacity purchase is elected, it will be for the period from the inception of retail open access in Texas for Entergy Gulf States through June 2008.

Beginning on the date retail open access begins, the market power measures in the Texas restructuring law will prohibit the Texas generation company and its affiliates from owning and controlling more than 20% of the installed generation capacity located in, or capable of delivering electricity to, a power region. The implications of this limit are uncertain. It is possible that the Texas generation company (or its affiliates) could be required to auction additional capacity entitlements, divest some of the Texas generating assets, or seek other means of mitigation if it is found to have ownership and control in excess of this limit.

Other PUCT Proceedings

In March 2001, Entergy Gulf States filed with the PUCT a non- unanimous settlement agreement in the unbundled cost proceeding that establishes the Texas distribution company's revenue requirement. The settlement agreement is between Entergy Gulf States, the PUCT staff, and other parties. Pursuant to a generic order by the PUCT, the Texas distribution company's allowed return on equity will be 11.25%. The capital structure prescribed by the PUCT is 60% debt and 40% equity. A rider to recover nuclear decommissioning costs will be implemented. Also in the settlement agreement, the parties agreed that Entergy Gulf States' Texas-jurisdictional stranded costs and benefits are $0, and no charge to recover stranded costs or credit to refund excess mitigation will be implemented. Entergy Gulf States agreed in the settlement to refund any excess earnings resulting from the restructuring law's annual report process for 2000 and 2001, which management does not expect to have a material financial effect. After a hearing in April 2001, the PUCT voted to approve a rate order consistent with the terms of the settlement. A written interim order was signed in May 2001. In December 2001, the PUCT abated the proceeding and indicated its intent to defer a final ruling on this proceeding until a date closer to the commencement of retail open access.

In June 2001, Entergy filed an application with the PUCT seeking certification of the Southwest Power Pool (SPP) as a power region under the Texas restructuring law. The proceeding has been abated, however, due to FERC's order on the establishment of RTOs, discussed in "Rate Matters, Regulation, and Litigation - Rate Matters - Wholesale Rate Matters - Open Access Transmission and Entergy's Independent Transmission Company Proposal,". In addition, the settlement that has delayed the commencement of retail open access requires a new power region certification proceeding. If Entergy Gulf States' power region in Texas is not certified by the PUCT before retail open access is introduced, Entergy's affiliated Texas retail electric provider could be required to maintain rates at the price-to-beat levels for residential and small commercial customers in Entergy Gulf States' service territory beyond January 1, 2007. Entergy's affiliated Texas retail electric provider could also be required to offer rates to industrial and large commercial customers in Entergy Gulf States' service territory that are no higher than the rates that, on a bundled basis, were in effect on January 1, 1999, subject to fuel factor adjustments. Entergy's affiliated Texas retail electric provider might also face requests for restrictions on its ability to compete for retail customers in parts of its power region in Texas outside of its current service area.

In July 2001, Entergy Gulf States filed an application for approval of the fuel factor portion of Entergy's affiliated Texas retail electric provider's price-to-beat rates, and the gas prices included in that filing were updated in October 2001. After the gas price update, Entergy Gulf States recommended that the PUCT approve an average fuel factor of approximately $29/MWH adjusted, if necessary, to maintain an adequate competitive margin. The request proceeded to hearing in early October 2001, and an ALJ made a recommendation in November 2001 that would result in a lower fuel factor than Entergy Gulf States requested. The PUCT has requested additional data and has remanded this matter to the State Office of Administrative Hearings for additional findings. In June 2001, Entergy Gulf States filed tariffs for the non-fuel component of the price-to-beat rates. The tariffs are based on Entergy Gulf States' current base rates. In September 2001, Entergy Gulf States entered into a unanimous settlement regarding the non-fuel component of price-to-beat rates. In February 2002, the PUCT voted to approve the settlement.

The PUCT has designated an Entergy-affiliated Texas retail electric provider to serve as the provider of last resort (POLR) for residential and small non-residential customers in the service territory of Southwestern Electric Power Company (SWEPCO), and for large non-residential customers in Entergy Gulf States' Texas service territory. Retail open access has been delayed in SWEPCO's service territory and it is likely Entergy's contract to provide POLR services will expire before retail open access begins there. Another designation of a POLR in that territory will be necessary if retail open access is implemented there. The Office of Public Utility Counsel (OPC) has filed a lawsuit in state court seeking a declaratory judgment that the PUCT did not use proper procedures to designate POLRs and that the POLR contracts are void. Neither the timing nor the outcome of this proceeding can be predicted at this time. The PUCT initiated a proceeding to designate SWEPCO's affiliated retail electric provider as the POLR for the residential and small non-residential customers in Entergy Gulf States' Texas service territory. Because of the delay in retail open access in SWEPCO's service area until at least September 15, 2002, the PUCT decided to dismiss only the portion of the proceeding that addressed designation of SWEPCO's affiliated retail electric provider to serve as POLR in Entergy Gulf States' Texas service area; the PUCT continued other portions of the proceeding. A retail electric provider will have to be designated to serve as the POLR when retail open access does begin in Entergy Gulf States' Texas service territory. At that time, it is also possible that an Entergy-affiliated Texas retail electric provider will be designated to serve as the POLR for residential and small non-residential customers at the price-to-beat rate in Entergy Gulf States' service territory. Neither the timing nor the outcome of these proceedings can be predicted at this time.

CAPITAL REQUIREMENTS AND FUTURE FINANCING

Management discusses Entergy's construction and other capital investment plans, financing requirements, Entergy Corporation credit support requirements, and its sources and uses of capital in "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - LIQUIDITY AND CAPITAL RESOURCES" and Notes 4, 5, 6, 7, 9, and 10 to the financial statements.

Certain Grand Gulf-related Financial and Support Agreements

Unit Power Sales Agreement (Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

The Unit Power Sales Agreement allocates capacity, energy, and the related costs from System Energy's 90% ownership and leasehold interests in Grand Gulf 1 to Entergy Arkansas (36%), Entergy Louisiana (14%), Entergy Mississippi (33%), and Entergy New Orleans (17%). Each of these companies is obligated to make payments to System Energy for its entitlement of capacity and energy on a full cost-of-service basis regardless of the quantity of energy delivered, so long as Grand Gulf 1 remains in commercial operation. Payments under the Unit Power Sales

Agreement are System Energy's only source of operating revenues. The financial condition of System Energy depends upon the continued commercial operation of Grand Gulf 1 and the receipt of such payments. Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans generally recover payments made under the Unit Power Sales Agreement through the rates charged to their customers. In the case of Entergy Arkansas and Entergy Louisiana, payments are also recovered through sales of electricity from their respective retained shares of Grand Gulf 1. The retained shares are discussed in Note 2 to the financial statements under the heading "Grand Gulf 1 Deferrals and Retained Shares."

Availability Agreement (Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

The Availability Agreement among System Energy and Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans was entered into in 1974 in connection with the financing by System Energy of Grand Gulf. The Availability Agreement provided that System Energy would join in the System Agreement on or before the date on which Grand Gulf 1 was placed in commercial operation and would make available to Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans all capacity and energy available from System Energy's share of Grand Gulf.

Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans also agreed severally to pay System Energy monthly for the right to receive capacity and energy from Grand Gulf in amounts that (when added to any amounts received by System Energy under the Unit Power Sales Agreement, or otherwise) would at least equal System Energy's total operating expenses for Grand Gulf (including depreciation at a specified rate) and interest charges. The September 1989 write-off of System Energy's investment in Grand Gulf 2, amounting to approximately $900 million, is being amortized for Availability Agreement purposes over 27 years.

The allocation percentages under the Availability Agreement are fixed as follows: Entergy Arkansas - 17.1%; Entergy Louisiana - 26.9%; Entergy Mississippi - 31.3%; and Entergy New Orleans - 24.7%. The allocation percentages under the Availability Agreement would remain in effect and would govern payments made under such agreement in the event of a shortfall of funds available to System Energy from other sources, including payments under the Unit Power Sales Agreement.

System Energy has assigned its rights to payments and advances from Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans under the Availability Agreement as security for its first mortgage bonds and reimbursement obligations to certain banks providing the letters of credit in connection with the equity funding of the sale and leaseback transactions described in Note 10 to the financial statements under "Sale and Leaseback Transactions - Grand Gulf 1 Lease Obligations." In these assignments, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans further agreed that, in the event they were prohibited by governmental action from making payments under the Availability Agreement (for example, if FERC reduced or disallowed such payments as constituting excessive rates), they would then make subordinated advances to System Energy in the same amounts and at the same times as the prohibited payments. System Energy would not be allowed to repay these subordinated advances so long as it remained in default under the related indebtedness or in other similar circumstances.

Each of the assignment agreements relating to the Availability Agreement provides that Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans will make payments directly to System Energy. However, if there is an event of default, those payments must be made directly to the holders of indebtedness that are the beneficiaries of such assignment agreements. The payments must be made pro rata according to the amount of the respective obligations secured.

The obligations of Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans to make payments under the Availability Agreement are subject to the receipt and continued effectiveness of all necessary regulatory approvals. Sales of capacity and energy under the Availability Agreement would require that the Availability Agreement be submitted to FERC for approval with respect to the terms of such sale. No such filing with FERC has been made because sales of capacity and energy from Grand Gulf are being made pursuant to the Unit Power Sales Agreement. If, for any reason, sales of capacity and energy are made in the future pursuant to the Availability Agreement, the jurisdictional portions of the Availability Agreement would be submitted to FERC for approval. Other aspects of the Availability Agreement are subject to the jurisdiction of the SEC, whose approval has been obtained, under PUHCA.

Since commercial operation of Grand Gulf 1 began, payments under the Unit Power Sales Agreement to System Energy have exceeded the amounts payable under the Availability Agreement. Therefore, no payments under the Availability Agreement have ever been required. If Entergy Arkansas or Entergy Mississippi fails to make its Unit Power Sales Agreement payments, and System Energy is unable to obtain funds from other sources, Entergy Louisiana and Entergy New Orleans could become subject to claims or demands by System Energy or its creditors for payments or advances under the Availability Agreement (or the assignments thereof) equal to the difference between their required Unit Power Sales Agreement payments and their required Availability Agreement payments.

The Availability Agreement may be terminated, amended, or modified by mutual agreement of the parties thereto, without further consent of any assignees or other creditors.

Capital Funds Agreement (Entergy Corporation and System Energy)

System Energy and Entergy Corporation have entered into the Capital Funds Agreement, whereby Entergy Corporation has agreed to supply System Energy with sufficient capital to (i) maintain System Energy's equity capital at an amount equal to a minimum of 35% of its total capitalization (excluding short-term debt) and (ii) permit the continued commercial operation of Grand Gulf 1 and pay in full all indebtedness for borrowed money of System Energy when due.

Entergy Corporation has entered into various supplements to the Capital Funds Agreement. System Energy has assigned its rights under such supplements as security for its first mortgage bonds and for reimbursement obligations to certain banks providing letters of credit in connection with the equity funding of the sale and leaseback transactions described in Note 10 to the financial statements under "Sale and Leaseback Transactions - Grand Gulf 1 Lease Obligations." Each such supplement provides that permitted indebtedness for borrowed money incurred by System Energy in connection with the financing of Grand Gulf may be secured by System Energy's rights under the Capital Funds Agreement on a pro rata basis (except for the Specific Payments, as defined below). In addition, in the supplements to the Capital Funds Agreement relating to the specific indebtedness being secured, Entergy Corporation has agreed to make cash capital contributions directly to System Energy sufficient to enable System Energy to make payments when due on such indebtedness (Specific Payments). However, if there is an event of default, Entergy Corporation must make those payments directly to the holders of indebtedness benefiting from the supplemental agreements. The payments (other than the Specific Payments) must be made pro rata according to the amount of the respective obligations benefiting from the supplemental agreements.

The Capital Funds Agreement may be terminated, amended, or modified by mutual agreement of the parties thereto, upon obtaining the consent, if required, of those holders of System Energy's indebtedness then outstanding who have received the assignments of the Capital Funds Agreement.

RATE MATTERS, REGULATION, AND LITIGATION

Rate Matters

The retail rates of Entergy's domestic utility companies are regulated by state or local regulatory authorities, as described below. FERC regulates wholesale rates (including intrasystem sales pursuant to the System Agreement) and interstate transmission of electricity, as well as rates for System Energy's sales of capacity and energy from Grand Gulf 1 to Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans pursuant to the Unit Power Sales Agreement.

Wholesale Rate Matters

System Energy

As described above under "CAPITAL REQUIREMENTS AND FUTURE FINANCING - Certain Grand Gulf-related Financial and Support Agreements," System Energy recovers costs related to its interest in Grand Gulf 1 through rates charged to Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans for capacity and energy under the Unit Power Sales Agreement.

In December 1995, System Energy implemented a $65.5 million rate increase, subject to refund. In July 2001, the rate increase proceeding became final, with FERC approving a prospective 10.94% return on equity, which is less than System Energy sought. FERC's decision also affected other aspects of System Energy's charges to the domestic utility companies that it supplies with power. In 1998, FERC approved requests by Entergy Arkansas and Entergy Mississippi to accelerate a portion of their Grand Gulf purchased power obligations. Entergy Arkansas' acceleration of Grand Gulf purchased power obligations ceased effective July 2001, as approved by FERC. The rate increase request filed by System Energy with FERC and the Grand Gulf accelerated recovery tariffs are discussed in Note 2 to the financial statements.

System Agreement (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

The domestic utility companies have historically engaged in the coordinated planning, construction, and operation of generation and transmission facilities pursuant to the terms of the System Agreement, as described under "PROPERTY - Generating Stations," below. Restructuring in the electric utility industry will affect these coordinated activities in the future.

The LPSC and the Council commenced a proceeding at FERC in April 2000 that requests revisions to the System Agreement that the LPSC and the Council allege are necessary to accommodate the proposed introduction of retail competition in Texas and Arkansas. In June 2000, the domestic utility companies filed proposed amendments to the System Agreement with FERC to facilitate the proposed implementation of retail competition in Arkansas and Texas and to provide for continued equalization of costs among the domestic utility companies in Louisiana and Mississippi. These proceedings have been consolidated with a previous complaint filed with FERC by the LPSC in 1995. In that complaint, the LPSC requested, among other things, modification of the System Agreement to exclude curtailable load from the cost allocation determination. In June 2001, in connection with these proceedings, the parties filed an offer of settlement with FERC. The offer of settlement provides for the following amendments to the System Agreement:

o the Texas retail jurisdictional division of Entergy Gulf States will terminate its participation in the System Agreement, except for the aspects related to transmission equalization, when Texas implements retail open access for Entergy Gulf States;
o five percent of Entergy Gulf States' megawatt capacity allocated to the Texas retail load by the LPSC will be made available to the domestic utility companies remaining under the System Agreement. Each company has until March 15, 2002 to elect to purchase its pro rata share of this capacity. Entergy Arkansas' pro rata share is 27.3%, Entergy Gulf States - Louisiana's pro rata share is 20.2%, Entergy Louisiana's pro rata share is 30.2%, Entergy Mississippi's pro rata share is 15.9%, and Entergy New Orleans' pro rata share is 6.4%. If a company elects to purchase capacity it will be for the period from the inception of retail open access in Texas for Entergy Gulf States through June 30, 2008. If a company elects not to purchase, the other companies are not entitled to purchase that company's share of the capacity; and
o the service schedule developed to track changes in energy costs resulting from the Entergy-Gulf States Utilities merger is modified to include one final true-up of fuel costs when the Texas retail jurisdictional division of Entergy Gulf States ceases participation in the System Agreement, after which the service schedule will no longer be applicable for any purpose.

As anticipated by the offer of settlement, the LPSC and the Council commenced a new proceeding at FERC in June 2001. In this proceeding, the LPSC and the Council allege that the rough production cost equalization required by FERC under the System Agreement and the Unit Power Sales Agreement has been disrupted by changed circumstances. The LPSC and the Council have requested that FERC amend the System Agreement or the Unit Power Sales Agreement or both to achieve full production cost equalization or to restore rough production cost equalization. Their complaint does not seek a change in the total amount of the costs allocated by either the System Agreement or the Unit Power Sales Agreement. In addition the LPSC and the Council allege that provisions of the System Agreement relating to minimum run and must run units, the methodology of billing versus dispatch, and the use of a rolling twelve month average of system peaks, increase costs paid by ratepayers in the LPSC and Council's jurisdictions. Several parties have filed interventions in the proceeding, including the APSC and the MPSC. Entergy filed its response to the complaint in July 2001 denying the allegations of the LPSC and the Council. The APSC and the MPSC also filed responses opposing the relief sought by the LPSC and the Council.

In their complaint, the LPSC and the Council allege that the domestic utility companies' annual production costs over the period 2002 to 2007 will be over or (under) the average for the domestic utility companies by the following amounts:

Entergy Arkansas million	($130) to ($278)
Entergy Gulf States - Louisiana million	$11 to $87
Entergy Louisiana million	$139 to $132
Entergy Mississippi million	($27) to $13
Entergy New Orleans million	$7 to $46

This range of results is a function of assumptions regarding such things as future natural gas prices, the future market price of electricity, and other factors. In February 2002, the FERC set the matter for hearing and established a refund effective period consisting of the 15 months following September 13, 2001. Although FERC set the matter for hearing, it held the hearing in abeyance to allow the parties to negotiate. A settlement judge was appointed, and the judge is ordered to issue a status report within 60 days. If FERC grants the relief requested by the LPSC and the Council, the relief may result in a material increase in production costs allocated to companies whose costs currently are projected to be less than the average and a material decrease in production costs allocated to companies whose costs currently are projected to exceed the average. Management believes that any changes in the allocation of production costs resulting from a FERC decision should result in similar rate changes for retail customers. Therefore, management does not believe that this proceeding will have a material effect on the financial condition of any of the domestic utility companies, although neither the timing nor the outcome of the proceedings at FERC can be predicted at this time.

The LPSC has instituted a companion ex parte System Agreement investigation to litigate several of the System Agreement issues that the LPSC is litigating before the FERC in the previously discussed System Agreement proceeding. This companion proceeding will require the LPSC to interpret various provisions of the System Agreement, including those relating to minimum run and must run units, the propriety of the methods used for billing and dispatch on the Entergy System, and the use of a rolling, twelve-month average of system peaks for allocating certain costs. In addition, by this companion proceeding the LPSC is questioning whether Entergy Louisiana and Entergy Gulf States were prudent for not seeking changes to the System Agreement previously, so as to lower costs imposed upon their ratepayers and to increase costs imposed upon ratepayers of other domestic utility companies. The domestic utility companies have challenged the propriety of the LPSC litigating System Agreement issues. Nevertheless, on January 16, 2002 the LPSC affirmed a decision of its ALJ upholding the LPSC staff's right to litigate System Agreement issues at the LPSC, rather than before the FERC. These System Agreement issues are to be litigated before the LPSC commencing in August 2002.

Open Access Transmission and Entergy's Independent Transmission Company Proposal (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans)

FERC issued Order 2000 in December 1999, which calls for owners and operators of transmission lines in the United States to join RTOs on a voluntary basis. Order 2000 initially required that RTOs commence independent operations no later than December 15, 2001.

In compliance with Order 2000, Entergy made a filing with FERC that requested authorization to establish an independent transmission company ("ITC") that would operate within and under the oversight of the proposed Southwest Power Pool RTO. Entergy also requested authorization to transfer the domestic utility companies' transmission assets to the ITC. The amounts of the domestic utility companies' net transmission utility plant assets recorded in their financial statements are provided in Note 1 to the financial statements under the heading "Property, Plant, and Equipment."

The proposed ITC would be a limited liability company. The managing member of the ITC would be a separate corporation with a board of directors independent of Entergy. The proposed ITC would:

o be regulated by FERC;
o own and operate (under the oversight of the RTO) the transmission system transferred to it by the domestic utility companies and other transmission owners in Entergy's current service territory region;
o be operated and maintained by employees who would work for the ITC and who would not have any financial interest in Entergy or the domestic utility companies; and
o be passively owned by the domestic utility companies and other member companies who transfer assets to the ITC.

In March 2001, Entergy, Entergy Services, and the domestic utility companies requested SEC approval under PUHCA of certain elements of the ITC plan. The domestic utility companies have also made filings with their local regulators seeking authorization to implement the ITC plan.

In July 2001, the FERC issued an order rejecting the Entergy and SPP proposed RTO on the grounds that it was not large enough to satisfy Order 2000's scope and configuration requirements. At the same time, the FERC indicated that it envisioned the establishment of four RTOs in the United States, one each for the Northeast, Southeast, Midwest, and West. FERC further required utilities within the Northeast and Southeast, including Entergy, to participate in mediation proceedings for the purpose of facilitating the establishment of these regional RTOs. While no consensus was reached during the mediation, following the mediation Entergy continued discussions with the Southern Company and certain municipal and cooperative systems within the Southeast to attempt to develop an RTO proposal. On November 20, 2001, Entergy, the Southern Company, and a number of public power entities filed a proposal with the FERC to establish an RTO for the Southeast referred to as SeTrans. The filing outlined the governance and scope elements of the proposed RTO. The SeTrans sponsors have initiated the process to identify an entity to operate as the RTO and intend to make a more detailed filing with FERC by May 15, 2002. ITC proceedings with state and local regulators have been suspended for the domestic utility companies pending further development of the RTO proposal.

In November 2001, FERC issued an order that established a new generation market power screen for purposes of evaluating a utility's request for market-based rate authority, applied that new screen to the Entergy System (among others), determined that Entergy and the others failed the screen within their respective control areas, and ordered these utilities to implement certain mitigation measures as a condition to their continued ability to buy and sell at market-based rates. Among other things, the mitigation measures would require that Entergy transact at cost-based rates when it is buying or selling in the hourly wholesale market within its control area. Entergy requested rehearing of the order, and FERC has delayed the implementation of certain mitigation measures until such time as it has had the opportunity to consider the rehearing request. FERC announced it will convene a technical conference prior to issuing a rehearing order.

In September 2001, the LPSC ordered Entergy Gulf States and Entergy Louisiana to show cause as to why these companies should not be enjoined from transferring their transmission assets to an ITC or any similar organization, asserting that FERC does not have jurisdiction to mandate an ITC or RTO. In October 2001, Entergy Gulf States and Entergy Louisiana filed a response to the LPSC's show cause directives. The ultimate outcome of this proceeding cannot be predicted at this time.

Retail Rate Regulation

General (Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans)

Certain costs related to Grand Gulf 1, Waterford 3, and River Bend were phased into retail rates over a period of years in order to avoid the "rate shock" associated with increasing rates to reflect all such costs at once. Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and the portion of Entergy Gulf States regulated by the LPSC have fully recovered such deferred costs associated with one or more of the plants. Entergy New Orleans' phase- in plan was completed in September 2001.

The retail regulatory philosophy has shifted in some jurisdictions from traditional, cost-of-service regulation to include performance- based rate

elements. Performance-based formula rate plans are designed to encourage efficiencies and productivity while permitting utilities and their customers to share in the benefits. Entergy Mississippi and Entergy Louisiana have implemented performance-based formula rate plans, but Entergy Louisiana's performance-based formula rate plan expired in 2001.

Entergy Arkansas

Retail Rate Proceedings

Entergy Arkansas' material retail rate proceedings that were resolved during the past year, are currently pending, or affect current year results are discussed in Note 2 to the financial statements.

Recovery of Grand Gulf 1 Costs

Under the settlement agreement entered into with the APSC in 1985 and amended in 1988, Entergy Arkansas retains 22% of its share of Grand Gulf 1 costs and recovers the remaining 78% of its share through rates. Under the Unit Power Sales Agreement, Entergy Arkansas' share of Grand Gulf 1 costs is 36%. In the event Entergy Arkansas is not able to sell its retained share to third parties, it may sell such energy to its retail customers at a price equal to its avoided cost, which is currently less than Entergy Arkansas' cost from the retained share.

Fuel Recovery

Entergy Arkansas' rate schedules include an energy cost recovery rider to recover fuel and purchased energy costs in monthly bills. The rider utilizes prior year energy costs and projected energy sales for the twelve month period commencing on April 1 of each year to develop an energy cost rate, which is redetermined annually and includes a true- up adjustment reflecting the over-recovery or under-recovery, including carrying charges, of the energy cost for the prior calendar year.

Rate Freeze

In December 1997, the APSC approved a settlement agreement resolving Entergy Arkansas' transition to competition case. One provision in that settlement was that base rates would remain at the level resulting from that case until at least July 1, 2001. The base rates will remain the same until the next general rate proceeding. The terms of the settlement agreement are discussed in Note 2 to the financial statements.

Entergy Gulf States

Retail Rate Proceedings

Entergy Gulf States' material retail rate proceedings that were resolved during the past year, are currently pending, or affect current year results are discussed in Note 2 to the financial statements. In addition, the 1999 retail rate settlement agreement that resolved Entergy Gulf States' 1996 and 1998 rate proceedings, which is currently under appeal, and various other matters are discussed in Note 2 to the financial statements. Entergy Gulf States' post-merger annual earnings review requirement ceased after the 2001 filing. Entergy plans to propose a statewide formula rate plan in Louisiana, which would include Entergy Gulf States.

Texas Jurisdiction - River Bend Costs

In March 1998, the PUCT issued an order disallowing recovery of $1.4 billion of company-wide River Bend plant costs which have been held in abeyance since 1988. Entergy Gulf States has appealed the PUCT's decision on this matter to a Texas District Court. The 1999 settlement agreement mentioned above addresses the treatment of abeyed plant costs, and, as a result, Entergy Gulf States removed the reserve for these costs and reduced the carrying value of the plant asset in 1999. Entergy Gulf States agreed not to prosecute its appeal before January 1, 2002 and agreed to cap the recovery of Entergy Gulf States' River Bend abeyed investment at $115 million net plant in service, less depreciation. Entergy Gulf States is now prosecuting its appeal, and argument on the appeal is scheduled for March 22, 2002. The abeyed plant costs are discussed in more detail in Note 2 to the financial statements.

Fuel Recovery

Entergy Gulf States' Texas rate schedules include a fixed fuel factor to recover fuel and purchased power costs, including carrying charges, not recovered in base rates. The 1999 settlement agreement mentioned above established a methodology for semi-annual revisions of the fixed fuel factor in March and September based on the market price of natural gas. Entergy Gulf States will continue to use this methodology until retail open access begins in Texas. To the extent actual costs vary from the fixed fuel factor, refunds or surcharges are required or permitted. The amounts collected under the fixed fuel factor through the start of retail open access are subject to fuel reconciliation proceedings before the PUCT. At the start of retail open access for Entergy Gulf States in Texas, which will be no sooner than September 15, 2002, fuel and purchased power cost recovery will be subject to the fuel component of the price-to-beat rates approved by the PUCT, as discussed in more detail above under "Industry Restructuring and Competition - Texas - Other PUCT Proceedings."

Entergy Gulf States' Louisiana electric rate schedules include a fuel adjustment clause designed to recover the cost of fuel and purchased power costs in the second prior month, adjusted by a surcharge or credit for deferred fuel expense and related carrying charges arising from the monthly reconciliation of actual fuel costs incurred with fuel revenues billed to customers. The LPSC and the PUCT fuel cost reviews that were resolved during the past year or are currently pending are discussed in Note 2 to the financial statements.

Entergy Gulf States' Louisiana gas rates include a purchased gas adjustment based on estimated gas costs for the billing month adjusted by a surcharge or credit for deferred fuel expense arising from the monthly reconciliation of actual fuel costs incurred with fuel cost revenues billed to customers.

Entergy Louisiana

Retail Rate Proceedings

Entergy Louisiana's material retail rate proceedings that were resolved during the past year, are currently pending, or affect current year results are discussed in Note 2 to the financial statements.

Recovery of Grand Gulf 1 Costs

In a series of LPSC orders, court decisions, and agreements from late 1985 to mid-1988, Entergy Louisiana was granted rate relief with respect to costs associated with Entergy Louisiana's share of capacity and energy from Grand Gulf 1, subject to certain terms and conditions. In November 1988, Entergy Louisiana agreed to retain 18% of its share of Grand Gulf 1 costs and recover the remaining 82% of its share through rates. Under the Unit Power Sales Agreement, Entergy Louisiana's share of Grand Gulf 1 costs is 14%. Non-fuel operation and maintenance costs for Grand Gulf 1 are recovered through Entergy Louisiana's base rates. Additionally, Entergy Louisiana is allowed to recover, through the fuel adjustment clause, 4.6 cents per KWH for the energy related to its retained portion of these costs. Alternatively, Entergy Louisiana may sell such energy to nonaffiliated parties at prices above the fuel adjustment clause recovery amount, subject to the LPSC's approval.

Performance-Based Formula Rate Plan

Entergy Louisiana has filed a performance-based formula rate plan by April 15 of each year that compares the annual rate of return on common equity (ROE) with a benchmark ROE. The benchmark ROE determined under the formula rate plan includes the current approved ROE adjusted for a customer satisfaction performance measure. The formula rate plan allows for periodic adjustments in retail rates if the annually determined actual ROE is outside an allowed range of the benchmark ROE. The performance-based formula rate plan ended in 2001 after the filing for the 2000 test year. Entergy Louisiana's performance-based formula rate plan filings are discussed in Note 2 to the financial statements. Several parties, including Entergy Louisiana, are currently working with the LPSC staff to develop a proposal for a statewide formula rate plan.

Fuel Recovery

Entergy Louisiana's rate schedules include a fuel adjustment clause designed to recover the cost of fuel in the second prior month, adjusted by a surcharge or credit for deferred fuel expense and related carrying charges arising from the monthly reconciliation of actual fuel costs incurred with fuel cost revenues billed to customers.

Entergy Mississippi

Retail Rate Proceedings

Entergy Mississippi's material retail rate proceedings that were resolved during the past year, are currently pending, or affect current year results are discussed in Note 2 to the financial statements.

Performance-Based Formula Rate Plan

Entergy Mississippi files a performance-based formula rate plan every 12 months that compares the annual earned rate of return to, and adjusts it against, a benchmark rate of return. The benchmark is calculated under a separate formula within the formula rate plan. The formula rate plan allows for periodic small adjustments in rates based on a comparison of actual earned returns to benchmark returns and upon certain performance factors. The formula rate plan filing for the 2000 test year is discussed in Note 2 to the financial statements. The formula rate plan filing for the 2001 test year will be submitted in March 2002.

Fuel Recovery

Entergy Mississippi's rate schedules include an energy cost recovery rider to recover fuel and purchased energy costs. In December 2000, the MPSC approved the recovery of $136.7 million of under- recoveries, plus carrying charges, over a 24-month period effective with the first

billing cycle of January 2001. Effective with January 2001 billings, the rider is utilizing projected energy costs filed quarterly by Entergy Mississippi to develop an energy cost rate. The energy cost rate is redetermined each calendar quarter and includes a true-up adjustment reflecting the over-recovery or under-recovery of the energy cost as of the second quarter preceding the redetermination.

Entergy New Orleans

Retail Rate Proceedings

Entergy New Orleans' material retail rate proceedings that were resolved during the past year, are currently pending, or affect current year results are discussed in Note 2 to the financial statements.

Recovery of Grand Gulf 1 Costs

Under Entergy New Orleans' various rate settlements with the Council in 1986, 1988, and 1991, Entergy New Orleans agreed to absorb and not recover from ratepayers a total of $96.2 million of its Grand Gulf 1 costs. Entergy New Orleans was permitted to implement annual rate increases in decreasing amounts each year through 1995, and to defer certain costs and related carrying charges for recovery on a schedule extending from 1991 through 2001.

Fuel Recovery

Entergy New Orleans' electric rate schedules include a fuel adjustment clause designed to recover the cost of fuel in the second prior month, adjusted by a surcharge or credit for deferred fuel expense arising from the monthly reconciliation of actual fuel costs incurred with fuel cost revenues billed to customers. The adjustment also includes the difference between non-fuel Grand Gulf 1 costs paid by Entergy New Orleans and the estimate of such costs, which are included in base rates, as provided in Entergy New Orleans' Grand Gulf 1 rate settlements. Entergy New Orleans' gas rate schedules include an adjustment to reflect estimated gas costs for the billing month, adjusted by a surcharge or credit similar to that included in the electric fuel adjustment clause, in addition to carrying charges. The Council is currently studying Entergy New Orleans' fuel adjustment methodologies, with the intention of considering means of mitigating the effect on ratepayers of sudden increases in fuel costs. The resolution commencing the study notes that the Council does not intend to deny Entergy New Orleans full recovery of its prudently incurred fuel and purchased power costs.

Regulation

Federal Regulation (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

PUHCA

Entergy Corporation and its various direct and indirect subsidiaries are subject to the broad regulatory provisions of PUHCA, with the exception of its EWG and FUCO subsidiaries. Except with respect to investments in EWGs and FUCOs, the principal regulatory provisions of PUHCA:

o limit the operations of a registered holding company system to a single, integrated public utility system, plus certain ancillary and related systems and businesses;
o regulate certain transactions among affiliates within a holding company system;
o govern the issuance, acquisition, and disposition of securities and assets by registered holding companies and their subsidiaries;
o limit the entry by registered holding companies and their subsidiaries into businesses other than electric and/or gas utility businesses; and
o require SEC approval for certain utility mergers and acquisitions.

Entergy Corporation and other electric utility holding companies have supported legislation in the United States Congress to repeal PUHCA and transfer certain aspects of the oversight of public utility holding companies from the SEC to FERC. Entergy believes that PUHCA inhibits its ability to compete in the evolving electric energy marketplace and largely duplicates the oversight activities otherwise performed by FERC and other federal regulators and by state and local regulators. In June 1995, the SEC adopted a report proposing options for the repeal or significant modification of PUHCA, which it continues to support, but the U.S. Congress has not passed legislation pursuant to this report.

Federal Power Act

The domestic utility companies, System Energy, and Entergy Power are subject to the Federal Power Act as administered by FERC and the DOE. The Federal Power Act provides for regulatory jurisdiction over the transmission and wholesale sale of electric energy in interstate commerce, licensing of certain hydroelectric projects and certain other activities, including accounting policies and practices. Such regulation includes jurisdiction over the rates charged by System Energy for Grand Gulf 1 capacity and energy provided to Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans.

Entergy Arkansas holds a FERC license for two hydroelectric projects totaling 70 MW of capacity that was renewed on July 2, 1980 and expires on February 28, 2003. In December 2000, Entergy Arkansas filed a license extension application with FERC for these two facilities.

Regulation of the Nuclear Power Industry (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy)

Regulation of Nuclear Power

Under the Atomic Energy Act of 1954 and the Energy Reorganization Act of 1974, the operation of nuclear plants is heavily regulated by the NRC, which has broad power to impose licensing and safety-related requirements. In the event of non-compliance, the NRC has the authority to impose fines or shut down a unit, or both, depending upon its assessment of the severity of the situation, until compliance is achieved. Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy, as owners of all or portions of ANO, River Bend, Waterford 3, and Grand Gulf 1, respectively, and Entergy Operations, as the licensee and operator of these units, are subject to the jurisdiction of the NRC. Additionally, Entergy's domestic non-utility nuclear business is subject to the NRC's jurisdiction as the owner and operator of Pilgrim, Indian Point Energy Center, and FitzPatrick. Revised safety requirements promulgated by the NRC have, in the past, necessitated substantial capital expenditures at these nuclear plants, and additional expenditures could be required in the future.

The nuclear power industry faces uncertainties with respect to the cost and long-term availability of sites for disposal of spent nuclear fuel and other radioactive waste, nuclear plant operations, including security costs, the technological and financial aspects of decommissioning plants at the end of their licensed lives, and requirements relating to nuclear insurance. These matters are briefly discussed below.

Regulation of Spent Fuel and Other High-Level Radioactive Waste

Under the Nuclear Waste Policy Act of 1982, the DOE is required, for a specified fee, to construct storage facilities for, and to dispose of, all spent nuclear fuel and other high-level radioactive waste generated by domestic nuclear power reactors. After twenty years of study, the DOE, in February 2002, formally recommended, and President Bush approved, Yucca Mountain, Nevada as the permanent spent fuel repository. The State of Nevada may veto the site subject to override by simple majority of both houses of Congress. If Yucca Mountain is sustained as the repository site, DOE will proceed with the licensing and eventual construction of the repository and may begin receipt of spent fuel as early as approximately 2010. Otherwise, DOE may not accept spent fuel for a significantly longer period of time. As a result, future expenditures will be required to increase spent fuel storage capacity at Entergy's nuclear plant sites. Information concerning spent fuel disposal contracts with the DOE, current on-site storage capacity, and costs of providing additional on-site storage is presented in Note 9 to the financial statements.

Regulation of Low-Level Radioactive Waste

The availability and cost of disposal facilities for low-level radioactive waste resulting from normal nuclear plant operations are subject to a number of uncertainties. Under the Low-Level Radioactive Waste Policy Act of 1980, as amended, each state is responsible for disposal of waste originating in that state, but states may participate in regional compacts to fulfill their responsibilities jointly. Arkansas and Louisiana participate in the Central Interstate Low-Level Radioactive Waste Compact (Central States Compact) and Mississippi participates in the Southeast Low-Level Radioactive Waste Compact (Southeast Compact). Both the Central States Compact and the Southeast Compact waste facility development projects are on hold and further development efforts are unknown at this time. Neither Massachusetts, where Pilgrim is located, nor New York, where Indian Point Energy Center and FitzPatrick are located, participates in any regional compact and efforts to fulfill their responsibilities have been minimal. Two licensed disposal sites are currently operating in the United States, but only one site, the Barnwell Disposal Facility (Barnwell) located in South Carolina, is open to out-of-region generators. The availability of Barnwell provides only a temporary solution for Entergy's low-level radioactive waste storage and does not alleviate the need to develop new disposal capacity. In June 2000, the governor of South Carolina signed legislation forming a new low-level waste compact with the states of Connecticut and New Jersey. The compact will start restricting acceptance of out-of-region waste in 2002 and totally ban out-of-region waste by 2008.

The Southeast Compact has filed sanctions against the host state of North Carolina and the process is currently on hold pending resolution of the sanctions action by the compact. In December 1998, the host state for the Central States Compact, Nebraska, denied the compact's license application. In December 1998, Entergy and two other utilities in the Central States Compact filed a lawsuit against the state of Nebraska seeking damages resulting from delays and a faulty license review process. Entergy Arkansas, Entergy Louisiana, and Entergy Gulf States, along with other waste generators, fund the development costs for new disposal facilities relating to the Central States Compact. Development costs to be incurred in the future are difficult to predict. The current schedules for the site development in both the Central States Compact and the Southeast Compact are undetermined at this time. Until long-term disposal facilities are established, Entergy will seek continued access to existing facilities. If such access is unavailable, Entergy will store low-level waste at its nuclear plant sites.

Regulation of Nuclear Plant Decommissioning

Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy are recovering through electric rates the estimated decommissioning costs for ANO, River Bend, Waterford 3, and Grand Gulf 1, respectively. These amounts are deposited in trust funds which,

together with the related earnings, can only be used for future decommissioning costs. Estimated decommissioning costs are periodically reviewed and updated to reflect inflation and changes in regulatory requirements and technology. Applications are periodically made to appropriate regulatory authorities to reflect, in rates, the changes in projected decommissioning costs. Entergy Arkansas will not recover decommissioning costs in 2002 for ANO 1 and 2 based on the extension of the ANO 1 license and the assumption that the ANO 2 license will be extended and that the existing decommissioning trust funds, together with their expected future earnings, will meet the estimated decommissioning costs. In conjunction with the Pilgrim acquisition, Entergy received Pilgrim's decommissioning trust fund. Entergy believes that Pilgrim's decommissioning fund will be adequate to cover future decommissioning costs for the plant without any additional deposits to the trust. Subject to decommissioning service agreements between Entergy and NYPA, NYPA retains the decommissioning liability and trusts relating to Indian Point 3 and FitzPatrick up to a specified amount. Entergy believes that the amounts that will be available from the trusts will be sufficient to cover the future decommissioning costs of Indian Point 3 and FitzPatrick without any additional contributions to the trusts. As part of the Indian Point 1 and 2 purchase, Consolidated Edison transferred the decommissioning trust fund and the liability to decommission Indian Point 1 and 2 to Entergy. Entergy also funded an additional $25 million to the decommissioning trust fund and believes that the trust will be adequate to cover future decommissioning costs for Indian Point 1 and 2 without any additional deposits to the trust. Additional information with respect to decommissioning costs for ANO, River Bend, Waterford 3, Grand Gulf 1, Pilgrim, Indian Point 1, Indian Point 2, Indian Point 3, and FitzPatrick is found in Note 9 to the financial statements.

The EPAct requires all electric utilities (including Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy) that purchased uranium enrichment services from the DOE to contribute up to a total of $150 million annually over approximately 15 years (adjusted for inflation, up to a total of $2.25 billion) for decontamination and decommissioning of enrichment facilities. At December 31, 2001, five years of assessments remain. In accordance with the EPAct, contributions to decontamination and decommissioning funds are recovered through rates in the same manner as other fuel costs. The estimated annual contributions by Entergy for decontamination and decommissioning fees are discussed in Note 9 to the financial statements.

Nuclear Insurance

The Price-Anderson Act limits public liability for a single nuclear incident to approximately $9.5 billion. Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, System Energy, and Entergy's domestic non-utility nuclear business have protection with respect to this liability through a combination of private insurance and an industry assessment program, as well as insurance for property damage, costs of replacement power, and other risks relating to nuclear generating units. Insurance applicable to the nuclear programs of Entergy is discussed in Note 9 to the financial statements.

Nuclear Operations

General (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy)

Entergy Operations operates ANO, River Bend, Waterford 3, and Grand Gulf 1, subject to the owner oversight of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy, respectively. Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy pay directly or reimburse Entergy Operations at cost for its operation of the nuclear units. Entergy's domestic non-utility nuclear business is the operator of Pilgrim, Indian Point Energy Center, and FitzPatrick.

ANO Matters (Entergy Corporation and Entergy Arkansas)

In August 2001, the NRC issued a bulletin requesting all pressurized water reactor owners and operators to report on the structural integrity of their reactor vessel head penetration nozzles to justify continued operations past December 31, 2001. These types of reactors are susceptible to water stress corrosion cracking of the reactor vessel head nozzles. ANO 1 and 2 are pressurized water reactors. In March 2001, an inspection of ANO 1 revealed one leaking control rod drive mechanism nozzle, which was subsequently repaired. An inspection at ANO 2 is scheduled during the next refueling outage in April 2002. Entergy Arkansas has received favorable responses from the NRC for continued operations of ANO 1 and 2.

Inspections of the ANO 1 steam generators during planned outages also have revealed cracks in certain steam generator tubes, which have been repaired or plugged. The current number of cracks is below the limit authorized by the NRC to allow the unit to remain in operation and has not affected ANO 1's output to date. Using current projections of steam generator tube plugging, the current best estimate is that replacement of the ANO Unit 1 steam generators will be required by 2013. Entergy Operations currently does not expect ANO Unit 1 to have to conduct mid-cycle outages for steam generator inspection before 2005. ANO 2's steam generator was replaced during a refueling outage in the second half of 2000.

Entergy Operations is in the process of gathering information and assessing various options for the permanent repair or replacement of ANO 1 and 2's reactor vessel heads and the replacement of ANO 1's steam generators. Certain of these options could, in the future, require significant capital expenditures and/or result in additional unscheduled mid-cycle outages. A decision as to the permanent repair or replacement of the reactor vessel heads and replacement of the steam generators is anticipated in 2002. If permanent replacement is selected, fabrication for a reactor vessel head and steam generators may take up to four years.

In December 2000, Entergy Operations applied to the NRC for an amendment to ANO 2's operating license that would allow for an increase in the reactor core power rating. If granted, this amendment will allow ANO 2 to increase its gross electrical output by approximately 90 MW. Entergy Operations has requested action by the NRC on the amendment by April 2002, to permit implementation of the uprate following ANO 2's next scheduled refueling outage.

In June 2001, Entergy Arkansas received notification from the NRC of approval for a renewed operating license authorizing operations at ANO 1 through May 2034.

Domestic Non-Utility Nuclear (Entergy Corporation)

In November 2001, a nonprofit organization, joined by federal and New York state and local officials and other organizations, filed a petition with the NRC alleging that the Indian Point 2 and 3 nuclear power plants were vulnerable to terrorist attack and seeking an immediate shutdown of the plants. Entergy believes the petitioners' requests are without merit and is vigorously contesting the petitioners' allegations. A procedural schedule has not been set by the NRC. Management cannot predict the timing of the NRC's consideration, if any, of this matter.

State Regulation (Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans)

General

Entergy Arkansas is subject to regulation by the APSC, which includes the authority to:

o oversee utility service;
o set rates;
o determine reasonable and adequate service;
o require proper accounting;
o control leasing;
o control the acquisition or sale of any public utility plant or property constituting an operating unit or system;
o set rates of depreciation;
o issue certificates of convenience and necessity and certificates of environmental compatibility and public need; and
o regulate the issuance and sale of certain securities.

Entergy Gulf States may be subject to the jurisdiction of the municipal authorities of a number of incorporated cities in Texas as to retail rates and service within their boundaries, with appellate jurisdiction over such matters residing in the PUCT. Entergy Gulf States' Texas business is also subject to regulation by the PUCT as to:

o retail rates and service in rural areas;
o certification of new transmission lines; and
o extensions of service into new areas.

Entergy Gulf States' Louisiana electric and gas business and Entergy Louisiana are subject to regulation by the LPSC as to:

o utility service;
o rates and charges;
o certification of generating facilities;
o power or capacity purchase contracts; and
o depreciation, accounting, and other matters.

Entergy Louisiana is also subject to the jurisdiction of the Council with respect to such matters within Algiers in Orleans Parish.

Entergy Mississippi is subject to regulation by the MPSC as to the following:

o utility service;
o service areas;
o facilities; and
o retail rates.

Entergy Mississippi is also subject to regulation by the APSC as to the certificate of environmental compatibility and public need for the Independence Station, which is located in Arkansas.

Entergy New Orleans is subject to regulation by the Council as to the following:

o utility service;
o rates and charges;
o standards of service;
o depreciation, accounting, and issuance and sale of certain securities; and
o other matters.

Franchises

Entergy Arkansas holds exclusive franchises to provide electric service in approximately 304 incorporated cities and towns in Arkansas. These franchises are unlimited in duration and continue unless the municipalities purchase the utility property. In Arkansas, franchises are considered to be contracts and, therefore, are terminable upon breach of the terms of the franchise.

Entergy Gulf States holds non-exclusive franchises, permits, or certificates of convenience and necessity to provide electric and gas service in approximately 55 incorporated municipalities in Louisiana and to provide electric service in approximately 63 incorporated municipalities in Texas. Entergy Gulf States typically is granted 50- year franchises in Texas and 60-year franchises in Louisiana. Entergy Gulf States' current electric franchises will expire during 2007 - 2036 in Texas and during 2015 - 2046 in Louisiana. The natural gas franchise in the City of Baton Rouge will expire in 2015. In addition, Entergy Gulf States holds a certificate of convenience and necessity from the PUCT to provide electric service to areas within 21 counties in eastern Texas. Retail open access is scheduled to begin in Entergy Gulf States' Texas service territory no sooner than September 15, 2002.

Entergy Louisiana holds non-exclusive franchises to provide electric service in approximately 116 incorporated Louisiana municipalities. Most of these franchises have 25-year terms, although six of these municipalities have granted 60-year franchises. Entergy Louisiana also supplies electric service in approximately 353 unincorporated communities, all of which are located in Louisiana parishes in which it holds non-exclusive franchises.

Entergy Mississippi has received from the MPSC certificates of public convenience and necessity to provide electric service to areas within 45 counties, including a number of municipalities, in western Mississippi. Under Mississippi statutory law, such certificates are exclusive. Entergy Mississippi may continue to serve in such municipalities upon payment of a statutory franchise fee, regardless of whether an original municipal franchise is still in existence.

Entergy New Orleans provides electric and gas service in the City of New Orleans pursuant to city ordinances (except electric service in Algiers, which is provided by Entergy Louisiana). These ordinances contain a continuing option for the City of New Orleans to purchase Entergy New Orleans' electric and gas utility properties. A resolution to study the advantages for ratepayers that might result from an acquisition of these properties was filed in a committee of the Council in January 2001. The committee has deferred consideration of and has taken no further action regarding that resolution. The full Council must approve the resolution to commence such a study before it can become effective.

The business of System Energy is limited to wholesale power sales. It has no distribution franchises.

Environmental Regulation

General

Entergy's facilities and operations are subject to regulation by various domestic and foreign governmental authorities having jurisdiction over air quality, water quality, control of toxic substances and hazardous and solid wastes, and other environmental matters. Management believes that its affected subsidiaries are in substantial compliance with environmental regulations currently applicable to their facilities and operations. Because environmental regulations are subject to change, future compliance costs cannot be precisely estimated.

Clean Air Legislation

The Clean Air Act Amendments of 1990 (the Act) established the following four programs that currently or in the future may affect Entergy's fossil-fueled generation:

o an acid rain program for control of sulfur dioxide (SO2) and nitrogen oxides (NOx);
o an ozone non-attainment area program for control of NOx and volatile organic compounds;
o a hazardous air pollutant emissions reduction program; and
o an operating permits program for administration and enforcement of these and other Act programs.

Under the current acid rain program, Entergy's subsidiaries have not required additional equipment to control SO2 or NOx. The Act provides SO2 allowances to most of the affected Entergy generating units for emissions based upon past emission levels and operating characteristics.

Each allowance is an entitlement to emit one ton of SO2 per year. Under the Act, utilities are required to possess allowances for SO2 emissions from affected generating units. All Entergy fossil-fueled generating units are classified as "Phase II" units under the Act and are subject to SO2 allowance requirements. Entergy is a net buyer of allowances when it generates power using fuel oil.

Controls were recently implemented at certain Entergy Gulf States generating units to achieve NOx reductions due to the ozone non- attainment status of areas served in and around Beaumont and Houston, Texas. To date, the cost of additional control equipment necessary to maintain this compliance is immaterial. In April and December 2000, Texas authorities adopted future control strategies for the Beaumont and Houston areas, respectively. These strategies adopted by the State of Texas will cause Entergy Gulf States to incur additional costs for NOx controls through 2007. Entergy commenced projects in 2000 to engineer, procure, and construct needed air pollution control facilities. Cost estimates will be refined as engineering design progresses based on final strategies approved by the EPA. Entergy currently estimates compliance costs to be $22 to $39 million in the Beaumont area and approximately $15 million in the Houston area. Entergy believes the future control strategies in the ozone non- attainment regulations require emission limits that are more restrictive than those related to utility restructuring in Texas. As part of legislation passed in Texas in June 1999 to restructure the electric power industry in the state, certain generating units of Entergy Gulf States will be required to obtain operating permits and meet new, lower emission limits for NOx. As part of its control efforts, Entergy Gulf States is expected to incur costs through 2003 to meet the standards in the restructuring legislation.

The State of Louisiana is considering future emission control strategies to address continued ozone non-attainment status of areas in and around Baton Rouge, Louisiana. In November 2001, the LDEQ issued a draft rule for control of NOx as part of the State Implementation Plan (SIP) to bring this area into attainment with the National Ambient Air Quality standards for ozone by May 2005. The draft contains certain provisions that would lead to installation of new NOx control equipment at Entergy Gulf States generating units. Preliminary analyses indicate compliance costs may be as much as $72 million in new capital spending. Most of the related expenditures would take place in 2003 and 2004. The final rule is expected to be in place by March 2002. Cost estimates will be refined as engineering studies progress before and after promulgation of the final NOx rule and approval of the SIP by the EPA. Entergy Gulf States will be required to obtain revised operating permits from the LDEQ and meet new, lower emission limits for NOx. Entergy Gulf States expects to file before October 2002 revised permit applications containing its detailed compliance strategy. In late August 2001, however, a federal magistrate issued a report recommending that the EPA be ordered to make a determination regarding the ozone non- attainment status and any reclassification of the area required as a result of the determination. The recommendation might result in an upgrade from the current status of "serious" to "severe" non-attainment classification for the Baton Rouge area. If this occurs, LDEQ ozone SIP rulemakings could be affected, especially in terms of scheduling. The specific impact of the magistrate's recommendation on Entergy Gulf States will remain unclear until the EPA responds to the magistrate's report.

Oil Pollution Prevention and Response

The EPA has issued a proposed rule on oil pollution prevention and response. This rule could affect Entergy's operations of its approximately 3,500 transmission and distribution electrical equipment installations that are potentially subject to this proposed rule. If the proposed rule is issued in the form expected by the industry, Entergy will be substantially in compliance with the rule. Nevertheless, there is the possibility that the rule could be issued in a form that would require Entergy to develop site-specific oil spill prevention control and countermeasure plans for the facilities subject to the rule. In addition, secondary containment could be required around the equipment in these facilities. Entergy participates in industry groups involved with the proposed rule and will be monitoring the development of the proposed rule. It is expected that the final rule will be issued in mid-2002.

Other Environmental Matters

The Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (CERCLA), authorizes the EPA and, indirectly, the states, to mandate clean-up, or reimbursement of clean- up costs, by owners or operators of sites from which hazardous substances may be or have been released. Parties that generated or transported hazardous substances to these sites are also deemed liable by CERCLA. CERCLA has been interpreted to impose joint and several liability on responsible parties. The domestic utility companies have sent waste materials to various disposal sites over the years. In addition, environmental laws now regulate certain of the domestic utility companies' operating procedures and maintenance practices which historically were not subject to regulation. Some of Entergy's disposal sites have been the subject of governmental action under CERCLA, resulting in site clean-up activities. The domestic utility companies have participated to various degrees in accordance with their respective potential liabilities in such site clean-ups and have developed experience with clean-up costs. The affected domestic utility companies have established reserves for such environmental clean-up and restoration activities.

Entergy Arkansas

Entergy Arkansas entered into a Consent Administrative Order with the ADEQ in which it agreed to conduct initial stabilization associated with contamination at the Utilities Services, Inc. state Superfund site located near Rison, Arkansas. This site was never owned or operated by any Entergy-affiliated company. This site was found to have soil contaminated by polychlorinated biphenyls (PCBs) and pentachlorophenol (a wood preservative). Containers and drums that contained PCBs and other hazardous substances were found at the site. Entergy Arkansas worked with the ADEQ to identify and notify other PRPs with respect to this site. Approximately twenty PRPs have been identified to date. In December 1999, Entergy Arkansas, along with several other PRPs, met with ADEQ representatives to discuss the clean-up of the site. Entergy Arkansas believes that its ultimate responsibility for this site will not materially exceed its existing clean-up provision of $5 million. Entergy has

sent a letter of intent to the ADEQ to participate in the site characterization, and Entergy is waiting for a response from the ADEQ. As of December 31, 2001, Entergy Arkansas had incurred approximately $400,000 of clean-up costs at the site.

Entergy Gulf States

Several class action and other suits have been filed in state and federal courts seeking relief from Entergy Gulf States and others for damages caused by the disposal of hazardous waste and for asbestos- related disease allegedly resulting from exposure on Entergy Gulf States' premises (see "Other Regulation and Litigation" below).

In August 1999, Entergy Gulf States received notice from the Texas Natural Resource Conservation Commission (TNRCC) that it is considered to be a PRP for the Spector Salvage Yard in Orange, Texas. The Spector Salvage site operated from approximately 1944 until 1971. In addition to general salvage, the facility functioned as a repository for military surplus equipment and supplies purchased from military, industrial, and chemical facilities. Soil samples from the site indicate the presence of heavy metals and various organics, including PCBs. The TNRCC requested of all PRPs a submission of a good faith offer to fully fund or conduct a remedial investigation. Entergy Gulf States believes that there is insufficient basis for including the company as a PRP. If additional evidence that Entergy Gulf States is a PRP were discovered, Entergy Gulf States would re-evaluate its position. Based on the size of the site, Entergy Gulf States expects that its future expenditures for investigation and clean-up should not exceed its existing clean-up provision of $250,000.

Entergy Gulf States is currently involved in a remedial investigation of the Lake Charles Service Center site, located in Lake Charles, Louisiana. A manufactured gas plant (MGP) is believed to have operated at this site from approximately 1916 to 1931. Coal tar, a by- product of the distillation process employed at MGPs, was apparently routed to a portion of the property for disposal. The same area has also been used as a landfill. In 1999, Entergy Gulf States signed a second Administrative Consent Order with the EPA to perform removal action at the site. Entergy Gulf States believes that its ultimate responsibility for this site will not materially exceed its existing clean-up provision of $15.1 million.

Entergy Gulf States is currently involved in the second phase of an investigation of contamination of an MGP site, known as the Old Jennings Ice Plant, located in Jennings, Louisiana. The MGP is believed to have operated from approximately 1909 to 1926. The site is currently used for an electrical substation and storage of transmission and distribution equipment. In July 1996, a petroleum-like substance was discovered on the surface soil, and notification was made to the LDEQ. The LDEQ was aware of this site based upon a survey performed by an environmental consultant for the EPA. Entergy Gulf States obtained the services of an environmental consultant to collect core samples and to perform a search of historical records to determine what activities occurred at Jennings. Results of the core sampling, which found limited amounts of contamination on-site, were submitted to the LDEQ. A plan to determine a cost-effective remediation strategy will be developed and submitted to the LDEQ for review in 2002. Entergy does not expect that its ultimate financial responsibility with respect to this site will be material. The amount of its existing provision for clean-up is $191,000.

In 1994, Entergy Gulf States performed a site assessment in conjunction with a construction project at the Louisiana Station Generating Plant (Louisiana Station). In 1995, a further assessment confirmed subsurface soil and groundwater impact to three areas on the plant site. After further review, a notification was made to the LDEQ. The final phase of groundwater clean up and monitoring at Louisiana Station is expected to continue through 2003. The remediation cost incurred through December 31, 2001 for this site was $6.3 million. Future costs are not expected to exceed the existing provision of $1.2 million.

Entergy New Orleans

Entergy New Orleans built a new substation on a parcel of land located adjacent to an existing substation which is in close proximity to the former Market Street power plant. During pre-construction activities in January 2000, significant levels of lead were discovered in the soil at this site. Entergy New Orleans notified the LDEQ of the contamination. The contamination at this site was addressed using the LDEQ Risk Evaluation/Corrective Action Plan. The work has been completed and the final closure report was submitted in the first quarter of 2001. The cost of this remediation was approximately $1 million. Entergy is awaiting final written LDEQ approval. No further environmental activity is anticipated.

Entergy Louisiana and Entergy New Orleans

Several class action and other suits have been filed in state and federal courts seeking relief from Entergy Louisiana and Entergy New Orleans and others for damages caused by the disposal of hazardous waste and for asbestos-related disease allegedly resulting from exposure on Entergy Louisiana's and Entergy New Orleans' premises (see "Other Regulation and Litigation" below).

The Southern Transformer shop located in New Orleans has served both Entergy Louisiana and Entergy New Orleans. This transformer shop is now being closed and environmental assessments are now being performed to determine what remediation may be necessary. Based on preliminary findings, an expected clean-up cost of $750,000 has been accrued for this project.

From 1992 to 1994, Entergy Louisiana performed remedial activities at a retired power plant known as the Thibodaux municipal site,

previously owned and operated by a Louisiana municipality. Entergy Louisiana purchased the power plant at this site as part of the acquisition of municipal electric systems. The site assessment indicated some subsurface contamination from fuel oil. Remediation of the Thibodaux site is expected to continue through 2002. The cost incurred through December 31, 2001 for the Thibodaux site was approximately $657,000. Future costs are not expected to exceed the remaining provision of $174,000 at December 31, 2001. The LDEQ is currently reviewing a groundwater assessment completed in 2001. Results of the review will determine what additional remediation remains to be completed.

During 1993, the LDEQ issued new rules for solid waste regulation, including regulation of wastewater impoundments. Entergy Louisiana and Entergy New Orleans have determined that certain of their power plant wastewater impoundments were affected by these regulations and chose to remediate and repair or close them. Completion of this work is pending LDEQ approval. LDEQ has issued notices of deficiencies for certain of these sites. As a result, recorded liabilities in the amounts of $5.8 million for Entergy Louisiana and $0.5 million for Entergy New Orleans existed at December 31, 2001 for wastewater remediation and repairs and closures. Management of Entergy Louisiana and Entergy New Orleans believes these reserves are adequate based on current estimates.

Other Regulation and Litigation

Entergy Corporation and Entergy Gulf States Merger

The APSC, Arkansas Cities and Cooperatives, Arkansas Electric Energy Consumers, the MPSC, and the State of Mississippi appealed to the D.C. Circuit the FERC's approval of the merger of Entergy Corporation and Gulf States Utilities. Entergy and the LPSC intervened in support of the FERC. The appellants seek to overturn the FERC's decision on two broad grounds: first, whether the FERC's approval of the addition of Gulf States produced an unjust and discriminatory rate in violation of Federal Power Act section 205; and second, whether the FERC's approval of the merger without conducting an evidentiary hearing on the effect of the merger on wholesale generation violated Federal Power Act section 203. The D.C. Circuit scheduled oral argument for April 2002. Management cannot predict the timing or outcome of this proceeding.

Employment Litigation (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans)

Entergy Corporation and the domestic utility companies are defendants in numerous lawsuits that have been filed by former employees alleging that they were wrongfully terminated and/or discriminated against on the basis of age, race, and/or sex. Entergy Corporation and the domestic utility companies are vigorously defending these suits and deny any liability to the plaintiffs. However, no assurance can be given as to the outcome of these cases, and at this time management cannot estimate the total amount of damages sought.

Asbestos and Hazardous Waste Suits (Entergy Gulf States, Entergy Louisiana, and Entergy New Orleans)

Numerous lawsuits have been filed in federal and state courts in Texas and Louisiana primarily by contractor employees in the 1950-1980 timeframe against Entergy Gulf States, Entergy Louisiana and Entergy New Orleans, as premises owners of power plants, for damages caused by alleged exposure to asbestos or other hazardous material. Many other defendants are named in these lawsuits as well. Since 1992, the Entergy companies have resolved over 3 thousand claims for nominal amounts that in the aggregate total less that $13 million, including defense costs. Some of this loss has been offset by reimbursement from insurers. Presently there are over 3 thousand claims pending and reserves have been established that should be adequate to cover any exposure. Additionally, negotiations continue with insurers to recover more reimbursement, while new coverage is being secured to minimize anticipated future potential exposures. Management believes that loss exposure has been and will continue to be handled successfully so that the ultimate resolution of these matters will not be material, in the aggregate, to its financial position or results of operation.

Ratepayer Lawsuits (Entergy Corporation, Entergy Gulf States, Entergy Louisiana, and Entergy New Orleans)

Vidalia Project Sub-Docket

Marathon Oil Company and Louisiana Energy Users Group, intervenors in another proceeding that has since been settled, requested that the LPSC review the prudence of a contract entered into by Entergy Louisiana to purchase energy generated by a hydroelectric facility known as the Vidalia project through the year 2031. Note 9 to the financial statements contains further discussion of the obligations related to the Vidalia project. By orders entered by the LPSC in 1985 and 1990, the LPSC approved Entergy Louisiana's entry into the Vidalia contract and Entergy Louisiana's right to recover, through the fuel adjustment clause, the costs of power purchased thereunder. Additionally, the wholesale electric rates under the Vidalia power purchase contract were filed at FERC. In December 1999, the LPSC instituted a review of the following issues relating to the Vidalia project: (i) the LPSC's jurisdiction over the Vidalia project; (ii) Entergy Louisiana's management of the Vidalia contract, including opportunities to restructure or otherwise reform the contract; (iii) the appropriateness of Entergy Louisiana's recovery of 100% of the Vidalia contract costs from ratepayers; (iv) the appropriateness of the fuel adjustment clause as the method for recovering all or part of the Vidalia contract costs; (v) the appropriate regulatory treatment of the Vidalia contract in the event the LPSC approves implementation of retail competition; and (vi) Entergy Louisiana's communication of pertinent information to the LPSC regarding the Vidalia project and contract. Based on its review, the LPSC will determine whether it should disallow any of the costs of the Vidalia project included in the fuel adjustment clause. In late April and early May 2001, the LPSC conducted hearings addressing these issues, except for the issue of the appropriate

regulatory treatment of the Vidalia contract in the event the LPSC approves implementation of retail competition. With regard to that issue, the parties entered a joint stipulation that the issue more appropriately would be considered in a separate, existing docket specifically devoted to stranded-cost-related issues.

With regard to the other issues, Entergy Louisiana asserted at the hearings that it has prudently managed the Vidalia contract and that, through final orders issued in 1985 and 1990, the LPSC itself previously has recognized Entergy Louisiana's prudence by formally and expressly approving the Vidalia contract and the recovery through the fuel adjustment clause of all amounts paid by Entergy Louisiana pursuant to the FERC-filed rate. The LPSC staff alleged at the hearings that the Vidalia project owners' July 30, 1990 request that the LPSC clarify the LPSC's 1985 order (approving the Entergy Louisiana/Vidalia project purchase power agreement) and approve a sale and leaseback of the project, presented Entergy Louisiana with an approximately three-week "window of opportunity" (prior to the LPSC's issuance of the 1990 order) during which Entergy Louisiana could have used its purported leverage either: (1) to attempt to restructure the FERC-filed rate schedule contained in the Vidalia contract; or (2) to attempt to secure a concession from the Vidalia project owners whereby, at a minimum, the owners would share with Entergy Louisiana ratepayers some portion of what the LPSC staff quantifies as approximately $90 million of tax benefits. The LPSC staff and intervenors further alleged at the hearings that Entergy Louisiana was imprudent for not preparing and presenting to the LPSC during the August 1990 hearings on the Vidalia project owners' motion for clarification, an updated life cycle economic analysis showing that, as of August 1990, the Vidalia contract appeared to have become uneconomic due to the significant drop in projected avoided costs precipitated by, among other things, the legislative repeal of the Fuel Use Act of 1978 and the steep decline in oil and gas prices in the mid- to late-1980s. Additionally, Marathon Oil Company and the Sewerage and Water Board of New Orleans alleged at the hearings that the Vidalia project owners had incurred construction cost overruns and escalating operating costs, and had paid excessive royalties to the Town of Vidalia, and that these costs were imprudent and should be disallowed, in whole or in part. However, these intervenors recommended that, although Entergy Louisiana ratepayers should reap the benefits of any such disallowances, the Town of Vidalia and the Vidalia project owners, and not Entergy Louisiana, should bear the cost of any such disallowances.

The LPSC staff has proposed several alternative and non-mutually-exclusive remedies, including without limitation: reducing prospectively some portion of the above market Vidalia contract costs that Entergy Louisiana is allowed to recover through the fuel adjustment clause; shifting prudently incurred costs to base rates and disallowing imprudently-incurred costs; imposing a rate of return performance penalty for some appropriate period of time; and disallowing as part of fuel cost recovery some portion of the purported tax savings and other benefits associated with the 1990 clarification motion, plus interest since 1990. The LPSC staff has recommended that the ALJ who presided over the hearings make a recommendation to the LPSC with regard to the prudence and jurisdictional issues and certify the question of remedies to the LPSC. The post-hearing briefing to the ALJ was completed in November 2001. The parties await the ALJ's recommendations.

Entergy New Orleans Fuel Clause Lawsuit

In April 1999, a group of ratepayers filed a complaint against Entergy New Orleans, Entergy Corporation, Entergy Services, and Entergy Power in state court in Orleans Parish purportedly on behalf of all Entergy New Orleans ratepayers. The plaintiffs seek treble damages for alleged injuries arising from the defendants' alleged violations of Louisiana's antitrust laws in connection with certain costs passed on to ratepayers in Entergy New Orleans' fuel adjustment filings with the Council. In particular, plaintiffs allege that Entergy New Orleans improperly included certain costs in the calculation of fuel charges and that Entergy New Orleans imprudently purchased high-cost fuel from other Entergy affiliates. Plaintiffs allege that Entergy New Orleans and the other defendant Entergy companies conspired to make these purchases to the detriment of Entergy New Orleans' ratepayers and to the benefit of Entergy's shareholders, in violation of Louisiana's antitrust laws. Plaintiffs also seek to recover interest and attorneys' fees. Exceptions to the plaintiffs' allegations were filed by Entergy, asserting, among other things, that jurisdiction over these issues rests with the Council and FERC. If necessary, at the appropriate time, Entergy will also raise its defenses to the antitrust claims. At present, the suit in state court is stayed by stipulation of the parties.

Plaintiffs also filed this complaint with the Council in order to initiate a review by the Council of the plaintiffs' allegations and to force restitution to ratepayers of all costs they allege were improperly and imprudently included in the fuel adjustment filings. Discovery has begun in the proceedings before the Council. Testimony was filed on behalf of the plaintiffs in this proceeding in April 2000 and has been supplemented. The testimony, as supplemented, asserts, among other things, that Entergy New Orleans and other defendants have engaged in fuel procurement and power purchasing practices and included costs in Entergy New Orleans' fuel adjustment that could have resulted in New Orleans customers being overcharged by more than $100 million over a period of years. In June 2001, the Council's Advisors filed testimony on these issues in which they allege that Entergy New Orleans ratepayers may have been overcharged by more than $32 million, the vast majority of which is reflected in the plaintiffs' claim. However, it is not clear precisely what periods and damages are being alleged in the proceeding. Entergy intends to defend this matter vigorously, both in court and before the Council. Hearings began in February 2002. The ultimate outcome of the lawsuit and the Council proceeding cannot be predicted at this time.

Entergy New Orleans Rate of Return Lawsuit

In April 1998, a group of residential and business ratepayers filed a complaint against Entergy New Orleans in state court in Orleans Parish purportedly on behalf of all ratepayers in New Orleans. The plaintiffs allege that Entergy New Orleans overcharged ratepayers by at least $300 million since 1975 in violation of limits on Entergy New Orleans' rate of return that the plaintiffs allege were established by ordinances passed by the Council in 1922. The plaintiffs seek, among other things, (i) a declaratory judgment that such franchise ordinances have been violated;

and (ii) a remand to the Council for the establishment of the amount of overcharges plus interest. Entergy New Orleans believes the lawsuit is without merit. Entergy New Orleans has charged only those rates authorized by the Council in accordance with applicable law. In May 2000, a court of appeal granted Entergy New Orleans' exception to jurisdiction in the case and dismissed the proceeding. The Louisiana Supreme Court denied the plaintiff's request for a writ of certiorari. The plaintiffs then commenced a similar proceeding before the Council. The plaintiffs and the advisors for the Council each filed their first round of testimony in January 2002. In their testimony, the plaintiffs allege that Entergy New Orleans earned in excess of the legally authorized rate of return during the period 1979 to 2000 and that Entergy New Orleans should be required to refund between $240 million and $825 million to its ratepayers. In the testimony submitted by the Council advisors, the advisors allege that Entergy New Orleans has not earned in excess of its authorized rate of return for the period at issue and that no refund is therefore warranted. A hearing is scheduled to begin in June 2002. Management cannot predict the outcome of the proceeding before the Council.

Entergy Gulf States Merger Savings Lawsuit

In February 2002, various plaintiffs, who claim to be customers of Entergy Gulf States in Texas and further claim to be class representatives for all other similarly situated customers, filed a lawsuit against Entergy Gulf States and Entergy Corporation in the district court of Jefferson County, Texas. The petition alleges that Entergy Corporation and Entergy Gulf States violated the 1993 agreement entered by parties to the Entergy-Gulf States Utilities merger docket in Texas by failing to pass 100% of Texas retail non-fuel merger- related savings to Entergy Gulf States' ratepayers in Texas beginning on January 1, 2002. The petition alleges that the non-fuel merger- related savings accrue at a rate of about $2 million per month. The petition seeks damages, exemplary damages, and attorney's fees and costs, in addition to certification of the case as a class action. Entergy will vigorously contest the plaintiffs' allegations. Management cannot predict the outcome of this litigation at this time.

Entergy Louisiana Formula Ratemaking Plan Lawsuit

In May 1998, a group of ratepayers filed a complaint against Entergy Louisiana and the LPSC in state court in East Baton Rouge Parish purportedly on behalf of all Entergy Louisiana ratepayers. The plaintiffs allege that the formula ratemaking plan authorized by the LPSC has allowed Entergy Louisiana to earn amounts in excess of a fair return. The plaintiffs seek, among other things, (i) a declaratory judgment that the formula ratemaking plan is an improper ratemaking practice; and (ii) a refund of the amounts allegedly charged in excess of proper ratemaking practices. Entergy Louisiana believes the lawsuit is without merit and plans to vigorously defend itself. This case has not been active, and abandonment issues are being evaluated. At this time, management cannot determine the amount of damages being sought.

July 1999 Power Outages Lawsuit (Entergy Gulf States, Entergy Louisiana, Entergy New Orleans)

In February 2000, a lawsuit was commenced in state court in Orleans Parish, Louisiana, against Entergy, Entergy Gulf States, Entergy Louisiana, and Entergy New Orleans relating to power outages that occurred in July 1999. The plaintiff, who purports to represent a class of similarly situated persons, claims unspecified damages as a result of these outages, which the plaintiff claims were the result of negligence on the part of the Entergy defendants. Plaintiffs have instituted similar proceedings before the LPSC and the City Council. All of these proceedings have been resolved by settlement for a nominal amount.

Street Lighting Lawsuit (Entergy New Orleans)

In February 2002, the City of New Orleans (City) filed a petition against Entergy New Orleans in state court in Orleans Parish, seeking declaratory relief, injunctive relief, an unspecified amount of monetary damages, and attorney and consulting fees and costs. The City's petition alleges that Entergy New Orleans has breached its obligations to the City related to the provision of street lighting. The City claims that Entergy New Orleans has not fulfilled all services required under the various street lighting contracts, has over-billed for some services, and has billed for services that were not authorized. Entergy New Orleans intends to defend this matter vigorously. The ultimate outcome of the lawsuit cannot be predicted at this time.

Franchise Fee Litigation (Entergy Corporation and Entergy Gulf States)

In September 1998, the City of Nederland filed a petition against Entergy Gulf States and Entergy Services in state court in Jefferson County, Texas, purportedly on behalf of all Texas municipalities that have ordinances or agreements with Entergy Gulf States. The lawsuit alleges that Entergy Gulf States has been underpaying its franchise fees due to failure to properly calculate its gross receipts. The plaintiff seeks a judgment for the allegedly underpaid fees and punitive damages. Entergy Gulf States believes the lawsuit is without merit and is vigorously defending itself. The trial in this matter is scheduled to begin in November 2002. At this time, management cannot determine the amount of damages being sought.

Fiber Optic Cable Litigation (Entergy Corporation, Entergy Gulf States, and Entergy Louisiana)

In 1998, a group of property owners filed a class action suit against Entergy Corporation, Entergy Gulf States, Entergy Services and ETHC in state court in Jefferson County, Texas purportedly on behalf of all property owners in each of the states throughout the Entergy service area who have conveyed easements to the defendants. The lawsuit alleged that Entergy installed fiber optic cable across their property without obtaining appropriate easements. The plaintiffs sought actual damages for the use of the land and a share of the profits made through use of the

fiber optic cables and punitive damages. The state court petition was voluntarily dismissed, and the plaintiffs commenced a class action suit with the same claims in the United States District Court in Beaumont, Texas. Both sides have filed motions for summary judgment, which were heard by the court in late 2001. The magistrate's recommendation to the district judge found that two of the four types of easements did not allow Entergy to place its fiber on the property and the other two were ambiguous and required a jury determination. Subsequently, the district judge held oral arguments and has taken the motions under advisement. Entergy believes the easements did provide it the right to place the fiber optic cable. If the court or jury disagrees, Entergy believes that any damages suffered by the plaintiff landowners are negligible and that there is no basis for the claim seeking a share of profits. At this time, management cannot determine the specific amount of damages being sought.

In January 2002, a class action lawsuit asserting similar allegations to those alleged in the lawsuit filed in Texas was commenced in state court in Ascension Parish, Louisiana, against Entergy Louisiana, Entergy Services, ETHC, and Entergy Technology Company, purportedly on behalf of all similarly situated property owners in Louisiana. The plaintiffs seek injunctive and declaratory relief and an unspecified amount of damages. The defendants intend to vigorously defend the lawsuit. At this time, management cannot determine the specific amount of damages being sought.

Franchise Service Area Litigation (Entergy Gulf States)

In early 1998, Beaumont Power and Light Company (BP&L) unsuccessfully sought a franchise to provide electric service in the City of Beaumont, Texas, where Entergy Gulf States already holds a franchise. In November 1998, BP&L filed a request before the PUCT to obtain a certificate of convenience and necessity (CCN) for those portions of Jefferson County outside the boundaries of any municipality for which Entergy Gulf States provides retail electric service. BP&L's application contemplates using Entergy Gulf States' facilities in their provision of service. In Texas, utilities are required to obtain a CCN prior to providing retail electric service. Jefferson County is currently singly certificated to Entergy Gulf States. If BP&L's application is granted, BP&L would be able to provide retail service to Entergy Gulf States' customers in the area for which the certificate would apply. BP&L has amended its application to add a request for a CCN to provide retail electric service within the City of Beaumont. The amended application acknowledges that the Texas electric utility restructuring law requires BP&L to use its own facilities to connect to its customers if it is granted a CCN. In April 2000, the ALJ recommended denial of BP&L's application. In May 2000, the PUCT voted to remand the proceeding back to the ALJ to allow BP&L to provide further evidence. BP&L filed an updated business plan, pro formas, and direct testimony in response to the remand order. A hearing on the merits was held in November 2001 in which Entergy Gulf States and the PUCT staff argued that BP&L failed to demonstrate its requested certificate should be granted. The parties are awaiting the ALJ's proposal for decision.

Litigation Environment (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

The four states in which the domestic utility companies operate, in particular Louisiana, Mississippi, and Texas, have proven to be unusually litigious environments. Judges and juries in Louisiana, Mississippi, and Texas have demonstrated a willingness to grant large verdicts, including punitive damages, to plaintiffs in personal injury, property damage, and business tort cases. Entergy uses legal and appropriate means to contest litigation threatened or filed against it, but the litigation environment in these states poses a significant business risk.

EARNINGS RATIOS OF DOMESTIC UTILITY COMPANIES AND SYSTEM ENERGY

The domestic utility companies' and System Energy's ratios of earnings to fixed charges and ratios of earnings to combined fixed charges and preferred dividends pursuant to Item 503 of SEC Regulation S-K are as follows:

	Ratios of Earnings to Fixed Charges Years Ended December 31,				
	2001	2000	1999	1998	1997
Entergy Arkansas	3.29	3.01	2.08	2.63	2.54
Entergy Gulf States	2.36	2.60	2.18	1.40	1.42
Entergy Louisiana	2.76	3.33	3.48	3.18	2.74
Entergy Mississippi	2.14	2.33	2.44	3.12	2.98
Entergy New Orleans	(b)	2.66	3.00	2.65	2.70
System Energy	2.12	2.41	1.90	2.52	2.31

	Ratios of Earnings to Combined Fixed Charges and Preferred Dividends Years Ended December 31,				
	2001	2000	1999	1998	1997
Entergy Arkansas	2.99	2.70	1.80	2.28	2.24
Entergy Gulf States (a)	2.21	2.39	1.86	1.20	1.23
Entergy Louisiana	2.51	2.93	3.09	2.75	2.36
Entergy Mississippi	1.96	2.09	2.18	2.80	2.69
Entergy New Orleans (b)	(b)	2.43	2.74	2.41	2.44

(a) "Preferred Dividends" in the case of Entergy Gulf States also include dividends on preference stock, which was redeemed in July 2000.
(b) For Entergy New Orleans, earnings for the twelve months ended December 31, 2001 were not adequate to cover fixed charges and combined fixed charges and preferred dividends by $6.6 million and $9.5 million, respectively.

BUSINESS SEGMENTS AND PRODUCTS

Entergy Corporation

Entergy's business segments are discussed in Note 12 to the financial statements.

Entergy New Orleans and Entergy Gulf States

Entergy New Orleans and Entergy Gulf States provide two products within their utility operations, electric power and natural gas. For the year ended December 31, 2001, 98% of Entergy Gulf States' operating revenue was derived from the electric utility business, and only 2% from the natural gas distribution business. Following is data concerning Entergy New Orleans retail operating revenue sources and its customer data as of December 31, 2001:

	Electric Operating Revenue	Natural Gas Revenue
Residential	39%	55%
Commercial	38%	20%
Industrial	6%	11%
Governmental/Municipal	17%	14%
Number of Customers	189,000	148,000

Financial Information Relating to Products and Services

Revenues from Entergy New Orleans' and Entergy Gulf States' electric power and natural gas sales are presented in their respective income statements.

PROPERTY

Generating Stations

Domestic Utility and System Energy

The total capability of the generating stations owned and leased by the domestic utility companies and System Energy as of December 31, 2001, by company and by fuel type, is indicated below:

	Owned and Leased Capability MW(1)				
Company	Total	Fossil	Nuclear	Gas Turbine and Internal Combustion	Hydro
Entergy Arkansas	4,637	2,704	1,782	83	68
Entergy Gulf States	6,560	5,580	980	-	-
Entergy Louisiana	5,286	4,181	1,093	12	-
Entergy Mississippi	2,922	2,917	-	5	-
Entergy New Orleans	967	956	-	11	-
System Energy	1,122	-	1,122	-	-
Total	21,494	16,338	4,977	111	68

(1) "Owned and Leased Capability" is the dependable load carrying capability as demonstrated under actual operating conditions based on the primary fuel (assuming no curtailments) that each station was designed to utilize.

Entergy's domestic utility business is subject to seasonal fluctuations, with the peak period occurring in the summer months. The 2001 peak demand of 20,257 MW occurred on August 21, 2001. Entergy's load and capacity projections are reviewed periodically to assess the need and timing for additional generating capacity and interconnections in light of the availability of power, the location of new loads, and maximum economy to Entergy. Domestically, based on load and capability projections and bulk power availability, Entergy's domestic utility companies meet the need for new generation resources by means other than construction of new base load generating capacity. Entergy's domestic utility companies expect to meet future capacity needs by, among other things, purchasing in the wholesale power market, including plans to contract for up to 3,000 MW of purchased power to meet the expected needs of the domestic utility companies in the summer of 2002. In addition, to address this capacity shortage, the domestic utility companies are currently considering resource plans that could include building additional capacity, re-powering existing power plants, continuing to obtain purchased power, or a combination of those options. The domestic utility companies expect to present these resource plans in 2002 to their regulators. Entergy also reactivated several units in 1999 and 2000 that were in extended reserve shutdown to assist in serving customers during periods of peak demand.

Under the terms of the System Agreement, generating capacity and other power resources are shared among the domestic utility companies. The System Agreement provides, among other things, that parties having generating reserves greater than their load requirements (long companies) shall receive payments from those parties having deficiencies in generating reserves (short companies). Such payments are at amounts sufficient to cover certain of the long companies' costs, including operating expenses, fixed charges on debt, dividend requirements on preferred and preference stock, and a fair rate of return on common equity investment. Under the System Agreement, these charges are based on costs associated with the long companies' steam electric generating units fueled by oil or gas. In addition, for all energy exchanged among the domestic utility companies under the System Agreement, the short companies are required to pay the cost of fuel consumed in generating such energy plus a charge to cover other associated costs. FERC proceedings relating to proposed amendments to the System Agreement are discussed more thoroughly in "RATE MATTERS, REGULATION, AND LITIGATION - Rate Matters - Wholesale Rate Matters - System Agreement," above.

Domestic Non-Utility Nuclear

The capacity of the operating nuclear generating stations owned by the domestic non-utility nuclear segment as of December 31, 2001 is indicated below:

Plant	Location	Owned Capacity MW (1)
Pilgrim	Plymouth, Massachusetts	670
FitzPatrick	Oswego, New York	825
Indian Point 2	Westchester County, New York	970
Indian Point 3	Westchester County, New York	980

(1) "Owned Capacity" refers to the nameplate rating on the generating unit.

In August 2001, Entergy's domestic non-utility nuclear segment agreed to purchase the 510 MW Vermont Yankee Nuclear Power Plant in Vernon, Vermont, from Vermont Yankee Nuclear Power Corporation for $180 million, to be paid in cash upon closing. Entergy will receive the plant, nuclear fuel, inventories, and related real estate. Management expects to close the transaction by the summer of 2002, pending the approvals of the NRC, the Public Service Board of Vermont, FERC, and other regulatory agencies.

Energy Commodity Services

The capacity of the generating stations owned in the energy commodity services segment as of December 31, 2001 is indicated below:

Plant	Location	Owned Capacity (1) MW	Type
	North America		
Ritchie Unit 2	Helena, Arkansas	544	Fossil
Independence Unit 2	Newark, Arkansas	121 (2)	Fossil
Warren Power	Vicksburg, Mississippi	300	Simple Cycle Gas Turbine
Top of Iowa	Worth County, Iowa	80	Wind
	Europe		
Damhead Creek	Kent, England	800	Combined-Cycle Gas Turbine

(1) "Owned Capacity" refers to the nameplate rating on the generating unit.

(2) The owned MW capacity is the portion of the plant capacity owned by Entergy. For a complete listing of Entergy's joint-owned generating stations, refer to "Jointly-Owned Generating Stations" in Note 1 to the financial statements.

Entergy's energy commodity services segment also has minority investments in companies owning the following generating stations in Latin America: Costanera, a 2000 MW fossil generation facility located in Buenos Aires, Argentina; Central Buenos Aires, a 220 MW combined-cycle gas turbine addition to the Costanera plant; San Isidro, a 375 MW combined-cycle gas turbine power plant located in Quillota, Chile; and Edegel, a 1000 MW hydroelectric and fossil generation facility located in Lima, Peru.

Entergy's energy commodity services segment is currently constructing the following projects. The Crete Project, a 320 MW simple cycle gas turbine merchant power plant in Crete, Illinois, is anticipated to be operational in June 2002. Entergy will own approximately 160 MW of the capacity of the Crete plant, with the remainder owned by DTE Energy. During 2000, construction began on the RS Cogen Project, a 425 MW combined-cycle gas turbine power plant in Lake Charles, Louisiana. Entergy will own approximately 212 MW, with the remainder owned by PPG Industries. RS Cogen is expected to begin operation in 2002. Construction also began in 2001 on the Northeast Texas Electric Cooperative Project, a 550 MW combined-cycle gas turbine power plant in Harrison County, Texas. Entergy will own approximately 385 MW once construction is completed and operation has begun (currently projected to be June 2003), with Northeast Texas Electric Cooperative, Inc. owning the remainder.

Interconnections

Domestic Utility

The electric generating facilities of Entergy's domestic utility companies consist principally of steam-electric production facilities. These generating units are interconnected by a transmission system operating at various voltages up to 500 KV. With the exception of a small portion of Entergy Mississippi's capacity, operating facilities or interests therein generally are owned or leased by the domestic utility company serving the area in which the generating facilities are located. All of these generating facilities are centrally dispatched and operated.

Entergy's domestic utility companies are interconnected with many neighboring utilities. In addition, the domestic utility companies are members of the Southeastern Electric Reliability Council (SERC). The primary purpose of SERC is to ensure the reliability and adequacy of the electric bulk power supply in the southeast region of the United States. SERC is a member of the North American Electric Reliability Council.

Domestic Non-Utility Nuclear

The electric generating facilities of Entergy's domestic non- utility nuclear segment consists of the Pilgrim nuclear production facility, the James A. FitzPatrick nuclear production facility, and the Indian Point Energy Center nuclear production facility. The Pilgrim plant is dispatched as a part of Independent System Operator (ISO) New England. The primary purpose of ISO New England is to direct the operations of the major generation and transmission facilities in the New England region. The James A. FitzPatrick and Indian Point Energy Center plants are dispatched by the New York Independent System Operator (NYISO). The primary purpose of NYISO is to direct the operations of the major generation and transmission facilities in New York state.

Gas Property

As of December 31, 2001, Entergy New Orleans distributed and transported natural gas for distribution solely within the limits of the City of New Orleans through a total 33 miles of gas transmission pipelines, 1,473 miles of gas distribution mains, and 1,034 miles of gas service line from the distribution mains to the customers.

As of December 31, 2001, the gas properties of Entergy Gulf States, which are located in and around Baton Rouge, Louisiana, were not material to Entergy Gulf States' financial position.

Titles

Entergy's generating stations and major transmission substations are generally located on properties owned in fee simple. The greater portion of the transmission and distribution lines of the domestic utility companies have been constructed on property of private owners pursuant to easements or on public highways and streets pursuant to appropriate franchises. The rights of each company in the property on which its utility facilities are located are considered by such company to be adequate for use in the conduct of its business. Minor defects and irregularities customarily found in properties of like size and character may exist, but such defects and irregularities do not, in the opinion of management, materially impair the use of the properties affected thereby. The domestic utility companies generally have the right of eminent domain, whereby they may, if necessary, perfect or secure titles to, or easements or servitudes on, privately held lands used in or reasonably necessary for their utility operations.

Substantially all of the physical properties and assets owned by Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy are subject to the liens of mortgages securing the first mortgage bonds of such company. The Lewis Creek generating station is owned by GSG&T, Inc., a subsidiary of Entergy Gulf States, and is not subject to the lien of the Entergy Gulf States mortgage securing the first mortgage bonds of Entergy Gulf States, but is leased to and operated by Entergy Gulf States. All of the debt outstanding under the original first mortgages of Entergy Mississippi and Entergy New Orleans has been retired and the original first mortgages were cancelled in 1999 and 1997, respectively. As a result, the general and refunding mortgages of Entergy Mississippi and Entergy New Orleans now each constitute a first mortgage lien on substantially all of the respective physical properties and assets of these two companies.

FUEL SUPPLY

The sources of generation and average fuel cost per KWH for the domestic utility companies and System Energy for the years 1999-2001

were:

Year	Natural Gas % of Gen	Natural Gas Cents Per KWH	Fuel Oil % of Gen	Fuel Oil Cents Per KWH	Nuclear Fuel % of Gen	Nuclear Fuel Cents Per KWH	Coal % of Gen	Coal Cents Per KWH
2001	34	4.62	8	4.33	43	.50	15	1.58
2000	42	4.90	4	3.90	39	.56	15	1.51
1999	45	2.75	4	2.06	35	.54	16	1.59

Actual 2001 and projected 2002 sources of generation for the domestic utility companies and System Energy are:

	Natural Gas		Fuel Oil		Nuclear		Coal	
	2001	2002	2001	2002	2001	2002	2001	2002
Entergy Arkansas (a)	7%	7%	-	-	61%	61%	31%	31%
Entergy Gulf States	57%	57%	1%	-	27%	25%	15%	18%
Entergy Louisiana	48%	58%	5%	-	47%	42%	-	-
Entergy Mississippi	22%	69%	51%	-	-	-	27%	31%
Entergy New Orleans	84%	100%	16%	-	-	-	-	-
System Energy	-	-	-	-	100%(b)	100%(b)	-	-
Total (a)	34%	40%	8%	0%	43%	43%	15%	16%

(a) Hydroelectric power provided 1% of Entergy Arkansas' generation in 2001 and is expected to provide 1% of its generation in 2002.

(b) In addition to the nuclear capacity given above for the following companies, the Unit Power Sales Agreement allocates capacity and energy from System Energy's interest in Grand Gulf 1 as follows:
Entergy Arkansas - 36%; Entergy Louisiana - 14%; Entergy Mississippi - 33%; and Entergy New Orleans - 17%.

Natural Gas

The domestic utility companies have long-term firm and short-term interruptible gas contracts. Long-term firm contracts comprise less than 26% of the domestic utility companies' total requirements but can be called upon, if necessary, to satisfy a significant percentage of the domestic utility companies' needs. Short-term contracts and spot- market purchases satisfy additional gas requirements. Entergy Gulf States has a transportation service agreement with a gas supplier that provides flexible natural gas service to certain generating stations by using such supplier's pipeline and gas storage facility. Entergy's energy commodity services segment has entered into 15-year gas supply contracts at the project level to supply up to 100% of the gas requirements for the Damhead Creek power plant located in the UK.

Many factors, including wellhead deliverability, storage and pipeline capacity, and demand requirements of end users, influence the availability and price of natural gas supplies for power plants. Demand is tied to weather conditions as well as to the prices of other energy sources. Gas demands leveling out to meet more consistently with supplies and higher storage levels brought prices down in 2001. Entergy's supplies of natural gas are expected to be adequate in 2002. However, pursuant to federal and state regulations, gas supplies to power plants may be interrupted during periods of shortage. To the extent natural gas supplies are disrupted or natural gas prices significantly increase, the domestic utility companies will use alternate fuels, such as oil, or rely to a larger extent on coal and nuclear generation.

Coal

Entergy Arkansas has long-term contracts for low-sulfur Wyoming coal for White Bluff and Independence. These contracts, which expire in 2002 and 2011, respectively, provide for approximately 70% of Entergy Arkansas' expected coal requirements for 2002. At the expiration of the White Bluff long-term contract in 2002, Entergy plans to enter into short-term and medium-term contracts for White Bluff coal supply based on the company's procurement strategy. Entergy Arkansas has an additional 20% of its 2002 coal requirement committed in a number of one year contracts. Additional requirements are satisfied by spot market purchases. Entergy Gulf States has a contract for the supply of low-sulfur Wyoming coal for Nelson Unit 6, which should be sufficient to satisfy its fuel requirements for that unit at current consumption rates through the first quarter of 2003. The contract includes options to extend supply to 2010 if all price re-openers are accepted. If both parties cannot agree upon a price, then the contract terminates. Effective April 1, 2000, Louisiana Generating LLC assumed Cajun's ownership interest in the Big Cajun 2 generating facilities and operates the plant, which is 42% owned by Entergy Gulf States. The management of Louisiana Generating LLC has advised Entergy Gulf States that it has executed coal supply and transportation contracts that should provide an adequate supply of coal for the operation of Big Cajun 2, Unit 3 for the foreseeable future.

Entergy Arkansas has a long-term railroad transportation contract for the delivery of coal to both White Bluff and Independence. This contract will expire in the year 2011. Entergy Arkansas has settled its lawsuit against the railroad that claimed breach of contract by the railroad and requested termination of the contract. Beginning in 2002, a portion of White Bluff's coal requirements will be delivered by a second carrier under a long-term transportation agreement. This agreement will expire on December 31, 2006.

Entergy Gulf States has transportation requirements contracts with railroads to deliver coal to Nelson Unit 6 through December 31, 2004. Each of the two contracts governs the movement of approximately one- half of the plant's requirements and the base contract provides flexibility for shipping up to all of the plant's requirements.

Nuclear Fuel

The nuclear fuel cycle involves the following:

o mining and milling of uranium ore to produce a concentrate;
o conversion of the concentrate to uranium hexafluoride gas;
o enrichment of the hexafluoride gas;
o fabrication of nuclear fuel assemblies for use in fueling nuclear reactors; and
o disposal of spent fuel.

System Fuels is responsible for contracts to acquire nuclear material to be used in fueling Entergy Arkansas', Entergy Louisiana's, and System Energy's nuclear units. System Fuels also maintains inventories of such materials during the various stages of processing. Each of these companies purchases enriched uranium hexafluoride from System Fuels, but contracts separately for the fabrication of its own nuclear fuel. The requirements for River Bend are pursuant to contracts made by Entergy Gulf States. The requirements for Pilgrim, FitzPatrick, Indian Point 2, and Indian Point 3 are pursuant to contracts made by Entergy's domestic non-utility nuclear business. Entergy Nuclear Fuels Company is responsible for contracts to acquire nuclear materials, except for fuel fabrication, for these non-utility nuclear plants.

Based upon currently planned fuel cycles, Entergy's nuclear units currently have contracts and inventory that provide adequate materials and services. Existing contracts for uranium concentrate, conversion of the concentrate to uranium hexafluoride, and enrichment of the uranium hexafluoride will provide a significant percentage of these materials and services over the next several years. Additional materials and services required beyond the coverage of these contracts are expected to be available at a reasonable cost for the foreseeable future.

Current fabrication contracts will provide a significant percentage of these materials and services over the next several years. The Nuclear Waste Policy Act of 1982 provides for the disposal of spent nuclear fuel or high level waste by the DOE. Refer to Note 9 to the financial statements for a discussion of spent nuclear fuel disposal.

It will be necessary for Entergy to enter into additional arrangements to acquire nuclear fuel in the future. It is not possible to predict the ultimate cost of such arrangements.

Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy each have made arrangements to lease nuclear fuel and related equipment and services. The lessors finance the acquisition and ownership of nuclear fuel through credit agreements and the issuance of notes. These arrangements are subject to periodic renewal. There is a discussion of nuclear fuel leases in Note 10 to the financial statements.

Natural Gas Purchased for Resale

Entergy New Orleans has several suppliers of natural gas. Its system is interconnected with three interstate and three intrastate pipelines. Entergy New Orleans' primary suppliers currently are Enron North America, Inc., an interstate gas marketer, Bridgeline Gas Distributors, and Pontchartrain Natural Gas via Louisiana Gas Services. Entergy New Orleans has a "no-notice" service gas purchase contract with Enron North America, Inc. which guarantees Entergy New Orleans gas delivery at specific delivery points and at any volume within the minimum and maximum set forth in the contract amounts. The Enron North America, Inc. gas supply is transported to Entergy New Orleans pursuant to a

transportation service agreement with Koch Gateway Pipeline Company (now known as Gulf South Pipeline). This service is subject to FERC-approved rates. The Gulf South Pipeline is now part of the Entergy-Koch joint venture. Enron North America, Inc. ceased to perform on its contract with Entergy New Orleans following the bankruptcy of Enron Corporation late in 2001. Entergy New Orleans has assumed the management of this gas supply contract, which is scheduled to expire on March 31, 2002, with no interruption of supply. Entergy New Orleans will replace the contract through its normal competitive bid process such that supply will continue uninterrupted. Entergy New Orleans has firm contracts with its two intrastate suppliers and also makes interruptible spot market purchases. In recent years, natural gas deliveries to Entergy New Orleans have been subject primarily to weather-related curtailments. However, Entergy New Orleans experienced no such curtailments in 2001.

As a result of the implementation of FERC-mandated interstate pipeline restructuring in 1993, curtailments of interstate gas supply could occur if Entergy New Orleans' suppliers failed to perform their obligations to deliver gas under their supply agreements. Gulf South Pipeline could curtail transportation capacity only in the event of pipeline system constraints. Based on the current supply of natural gas, and absent extreme weather-related curtailments, Entergy New Orleans does not anticipate any interruptions in natural gas deliveries to its customers.

Entergy Gulf States purchases natural gas for resale under an agreement with Enbridge Marketing (U.S.) Inc. (formerly Mid Louisiana Gas Company). Enbridge Marketing is not allowed to discontinue providing gas to Entergy Gulf States without obtaining FERC approval.

Research

Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans are members of the Electric Power Research Institute (EPRI). EPRI conducts a broad range of research in major technical fields related to the electric utility industry. Entergy participates in various EPRI projects based on Entergy's needs and available resources. Entergy and its subsidiaries contributed approximately $5 million in 2001, $5 million in 2000, and $6 million in 1999 to EPRI.

Item 2. Properties

Information regarding the properties of the registrants is included in Item 1. "Business - PROPERTY," in this report.

Item 3. Legal Proceedings

Details of the registrants' material rate proceedings, environmental regulation and proceedings, and other regulatory proceedings and litigation that are pending or those terminated in the fourth quarter of 2001 are discussed in Item 1. "Business - RATE MATTERS, REGULATION, AND LITIGATION," in this report.

Item 4. Submission of Matters to a Vote of Security Holders

During the fourth quarter of 2001, no matters were submitted to a vote of the security holders of Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, or System Energy.

DIRECTORS AND EXECUTIVE OFFICERS OF ENTERGY CORPORATION

Directors

Information required by this item concerning directors of Entergy Corporation is set forth under the heading "Proposal 1--Election of Directors" contained in the Proxy Statement of Entergy Corporation, (the "Proxy Statement"), to be filed in connection with its Annual Meeting of Stockholders to be held May 10, 2002, ("Annual Meeting"), and is incorporated herein by reference. Information required by this item concerning officers and directors of the remaining registrants is reported in Part III of this document.

Executive Officers

Name	Age	Position	Period
J. Wayne Leonard (a)	51	Chief Executive Officer and Director of Entergy Corporation	1999-Present
		Director of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy	1998-1999
		President and Chief Operating Officer of Entergy Corporation	1998
		Chief Operating Officer of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans	1998
		Vice Chairman of Entergy New Orleans	1998
		President of Energy Commodities Strategic Business Unit	1996-1998
		President of Cinergy Capital & Trading	1996-1998
Donald C. Hintz (a)	59	President of Entergy Corporation	1999-Present
		Executive Vice President and Chief Nuclear Officer of Entergy Arkansas, Entergy Gulf States, and Entergy Louisiana	1998
		Group President and Chief Nuclear Operating Officer of Entergy Corporation, Entergy Arkansas, Entergy Gulf States, and Entergy Louisiana	1997-1998
		Executive Vice President and Chief Nuclear Officer of Entergy Corporation	1994-1997
		Executive Vice President - Nuclear of Entergy Arkansas, Entergy Gulf States, and Entergy Louisiana	1994-1997
		Chief Executive Officer and President of System Energy	1992-1998
		Director of Entergy Gulf States	1993-Present
		Director of Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and System Energy	1992-Present
		Director of Entergy New Orleans	1999-Present
Richard J. Smith (a)	50	Group President, Utility Operations of Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans	2001-Present
		Director of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi and Entergy New Orleans	2001-Present
		Senior Vice President, Transition Management of Entergy Corporation	2000-2001
		President of Cinergy Resources, Inc.	1999
		Vice President Energy Services	1999
		Vice President of Finance Services Business Unit	1996-1999
Curtis L. Hebert, Jr. (a)	39	Executive Vice President, External Affairs of Entergy Corporation	2001-Present
		Chairman and Commissioner of the Federal Energy Regulatory Commission	1997-2001
		Chairman and Commissioner of the Mississippi Public Service Commission	1992-1997

Jerry D. Jackson (a)	57	Executive Vice President of Entergy Corporation	1999-Present
		Group President - Utility Operations of Entergy Arkansas, Entergy Gulf	2000-2001

(a) In addition, this officer is an executive officer and/or director of various other wholly owned subsidiaries of Entergy Corporation and its operating companies.

Each officer of Entergy Corporation is elected yearly by the Board of Directors.

PART II

Item 5. Market for Registrants' Common Equity and Related Stockholder Matters

Entergy Corporation

The shares of Entergy Corporation's common stock are listed on the New York Stock, Chicago Stock, and Pacific Exchanges under the ticker symbol ETR.

Entergy Corporation's stock price as of February 28, 2002 was $41.28. The high and low prices of Entergy Corporation's common stock for each quarterly period in 2001 and 2000 were as follows:

	2001		2000	
	High	Low	High	Low
	(In Dollars)			
First	42.88	32.56	26.75	15.94
Second	44.67	36.82	31.25	19.94
Third	40.95	33.60	38.13	26.94
Fourth	39.50	35.10	43.88	33.50

Consecutive quarterly cash dividends on common stock were paid to stockholders of Entergy Corporation in 2001 and 2000. In 2001, dividends of $0.315 per share were paid in the first three quarters, and a dividend of $0.33 per share was paid in the fourth quarter. In 2000, dividends of $0.30 per share were paid in the first three quarters, and a dividend of $0.315 per share was paid in the fourth quarter.

As of February 28, 2002, there were 60,327 stockholders of record of Entergy Corporation.

Entergy Corporation's future ability to pay dividends is discussed in Note 8 to the financial statements. In addition to the restrictions described in Note 8, PUHCA provides that, without approval of the SEC, the unrestricted, undistributed retained earnings of any Entergy Corporation subsidiary are not available for distribution to Entergy Corporation's common stockholders until such earnings are made available to Entergy Corporation through the declaration of dividends by such subsidiaries.

Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy

There is no market for the common stock of Entergy Corporation's wholly owned subsidiaries. Cash dividends on common stock paid by the domestic utility companies and System Energy to Entergy Corporation during 2001 and 2000, were as follows:

	2001	2000
	(In Millions)	
Entergy Arkansas	$ 82.5	$ 44.6
Entergy Gulf States	$ 83.7	$ 88.0
Entergy Louisiana	$134.6	$ 62.4
Entergy Mississippi	$ 19.6	$ 18.0
Entergy New Orleans	$ 0.8	$ 9.5
System Energy	$119.1	$ 91.8

Information with respect to restrictions that limit the ability of System Energy and the domestic utility companies to pay dividends is presented in Note 8 to the financial statements.

Item 6. Selected Financial Data

Refer to "SELECTED FINANCIAL DATA - FIVE-YEAR COMPARISON OF ENTERGY CORPORATION AND SUBSIDIARIES, ENTERGY ARKANSAS, INC., ENTERGY GULF STATES, INC., ENTERGY LOUISIANA, INC., ENTERGY MISSISSIPPI, INC., ENTERGY NEW ORLEANS, INC., and SYSTEM ENERGY RESOURCES, INC." which follow each company's financial statements in this report, for information with respect to selected financial data and certain operating statistics.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Refer to "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - LIQUIDITY AND CAPITAL RESOURCES," " - SIGNIFICANT FACTORS AND KNOWN TRENDS," and "- RESULTS OF OPERATIONS OF ENTERGY CORPORATION AND SUBSIDIARIES, ENTERGY ARKANSAS, ENTERGY GULF STATES, ENTERGY LOUISIANA, ENTERGY MISSISSIPPI, ENTERGY NEW ORLEANS, and SYSTEM ENERGY."

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Entergy Corporation and Subsidiaries. Refer to information under the heading "ENTERGY CORPORATION AND SUBSIDIARIES MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - SIGNIFICANT FACTORS AND KNOWN TRENDS."

Item 8. Financial Statements and Supplementary Data.

INDEX TO FINANCIAL STATEMENTS

ENTERGY CORPORATION AND SUBSIDIARIES

REPORT OF MANAGEMENT

Management of Entergy Corporation and its subsidiaries has prepared and is responsible for the financial statements and related financial information included herein. The financial statements are based on generally accepted accounting principles in the United States. Financial information included elsewhere in this report is consistent with the financial statements.

To meet their responsibilities with respect to financial information, management maintains and enforces a system of internal accounting controls designed to provide reasonable assurance, on a cost-effective basis, as to the integrity, objectivity, and reliability of the financial records, and as to the protection of assets. This system includes communication through written policies and procedures, an employee Code of Entegrity, and an organizational structure that provides for appropriate division of responsibility and the training of personnel. This system is also tested by a comprehensive internal audit program.

The Audit Committee of our Board of Directors, composed solely of Directors who are not employees of our company, meets with the independent auditors, management, and internal accountants periodically to discuss internal accounting controls and auditing and financial reporting matters. Upon recommendation from the Audit Committee, the Board of Directors appoints the independent auditors annually. However, in August 2001, the Audit Committee selected Deloitte & Touche to succeed PricewaterhouseCoopers as the Company's independent auditors; the Board of Directors ratified the selection in October 2001. The Audit Committee reviews with the independent auditors the scope and results of the audit effort. The Committee also meets periodically with the independent auditors and the chief internal auditor without management, providing free access to the Committee.

Independent public accountants provide an objective assessment of the degree to which management meets its responsibility for fairness of financial reporting. They regularly evaluate the system of internal accounting controls and perform such tests and other procedures as they deem necessary to reach and express an opinion on the fairness of the financial statements.

Management believes that these policies and procedures provide reasonable assurance that its operations are carried out with a high standard of business conduct.

J. WAYNE LEONARD
Chief Executive Officer of Entergy Corporation

C. JOHN WILDER
Executive Vice President and Chief Financial Officer

HUGH T. MCDONALD
Chairman, President, and Chief Executive Officer of Entergy Arkansas, Inc.

JOSEPH F. DOMINO
Chairman of Entergy Gulf States, Inc., President and Chief Executive Officer - Texas of Entergy Gulf States, Inc.

E. RENAE CONLEY
Chairman, President, and Chief Executive Officer of Entergy of Entergy Louisiana, Inc.; President and Chief Executive Officer- Louisiana of Entergy Gulf States, Inc.

CAROLYN C. SHANKS
Chairman, President, and Chief Executive Officer of Entergy Mississippi, Inc.

DANIEL F. PACKER
Chairman, President, and Chief Executive Officer of Entergy New Orleans, Inc.

JERRY W. YELVERTON
Chairman, President, and Chief Executive Officer of System Energy Resources, Inc.

ENTERGY CORPORATION AND SUBSIDIARIES

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

SIGNIFICANT FACTORS AND KNOWN TRENDS

Entergy Corporation is an investor-owned public utility holding company that operates through three business segments. The domestic utility business generates, transmits, distributes, and sells electric power to 2.6 million retail customers in portions of Arkansas, Louisiana, Mississippi, and Texas. The domestic utility business, particularly through Entergy Arkansas and Entergy Gulf States, also generates some revenue from wholesale electric power sales. The domestic non-utility nuclear business owns and operates four nuclear power plants that it has acquired over the past three years, and sells electric power produced by those plants to wholesale customers. Domestic non-utility nuclear also generates some revenue by providing operation and maintenance services to the owners of other nuclear power plants. The energy commodity services business provides energy commodity trading and gas transportation and storage services through Entergy-Koch, L.P., and develops power generation projects in the United States and Europe. Following are the percentages of Entergy's consolidated revenues and net income generated by these segments and the percentage of total assets held by them:

Segment	% of Revenue			% of Net Income			% of Total Assets		
	2001	2000	1999	2001	2000	1999	2001	2000	1999
Domestic utility	77	74	73	77	87	93	78	81	82
Domestic non-utility nuclear	8	3	1	17	7	3	13	9	3
Energy commodity services	14	23	26	14	8	(7)	9	10	8
Other	1	-	-	(8)	(2)	11	-	-	7

Following are significant factors and known trends that may affect our results of operations or financial position.

Critical Accounting Policies

Accounting and financial reporting involve significant estimates and judgments, including the selection of appropriate accounting policies. Note 1 to the financial statements provides a comprehensive discussion of Entergy's significant accounting policies. The following represent the accounting policies that Entergy's management believes are especially important to the reporting of Entergy's financial position and results of operations, due to their significance and subjectivity:

Application of SFAS 71 - Entergy's application of SFAS 71, "Accounting for the Effects of Certain Types of Regulation," to its domestic utility operations has a significant and pervasive impact on accounting and reporting for these operations. These matters are discussed in "Significant Factors and Known Trends - Continued Application of SFAS 71" and in Note 1 to the financial statements.

Accounting for Decommissioning - The accounting for decommissioning costs for nuclear power plants involves significant estimates related to costs to be incurred many years in the future. Changes in these estimates could significantly impact Entergy's financial position, results of operations, and cash flows (although estimate changes for the nuclear plants in Entergy's domestic utility operating segment should be earnings-neutral, because these costs are collected from ratepayers). These issues are discussed in more detail in Note 9 to the financial statements.

Accounting for Derivative Instruments and Hedges - Entergy's application of the provisions of SFAS 133 and EITF 98-10 to its various commodity and financial contracts has a significant impact on Entergy's financial statements. The risks associated with these instruments and Entergy's accounting for them are discussed in more detail in "Significant Factors and Known Trends - Market Risks Disclosure" and in Note 15 to the financial statements.

ENTERGY CORPORATION AND SUBSIDIARIES

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SIGNIFICANT FACTORS AND KNOWN TRENDS

Accounting for Equity Method Investees and Off Balance Sheet Arrangements - During 2001, Entergy entered into two significant transactions that involved complex accounting judgments: 1) a joint venture with Koch Industries, Inc. involving energy trading and pipeline operations. This investment is accounted for under the equity method of accounting, and is discussed in more detail in "Results of Operations - Energy Commodity Services" and in Note 13 to the financial statements; and 2) a financing arrangement for Entergy's turbine acquisition program that involved the sale and assignment of Entergy's interests under certain turbine acquisition contracts to an independent special purpose entity. This transaction is described in more detail in "Liquidity and Capital Resources - Off Balance Sheet and Equity Method Investee Debt, Guarantees of Unconsolidated Obligations, and Lease Obligations."

Domestic Utility Transition to Retail Competition

The electric utility industry for years has been preparing for the advent of competition in its business. For most electric utilities, the transition from a regulated monopoly to a competitive business is challenging and complex. The new electric utility environment presents opportunities to compete for new customers and creates the risk of loss of existing customers. It presents risks along with opportunities to enter into new businesses and to restructure existing businesses. Events that occurred in 2001, particularly the crisis in California's restructured power supply market, may slow the onset of competition. The recent bankruptcy of Enron may further retard the move to competition.

For Entergy, the domestic transition to competition is a formidable undertaking, made uniquely difficult because the domestic utility companies operate in five retail regulatory jurisdictions and are subject to the System Agreement, which contemplates the integrated operation of Entergy's electric generation and transmission assets throughout the retail service territories. Entergy is striving to achieve consistent paths to competition in all five retail regulatory jurisdictions. Nevertheless, actions by one jurisdiction may conflict with actions by another. In addition, while the Arkansas and Texas legislatures have enacted laws to bring about electric utility competition, the process is going forward only in Texas, and retail competition in Entergy Gulf States' service area is subject to a delay in that state. Entergy is continuing to work with regulatory and legislative officials in all jurisdictions in designing the rules surrounding the implementation of a competitive electricity industry. There can be no assurance given as to the timing or results of the transition to competition in Entergy's service territories. Following is a summary of the status of the transition to competition in the five retail jurisdictions:

Electric Jurisdiction	Status of Retail Open Access	% of Entergy's Consolidated 2001 Revenues Derived from Retail Utility Operations in the Jurisdiction
Arkansas	Commencement delayed by amended law until at least October 2003, APSC has recommended delay until at least 2010.	13.6%
Texas	Delayed until at least September 15, 2002 in Entergy Gulf States' service area in a settlement approved by the **PUCT.**	10.7%
Louisiana	The LPSC has deferred pursuing retail open access, pending developments at the federal level and in other states.	33.4%
Mississippi	MPSC has recommended not pursuing open access at this time.	9.8%
New Orleans	City Council has taken no action on Entergy's proposal filed in 1997.	5.1%

Arkansas

Under current Arkansas legislation, the target date for retail open access has been delayed until no sooner than October 1, 2003 and no later than October 1, 2005. In December 2001, the APSC recommended to the Arkansas General Assembly that legislation be enacted during the 2003 legislative session to either repeal the legislation authorizing retail open access or further delay retail open access until at least 2010. Entergy Arkansas supports the proposal for further delay of retail open access but opposes repeal of deregulation legislation as premature at this time.

Texas

In June 1999, the Texas legislature enacted a law providing for competition in the electric utility industry through retail open access. With retail open access, generation and a new retail electric provider operation are competitive businesses, but transmission and distribution operations continue to be regulated. The new retail electric providers are the primary point of contact with customers. Although retail open access legislation is in place in Texas, its implementation in Entergy Gulf States' territory is delayed until at least September 15, 2002.

Pursuant to the provisions of the retail open access law, Entergy Gulf States' business separation plan provides that Entergy Gulf States will be divided into:

- a Texas distribution company;
- an intermediate transmission company;
- a Texas generation company;
- at least two Texas retail electricity providers; and
- a Louisiana company that will encompass distribution, generation, transmission, and retail operations.

Several proceedings necessary to implement retail open access are still pending, including proceedings to set the price-to-beat rates that will be charged by Entergy's retail electric service provider, to implement Entergy Gulf States' business separation plan, and to form an RTO that includes Entergy's service area. In addition, the LPSC has not approved for the Louisiana jurisdictional operations the transfer of generation assets to, or a power purchase agreement with, Entergy's proposed Texas generation company.

Louisiana

In a July 2001 report to the LPSC, the LPSC staff concluded that retail competition is not in the public interest at this time for any customer class. Nevertheless, the LPSC staff recommended that retail open access be made available for certain large industrial customers as early as January 2003. An eligible customer choosing to go to competition would be required to provide its utility with a minimum of six months notice prior to the date of retail open access. The LPSC staff report also recommended that all customers who do not currently co- or self-generate, or have co- or self-generation under construction as of a date to be specified by the LPSC, remain liable for their share of stranded costs. During its October 2001 meeting, the LPSC adopted dates by which a total of 800 MW of co- or self-generation could be developed in Louisiana without being affected by stranded costs. During its November 2001 meeting, the LPSC decided not to adopt a plan for retail open access at this time, but to have collaborative group meetings concerning open access from time to time, and to have the LPSC staff monitor developments in neighboring states and to report to the LPSC regarding the progress of retail access developments in those states.

Continued Application of SFAS 71

The domestic utility companies' and System Energy's financial statements primarily reflect assets and costs based on existing cost- based ratemaking regulation in accordance with SFAS 71, "Accounting for the Effects of Certain Types of Regulation." Under traditional ratemaking practice, regulated electric utilities are granted exclusive geographic franchises to sell electricity. In return, the utilities must make investments and incur obligations to serve customers. Prudently incurred costs are recovered from customers along with a return on investment. Regulators may require utilities to defer collecting from customers some operating costs until a future date. These deferred costs are recorded as regulatory assets in the financial statements. In order to continue applying SFAS 71 to its financial statements, a utility's rates must be set on a cost-of-service basis by an authorized body and the rates must be charged to and collected from customers.

As the generation portion of the utility industry moves toward competition, it is likely that generation rates will no longer be set on a cost-of-service basis. When that occurs, the generation portion of the business could be required to discontinue application of SFAS 71. The result of discontinuing application of SFAS 71 would be the removal of regulatory assets and liabilities from the balance sheet, and could include the recording of asset impairments. This result is because some of the costs or commitments incurred under a regulated pricing system might be impaired or not recovered in a competitive market. These costs are referred to as stranded costs.

In the non-unanimous settlement agreement filed with the PUCT by Entergy Gulf States in March 2001 described above, the parties agreed that Entergy Gulf States will not implement a charge to recover stranded costs in Texas. A rider to recover nuclear decommissioning costs will be implemented. The PUCT approved the settlement in an interim written order issued in May 2001. In December 2001, the PUCT abated the proceeding until a date closer to opening the market to retail open access.

Management believes that definitive outcomes have not yet been determined regarding the transition to competition in any of Entergy's jurisdictions. While Arkansas and Texas have enacted retail open access laws as described above, Entergy believes that significant issues remain to be addressed by Arkansas and Texas regulators, and the enacted laws do not provide sufficient detail to determine definitively the impact on Entergy Arkansas' and Entergy Gulf States' regulated operations. Resolution of the regulatory proceedings affecting the transition to competition of Entergy Gulf States' Texas generation business may require the discontinuance of the application of SFAS 71 accounting treatment to that business. Management does not expect a material adverse effect on Entergy's and Entergy Gulf States' results of operations if SFAS 71 accounting treatment for the Texas generation business is discontinued. Several uncertainties still exist in the transition to competition in Texas, including the effects of the settlement agreement that the PUCT approved that delays retail open access until at least September 15, 2002, and the effects of the ongoing proceedings in Texas. Therefore, the criteria under EITF 97-4 for discontinuing SFAS 71 treatment have not been met as of December 31, 2001.

Federal deregulation legislation

Over the past several years, a number of bills have been introduced in the United States Congress to deregulate the generation function of the electric power industry. The bills generally have provisions that would give retail consumers the ability to choose their own electric service provider. Entergy Corporation has supported some deregulation legislation in Congress that would lead to an orderly transition to competition and would also repeal PUHCA and PURPA. Congressional sentiment appears to be against mandating retail competition by a certain date and in favor of clarifying state authority to order retail choice for consumers. Congress adjourned in 2001 without final action on a deregulation bill by a committee of the House or Senate, and has not taken any significant action on such a bill in its 2002 session thus far.

State and Local Rate Regulation and Fuel-Cost Recovery

The retail regulatory basis for setting rates for electric service is shifting in some jurisdictions from traditional, exclusively cost-of- service regulation to include performance-based elements. Performance- based formula rate plans are designed to reward increased efficiency and productivity, with utility shareholders and customers sharing in the benefits. Entergy Mississippi and Entergy Louisiana have implemented performance-based rate plans, although Entergy Louisiana's formula rate plan expired at the end of 2001. Entergy plans to propose a statewide formula rate plan in Louisiana, which would include Entergy Louisiana and Entergy Gulf States.

If a statewide formula rate plan is not adopted in Louisiana in 2002, Entergy Gulf States will have to file a cost-of-service rate case by mid-2002, and Entergy Louisiana may have to file a rate case in the same timeframe. These filings are required because Entergy Gulf States' annual earnings review requirement ceased after the 2001 filing, and Entergy Louisiana's formula rate plan expired with the 2001 filing. These cost-of-service rate cases would be in addition to the Entergy New Orleans case that is scheduled to be filed by mid-2002.

In addition to their rate proceedings, the domestic utility companies' fuel costs recovered from customers are subject to regulatory scrutiny. This regulatory risk represents the domestic utility companies' largest potential exposure to price changes in the commodity markets.

The domestic utility companies' retail and wholesale rate matters and proceedings, including fuel cost recovery- related issues, are discussed more thoroughly in Note 2 to the financial statements.

System Agreement Proceedings

The System Agreement provides for the integrated planning, construction, and operation of Entergy's electric generation and transmission assets throughout the retail service territories of the domestic utility companies. Under the terms of the System Agreement, generating capacity and other power resources are shared among the domestic utility companies. The System Agreement provides that parties having generating reserves greater than their load requirements (long companies) shall receive payments from those parties having deficiencies in generating reserves (short companies). Such payments are at amounts sufficient to cover certain of the long companies' costs for generating units fueled by oil or gas, including operating expenses, fixed charges on debt, dividend requirements on preferred and preference stock, and a fair rate of return on common equity investment. In addition, for all energy exchanged among the domestic utility companies under the System Agreement, the short companies are required to pay the cost of fuel consumed in generating such energy plus a charge to cover other associated costs.

The LPSC and the Council commenced a proceeding in 2001 at the FERC that requests amendments to the System Agreement, particularly in the area of production cost equalization. The LPSC and Council also allege that certain provisions of the System Agreement increase costs paid by the ratepayers in their jurisdictions. The APSC, MPSC, and Entergy have each opposed the relief sought by the LPSC and the Council. The LPSC also instituted a proceeding in 2001 to litigate several of the same issues. In the proceeding, the LPSC also questions whether Entergy Louisiana and Entergy Gulf States were prudent for not seeking changes to the System Agreement previously, so as to lower costs imposed upon their ratepayers and to increase costs imposed upon ratepayers of the other domestic utility companies. The domestic utility companies have challenged the propriety of the LPSC litigating these issues, and will oppose the relief sought by the LPSC staff. Nevertheless, the decisions in these proceedings could affect the rates charged to ratepayers by the individual domestic utility companies, and the timing and outcome of these proceedings cannot be predicted at this time.

SIGNIFICANT FACTORS AND KNOWN TRENDS

Industrial, Commercial, and Wholesale Customers

Some of Entergy Gulf States' and Entergy Louisiana's large industrial and commercial customers continually explore ways to reduce their energy costs. In particular, cogeneration is an option available to a significant portion of Entergy Gulf States' and Entergy Louisiana's industrial customer base. Entergy responds by working with industrial and commercial customers and negotiating electric service contracts that provide service at rates lower than would otherwise be charged. Despite these actions, Entergy Gulf States and Entergy Louisiana each expect to lose large industrial customers to cogeneration by the end of 2002. Entergy Gulf States expects to lose two customers that accounted for approximately 1% of its net revenue in 2001. Entergy Louisiana expects to lose a customer that accounted for approximately 2% of its net revenue in 2001. In addition to working with its current customers, Entergy also continually participates in economic development activities that can increase industrial and commercial energy demand, from both current and new customers.

Entergy also faces competition in making wholesale power sales. In 2001, Entergy Arkansas lost a contract with a municipal wholesale customer that accounted for approximately 2% of its 2001 net revenue. The current contract with this customer expires on June 30, 2002, at which time the customer will buy power from another supplier. Entergy Arkansas is aggressively pursuing other wholesale power sales opportunities, however, to offset the revenue loss resulting from the loss of this contract.

Attacks of September 11, 2001

Since the attacks on New York and Washington, D.C. on September 11, 2001, security at Entergy's nuclear power plants has been at a heightened alert level. Entergy is working with the NRC and other government agencies on security at its nuclear sites. Based on current security plans, management does not expect a material effect on Entergy's financial statements to result from additional security measures that may be implemented at its nuclear sites. As the NRC, other governmental entities, and the industry continue to consider security issues, it is possible that more extensive security plans requiring higher-than-expected costs could be required.

Environmental Matters

Entergy is subject to federal and state regulation regarding air and water quality and other environmental matters. The Clean Air Act amendments of 1990 established programs to control sulfur dioxide, nitrogen oxides, and hazardous air pollutant emissions (primarily mercury). The ozone non-attainment program for control of nitrogen oxides currently impacts Entergy Gulf States' operations in the Beaumont and Houston areas. Entergy expects to incur up to $54 million in capital costs through 2007 to comply with the program controls. In addition, Entergy Gulf States expects to spend up to $72 million in capital costs through 2005 if LDEQ-proposed controls for the Baton Rouge area are implemented.

The United States Congress is considering a multi-pollutant approach to reauthorization of the Clean Air Act. In addition to the three types of emissions mentioned above, Congress is considering controls on carbon dioxide emissions. Entergy is committed to environmental compliance, and its high percentage of nuclear and natural gas capacity gives it an advantage when compared to the costs other utilities will face from potential environmental requirements. Furthering its commitment to reduce emissions, Entergy purchased 80 MW of wind-powered capacity in December 2001, and will consider additional investment in wind power.

Nuclear Matters

Concerns continue to be expressed in public forums about the safety of nuclear generation units and nuclear fuel. These concerns have led to various proposals being made to federal authorities as well as in some of the localities where Entergy owns nuclear power plants for legislative and regulatory changes that could lead to shut down of nuclear units, denial of life extension applications, unavailability of sites for spent nuclear fuel disposal, or other adverse effects on nuclear generation. Entergy currently owns 9 nuclear generation units and has agreed to acquire a tenth unit. If any of these proposals become effective, it may have a material adverse effect on the results of operations or financial condition of Entergy.

ENTERGY CORPORATION AND SUBSIDIARIES

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

SIGNIFICANT FACTORS AND KNOWN TRENDS

Market Risks Disclosure

Entergy is exposed to the following market risks (market risk is the risk of changes in the value of commodity and financial instruments, or in future operating results or cash flows, in response to changing market conditions):

- the commodity price risk associated with its energy commodity services segment;
- the foreign currency exchange rate risk associated with certain of its contractual obligations;
- the interest rate risk associated with variable rate credit facilities in its energy commodity services segment; and
- the interest rate and equity price risk associated with its investments in decommissioning trust funds.

In addition to these market risks, Entergy is also exposed to credit risk. Credit risk is risk of loss from nonperformance by suppliers, customers, or financial counter-parties to a contract or agreement. Where it is a significant consideration, counter-party credit risk is addressed in the discussions that follow.

Commodity Price Risk

Power Generation

The sale of electricity from the power generation plants owned by Entergy's non-utility nuclear business and energy commodity services is subject to the fluctuation of market power prices. Entergy's non- utility nuclear business has entered into power purchase agreements (PPAs) to sell the power produced by its power plants at prices established in the PPAs. To the extent that a plant's output is not subject to a PPA, power sales would be subject to market fluctuations. Following is a summary of the amount of the Entergy non-utility nuclear business' capacity currently subject to PPAs. Entergy continues to pursue opportunities to extend the existing PPAs and to enter into new PPAs with other parties.

Power Pool	Capacity subject to PPAs in the Power Pool	Entergy's Capacity 2002	2003	2004	2005
New York ISO	2,775 MW	100%	100%	79%	0%
ISO New England	670 MW	100%	85%	85%	20%

In addition, Entergy will sell 100% of Vermont Yankee's output up to its rated capacity to Vermont Yankee Nuclear Power Corporation's current owner-utilities under a 10-year PPA executed in conjunction with the transaction, which management expects to close in the summer of 2002. The PPA includes an adjustment clause where the prices specified in the PPA will be adjusted downward annually, beginning in 2006, if power market prices drop below the PPA prices. Vermont Yankee is a part of ISO New England.

Under the PPAs with NYPA for the output of power from Indian Point 3 and FitzPatrick, Entergy's non-utility nuclear business is obligated to produce at an average capacity factor of 85% with a financial true- up payment due to NYPA should NYPA's cost to purchase power due to an output shortfall be higher than the PPAs' price. These plants operated at 94% and 99% capacity factors, respectively, in 2001. The financial true-up obligation is guaranteed up to $20 million by an Entergy affiliate.

ENTERGY CORPORATION AND SUBSIDIARIES

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Energy commodity services enters into forward power sale agreements to hedge its exposure to market price fluctuations. The following represents the percentage of planned electricity output under physical or financial contract for energy commodity services' generation facilities as of December 31, 2001:

	2002		2003	
	Planned GWH	% under contract	Planned GWH	% under contract
Peaking plants	303	81%	345	12%
Base load plants	8,089	62%	10,463	25%

In many regions of the United States the spark spread, the difference between the price of electricity and the price of natural gas at certain conversion efficiencies, has declined significantly in 2001. The decline is adversely impacting the profitability of power projects selling into power markets on a spot or short-term basis. Energy commodity services actively manages its assets as an investment portfolio, and attempts to maximize flexibility to respond to different market environments. Active management of the portfolio by energy commodity services is expected to result in: the commercial operation of projects by energy commodity services; the sale of projects at various stages in their planning, development, or operation; or the abandonment of projects. Entergy continually monitors industry trends in order to determine whether asset impairments or other losses could result from a decline in value, or cancellation, of merchant power projects and the related turbines, and records provisions for impairments and losses accordingly.

Marketing and Trading

The earnings of Entergy's energy commodity services segment are exposed to commodity price market risks through Entergy's 50%-owned, unconsolidated investment in Entergy-Koch, energy-related derivative commodity and financial instruments held by certain consolidated subsidiaries, and Entergy's consolidated power marketing and trading business in 2000, which was contributed to Entergy-Koch in January 2001.

Entergy-Koch Trading (EKT) and Entergy use VAR models as one measure of the market risk of a loss in fair value for EKT's natural gas and power trading portfolio and energy commodity services' mark-to- market portfolio. VAR acts in conjunction with stress testing, position reporting, and profit and loss reporting in order to measure and control the risk inherent in these portfolios. The primary use of VAR is to provide a benchmark for market risk contained in these portfolios. VAR does not function as a comprehensive measure of all risks in the portfolios.

EKT's and Entergy's calculations of VAR exposure represent an estimate of reasonably possible net losses that would be recognized on portfolios of commodities and derivative financial instruments, assuming hypothetical movements in prices. VAR does not represent the maximum possible loss, because actual future gains and losses will differ from those estimated based upon actual fluctuations in market rates, operating exposures, and the timing thereof, and changes in the portfolio of derivative financial instruments during the year.

EKT

To manage its portfolio, EKT enters into various derivative and contractual transactions in accordance with the policy approved by the trading committee of the governing board of its general partner. The trading portfolio consists of physical and financial natural gas and power as well as other energy and weather-related contracts. These contracts take many forms, including futures, forwards, swaps, and options.

EKT estimates its VAR using a model based on J.P. Morgan's Risk Metrics methodology combined with a Monte Carlo simulation approach. EKT estimates its daily VAR for natural gas and power using a 97.5% confidence level. EKT's daily VAR is a measure that indicates that, if prices moved against the positions, the loss in neutralizing the portfolio would not be expected to exceed the calculated VAR. EKT seeks to limit the daily VAR on any given day to a certain dollar amount approved by the trading committee. EKT's daily VAR for natural gas at December 31, 2001 was $4 million, with an average of $3 million for the year, and its daily VAR for power at December 31, 2001 was $2 million, with an average of $1 million for the year.

For all derivative and contractual transactions, EKT is exposed to losses in the event of nonperformance by counter-parties to these transactions. EKT's operations are primarily concentrated in the energy industry. Its trade receivables and other financial instruments are predominantly with energy, utility, and financial services related companies, as well as other trading companies in the United States, UK, and Western Europe. EKT maintains credit policies, which its management believes minimize overall credit risk. Prospective and existing customers are reviewed for creditworthiness based upon pre- established standards, with customers not meeting minimum standards providing various requisite secured payment terms, including the posting of cash collateral. EKT also has master netting agreements in place that allow EKT to offset gains and losses arising from derivative instruments that may be settled in cash and/or gains and losses arising from derivative instruments that may be settled with the underlying physical commodity. EKT's policy is to have such master netting agreements in place with significant counter-parties. Based on EKT's policies, risk exposures, and valuation adjustments related to credit, EKT does not anticipate a material adverse effect on its financial position as a result of counter-party nonperformance.

Other Marketing and Trading

The energy commodity services segment's VAR methodology for its derivative instruments, and for its consolidated power marketing and trading business in 2000, uses a variance/covariance approach to the measurement of market risk. The variance/covariance approach assumes that prices follow a "random-walk" process in which prices are lognormally distributed. This approach requires the following inputs:

o a test with a 97.5% confidence interval that measures the probability of loss; and
o a cross-product correlation matrix that measures the tendency of different basis products to move together.

Energy commodity services' consolidated subsidiaries VAR for its mark- to-market derivative instruments was approximately $7.3 million as of December 31, 2001. Management excludes the long-term gas supply contract for its UK power plant from this VAR computation due to its size and length. Management estimates that a 10% change in UK gas prices would result in approximately a $7.7 million change in net income due to mark-to-market accounting for this contract.

Power marketing and trading's VAR was approximately $3 million as of December 31, 2000.

SIGNIFICANT FACTORS AND KNOWN TRENDS

Mark-to-market accounting

As required by generally accepted accounting principles, Entergy and Entergy-Koch mark-to-market commodity instruments held by them for trading and risk management purposes that are considered derivatives under SFAS 133 or energy trading contracts under EITF 98-10. Conversely, commodity contracts that are not considered derivatives or energy trading contracts, generally because they involve physical delivery of a commodity to the purchaser, are not marked to market. Examples of commodity instruments that are marked to market include:

- commodity options, swaps, and forwards that are expected to be net settled;
- power sales agreements that do not involve delivery of power from Entergy's power plants; and
- fuel supply contracts with volumetric optionality.

Examples of commodity contracts that are not marked to market include:

- the PPAs for Entergy's domestic non-utility nuclear plants;
- capacity purchases and sales by the domestic utility companies; and
- forward contracts that will result in physical delivery.

Fair value estimates of the commodity instruments that are marked to market are made at discrete points in time based on relevant market information. Market quotes are used in determining fair value whenever they are available. When market quotes are not available (e.g., in the case of a long-dated commodity contract), other information is used, including transactional data and internally developed models. Fair value estimates based on these other methodologies are necessarily subjective in nature and involve uncertainties and matters of significant judgment. Therefore, actual results may differ from these estimates. Following are the net mark-to- market assets and the period within which the assets would be realized in cash if they are held to maturity and market prices are unchanged:

	Net mark-to-market asset at Dec. 31, 2001	Cumulative cash realization period		
		2002	2003	2004-2005
Entergy consolidated subsidiaries	$41 million	55%	98%	100%
Entergy-Koch	$107 million	10%	83%	100%

Foreign Currency Exchange Rate Risk

System Fuels and Entergy's domestic non-utility nuclear business entered into foreign currency forward contracts to hedge the Euro-denominated payments due under certain purchase contracts. The notional amounts of the foreign currency forward contracts are 61.3 million Euro ($54.5 million) and the forward currency rates range from .8690 to .8981. The maturities of these forward contracts depend on the purchase contract payment dates and range in time from June 2002 to February 2004. The mark-to-market valuation of the forward contracts at December 31, 2001 was a net liability of $0.4 million. The counter- party banks obligated on these agreements are rated by Standard and Poor's Rating Services at AA on their senior debt obligations as of December 31, 2001.

Interest Rate Risk - Debt

Entergy uses interest rate swaps to reduce the impact of interest rate changes on the Damhead Creek variable-rate credit facilities. Under the interest rate swap agreements, Entergy receives floating-rate interest payments and pays fixed-rate interest rate payments over the life of the agreements. The floating-rate interest that Entergy receives is approximately equal to the interest it must pay on the variable-rate credit facilities. Therefore, through the use of the swap agreements, Entergy effectively achieves a fixed rate of interest on the credit facilities. The following details information about the interest rate swaps as of December 31, 2001:

	Notional Amount	Average Fixed Pay Rate	Maturity	Fair value
Damhead Creek ($22.9	BPS275.8 million ($396.8 million)	6.52%	2010	BPS15.9 million liability million)

The counter-party banks obligated on these interest swaps are rated by Standard & Poor's Rating Services at AA- or higher on their senior debt obligations.

Interest Rate and Equity Price Risk - Decommissioning Trust Funds

Entergy's nuclear decommissioning trust funds expose it to fluctuations in equity prices and interest rates. The NRC requires Entergy to maintain trusts to fund the costs of decommissioning ANO 1, ANO 2, River Bend, Waterford 3, Grand Gulf 1, Pilgrim, and Indian Point 1 and 2 (NYPA currently retains the decommissioning trusts and liabilities for Indian Point 3 and Fitzpatrick). The funds are invested primarily in equity securities; fixed-rate, fixed-income securities; and cash and cash equivalents. Management believes that its exposure to market fluctuations will not affect results of operations for the ANO, River Bend, Grand Gulf 1, and Waterford 3 trust funds because of the application of regulatory accounting principles. The Pilgrim and Indian Point 1 and 2 trust funds collectively hold approximately $542 million of fixed-rate, fixed-income securities as of December 31, 2001. These securities have an average coupon rate of approximately 6.8%, an average duration of approximately 5.4 years, and an average maturity of approximately 8.3 years. The Pilgrim and Indian Point 1 and 2 trust funds also collectively hold equity securities worth approximately $272 million as of December 31, 2001. These securities are held in funds that are designed to approximate or somewhat exceed the return of the Standard & Poor's 500 Index. The decommissioning trust funds are discussed more thoroughly in Notes 1 and 9 to the financial statements.

Litigation Environment

The four states in which the domestic utility companies operate, in particular Louisiana, Mississippi, and Texas, have proven to be unusually litigious environments. Judges and juries in Louisiana, Mississippi, and Texas have demonstrated a willingness to grant large verdicts, including punitive damages, to plaintiffs in personal injury, property damage, and business tort cases. Entergy uses legal and appropriate means to contest litigation threatened or filed against it, but the litigation environment in these states poses a significant business risk.

New Accounting Pronouncements

The FASB issued several new accounting pronouncements in mid-2001. See Note 1 to the financial statements for a discussion of the expected effects of these pronouncements on Entergy.

ENTERGY CORPORATION AND SUBSIDIARIES

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

LIQUIDITY AND CAPITAL RESOURCES

Cash Flow

Operations

Net cash flow provided by operating activities for Entergy, the domestic utility companies, and System Energy for the years ended December 31, 2001, 2000, and 1999 was:

	2001	2000	1999
	(In Millions)		
Entergy	$2,215.5	$1,967.8	$1,389.0
Entergy Arkansas	$ 413.2	$ 421.6	$ 352.6
Entergy Gulf States	$ 338.5	$ 403.9	$ 387.6
Entergy Louisiana	$ 430.5	$ 270.4	$ 410.4
Entergy Mississippi	$ 178.1	$ 182.3	$ 142.4
Entergy New Orleans	$ 77.7	$ 30.5	$ 60.2
System Energy	$ 165.9	$ 395.6	$ 102.8

Entergy's consolidated net cash flow provided by operating activities increased in 2001 primarily due to:

o an increase, after eliminating the effect of money pool activity, of $432 million in cash provided by the parent company, Entergy Corporation, primarily due to decreased income taxes paid resulting from book and tax income timing differences and the receipt of a federal tax refund associated primarily with deductions for 2000 ice storm costs, partially offset by increased interest expense and the payment of FPL merger-related costs; and
o an increase of $171 million in cash provided by the domestic non- utility nuclear business, primarily from the operation of the FitzPatrick and Indian Point 3 plants purchased in the fourth quarter of 2000 and the Indian Point 2 plant purchased in the third quarter of 2001.

These increases were partially offset by a decrease, after eliminating the effect of money pool activity, of $129 million in cash provided by the domestic utility companies and System Energy and net cash used of $128 million in 2001 compared to net cash provided of $64.3 million in 2000 by the energy commodity services segment. The energy commodity services segment includes the EWO business and the Entergy-Koch joint venture. In 2001, EWO used $73 million of net cash in operating activities; in 2000, EWO provided $37 million of operating cash flow. This fluctuation is primarily due to a net loss, excluding the gain on the sale of the Saltend plant, generated in 2001 compared with net income generated in 2000. Entergy's investment in Entergy- Koch used $55 million of net cash in operating activities in 2001 compared with power marketing and trading providing $27 million of operating cash flow in 2000. This fluctuation is primarily because, although income from this activity is higher in 2001, Entergy has not received dividends from Entergy-Koch, as the joint venture is currently retaining capital for trading opportunities.

Entergy Louisiana made a tax accounting election in 2001 that is expected to provide a cash flow benefit in 2002 through 2005. For the years 2006 through 2031, this benefit is expected to reverse, resulting in increased tax payments. The amount of the benefits in 2002 through 2005 will vary, depending on market prices of power, but it is likely to be substantial.

Money pool activity also affected the operating cash flows of the domestic utility companies and System Energy. The following represents the domestic utility companies and System Energy's receivables from and (payables) to the money pool as of December 31 for each of the years presented below. An increase in a company's (payable) to the money pool increases the operating cash flow of that company. An increased in a company's receivable from the money pool decreases the operating cash flow of that company.

Company	2001	2000	1999
		(In Millions)	
Entergy Arkansas	$23.8	($30.7)	($40.6)
Entergy Gulf States	$27.7	$23.4	($36.1)
Entergy Louisiana	$3.8	$22.9	($91.5)
Entergy Mississippi	$11.5	($33.3)	($50.0)
Entergy New Orleans	$9.2	($5.7)	($9.6)
System Energy	$13.9	$155.3	$234.2

See Note 4 to the financial statements for a description of the money pool.

The reduction in System Energy's net cash provided by operating activities in 2001 was caused by its payment of a refund to the four domestic utility companies that buy power from Grand Gulf 1. In the third quarter of 2001, System Energy's 1995 rate proceeding became final. System Energy refunded a total of $530.7 million in December 2001 to Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans. A total of $108.4 million will in turn be refunded to the customers of these domestic utility companies in early 2002. Refunds to customers will be lower than the amounts received from System Energy because the utility companies did not pass through to customers all of System Energy's proposed rate increase. The refunds from System Energy and the amounts due customers are as follows:

	System Energy refund	Refund due customers
	(In Millions)	
Entergy Arkansas	$191.1	$53.7
Entergy Louisiana	$74.3	$ 6.2
Entergy Mississippi	$175.1	$14.8
Entergy New Orleans	$90.2	$33.6

See Note 2 to the financial statements for additional discussion of the rate proceeding and refunds.

Entergy's consolidated cash flow from operations increased in 2000 primarily due to the domestic utility companies and System Energy providing an additional $277.5 million and the competitive businesses providing an additional $223.7 million to operating cash flows for the year ended December 31, 2000.

Fuel cost recovery activity in 2000 significantly affected the operating cash flows for the domestic utility companies. Historically high natural gas and purchased power costs in 2000 caused the domestic utility companies' fuel payments to increase significantly during the year. In the case of Entergy Arkansas, the Texas portion of Entergy Gulf States, and Entergy Mississippi, the 2000 under-recoveries have been treated as regulatory investments in the cash flow statements because those companies are allowed by their regulatory jurisdictions to recover the fuel costs accumulated in 2000 over longer than a twelve- month period, and are earning a return on the under-recovered balances.

LIQUIDITY AND CAPITAL RESOURCES

Entergy Arkansas' and Entergy Gulf States' operating cash flows were also affected by increases in their net income for the year ended December 31, 2000. The increase in operating cash flow for Entergy Gulf States was partially offset by the increased use of cash for fuel costs related to the Louisiana jurisdiction and refunds of $83 million paid to Louisiana customers during the third quarter of 2000 as a result of earnings reviews settled with the LPSC, as discussed further in Note 2 to the financial statements. The decrease in operating cash flow for Entergy Louisiana and Entergy New Orleans was partially caused by the increased use of cash related to fuel costs in 2000.

The increase in operating cash flow in 2000 for the competitive businesses is attributable to the following:

o the operations of Pilgrim, Indian Point 3, and FitzPatrick that primarily caused an increase of $73.9 million in operating cash flow from the domestic non-utility nuclear business; and
o net income generated by and improved operations in the power marketing and trading and power development businesses in 2000, which resulted in an additional $40.2 million and $91.0 million of operating cash flow, respectively, compared with net losses from their operations in 1999.

Pilgrim was purchased in July 1999 and provided operating cash flow for all of 2000 compared with only six months in 1999. Indian Point 3 and FitzPatrick were purchased in November 2000 and provided operating cash flow for two months in 2000.

Investing Activities

Net cash used in investing activities increased in 2001 primarily due to:

o approximately $600 million paid to acquire the Indian Point 2 nuclear plant in the third quarter of 2001;
o cash contributions of approximately $414 million made in the formation of Entergy-Koch;
o investments used as collateral for letters of credit by the domestic non-utility nuclear business discussed below in "Uses of Capital - Domestic Non-Utility Nuclear"; and
o the maturity of other temporary investments in 2000 and additional temporary investments made in 2001.

The following factors partially offset the overall increase in cash used in investing activities for 2001:

o receipt of approximately $810 million in proceeds from the sale of the Saltend plant to Calpine Corporation in August 2001;
o decreased construction expenditures due to completion of construction of the Saltend and Damhead Creek plants;
o decreased payments by EWO for turbines in 2001, discussed below in "Uses of Capital - Energy Commodity Services"; and
o decreased under-recovery of deferred fuel costs incurred at certain of the domestic utility companies. Entergy Arkansas, the Texas portion of Entergy Gulf States, and Entergy Mississippi for 2000 only, have treated these costs as regulatory investments because these companies are allowed by their regulatory jurisdictions to recover the accumulated fuel cost regulatory asset over longer than a twelve-month period. Entergy Mississippi's fuel recovery mechanism changed effective January 2001, and Entergy Mississippi's fuel cost under- recoveries incurred after that date are being recovered over less than a twelve-month period. The companies will earn a return on the under- recovered balances.

Net cash used in investing activities increased for 2000 due to increased construction expenditures, decreased proceeds from sales of businesses, decreased net proceeds from maturities of notes receivable, and higher fuel costs.

The increased construction expenditures were primarily due to:

- spending on customer service and reliability improvements by the domestic utility companies;
- costs incurred related to the December 2000 ice storms, primarily at Entergy Arkansas; and
- costs incurred for replacement of the steam generators at ANO 2.

The following items also contributed to the overall increase in cash used in 2000:

- the maturity of notes receivable in August 1999 when only a portion of the proceeds were reinvested in other temporary investments;
- payments made by Entergy's power development business in 2000 for turbines; and
- the under-recovery of deferred fuel costs incurred in 2000 at certain of the domestic utility companies due to significantly higher market prices of fuel and purchased power expenses.

Partially offsetting the overall increase in cash used is the maturity of other temporary investments and proceeds from the sale of the Freestone power project in 2000.

Financing Activities

Financing activities used cash in 2001 compared to providing a small amount of cash in 2000 primarily due to:

- the $555 million retirement of the Saltend credit facility in August 2001 when the plant was sold;
- a higher amount of debt issued by the domestic utility companies in 2000 than in 2001;
- no additional borrowings in 2001 under the Saltend and Damhead Creek credit facilities due to the completion of the construction of the plants in 2000; and
- a reduction in the amount of debt outstanding on the Entergy Corporation credit facility.

Partially offsetting the increase in cash used in 2001 were the following:

- decreased repurchases of Entergy common stock in 2001; and
- the redemption of Entergy Gulf States' preference stock in 2000.

Financing activities provided cash for 2000 primarily due to:

- new long-term debt issuances by each of the domestic utility companies; and
- increased borrowings under the Entergy Corporation credit facility.

LIQUIDITY AND CAPITAL RESOURCES

Partially offsetting the overall cash provided were the following in 2000:

- o increased repurchases of Entergy Corporation common stock;
- o redemption of Entergy Gulf States' preference stock; and
- o decreased borrowings under the credit facilities for the construction of the Saltend and Damhead Creek power projects by Entergy's power development business.

Capital Resources

Uses of Capital

Entergy requires capital resources for:

- o construction and other capital investments;
- o debt and preferred stock maturities;
- o working capital purposes, including the financing of fuel and purchased power costs;
- o dividend and interest payments; and
- o common stock repurchases.

Following are the amounts of Entergy's planned construction and other capital investments, existing debt and lease obligations, and other purchase obligations (the domestic utility companies and System Energy present this information in their "Selected Financial Data - Five-Year Comparison," which follow their respective financial statements):

	2002	2003	2004	After 2004
		(In Millions)		
Planned construction and capital investment	$1,731	$1,352	$1,225	N/A
Long-term debt maturities	$683	$1,170	$899	$5,252
Short-term facility maturities (1)	$350	N/A	N/A	N/A
Capital and operating lease payments(2)	$102	$88	$85	$180
Unconditional fuel and purchased power obligations(3)	$424	$379	$385	$5,453
Nuclear fuel lease obligations (2)(4)	$138	$129	N/A	N/A

(1) These 364-day credit facilities are discussed below under "Sources of Capital."
(2) Lease obligations are discussed in Note 10 to the financial statements.
(3) Unconditional fuel and purchased power obligations are discussed in Note 9 to the financial statements under "Fuel Purchase Agreements" and "Power Purchase Agreements."
(4) It is expected that additional financing under these leases will be arranged as needed to acquire additional fuel, to pay interest, and to pay maturing debt. If such additional financing cannot be arranged, however, the lessee in each case must repurchase sufficient nuclear fuel to allow the lessor to meet its obligations.

ENTERGY CORPORATION AND SUBSIDIARIES

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

LIQUIDITY AND CAPITAL RESOURCES

In addition to the capital spending plans and contractual commitments, Entergy has guarantees of unconsolidated obligations outstanding as of December 31, 2001 as follows:

	Total Amounts Committed	Amount of Commitment Expiration per Period		
		2002-2003	2004-2006	Beyond 2006
Guarantees of unconsolidated obligations	$617 million	$40 million	$542 million	$35 million

These guarantees of unconsolidated obligations are discussed further in the section below titled "Off Balance Sheet and Equity Method Investee Debt, Guarantees of Unconsolidated Obligations, and Lease Obligations."

The planned capital investment estimate includes $2.8 billion in spending by the domestic utility companies and System Energy, $0.8 billion in spending by energy commodity services, and $0.7 billion in spending by the domestic non-utility nuclear business. This plan reflects capital required to support existing businesses and Board- approved investments. The estimated capital expenditures are subject to periodic review and modification and may vary based on the ongoing effects of regulatory constraints, business opportunities, market volatility, economic trends, business restructuring, and the ability to access capital. Management provides more information on construction expenditures and long-term debt and preferred stock maturities in Notes 5, 6, 7, and 9 to the financial statements.

The domestic utility companies and System Energy will focus their planned spending on projects that will support continued reliability improvements and customer growth. Following is a discussion, by business segment, of potential significant uses of capital by Entergy.

Entergy Corporation

Declarations of dividends on Entergy's common stock are made at the discretion of the Board. The Board evaluates the level of Entergy common stock dividends based upon Entergy's earnings and financial strength. At its October 2001 meeting, the Board increased Entergy's quarterly dividend per share by 5%, to $0.33. In 2001, Entergy Corporation paid $269.1 million in cash dividends on its common stock. Dividend restrictions are discussed in Note 8 to the financial statements.

Management is also actively considering a share repurchase program and expects to reach a decision sometime in 2002.

Domestic Non-Utility Nuclear

The domestic non-utility nuclear business will focus its planned spending on routine construction projects and nuclear fuel purchases for owned plants, power uprates for those plants, and on the anticipated purchase of the Vermont Yankee nuclear power plant. In August 2001, Entergy's domestic non-utility nuclear business agreed to purchase the 510 MW Vermont Yankee Nuclear Power Plant in Vernon, Vermont, from Vermont Yankee Nuclear Power Corporation for $180 million, to be paid in cash upon closing. Management expects to close the transaction in the summer of 2002, pending the approvals of the NRC, the Public Service Board of Vermont, and other regulatory agencies.

LIQUIDITY AND CAPITAL RESOURCES

In connection with the acquisition of FitzPatrick and Indian Point 3 in 2000, the installment payments due by Entergy to NYPA must be secured by a letter of credit from an eligible financial institution. On November 21, 2000, upon closing the acquisition of the NYPA plants, Entergy delivered a $577 million letter of credit, with NYPA as beneficiary. The letter of credit was backed by cash collateral, and this cash is reflected in the consolidated balance sheet at December 31, 2000, as "Special deposits." In January 2001, Entergy replaced $440 million of the cash collateral with an Entergy Corporation guarantee. Most of the cash released by this guarantee was used to fund Entergy's contributions to the Entergy-Koch joint venture. In June 2001, Entergy Corporation obtained new letters of credit totaling $577 million, which replaced the letter of credit initially provided to NYPA. The new letters of credit are partially backed by an Entergy Corporation guarantee and partially backed by $272 million of cash collateral. The cash collateral is included in "Other" in the Other Property and Investments section of the consolidated balance sheet at December 31, 2001.

Energy Commodity Services

Energy commodity services will focus its planned spending on merchant power plant projects currently under construction, including the purchase of some of the gas turbines scheduled for delivery in 2002 through 2004 under an option to purchase obtained from General Electric Company that is discussed below. The estimate does not include potential acquisitions of assets that may be offered for sale by third parties or additional capital investment in Entergy-Koch, which is an unconsolidated equity investment. Entergy is obligated to make a $73 million cash contribution to Entergy-Koch in January 2004.

Entergy's energy commodity services segment is currently constructing the following projects. The Crete Project, a 320 MW simple cycle gas turbine merchant power plant in Crete, Illinois, is anticipated to be operational in June 2002. Entergy will own approximately 160 MW of the capacity of the Crete plant, with the remainder owned by DTE Energy. During 2000, construction began on the RS Cogen Project, a 425 MW combined-cycle gas turbine power plant in Lake Charles, Louisiana. Entergy will own approximately 212 MW, with the remainder owned by PPG Industries. RS Cogen is expected to begin operation in 2002. Construction also began in 2001 on the Northeast Texas Electric Cooperative Project, a 550 MW combined-cycle gas turbine power plant in Harrison County, Texas. Entergy will own approximately 385 MW once construction is completed and operation has begun (currently projected to be June 2003), with Northeast Texas Electric Cooperative, Inc. owning the remainder.

The power development business obtained contracts in October 1999 to acquire 36 turbines from General Electric Company. The rights and obligations under the contracts for 22 of the turbines were sold to an independent special purpose entity in May 2001. In conjunction with Entergy's obligations related to this sale, Entergy retained certain rights to reacquire turbines or to cancel the construction of turbines. Thus far, EWO has placed 17 of the originally planned 36 turbines at sites that are either operating, under construction, or sold. In addition, as allowed by the May 2001 sale agreement, cancellation of four turbines is pending. If EWO were to decide to cancel the remaining turbines subject to the May 2001 sale agreement, its maximum projected exposure would be approximately $250 million. This exposure, however, does not take into account EWO's ongoing efforts to develop sites for the turbines. Entergy continually monitors its obligations under this arrangement and provides for potential losses (e.g., as a result of turbine cancellations) when the losses become likely. EWO will continue to actively manage its assets as an investment portfolio, and attempt to maximize flexibility to respond to different market environments. Active management of the portfolio by EWO is expected to result in: the commercial operation of projects by EWO; the sale of projects at various stages in their planning, development, or operation; or the abandonment of projects.

PUHCA Restrictions on Uses of Capital

Entergy's ability to invest in domestic and foreign generation businesses is subject to the SEC's regulations under PUHCA. As authorized by the SEC, Entergy is allowed to invest an amount equal to 100% of its average consolidated retained earnings in domestic and foreign generation businesses. As of December 31, 2001, Entergy's investments subject to this rule totaled $1.64 billion constituting 46.6% of its average consolidated retained earnings.

Entergy's ability to guarantee obligations of its non-utility subsidiaries is also limited by SEC regulations under PUHCA. In August 2000, the SEC issued an order, effective through December 31, 2005, that allows Entergy to issue up to $2 billion of guarantees to its non- utility companies.

Under PUHCA, the SEC imposes a limit equal to 15% of consolidated capitalization on the amount that may be invested in "energy-related" businesses without specific SEC approval. Entergy has made investments in energy-related businesses, including power marketing and trading. Entergy's available capacity to make additional investments at December 31, 2001 was approximately $1.7 billion.

Sources of Capital

Entergy's sources to meet its capital requirements include:

- internally generated funds, which have been the source of the majority of Entergy's capital;
- cash on hand ($750 million as of December 31, 2001) and other temporary investments ($150 million as of December 31, 2001);
- debt issuances;
- bank financing under new or existing facilities; and
- sales of assets.

The majority of Entergy's internally generated funds come from the domestic utility segment. Circumstances such as unusual weather patterns, unusual price fluctuations, and unanticipated expenses, including unscheduled plant outages, could affect the level of internally generated funds in the future.

Each of the domestic utility companies issued debt in 2001, with the exception of Entergy Louisiana. The net proceeds of these issuances were used for general corporate purposes, including capital expenditures and the retirement of short-term indebtedness incurred for working capital and other purposes. The domestic utility companies and System Energy expect to continue refinancing or redeeming higher-cost debt and preferred stock prior to maturity, to the extent market conditions and interest and dividend rates are favorable.

In December 2001, Entergy indirectly acquired the controlling interest in the Top of Iowa Wind Farm, an 80 MW wind generation facility. An Entergy subsidiary in the energy commodity services segment financed the acquisition of its interest in the wind farm through a $95 million credit facility that is backed by an Entergy Corporation guarantee. As of December 31, 2001, $78.5 million had been drawn on the facility. The facility is a bridge loan that matures January 19, 2003. The interest margins and commitment fees under the credit facility vary based on the rating of the second-lowest credit rating for senior secured long-term debt of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana and Entergy Mississippi. Entergy is not in default under the credit facility if a minimum credit rating is not maintained. The Entergy guarantee does not require the posting of alternative credit support or cash collateral if a minimum credit rating is not maintained.

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In 2000, long-term debt on Entergy's balance sheet was increased by approximately $750 million by the issuance of notes payable to NYPA in the Indian Point 3 and FitzPatrick acquisition. Also in 2000, the power development business increased its borrowings under the Damhead Creek credit facility by approximately $164 million to finance construction of the plant. Damhead Creek commenced commercial operation in 2001. The Damhead Creek credit facility requires that the annual debt service coverage ratio be at least 1.05 to 1 for the previous 12 months at semi-annual dates commencing with June 30, 2002. Given the low electricity prices currently affecting the UK market, Damhead Creek may not meet the annual debt service coverage ratio test in respect of the 12 months to June 30, 2002, which could trigger an event of default. In the event the annual debt service coverage ratio is deficient at June 30, 2002, the power development business will seek a waiver of the default from the lenders. There is no requirement for EPDC to make capital contributions or provide credit support to Damhead Creek following the occurrence of an event of default. Note 7 to the financial statements more thoroughly discusses long-term debt.

All debt and common and preferred stock issuances by the domestic utility companies and System Energy require prior regulatory approval. Preferred stock and debt issuances are also subject to issuance tests set forth in corporate charters, bond indentures, and other agreements. As shown in the earnings ratios in Item 1 of this Form 10-K, Entergy New Orleans' earnings for the year ended December 31, 2001 were not adequate to cover its fixed charges. Under its mortgage covenants, Entergy New Orleans does not have the capacity to issue new secured debt. Management does not have plans to issue new secured debt at Entergy New Orleans through at least 2002, however, and believes that its short-term and unsecured borrowing capacity will be sufficient for its foreseeable capital needs. Under restrictions contained in its articles of incorporation, Entergy New Orleans could issue approximately $38 million of new unsecured debt as of December 31, 2001.

Short-term borrowings by the domestic utility companies and System Energy, including borrowings under the money pool, are limited to amounts authorized by the SEC. Under the SEC order authorizing the short-term borrowing limits, the domestic operating companies cannot incur new short-term indebtedness if the issuer's equity would comprise less than 30% of its capital. In addition, this order restricts Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, or System Energy from issuing long-term debt unless that debt will be rated as investment grade. See Note 4 to the financial statements for further discussion of Entergy's short-term borrowing limits.

Entergy Corporation, Entergy Arkansas, Entergy Louisiana, and Entergy Mississippi each have 364-day credit facilities available as follows:

Company	Expiration Date	Amount of Facility	Amount Drawn as of Dec. 31, 2001
Entergy Corporation	May 2002	$1.375 billion	$350 million
Entergy Arkansas	May 2002	$63 million	-
Entergy Louisiana	January 2003	$15 million	-
Entergy Mississippi	May 2002	$25 million	-

ENTERGY CORPORATION AND SUBSIDIARIES

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LIQUIDITY AND CAPITAL RESOURCES

Entergy Corporation has used borrowings from its facility for general corporate purposes and to make additional investments in competitive businesses, including the purchase of Indian Point 2 from Consolidated Edison in September 2001. Entergy Corporation's facility requires Entergy to maintain a consolidated debt ratio of 65% or less of its total capitalization. If Entergy's debt ratio exceeds this limit, or if Entergy or the domestic utility companies default on other credit facilities or are in bankruptcy or insolvency proceedings, an acceleration of the facility's maturity may occur.

Off Balance Sheet and Equity Method Investee Debt, Guarantees of Unconsolidated Obligations, and Lease Obligations

Entergy has an off balance sheet financing arrangement to finance EWO's turbine acquisition program, and the debt of its equity method investees is not consolidated in Entergy's financial statements, according to generally accepted accounting principles. The equity method investees are discussed more thoroughly in Note 13 to the financial statements. Entergy also has guarantees outstanding, which are discussed below, in support of unconsolidated obligations. In addition, Entergy has operating lease obligations that are not reflected as liabilities in the financial statements, according to generally accepted accounting principles. The operating leases are discussed more thoroughly in Note 10 to the financial statements.

In order to provide a source of financing for EWO's turbine acquisition program, an Entergy subsidiary (EPDC) sold its rights and obligations under certain of its turbine acquisition contracts with General Electric Company to an independent special-purpose entity in May 2001. The special-purpose entity was formed through equity contributions from an unrelated third party. The rights to 22 turbines were included in the sale. As discussed above in "Uses of Capital," cancellation of four of these turbines is pending, and three others have been committed to a site under construction. Construction of some of the turbines had begun at the time of the sale, and the sale price of approximately $150 million corresponded to the amount that EPDC had invested in the turbines that were under construction at that time. The purchaser obtained a revolving financing facility of up to $450 million for the construction and acquisition of turbines. EPDC has certain rights to reacquire the turbines from the purchaser, whether pursuant to an interim lease commencing when a turbine is ready for shipment or pursuant to certain purchase rights. The methodology for calculation of the lease payments and purchase price for each turbine have been established pursuant to various agreements between EPDC, the purchaser, and the purchaser's lenders. If EPDC does not take title to the turbines prior to certain specified dates, the purchaser has certain rights to sell the turbines and EPDC may be held liable for specific defined shortfalls, if any. If Entergy were to consolidate the special-purpose entity as of December 31, 2001, its net debt ratio would increase from 49.7% to 50.5%. Certain EPDC obligations under these agreements are backed by an Entergy Corporation guarantee of up to $309 million as of December 31, 2001, including $84 million related to the Harrison County project currently under construction. In addition, if Entergy Corporation's debt is rated by two rating agencies (Entergy Corporation currently does not have debt issued that is rated) and if one rating falls below investment grade, or if two or more of its significant subsidiaries have their credit ratings downgraded to below investment grade, Entergy will have to put up cash collateral. As of December 31, 2001, Entergy would have to post up to $258 million as collateral in the event of such downgrades, including $59 million related to the Harrison County project.

Two of Entergy's unconsolidated 50/50 joint ventures, Entergy-Koch and RS Cogen, have obtained long-term financing. As of December 31, 2001, 50% of the debt financing outstanding for those two entities was $347 million. Two of the contracts transferred to Entergy-Koch by Entergy's power marketing and trading business were backed by Entergy Corporation guarantees authorized in the amount of $45 million at December 31, 2001. RS Cogen is currently in the construction phase, and Entergy's $30 million equity commitment has not been funded. This commitment is secured by an Entergy Corporation guarantee, which will terminate when Entergy makes its equity contribution upon completion of construction. Entergy has also supported the RS Cogen project by causing a subsidiary to enter into a power toll processing agreement (PTPA) with RS Cogen. The PTPA provides for a 20-year term, dedicates 50% of RS Cogen's conversion capacity to the Entergy subsidiary and obligates the Entergy subsidiary to pay a monthly capacity charge.

In August 2001, EntergyShaw entered into a turnkey construction agreement with an Entergy subsidiary, Entergy Power Ventures, L.P. (EPV), and with Northeast Texas Electric Cooperative, Inc. (NTEC), providing for the construction by EntergyShaw of a 550 MW electric generating station to be located in Harrison County, Texas. Entergy has guaranteed the obligations of EntergyShaw to construct the plant, which will be 70% owned by EPV. Entergy's maximum liability on the guarantee is $232.5 million.

Entergy Corporation and System Energy

Pursuant to an agreement with certain creditors, Entergy Corporation has agreed to supply System Energy with sufficient capital to:

o maintain System Energy's equity capital at a minimum of 35% of its total capitalization (excluding short-term debt);
o permit the continued commercial operation of Grand Gulf 1;
o pay in full all System Energy indebtedness for borrowed money when due; and
o enable System Energy to make payments on specific System Energy debt, under supplements to the agreement assigning System Energy's rights in the agreement as security for the specific debt.

The Capital Funds Agreement and other Grand Gulf 1-related agreements are more thoroughly discussed in Note 9 to the financial statements.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Entergy Corporation:

We have audited the accompanying consolidated balance sheets of Entergy Corporation and subsidiaries as of December 31, 2001 and 2000, and the related consolidated statements of income, of retained earnings, comprehensive income, and paid-in capital and of cash flows (pages 86 through 91 and pages 161 through 227) for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Entergy Corporation and subsidiaries as of December 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the consolidated financial statements, the Company changed its method of accounting for derivative instruments in 2001.

DELOITTE & TOUCHE LLP

New Orleans, Louisiana
January 31, 2002

ENTERGY CORPORATION AND SUBSIDIARIES

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

Entergy's consolidated earnings applicable to common stock were $726.2 million and $679.3 million for the years ended December 31, 2001 and 2000, respectively. The changes in earnings applicable to common stock by operating segments for 2001 and 2000 as compared to the prior year are as follows:

Operating Segments	Increase/(Decrease) 2001	2000
	(In Thousands)	
Domestic Utility and System Energy	($36,399)	$75,684
Domestic Non-Utility Nuclear	78,722	33,453
Energy Commodity Services (primarily EWO and Entergy-Koch)	51,031	94,848
Other, including parent company	(46,452)	(77,150)
Total	$46,902	$126,835
Increases in earnings per average common share for Entergy:		
Basic	10%	33%
Diluted	9%	32%

Entergy's income before taxes is discussed according to the operating segments listed above. See Note 12 to the financial statements for further discussion of Entergy's operating segments and their financial results in 2001, 2000, and 1999. In addition to the matters discussed below, Entergy's share repurchase program contributed to the increases in earnings per share in both 2001 and 2000 by decreasing the weighted average number of shares outstanding. Also, as noted below under Energy Commodity Services, the cumulative effect of $23.5 million (net of tax) of an accounting change made in the fourth quarter of 2001 contributed to the increase in net income.

Refer to "SELECTED FINANCIAL DATA - FIVE-YEAR COMPARISON OF ENTERGY CORPORATION AND SUBSIDIARIES, ENTERGY ARKANSAS, INC., ENTERGY GULF STATES, INC. AND SUBSIDIARIES, ENTERGY LOUISIANA, INC., ENTERGY MISSISSIPPI, INC., ENTERGY NEW ORLEANS, INC., AND SYSTEM ENERGY RESOURCES, INC." which follow each company's financial statements in this report for further information with respect to operating statistics.

Domestic Utility and System Energy

The decrease in earnings for the domestic utility companies and System Energy in 2001 was primarily due to less favorable sales volume and weather, a decrease in the pricing of unbilled revenue, and an increase in interest expense. The decrease in earnings was partially offset by decreases in decommissioning expense, other operation and maintenance expenses, and depreciation and amortization expense, largely as a result of adjustments made after receipt of a final FERC order issued in connection with the 1995 System Energy rate increase filing, as well as by increased interest and dividend income. See Note 2 to the financial statements herein for further discussion of the System Energy rate proceeding.

The increase in 2000 earnings at the domestic utility companies and System Energy was primarily due to more favorable sales volume and weather, an increase in the pricing of unbilled revenue, and a decrease in interest expense, partially offset by increases in other operation and maintenance expenses, depreciation and amortization expense, taxes other than income taxes, and the effective income tax rate.

ENTERGY CORPORATION AND SUBSIDIARIES

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

Electric operating revenues

The changes in electric operating revenues for Entergy's domestic utility companies for 2001 and 2000 are as follows:

Description	Increase/(Decrease) 2001	2000
	(In Millions)	
Base rate changes	$62.0	($94.2)
Rate riders	(38.5)	(17.1)
Fuel cost recovery	462.7	792.5
Sales volume/weather	(76.8)	107.1
Unbilled revenue	(261.1)	94.7
Other revenue	(95.0)	39.6
Sales for resale	(28.2)	25.7
Total	$25.1	$948.3

Base rate changes

Base rate changes increased revenue in 2001 primarily due to lower accruals for rate refund provisions at Entergy Gulf States and Entergy Louisiana.

Base rate changes decreased revenue in 2000 primarily due to the non-recurring effect on 1999 revenues of the reversal of regulatory reserves associated with the accelerated amortization of accounting order deferrals resulting from the settlement agreement in Entergy Gulf States' 1996 and 1998 Texas rate filings.

Rate riders

Rate rider revenues do not impact earnings since specific incurred expenses offset them.

In 2001, rate rider revenues decreased as a result of the cessation of the ANO decommissioning rate rider for calendar year 2001 at Entergy Arkansas and decreases in the Grand Gulf riders effective July 2001 and October 2000 at Entergy Arkansas and Entergy Mississippi, respectively.

Fuel cost recovery

The domestic utility companies are allowed to recover certain fuel and purchased power costs through fuel mechanisms included in electric rates that are recorded as fuel cost recovery revenues. The difference between revenues collected and current fuel and purchased power costs is recorded as deferred fuel costs on Entergy's financial statements such that these costs do not have a material net effect on earnings.

The increase in fuel cost recovery revenue in 2001 is primarily due to:

o increased fuel recovery factors at Entergy Arkansas, Entergy Gulf States in the Texas jurisdiction, and Entergy Mississippi; and
o higher fuel and purchased power costs recovered through fuel mechanisms at Entergy Gulf States in the Louisiana jurisdiction and Entergy New Orleans due to the increased market prices of natural gas and purchased power early in 2001.

RESULTS OF OPERATIONS

Corresponding to the increase in fuel cost recovery revenue, fuel and purchased power expenses related to electric sales increased by $418.0 million in 2001 primarily due to an increase in the market prices of natural gas and purchased power early in 2001.

Fuel cost recovery revenues increased in 2000 primarily due to:

o increased fuel recovery factors at Entergy Arkansas, Entergy Gulf States in the Texas jurisdiction, and Entergy Mississippi; and
o higher fuel and purchased power costs at Entergy Gulf States in the Louisiana jurisdiction, Entergy Louisiana, and Entergy New Orleans due to the increased market price of natural gas.

Along with the increase in fuel cost recovery revenue, fuel and purchased power expenses increased by $794.2 million in 2000 primarily due to:

o an increase in the market prices of purchased power, natural gas, and fuel oil; and
o an increase in volume due to an increase in demand.

The increase in fuel and purchased power expenses in 2000 was partially offset by a $23.5 million adjustment to the Entergy Arkansas deferred fuel balance to record deferred fuel costs that Entergy Arkansas expects to recover in the future through its fuel adjustment clause.

Sales volume/weather

Lower electric sales volume reduced revenues in 2001 due to decreased weather-adjusted usage of 2,067 GWH. The primary decreases in weather-adjusted usage were from industrial customers at Entergy Louisiana and Entergy Gulf States. The effect of milder-than-normal weather conditions also caused a decrease in electric sales in 2001. Electric sales volume in the domestic utility companies' service territories decreased 1,194 GWH due to the impact of weather conditions in 2001. The number of customers in the domestic utility companies' service territories increased only slightly during these periods.

In 2000, higher electric sales volume increased revenues primarily due to increased usage and more favorable weather conditions as well as increased generation and subsequent sales from River Bend in 2000 as a result of a refueling outage in 1999.

Unbilled revenue

Unbilled revenues decreased in 2001 due to the effect of higher fuel prices and more favorable weather in December 2000 on the unbilled revenue calculation.

In 2000, unbilled revenues increased due to the effect of higher fuel prices in December 2000 on the unbilled revenue calculation.

Other revenue

Other revenue decreased in 2001, reflecting the receipt of a final FERC order requiring System Energy to refund a portion of its December 1995 rate increase, which increased provisions for rate refunds by $93 million at System Energy. The net income impact of the provision was more than offset by the other effects of the final FERC order that are discussed below in "Other effects on results of operations."

ENTERGY CORPORATION AND SUBSIDIARIES

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

Gas operating revenues

Natural gas revenues increased $20.0 million in 2001, primarily due to increased market prices for natural gas early in 2001 and additional sales volume due to the colder-than-normal January 2001 winter period.

Natural gas revenues increased $55.5 million in 2000, primarily due to higher natural gas prices in late 2000.

Other effects on results of operations

Results for the year ended December 31, 2001 for the domestic utility companies and System Energy were also affected by the following:

o decreases in other operation and maintenance expenses of $95.6 million, which are explained below;
o a decrease in decommissioning expense at System Energy of $32.4 million resulting from the final resolution of the FERC order addressing the 1995 rate increase filing;
o decreases in depreciation and amortization expense at System Energy of $74.5 million primarily resulting from the final resolution of the FERC order addressing the 1995 rate increase filing;
o net increases in regulatory credits of $40.8 million, which are explained below; and
o increases in interest expense of $61.5 million, which are explained below.

The decreases in other operation and maintenance expenses in 2001 were primarily due to:

o a decrease in property damage expenses of $49.7 million primarily due to a reversal of $24.5 million in June 2001, upon recommendation from the APSC, of ice storm costs previously charged to expense in December 2000 (these costs are now reflected as regulatory assets). The effect of the reversal of the ice storm costs on net income was largely offset by the adjustment to the transition cost account as a result of the 2000 earnings review in 2001;
o decreases in outside services employed of $9.3 million and $11.0 million at Entergy Arkansas and Entergy Louisiana, respectively, as a result of rate and regulatory proceedings in 2000; and
o decreases of $10.7 million and $14.6 million at Entergy Louisiana and Entergy Mississippi, respectively, because of maintenance and planned maintenance outages at certain fossil plants in 2000.

The net increases in regulatory credits in 2001 were primarily due to:

o the amount of capacity charges included in purchased power costs for the summers of 2000 and 2001 that Entergy Gulf States and Entergy Louisiana deferred and will recover in future periods; and
o an under-recovery of Grand Gulf costs in 2001 at Entergy Mississippi as a result of a lower rider implemented in October 2000.

The net increases in regulatory credits in 2001 were partially offset by the following:

o the accrual of $22.3 million in the transition cost account at Entergy Arkansas; and
o the amortization of the 2000 capacity charges mentioned above, which will occur through July 2002.

The increases in interest expense in 2001 were primarily due to:

o the final FERC order addressing the 1995 System Energy rate increase filing;
o debt issued at Entergy Arkansas in July 2001, at Entergy Gulf States in June 2000 and August 2001, at Entergy Mississippi in January 2001, and at Entergy New Orleans in July 2000 and February 2001; and

o borrowings under credit facilities during 2001, primarily at Entergy Arkansas.

Results for the year ended December 31, 2000 for the domestic utility companies and System Energy were also affected by the following:

o increases in other operation and maintenance expenses of $95.8 million, which are explained below;
o an increase of $44.5 million in depreciation and amortization expenses, which is explained below; and
o a decrease in interest charges of $21.4 million primarily due to an adjustment in 1999 at System Energy to the interest recorded for the potential refund to customers of its proposed rate increase.

Other operation and maintenance expenses increased in 2000 primarily due to:

o increased damage expenses of $22.8 million primarily due to storm damage accruals related to the December 2000 ice storms at Entergy Arkansas, and due to changes in storm damage reserve amortization at Entergy Arkansas, Entergy Louisiana, and Entergy Mississippi in accordance with regulatory treatment;
o increased customer service expenses of $11.4 million primarily related to spending on vegetation management at Entergy Arkansas;
o increased nuclear expenses of $17.2 million primarily from Entergy Arkansas and Entergy Gulf States;
o an increase of $28.4 million primarily due to an increase in legal and contract expenses for the transition to retail open access at Entergy Arkansas and Entergy Gulf States, and for legal services employed for rate-related proceedings at Entergy Louisiana; and
o an increase of $21.9 million in plant maintenance expense primarily at Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and Entergy Mississippi.

The increase in other operation and maintenance expenses in 2000 was partially offset by the following:

o a $9.5 million larger nuclear insurance refund in 2000 compared to 1999; and
o a decrease in injury and damages claims of $12.3 million.

Depreciation and amortization expenses increased in 2000 primarily due to:

o the review of plant-in-service dates for consistency with regulatory treatment that reduced depreciation expense by $17.7 million in August 1999;
o increased depreciation of $14.0 million associated with the principal payment on the sale and leaseback of Grand Gulf 1; and
o net capital additions primarily at Entergy Louisiana and Entergy Mississippi.

Domestic Non-Utility Nuclear

The increase in earnings in 2001 for the domestic non-utility nuclear business was primarily due to the operation of FitzPatrick and Indian Point 3 for a full year, as each was purchased in November 2000, and the operation of Indian Point 2, which was purchased in September 2001. Following are key performance measures for domestic non-utility nuclear operations:

	2001	2000
Net MW in operation at December 31	3,445	2,475
Generation in GWH for the year	22,614	7,171
Capacity factor for the year	93%	94%

The following fluctuations in the results of operations for domestic non-utility nuclear in 2001 were primarily caused by the acquisition of FitzPatrick, Indian Point 3, and Indian Point 2:

o revenues increased by $491.1 million;
o other operation and maintenance expenses increased $217.6 million;
o interest expense, primarily related to debt incurred to purchase the plants, increased $47.9 million;
o fuel expenses increased $51.0 million; and
o taxes other than income taxes increased $30.9 million.

The increased earnings in 2000 for the domestic non-utility nuclear business were primarily due to increased revenues from the operation of the Pilgrim, FitzPatrick, and Indian Point 3 plants. Pilgrim was purchased in July 1999 and FitzPatrick and Indian Point 3 were purchased in November 2000. Partially offsetting the increased revenues were increases in fuel and purchased power expense, other operation and maintenance expense, and interest expense resulting from the acquisition of these three plants.

Energy Commodity Services

The increase in earnings for energy commodity services in 2001 was primarily due to:

o the gain on the sale of EWO's Saltend plant discussed below;
o the favorable results from Entergy-Koch discussed below;
o the $33.5 million ($23.5 million net of tax) cumulative effect of an accounting change marking to market the Damhead Creek gas contract;
o liquidated damages of $13.9 million ($9.7 million net of tax) received in 2001 from the Damhead Creek construction contractor as compensation for lost operating margin from the plant due to construction delays; and
o a $12.2 million ($7.9 million net of tax) gain on the sale of a permitted site in Desoto County, Florida, in May 2001.

Partially offsetting the increase in earnings for energy commodity services in 2001 was the following:

o $60.1 million ($49.9 million net of tax) of losses or asset impairments recorded on EWO's Latin American investments and other development projects;
o a $9.8 million ($6.4 million net of tax) loss recorded primarily because of the pending cancellation of four gas turbines scheduled for delivery in 2004;
o liquidated damages of $55.1 million ($38.6 million net of tax) received in 2000 from the Saltend contractor as compensation for lost operating margin from the plant due to construction delays;
o a $19.7 million ($12.8 million net of tax) gain on the sale of the Freestone project located in Fairfield, Texas, in June 2000;
o increased depreciation expense of $23.6 million in 2001 primarily due to the commencement of the commercial operation of the Saltend and Damhead Creek plants; and
o increased interest expense of $78.7 million in 2001 primarily because of the commencement of commercial operation of the Saltend and Damhead Creek plants.

ENTERGY CORPORATION AND SUBSIDIARIES

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

Revenues decreased for energy commodity services by $983.3 million in 2001, primarily due to the contribution of substantially all of Entergy's power marketing and trading business to Entergy-Koch in 2001. Earnings from Entergy-Koch are reported as equity in earnings of unconsolidated equity affiliates in the financial statements. As a result, in 2001, revenues from this activity were lower by $1,957.0 million compared to 2000 revenue for Entergy's power marketing and trading segment, and purchased power expenses were lower by $1,830.0 million. The net income effect in 2001 of the lower revenue was more than offset by the equity in earnings from Entergy's interest in Entergy-Koch. Entergy's earnings from this activity increased in 2001 as a result of increased electricity and gas trading volumes as well as a broader range of commodity sources and options provided to customers by the joint venture than provided previously by Entergy. Following are key performance measures for Entergy-Koch's operations in 2001:

```
Entergy-Koch Trading
  Gas volatility
81%
  Electricity volatility
66%
  Gas marketed (BCF/D)
6.9
  Electricity marketed (GWH)
108,645
Gulf South Pipeline
  Throughput (BCF/D)
2.45
  Production cost ($/MMBTU)
$0.093
```

Entergy accounts for its 50% share in Entergy-Koch under the equity method of accounting. Certain terms of the partnership arrangement allocate income from various sources, and the taxes on that income, on a significantly disproportionate basis through 2003. Losses and distributions from operations are allocated to the partners equally. The disproportionate allocations were favorable to Entergy in the aggregate in 2001. In 2004, a revaluation of Entergy-Koch's assets for capital account purposes will occur, and future allocations will change after the revaluation. The profit allocations other than for weather trading and international trading are expected to become equal, unless special allocations are necessary to equalize the partners' capital accounts. Earnings allocated under the terms of the partnership agreement constitute equity, not subject to reallocation, for the partners.

The decrease in revenues in 2001 was partially offset by an increase in operating revenues for EWO primarily due to an increase of $409.8 million from EWO's interest in Highland Energy and an increase of $450.1 million from the Saltend and Damhead Creek plants. Highland Energy was acquired in June 2000, and the Saltend and Damhead Creek plants began commercial operation in late November 2000 and early 2001, respectively. Highland Energy was sold in the fourth quarter of 2001. The increase in revenues for EWO is largely offset by increased fuel and purchased power expenses of $644.1 million and increased other operation and maintenance expenses of $94.6 million.

EWO sold the Saltend plant in August 2001 and revenues include the $88.1 million ($57.2 million net of tax) gain on the sale.

In 2000, the increase in earnings for energy commodity services was primarily due to the following related to the power marketing and trading business:

o improved trading performance in electricity;
o increased long-term marketing of electricity; and
o trading gains in natural gas in 2000 due to natural gas prices reaching record high levels compared to trading losses in 1999.

Also contributing to the increase in earnings in energy commodity services in 2000 was $55.1 million of liquidated damages received from the Saltend contractor as compensation for lost operating margin from the plant due to construction delays and a $19.7 million ($12.8 million net of tax) gain in June 2000 on the sale of the power development business' investment in the Freestone project located in Fairfield, Texas. Partially offsetting the increase was the absence of a $26.7 million ($17 million net of tax) gain on the sale of Entergy Power Edesur Holdings which occurred in June 1999.

Other, including parent company

Earnings from Other decreased in 2001 primarily due to a decrease in interest income of $41.2 million and $21.8 million ($14.1 million net of tax) of merger-related expenses incurred by Entergy Corporation in the first quarter of 2001. Also contributing to the decreased earnings was an increase in interest expense of $19.5 million. The decreased earnings were partially offset by the write-down of investments in Latin American projects in 2000 discussed below.

Earnings from Other decreased in 2000 primarily due to a $42.5 million ($27.6 million net of tax) write-down in 2000 of investments in Latin American projects to their estimated fair values. The decrease is also due to the absence of the following items that occurred in 1999:

o a $12.9 million ($8 million net of tax) gain on the sale of Entergy Hyperion Telecommunications in June 1999;
o a $22.0 million ($6.4 million net of tax) gain on the sale of Entergy Security, Inc. in January 1999, including a true-up recognized in December 1999;
o a $7.6 million ($4.9 million net of tax) favorable adjustment to the final sale price of CitiPower in January 1999; and
o a more favorable experience on warranty reserves in 1999 for the businesses sold during 1998.

Income taxes

The effective income tax rates for 2001, 2000, and 1999 were 38.5%, 40.3%, and 37.5%, respectively. The decrease in 2001 was primarily due to the effects of the final FERC order addressing System Energy's 1995 rate proceeding. The increase in 2000 was primarily due to the recognition in 1999 of deferred tax benefits related to the expected utilization of foreign tax credits resulting in lower income taxes.

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	For the Years Ended December 31, 2001	2000	1999
	(In Thousands, Except Share Data)		
OPERATING REVENUES			
Domestic electric	$7,244,827	$7,219,686	$6,271,414
Natural gas	185,902	165,872	110,355
Steam products	-	-	15,852
Competitive businesses	2,190,170	2,636,571	2,368,014
TOTAL	9,620,899	10,022,129	8,765,635
OPERATING EXPENSES			
Operating and Maintenance:			
Fuel, fuel-related expenses, and gas purchased for resale	3,681,677	2,645,835	2,082,875
Purchased power	1,021,432	2,662,881	2,442,484
Nuclear refueling outage expenses	89,145	70,511	76,057
Other operation and maintenance	2,151,742	1,943,814	1,705,545
Decommissioning	3,189	39,484	45,988
Taxes other than income taxes	399,849	370,344	339,284
Depreciation and amortization	721,033	746,125	698,881
Other regulatory charges (credits) - net	(37,093)	3,681	14,833
Amortization of rate deferrals	16,583	30,392	115,627
TOTAL	8,047,557	8,513,067	7,521,574
OPERATING INCOME	1,573,342	1,509,062	1,244,061
OTHER INCOME			
Allowance for equity funds used during construction	26,209	32,022	29,291
Gain on sale of assets - net	5,226	2,340	71,926
Interest and dividend income	159,805	163,050	143,601
Equity in earnings of unconsolidated equity affiliates	180,956	13,715	7,593
Miscellaneous - net	(22,843)	27,077	10,822
TOTAL	349,353	238,204	263,233
INTEREST AND OTHER CHARGES			
Interest on long-term debt	544,920	477,071	476,877
Other interest - net	197,638	85,635	82,471
Distributions on preferred securities of subsidiaries	18,838	18,838	18,838
Allowance for borrowed funds used during construction	(21,419)	(24,114)	(22,585)
TOTAL	739,977	557,430	555,601
INCOME BEFORE INCOME TAXES AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE	1,182,718	1,189,836	951,693
Income taxes	455,693	478,921	356,667
INCOME BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE	727,025	710,915	595,026
CUMULATIVE EFFECT OF ACCOUNTING CHANGE (net of income taxes of $10,064)	23,482	-	-
CONSOLIDATED NET INCOME	750,507	710,915	595,026
Preferred dividend requirements and other	24,311	31,621	42,567
EARNINGS APPLICABLE TO COMMON STOCK	$726,196	$679,294	$552,459
Earnings per average common share before cumulative effect of accounting change:			
Basic	$3.18	$3.00	$2.25

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended December 31, 2001	2000	1999
		(In Thousands)	
OPERATING ACTIVITIES			
Consolidated net income	$750,507	$710,915	$595,026
Noncash items included in net income:			
Amortization of rate deferrals	16,583	30,392	115,627
Reserve for regulatory adjustments	(359,199)	18,482	10,531
Other regulatory charges (credits) - net	(37,093)	3,681	14,833
Depreciation, amortization, and decommissioning	724,222	785,609	744,869
Deferred income taxes and investment tax credits	87,752	124,457	(189,465)
Allowance for equity funds used during construction	(26,209)	(32,022)	(29,291)
Cumulative effect of accounting change	(23,482)	-	-
(Gain) on sale of assets - net	(5,226)	(2,340)	(71,926)
Equity in undistributed earnings of subsidiaries and unconsolidated affiliates	(168,873)	(13,715)	(7,593)
Changes in working capital (net of effects from acquisitions and dispositions):			
Receivables	302,230	(437,146)	9,246
Fuel inventory	(3,419)	(20,447)	(1,359)
Accounts payable	(415,160)	543,606	35,233
Taxes accrued	486,676	20,871	158,733
Interest accrued	17,287	45,789	(56,552)
Deferred fuel	495,007	(38,001)	10,583
Other working capital accounts	(39,978)	102,336	45,285
Provision for estimated losses and reserves	19,093	6,019	(59,464)
Changes in other regulatory assets	119,215	(66,903)	(36,379)
Other	275,615	186,264	101,087
Net cash flow provided by operating activities	2,215,548	1,967,847	1,389,024
INVESTING ACTIVITIES			
Construction/capital expenditures	(1,380,417)	(1,493,717)	(1,195,750)
Allowance for equity funds used during construction	26,209	32,022	29,291
Nuclear fuel purchases	(130,670)	(121,127)	(137,649)
Proceeds from sale/leaseback of nuclear fuel	71,964	117,154	137,093
Proceeds from sale of businesses	784,282	61,519	351,082
Investment in other nonregulated/nonutility properties	(1,278,990)	(238,062)	(81,273)
Changes in other temporary investments - net	(150,000)	321,351	635,005
Decommissioning trust contributions and realized change in trust assets	(95,571)	(63,805)	(61,766)
Other regulatory investments	(3,460)	(385,331)	(81,655)
Other	(68,067)	(44,016)	(42,258)
Net cash flow used in investing activities	(2,224,720)	(1,814,012)	(447,880)

See Notes to Financial Statements.

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended December 31, 2001	2000	1999
		(In Thousands)	
FINANCING ACTIVITIES			
Proceeds from the issuance of:			
Long-term debt	682,402	904,522	1,113,370
Common stock	64,345	41,908	15,320
Retirement of:			
Long-term debt	(962,112)	(181,329)	(1,195,451)
Repurchase of common stock	(36,895)	(550,206)	(245,004)
Redemption of preferred stock	(39,574)	(157,658)	(98,597)
Changes in short-term borrowings - net	(37,004)	267,000	(165,506)
Dividends paid:			
Common stock	(269,122)	(271,019)	(291,483)
Preferred stock	(24,044)	(32,400)	(43,621)
Net cash flow provided by (used in) financing activities	(622,004)	20,818	(910,972)
Effect of exchange rates on cash and cash equivalents	325	(5,948)	(948)
Net increase (decrease) in cash and cash equivalents	(630,851)	168,705	29,224
Cash and cash equivalents at beginning of period	1,382,424	1,213,719	1,184,495
Cash and cash equivalents at end of period	$751,573	$1,382,424	$1,213,719
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid (received) during the period for:			
Interest - net of amount capitalized	$708,748	$505,414	$601,739
Income taxes	($118,881)	$345,361	$373,537
Noncash investing and financing activities:			
Change in unrealized appreciation/ (depreciation) of decommissioning trust assets	($34,517)	($11,577)	$41,582
Proceeds from long-term debt issued for the purpose of refunding prior long-term debt	$47,000	-	-
Decommissioning trust funds acquired in nuclear power plant acquisitions	$430,000	-	$428,284
Acquisition of Indian Point 3 and FitzPatrick			
Fair value of assets acquired	-	$917,667	-
Initial cash paid at closing	-	$50,000	-
Liabilities assumed and notes issued to seller	-	$867,667	-

See Notes to Financial Statements.

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
ASSETS

	December 31, 2001	2000
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	$129,866	$157,550
Temporary cash investments - at cost, which approximates market	618,327	640,038
Special deposits	3,380	584,836
Total cash and cash equivalents	751,573	1,382,424
Other temporary investments	150,000	-
Notes receivable	2,137	3,608
Accounts receivable:		
Customer	294,799	497,821
Allowance for doubtful accounts	(19,255)	(9,947)
Other	286,671	395,518
Accrued unbilled revenues	268,680	415,409
Total receivables	830,895	1,298,801
Deferred fuel costs	172,444	568,331
Accumulated deferred income taxes	6,488	-
Fuel inventory - at average cost	97,497	93,679
Materials and supplies - at average cost	460,644	425,357
Rate deferrals	-	16,581
Deferred nuclear refueling outage costs	79,755	46,544
Prepayments and other	129,251	122,690
TOTAL	2,680,684	3,958,015
OTHER PROPERTY AND INVESTMENTS		
Investment in affiliates - at equity	766,103	136,487
Decommissioning trust funds	1,775,950	1,315,857
Non-utility property - at cost (less accumulated depreciation)	295,616	262,952
Other	495,542	79,917
TOTAL	3,333,211	1,795,213
PROPERTY, PLANT AND EQUIPMENT		
Electric	26,359,376	25,137,562
Plant acquisition adjustment	374,399	390,664
Property under capital lease	753,310	831,822
Natural gas	201,841	190,989
Construction work in progress	882,829	936,785
Nuclear fuel under capital lease	265,464	277,673
Nuclear fuel	232,387	157,603
TOTAL PROPERTY, PLANT AND EQUIPMENT	29,069,606	27,923,098
Less - accumulated depreciation and amortization	11,805,578	11,477,352
PROPERTY, PLANT AND EQUIPMENT - NET	17,264,028	16,445,746
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
SFAS 109 regulatory asset - net	946,126	980,266
Unamortized loss on reacquired debt	166,546	183,627
Deferred fuel costs	-	95,661
Other regulatory assets	707,439	792,515
Long-term receivables	28,083	29,575
Other	784,194	1,171,278
TOTAL	2,632,388	3,252,922

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31, 2001	2000
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	$682,771	$464,215
Notes payable	351,018	388,023
Accounts payable	592,529	1,204,227
Customer deposits	188,230	172,169
Taxes accrued	700,133	451,811
Accumulated deferred income taxes	-	225,649
Nuclear refueling outage costs	2,080	10,209
Interest accrued	192,420	172,033
Obligations under capital leases	149,352	156,907
Other	345,387	192,908
TOTAL	3,203,920	3,438,151
DEFERRED CREDITS AND OTHER LIABILITIES		
Accumulated deferred income taxes	3,574,664	3,249,083
Accumulated deferred investment tax credits	471,090	494,315
Taxes accrued	250,000	-
Obligations under capital leases	181,085	201,873
Other regulatory liabilities	135,878	135,586
Decommissioning	1,194,333	749,708
Transition to competition	231,512	191,934
Regulatory reserves	37,591	396,789
Accumulated provisions	425,399	390,116
Other	852,269	853,137
TOTAL	7,353,821	6,662,541
Long-term debt	7,321,028	7,732,093
Preferred stock with sinking fund	26,185	65,758
Preferred stock without sinking fund	334,337	334,688
Company-obligated mandatorily redeemable preferred securities of subsidiary trusts holding solely junior subordinated deferrable debentures	215,000	215,000
SHAREHOLDERS' EQUITY		
Common stock, $.01 par value, authorized 500,000,000 shares; issued 248,174,087 shares in 2001 and 248,094,614 shares in 2000	2,482	2,481
Paid-in capital	4,662,704	4,660,483
Retained earnings	3,638,448	3,190,639
Accumulated other comprehensive loss	(88,794)	(75,033)
Less - treasury stock, at cost (27,441,384 shares in 2001 and 28,490,031 shares in 2000)	758,820	774,905
TOTAL	7,456,020	7,003,665
Commitments and Contingencies		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$25,910,311	$25,451,896

See Notes to Financial Statements.

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF RETAINED EARNINGS, COMPREHENSIVE INCOME, AND PAID-IN CAPITAL

	For the Years Ended December 31,					
	2001		2000		1999	
	(In Thousands)					
RETAINED EARNINGS						
Retained Earnings - Beginning of period	$3,190,639		$2,786,467		$2,526,888	
Add-Earnings applicable to common stock	726,196	$726,196	679,294	$679,294	552,459	$552,459
Deduct:						
Dividends declared on common stock	278,342		275,929		294,352	
Capital stock and other expenses	45		(807)		(1,472)	
Total	278,387		275,122		292,880	
Retained Earnings - End of period	$3,638,448		$3,190,639		$2,786,467	
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) (Net of tax):						
Balance at beginning of period	($75,033)		($73,805)		($46,739)	
Cumulative effect to January 1, 2001 of accounting change regarding fair value of derivative instruments	(18,021)		-		-	
Net derivative instrument fair value changes arising during the period	48	48	-	-	-	-
Foreign currency translation adjustments	4,615	4,615	(5,216)	(5,216)	(22,043)	(22,043)
Net unrealized investment gains (losses)	(403)	(403)	3,988	3,988	(5,023)	(5,023)
Balance at end of period:						
Accumulated derivative instrument fair value changes	(17,973)		-		-	
Other accumulated comprehensive income (loss) items	(70,821)		(75,033)		(73,805)	
Total	($88,794)		($75,033)		($73,805)	
Comprehensive Income		$730,456		$678,066		$525,393
PAID-IN CAPITAL						
Paid-in Capital - Beginning of period	$4,660,483		$4,636,163		$4,630,609	
Add:						
Common stock issuances related to stock plans	2,221		24,320		5,554	
Paid-in Capital - End of period	$4,662,704		$4,660,483		$4,636,163	

See Notes to Financial Statements

ENTERGY CORPORATION AND SUBSIDIARIES

SELECTED FINANCIAL DATA - FIVE-YEAR COMPARISON

	2001	2000	1999	1998 (1)	1997 (2)
	(In Thousands, Except Percentages and Per Share Amounts)				
Operating revenues	$ 9,620,899	$10,022,129	$ 8,765,635	$11,494,772	$ 9,538,926
Income before cumulative effect of accounting change	$ 727,025	$ 710,915	$ 595,026	$ 785,629	$ 300,899
Earnings per share before cumulative effect of accounting change					
Basic	$ 3.18	$ 3.00	$ 2.25	$ 3.00	$ 1.03
Diluted	$ 3.13	$ 2.97	$ 2.25	$ 3.00	$ 1.03
Dividends declared per share	$ 1.28	$ 1.22	$ 1.20	$ 1.50	$ 1.80
Return on average common equity	10.04%	9.62%	7.77%	10.71%	3.71%
Book value per share, year-end	$ 33.78	$ 31.89	$ 29.78	$ 28.82	$ 27.23
Total assets	$25,910,311	$25,451,896	$22,969,940	$22,836,694	$27,000,700
Long-term obligations (3)	$ 7,743,298	$ 8,214,724	$ 7,252,697	$ 7,349,349	$10,154,330

(1) Includes the effects of the sales of London Electricity and CitiPower in December 1998.

(2) Includes the effects of the London Electricity acquisition in February 1997.

(3) Includes long-term debt (excluding currently maturing debt), preferred stock with sinking fund, preferred securities of subsidiary trusts and partnership, and noncurrent capital lease obligations.

	2001	2000	1999	1998	1997
	(Dollars In Thousands)				
Domestic Electric Operating Revenues:					
Residential	$2,612,889	$2,524,529	$2,231,091	$2,299,317	$2,271,363
Commercial	1,860,040	1,699,699	1,502,267	1,513,050	1,581,878
Industrial	2,298,825	2,177,236	1,878,363	1,829,085	2,018,625
Governmental	205,054	185,286	163,403	172,368	171,773
Total retail	6,976,808	6,586,750	5,775,124	5,813,820	6,043,639
Sales for resale	395,353	423,519	397,844	448,842	359,881
Other (1)	(127,334)	209,417	98,446	(126,340)	135,311
Total	$7,244,827	$7,219,686	$6,271,414	$6,136,322	$6,538,831
Billed Electric Energy Sales (GWH):					
Residential	31,080	31,998	30,631	30,935	28,286
Commercial	24,706	24,657	23,775	23,177	21,671
Industrial	41,577	43,956	43,549	43,453	44,649
Governmental	2,593	2,605	2,564	2,659	2,507
Total retail	99,956	103,216	100,519	100,224	97,113
Sales for resale	8,896	9,794	9,714	11,187	9,707
Total	108,852	113,010	110,233	111,411	106,820

(1) 1998 includes the effect of a reserve for rate refund at Entergy Gulf States. 2001 includes the effect of a reserve for rate refund at System Energy.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Entergy Arkansas, Inc.:

We have audited the accompanying balance sheets of Entergy Arkansas, Inc. as of December 31, 2001 and 2000, and the related statements of income, retained earnings, and cash flows (pages 99 through 103 and pages 161 through 227) for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of Entergy Arkansas, Inc. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP

New Orleans, Louisiana
January 31, 2002

ENTERGY ARKANSAS, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

Net Income

Net income increased in 2001 primarily due to a refund from System Energy as a result of the receipt of a final FERC order in System Entergy's 1995 rate proceeding and decreased operation and maintenance expenses. The adjustments necessary to record the effects of the FERC order reduced purchased power expense by $62.7 million ($38.6 million net-of-tax). The increase was partially offset by decreased regulatory credits and other income and increased interest charges. Refer to Note 2 of the financial statements for further discussion of the FERC order in System Entergy's 1995 rate proceeding.

Net income increased in 2000 primarily due to increased electric operating revenues and lower regulatory charges, partially offset by increased operation and maintenance expenses.

Revenues and Sales

The changes in electric operating revenues for the twelve months ended December 31, 2001 and 2000 are as follows:

Description	Increase/(Decrease) 2001	2000
	(In Millions)	
Base rate changes ($6.5)	$0.7	
Rate riders (21.8)	(18.6)	
Fuel cost recovery	78.8	61.8
Sales volume/weather	5.1	30.8
Unbilled revenue	(15.9)	45.1
Other revenue	3.2	2.5
Sales for resale	(39.2)	108.8
Total	$14.1	$220.7

Rate riders

Rate rider revenues have no material effect on net income because specific incurred expenses offset them.

In 2001, rate rider revenues decreased as a result of the cessation of the ANO Decommissioning rate rider for the calendar year 2001. The ANO Decommissioning rider allows Entergy Arkansas to recover the decommissioning costs associated with ANO 1 and 2. In October 2000, the APSC concluded that funds previously collected, together with future earnings on those funds, will be sufficient to decommission ANO 1 and 2. Also contributing to the decrease in rate rider revenues is a decrease in the Grand Gulf rate rider effective July 2001. The Grand Gulf rate rider allows Entergy Arkansas to recover 78% of its share of operating costs for Grand Gulf 1.

In 2000, rate rider revenues decreased as a result of decreased ANO Decommissioning and Grand Gulf rate riders. The decreased rates in both riders became effective in January 2000.

ENTERGY ARKANSAS, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

Fuel cost recovery

Entergy Arkansas is allowed to recover certain fuel and purchased power costs through fuel mechanisms included in electric rates that are recorded as fuel cost recovery revenues. The difference between revenues collected and current fuel and purchased power costs is recorded as deferred fuel costs on Entergy Arkansas' financial statements such that these costs generally have no net effect on earnings.

Fuel cost recovery revenues increased in 2001 primarily due to increases in the energy cost rate that became effective in April 2000 and April 2001. The energy cost recovery rider (Rider ECR) is determined annually by formula. The increase in the energy cost rate allows Entergy Arkansas to recover previously under-recovered fuel expenses. Rider ECR is discussed further in Note 2 to the financial statements.

Fuel cost recovery revenues increased in 2000 primarily due to an increase in the energy cost rate in April 2000.

Sales volume/weather

Electric sales vary seasonally in response to weather and usually peak in the summer. The colder winter weather in 2000 contributed 1,508 GWH to the increase in electric sales volume in the residential and commercial sectors as compared to 1999. Higher electric sales volume in 2000 also increased revenues due to increased weather- adjusted usage of 742 GWH in the residential and commercial sectors. Increased usage in the industrial sector of 406 GWH also contributed to the increase in electric sales.

Unbilled revenue

In 2001, unbilled revenue decreased primarily due to the effect of colder weather in December 2000 on the unbilled revenue calculation compared to the calculation in the current year.

In 2000, unbilled revenue increased primarily as a result of a change in estimated unbilled revenues and a $13.4 million adjustment to third quarter 1999 unbilled revenues that excluded fuel recovery and rate rider revenues from the unbilled balance in accordance with regulatory treatment. Unbilled revenues also increased due to greater unbilled volume and the addition of unbilled revenue for wholesale customers to the unbilled balance.

Sales for resale

In 2001, sales for resale decreased due to a decrease in sales volume to adjoining utility systems and municipal and co-operative customers as a result of less energy available for resale, coupled with a decrease in the average price of energy.

In 2000, sales for resale increased primarily due to an increase in the market price of electricity.

ENTERGY ARKANSAS, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

Expenses

Fuel and purchased power

In 2001, fuel and purchased power expenses decreased primarily due to:

o decreased gas generation as a result of displacement by nuclear generation;
o decreased purchased power volume as a result of displacement by nuclear generation; and
o receipt of a final FERC order requiring System Energy to refund a portion of its requested December 1995 rate increase. The effect of the order required adjustments that reduced purchased power expense at Entergy Arkansas by $62.7 million.

In 2000, fuel and purchased power expenses increased primarily due to:

o an increase in the market price of natural gas;
o an increase in the market price of purchased power; and
o increased purchased power volume due to increased demand for electricity and to offset decreased nuclear generation due to maintenance, inspection, and refueling outages during the year.

The increased fuel and purchased power expenses were partially offset by a $23.5 million adjustment to the deferred fuel balance as a result of the 1999 and 2000 Rider ECR filings. This adjustment reflects deferred costs that Entergy Arkansas expects to recover in the future.

Other operation and maintenance

Other operation and maintenance expenses decreased for 2001 primarily due to:

o a decrease in damage expenses of $49.7 million primarily due to a reversal of $24.5 million in June 2001, upon recommendation from the APSC, of ice storm costs previously charged to expense in December 2000 (these costs are now reflected in other regulatory assets on Entergy Arkansas' balance sheet). The effect of the reversal of the ice storm costs on net income was largely offset by the adjustment to the transition cost account as a result of the 2000 earnings review in 2001;
o a decrease in nuclear expenses of $17 million due to maintenance and inspection outages in 2000, compared to no outages in 2001, as well as the steam generator replacement project at ANO 2 in late 2000; and
o a decrease in outside service expense of $9.3 million primarily due to decreased transition to competition support costs.

The decrease in other operation and maintenance expenses was partially offset by a $15.9 million increase due to the payment of turbine refurbishing costs for the Blytheville plant, the lease of which expired after the summer of 1999.

Other operation and maintenance expenses increased for 2000 primarily due to:

o an increase in property damage expense of $14.5 million due to December 2000 ice storms;
o an increase in nuclear expenses of $7.9 million related to maintenance and inspection outages and the steam generator replacement project at ANO 2;
o an increase in spending of $7.1 million on vegetation management;
o an increase in plant maintenance expense of $5.0 million; and
o an increase in spending of $4.5 million for outside services employed related primarily to transition to competition support work.

Decommissioning

Decommissioning expense decreased in 2001 primarily due to the cessation of the ANO Decommissioning rate rider for the calendar year 2001. In October 2000, the APSC concluded that funds previously collected, together with future earnings on those funds, will be sufficient to decommission ANO 1 and 2.

Decommissioning expense decreased in 2000 primarily due to a true- up of the decommissioning liability in June 2000 for previous over-accruals.

Other regulatory charges (credits) - net

In 2001, other regulatory credits decreased primarily due to:

o the accrual of $22.3 million to the transition cost account;
o the decreased accrual of transition costs recorded as a regulatory asset expected to be recovered in a customer transition tariff; and
o increased recovery of Grand Gulf 1 costs due to an increase in the Grand Gulf 1 rider effective January 2001, partially offset by a later decrease in the rider effective July 2001.

In 2000, other regulatory credits increased primarily due to:

o a $16.6 million under-recovery of Grand Gulf 1 costs as a result of a decreased rate rider that became effective in January 2000 as ordered by the APSC;
o the recording of a regulatory asset for certain transition costs expected to be recovered in a customer transition tariff; and
o accruals in 1999 of $15.4 million to the transition cost account.

The transition cost account and the December 2000 ice storms are discussed in more detail in Note 2 to the financial statements.

Other

Other income

Other income decreased in 2001 primarily due to a decrease in the allowance for equity funds used during construction due to a lower construction work in progress balance during 2001 compared to the same period in 2000. The construction balance was lower because the ANO 2 replacement steam generators were placed in service in late 2000.

Interest charges

Interest charges increased in 2001 primarily due to:

o a decrease in the allowance for borrowed funds used for construction because of the lower construction work in progress balance during 2001;
o the issuance of $100 million of long-term debt in July 2001; and
o interest expense on a $63 million credit facility obtained in January 2001.

Interest charges increased in 2000 due to the issuance of $100 million of long-term debt in March 2000.

Income taxes

The effective income tax rates for 2001, 2000, and 1999 were 37.3%, 42.3%, and 43.8%, respectively.

The effective income tax rate decreased in 2001 primarily due to resolution of matters related to prior year taxes, which were lower than previously estimated. Also contributing to the decreased rate was lower tax depreciation.

ENTERGY ARKANSAS, INC.
INCOME STATEMENTS

	For the Years Ended December 31, 2001	2000	1999
	(In Thousands)		
OPERATING REVENUES			
Domestic electric	$1,776,776	$1,762,635	$1,541,894
OPERATING EXPENSES			
Operation and Maintenance:			
Fuel, fuel-related expenses, and gas purchased for resale	397,080	258,294	257,946
Purchased power	397,885	560,793	455,425
Nuclear refueling outage expenses	28,695	25,884	29,857
Other operation and maintenance	364,409	427,409	389,462
Decommissioning	13	3,845	10,670
Taxes other than income taxes	35,186	39,662	36,669
Depreciation and amortization	174,539	169,806	161,234
Other regulatory charges (credits) - net	(721)	(33,078)	5,230
TOTAL	1,397,086	1,452,615	1,346,493
OPERATING INCOME	379,690	310,020	195,401
OTHER INCOME			
Allowance for equity funds used during construction	6,115	15,020	12,866
Interest and dividend income	8,983	8,784	7,274
Miscellaneous - net	(5,109)	(4,453)	(3,652)
TOTAL	9,989	19,351	16,488
INTEREST AND OTHER CHARGES			
Interest on long-term debt	90,260	88,140	80,800
Other interest - net	14,163	8,360	11,123
Distributions on preferred securities of subsidiary	5,100	5,100	5,100
Allowance for borrowed funds used during construction	(3,962)	(9,788)	(8,459)
TOTAL	105,561	91,812	88,564
INCOME BEFORE INCOME TAXES	284,118	237,559	123,325
Income taxes	105,933	100,512	54,012
NET INCOME	178,185	137,047	69,313
Preferred dividend requirements and other	7,744	7,776	10,854
EARNINGS APPLICABLE TO COMMON STOCK	$170,441	$129,271	$58,459

See Notes to Financial Statements.

ENTERGY ARKANSAS, INC.
STATEMENTS OF CASH FLOWS

	For the Years Ended December 31, 2001	2000	1999
		(In Thousands)	
OPERATING ACTIVITIES			
Net income	$178,185	$137,047	$69,313
Noncash items included in net income:			
Other regulatory charges (credits) - net	(721)	(33,078)	5,230
Depreciation, amortization, and decommissioning	174,552	173,651	171,904
Deferred income taxes and investment tax credits	6,389	39,776	22,421
Allowance for equity funds used during construction	(6,115)	(15,020)	(12,866)
Changes in working capital:			
Receivables	(16,073)	(47,647)	40,375
Fuel inventory	5,437	(6,512)	(4,633)
Accounts payable	(206,185)	141,172	56,985
Taxes accrued	64,018	1,731	(30,054)
Interest accrued	2,920	5,246	(2,908)
Deferred fuel costs	89,184	35,993	38,814
Other working capital accounts	23,283	17,162	2,444
Provision for estimated losses and reserves	(978)	(895)	(8,116)
Changes in other regulatory assets	(39,924)	(85,452)	45,898
Other	139,206	58,386	(42,249)
Net cash flow provided by operating activities	413,178	421,560	352,558
INVESTING ACTIVITIES			
Construction expenditures	(280,755)	(369,370)	(238,009)
Allowance for equity funds used during construction	6,115	15,020	12,866
Nuclear fuel purchases	(19,103)	(44,722)	(32,517)
Proceeds from sale/leaseback of nuclear fuel	19,103	44,722	32,517
Decommissioning trust contributions and realized change in trust assets	(10,105)	(15,761)	(17,746)
Changes in other temporary investments - net	(38,397)	-	-
Other regulatory investments	(3,460)	(97,343)	(39,243)
Net cash flow used in investing activities	(326,602)	(467,454)	(282,132)
FINANCING ACTIVITIES			
Proceeds from the issuance of long-term debt	97,384	99,381	-
Retirement of long-term debt	-	(220)	(39,607)
Redemption of preferred stock	-	-	(22,666)
Dividends paid:			
Common stock	(82,500)	(44,600)	(82,700)
Preferred stock	(5,832)	(7,691)	(11,696)
Net cash flow provided by (used in) financing activities	9,052	46,870	(156,669)
Net increase (decrease) in cash and cash equivalents	95,628	976	(86,243)
Cash and cash equivalents at beginning of period	7,838	6,862	93,105
Cash and cash equivalents at end of period	$103,466	$7,838	$6,862
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the period for:			
Interest - net of amount capitalized	$101,330	$91,291	$94,872
Income taxes	$31,939	$60,291	$61,273
Noncash investing and financing activities:			
Change in unrealized appreciation/(depreciation) of decommissioning trust assets	($14,843)	($3,920)	$22,980
Proceeds from long-term debt issued for the purpose of refunding prior long-term debt	$47,000	-	-

See Notes to Financial Statements.

ENTERGY ARKANSAS, INC.
BALANCE SHEETS
ASSETS

	December 31, 2001	2000
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	$18,331	$7,838
Temporary cash investments - at cost, which approximates market	85,135	-
Total cash and cash equivalents	103,466	7,838
Other temporary investments	38,397	-
Accounts receivable:		
Customer	80,719	98,550
Allowance for doubtful accounts	(1,667)	(1,667)
Associated companies	65,102	22,286
Other	20,889	26,221
Accrued unbilled revenues	62,307	65,887
Total accounts receivable	227,350	211,277
Deferred fuel costs	17,246	102,970
Accumulated deferred income taxes	22,698	-
Fuel inventory - at average cost	4,372	9,809
Materials and supplies - at average cost	75,499	80,682
Deferred nuclear refueling outage costs	14,508	23,541
Prepayments and other	53,386	5,540
TOTAL	556,922	441,657
OTHER PROPERTY AND INVESTMENTS		
Investment in affiliates - at equity	11,217	11,217
Decommissioning trust funds	351,114	355,852
Non-utility property - at cost (less accumulated depreciation)	1,465	1,469
Other - at cost (less accumulated depreciation)	2,976	3,032
TOTAL	366,772	371,570
UTILITY PLANT		
Electric	5,399,294	5,274,066
Property under capital lease	35,604	40,289
Construction work in progress	157,994	87,389
Nuclear fuel under capital lease	65,556	107,023
Nuclear fuel	8,156	6,720
TOTAL UTILITY PLANT	5,666,604	5,515,487
Less - accumulated depreciation and amortization	2,615,013	2,534,463
UTILITY PLANT - NET	3,051,591	2,981,024
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
SFAS 109 regulatory asset - net	164,146	162,952
Unamortized loss on reacquired debt	40,817	44,428
Other regulatory assets	260,535	221,805
Other	10,797	4,775
TOTAL	476,295	433,960
TOTAL ASSETS	$4,451,580	$4,228,211

See Notes to Financial Stat

ENTERGY ARKANSAS, INC.
BALANCE SHEETS
LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31, 2001	2000
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	$85,000	$100
Notes payable	667	667
Accounts payable:		
Associated companies	32,868	94,776
Other	87,036	231,313
Customer deposits	32,589	29,775
Taxes accrued	104,281	40,263
Accumulated deferred income taxes	-	55,127
Interest accrued	30,544	27,624
Obligations under capital leases	51,973	45,962
System Energy refund	53,732	-
Other	17,221	14,942
TOTAL	495,911	540,549
DEFERRED CREDITS AND OTHER LIABILITIES		
Accumulated deferred income taxes	809,742	715,891
Accumulated deferred investment tax credits	83,239	88,264
Obligations under capital leases	49,187	101,350
Transition to competition	152,414	119,553
Accumulated provisions	41,415	42,393
Other	107,424	64,267
TOTAL	1,243,421	1,131,718
Long-term debt	1,308,075	1,239,712
Company-obligated mandatorily redeemable preferred securities of subsidiary trust holding solely junior subordinated deferrable debentures	60,000	60,000
SHAREHOLDERS' EQUITY		
Preferred stock without sinking fund	116,350	116,350
Common stock, $0.01 par value, authorized 325,000,000 shares; issued and outstanding 46,980,196 shares in 2001 and 2000	470	470
Paid-in capital	591,127	591,127
Retained earnings	636,226	548,285
TOTAL	1,344,173	1,256,232
Commitments and Contingencies		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$4,451,580	$4,228,211

See Notes to Financial Statements.

ENTERGY ARKANSAS, INC.
STATEMENTS OF RETAINED EARNINGS

	For the Years Ended December 31,		
	2001	2000	1999
	(In Thousands)		
Retained Earnings, January 1	$548,285	$463,614	$487,855
Add:			
Net income	178,185	137,047	69,313
Deduct:			
Dividends declared:			
Preferred stock	7,744	7,776	9,223
Common stock	82,500	44,600	82,700
Capital stock expenses and other	-	-	1,631
Total	90,244	52,376	93,554
Retained Earnings, December 31	$636,226	$548,285	$463,614

See Notes to Financial Statements.

ENTERGY ARKANSAS, INC.

SELECTED FINANCIAL DATA - FIVE-YEAR COMPARISON

	2001	2000	1999	1998	1997
			(In Thousands)		
Operating revenues	$1,776,776	$1,762,635	$1,541,894	$1,608,698	$1,715,714
Net income	$ 178,185	$ 137,047	$ 69,313	$ 110,951	$ 127,977
Total assets	$4,451,580	$4,228,211	$3,917,111	$4,006,651	$4,106,877
Long-term obligations (1)	$1,417,262	$1,401,062	$1,265,846	$1,335,248	$1,419,728

(1) Includes long-term debt (excluding currently maturing debt), preferred securities of subsidiary trust, and noncurrent capital lease obligations.

	2001	2000	1999	1998	1997
			(Dollars In Thousands)		
Electric Operating Revenues:					
Residential	$586,361	$561,363	$533,245	$562,325	$551,821
Commercial	329,437	307,320	288,677	288,816	332,715
Industrial	370,772	353,046	335,824	330,016	372,083
Governmental	16,149	14,935	14,606	14,640	18,200
Total retail	1,302,719	1,236,664	1,172,352	1,195,797	1,274,819
Sales for resale:					
Associated companies	240,073	245,541	178,150	149,603	213,845
Non-associated companies	201,111	234,873	193,449	240,090	215,249
Other	32,873	45,557	(2,057)	23,208	11,801
Total	$1,776,776	$1,762,635	$1,541,894	$1,608,698	$1,715,714
Billed Electric Energy Sales (GWH):					
Residential	6,918	6,791	6,493	6,613	5,988
Commercial	5,162	5,063	4,880	4,773	4,445
Industrial	7,052	7,240	7,054	6,837	6,647
Governmental	245	239	237	233	239
Total retail	19,377	19,333	18,664	18,456	17,319
Sales for resale:					
Associated companies	7,217	6,513	7,592	6,500	9,557
Non-associated companies	4,909	5,537	4,868	5,948	6,828
Total	31,503	31,383	31,124	30,904	33,704

	2002	2003	2004	after 2004
		(In Millions)		
Planned construction and capital investment	$239	$200	$194	N/A
Long-term debt maturities	$85	$255	$-	$1,053
Short-term facility maturities (1)	$-	N/A	N/A	N/A
Capital and operating lease payments	$31	$22	$22	$45
Unconditional fuel and purchased power obligations	$228	$200	$203	$1,428
Nuclear fuel lease obligations (2)	$47	$19	N/A	N/A

(1) Entergy Arkansas' 364-day credit facility is discussed in "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - LIQUIDITY AND CAPITAL RESOURCES".

(2) It is expected that additional financing under the leases will be arranged as needed to acquire additional fuel, to pay interest, and to pay maturing debt. If such additional financing cannot be arranged, however, the lessee in each case must repurchase sufficient nuclear fuel to allow the lessor to meet its obligations.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Entergy Gulf States, Inc.:

We have audited the accompanying balance sheets of Entergy Gulf States, Inc. as of December 31, 2001 and 2000, and the related statements of income, retained earnings, and cash flows (pages 111 through 115 and pages 161 through 227) for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of Entergy Gulf States, Inc. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP

New Orleans, Louisiana
January 31, 2002

ENTERGY GULF STATES, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

Net Income

Net income decreased slightly in 2001 primarily due to decreased unbilled revenue, less favorable sales volume and weather, and increased interest expense. The decrease was offset by lower rate refund provisions, decreased nuclear refueling outage expenses, increased interest income, and lower income taxes.

Net income increased in 2000 primarily due to increased sales volume, increased unbilled revenue, increased wholesale revenue, and decreased charges for regulatory reserves.

Revenues and Sales

Electric operating revenues

The changes in electric operating revenues for the twelve months ended December 31, 2001 and 2000 are as follows:

Increase/(Decrease) Description	2001	2000
	(In Millions)	
Base rate changes	$35.9	($83.2)
Fuel cost recovery	200.9	342.5
Sales volume/weather	(30.9)	40.7
Unbilled revenue	(96.8)	33.7
Other revenue	(2.0)	(3.9)
Sales for resale	12.9	58.7
Total	$120.0	$388.5

Base rate changes

In 2001, base rate changes increased primarily due to lower accruals for rate refund provisions in 2001.

In 2000, base rate changes decreased primarily due to the reversal in 1999 of regulatory reserves associated with the accelerated amortization of accounting order deferrals and rate refunds in conjunction with the Texas rate settlement in June 1999.

The LPSC and PUCT rate issues are discussed in Note 2 to the financial statements.

Fuel cost recovery

Entergy Gulf States is allowed to recover certain fuel and purchased power costs through fuel mechanisms included in electric rates that are recorded as fuel cost recovery revenues. The difference between revenues collected and current fuel and purchased power costs is recorded as deferred fuel costs on Entergy Gulf States' financial statements such that these costs generally have no net effect on earnings.

ENTERGY GULF STATES, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

In 2001, fuel cost recovery revenues increased in both operational jurisdictions of Entergy Gulf States. In the Louisiana jurisdiction, fuel recovery revenues increased $103.9 million due to the recovery through the fuel adjustment clause of higher fuel and purchased power costs in 2001. In the Louisiana jurisdiction, these fuel costs are recovered on a two-month lag. In the Texas jurisdiction, fuel cost recovery revenues increased $97 million due to increases in the fixed fuel factor in March 2001 and August 2001 as well as a fuel recovery surcharge which became effective in February 2001 and expired in December 2001.

In 2000, fuel cost recovery revenues increased primarily due to increased market prices for fuel and purchased power, resulting in an increased recovery of $226.7 million in the Louisiana jurisdiction. Fuel cost recovery revenues increased in the Texas jurisdiction by $82.4 million due to a higher fuel recovery factor that became effective in September 1999 and by $33.4 million due to a fuel surcharge implemented in January 2000.

Sales volume/weather

Electric sales vary seasonally in response to weather and usually peak in the summer. Lower electric sales volume reduced revenues for 2001 primarily due to decreased usage of 379 GWH in the residential and commercial sectors as a result of less favorable summer weather. Lower usage in the industrial sector of 1,302 GWH also contributed to the decrease in electric sales.

In 2000, higher electric sales volume increased revenues primarily due to more favorable weather. The effect of more favorable winter weather increased usage by 462 GWH in the residential and commercial sectors. The increase in revenues was also due to increased usage of 276 GWH in the industrial sector.

Unbilled revenue

In 2001, unbilled revenue decreased as a result of higher fuel prices and more favorable weather in December 2000.

In 2000, unbilled revenue increased due to the effect of a change in estimate on unbilled revenue, more favorable weather, and increased sales volume.

Sales for resale

In 2001, sales for resale increased primarily due to increased sales volume to municipal and co-op customers coupled with an increase in the average price of energy supplied, partially offset by decreased sales volume to adjoining utility systems and affiliated companies due to decreased demand.

In 2000, sales for resale increased primarily due to increased sales volume including sales of energy from the non-regulated piece of River Bend to affiliated companies. Such sales volume was possible as a result of increased generation, particularly nuclear generation, resulting in more energy available for resale.

ENTERGY GULF STATES, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

Gas and steam operating revenues

Gas operating revenues increased in 2001 primarily due to a 39% increase in the market price for natural gas as well as increased sales volume in the residential and commercial sectors, particularly during the first quarter of 2001. The increase in gas revenues was largely offset by increased expense for gas purchased for resale.

Gas operating revenues increased in 2000 due to an increase in the market price for natural gas as well as increased sales volume in the residential and commercial sectors.

In 2000, steam operating revenues decreased primarily due to a new lease arrangement that began in June 1999 for the Louisiana Station 1 generating facility. Under the new arrangement, revenues and expenses are now classified as other income. The previous classifications were steam operating revenues and other operation and maintenance expenses.

Expenses

Fuel and purchased power

In 2001, fuel and purchased power expenses increased primarily due to adjustments to the deferred fuel balance as a result of the over- recovery of fuel and purchased power costs. The over-recovery in the Louisiana jurisdiction is due to the collection of higher fuel and purchased power costs through the fuel adjustment clause as discussed above. The over-recovery in the Texas jurisdiction is due to increases in the fixed fuel factor and a fuel recovery surcharge.

In 2000, fuel and purchased power expenses increased primarily due to:

o higher market prices for gas and purchased power;
o increased nuclear generation; and
o an adjustment in March 2000 of $11.5 million to the Texas jurisdiction deferred fuel balance as a result of a fuel reconciliation settlement with the PUCT.

Nuclear refueling outage expenses

In 2001, nuclear refueling outage expenses decreased as a result of the lower accrual of anticipated future outage expenses. River Bend's next refueling outage is not scheduled until 2003.

Other operation and maintenance expenses

In 2000, other operation and maintenance expenses increased primarily due to increased expenses of $12.6 million in outside services employed related to legal and contract services for transition work and increased nuclear plant operations costs of $5.8 million. These increases were largely offset by decreases in pension and benefits costs of $7.3 million and a decrease in environmental reserve charges of $5.7 million.

Depreciation and amortization

In 2000, depreciation and amortization increased primarily due to a review of plant-in-service dates for consistency with regulatory treatment, reducing depreciation expense by $6.7 million in 1999, as well as additional depreciation expense related to net capital additions in 2000.

Other regulatory credits

In 2001, other regulatory credits increased due to:

o the establishment of the Texas System Benefit Fund; and
o the deferral of the Louisiana Retail jurisdiction portion of capacity charges included in purchased power costs for the summers of 2000 and 2001 that Entergy Gulf States expects to recover in the future.

The increase was partially offset by the amortization of the 2000 capacity charges, which will occur through July 2002.

In 2000, other regulatory credits decreased due to:

o the amortization of the Year 2000 regulatory asset deferred in 1999; and
o the completion of the amortization of the deferred financing costs in accordance with the December 1998 rate order settlement with the PUCT.

Amortization of rate deferrals

In 2000, the amortization of rate deferrals decreased primarily due to the large reduction in the rate deferral balance upon the PUCT's approval in June 1999 of the Texas rate settlement. This settlement increased amortization expense in 1999 but was offset by increased revenues.

As of December 31, 2001, the rate deferrals have been fully amortized.

Other

Other income

In 2001, other income increased primarily due to increased interest income recorded on the deferred fuel balance.

In 2000, other income decreased primarily due to decreased non- utility operating income from Louisiana Station 1 as well as the 1999 adjustment to the accumulated depreciation balance of River Bend abeyed plant.

Interest charges

Interest charges increased in 2001 primarily due to:

o the issuance of $300 million of long-term debt in June 2000 and the net issuance of an additional $177 million of long-term debt in August 2001; and
o an adjustment to the liability for deferred compensation for certain former Entergy Gulf States employees in accord with an actuarial study.

In 2000, interest charges increased as a result of the issuance of $300 million of long-term debt in June 2000.

Income taxes

The effective income tax rates for 2001, 2000, and 1999 were 31.4%, 36.5%, and 37.6%, respectively.

The decrease in the effective income tax rate in 2001 was primarily due to accelerated tax depreciation deductions accounted for on a flow-through basis and an adjustment of prior year taxes, which were lower than estimated.

ENTERGY GULF STATES, INC.
INCOME STATEMENTS

	For the Years Ended December 31, 2001	2000	1999
	(In Thousands)		
OPERATING REVENUES			
Domestic electric	$2,590,836	$2,470,884	$2,082,358
Natural gas	57,724	40,356	28,998
Steam products	-	-	15,852
TOTAL	2,648,560	2,511,240	2,127,208
OPERATING EXPENSES			
Operation and Maintenance:			
Fuel, fuel-related expenses, and gas purchased for resale	1,061,037	895,361	634,726
Purchased power	467,196	455,300	365,245
Nuclear refueling outage expenses	11,159	16,663	16,307
Other operation and maintenance	422,667	423,031	419,713
Decommissioning	6,247	6,273	7,588
Taxes other than income taxes	118,670	120,428	111,872
Depreciation and amortization	191,120	189,149	185,254
Other regulatory credits - net	(32,334)	(13,860)	(24,092)
Amortization of rate deferrals	5,606	5,606	89,597
TOTAL	2,251,368	2,097,951	1,806,210
OPERATING INCOME	397,192	413,289	320,998
OTHER INCOME			
Allowance for equity funds used during construction	9,248	7,617	6,306
Gain on sale of assets	2,454	2,327	2,046
Interest and dividend income	24,818	16,428	18,069
Miscellaneous - net	(7,148)	(3,692)	4
TOTAL	29,372	22,680	26,425
INTEREST AND OTHER CHARGES			
Interest on long-term debt	153,393	143,053	138,602
Other interest - net	13,537	8,458	6,994
Distributions on preferred securities of subsidiary	7,438	7,438	7,438
Allowance for borrowed funds used during construction	(9,286)	(6,926)	(5,776)
TOTAL	165,082	152,023	147,258
INCOME BEFORE INCOME TAXES	261,482	283,946	200,165
Income taxes	82,038	103,603	75,165
NET INCOME	179,444	180,343	125,000
Preferred dividend requirements and other	5,025	9,998	17,423
EARNINGS APPLICABLE TO COMMON STOCK	$174,419	$170,345	$107,577

See Notes to Financial Statements.

ENTERGY GULF STATES, INC.
STATEMENTS OF CASH FLOWS

	For the Years Ended December 31, 2001	2000	1999
		(In Thousands)	
OPERATING ACTIVITIES			
Net income	$179,444	$180,343	$125,000
Noncash items included in net income:			
Amortization of rate deferrals	5,606	5,606	89,597
Reserve for regulatory adjustments	(27,374)	(49,571)	(97,953)
Other regulatory credits - net	(32,334)	(13,860)	(24,092)
Depreciation, amortization, and decommissioning	197,367	195,422	192,842
Deferred income taxes and investment tax credits	4,320	54,279	(1,495)
Allowance for equity funds used during construction	(9,248)	(7,617)	(6,306)
Gain on sale of assets	(2,454)	(2,327)	(2,046)
Changes in working capital:			
Receivables	59,132	(131,643)	9,791
Fuel inventory	(16,753)	1,013	(8,070)
Accounts payable	(151,090)	130,435	42,370
Taxes accrued	(41,764)	30,570	46,018
Interest accrued	(125)	14,969	(14,061)
Deferred fuel costs	161,396	(26,291)	40,851
Other working capital accounts	6,183	20,896	(10,954)
Provision for estimated losses and reserves	(3,593)	(1,991)	8,496
Changes in other regulatory assets	(54,613)	(47,777)	(59,242)
Other	64,386	51,424	56,817
Net cash flow provided by operating activities	338,486	403,880	387,563
INVESTING ACTIVITIES			
Construction expenditures	(317,776)	(277,635)	(199,076)
Allowance for equity funds used during construction	9,248	7,617	6,306
Nuclear fuel purchases	(14,148)	(34,735)	(53,293)
Proceeds from sale/leaseback of nuclear fuel	15,222	34,154	53,293
Decommissioning trust contributions and realized change in trust assets	(11,319)	(12,051)	(10,853)
Changes in other temporary investments - net	(44,643)	-	-
Other regulatory investments	-	(127,377)	(42,412)
Net cash flow used in investing activities	(363,416)	(410,027)	(246,035)
FINANCING ACTIVITIES			
Proceeds from issuance of long-term debt	298,554	298,819	122,906
Retirement of long-term debt	(124,829)	(185)	(197,960)
Redemption of preferred stock	(4,573)	(157,658)	(25,931)
Dividends paid:			
Common stock	(83,700)	(88,000)	(107,000)
Preferred stock	(5,073)	(10,862)	(16,967)
Net cash flow provided by (used in) financing activities	80,379	42,114	(224,952)
Net increase (decrease) in cash and cash equivalents	55,449	35,967	(83,424)
Cash and cash equivalents at beginning of period	68,279	32,312	115,736
Cash and cash equivalents at end of period	$123,728	$68,279	$32,312
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the period for:			
Interest - net of amount capitalized	$169,067	$136,154	$161,326
Income taxes	$107,726	$23,259	$28,410
Noncash investing and financing activities:			
Change in unrealized appreciation/(depreciation) of decommissioning trust assets	($9,492)	($3,172)	$14,054

See Notes to Financial Statements.

ENTERGY GULF STATES, INC.
BALANCE SHEETS
ASSETS

	December 31, 2001	2000
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	$19,503	$10,726
Temporary cash investments - at cost, which approximates market	104,225	57,553
Total cash and cash equivalents	123,728	68,279
Other temporary investments	44,643	-
Accounts receivable:		
Customer	81,136	125,412
Allowance for doubtful accounts	(2,131)	(2,131)
Associated companies	34,032	27,660
Other	53,249	22,837
Accrued unbilled revenues	84,744	136,384
Total accounts receivable	251,030	310,162
Deferred fuel costs	126,730	288,126
Fuel inventory - at average cost	54,011	37,258
Materials and supplies - at average cost	95,674	100,018
Rate deferrals	-	5,606
Prepayments and other	22,373	22,332
TOTAL	718,189	831,781
OTHER PROPERTY AND INVESTMENTS		
Decommissioning trust funds	245,382	243,555
Non-utility property - at cost (less accumulated depreciation)	194,830	194,422
Other	15,970	14,826
TOTAL	456,182	452,803
UTILITY PLANT		
Electric	7,694,226	7,574,905
Property under capital lease	28,087	38,564
Natural gas	59,100	56,163
Construction work in progress	221,730	144,814
Nuclear fuel under capital lease	67,688	57,472
TOTAL UTILITY PLANT	8,070,831	7,871,918
Less - accumulated depreciation and amortization	3,750,770	3,680,662
UTILITY PLANT - NET	4,320,061	4,191,256
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
SFAS 109 regulatory asset - net	426,623	403,934
Unamortized loss on reacquired debt	34,321	37,903
Other regulatory assets	201,329	169,405
Long-term receivables	26,576	29,586
Other	26,460	17,349
TOTAL	715,309	658,177
TOTAL ASSETS	$6,209,741	$6,134,017

See Notes to Financial Statements.

ENTERGY GULF STATES, INC.
BALANCE SHEETS
LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31, 2001	2000
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	$147,921	$122,750
Accounts payable:		
Associated companies	38,728	66,312
Other	135,023	258,529
Customer deposits	45,876	37,489
Taxes accrued	90,604	132,368
Accumulated deferred income taxes	21,412	94,032
Nuclear refueling outage costs	2,080	10,209
Interest accrued	43,414	43,539
Obligations under capital leases	36,668	42,524
Other	20,995	19,418
TOTAL	582,721	827,170
DEFERRED CREDITS AND OTHER LIABILITIES		
Accumulated deferred income taxes	1,227,084	1,115,119
Accumulated deferred investment tax credits	163,766	171,000
Obligations under capital leases	60,163	53,512
Other regulatory liabilities	-	669
Decommissioning	144,926	142,604
Transition to competition	79,098	72,381
Regulatory reserves	33,591	60,965
Accumulated provisions	63,811	67,404
Other	93,719	98,501
TOTAL	1,866,158	1,782,155
Long-term debt	1,958,897	1,808,879
Preferred stock with sinking fund	26,185	30,758
Company-obligated mandatorily redeemable preferred securities of subsidiary trust holding solely junior subordinated deferrable debentures	85,000	85,000
SHAREHOLDERS' EQUITY		
Preferred stock without sinking fund	47,327	47,677
Common stock, no par value, authorized 200,000,000 shares; issued and outstanding 100 shares in 2001 and 2000	114,055	114,055
Paid-in capital	1,157,459	1,153,195
Retained earnings	371,939	285,128
TOTAL	1,690,780	1,600,055
Commitments and Contingencies		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$6,209,741	$6,134,017

See Notes to Financial Statements.

ENTERGY GULF STATES, INC.
STATEMENTS OF RETAINED EARNINGS

	For the Years Ended December 31,		
	2001	2000	1999
	(In Thousands)		
Retained Earnings, January 1	$285,128	$202,782	$202,205
Add:			
Net income	179,444	180,343	125,000
Deduct:			
Dividends declared:			
Preferred and preference stock	5,025	9,933	16,784
Common stock	83,700	88,000	107,000
Capital stock expenses and other	3,908	64	639
Total	92,633	97,997	124,423
Retained Earnings, December 31	$371,939	$285,128	$202,782

See Notes to Financial Statements.

ENTERGY GULF STATES, INC. AND SUBSIDIARIES

SELECTED FINANCIAL DATA - FIVE-YEAR COMPARISON

	2001	2000	1999	1998	1997
			(In Thousands)		
Operating revenues	$2,648,560	$2,511,240	$2,127,208	$1,853,809	$2,147,829
Net income	$ 179,444	$ 180,343	$ 125,000	$ 46,393	$ 59,976
Total assets	$6,209,741	$6,134,017	$5,733,022	$6,293,744	$6,488,637
Long-term obligations (1)	$2,130,245	$1,978,149	$1,966,269	$1,993,811	$2,098,752

(1) Includes long-term debt (excluding currently maturing debt), preferred stock with sinking fund, preferred securities of subsidiary trust, and noncurrent capital lease obligations.

	2001	2000	1999	1998	1997
Electric Operating Revenues:			(Dollars In Thousands)		
Residential	$787,960	$717,453	$607,875	$605,759	$624,862
Commercial	587,148	505,346	430,291	422,944	452,724
Industrial	945,733	870,594	718,779	704,393	740,418
Governmental	38,215	32,939	28,475	35,930	33,774
Total retail	2,359,056	2,126,332	1,785,420	1,769,026	1,851,778
Sales for resale:					
Associated companies	72,961	93,675	38,416	14,172	14,260
Non-associated companies	146,092	112,522	109,132	112,182	59,015
Other (1)	12,727	138,355	149,390	(117,796)	136,458
Total	$2,590,836	$2,470,884	$2,082,358	$1,777,584	$2,061,511
Billed Electric Energy Sales (GWH):					
Residential	9,059	9,405	8,929	8,903	8,178
Commercial	7,668	7,660	7,310	6,975	6,575
Industrial	16,658	17,960	17,684	18,158	18,038
Governmental	452	450	425	560	481
Total retail	33,837	35,475	34,348	34,596	33,272
Sales for resale:					
Associated companies	1,087	1,381	677	380	414
Non-associated companies	3,305	3,248	3,408	3,701	1,503
Total Electric Department	38,229	40,104	38,433	38,677	35,189

(1) 1998 includes the effects of an Entergy Gulf States reserve for rate refund.

	2002	2003	2004	after 2004
		(In Millions)		
Planned construction and capital investment	$317	$265	$277	N/A
Long-term debt maturities	$148	$339	$592	$1,028
Capital and operating lease payments	$26	$26	$27	$40
Unconditional fuel and purchased power obligations	$53	$34	$32	N/A
Nuclear fuel lease obligations (1)	$30	$39	N/A	N/A

(1) It is expected that additional financing under the leases will be arranged as needed to acquire additional fuel, to pay interest, and to pay maturing debt. If such additional financing cannot be arranged, however, the lessee in each case must repurchase sufficient nuclear fuel to allow the lessor to meet its obligations.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Entergy Louisiana, Inc.:

We have audited the accompanying balance sheets of Entergy Louisiana, Inc. as of December 31, 2001 and 2000, and the related statements of income, retained earnings, and cash flows (pages 122 through 127 and pages 161 through 227) for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of Entergy Louisiana, Inc. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP

New Orleans, Louisiana
January 31, 2002

ENTERGY LOUISIANA, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

Net Income

Net income decreased in 2001 primarily due to decreased unbilled revenue and less favorable sales volume and weather. The decrease was partially offset by decreases in rate refund provisions and other operation and maintenance expenses, an increase in regulatory credits, and a refund from System Energy as a result of receipt of a final FERC order in System Entergy's rate proceeding. The adjustments necessary to record the effects of the FERC order reduced purchased power expenses by $68.1 million ($41.9 million net-of-tax).

Net income decreased in 2000 primarily due to increased depreciation and amortization costs, increased other operation and maintenance expenses, and decreased unbilled revenue and other regulatory credits, partially offset by decreased provisions for rate refunds.

Revenues and Sales

The changes in electric operating revenues for the twelve months ended December 31, 2001 and 2000 are as follows:

Increase/(Decrease) Description	2001	2000
	(In Millions)	
Base rate changes	$31.8	($4.7)
Fuel cost recovery	(28.2)	270.8
Sales volume/weather	(33.0)	23.9
Unbilled revenue	(128.0)	(9.2)
Other revenue	9.0	(4.3)
Sales for resale	(12.1)	(20.7)
Total	($160.5)	$255.8

Base rate changes

In 2001, base rate changes increased primarily due to $48 million of lower accruals for potential rate refunds and $11 million of higher prices for special-use industrial customers as a result of decreased usage which is reflected in sales volume/weather. The increase in base rate changes was partially offset by additional formula rate plan reductions of $27 million effective August 2000 and October 2001 in the residential, commercial, and industrial sectors.

In 2000, base rate changes decreased primarily due to additional formula rate plan reductions in the residential, commercial, and industrial sectors, partially offset by lower accruals for potential rate refunds.

Fuel cost recovery revenues

Entergy Louisiana is allowed to recover certain fuel and purchased power costs through fuel mechanisms included in electric rates that are recorded as fuel cost recovery revenues. The difference between revenues collected and current fuel and purchased power costs is recorded as deferred fuel costs on Entergy Louisiana's financial statements such that these costs generally have no net effect on earnings.

RESULTS OF OPERATIONS

In 2001, fuel cost recovery revenues decreased as a result of lower fuel and purchased power expenses primarily due to the decreased market price of natural gas coupled with decreased generation requirements.

In 2000, fuel cost recovery revenues increased as a result of higher fuel and purchased power expenses primarily due to the increased market price of natural gas.

Sales volume/weather

Electric sales vary seasonally in response to weather and usually peak in the summer. In 2001, lower electric sales volume decreased revenues due to decreased usage of 168 GWH in the residential sector after adjusting for the weather effect and 782 GWH in the industrial sector. The decreased usage in the industrial sector resulted in higher rates for that sector, which is reflected in base rate changes. The effect of less favorable weather decreased usage by 225 GWH in the residential sector.

In 2000, higher electric sales volume increased revenues primarily due to more favorable weather, which increased usage by 392 GWH in the residential and commercial sectors. The increase in revenues was also due to increased usage of 132 GWH in the industrial sector.

Unbilled revenue

In 2001, unbilled revenue decreased primarily due to the effect of higher fuel prices and more favorable weather in December 2000 on the unbilled calculation.

In 2000, unbilled revenue decreased primarily due to the effect of a change in estimate on the 1999 unbilled revenue calculation.

Sales for resale

In 2001, sales for resale decreased as a result of decreased demand in addition to a decrease in the average market price of energy.

In 2000, sales for resale decreased as a result of increased sales to retail customers resulting in less energy available for resale.

Expenses

Fuel and purchased power

In 2001, fuel and purchased power expenses decreased primarily due to:

o decreased market prices of natural gas;
o decreased demand; and
o the reduction of $68.1 million in purchased power expenses as a result of the FERC-ordered refund from System Energy.

In 2000, fuel and purchased power expenses increased primarily due to an increase in the market price of natural gas.

Other operation and maintenance

Other operation and maintenance expenses decreased in 2001 primarily due to:

o a decrease of $11.0 million in outside services employed as a result of legal services for potential rate actions in 2000; and
o a decrease of $10.7 million in expenses from maintenance and planned maintenance outages at certain fossil plants in 2000.

Other operation and maintenance expenses increased in 2000 primarily due to:

o an increase in expenses from maintenance and planned maintenance outages at Waterford 3 and certain fossil plants of $17.9 million;
o an increase of $11.0 million in outside services employed for legal services for potential rate actions; and
o an increase in property insurance provisions of $5.0 million primarily due to changes in storm damage provisions effective August 1999.

The overall increase in other operation and maintenance expenses in 2000 was partially offset by the following:

o a decrease in injury and damages claims of $3.5 million;
o a decrease of $3.0 million in benefits expense; and
o higher nuclear insurance refunds of $1.8 million.

Depreciation and amortization

In 2000, depreciation and amortization expenses increased primarily due to a review of plant-in-service dates for consistency with regulatory treatment reducing depreciation expense by $3.4 million in August 1999, as well as depreciation expense related to net capital additions in 2000.

Other regulatory charges (credits)

In 2001, other regulatory credits increased due to the deferral of capacity charges included in purchased power costs for the summers of 2000 and 2001 that Entergy Louisiana expects to recover in the future. The increase was partially offset by the amortization of the 2000 capacity charges. The amortization of these charges will occur through July 2002.

In 2000, other regulatory credits decreased due to the LPSC- required deferral in 1999 of Year 2000 costs and the amortization of these costs in 2000. The deferred costs are being recovered over a five-year period.

Other

Interest and dividend income

The decrease in 2001 and the increase in 2000 in interest income were due to interest recorded on deferred fuel costs in 2000.

Interest charges

In 2001, other interest increased primarily due to:

o interest accrued on reserves provided for fuel-related refunds that were refunded in July through September 2001; and
o interest accrued on over-recovered fuel and purchased power expenses that will be refunded to customers through the fuel adjustment clause.

In 2000, interest on long-term debt decreased primarily due to the refinancing and net redemption of $77 million of long-term debt in 1999, partially offset by interest expense incurred on the issuance of $150 million of long-term debt in May 2000.

Income taxes

The effective income tax rates for 2001, 2000, and 1999 were 39.4%, 40.9%, and 39.0%, respectively.

ENTERGY LOUISIANA, INC.
INCOME STATEMENTS

	For the Years Ended December 31, 2001	2000	1999
		(In Thousands)	
OPERATING REVENUES			
Domestic electric	$1,901,913	$2,062,437	$1,806,594
OPERATING EXPENSES			
Operation and Maintenance:			
Fuel, fuel-related expenses, and gas purchased for resale	620,415	560,329	421,763
Purchased power	410,435	537,589	418,878
Nuclear refueling outage expenses	12,624	13,542	15,756
Other operation and maintenance	299,532	318,841	289,348
Decommissioning	10,422	10,422	8,786
Taxes other than income taxes	77,376	77,190	75,447
Depreciation and amortization	171,217	171,204	161,754
Other regulatory charges (credits) - net	(24,738)	960	(5,280)
TOTAL	1,577,283	1,690,077	1,386,452
OPERATING INCOME	324,630	372,360	420,142
OTHER INCOME			
Allowance for equity funds used during construction	4,531	4,328	4,925
Gain on sale of assets	152	-	-
Interest and dividend income	6,234	10,100	5,102
Miscellaneous - net	(4,056)	(3,496)	(2,896)
TOTAL	6,861	10,932	7,131
INTEREST AND OTHER CHARGES			
Interest on long-term debt	97,887	98,655	103,937
Other interest - net	11,889	6,788	7,010
Distributions on preferred securities of subsidiary	6,300	6,300	6,300
Allowance for borrowed funds used during construction	(3,422)	(3,775)	(4,112)
TOTAL	112,654	107,968	113,135
INCOME BEFORE INCOME TAXES	218,837	275,324	314,138
Income taxes	86,287	112,645	122,368
NET INCOME	132,550	162,679	191,770
Preferred dividend requirements and other	7,495	9,514	9,955
EARNINGS APPLICABLE TO COMMON STOCK	$125,055	$153,165	$181,815

See Notes to Financial Statements.

ENTERGY LOUISIANA, INC.
STATEMENTS OF CASH FLOWS

	For the Years Ended December 31, 2001	2000	1999
		(In Thousands)	
OPERATING ACTIVITIES			
Net income	$132,550	$162,679	$191,770
Noncash items included in net income:			
Reserve for regulatory adjustments	(11,456)	11,456	-
Other regulatory charges (credits) - net	(24,738)	960	(5,280)
Depreciation, amortization, and decommissioning	181,639	181,626	170,540
Deferred income taxes and investment tax credits	(27,382)	16,350	(15,487)
Allowance for equity funds used during construction	(4,531)	(4,328)	(4,925)
Gain on sale of assets	(152)	-	-
Changes in working capital:			
Receivables	131,313	(97,154)	(41,565)
Accounts payable	(50,121)	(11,848)	95,120
Taxes accrued	(2,897)	(2,555)	7,659
Interest accrued	(1,012)	15,300	(33,066)
Deferred fuel costs	151,544	(81,890)	(9,959)
Other working capital accounts	(71,119)	38,064	56,714
Provision for estimated losses and reserves	4,321	6,114	5,442
Changes in other regulatory assets	2,569	25,400	38,577
Other	19,987	10,249	(45,146)
Net cash flow provided by operating activities	430,515	270,423	410,394
INVESTING ACTIVITIES			
Construction expenditures	(203,059)	(203,049)	(130,933)
Allowance for equity funds used during construction	4,531	4,328	4,925
Nuclear fuel purchases	-	(38,270)	(11,308)
Proceeds from sale/leaseback of nuclear fuel	-	38,270	11,308
Decommissioning trust contributions and realized change in trust assets	(13,651)	(12,299)	(13,678)
Changes in other temporary investments - net	(6,152)	-	-
Net cash flow used in investing activities	(218,331)	(211,020)	(139,686)
FINANCING ACTIVITIES			
Proceeds from the issuance of long-term debt	-	148,736	298,092
Retirement of long-term debt	(35,088)	(100,000)	(386,707)
Redemption of preferred stock	(35,000)	-	(50,000)
Dividends paid:			
Common stock	(134,600)	(62,400)	(197,000)
Preferred stock	(9,047)	(9,514)	(10,389)
Net cash flow used in financing activities	(213,735)	(23,178)	(346,004)
Net increase (decrease) in cash and cash equivalents	(1,551)	36,225	(75,296)
Cash and cash equivalents at beginning of period	43,959	7,734	83,030
Cash and cash equivalents at end of period	$42,408	$43,959	$7,734
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the period for:			
Interest - net of amount capitalized	$110,971	$89,627	$144,731
Income taxes	$111,507	$105,354	$132,924
Noncash investing and financing activities:			
Change in unrealized appreciation/(depreciation) of decommissioning trust assets	($4,251)	($2,979)	$4,585

See Notes to Financial Statements.

ENTERGY LOUISIANA, INC.
BALANCE SHEETS
ASSETS

	December 31, 2001	2000
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	$28,768	$14,138
Temporary cash investments - at cost, which approximates market	13,640	29,821
Total cash and cash equivalents	42,408	43,959
Other temporary investments	6,152	-
Notes receivable	8	1,510
Accounts receivable:		
Customer	48,640	111,292
Allowance for doubtful accounts	(1,771)	(1,771)
Associated companies	9,090	30,518
Other	47,965	13,698
Accrued unbilled revenues	71,200	152,700
Total accounts receivable	175,124	306,437
Deferred fuel costs	-	84,051
Accumulated deferred income taxes	42,566	-
Materials and supplies - at average cost	77,523	77,389
Deferred nuclear refueling outage costs	4,096	16,425
Prepayments and other	9,000	9,996
TOTAL	356,877	539,767
OTHER PROPERTY AND INVESTMENTS		
Investment in affiliates - at equity	14,230	14,230
Decommissioning trust funds	119,663	110,263
Non-utility property - at cost (less accumulated depreciation)	21,671	21,700
TOTAL	155,564	146,193
UTILITY PLANT		
Electric	5,456,093	5,357,920
Property under capital lease	239,395	238,427
Construction work in progress	110,792	85,299
Nuclear fuel under capital lease	70,316	63,923
TOTAL UTILITY PLANT	5,876,596	5,745,569
Less - accumulated depreciation and amortization	2,538,964	2,441,937
UTILITY PLANT - NET	3,337,632	3,303,632
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
SFAS 109 regulatory asset - net	179,368	204,810
Unamortized loss on reacquired debt	28,341	33,244
Other regulatory assets	73,754	50,881
Long-term receivables	1,515	-
Other	16,650	10,882
TOTAL	299,628	299,817
TOTAL ASSETS	$4,149,701	$4,289,409

See Notes to Financial Statements.

ENTERGY LOUISIANA, INC.
BALANCE SHEETS
LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31, 2001	2000
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	$185,627	$35,088
Accounts payable:		
Associated companies	73,208	71,948
Other	93,460	144,841
Customer deposits	61,359	60,227
Taxes accrued	20,410	23,307
Accumulated deferred income taxes	-	20,545
Interest accrued	34,524	35,536
Deferred fuel cost	67,493	-
Obligations under capital leases	34,171	34,274
Other	14,119	102,614
TOTAL	584,371	528,380
DEFERRED CREDITS AND OTHER LIABILITIES		
Accumulated deferred income taxes	776,610	757,362
Accumulated deferred investment tax credits	111,942	117,393
Obligations under capital leases	36,144	29,649
Regulatory reserves	-	11,456
Accumulated provisions	68,522	64,201
Other	82,780	61,724
TOTAL	1,075,998	1,041,785
Long-term debt	1,091,329	1,276,696
Preferred stock with sinking fund	-	35,000
Company-obligated mandatorily redeemable preferred securities of subsidiary trust holding solely junior subordinated deferrable debentures	70,000	70,000
SHAREHOLDERS' EQUITY		
Preferred stock without sinking fund	100,500	100,500
Common stock, no par value, authorized 250,000,000 shares; issued and outstanding 165,173,180 shares in 2001 and 2000	1,088,900	1,088,900
Capital stock expense and other	(1,718)	(2,171)
Retained earnings	140,321	150,319
TOTAL	1,328,003	1,337,548
Commitments and Contingencies		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$4,149,701	$4,289,409

See Notes to Financial Statements.

ENTERGY LOUISIANA, INC.
STATEMENTS OF RETAINED EARNINGS

	For the Years Ended December 31,		
	2001	2000	1999
	(In Thousands)		
Retained Earnings, January 1	$150,319	$59,554	$74,739
Add:			
Net income	132,550	162,679	191,770
Deduct:			
Dividends declared:			
Preferred stock	7,495	9,514	9,805
Common stock	134,600	62,400	197,000
Capital stock expenses	453	-	150
Total	142,548	71,914	206,955
Retained Earnings, December 31	$140,321	$150,319	$59,554

See Notes to Financial Statements.

ENTERGY LOUISIANA, INC.

SELECTED FINANCIAL DATA - FIVE-YEAR COMPARISON

	2001	2000	1999	1998	1997
			(In Thousands)		
Operating revenues	$1,901,913	$2,062,437	$1,806,594	$1,710,908	$1,803,272
Net income	$ 132,550	$ 162,679	$ 191,770	$ 179,487	$ 141,757
Total assets	$4,149,701	$4,289,409	$4,084,650	$4,181,041	$4,175,400
Long-term obligations (1)	$1,197,473	$1,411,345	$1,274,006	$1,530,590	$1,522,043

(1) Includes long-term debt (excluding currently maturing debt), preferred stock with sinking fund, preferred securities of subsidiary trust, and noncurrent capital lease obligations.

	2001	2000	1999	1998	1997
Electric Operating Revenues:			(Dollars In Thousands)		
Residential	$658,137	$716,708	$620,146	$598,573	$606,173
Commercial	429,388	441,338	386,042	367,151	379,131
Industrial	759,580	767,052	646,517	597,536	708,356
Governmental	39,203	38,772	33,738	32,795	34,171
Total retail	1,886,308	1,963,870	1,686,443	1,596,055	1,727,831
Sales for resale:					
Associated companies	24,993	20,763	27,253	16,002	3,817
Non-associated companies	23,352	39,704	53,923	53,538	55,345
Other	(32,740)	38,100	38,975	45,313	16,279
Total	$1,901,913	$2,062,437	$1,806,594	$1,710,908	$1,803,272
Billed Electric Energy Sales (GWH):					
Residential	8,255	8,648	8,354	8,477	7,826
Commercial	5,369	5,367	5,221	5,265	4,906
Industrial	14,402	15,184	15,052	14,781	16,390
Governmental	498	481	468	481	460
Total retail	28,524	29,680	29,095	29,004	29,582
Sales for resale:					
Associated companies	381	228	415	386	104
Non-associated companies	334	554	831	855	805
Total	29,239	30,462	30,341	30,245	30,491

	2002	2003	2004	after 2004
		(In Millions)		
Planned construction and capital investment	$218	$197	$198	N/A
Long-term debt maturities	$186	$185	$15	$891
Short-term facility maturities (1)	$-	N/A	N/A	N/A
Capital and operating lease payments	$13	$12	$11	$13
Unconditional fuel and purchased power obligations	$100	$103	$110	$3,169
Nuclear fuel lease obligations (2)	$34	$36	N/A	N/A

(1) Entergy Louisiana's 364-day credit facility is discussed in "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - LIQUIDITY AND CAPITAL RESOURCES".

(2) It is expected that additional financing under the leases will be arranged as needed to acquire additional fuel, to pay interest, and to pay maturing debt. If such additional financing cannot be arranged, however, the lessee in each case must repurchase sufficient nuclear fuel to allow the lessor to meet its obligations.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Entergy Mississippi, Inc.:

We have audited the accompanying balance sheets of Entergy Mississippi, Inc. as of December 31, 2001 and 2000, and the related statements of income, retained earnings, and cash flows (pages 134 through 139 and pages 161 through 227) for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of Entergy Mississippi, Inc. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP

New Orleans, Louisiana
January 31, 2002

ENTERGY MISSISSIPPI, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

Net Income

Net income increased slightly in 2001 primarily due to a decrease in other operation and maintenance expenses, increased interest income, and a decrease in the effective tax rate. These changes were almost entirely offset by decreased unbilled revenues, less favorable sales volume and weather, and increased interest expense.

Net income decreased in 2000 primarily due to increases in other operation and maintenance expenses, interest expense, depreciation expense, and an increase in the effective income tax rate. These decreases were partially offset by increases in unbilled revenues and sales volume.

Revenues and Sales

The changes in electric operating revenues for the twelve months ended December 31, 2001 and 2000 are as follows:

Description	Increase/(Decrease) 2001	2000
	(In Millions)	
Base rate changes	$5.2	($3.8)
Grand Gulf rate rider	(19.9)	4.7
Fuel cost recovery	157.8	54.8
Sales volume/weather	(5.2)	9.6
Unbilled revenue	(8.3)	22.3
Other revenue	4.8	1.6
Sales for resale	22.0	15.4
Total	$156.4	$104.6

Base rate changes

Base rate changes increased in 2001 primarily due to an annual rate increase of $5.6 million under the formula rate plan, which became effective in May 2001. The formula rate plan filing is discussed in Note 2 to the financial statements.

Base rate changes decreased in 2000 primarily due to an annual rate reduction of $13.3 million under the formula rate plan, which was effective in May 1999.

Grand Gulf rate rider

Rate rider revenues have no material effect on net income because specific incurred expenses offset them.

Grand Gulf rate rider revenue decreased in 2001 as a result of a lower rider which became effective in October 2000.

ENTERGY MISSISSIPPI, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

Fuel cost recovery

Entergy Mississippi is allowed to recover certain fuel and purchased power costs through fuel mechanisms included in electric rates, recorded as fuel cost recovery revenues. The difference between revenues collected and current fuel and purchased power costs is recorded as deferred fuel costs on Entergy Mississippi's financial statements such that these costs generally have no net effect on earnings.

In 2001, fuel cost recovery revenues increased primarily due to an increase in the energy cost recovery rider to collect the under- recovered fuel and purchased power costs incurred as of September 30, 2000. The recovery of $136.7 million, plus carrying charges, will occur over a 24-month period, which began in January 2001. The increase was also due to an additional increase in the energy cost recovery rider effective in April 2001.

In 2000, fuel cost recovery revenues increased primarily due to the MPSC's review and subsequent increase of Entergy Mississippi's energy cost recovery rider effective in January 2000.

Sales volume/weather

Electric sales vary seasonally in response to weather and usually peak in the summer. In 2001, the effect of less favorable weather decreased usage by 204 GWH in the residential and commercial sectors. Lower electric sales volume in the industrial sector of 137 GWH also decreased revenues. These decreases were partially offset by increased usage of 143 GWH in the commercial sector after adjusting for the effect of weather.

In 2000, sales volume increased as a result of increased usage after adjusting for weather effects in the residential and commercial sectors, as well as the effect of more favorable weather in the residential sector.

Unbilled revenue

In 2001, unbilled revenue decreased primarily due to more favorable weather in December 2000 on the unbilled calculation.

In 2000, unbilled revenue increased primarily due to the effect of favorable weather in 2000 and the effect of a change in estimate on the 1999 unbilled revenue calculation.

Sales for resale

In 2001, sales for resale increased primarily due to increased net generation resulting in more energy available for sale. The increase came from sales to affiliates, which are generally made at a low margin. The increase was partially offset by a decrease in the average market price of energy.

In 2000, sales for resale increased primarily due to an increase in the average price of energy supplied for resale sales. The increase was partially offset by less energy available for resale sales due to plant outages early in 2000, which resulted in lower sales volume.

Expenses

Fuel and purchased power

In 2001, fuel and purchased power expenses increased primarily due to over-recovery of fuel costs, including the effect of increased recoveries approved by the MPSC to recover previous under-recoveries.

In 2000, fuel and purchased power expenses increased primarily due to the increased market prices of natural gas, oil, and purchased power.

Other operation and maintenance

In 2001, other operation and maintenance expenses decreased primarily due to a decrease in plant maintenance expenses of $14.6 million due to outage costs at certain fossil plants in 2000.

In 2000, other operation and maintenance expenses increased primarily due to:

o an increase in property insurance expense of $9.3 million primarily due to a change in storm damage provision amortization in accordance with regulatory treatment; and
o an increase in maintenance of electric plant of $7.0 million.

Depreciation and Amortization

In 2000, depreciation and amortization expenses increased due to a review of plant-in-service dates for consistency with regulatory treatment reducing depreciation expense by $2.6 million in August 1999. Capital additions in 1999 and 2000 also contributed to the increase.

Other regulatory credits

In 2001, other regulatory credits increased primarily due to an under-recovery of Grand Gulf 1-related costs as a result of a lower rider implemented in October 2000.

In 2000, other regulatory credits decreased due to a decrease in the deferral of Grand Gulf 1 expenses associated with the System Energy rate increase.

Other

Other income

Interest income increased in 2001 primarily due to interest recorded on the deferred fuel balance as a result of the MPSC order providing for a 24-month recovery of the September 2000 under-recovered deferred fuel balance of $136.7 million.

Interest and other charges

Interest on long-term debt increased in 2001 primarily due to the issuance of $70 million of long-term debt in January 2001.

Interest on long-term debt increased in 2000 primarily due to the issuance of $120 million of long-term debt in February 2000.

Income taxes

The effective income tax rates for 2001, 2000, and 1999 were 34.1%, 37.0%, and 29.7%, respectively.

The decrease in the effective income tax rate in 2001 is primarily due to an adjustment of prior year taxes, which were lower than previously estimated.

The increase in the effective income tax rate in 2000 is primarily due to the effect that the distribution of the Entergy Corporation income tax benefit had on the 1999 effective income tax rate. In 1999, a tax benefit was recorded related to the 1998 tax return.

ENTERGY MISSISSIPPI, INC.
INCOME STATEMENTS

	For the Years Ended December 31, 2001	2000	1999
		(In Thousands)	
OPERATING REVENUES			
Domestic electric	$1,093,741	$937,371	$832,819
OPERATING EXPENSES			
Operation and Maintenance:			
Fuel, fuel-related expenses, and gas purchased for resale	415,347	221,075	185,063
Purchased power	365,540	366,491	332,015
Other operation and maintenance	155,646	168,432	152,817
Taxes other than income taxes	47,956	45,436	44,013
Depreciation and amortization	48,933	49,046	42,870
Other regulatory credits - net	(29,993)	(6,872)	(12,044)
TOTAL	1,003,429	843,608	744,734
OPERATING INCOME	90,312	93,763	88,085
OTHER INCOME			
Allowance for equity funds used during construction	2,559	2,385	1,569
Gain on sale of assets	3	19	-
Interest and dividend income	18,904	10,750	8,513
Miscellaneous - net	(2,918)	(2,070)	(1,732)
TOTAL	18,548	11,084	8,350
INTEREST AND OTHER CHARGES			
Interest on long-term debt	46,950	41,583	35,265
Other interest - net	4,041	3,294	3,574
Allowance for borrowed funds used during construction	(2,215)	(1,871)	(1,529)
TOTAL	48,776	43,006	37,310
INCOME BEFORE INCOME TAXES	60,084	61,841	59,125
Income taxes	20,464	22,868	17,537
NET INCOME	39,620	38,973	41,588
Preferred dividend requirements and other	3,082	3,370	3,370
EARNINGS APPLICABLE TO COMMON STOCK	$36,538	$35,603	$38,218

See Notes to Financial Statements.

ENTERGY MISSISSIPPI, INC.
STATEMENTS OF CASH FLOWS

	For the Years Ended December 31, 2001	2000	1999
	(In Thousands)		
OPERATING ACTIVITIES			
Net income	$39,620	$38,973	$41,588
Noncash items included in net income:			
Other regulatory credits - net	(29,993)	(6,872)	(12,044)
Depreciation and amortization	48,933	49,046	42,870
Deferred income taxes and investment tax credits	(68,133)	51,081	18,066
Allowance for equity funds used during construction	(2,559)	(2,385)	(1,569)
Gain on sale of assets	(3)	(19)	-
Changes in working capital:			
Receivables	1,059	(30,628)	24,208
Fuel inventory	(1,388)	338	(771)
Accounts payable	(46,976)	3,064	54,317
Taxes accrued	(378)	(4,106)	29,955
Interest accrued	4,568	3,062	(4,595)
Deferred fuel costs	54,453	47,939	(45,830)
Other working capital accounts	13,672	6,160	10,072
Provision for estimated losses and reserves	821	(568)	4,173
Changes in other regulatory assets	130,333	(9,929)	(30,179)
Other	34,081	37,105	12,152
Net cash flow provided by operating activities	178,110	182,261	142,413
INVESTING ACTIVITIES			
Construction expenditures	(159,815)	(121,252)	(94,717)
Allowance for equity funds used during construction	2,559	2,385	1,569
Changes in other temporary investments - net	(18,566)	-	-
Other regulatory investments	-	(160,611)	-
Net cash flow used in investing activities	(175,822)	(279,478)	(93,148)
FINANCING ACTIVITIES			
Proceeds from the issuance of long-term debt	69,616	118,913	153,629
Retirement of long-term debt	-	-	(163,278)
Changes in short-term borrowing, net	-	-	(6)
Dividends paid:			
Common stock	(19,600)	(18,000)	(34,100)
Preferred stock	(3,369)	(3,370)	(3,363)
Net cash flow provided by (used in) financing activities	46,647	97,543	(47,118)
Net increase in cash and cash equivalents	48,935	326	2,147
Cash and cash equivalents at beginning of period	5,113	4,787	2,640
Cash and cash equivalents at end of period	$54,048	$5,113	$4,787
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid/(received) during the period for:			
Interest - net of amount capitalized	$43,915	$39,569	$41,567
Income taxes	$88,657	($23,763)	($29,850)

See Notes to Financial Statements.

ENTERGY MISSISSIPPI, INC.
BALANCE SHEETS
ASSETS

	December 31, 2001	2000
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	$12,883	$5,113
Temporary cash investments - at cost, which approximates market	41,165	-
Total cash and cash equivalents	54,048	5,113
Other temporary investments	18,566	-
Accounts receivable:		
Customer	50,370	44,517
Allowance for doubtful accounts	(1,044)	(1,044)
Associated companies	14,201	10,741
Other	2,892	9,964
Accrued unbilled revenues	30,300	33,600
Total accounts receivable	96,719	97,778
Deferred fuel costs	106,158	64,950
Fuel inventory - at average cost	4,824	3,436
Materials and supplies - at average cost	16,896	18,485
Prepayments and other	8,521	3,004
TOTAL	305,732	192,766
OTHER PROPERTY AND INVESTMENTS		
Investment in affiliates - at equity	5,531	5,531
Non-utility property - at cost (less accumulated depreciation)	6,723	6,851
TOTAL	12,254	12,382
UTILITY PLANT		
Electric	1,939,182	1,885,501
Property under capital lease	211	290
Construction work in progress	110,450	44,085
TOTAL UTILITY PLANT	2,049,843	1,929,876
Less - accumulated depreciation and amortization	741,892	733,977
UTILITY PLANT - NET	1,307,951	1,195,899
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
SFAS 109 regulatory asset - net	22,387	25,544
Unamortized loss on reacquired debt	13,925	15,122
Deferred fuel costs	-	95,661
Other regulatory assets	13,503	140,679
Other	7,274	5,886
TOTAL	57,089	282,892
TOTAL ASSETS	$1,683,026	$1,683,939

See Notes to Financial Statements.

ENTERGY MISSISSIPPI, INC.
BALANCE SHEETS
LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31, 2001	2000
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	$65,000	$-
Accounts payable:		
Associated companies	45,554	92,980
Other	27,383	26,933
Customer deposits	29,421	26,368
Taxes accrued	31,484	31,862
Accumulated deferred income taxes	19,277	47,734
Interest accrued	17,667	13,099
Obligations under capital leases	36	79
System Energy refund	14,836	-
Other	1,964	2,540
TOTAL	252,622	241,595
DEFERRED CREDITS AND OTHER LIABILITIES		
Accumulated deferred income taxes	266,498	306,295
Accumulated deferred investment tax credits	17,908	19,408
Obligations under capital leases	175	211
Accumulated provisions	7,627	6,806
Other	37,678	31,339
TOTAL	329,886	364,059
Long-term debt	589,762	584,467
SHAREHOLDERS' EQUITY		
Preferred stock without sinking fund	50,381	50,381
Common stock, no par value, authorized 15,000,000 shares; issued and outstanding 8,666,357 shares in 2001 and 2000	199,326	199,326
Capital stock expense and other	(59)	(59)
Retained earnings	261,108	244,170
TOTAL	510,756	493,818
Commitments and Contingencies		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$1,683,026	$1,683,939

See Notes to Financial Statements.

ENTERGY MISSISSIPPI, INC.
STATEMENTS OF RETAINED EARNINGS

	For the Years Ended December 31,		
	2001	2000	1999
	(In Thousands)		
Retained Earnings, January 1	$244,170	$226,567	$222,449
Add:			
Net income	39,620	38,973	41,588
Deduct:			
Dividends declared:			
Preferred stock	3,082	3,370	3,370
Common stock	19,600	18,000	34,100
Total	22,682	21,370	37,470
Retained Earnings, December 31	$261,108	$244,170	$226,567

See Notes to Financial Statements.

ENTERGY MISSISSIPPI, INC.

SELECTED FINANCIAL DATA - FIVE-YEAR COMPARISON

	2001	2000	1999	1998	1997
			(In Thousands)		
Operating revenues	$1,093,741	$ 937,371	$ 832,819	$ 976,300	$ 937,395
Net Income	$ 39,620	$ 38,973	$ 41,588	$ 62,638	$ 66,661
Total assets	$1,683,026	$1,683,939	$1,460,017	$1,350,929	$1,439,561
Long-term obligations (1)	$ 589,937	$ 584,678	$ 464,756	$ 464,000	$ 464,156

(1) Includes long-term debt (excluding currently maturing debt) and noncurrent capital lease obligations.

	2001	2000	1999	1998	1997
Electric Operating Revenues:			(Dollars In Thousands)		
Residential	$390,957	$340,691	$311,003	$367,895	$342,818
Commercial	327,770	275,010	250,929	284,787	274,195
Industrial	191,014	161,065	151,659	170,910	173,152
Governmental	30,569	25,612	23,528	26,670	26,882
Total retail	940,310	802,378	737,119	850,262	817,047
Sales for resale:					
Associated companies	110,553	82,844	63,004	80,357	78,233
Non-associated companies	21,333	27,058	31,546	32,442	21,276
Other	21,545	25,091	1,150	13,239	20,839
Total	$1,093,741	$937,371	$832,819	$976,300	$937,395
Billed Electric Energy Sales (GWH):					
Residential	4,867	4,976	4,753	4,800	4,323
Commercial	4,322	4,307	4,156	4,015	3,673
Industrial	3,051	3,188	3,246	3,163	3,089
Governmental	381	376	363	347	333
Total retail	12,621	12,847	12,518	12,325	11,418
Sales for resale:					
Associated companies	1,728	1,276	1,774	2,424	1,918
Non-associated companies	289	313	426	484	412
Total	14,638	14,436	14,718	15,233	13,748

	2002	2003	2004	after 2004
			(In Millions)	
Planned construction and capital investment	$153	$131	$131	N/A
Long-term debt maturities	$65	$255	$150	$185
Short-term facility maturities (1)	$-	N/A	N/A	N/A

(1) Entergy Mississippi's 364-day credit facility is discussed in "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - LIQUIDITY AND CAPITAL RESOURCES".

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Entergy New Orleans, Inc.:

We have audited the accompanying balance sheets of Entergy New Orleans, Inc. as of December 31, 2001 and 2000, and the related statements of operations, retained earnings, and cash flows (pages 145 through 149 and pages 161 through 227) for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of Entergy New Orleans, Inc. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP

New Orleans, Louisiana
January 31, 2002

ENTERGY NEW ORLEANS, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

Net Income

Entergy New Orleans experienced a net loss in 2001 because of significantly lower operating revenues. Compared to 2000, operating revenues decreased $7.9 million as a result of lower electric sales volume and less favorable weather and unbilled revenues decreased $7.5 million as a result of lower fuel prices. An increase of $3.0 million in other operation and maintenance expenses, $2.0 million in interest expense, and $2.7 million in rate refund provisions also contributed to the decrease in 2001.

Net income decreased slightly in 2000 primarily due to increased other operation and maintenance expenses.

Revenues and Sales

Electric operating revenues

The changes in electric operating revenues for the twelve months ended December 31, 2001 and 2000 are as follows:

Description	Increase/(Decrease) 2001	2000
	(In Millions)	
Base rate changes	($11.6)	$4.0
Fuel cost recovery	53.4	62.6
Sales volume/weather	(12.8)	2.1
Unbilled revenue	(12.1)	2.8
Other revenue	(2.2)	1.4
Sales for resale	(26.8)	15.4
Total	($12.1)	$88.3

Base rate changes

In 2001, base rate changes decreased primarily due to $12.2 million of rate reductions that became effective in October 2000. The rate reductions are discussed in Note 2 to the financial statements.

In 2000, base rate changes increased primarily due to a decrease in provision for rate refunds accrued for potential rate matters.

Fuel cost recovery

Entergy New Orleans is allowed to recover certain fuel and purchased power costs through fuel mechanisms included in electric rates, recorded as fuel cost recovery revenues. The difference between revenues collected and current fuel and purchased power costs is recorded as deferred fuel costs on Entergy New Orleans' financial statements such that these costs generally have no net effect on earnings.

In 2001, fuel cost recovery revenues increased primarily due to recovery, through the fuel adjustment clause, of higher fuel and purchased power expenses. The increase in fuel and purchased power expenses was a result of increased market prices of natural gas and purchased power early in 2001.

RESULTS OF OPERATIONS

In 2000, fuel cost recovery revenues increased primarily due to the increased market price of natural gas.

Sales volume/weather

Electric sales vary seasonally in response to weather and usually peak in the summer. In 2001, lower electric sales volume reduced revenues due to decreased usage of 186 GWH in the residential, commercial, and governmental sectors after adjusting for the effects of weather. The effect of less favorable weather decreased usage by 107 GWH in the residential sector.

Unbilled revenue

In 2001, unbilled revenue decreased primarily due to the effect of higher fuel prices in December 2000 as compared to December 2001 on the unbilled revenue calculation.

In 2000, unbilled revenue increased primarily due to the effect of favorable weather and higher fuel and purchased power costs on the unbilled revenue calculation.

Sales for resale

In 2001, sales for resale decreased due to decreased demand from affiliated systems somewhat offset by increased prices for resale electricity.

In 2000, sales for resale increased due to an increase in the average price of electricity supplied for resale sales, coupled with an increase in affiliated sales volume.

Gas operating revenues

In 2001, gas operating revenues increased primarily due to the increased market prices of natural gas early in the year, partially offset by decreased sales volume.

In 2000, gas operating revenues increased primarily due to the increased market price of natural gas.

Expenses

Fuel and purchased power

In 2001, fuel and purchased power expenses increased primarily due to the increased market prices of natural gas and purchased power.

In 2000, fuel and purchased power expenses increased primarily due to the increased market price of natural gas.

Other operation and maintenance

In 2001, other operation and maintenance expenses increased primarily due to increases in:

- maintenance of fossil plants of $2.4 million;
- rate proceedings costs of $3.3 million; and
- uncollectible accounts expense for miscellaneous accounts receivable of $3.5 million.

The increases are partially offset by a decrease in administrative and general salaries expense of $2.2 million and a decrease in injuries and damage expense of $1.5 million.

In 2000, other operation and maintenance expenses increased primarily due to increases in:

- uncollectible accounts expense for miscellaneous accounts receivable of $1.3 million;
- maintenance of fossil plants of $1.1 million; and
- advertising expenses of $1.3 million.

Taxes other than income taxes

In 2001 and 2000, taxes other than income taxes increased primarily due to increased local franchise taxes as a result of higher retail revenue.

Other regulatory credits

In 2001, other regulatory credits increased primarily due to the deferral of capacity charges included in purchased power costs for summer capacity that Entergy New Orleans expects to recover in the future. The increase was also due to an under-recovery of Grand Gulf 1 related costs in 2001 compared to an over-recovery in 2000.

In 2000, other regulatory credits decreased due to an over- recovery of Grand Gulf 1 related costs in 2000 compared to an under- recovery in 1999 and the deferral of Year 2000 costs in 1999.

Amortization of rate deferrals

In 2001 and 2000, amortization of rate deferrals decreased due to scheduled rate changes in the amortization of Grand Gulf 1 phase-in expenses. The Grand Gulf 1 phase-in plan was completed in September 2001.

Other

Interest and other charges

In 2001, interest on long-term debt increased primarily due to the issuance of $30 million of long-term debt in February 2001 and the issuance of $30 million of long-term debt in July 2000.

In 2000, interest on long-term debt increased primarily due to the issuance of $30 million of long-term debt in July 2000.

Income taxes

The effective income tax rates for 2001, 2000, and 1999 were 66.7%, 41.2%, and 40.7%, respectively.

The increase in the effective income tax rate for 2001 was primarily due to the pre-tax loss, which increased the impact of flow- through items.

ENTERGY NEW ORLEANS, INC.
STATEMENTS OF OPERATIONS

	For the Years Ended December 31, 2001	2000	1999
	(In Thousands)		
OPERATING REVENUES			
Domestic electric	$502,672	$514,774	$426,431
Natural gas	128,178	125,516	81,357
TOTAL	630,850	640,290	507,788
OPERATING EXPENSES			
Operation and Maintenance:			
Fuel, fuel-related expenses, and gas purchased for resale	240,781	253,869	135,242
Purchased power	220,268	173,371	166,579
Other operation and maintenance	92,023	87,254	83,197
Taxes other than income taxes	46,878	45,132	39,621
Depreciation and amortization	24,922	23,550	21,219
Other regulatory credits - net	(12,049)	(7,058)	(9,036)
Amortization of rate deferrals	10,977	24,786	28,430
TOTAL	623,800	600,904	465,252
OPERATING INCOME	7,050	39,386	42,536
OTHER INCOME			
Allowance for equity funds used during construction	1,987	1,190	1,084
Miscellaneous - net	2,330	2,530	2,263
TOTAL	4,317	3,720	3,347
INTEREST AND OTHER CHARGES			
Interest on long-term debt	17,699	14,429	13,277
Other interest - net	1,962	1,462	1,403
Allowance for borrowed funds used during construction	(1,703)	(900)	(788)
TOTAL	17,958	14,991	13,892
INCOME (LOSS) BEFORE INCOME TAXES	(6,591)	28,115	31,991
Income taxes	(4,396)	11,597	13,030
NET INCOME (LOSS)	(2,195)	16,518	18,961
Preferred dividend requirements and other	965	965	965
EARNINGS (LOSS) APPLICABLE TO COMMON STOCK	($3,160)	$15,553	$17,996

See Notes to Financial Statements.

ENTERGY NEW ORLEANS, INC.
STATEMENTS OF CASH FLOWS

	For the Years Ended December 31, 2001	2000	1999
		(In Thousands)	
OPERATING ACTIVITIES			
Net income (loss)	($2,195)	$16,518	$18,961
Noncash items included in net income:			
Amortization of rate deferrals	10,977	24,786	28,430
Other regulatory credits - net	(12,049)	(7,058)	(9,036)
Depreciation and amortization	24,922	23,550	21,219
Deferred income taxes and investment tax credits	(24,198)	(639)	(3,131)
Allowance for equity funds used during construction	(1,987)	(1,190)	(1,084)
Changes in working capital:			
Receivables	33,183	(45,580)	(7,258)
Fuel inventory	1,123	(911)	179
Accounts payable	(40,364)	29,592	23,319
Taxes accrued	(5,823)	5,394	429
Interest accrued	913	1,163	37
Deferred fuel costs	38,430	(13,751)	(13,293)
Other working capital accounts	9,115	(223)	6,607
Provision for estimated losses and reserves	(2,669)	(365)	(531)
Changes in other regulatory assets	33,833	(11,637)	(11,482)
Other	14,495	10,812	6,796
Net cash flow provided by operating activities	77,706	30,461	60,162
INVESTING ACTIVITIES			
Construction expenditures	(61,189)	(48,902)	(46,239)
Allowance for equity funds used during construction	1,987	1,190	1,084
Changes in other temporary investments - net	(14,859)	-	-
Net cash flow used in investing activities	(74,061)	(47,712)	(45,155)
FINANCING ACTIVITIES			
Proceeds from the issuance of long-term debt	29,761	29,564	-
Dividends paid:			
Common stock	(800)	(9,500)	(26,500)
Preferred stock	(724)	(965)	(1,206)
Net cash flow provided by (used in) financing activities	28,237	19,099	(27,706)
Net increase (decrease) in cash and cash equivalents	31,882	1,848	(12,699)
Cash and cash equivalents at beginning of period	6,302	4,454	17,153
Cash and cash equivalents at end of period	$38,184	$6,302	$4,454
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the period for:			
Interest - net of amount capitalized	$18,230	$14,331	$14,281
Income taxes	$47,380	$9,207	$12,476

See Notes to Financial Statements.

ENTERGY NEW ORLEANS, INC.
BALANCE SHEETS
ASSETS

	December 31, 2001	2000
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	$5,237	$6,302
Temporary cash investments - at cost, which approximates market	32,947	-
Total cash and cash equivalents	38,184	6,302
Other temporary investments	14,859	-
Accounts receivable:		
Customer	33,827	67,264
Allowance for doubtful accounts	(2,234)	(770)
Associated companies	10,527	2,800
Other	4,511	3,709
Accrued unbilled revenues	20,027	26,838
Total accounts receivable	66,658	99,841
Deferred fuel costs	-	28,234
Accumulated deferred income taxes	4,882	-
Fuel inventory - at average cost	3,081	4,204
Materials and supplies - at average cost	8,273	9,630
Rate deferrals	-	10,974
Prepayments and other	26,239	1,416
TOTAL	162,176	160,601
OTHER PROPERTY AND INVESTMENTS		
Investment in affiliates - at equity	3,259	3,259
UTILITY PLANT		
Electric	597,575	572,061
Natural gas	142,741	134,826
Construction work in progress	43,166	36,489
TOTAL UTILITY PLANT	783,482	743,376
Less - accumulated depreciation and amortization	396,535	394,271
UTILITY PLANT - NET	386,947	349,105
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
Unamortized loss on reacquired debt	761	974
Other regulatory assets	10,843	44,676
Other	2,051	616
TOTAL	13,655	46,266
TOTAL ASSETS	$566,037	$559,231

See Notes to Financial Statements.

ENTERGY NEW ORLEANS, INC.
BALANCE SHEETS
LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31, 2001	2000
	(In Thousands)	
CURRENT LIABILITIES		
Accounts payable:		
Associated companies	$18,199	$24,637
Other	23,640	57,566
Customer deposits	18,931	18,311
Taxes accrued	-	5,823
Accumulated deferred income taxes	-	6,543
Interest accrued	7,032	6,119
Deferred fuel cost	10,196	-
Obligations under capital leases	-	-
System Energy refund	33,614	-
Other	1,799	3,211
TOTAL	113,411	122,210
DEFERRED CREDITS AND OTHER LIABILITIES		
Accumulated deferred income taxes	25,326	43,754
Accumulated deferred investment tax credits	5,361	5,868
SFAS 109 regulatory liability - net	19,868	12,607
Other regulatory liabilities	-	537
Accumulated provisions	5,802	8,471
Other	16,735	12,356
TOTAL	73,092	83,593
Long-term debt	229,097	199,031
SHAREHOLDERS' EQUITY		
Preferred stock without sinking fund	19,780	19,780
Common stock, $4 par value, authorized 10,000,000 shares; issued and outstanding 8,435,900 shares in 2001 and 2000	33,744	33,744
Paid-in capital	36,294	36,294
Retained earnings	60,619	64,579

ENTERGY NEW ORLEANS, INC.
STATEMENTS OF RETAINED EARNINGS

	For the Years Ended December 31,		
	2001	2000	1999
	(In Thousands)		
Retained Earnings, January 1	$64,579	$58,526	$67,030
Add:			
Net income (loss)	(2,195)	16,518	18,961
Deduct:			
Dividends declared:			
Preferred stock	965	965	965
Common stock	800	9,500	26,500
Total	1,765	10,465	27,465
Retained Earnings, December 31	$60,619	$64,579	$58,526

See Notes to Financial Statements.

ENTERGY NEW ORLEANS, INC.

SELECTED FINANCIAL DATA - FIVE-YEAR COMPARISON

	2001	2000	1999	1998	1997
			(In Thousands)		
Operating revenues	$630,850	$640,290	$507,788	$513,750	$504,822
Net Income (Loss)	$ (2,195)	$ 16,518	$ 18,961	$ 16,137	$ 15,451
Total assets	$566,037	$559,231	$485,746	$471,904	$498,150
Long-term obligations (1)	$229,097	$199,031	$169,083	$169,018	$168,953

(1) Includes long-term debt (excluding currently maturing debt).

	2001	2000	1999	1998	1997
Electric Operating Revenues:			(Dollars In Thousands)		
Residential	$189,474	$188,314	$158,822	$164,765	$145,688
Commercial	186,299	170,684	146,328	149,353	143,113
Industrial	31,725	25,479	25,584	26,229	24,616
Governmental	80,918	73,028	63,056	62,332	58,746
Total retail	488,416	457,505	393,790	402,679	372,163
Sales for resale:					
Associated companies	9,864	31,629	14,207	10,451	10,342
Non-associated companies	3,466	8,504	10,545	10,590	8,996
Other	926	17,136	7,889	7,733	18,630
Total	$502,672	$514,774	$426,431	$431,453	$410,131
Billed Electric Energy Sales (GWH):					
Residential	1,981	2,178	2,102	2,141	1,971
Commercial	2,185	2,260	2,208	2,149	2,072
Industrial	414	384	514	514	484
Governmental	1,017	1,058	1,071	1,037	994
Total retail	5,597	5,880	5,895	5,841	5,521
Sales for resale:					
Associated companies	115	570	441	370	316
Non-associated companies	59	141	180	199	160
Total	5,771	6,591	6,516	6,410	5,997

	2002	2003	2004	after 2004
		(In Millions)		
Planned construction and capital investment	$51	$49	$49	N/A
Long-term debt maturities	$-	$25	$30	$174

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholder of System Energy Resources, Inc.:

We have audited the accompanying balance sheets of System Energy Resources, Inc. as of December 31, 2001 and 2000, and the related statements of income, retained earnings, and cash flows (pages 154 through 159 and pages 161 through 227) for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of System Energy Resources, Inc. as of December 31, 2001 and 2000, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP

New Orleans, Louisiana
January 31, 2002

SYSTEM ENERGY RESOURCES, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

Net Income

Net income increased in 2001 due to the final resolution of System Energy's 1995 rate proceeding and the resulting reductions in decommissioning, depreciation, and income tax expenses, partially offset by a decrease in revenue and an increase in interest expense. See Note 2 to the financial statements for further discussion of System Energy's rate proceeding.

Net income increased in 2000 due to increased interest earnings from the money pool, an inter-company funding arrangement, and decreased interest expense associated with the potential refund of System Energy's proposed rate increase. This increase in net income was partially offset by a higher effective income tax rate in 2000.

Revenues

Operating revenues recover operating expenses, depreciation, and capital costs attributable to Grand Gulf 1. Capital costs are computed by allowing a return on System Energy's common equity funds allocable to its net investment in Grand Gulf 1 and adding to such amount System Energy's effective interest cost for its debt.

Operating revenues decreased in 2001 primarily due to an increase in the provision for rate refund resulting from the final resolution of System Energy's 1995 rate proceeding.

Operating revenues increased in 2000 primarily due to an increase in recoverable expenses.

Expenses

Fuel expenses

In 2001, fuel expenses decreased primarily due to decreased nuclear fuel burn as a result of Grand Gulf 1 being operational 331 days as compared to 358 days in 2000.

In 2000, fuel expenses increased primarily due to increased nuclear fuel burn as a result of Grand Gulf 1 being operational 358 days as compared to 295 days in 1999.

Decommissioning

Decommissioning expenses decreased in 2001 primarily due to the effects of the final FERC order addressing System Energy's rate proceeding.

Depreciation and amortization

Depreciation and amortization expenses decreased in 2001 primarily due to the effects of the final FERC order addressing System Energy's rate proceeding.

In 2000, depreciation expense increased due to higher depreciation associated with the principal payment on the sale and leaseback of a portion of Grand Gulf 1. The depreciation schedule matches the collection of lease principal and revenues with the depreciation of the asset.

Other regulatory charges

In 2000, other regulatory charges increased due to higher accelerated recovery under the GGART at Entergy Arkansas and Entergy Mississippi. The GGART is discussed in Note 2 to the financial statements.

Other

Interest and dividend income

Interest and dividend income increased in 2001 as a result of increased interest on decommissioning trust funds due to the effects of the final FERC order addressing System Energy's rate proceeding.

Interest and dividend income increased in 2000 as a result of the interest earned on System Energy's advances to the money pool, an inter-company funding arrangement. The money pool is discussed in Note 4 to the financial statements.

Interest charges

Interest on long-term debt decreased in 2001 and 2000 primarily due to a decrease in interest expense associated with the sale- leaseback of Grand Gulf 1, decreased interest expense on the sale- leaseback line of credit, and a decrease in interest expense due to the retirement of long-term debt. In 2001, System Energy retired $135 million of first mortgage bonds. In 2000, System Energy retired $75 million of debenture bonds.

Other interest increased in 2001 primarily due to the effects of the final FERC order addressing System Energy's rate proceeding.

Other interest decreased in 2000 primarily due to decreased interest expense recorded on the potential refund of System Energy's proposed rate increase.

Income taxes

The effective income tax rates in 2001, 2000, and 1999 were 27.3%, 46.4% and 39.5%, respectively.

The decrease in the effective income tax rate in 2001 is primarily due to decreased depreciation as a result of the final resolution of System Energy's 1995 rate proceeding and the distribution of an income tax benefit from Entergy Corporation related to the 2000 tax return.

The effective income tax rate for 2000 increased primarily due to the amortization of investment tax credits related to Grand Gulf 2 in 1999.

SYSTEM ENERGY RESOURCES, INC.
INCOME STATEMENTS

	For the Years Ended December 31, 2001	2000	1999
	(In Thousands)		
OPERATING REVENUES			
Domestic electric	$535,027	$656,749	$620,032
OPERATING EXPENSES			
Operation and Maintenance:			
Fuel, fuel-related expenses, and gas purchased for resale	37,010	42,369	37,336
Nuclear refueling outage expenses	13,275	14,423	14,136
Other operation and maintenance	85,491	88,257	87,450
Decommissioning	(13,493)	18,944	18,944
Taxes other than income taxes	26,134	30,517	27,212
Depreciation and amortization	53,414	127,904	113,862
Other regulatory charges - net	62,742	63,590	57,656
TOTAL	264,573	386,004	356,596
OPERATING INCOME	270,454	270,745	263,436
OTHER INCOME			
Allowance for equity funds used during construction	1,769	1,482	2,540
Interest and dividend income	26,271	20,528	16,366
Miscellaneous - net	(1,190)	(82)	(57)
TOTAL	26,850	21,928	18,849
INTEREST AND OTHER CHARGES			
Interest on long-term debt	68,833	87,689	102,764
Other interest - net	69,185	30,830	45,218
Allowance for borrowed funds used during construction	(830)	(854)	(1,920)
TOTAL	137,188	117,665	146,062
INCOME BEFORE INCOME TAXES	160,116	175,008	136,223
Income taxes	43,761	81,263	53,851
NET INCOME	$116,355	$93,745	$82,372

See Notes to Financial Statements.

SYSTEM ENERGY RESOURCES, INC.
STATEMENTS OF CASH FLOWS

	For the Years Ended December 31, 2001	2000	1999
	(In Thousands)		
OPERATING ACTIVITIES			
Net income	$116,355	$93,745	$82,372
Noncash items included in net income:			
Reserve for regulatory adjustments	(322,368)	54,598	108,484
Other regulatory charges - net	62,742	63,590	57,656
Depreciation, amortization, and decommissioning	39,921	146,848	132,806
Deferred income taxes and investment tax credits	106,764	(71,212)	(86,860)
Allowance for equity funds used during construction	(1,769)	(1,482)	(2,540)
Changes in working capital:			
Receivables	142,797	87,212	(172,354)
Accounts payable	(9,587)	(7,401)	(11,688)
Taxes accrued	43,992	13,147	(21,424)
Interest accrued	3,088	4,008	(2,022)
Other working capital accounts	(664)	20,754	(4,425)
Provision for estimated losses and reserves	16	(1,328)	45
Changes in other regulatory assets	38,732	58,592	(18,492)
Other	(54,124)	(65,491)	41,250
Net cash flow provided by operating activities	165,895	395,580	102,808
INVESTING ACTIVITIES			
Construction expenditures	(40,144)	(36,555)	(28,848)
Allowance for equity funds used during construction	1,769	1,482	2,540
Nuclear fuel purchases	(37,639)	-	(39,975)
Proceeds from sale/leaseback of nuclear fuel	37,639	-	39,975
Decommissioning trust contributions and realized change in trust assets	(16,147)	(23,694)	(22,139)
Changes in other temporary investments - net	(22,354)	-	-
Other	29,242	-	-
Net cash flow used in investing activities	(47,634)	(58,767)	(48,447)
FINANCING ACTIVITIES			
Proceeds from the issuance of long-term debt	-	-	101,835
Retirement of long-term debt	(151,800)	(77,947)	(282,885)
Dividends paid:			
Common stock	(119,100)	(91,800)	(75,000)
Net cash flow used in financing activities	(270,900)	(169,747)	(256,050)
Net increase (decrease) in cash and cash equivalents	(152,639)	167,066	(201,689)
Cash and cash equivalents at beginning of period	202,218	35,152	236,841
Cash and cash equivalents at end of period	$49,579	$202,218	$35,152
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid/(received) during the period for:			
Interest - net of amount capitalized	$130,596	$109,046	$141,731
Income taxes	($107,831)	$143,040	$154,336
Noncash investing and financing activities:			
Change in unrealized depreciation of decommissioning trust assets	($5,931)	($1,506)	($37)

See Notes to Financial Statements.

SYSTEM ENERGY RESOURCES, INC.
BALANCE SHEETS
ASSETS

	December 31, 2001	2000
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	$15	$44
Temporary cash investments - at cost, which approximates market	49,564	202,174
Total cash and cash equivalents	49,579	202,218
Other temporary investments	22,354	-
Accounts receivable:		
Associated companies	70,755	212,551
Other	1,193	2,194
Total accounts receivable	71,948	214,745
Materials and supplies - at average cost	51,665	52,235
Deferred nuclear refueling outage costs	8,728	6,577
Prepayments and other	1,631	2,639
TOTAL	205,905	478,414
OTHER PROPERTY AND INVESTMENTS		
Decommissioning trust funds	138,546	157,572
UTILITY PLANT		
Electric	3,098,446	3,093,033
Property under capital lease	450,014	449,851
Construction work in progress	36,868	24,029
Nuclear fuel under capital lease	61,905	49,256
TOTAL UTILITY PLANT	3,647,233	3,616,169
Less - accumulated depreciation and amortization	1,416,337	1,407,885
UTILITY PLANT - NET	2,230,896	2,208,284
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
SFAS 109 regulatory asset - net	173,470	195,634
Unamortized loss on reacquired debt	48,381	51,957
Other regulatory assets	157,949	174,517
Other	8,894	8,172
TOTAL	388,694	430,280
TOTAL ASSETS	$2,964,041	$3,274,550

See Notes to Financial Statements.

SYSTEM ENERGY RESOURCES, INC.
BALANCE SHEETS
LIABILITIES AND SHAREHOLDER'S EQUITY

	December 31, 2001	2000
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	$100,891	$151,800
Accounts payable:		
Associated companies	2,404	2,722
Other	14,316	23,585
Taxes accrued	112,522	68,530
Accumulated deferred income taxes	2,360	1,648
Interest accrued	47,095	44,007
Obligations under capital leases	26,503	32,119
Other	1,583	1,674
TOTAL	307,674	326,085
DEFERRED CREDITS AND OTHER LIABILITIES		
Accumulated deferred income taxes	498,404	391,505
Accumulated deferred investment tax credits	86,040	89,516
Obligations under capital leases	35,401	17,137
Other regulatory liabilities	135,878	103,634
Decommissioning	140,103	153,197
Regulatory reserves	-	322,368
Accumulated provisions	705	689
Other	39,117	46,139
TOTAL	935,648	1,124,185
Long-term debt	830,038	930,854
SHAREHOLDER'S EQUITY		
Common stock, no par value, authorized 1,000,000 shares; issued and outstanding 789,350 shares in 2001 and 2000	789,350	789,350
Retained earnings	101,331	104,076
TOTAL	890,681	893,426
Commitments and Contingencies		
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	$2,964,041	$3,274,550

See Notes to Financial Statements.

SYSTEM ENERGY RESOURCES, INC.
STATEMENTS OF RETAINED EARNINGS

	For the Years Ended December 31,		
	2001	2000	1999
	(In Thousands)		
Retained Earnings, January 1	$104,076	$102,131	$94,759
Add:			
Net income	116,355	93,745	82,372
Deduct:			
Dividends declared	119,100	91,800	75,000
Retained Earnings, December 31	$101,331	$104,076	$102,131

See Notes to Financial Statements.

SYSTEM ENERGY RESOURCES, INC.

SELECTED FINANCIAL DATA - FIVE-YEAR COMPARISON

	2001	2000	1999	1998	1997
			(Dollars In Thousands)		
Operating revenues	$ 535,027	$ 656,749	$ 620,032	$ 602,373	$ 633,698
Net income	$ 116,355	$ 93,745	$ 82,372	$ 106,476	$ 102,295
Total assets	$2,964,041	$3,274,550	$3,369,048	$3,431,205	$3,432,031
Long-term obligations (1)	$ 865,439	$ 947,991	$1,122,178	$1,182,616	$1,364,161
Electric energy sales (GWH)	8,921	9,621	7,567	8,259	9,735

(1) Includes long-term debt (excluding current maturities) and noncurrent capital lease obligations.

	2002	2003	2004	after 2004
		(In Millions)		
Planned construction and capital investment	$25	$20	$20	N/A
Long-term debt maturities	$101	$11	$6	$813
Nuclear fuel lease obligations (1)	$27	$35	N/A	N/A

(1) It is expected that additional financing under the leases will be arranged as needed to acquire additional fuel, to pay interest, and to pay maturing debt. If such additional financing cannot be arranged, however, the lessee in each case must repurchase sufficient nuclear fuel to allow the lessor to meet its obligations.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

The accompanying consolidated financial statements include the accounts of Entergy Corporation and its direct and indirect subsidiaries, including the domestic utility companies and System Energy, whose separate financial statements are included in this document. The financial statements presented herein result from these companies having registered securities with the SEC.

As required by generally accepted accounting principles, all significant intercompany transactions have been eliminated in the consolidated financial statements. The domestic utility companies and System Energy maintain accounts in accordance with FERC and other regulatory guidelines. Certain previously reported amounts have been reclassified to conform to current classifications, with no effect on net income or shareholders' equity.

Use of Estimates in the Preparation of Financial Statements

The preparation of Entergy Corporation's and its subsidiaries' financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. Adjustments to the reported amounts of assets and liabilities may be necessary in the future to the extent that future estimates or actual results are different from the estimates used.

Revenues and Fuel Costs

Entergy Arkansas, Entergy Louisiana, and Entergy Mississippi generate, transmit, and distribute electric power primarily to retail customers in Arkansas, Louisiana, and Mississippi, respectively. Entergy Gulf States generates, transmits, and distributes electric power primarily to retail customers in Texas and Louisiana. Entergy Gulf States also distributes gas to retail customers in and around Baton Rouge, Louisiana. Entergy New Orleans sells both electric power and gas to retail customers in the City of New Orleans, except for Algiers, where Entergy Louisiana is the electric power supplier. Entergy's domestic non-utility nuclear and energy commodity services segments derive almost all of their revenue from sales of electric power generated by plants owned by them, except for gains or losses on power plant development projects for energy commodity services, which are discussed below.

System Energy's operating revenues are intended to recover from Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans operating expenses and capital costs attributable to Grand Gulf 1. The capital costs are computed by allowing a return on System Energy's common equity funds allocable to its net investment in Grand Gulf 1, plus System Energy's effective interest cost for its debt allocable to its investment in Grand Gulf 1. System Energy's recently resolved rate proceeding is discussed in Note 2 to the financial statements.

Entergy recognizes revenue from electric power and gas sales when it delivers power or gas to its customers. To the extent that deliveries have occurred but a bill has not been issued, the domestic utility companies accrue an estimate of the revenues for energy delivered since the latest billings. The monthly estimated unbilled revenue amounts are recorded as revenue and a receivable, and are reversed the following month.

The domestic utility companies' rate schedules include either fuel adjustment clauses or fixed fuel factors, both of which allow either current recovery in billings to customers or deferral of fuel costs until the costs are billed to customers. Because the fuel adjustment clause mechanism allows monthly adjustments to recover fuel costs, Entergy Louisiana, Entergy New Orleans, and the Louisiana portion of Entergy Gulf States include a component of fuel cost recovery in their unbilled revenue calculations. Where the fuel component of revenues is billed based on a pre-determined fuel cost (fixed fuel factor), the fuel factor remains in effect until changed as part of a general rate case, fuel reconciliation, or fixed fuel factor filing. Effective January 2001, Entergy Mississippi's fuel factor includes an energy cost rider that is adjusted quarterly. In the case of Entergy Arkansas and the Texas portion of Entergy Gulf States, their fuel under-recoveries are treated as regulatory investments in the cash flow statements because those companies are allowed by their regulatory jurisdictions to recover the fuel cost regulatory asset over longer than a twelve- month period, and the companies earn a return on the under-recovered balances.

Property, Plant, and Equipment

Property, plant, and equipment is stated at original cost. The original cost of plant retired or removed, plus the applicable removal costs, less salvage, is charged to accumulated depreciation. Normal maintenance, repairs, and minor replacement costs are charged to operating expenses. Substantially all of the domestic utility companies' and System Energy's plant is subject to mortgage liens.

Electric plant includes the portions of Grand Gulf 1 and Waterford 3 that have been sold and leased back. For financial reporting purposes, these sale and leaseback arrangements are reflected as financing transactions.

Net property, plant, and equipment by company and functional category, as of December 31, 2001 and 2000, is shown below (in millions):

2001	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Production							
Nuclear	$7,657	$1,053	$1,764	$1,722	$-	$-	$2,103
Other	2,016	317	573	192	206	12	-
Transmission	1,788	533	568	336	319	23	9
Distribution	3,848	1,123	1,064	838	551	272	-
Other	778	157	156	189	122	37	20
Plant acquisition adjustment - Entergy Gulf States	374	-	-	-	-	-	-
Construction work in progress	883	158	222	111	110	43	37
Nuclear fuel (leased and owned)	498	74	68	70	-	-	62
Accumulated provision for decommissioning (1)	(578)	(363)	(95)	(120)	-	-	-
Property, plant, and equipment -net	$17,264	$3,052	$4,320	$3,338	$1,308	$387	$2,231

2000	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Production							
Nuclear	$7,126	$1,092	$1,817	$1,779	$-	$-	$2,103
Other	2,021	329	595	195	204	12	-
Transmission	1,693	504	517	323	316	24	9
Distribution	3,532	1,074	963	796	517	182	-
Other	879	149	187	172	115	95	23
Plant acquisition adjustment - Entergy Gulf States	391	-	-	-	-	-	-
Construction work in progress	937	87	145	85	44	36	24
Nuclear fuel (leased and owned)	435	114	57	64	-	-	49
Accumulated provision for decommissioning (1)	(568)	(368)	(90)	(110)	-	-	-
Property, plant, and equipment -net	$16,446	$2,981	$4,191	$3,304	$1,196	$349	$2,208

(1) This is reflected in accumulated depreciation and amortization on the balance sheet. The decommissioning liabilities related to Grand Gulf 1, Pilgrim, Indian Point 2, and the 30% of River Bend previously owned by Cajun are reflected in the applicable balance sheets in "Deferred Credits and Other Liabilities - Decommissioning."

Depreciation is computed on the straight-line basis at rates based on the estimated service lives of the various classes of property. Depreciation rates on average depreciable property are shown below:

	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	System Energy(1)	Entergy New Orleans
2001	2.8%	3.1%	2.5%	2.9%	2.4%	3.0%	2.8%
2000	2.9%	3.2%	2.4%	3.0%	2.5%	3.1%	3.3%
1999	2.9%	3.2%	2.4%	2.9%	2.4%	3.0%	3.3%

(1) Per a FERC order in 2001, the depreciation rate for System Energy was changed from 3.3% to 2.8%, retroactive to December 1995. The retroactive effect of the change is reflected in the 2001 financial statements. Refer to Note 2 to the financial statements for further details of the FERC order in the System Energy rate proceeding.

Jointly-Owned Generating Stations

Certain Entergy subsidiaries jointly own electric generating facilities with third parties. The investments and expenses associated with these generating stations are recorded by the Entergy subsidiaries to the extent of their respective undivided ownership interests. As of December 31, 2001, the subsidiaries' investment and accumulated depreciation in each of these generating stations were as follows:

Generating Stations		Fuel-Type	Total Megawatt Capability (1)	Ownership	Investment	Accumulated Depreciation
					(In Millions)	
Entergy Arkansas -						
Independence	Unit 1	Coal	836	31.50%	$117	$ 62
	Common Facilities	Coal		15.75%	31	15
White Bluff	Units 1 and 2	Coal	1,610	57.00%	414	231
Entergy Gulf States -						
Roy S. Nelson	Unit 6	Coal	550	70.00%	404	218
Big Cajun 2	Unit 3	Coal	562	42.00%	228	117
Entergy Mississippi - Independence	Units 1 and 2 and Common Facilities	Coal	1,651	25.00%	227	102
System Energy -						
Grand Gulf	Unit 1	Nuclear	1,247	90.00%(2)	3,549	1,416
Entergy Power -						
Independence	Unit 2	Coal	815	14.37%	76	33
	Common Facilities	Coal		7.18%	5	3

(1)"Total Megawatt Capability" is the dependable load carrying capability as demonstrated under actual operating conditions based on the primary fuel (assuming no curtailments) that each station was designed to utilize.

(2)Includes an 11.5% leasehold interest held by System Energy. System Energy's Grand Gulf 1 lease obligations are discussed in Note 10 to the financial statements.

Gains or Losses on Sales of Power Development Projects

EWO actively manages its assets as an investment portfolio, and attempts to maximize flexibility to respond to different market environments. Active management of the portfolio by EWO is expected to result in: the commercial operation of projects by EWO; the sale of projects at various stages in their planning, development, or operation; or the abandonment of projects. As a result, project sales are a part of the revenue generating activities of EWO, and gains or losses on those sales are reported in operating revenue for that business segment.

Nuclear Refueling Outage Costs

Entergy records nuclear refueling outage costs in accordance with regulatory treatment and the matching principle. These refueling outage expenses are incurred to prepare the units to operate for the next 18 months without having to be taken off line. Except for the River Bend plant, the costs are deferred during the outage and amortized over the period to the next outage. In accordance with the regulatory treatment of the River Bend plant, the costs are accrued in advance and included in the cost of service used to establish retail rates. Entergy Gulf States relieves the accrual when it incurs costs during the next River Bend outage.

Allowance for Funds Used During Construction

AFUDC represents the approximate net composite interest cost of borrowed funds and a reasonable return on the equity funds used for construction. Although AFUDC increases both the plant balance and earnings, it is realized in cash through depreciation provisions included in rates.

Income Taxes

Entergy Corporation and its subsidiaries file a U.S. consolidated federal income tax return. Income taxes are allocated to the subsidiaries in proportion to their contribution to consolidated taxable income. SEC regulations require that no Entergy subsidiary pay more taxes than it would have paid if a separate income tax return had been filed. In accordance with SFAS 109, "Accounting for Income Taxes," deferred income taxes are recorded for all temporary differences between the book and tax basis of assets and liabilities, and for certain credits available for carryforward.

Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates in the period in which the tax or rate was enacted.

Investment tax credits are deferred and amortized based upon the average useful life of the related property, in accordance with ratemaking treatment.

Earnings per Share

The average number of common shares outstanding for the presentation of diluted earnings per share was greater by 3,789,392 shares in 2001, 1,960,858 shares in 2000, and 199,423 shares in 1999, than the number of such shares for the presentation of basic earnings per share due to Entergy's stock option and other stock compensation plans discussed more thoroughly in Note 5 to the financial statements. The dilutive effect of the stock options on earnings per share was $.06 in 2001, $.03 in 2000, and $.00 in 1999.

Options to purchase approximately 148,500 and 5,205,000 shares of common stock at various prices were outstanding at the end of 2001 and 1999, respectively, that were not included in the computation of diluted earnings per share because the exercise prices were greater than the average market price of the common shares at the end of each of the years presented. At the end of 2000, all outstanding options, totaling 11,468,316, were included in the computation of diluted earnings per share as a result of the average market price of the common shares being greater than the exercise prices.

Application of SFAS 71

The domestic utility companies and System Energy currently account for the effects of regulation pursuant to SFAS 71, "Accounting for the Effects of Certain Types of Regulation." This statement applies to the financial statements of a rate-regulated enterprise that meet three criteria. The enterprise must have rates that (i) are approved by a body empowered to set rates that bind customers (its regulator); (ii) are cost-based; and (iii) can be charged to and collected from customers. These criteria may also be applied to separable portions of a utility's business, such as the generation or transmission functions, or to specific classes of customers. If an enterprise meets these criteria, it capitalizes costs that would otherwise be charged to expense if the rate actions of its regulator make it probable that those costs will be recovered in future revenue. Such capitalized costs are reflected as regulatory assets in the accompanying financial statements. A significant majority of Entergy's regulatory assets, net of related regulatory and deferred tax liabilities, earn a return on investment during their recovery periods. SFAS 71 requires that rate- regulated enterprises assess the probability of recovering their regulatory assets at each balance sheet date. When an enterprise concludes that recovery of a regulatory asset is no longer probable, the regulatory asset must be removed from the entity's balance sheet.
SFAS 101, "Accounting for the Discontinuation of Application of FASB Statement No. 71," specifies how an enterprise that ceases to meet the criteria for application of SFAS 71 for all or part of its operations should report that event in its financial statements. In general, SFAS 101 requires that the enterprise report the discontinuation of the application of SFAS 71 by eliminating from its balance sheet all regulatory assets and liabilities related to the applicable segment. Additionally, if it is determined that a regulated enterprise is no longer recovering all of its costs and therefore no longer qualifies for SFAS 71 accounting, it is possible that an impairment may exist that could require further write-offs of plant assets.

EITF 97-4: "Deregulation of the Pricing of Electricity - Issues Related to the Application of FASB Statements No. 71 and 101" specifies that SFAS 71 should be discontinued at a date no later than when the effects of a transition to competition plan for all or a portion of the entity subject to such plan are reasonably determinable. Additionally, EITF 97-4 promulgates that regulatory assets to be recovered through cash flows derived from another portion of the entity that continues to apply SFAS 71 should not be written off; rather, they should be considered regulatory assets of the segment that will continue to apply SFAS 71.

See Note 2 to the financial statements for discussion of transition to competition activity in the retail regulatory jurisdictions served by the domestic utility companies. Arkansas and Texas have enacted retail open access laws, but Entergy believes that significant issues remain to be addressed by Arkansas and Texas regulators, and the enacted laws do not provide sufficient detail to reasonably determine the impact on Entergy Arkansas' and Entergy Gulf States' regulated operations.

Cash and Cash Equivalents

Entergy considers all unrestricted highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Investments with original maturities of more than three months are classified as other temporary investments on the balance sheet.

Investments

Entergy applies the provisions of SFAS 115, "Accounting for Investments for Certain Debt and Equity Securities," in accounting for investments in decommissioning trust funds. As a result, Entergy has recorded on the consolidated balance sheet $93 million of additional value in its decommissioning trust funds as of December 31, 2001, and $128 million as of December 31, 2000. This additional value represents the amount by which the fair value of the securities held in such funds exceeds the amounts deposited plus the earnings on the deposits. In accordance with the regulatory treatment for decommissioning trust funds, the domestic utility companies have recorded an offsetting amount of unrealized gains on investment securities in accumulated depreciation. System Energy's offsetting amount of unrealized gains on investment securities is in other regulatory liabilities.

Decommissioning trust funds for Pilgrim and Indian Point 2 do not receive regulatory treatment. Accordingly, unrealized gains and losses recorded on the assets in these trust funds are recognized as a separate component of shareholders' equity because these assets are classified as available for sale.

Equity Method Investees

Entergy owns a number of investments that are accounted for under the equity method of accounting because Entergy's ownership level results in significant influence, but not control, over the investee and its operations. Entergy records its share of earnings or losses of the investee based on the change during the period in the estimated liquidation value of the investment, assuming that the investee's assets were to be liquidated at book value. Entergy discontinues the recognition of losses on equity investments when its share of losses equals or exceeds its carrying amount of investee plus any advances made or commitments to provide additional financial support. See Note 13 to the financial statements for additional information regarding Entergy's equity method investments.
Derivative Financial Instruments and Commodity Derivatives

Entergy implemented SFAS 133, "Accounting for Derivative Instruments and Hedging Activities" on January 1, 2001. The statement requires that all derivatives be recognized in the balance sheet, either as assets or liabilities, at fair value. The changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and, if it is, the type of hedge transaction.

For cash-flow hedge transactions in which Entergy is hedging the variability of cash flows related to a variable-rate asset, liability, or forecasted transaction, changes in the fair value of the derivative instrument are reported in other comprehensive income. The gains and losses on the derivative instrument that are reported in other comprehensive income are reclassified as earnings in the periods in which earnings are impacted by the variability of the cash flows of the hedged item. The ineffective portions of all hedges are recognized in current-period earnings.

Contracts for commodities that will be delivered in quantities expected to be used or sold in the ordinary course of business, including certain purchases and sales of power and fuel, are not classified as derivatives. Revenues and expenses from these contracts are reported on a gross basis in the appropriate revenue and expense categories as the commodities are received or delivered.

Effective January 1, 2001, Entergy recorded a net-of-tax cumulative-effect-type adjustment of approximately $18.0 million reducing accumulated other comprehensive income to recognize, at fair value, all derivative instruments that are designated as cash-flow hedging instruments, primarily interest rate swaps and foreign currency forward contracts related to Entergy's competitive businesses. Additional information concerning Entergy's interest rate swaps outstanding as of December 31, 2001 is included in Note 7 to the financial statements. Effective October 1, 2001, Entergy recorded an additional net-of-tax cumulative-effect-type adjustment that increased net income by approximately $23.5 million. This adjustment resulted from the implementation of an interpretation of SFAS 133 that requires fuel supply agreements with volumetric optionality to be classified as derivative instruments. The agreement that resulted in the adjustment is in the energy commodity services segment.

Impairment of Long-Lived Assets

Entergy periodically reviews long-lived assets held in all of its business segments whenever events or changes in circumstances indicate that recoverability of these assets is uncertain. Generally, the determination of recoverability is based on the net cash flows expected to result from such operations and assets. Projected net cash flows depend on the future operating costs associated with the assets, the efficiency and availability of the assets and generating units, and the future market and price for energy over the remaining life of the assets.

Assets regulated under traditional cost-of-service ratemaking, and thereby subject to SFAS 71 accounting, are generally not subject to impairment because this form of regulation assures that all allowed costs are subject to recovery. However, certain deregulated assets and other operations of the domestic utility companies totaling approximately $1.2 billion (pre-tax) could be affected in the future. Those assets include Entergy Arkansas' and Entergy Louisiana's retained shares of Grand Gulf 1, Entergy Gulf States' Louisiana deregulated asset plan, the Texas jurisdictional abeyed portion of the River Bend plant and the portion of River Bend transferred from Cajun, and wholesale operations. Additionally, as noted above, the discontinuation of SFAS 71 regulatory accounting principles would require that Entergy review the affected assets for impairment.

Regulatory Assets

The domestic utility companies and System Energy are subject to the provisions of SFAS 71, "Accounting for the Effects of Certain Types of Regulation." Regulatory assets represent probable future revenues associated with certain costs that are expected to be recovered from customers through the ratemaking process. In addition to the regulatory assets that are specifically disclosed on the face of the balance sheets, the tables below provide detail of "Other regulatory assets" included on the balance sheets of Entergy, the domestic utility companies, and System Energy as of December 31, 2001 and 2000 (in millions).

2001	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
DOE Fees (Note 9)	$47.5	$24.6	$4.3	$9.4	$-	$-	$9.2
Provisions for storm damages (Note 2)	214.0	178.7	8.7	26.6	-	-	-
Imputed capacity charges (Note 2)	41.7	-	14.8	26.9	-	-	-
Postretirement benefits	26.3	26.3	-	-	-	-	-
Depreciation re-direct (Note 1)	79.1	-	79.1	-	-	-	-
River Bend AFUDC (Note 1)	43.2	-	43.2	-	-	-	-
Spindletop gas storage lease	32.2	-	32.2	-	-	-	-
1994 FERC Settlement (Note 2)	20.2	-	-	-	-	-	20.2
Sale-leaseback deferral (Note 10)	128.3	-	-	-	-	-	128.3
Other	74.9	30.9	19.0	10.9	13.5	10.8	0.2
Total	$707.4	$260.5	$201.3	$73.8	$13.5	$10.8	$157.9

2000	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
DOE Fees (Note 9)	$53.9	$27.9	$4.9	$10.6	$-	$-	$10.5
Provisions for storm damages (Note 2)	117.8	80.3	5.7	27.0	4.8	-	-
Deferred System Energy rate increase (Note 2)	221.1	54.9	-	-	129.0	37.2	-
Postretirement benefits	28.7	28.7	-	-	-	-	-
Depreciation re-direct (Note 1)	72.4	-	72.4	-	-	-	-
River Bend AFUDC (Note 1)	45.1	-	45.1	-	-	-	-
Spindletop gas storage lease	30.2	-	30.2	-	-	-	-
1994 FERC Settlement (Note 2)	28.3	-	-	-	-	-	28.3
Sale-leaseback deferral (Note 10)	135.7	-	-	-	-	-	135.7
Other	59.3	30.0	11.1	13.3	6.9	7.5	-
Total	$792.5	$221.8	$169.4	$50.9	$140.7	$44.7	$174.5

River Bend AFUDC

The River Bend AFUDC gross-up represents the incremental difference imputed by the LPSC between the AFUDC actually recorded by Gulf States Utilities on a net-of-tax basis during the construction of River Bend and what the AFUDC would have been on a pre-tax basis. The imputed amount was only calculated on that portion of River Bend that the LPSC allowed in rate base and is being amortized over the estimated remaining economic life of River Bend.

Transition to Competition Liabilities

In conjunction with electric utility industry restructuring activity in Arkansas and Texas, regulatory mechanisms were established to mitigate potential stranded costs. These mechanisms include the transition cost account at Entergy Arkansas, which is discussed further in Note 2 to the financial statements. Also included is a provision in the Texas restructuring legislation that allows depreciation on transmission and distribution assets to be directed toward generation assets. The liabilities recorded as a result of these mechanisms are classified as "transition to competition" deferred credits.

Reacquired Debt

The premiums and costs associated with reacquired debt of the domestic utility companies and System Energy (except that portion allocable to the deregulated operations of Entergy Gulf States) are being amortized over the life of the related new issuances, in accordance with ratemaking treatment.

Entergy Gulf States' Deregulated Operations

Entergy Gulf States does not apply regulatory accounting principles to its wholesale jurisdiction, Louisiana retail deregulated portion of River Bend, and the 30% interest in River Bend formerly owned by Cajun. The Louisiana retail deregulated portion of River Bend is operated under a deregulated asset plan representing a portion (approximately 24%) of River Bend plant costs, generation, revenues, and expenses established under a 1992 LPSC order. The plan allows Entergy Gulf States to sell the electricity from the deregulated assets to Louisiana retail customers at 4.6 cents per KWH or off-system at higher prices, with certain provisions for sharing such incremental revenue above 4.6 cents per KWH between ratepayers and shareholders.

The results of these deregulated operations before interest charges for the years ended December 31, 2001, 2000, and 1999 are as follows (in thousands):

	2001	2000	1999
Operating revenues	$238,590	$200,023	$166,509
Operating expenses			
Fuel, operation, and maintenance	136,043	141,822	126,917
Depreciation	35,508	36,158	35,141
Total operating expense	171,551	177,980	162,058
Operating income	67,039	22,043	4,451
Income tax expense	25,549	8,278	628
Net income from deregulated utility operations	$41,490	$13,765	$3,823

The net investment associated with these deregulated operations as of December 31, 2001 and 2000 was approximately $822 million and $821 million, respectively.

Foreign Currency Translation

All assets and liabilities of Entergy's foreign subsidiaries are translated into U.S. dollars at the exchange rate in effect at the end of the period. Revenues and expenses are translated at average exchange rates prevailing during the period. The resulting translation adjustments are reflected in a separate component of shareholders' equity. Current exchange rates are used for U.S. dollar disclosures of future obligations denominated in foreign currencies.

New Accounting Pronouncements

In mid-2001, the FASB issued the following pronouncements:

o SFAS 141, "Business Combinations";
o SFAS 142, "Goodwill and Other Intangible Assets";
o SFAS 143, "Accounting for Asset Retirement Obligations"; and
o SFAS 144, "Accounting for the Impairment or Disposal of Long-lived Assets".

SFAS 141, which is effective for all business combinations initiated after June 30, 2001, eliminates the pooling-of-interests method of accounting for business combinations and requires that all business combinations be accounted for using the purchase accounting method. SFAS 141 also requires the recording of all acquired intangible assets that either arise from contractual or legal rights, or that are separable from the acquired entity. The implementation of SFAS 141 on July 1, 2001 had no impact on Entergy's financial statements.

SFAS 142, which Entergy implemented effective January 1, 2002, eliminates the amortization of goodwill arising from business combinations. Instead, goodwill will be subject to a periodic impairment test at the "reporting unit" level. SFAS 142 also eliminates the arbitrary 40-year cap on useful lives of intangible assets, and acknowledges that some intangible assets may have indefinite useful lives. The implementation of SFAS 142 will require Entergy to cease the amortization of the remaining plant acquisition adjustment recorded in conjunction with its acquisition of Entergy Gulf States; this will increase Entergy's annual net income by approximately $16.3 million. Entergy will also perform an impairment test on the remaining acquisition adjustment. As SFAS 142 allows, Entergy will complete this impairment test in the second quarter of 2002.

Entergy does not believe an impairment will result from this test when it is completed.

SFAS 143, which must be implemented by January 1, 2003, requires the recording of liabilities for all legal obligations associated with the retirement of long-lived assets that result from the normal operation of those assets. These liabilities will be recorded at their fair values (which are likely to be the present values of the estimated future cash outflows) in the period in which they are incurred, with an accompanying addition to the recorded cost of the long-lived asset. The asset retirement obligation will be accreted each year through a charge to expense, to reflect the time value of money for this present value obligation. The amounts added to the carrying amounts of the long-lived assets will be depreciated over the useful lives of the assets. Entergy expects that the net effect of implementing this standard for Entergy's regulated utilities will be recorded as a regulatory asset or liability, with no resulting impact on Entergy's net income. Upon adoption, the net effects of implementing this standard, to the extent that they are not recorded as regulatory assets or liabilities, will be recognized as cumulative effects of an accounting change in Entergy's income statement. Entergy has not yet completed its assessment of the likely overall impact of this standard on its financial statements, but anticipates that its assets and liabilities will increase upon implementation.

SFAS 144, which Entergy implemented effective January 1, 2002, promulgates standards for measuring and recording impairments of long-lived assets. Additionally, this standard establishes requirements for classifying an asset as held for sale, and changes existing accounting and reporting standards for discontinued operations and exchanges of long-lived assets. Entergy does not expect the implementation of this standard to have a significant effect on Entergy's financial position or results of operations.

NOTE 2. RATE AND REGULATORY MATTERS

Electric Industry Restructuring and the Continued Application of SFAS

Although Arkansas and Texas have enacted retail open access laws, retail open access proceedings in Arkansas are currently suspended. Retail open access in Entergy Gulf States' service territory in Texas has been delayed. Entergy also believes that significant issues remain to be addressed by Texas regulators, and the enacted law does not provide sufficient detail to reasonably determine the impact on Entergy Gulf States' regulated operations. Entergy therefore continues to apply regulatory accounting principles to the retail operations of all of the domestic utility companies. Following is a summary of the status of retail open access in the domestic utility companies' retail service territories.

Arkansas

(Entergy Corporation and Entergy Arkansas)

Under current Arkansas legislation, the target date for retail open access has been delayed until no sooner than October 1, 2003 and no later than October 1, 2005. In December 2001, the APSC recommended to the Arkansas General Assembly that legislation be enacted during the 2003 legislative session to either repeal the legislation authorizing retail open access or further delay retail open access until at least 2010. Entergy Arkansas supports the proposal for further delay of retail open access but opposes repeal of deregulation legislation as premature at this time. Based on the anticipated delay in retail open access, Entergy Arkansas withdrew its notice of intent to recover stranded costs in December 2001.

Texas

(Entergy Corporation and Entergy Gulf States)

Retail open access legislation is in place in Texas, but the implementation of retail open access in Entergy Gulf States' territory is delayed until at least September 15, 2002. Several proceedings necessary to implement retail open access are still pending, including proceedings to set the price-to-beat rates that will be charged by Entergy's retail electric service provider, to implement Entergy Gulf States' business separation plan, and to form an RTO that includes Entergy's service area. In addition, the LPSC has not approved for the Louisiana jurisdictional operations the transfer of generation assets to, or a power purchase agreement with, Entergy's Texas generation company. Therefore, neither the necessary regulatory actions nor the reasonable determinability of the effect of deregulation has occurred for Entergy Gulf States to discontinue the application of regulatory accounting principles to its Texas generation operations.

Louisiana

(Entergy Corporation, Entergy Gulf States, and Entergy Louisiana)

In March 1999, the LPSC deferred making a decision on whether competition in the electric utility industry is in the public interest. However, the LPSC directed the LPSC staff, outside consultants, and counsel to work together to analyze and resolve issues related to competition and to recommend a plan for consideration by the LPSC. In July 2001, the LPSC staff submitted a final response to the LPSC. In its report the LPSC staff concluded that retail competition is not in the public interest at this time for any customer class. Nevertheless, the LPSC staff recommended that retail open access be made available for certain large industrial customers as early as January 2003. An eligible customer

choosing to go to competition would be required to provide its utility with a minimum of six months notice prior to the date of retail open access. The LPSC staff report also recommended that all customers who do not currently co- or self-generate, or have co- or self-generation under construction as of a date to be specified by the LPSC, remain liable for their share of stranded costs. During its October 2001 meeting, the LPSC adopted dates by which a total of 800 MW of co- or self-generation could be developed in Louisiana without being affected by stranded costs. During its November 2001 meeting, the LPSC decided not to adopt a plan for retail open access for any customers at this time, but to have collaborative group meetings concerning open access from time to time, and to have the LPSC staff monitor developments in neighboring states and to report to the LPSC regarding the progress of retail access developments in those states.

Mississippi

(Entergy Corporation and Entergy Mississippi)

In May 2000, after two years of studies and hearings, the MPSC announced that it was suspending its docket studying the opening of the state's retail electricity markets to competition. The MPSC based its decision on its finding that competition could raise the electric rates paid by residential and small commercial customers. The final decision regarding the introduction of retail competition ultimately lies with the Mississippi Legislature, which is holding its 2002 session from January through March. Management cannot predict when, or if, Mississippi will deregulate its retail electricity market.

New Orleans

(Entergy Corporation and Entergy New Orleans)

Entergy New Orleans filed an electric transition to competition plan in September 1997. This plan is similar to plans that were filed by the other domestic utility companies. No procedural schedule has been established for consideration of that plan by the Council.

Retail Rate Proceedings

Filings with the APSC (Entergy Corporation and Entergy Arkansas)

March 2002 Settlement Agreement

In March 2002, Entergy Arkansas, the APSC staff, and the Arkansas Attorney General submitted a settlement agreement to the APSC for approval. The agreement resolves issues discussed below under "Retail Rates," "Transition Cost Account," and "December 2000 Ice Storm Cost Recovery." A hearing before the APSC to consider the settlement is scheduled for April 11, 2002. No assurance can be given as to the timing or outcome of the proceedings before the APSC.

Retail Rates

Entergy Arkansas is operating under the terms of a 1997 settlement agreement approved by the APSC that currently provides for a rate freeze. As discussed in "December 2000 Ice Storm Cost Recovery" below, Entergy Arkansas was scheduled to file a general rate proceeding in February 2002, in which Entergy Arkansas would have sought an increase in rates. The March 2002 settlement agreement states, however, that Entergy Arkansas will not file an application seeking to increase base rates prior to January 2003.

Transition Cost Account

The 1997 settlement also provides for the collection of earnings in excess of an 11% return on equity in a transition cost account (TCA) to offset stranded costs if retail open access were implemented. Upon recommendation from the APSC, Entergy Arkansas' 2001 operating expense reflects an adjustment for 2000 TCA accruals of $18.9 million ($11.6 million after tax). Entergy Arkansas filed for a rehearing of the APSC's review of 2000 earnings. The March 2002 settlement agreement would resolve this matter, and issues related to the 1998 and 1999 earnings reviews, resulting in immaterial adjustments to the TCA. In 2001, Entergy Arkansas also recorded $7.9 million ($4.9 million after tax) for 2001 TCA accruals and interest expense of $6.0 million ($3.7 million after tax). As of December 31, 2001, the transition cost account balance was $152.4 million. In light of the delay in retail open access, Entergy Arkansas filed a proposal in December 2001 with the APSC that the balance in the transition cost account be used to offset a large portion of the December 2000 ice storm expenses discussed below. Entergy Arkansas' withdrawal of its notice of intent to recover stranded costs will end the transition cost account earnings review process after the 2001 earnings review is complete.

December 2000 Ice Storm Cost Recovery

In mid- and late December 2000, two separate ice storms left 226,000 and 212,500 Entergy Arkansas customers, respectively, without electric power in its service area. The storms were the most severe natural disasters ever to affect Entergy Arkansas, causing damage to transmission and distribution lines, equipment, poles, and facilities. Entergy Arkansas filed a proposal to recover costs plus carrying charges associated with

power restoration caused by the ice storms. In an order issued in June 2001, the APSC decided not to give final approval to Entergy's proposed storm cost recovery rider outside of a fully developed cost-of-service study in a general rate proceeding. The APSC action resulted in the deferral in 2001 of storm damage costs expensed in 2000 as reflected in Entergy Arkansas' financial statements.

Entergy Arkansas filed its final storm damage cost determination, which reflects costs of approximately $195 million. The filing asked for recovery of approximately $170 million through a rider over approximately a six and one-half year period. The remainder of the costs is primarily capital expenditures that would be included in rate base in the general rate proceeding. In December 2001, Entergy Arkansas filed a proposal with the APSC to reduce the ice storm costs with the balance in the transition cost account.

In the March 2002 settlement, the parties agree that $159 million of the ice storm costs would be classified as incremental ice storm expenses that can be offset against the TCA, and any excess of ice storm costs over the amount available in the TCA will be deferred for recovery over 30 years. The actual amount available in the TCA will not be known until the 2001 earnings review is complete. Of the remaining ice storm costs, $32.2 million will be addressed through established ratemaking procedures, including $22.2 million classified as capital additions. $3.8 million of the ice storm costs will not be recovered through rates.

Grand Gulf Accelerated Recovery Tariff

In April 1998, FERC approved the Grand Gulf Accelerated Recovery Tariff (GGART). The GGART was designed to allow Entergy Arkansas to pay down a portion of its Grand Gulf purchased power obligation in advance of the implementation of retail open access in Arkansas. The GGART provided for the acceleration of $165 million of this obligation over the period January 1, 1999 through June 30, 2004. In April 2001, FERC approved Entergy Arkansas' filing that requested cessation of the GGART effective July 1, 2001. Entergy Arkansas made the filing pursuant to the terms of a December 2000 settlement agreement with the APSC.

Fuel Cost Recovery

In March 2001, Entergy Arkansas filed its annually redetermined energy cost rate with the APSC in accordance with the energy cost recovery rider formula and special circumstances agreement, including a new energy allocation factor. The filing reflected that an increase was warranted due to an increase in fuel and purchased power costs in 2000 and the accumulated under-recovery of 2000 energy costs. The increased energy cost rate is effective April 2001 through March 2002.

Decommissioning Cost Recovery

The APSC ordered Entergy Arkansas to cease collection of funds to decommission ANO 1 and 2 for the calendar year 2001, and approved the continued cessation of collection of funds during 2002. The APSC based its decision on the anticipated approval of Entergy's application with the NRC to extend the license of ANO 1 by 20 years, and the conclusion that the funds previously collected will be sufficient to decommission the units. This decision will be reviewed annually and reflected in Entergy Arkansas' filing of its annual determination of the nuclear decommissioning rate rider.

Filings with the PUCT and Texas Cities

Rate Proceedings (Entergy Corporation and Entergy Gulf States)

In June 1999, the PUCT approved a settlement agreement that Entergy Gulf States entered into in February 1999. The settlement agreement resolved Entergy Gulf States' 1996 and 1998 rate proceedings and all of the settling parties' pending appeals in other matters, except for the appeal in the River Bend abeyed cost recovery proceeding discussed below. The Office of Public Utility Counsel, an intervenor in the proceeding, has appealed certain aspects of this settlement to Travis County District Court. Entergy Gulf States cannot predict the outcome of the appeal.

The settlement agreement provides for the following:

o an annual $4.2 million base rate reduction, effective March 1, 1999, which is in addition to the annual $69 million base rate reduction (net of River Bend accounting order deferrals) in the PUCT's second order on rehearing in October 1998;
o a methodology for semi-annual revisions of the fixed fuel factor through December 2001 based on the market price of natural gas, which has been extended until the start of retail open access;
o a base rate freeze through June 1, 2000. The Texas restructuring law extends the base rate freeze through December 2001. The freeze is still in effect in 2002 pursuant to the settlement that delayed the start of retail open access in Entergy Gulf States' service territory;
o amortization of the remaining River Bend accounting order deferrals as of January 1, 1999, over three years on a straight-line basis, and the accounting order deferrals will not be recognized in any subsequent base rate case or stranded cost calculation;
o the dismissal of all pending appeals of the settling parties relating to Entergy Gulf States' proceedings with the PUCT, except the River Bend abeyed plant costs appeal discussed below; and
o the potential recovery in the River Bend abeyed plant costs appeal is limited to $115 million net plant in service as of January 1, 2002, less

depreciation over the remaining life of the plant beginning January 1, 2002 through the date the plant costs are included in rate base (see "Recovery of River Bend Costs" in this note for further discussion).

As a result of the settlement agreement, in June 1999, Entergy Gulf States removed the $93.9 million provision recorded in 1998 for the amortization of River Bend accounting order deferrals to reflect the three-year amortization schedule detailed in the agreement. The income impact of this removal was largely offset by an increase in the rate of amortization of the accounting order deferrals.

Recovery of River Bend Costs (Entergy Corporation and Entergy Gulf States)

In March 1998, the PUCT disallowed recovery of $1.4 billion of company-wide abeyed River Bend plant costs which have been held in abeyance since 1988. Entergy Gulf States appealed the PUCT's decision on this matter to the Travis County District Court in Texas. In June 1999, subsequent to the settlement agreement discussed above, Entergy Gulf States removed the reserve for River Bend plant costs held in abeyance and reduced the value of the plant asset. The settlement agreement limits potential recovery of the remaining plant asset, less depreciation, to $115 million as of January 1, 2002. In a settlement in its transition to competition proceedings, and consistent with the June 1999 settlement, Entergy Gulf States agreed not to prosecute its appeal until January 1, 2002. Entergy Gulf States is now prosecuting its appeal, and the argument on the appeal is scheduled for March 22, 2002. Entergy Gulf States also agreed that it will not seek recovery of the abeyed plant costs through any additional charge to Texas ratepayers. The financial statement impact of the retail rate settlement agreement on the abeyed plant costs will ultimately depend on several factors, including the possible discontinuance of SFAS 71 accounting treatment to the Texas generation business, the determination of the market value of generation assets, and any future legislation in Texas addressing the pass-through or sharing of any stranded benefits with Texas ratepayers. No assurance can be given that additional reserves or write-offs will not be required in the future.

PUCT Fuel Cost Review (Entergy Corporation and Entergy Gulf States)

As determined in the June 1999 retail rate settlement agreement discussed above, Entergy Gulf States adopted a methodology for calculating its fixed fuel factor based on the market price of natural gas. This calculation and any necessary adjustments occur semi- annually. The settlement that delayed implementation of retail open access in Texas for Entergy Gulf States provides that Entergy Gulf States will continue the use of this methodology until retail open access begins. The amounts collected under Entergy Gulf States' fixed fuel factor until the date retail open access commences are subject to fuel reconciliation proceedings before the PUCT.

In September 1998, Entergy Gulf States filed an application with the PUCT for an increase in its fixed fuel factor and for a surcharge to Texas retail customers for the cumulative under-recovery of fuel and purchased power costs. The PUCT issued an order in December 1998 approving the implementation of a revised fuel factor and fuel and purchased power surcharge that would result in recovery of $112.1 million of under-recovered fuel costs, inclusive of interest, over a 24- month period. These increases were implemented in the first billing cycle in February 1999. North Star Steel Texas, Inc. has appealed the PUCT's order to the State District Court in Travis County, Texas. Entergy Gulf States cannot predict the outcome of this appeal.

Entergy Gulf States filed a fuel reconciliation case in July 1999 reconciling approximately $731 million (after excluding approximately $14 million related to Cajun issues to be handled in a subsequent proceeding) of fuel and purchased power costs incurred from July 1996 through February 1999. In February 2000, Entergy Gulf States reached a settlement with all but one of the parties to the proceeding. The settlement reduced Entergy Gulf States' requested surcharge in the reconciliation filing from $14.7 million to $2.2 million. In April 2000, the PUCT approved this settlement allowing Entergy Gulf States to recover the $2.2 million surcharge beginning with the April 2000 billing cycle and continuing until January 2001.

In January 2001, Entergy Gulf States filed a fuel reconciliation case covering the period from March 1999 through August 2000. Entergy Gulf States is reconciling approximately $583 million of fuel and purchased power costs. As part of this filing, Entergy Gulf States requested a surcharge to collect $28 million, plus interest, of under- recovered fuel and purchased power costs. A hearing on the merits concluded in August 2001 and the ALJ has recommended that the surcharge be reduced to $7 million. The PUCT considered the ALJ's recommendation in February 2002, but did not reach a final decision. The PUCT recommended certain issues for further consideration by the State Office of Administrative Hearings. No assurance can be given as to the outcome of this proceeding.

In November 2001, Entergy Gulf States filed an application with the PUCT requesting an interim surcharge to collect $71 million, plus interest, of under-recovered fuel and purchased power expenses incurred from September 2000 through September 2001. Entergy Gulf States made the application pursuant to one of the terms of the settlement agreement that delayed implementation of retail open access in Texas for Entergy Gulf States. In February 2002, Entergy Gulf States revised its request to collect $40.9 million, plus interest, of under-recovered fuel and purchased power expenses incurred from September 2000 through January 2002. Entergy Gulf States requests that the surcharge begin in March 2002 and extend through August 2002. The ALJ has recommended that the PUCT approve Entergy Gulf States' request. No assurance can be given as to the outcome of this request before the PUCT.

Filings with the LPSC

Annual Earnings Reviews (Entergy Corporation and Entergy Gulf States)

In June 2000, the LPSC approved a settlement between Entergy Gulf States and the LPSC staff to refund $83 million, including interest, resolving refund issues in Entergy Gulf States' second, third, fourth, and fifth post-merger earnings reviews filed with the LPSC in May 1995, 1996, 1997, and 1998, respectively. The refund was made over a three- month period beginning July 2000. Although refund issues in the third, fourth, and fifth post-merger earnings reviews were resolved by the June 2000 settlement, certain prospective issues remained in dispute following the settlement. The fourth earnings review is currently on appeal at the Nineteenth Judicial District Court. A decision from the LPSC in the fifth earnings review is expected in the second quarter of 2002.

In June 2001, the LPSC approved a settlement between Entergy Gulf States and the LPSC staff to refund $25.9 million, including interest, resolving issues in Entergy Gulf States' third, sixth, and seventh post- merger earnings reviews filed with the LPSC in May 1996, 1999, and 2000, respectively. The refund was made over a three-month period beginning July 2001. The settlement resolved the prospective return on common equity issue on remand from the Louisiana Supreme Court in the third earnings review. Refund issues from the sixth and seventh earnings reviews were also resolved; however, certain prospective issues remain in dispute. The LPSC approved an 11.1% return on common equity through June 2003, which Entergy Gulf States was allowed to include in its eighth post-merger earnings analysis discussed below.

In May 2001, Entergy Gulf States filed its eighth required post- merger earnings analysis with the LPSC. This filing is subject to review by the LPSC and may result in a change in rates. In February 2002, the LPSC staff filed testimony recommending a $16.4 million rate refund and a $39.8 million prospective rate reduction. The prospective reduction includes a recommended reduction in return on equity that would not take effect until June 2003. A procedural schedule has been established by the LPSC and a hearing is scheduled for April 2002.

Formula Rate Plan Filings (Entergy Corporation and Entergy Louisiana)

In May 1997, Entergy Louisiana made its second annual performance- based formula rate plan filing with the LPSC for the 1996 test year. This filing resulted in a total rate reduction of approximately $54.5 million, which was implemented in July 1997. At the same time, rates were reduced by an additional $0.7 million and by an additional $2.9 million effective March 1998. Upon completion of the hearing process in December 1998, the LPSC issued an order requiring an additional rate reduction and refund, although the resulting amounts were not quantified. Entergy Louisiana has appealed this order and obtained a preliminary injunction pending a final decision on appeal. This appeal is pending before the Louisiana Supreme Court.

In April 1999, Entergy Louisiana submitted its fourth annual performance-based formula rate plan filing for the 1998 test year. A rate reduction of $15.0 million was implemented effective August 1, 1999. In May 2000, the LPSC ordered a $6.4 million refund. This refund was made in July 2000.

In May 2000, Entergy Louisiana submitted its fifth annual performance-based formula rate plan filing for the 1999 test year. As a result of this filing, Entergy Louisiana implemented a $24.8 million base rate reduction in August 2000. In September 2001, the LPSC approved a settlement in which Entergy Louisiana agreed to increase to $28.2 million the total base rate reduction, effective August 2000. The settlement resolves all issues in the proceeding except for Entergy Louisiana's claim for an increase in its allowed return on common equity from 10.5% to 11.6%. A procedural schedule to address the return on common equity issue has been established and a hearing will be held in March 2002.

In April 2001, Entergy Louisiana submitted its sixth annual performance-based formula rate plan filing, which used a 2000 test year. The filing indicated that an immaterial base rate reduction might be appropriate. This filing is subject to review by the LPSC. A procedural schedule has been established and a hearing is scheduled in the second quarter of 2002.

Fuel Adjustment Clause Litigation (Entergy Corporation and Entergy Louisiana)

In May 1998, a group of ratepayers filed a complaint against Entergy Corporation, Entergy Power, and Entergy Louisiana in state court in Orleans Parish purportedly on behalf of all Entergy Louisiana ratepayers. The plaintiffs sought treble damages for alleged injuries arising from alleged violations by the defendants of Louisiana's antitrust laws in connection with the costs included in fuel filings with the LPSC and passed through to ratepayers. Plaintiffs also requested that the LPSC initiate a review of Entergy Louisiana's monthly fuel adjustment charge filings and force restitution to ratepayers of all costs that the plaintiffs allege were improperly included in those fuel adjustment filings.
Entergy Louisiana agreed to settle both of these proceedings. The LPSC approved the settlement agreement following a fairness hearing before an ALJ in November 2000. The state court certified the plaintiff class and approved the settlement after a fairness hearing in April 2001. Under the terms of the settlement agreement, Entergy Louisiana agreed to refund to customers approximately $72 million to resolve all claims arising out of or relating to Entergy Louisiana's fuel adjustment clause filings from January 1, 1975 through December 31, 1999, except with respect to purchased power and associated costs included in the fuel adjustment clause filings for the period May 1 through September 30, 1999. Entergy Louisiana previously recorded provisions for the refund, which Entergy Louisiana made through the fuel adjustment clause over a three-month period beginning in July 2001.

Also under the terms of the settlement, Entergy Louisiana consented to future fuel cost recovery under a long-term gas contract based on a formula that will likely result in an under-recovery of actual costs for the remainder of the contract's term, which runs through 2013. The future

under-recovery cannot be precisely estimated because it will depend upon factors that are not certain, such as the price of gas and the amount of gas purchased under the long-term contract. In recent years, Entergy Louisiana has made purchases under that contract totaling from $91 million to $121 million annually. Had the settlement terms been applicable to such purchases, the under- recoveries would have ranged from $4 million to $9 million per year.

Filings with the MPSC

Formula Rate Plan Filings (Entergy Corporation and Entergy Mississippi)

In March 2001, Entergy Mississippi submitted its annual performance-based formula rate plan filing for the 2000 test year. The submittal indicated that a $6.7 million rate increase was appropriate under the formula rate plan. In April 2001, the MPSC staff and Entergy Mississippi entered into a stipulation that provides for an increase of $5.6 million, which was approved by the MPSC and was effective May 2001.

In March 1999, Entergy Mississippi submitted its annual performance-based formula rate plan filing for the 1998 test year. In April 1999, the MPSC approved a prospective rate reduction of $13.3 million, effective May 1999. In June 1999, Entergy Mississippi revised its March 1999 filing to include a portion of refinanced long-term debt not included in the original filing. This revision resulted in an additional rate reduction of approximately $1.5 million, effective July 1999.

MPSC Fuel Cost Review (Entergy Corporation and Entergy Mississippi)

In December 2000, the MPSC approved an increase in Entergy Mississippi's energy cost recovery rider to collect the under-recovered fuel and purchased power costs incurred as of September 30, 2000. The recovery of $136.7 million, plus carrying charges, is occurring over a 24-month period which began with the first billing cycle of January 2001. As approved by the MPSC, Entergy Mississippi also began making quarterly energy cost recovery filings beginning in January 2001 to reflect under-recovered fuel and purchased power costs from the second prior calendar quarter.

Grand Gulf Accelerated Recovery Tariff (GGART) (Entergy Corporation and Entergy Mississippi)

In September 1998, FERC approved the GGART for Entergy Mississippi's allocable portion of Grand Gulf, which was filed with FERC in August 1998. The GGART provides for the acceleration of Entergy Mississippi's Grand Gulf purchased power obligation in an amount totaling $221.3 million over the period October 1, 1998 through June 30, 2004.

Filings with the Council

Rate Proceedings (Entergy Corporation and Entergy New Orleans)

Entergy New Orleans operates currently under the terms of a settlement agreement approved by the Council in November 1998. The settlement agreement required base rate reductions for electric customers of $7.1 million effective January 1, 1999, $3.2 million effective October 1, 1999, $16.1 million effective October 1, 2000, and no base rate increases prior to October 1, 2001. In June 2001, Entergy New Orleans filed with the Council for changes in gas and electric rates based on a test year ending December 31, 2000. The filing indicated that an increase of $12.7 million in gas rates and an increase of $12.5 million in electric rates might be appropriate. Proceedings on Entergy New Orleans' filing have been deferred until June 2002. Entergy New Orleans' rate decrease that would have occurred in October 2001 upon completion of its Grand Gulf 1 phase-in plan has also been deferred. As a result of the deferral of the proceedings, Entergy New Orleans' rates will remain at their current level at this time.

Natural Gas (Entergy Corporation and Entergy New Orleans)

In a resolution adopted in August 2001, the Council ordered Entergy New Orleans to account for $36 million of certain natural gas costs charged to its gas distribution customers from July 1997 through May 2001. The resolution suggests that refunds may be due to the gas distribution customers if Entergy New Orleans cannot account satisfactorily for these costs. Entergy New Orleans filed a response to the Council in September 2001. Entergy New Orleans has documented a full reconciliation for the natural gas costs during that period. The ultimate outcome of the proceeding cannot be predicted at this time.

Fuel Adjustment Clause Litigation (Entergy Corporation and Entergy New Orleans)

In April 1999, a group of ratepayers filed a complaint against Entergy New Orleans, Entergy Corporation, Entergy Services, and Entergy Power in state court in Orleans Parish purportedly on behalf of all Entergy New Orleans ratepayers. The plaintiffs seek treble damages for alleged injuries arising from the defendants' alleged violations of Louisiana's antitrust laws in connection with certain costs passed on to ratepayers in Entergy New Orleans' fuel adjustment filings with the Council. In particular, plaintiffs allege that Entergy New Orleans improperly included certain costs in the calculation of fuel charges and that Entergy New Orleans imprudently purchased high-cost fuel from other Entergy affiliates. Plaintiffs allege that Entergy New Orleans and the other defendant Entergy companies conspired to make these purchases to the detriment of

Entergy New Orleans' ratepayers and to the benefit of Entergy's shareholders, in violation of Louisiana's antitrust laws. Plaintiffs also seek to recover interest and attorneys' fees. Exceptions to the plaintiffs' allegations were filed by Entergy, asserting, among other things, that jurisdiction over these issues rests with the Council and FERC. If necessary, at the appropriate time, Entergy will also raise its defenses to the antitrust claims. At present, the suit in state court is stayed by stipulation of the parties.

Plaintiffs also filed this complaint with the Council in order to initiate a review by the Council of the plaintiffs' allegations and to force restitution to ratepayers of all costs they allege were improperly and imprudently included in the fuel adjustment filings. Testimony was filed on behalf of the plaintiffs in this proceeding in April 2000 and has been supplemented. The testimony, as supplemented, asserts, among other things, that Entergy New Orleans and other defendants have engaged in fuel procurement and power purchasing practices and included costs in Entergy New Orleans' fuel adjustment that could have resulted in New Orleans customers being overcharged by more than $100 million over a period of years. In June 2001, the Council's advisors filed testimony on these issues in which they allege that Entergy New Orleans ratepayers may have been overcharged by more than $32 million, the vast majority of which is reflected in the plaintiffs' claim. However, it is not clear precisely what periods and damages are being alleged in the proceeding. Entergy intends to defend this matter vigorously, both in court and before the Council. Hearings began in February 2002. The ultimate outcome of the lawsuit and the Council proceeding cannot be predicted at this time.

Purchased Power for Summer 2000, 2001, and 2002 (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans)

The domestic utility companies filed applications with the APSC, the LPSC, the MPSC, and the Council to approve the sale of power by Entergy Gulf States from its unregulated, undivided 30% interest in River Bend formerly owned by Cajun to the other domestic utility companies during the summer of 2000. These applications were approved subject to subsequent prudence reviews. In addition, Entergy Gulf States and Entergy Louisiana filed an application with the LPSC for authorization to purchase capacity and electric power from third parties for the summer of 2000, and filed a similar application for the summer of 2001. The LPSC approved these applications, with reservations of its rights to review the prudence of the purchases and the appropriate categorization of the costs as either capacity or energy charges for purposes of recovery. A similar application was filed with the LPSC on March 1, 2002 for the summer of 2002, but no action yet has been taken by the LPSC on that filing.

The LPSC reviewed the 2000 purchases and found that Entergy Louisiana's and Entergy Gulf States' costs were prudently incurred, but decided that approximately 34% of the costs should be categorized as capacity charges, and therefore should be recovered through base rates and not through the fuel adjustment clause. In November 2000, the LPSC ordered refunds of $11.1 million for Entergy Louisiana and $3.6 million for Entergy Gulf States, for which adequate provisions have been made. In May 2001, the LPSC determined that 24% of Entergy Louisiana's and Entergy Gulf States' costs relating to summer 2001 purchases should be categorized as capacity charges, and is still reviewing certain prudence issues related to the 2001 purchases. Those costs that are categorized as capacity charges will be included in the costs of service used to determine the base rates of Entergy Louisiana and Entergy Gulf States. In 2001, these companies recorded a regulatory asset for the capacity charges incurred in both 2000 and 2001. The capacity charges for 2000 are being amortized through May 2002 for Entergy Gulf States and through July 2002 for Entergy Louisiana. The capacity charges for 2001 will be amortized over a twelve-month period beginning in June 2002 for Entergy Gulf States and August 2002 for Entergy Louisiana.

River Bend Cost Deferrals (Entergy Corporation and Entergy Gulf States)

Entergy Gulf States was amortizing $182 million of River Bend operating and purchased power costs, depreciation, and accrued carrying charges over a 20-year period. In accordance with the June 1999 Texas settlement agreement discussed above, Entergy Gulf States reduced these deferred costs by $93.9 million, for which adequate reserves had been recorded. Entergy Gulf States also was allowed to amortize the remainder of the accelerated balance as of January 1, 1999, over three years on a straight-line basis, which ended December 31, 2001.

Grand Gulf 1 Deferrals and Retained Shares

(Entergy Corporation and Entergy Arkansas)

Under the settlement agreement entered into with the APSC in 1985 and amended in 1988, Entergy Arkansas retains 22% of its 36% share of Grand Gulf 1-related costs and recovers the remaining 78% of its share in rates. In the event that Entergy Arkansas is not able to sell its retained share to third parties, it may sell such energy to its retail customers at a price equal to its avoided cost, which is currently less than Entergy Arkansas' cost from its retained share.

(Entergy Corporation and Entergy Louisiana)

In a series of LPSC orders, court decisions, and agreements from late 1985 to mid-1988, Entergy Louisiana was granted rate relief with respect to costs associated with Entergy Louisiana's share of capacity and energy from Grand Gulf 1, subject to certain terms and conditions. Entergy Louisiana retains and does not recover from retail ratepayers, 18% of its 14% share of the costs of Grand Gulf 1 capacity and energy and recovers the remaining 82% of its share in rates. Entergy Louisiana is allowed to recover through the fuel adjustment clause 4.6 cents per KWH

for the energy related to its retained portion of these costs. Non- fuel operation and maintenance costs for Grand Gulf 1 are recovered through Entergy Louisiana's base rates. Alternatively, Entergy Louisiana may sell such energy to non-affiliated parties at prices above the fuel adjustment clause recovery amount, subject to the LPSC's approval.

(Entergy Corporation and Entergy New Orleans)

Under various rate settlements with the Council in 1986, 1988, and 1991, Entergy New Orleans agreed to absorb and not recover from ratepayers a total of $96.2 million of its Grand Gulf 1 costs. Entergy New Orleans was permitted to implement annual rate increases in decreasing amounts each year through 1995, and to defer certain costs and related carrying charges for recovery on a schedule extending from 1991 through 2001. As of December 31, 2001, the entire deferred amount has been recovered through rates.

System Energy's 1995 Rate Proceeding (Entergy Corporation, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

System Energy applied to FERC in May 1995 for a rate increase, and implemented the increase in December 1995. The request sought changes to System Energy's rate schedule, including increases in the revenue requirement associated with decommissioning costs, the depreciation rate, and the rate of return on common equity. The request also included a proposed change in the accounting recognition of nuclear refueling outage costs from that of expensing those costs as incurred to the deferral and amortization method described in Note 1 to the financial statements. After holding hearings in 1996, a FERC ALJ found that portions of System Energy's request should be rejected, including a proposed increase in return on common equity from 11% to 13% and a requested change in decommissioning cost methodology. The ALJ recommended a decrease in the return on common equity from 11% to 10.8%. Other portions of System Energy's request for a rate increase were approved by the ALJ.

After a hearing, FERC issued an order in the proceeding in July 2000. FERC affirmed the ALJ's adoption of a 10.8% return on equity, but modified the return to reflect changes in capital market conditions since the ALJ's decision. FERC adjusted the rate of return to 10.58% for the period December 1995 to the date of FERC's decision, and prospectively adjusted the rate of return to 10.94% from the date of FERC's decision. FERC's decision also changed other aspects of System Energy's proposed rate schedule, including the depreciation rate and decommissioning costs and their methodology.

In July 2001, FERC denied requests for rehearing and the July 2000 order became final. System Energy made a compliance tariff filing in August 2001 and it was accepted by FERC in November 2001. System Energy made refunds to the domestic utility companies in December 2001.

In accordance with regulatory accounting principles, during the pendency of the case, System Energy recorded reserves for potential refunds against its revenues. Upon the order becoming final, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy recorded entries to spread the impacts of FERC's order to the various revenue, expense, asset, and liability accounts affected, as if the order had been in place since commencement of the case in 1995. System Energy also recorded an additional reserve amount against its revenue, to adjust its estimate of the impact of the order, and recorded additional interest expense on that reserve. System Energy also recorded reductions in its depreciation and its decommissioning expenses to reflect the lower levels in FERC's order, and reduced tax expense affected by the order.

In December 2001, Entergy Arkansas filed with the APSC the amount of the refund to retail customers in Arkansas. The total refund of $53.7 million, including interest, is expected to be refunded through the issuance of refund checks in March 2002 after approval by the APSC of the refund rates.

Entergy Mississippi's allocation of the proposed System Energy wholesale rate increase was $21.6 million annually. In July 1995, Entergy Mississippi filed a schedule with the MPSC that deferred the retail recovery of the System Energy rate increase. The deferral plan, which was approved by the MPSC, began in December 1995, the effective date of the System Energy rate increase, and was effective until the issuance of the final order by FERC. Entergy Mississippi revised the deferral plan two times during the pendency of the System Energy proceeding. As a result of the final resolution of the FERC order and in accordance with Entergy Mississippi's second revised deferral plan, refunds to Entergy Mississippi from System Energy, including interest, have been credited against deferral balances and refund amounts in excess of the deferral balances are being included as a credit to the amounts billed to Entergy Mississippi's customers in October 2001 through September 2002 under its Grand Gulf Riders.

Entergy New Orleans' allocation of the proposed System Energy wholesale rate increase was $11.1 million annually. In February 1996, Entergy New Orleans filed a plan with the Council to defer 50% of the amount of the System Energy rate increase. In December 2001, the Council approved a refund to customers. The total amount of the refund to Entergy New Orleans' customers is $43 million. In anticipation of the FERC order, Entergy New Orleans advanced the refunding of $10 million in February 2001 to customers to assist with unexpected high energy bills. The total refund will also be reduced by an additional $6 million which will be used for the establishment of a public benefits and payments assistance program. The remaining $27 million was refunded through the issuance of refund checks during the first quarter of 2002.

FERC Settlement (Entergy Corporation, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

In November 1994, FERC approved an agreement settling a long- standing dispute involving income tax allocation procedures of System Energy. In accordance with the agreement, System Energy has been refunding a total of approximately $62 million, plus interest, to Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans through June 2004. System Energy also reclassified from utility plant to other deferred debits approximately $81 million of other Grand Gulf 1 costs. Although such costs are excluded from rate base, System Energy is amortizing and recovering these costs over a 10- year period. Interest on the $62 million refund and the loss of the return on the $81 million of other Grand Gulf 1 costs is reducing Entergy's and System Energy's net income by approximately $10 million annually.

NOTE 3. INCOME TAXES

Income tax expenses for 2001, 2000, and 1999 consist of the following (in thousands):

2001	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Current:							
Federal	$321,085	$83,314	$60,333	$97,265	$77,074	$16,844	($56,166)
Foreign	3,355	-	-	-	-	-	-
State	53,565	16,230	17,385	16,404	11,523	2,958	(6,837)
Total	378,005	99,544	77,718	113,669	88,597	19,802	(63,003)
Deferred -- net	110,944	11,414	11,554	(21,931)	(66,633)	(23,691)	110,240
Investment tax credit adjustments - net	(23,192)	(5,025)	(7,234)	(5,451)	(1,500)	(507)	(3,476)
Recorded income tax expense	$465,757	$105,933	$82,038	$86,287	$20,464	($4,396)	$43,761

2000	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Current:							
Federal	$291,616	$51,042	$42,587	$83,369	($24,598)	$10,530	$132,725
Foreign	11,555	-	-	-	-	-	-
State	51,293	9,694	6,737	12,926	(3,615)	1,706	19,750
Total	354,464	60,736	49,324	96,295	(28,213)	12,236	152,475
Deferred -- net	150,018	46,365	61,779	22,111	52,581	(129)	(67,509)
Investment tax credit adjustments - net	(25,561)	(6,589)	(7,500)	(5,761)	(1,500)	(510)	(3,703)
Recorded income tax expense	$478,921	100,512	$103,603	$112,645	$22,868	$11,597	$81,263

1999	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Current:							
Federal	$452,568	$25,811	$64,991	$115,180	($660)	$13,238	$121,733
Foreign	27,730	-	-	-	-	-	-
State	65,834	5,780	11,669	22,675	131	2,923	18,979
Total	546,132	31,591	76,660	137,855	(529)	16,161	140,712
Deferred -- net	(153,304)	26,335	13,513	(9,953)	19,566	(2,615)	(77,173)
Investment tax credit adjustments - net	(36,161)	(3,914)	(15,008)	(5,534)	(1,500)	(516)	(9,688)
Recorded income tax expense	$356,667	$54,012	$75,165	$122,368	$17,537	$13,030	$53,851

Total income taxes differ from the amounts computed by applying the statutory income tax rate to income before taxes. The reasons for the differences for the years 2001, 2000, and 1999 are (in thousands):

2001	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Computed at statutory rate (35%)	$425,692	$99,441	$91,520	$76,594	$21,029	($2,307)	$56,041
Increases (reductions) in tax resulting from:							
State income taxes net of federal income tax effect	45,124	12,098	7,897	10,160	1,935	(292)	5,803
Depreciation	11,890	4,136	1,504	10,542	(1,091)	17	(3,218)
Amortization of investment tax credits	(22,488)	(5,028)	(6,528)	(5,448)	(1,500)	(504)	(3,480)
Flow-through/permanent Differences	(20,698)	(5,582)	(11,318)	(1,620)	(856)	(702)	(620)
US tax on foreign income	21,422	-	-	-	-	-	-
Benefit of Entergy Corp. expenses	-	-	(1,510)	(4,647)	-	(746)	(10,697)
Other - net	4,815	868	473	706	947	138	(68)
Total income taxes	$465,757	$105,933	$82,038	$86,287	$20,464	($4,396)	$43,761
Effective Income Tax Rate	38.3%	37.3%	31.4%	39.4%	34.1%	66.7%	27.3%

2000	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Computed at statutory rate (35%)	$416,443	$83,147	$99,380	$96,363	$21,644	$9,840	$61,253
Increases (reductions) in tax resulting from:							
State income taxes net of federal income tax effect	47,504	11,571	14,421	11,389	2,239	824	7,060
Depreciation	49,741	16,098	4,791	10,810	1,346	1,441	15,255
Amortization of investment tax credits	(23,783)	(5,112)	(7,664)	(5,520)	(1,500)	(507)	(3,480)
Flow-through/permanent Differences	(18,495)	(5,596)	(10,032)	(1,623)	(825)	(401)	(18)
US tax on foreign income	1,472	-	-	-	-	-	-
Other - net	6,039	404	2,707	1,226	(36)	400	1,193
Total income taxes	$478,921	$100,512	$103,603	$112,645	$22,868	$11,597	$81,263
Effective Income Tax Rate	40.3%	42.3%	36.5%	40.9%	37.0%	41.2%	46.4%

1999	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Computed at statutory rate (35%)	$333,093	$43,164	$70,058	$109,948	$20,693	$11,196	$47,678
Increases (reductions) in tax resulting from:							
State income taxes net of federal income tax effect	49,487	6,949	18,805	13,741	1,982	1,930	6,080
Depreciation	49,460	18,429	4,718	9,577	(1,093)	2,232	15,597
Amortization of investment tax credits	(29,015)	(5,132)	(6,642)	(5,532)	(1,500)	(518)	(9,691)
Flow-through/permanent Differences	(8,042)	(5,250)	(2,795)	(1,191)	(284)	(272)	27
US tax benefit on foreign income	(9,584)	-	-	-	-	-	-
Benefit of Entergy Corporation expenses	-	(3,341)	(4,046)	(4,053)	(1,936)	(754)	(4,552)
Change in valuation allowance	(46,315)	-	-	-	-	-	-
Other - net	17,583	(807)	(4,933)	(122)	(325)	(784)	(1,288)
Total income taxes	$356,667	$54,012	$75,165	$122,368	$17,537	$13,030	$53,851
Effective Income Tax Rate	37.5%	43.8%	37.6%	39.0%	29.7%	40.7%	39.5%

Significant components of net deferred tax liabilities as of December 31, 2001 and 2000 are as follows (in thousands):

2001	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Deferred Tax Liabilities:							
Net regulatory assets/(liabilities)	($1,195,100)	($196,800)	($469,073)	($222,443)	($29,237)	$17,806	($274,899)
Plant-related basis differences	(3,189,015)	(608,488)	(1,025,047)	(741,553)	(276,098)	(68,765)	(391,391)
Storm Damage	(65,744)	(65,744)	-	-	-	-	-
Nuclear Decommissioning	(163,869)	-	(638)	-	-	-	(5,047)
Other	(97,373)	(62,630)	(13,478)	(25,733)	(1,531)	(3,938)	(9,952)
Total	(4,711,101)	(933,662)	(1,508,236)	(989,729)	(306,866)	(54,897)	(681,289)
Deferred Tax Assets:							
Accumulated deferred investment tax credit	160,003	32,655	42,450	43,075	6,850	2,063	32,910
Capital loss carryforwards	55,845	-	-	-	-	-	-
Foreign tax credits	73,741	-	-	-	-	-	-
Sale and leaseback	230,157	-	-	99,353	-	-	130,804
Removal cost	103,338	802	26,877	64,809	(912)	11,762	-
Unbilled/Deferred revenues	64,178	-	11,689	-	6,767	-	-
Pension-related items	113,133	-	5,558	5,529	(4,542)	6,857	3,429
Rate refund	12,477	-	14,545	(4,060)	-	1,992	-
Reserve for regulatory adjustments	109,370	-	109,370	-	-	-	-
Transition cost accrual	55,919	55,919	-	-	-	-	-
Customer Deposits	77,321	26,664	11,842	25,731	12,928	156	-
Nuclear Decommissioning	15,599	12,766	-	2,833	-	-	-
Other	169,855	17,812	37,409	18,415	-	11,623	13,382
Valuation allowance	(98,011)	-	-	-	-	-	-
Total	1,142,925	146,618	259,740	255,685	21,091	34,453	180,525
Net deferred tax liability	($3,568,176)	($787,044)	($1,248,496)	($734,044)	($285,775)	($20,444)	($500,764)

2000	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Deferred Tax Liabilities:							
Net regulatory assets/(liabilities)	($1,193,795)	($197,577)	($448,460)	($249,983)	($32,968)	$9,755	($274,562)
Plant-related basis differences	(3,067,528)	(536,985)	(1,034,502)	(746,274)	(223,369)	(65,066)	(413,200)
Rate deferrals	(159,148)	(17,554)	(1,594)	-	(111,045)	(28,955)	-
Storm Damage	(31,424)	(31,424)	-	-	-	-	-
Nuclear Decommissioning	(19,157)	-	(509)	-	-	-	(5,204)
Other	(185,640)	(101,186)	(9,462)	(60,390)	(4,051)	(2,682)	(11,815)
Total	(4,656,692)	(884,726)	(1,494,527)	(1,056,647)	(371,433)	(86,948)	(704,781)
Deferred Tax Assets:							
Accumulated deferred investment tax credit	168,841	34,626	44,526	45,173	7,424	2,852	34,240
Capital loss carryforwards	39,091	-	-	-	-	-	-
Foreign tax credits	98,468	-	-	-	-	-	-
Sale and leaseback	229,169	-	-	103,200	-	-	125,969
Removal cost	105,842	872	27,101	65,690	203	11,976	-
Unbilled/Deferred revenues	25,790	-	13,143	-	4,845	7,802	-
Pension-related items	56,860	-	7,874	7,889	(2,335)	6,217	2,926
Rate refund	152,407	-	25,607	35,803	-	-	123,306
Reserve for regulatory adjustments	117,437	-	117,437	-	-	-	-
Transition cost accrual	43,568	43,568	-	-	-	-	-
Customer Deposits	30,747	7,266	-	16,092	7,267	122	-
Nuclear Decommissioning	15,354	12,521	-	2,833	-	-	-
Other	191,799	14,855	49,688	2,060	-	7,682	25,187
Valuation allowance	(93,413)	-	-	-	-	-	-
Total	1,181,960	113,708	285,376	278,740	17,404	36,651	311,628
Net deferred tax liability	($3,474,732)	($771,018)	($1,209,151)	($777,907)	($354,029)	($50,297)	($393,153)

The valuation allowance is provided primarily against foreign tax credit carryforwards, which can be utilized against future United States taxes on foreign source income. If these carryforwards are not utilized, they will expire between 2002 and 2006.

At December 31, 2001, unremitted earnings of foreign subsidiaries were approximately $60.3 million. Since it is Entergy's intention to indefinitely reinvest these earnings, no U.S. taxes have been provided. Upon distribution of these earnings in the form of dividends or otherwise, Entergy could be subject to U.S. income taxes (subject to foreign tax credits) and withholding taxes payable to various foreign countries.

NOTE 4. LINES OF CREDIT AND RELATED SHORT-TERM BORROWINGS (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

The short-term borrowings of the domestic utility companies and System Energy are limited to amounts authorized by the SEC. The current limits authorized are effective through November 30, 2004. In addition to borrowing from commercial banks, Entergy companies are authorized to borrow from the Entergy System Money Pool (money pool). The money pool is an inter-company borrowing arrangement designed to reduce the domestic utility companies' dependence on external short- term borrowings. Borrowings from the money pool and external borrowings combined may not exceed the SEC authorized limits. The following are the SEC-authorized limits and borrowings from the money pool for the domestic utility companies, System Energy, and other Entergy subsidiaries as of December 31, 2001 (there were no borrowings outstanding from external sources):

	Authorized	Outstanding Borrowings
	(In Millions)	
Entergy Arkansas	$235	$ -
Entergy Gulf States	340	-
Entergy Louisiana	225	-
Entergy Mississippi	160	-
Entergy New Orleans	100	-
System Energy	140	-
Other Entergy subsidiaries	420	93
Total	$1,620	$ 93

In May 2001, Entergy Corporation amended its 364-day bank credit facility, increasing the capacity from $500 million to $1.275 billion. In July 2001, the borrowing capacity on the facility was increased to $1.325 billion, of which $300 million was outstanding as of December 31, 2001. In December 2001, Entergy Corporation obtained a new line of credit expiring May 16, 2002 with a capacity of $50 million, of which the entire $50 million was drawn as of December 31, 2001. The weighted- average interest rate on Entergy's outstanding borrowings under these facilities as of December 31, 2001 and 2000 was 3.2% and 7.43%, respectively. The commitment fee for this facility is currently 0.20% of the line amount. Commitment fees and interest rates on loans under the credit facility can fluctuate depending on the senior debt ratings of the domestic utility companies. There is further discussion of commitments for long-term financing arrangements in Note 7 to the financial statements.

Entergy Arkansas, Entergy Louisiana, and Entergy Mississippi each have 364-day credit facilities available as follows:

Company	Expiration Date	Amount of Facility	Amount Drawn as of Dec. 31, 2001
Entergy Arkansas	May 2002	$63 million	-
Entergy Louisiana	January 2003	$15 million	-
Entergy Mississippi	May 2002	$25 million	-

The facilities have variable interest rates and the average commitment fee is 0.13%.

NOTE 5. PREFERRED, PREFERENCE, AND COMMON STOCK (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans)

Preferred Stock

The number of shares authorized and outstanding, and dollar value of preferred stock for Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans as of December 31, 2001, and 2000 were:

	Shares Authorized and Outstanding 2001	2000	2001	2000	Call Price Per Share as of December 31, 2001
			(Dollars in Thousands)		
Entergy Arkansas Preferred Stock					
Without sinking fund:					
Cumulative, $100 par value					
4.32% Series	70,000	70,000	$ 7,000	$ 7,000	$103.65
4.72% Series	93,500	93,500	9,350	9,350	107.00
4.56% Series	75,000	75,000	7,500	7,500	102.83
4.56% 1965 Series	75,000	75,000	7,500	7,500	102.50
6.08% Series	100,000	100,000	10,000	10,000	102.83
7.32% Series	100,000	100,000	10,000	10,000	103.17
7.80% Series	150,000	150,000	15,000	15,000	103.25
7.40% Series	200,000	200,000	20,000	20,000	102.80
7.88% Series	150,000	150,000	15,000	15,000	103.00
Cumulative, $0.01 par value:					
$1.96 Series (a)	600,000	600,000	15,000	15,000	25.00
Total without sinking fund	1,613,500	1,613,500	$116,350	$116,350	

	Shares Authorized and Outstanding 2001	2000	2001	2000	Call Price Per Share as of December 31, 2001
			(Dollars in Thousands)		
Entergy Gulf States Preferred Stock					
Preferred Stock					
Authorized 6,000,000 shares, $100 par value, cumulative					
Without sinking fund:					
4.40% Series	51,173	51,173	$ 5,117	$ 5,117	$108.00
4.50% Series	5,830	5,830	583	583	105.00
4.40%-1949 Series	1,655	1,655	166	166	103.00
4.20% Series	9,745	9,745	975	975	102.82
4.44% Series	14,804	14,804	1,480	1,480	103.75
5.00% Series	10,993	10,993	1,099	1,099	104.25
5.08% Series	26,845	26,845	2,685	2,685	104.63
4.52% Series	10,564	10,564	1,056	1,056	103.57
6.08% Series	32,829	32,829	3,283	3,283	103.34
7.56% Series	308,830	312,329	30,883	31,233	101.80
Total without sinking fund	473,268	476,767	$ 47,327	$ 47,677	
With sinking fund:					
Adjustable Rate - A, 7.0%(b)	112,666	132,024	$ 11,267	$ 13,202	$100.00
Adjustable Rate - B, 7.0%(b)	149,182	175,562	14,918	17,556	100.00
Total with sinking fund	261,848	307,586	$ 26,185	$ 30,758	
Fair Value of Preferred Stock with sinking fund (d)			$ 26,160	$ 29,475	

	Shares Authorized and Outstanding 2001	2000	2001	2000	Call Price Per Share as of December 31, 2001
			(Dollars in Thousands)		
Entergy Louisiana Preferred Stock					
Without sinking fund:					
Cumulative, $100 par value					
4.96% Series	60,000	60,000	$ 6,000	$ 6,000	$104.25
4.16% Series	70,000	70,000	7,000	7,000	104.21
4.44% Series	70,000	70,000	7,000	7,000	104.06
5.16% Series	75,000	75,000	7,500	7,500	104.18
5.40% Series	80,000	80,000	8,000	8,000	103.00
6.44% Series	80,000	80,000	8,000	8,000	102.92
7.84% Series	100,000	100,000	10,000	10,000	103.78
7.36% Series	100,000	100,000	10,000	10,000	103.36
Cumulative, $25 par value:					
8.00% Series	1,480,000	1,480,000	37,000	37,000	25.00
Total without sinking fund	2,115,000	2,115,000	$100,500	$100,500	
With sinking fund:					
8.00% Series (c)	-	350,000	$ -	35,000	-
Total with sinking fund	-	350,000	$ -	$ 35,000	
Fair Value of Preferred Stock with sinking fund (d)			$ -	$ 34,300	

	Shares Authorized and Outstanding 2001	2000	2001	2000	Call Price Per Share as of December 31, 2001
			(Dollars in Thousands)		
Entergy Mississippi Preferred Stock					
Without sinking fund:					
Cumulative, $100 par value					
4.36% Series	59,920	59,920	$ 5,992	$ 5,992	$103.86
4.56% Series	43,887	43,887	4,389	4,389	107.00
4.92% Series	100,000	100,000	10,000	10,000	102.88
7.44% Series	100,000	100,000	10,000	10,000	102.81
8.36% Series	200,000	200,000	20,000	20,000	100.00
Total without sinking fund	503,807	503,807	$ 50,381	$ 50,381	

	Shares Authorized and Outstanding 2001	2000	2001	2000	Call Price Per Share as of December 31, 2001
			(Dollars in Thousands)		
Entergy New Orleans Preferred Stock					
Without sinking fund:					
Cumulative, $100 par value					
4.75% Series	77,798	77,798	$ 7,780	$ 7,780	$105.00
4.36% Series	60,000	60,000	6,000	6,000	104.57
5.56% Series	60,000	60,000	6,000	6,000	102.59
Total without sinking fund	197,798	197,798	$ 19,780	$ 19,780	
Entergy Corporation					
Subsidiaries' Preferred Stock:					
Without sinking fund:	4,903,373	4,906,872	$334,337	$334,688	
With sinking fund:	261,848	657,586	$ 26,185	$ 65,758	
Fair Value of Preferred Stock with sinking fund (d)			$ 26,160	$ 63,775	

(a) The total dollar value represents the liquidation value of $25 per share.
(b) Represents weighted-average annualized rates for 2001.
(c) This series was redeemed in August 2001.
(d) Fair values were determined using bid prices reported by dealer markets and by nationally recognized investment banking firms. There is additional disclosure of fair value of financial instruments in Note 15 to the financial statements.

Changes in the preferred stock and preference stock of Entergy Arkansas, Entergy Gulf States, and Entergy Louisiana during the last three years were:

	Number of Shares 2001	2000	1999
Preference stock retirements			
Entergy Gulf States	-	(6,000,000)	-
Preferred stock retirements			
Entergy Arkansas			
$100 par value	-	-	(200,000)
$25 par value	-	-	(81,085)
Entergy Gulf States			
$100 par value	(49,237)	(76,585)	(258,471)
Entergy Louisiana			
$100 par value	(350,000)	-	(500,000)

Entergy Gulf States has annual sinking fund requirements of $3.45 million through 2006 for its preferred stock outstanding. Entergy Gulf States has the annual non-cumulative option to redeem, at par, additional amounts of certain series of its outstanding preferred stock.

Common Stock

Entergy Corporation reissues treasury shares to meet the requirements of the Stock Plan for Outside Directors (Directors' Plan), the Equity

Ownership Plan of Entergy Corporation and Subsidiaries (Equity Ownership Plan), the Equity Awards Plan, and certain other stock benefit plans. The Directors' Plan awards to non-employee directors a portion of their compensation in the form of a fixed number of shares of Entergy Corporation common stock.

	Treasury Shares	Cost (In Thousands)
Beginning Balance, January 1, 2001	28,490,031	$774,905
Repurchases	989,100	(36,895)
Transfers	361,720	-
Issuances:		
Equity Ownership/Equity Awards Plans	2,393,177	20,638
Directors' Plan	6,290	172
Ending Balance, December 31, 2001	27,441,384	$758,820

Entergy Corporation may also issue newly registered shares to meet the requirements of these plans. Entergy Corporation received proceeds of $2.1 million from the issuance of 79,473 shares of common stock to satisfy stock option exercises during 2001.

Entergy has two plans that grant stock options, equity awards, and incentive awards to key employees of the Entergy subsidiaries. The Equity Ownership Plan is a shareholder-approved stock-based compensation plan. The Equity Awards Plan is a non-shareholder, Board- approved stock-based compensation plan. The following table summarizes information about Entergy's stock options awarded under these plans.

Plan	Current Authorization	Stock Options granted	Other stock-based plans	Securities remaining under current authorizations
Equity Ownership Plan	15.0 million	3,563,793	123,714	11.3 million
Equity Awards Plan	30.0 million	17,086,300	126,284	12.8 million

Stock options are granted at exercise prices not less than market value on the date of grant. The majority of options granted in 2001, 2000, and 1999 will become exercisable in equal amounts on each of the first three anniversaries of the date of grant. Options are forfeited if they are not exercised within ten years from the date of the grant.

Entergy does not recognize compensation expense for stock options granted with exercise prices at market value on the date of grant. The impact on Entergy's net income for each of the years 2001, 2000, and 1999 would have been reductions of $42.9 million, $19.0 million, and $15.5 million, respectively, had compensation cost for the stock options been recognized based on the fair value of options at the grant date for awards under the option plans. The impact on earnings per share for each of the years 2001, 2000, and 1999 would have been a reduction of $.19, $.08, and $.06, respectively.

During 2001, Entergy began granting most of the equity awards and incentive awards earned under its stock benefit plans in the form of performance units, which are equal to the cash value of shares of Entergy Corporation common stock at the time of payment. In addition to the potential for equivalent share appreciation or depreciation, performance units will earn the cash equivalent of the dividends paid during the performance period applicable to each plan. The amount of performance units awarded will not reduce the amount of securities remaining under

the current authorizations. The costs of equity and incentive awards, given either as company stock or performance units, are charged to income over the period of the grant or restricted period, as appropriate. In 2001 and 2000, $15 million and $14 million, respectively, were charged to compensation expense.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following stock option weighted-average assumptions:

	2001	2000	1999
Stock price volatility	26.3%	24.4%	20.3%
Expected term in years	5	5	5
Risk-free interest rate	4.9%	6.6%	4.7%
Dividend yield	3.4%	5.2%	4.0%
Dividend payment	$1.26	$1.20	$1.20

Stock option transactions are summarized as follows:

	2001		2000		1999	
	Number of Options	Average Option Price	Number of Options	Average Option Price	Number of Options	Average Option Price
Beginning-of-year balance	11,468,316	$ 25.52	5,493,882	$ 29.48	901,639	$ 26.21
Options granted	8,602,300	36.96	7,219,134	22.98	5,228,189	29.88
Options exercised	(2,407,783)	25.85	(920,077)	28.26	(213,084)	23.69
Options forfeited	(346,017)	30.35	(324,623)	28.29	(422,862)	30.38
End-of-year balance	17,316,816	$ 31.06	11,468,316	$ 25.52	5,493,882	$ 29.48
Options exercisable at year-end	2,923,452		1,641,062		601,307	
Weighted-average fair value of options at time of grant	$ 8.14		$ 4.30		$ 4.72	

The following table summarizes information about stock options outstanding as of December 31, 2001:

Range of Exercise Prices	Options Outstanding As of 12/31/01	Weighted-Avg Remaining Contractual Life-Yrs.	Weighted-Avg. Exercise Price	Options Exercisable Number Exercisable at 12/31/01	Weighted-Avg. Exercise Price
$18 - $30	8,532,058	8.2	$25.16	2,621,734	$ 26.62
$30 - $41	8,784,758	9.0	$ 36.80	301,718	$ 33.69
$18 - $41	17,316,816	8.6	$ 31.06	2,923,452	$ 27.35

Near the end of January 2002, an additional 4,823,981 options became exercisable with a weighted-average exercise price of $30.84.

Entergy sponsors the Savings Plan of Entergy Corporation and Subsidiaries (Savings Plan). The Savings Plan is a defined contribution plan covering eligible employees of Entergy and its subsidiaries. The Savings Plan provides that the employing Entergy subsidiary may:

o make matching contributions to the plan in an amount equal to 75% of the participant's basic contribution, up to 6% of their salary, in shares of Entergy Corporation common stock if the employee directs their company-matching contribution to the purchase of Entergy Corporation's common stock; or
o make matching contributions in the amount of 50% of the participant's basic contribution, up to 6% of their salary, if the employee directs their company-matching contribution to other investment funds.

Entergy's subsidiaries contributed $25.4 million in 2001, $16.1 million in 2000, and $14.5 million in 1999 to the Savings Plan.

NOTE 6. COMPANY-OBLIGATED REDEEMABLE PREFERRED SECURITIES

(Entergy Arkansas, Entergy Gulf States, Entergy Louisiana)

Entergy Louisiana Capital I, Entergy Arkansas Capital I, and Entergy Gulf States Capital I (Trusts) were established as financing subsidiaries of Entergy Louisiana, Entergy Arkansas, and Entergy Gulf States, respectively, for the purpose of issuing common and preferred securities. The Trusts issue Cumulative Quarterly Income Preferred Securities (Preferred Securities) to the public and issue common securities to their parent companies. Proceeds from such issues are used to purchase junior subordinated deferrable interest debentures (Debentures) from the parent company. The Debentures held by each Trust are its only assets. Each Trust uses interest payments received on the Debentures owned by it to make cash distributions on the Preferred Securities.

Trusts	Date Of Issue	Preferred Securities Issued (In Millions)	Common Securities Issued (In Millions)	Interest Rate Securities/ Debentures	Trust's Investment In Debentures (In Millions)	Fair Market Value of Preferred Securities at 12-31-01 (In Millions)
Louisiana Capital I	7-16-96	$70.0	$2.2	9.00%	$72.2	$70.5
Arkansas Capital I	8-14-96	$60.0	$1.9	8.50%	$61.9	$59.8
Gulf States Capital I	1-28-97	$85.0	$2.6	8.75%	$87.6	$85.3

The Preferred Securities of the Trusts mature in the years 2045 and 2046. The Preferred Securities are redeemable at 100% of their principal amount at the option of Entergy Arkansas, Entergy Louisiana, and Entergy Gulf States in 2002, including the loss of the tax deduction arising out of the interest paid on the Debentures. Entergy Louisiana, Entergy Arkansas, and Entergy Gulf States have, pursuant to certain agreements, fully and unconditionally guaranteed payment of distributions on the Preferred Securities issued by their respective trusts. Entergy Louisiana, Entergy Arkansas, and Entergy Gulf States are the owners of all of the common securities of their individual Trusts, which constitute 3% of each Trust's total capital.

NOTE 7. LONG - TERM DEBT (Entergy Corporation, Entergy Arkansas,
Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

Long-term debt as of December 31, 2001 was:

Maturities From	Maturities To	Interest Rates From	Interest Rates To	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
					(In Thousands)					
Mortgage Bonds										
2002	2006	5.800%	8.500%	$2,716,579	$555,000	$1,176,920	$319,659	$470,000	$125,000	$70,000
2007	2011	6.450%	7.500%	325,000	100,000		115,000	80,000	30,000	
2012	2026	7.000%	8.940%	954,950	260,000	444,950	115,000	60,000	75,000	
Governmental Obligations (a)										
2010	2020	5.450%	8.000%	298,300	214,200	84,100				
2021	2030	4.850%	9.000%	1,392,080	119,000	395,330	415,120	46,030		416,600
Damhead Creek Project Credit Facilities, avg rate 6.53%				458,385						
Note Payable to NYPA non-interest bearing, 4.8% implicit rate				756,914						
Long-Term DOE Obligation (Note 9)				150,217	150,217					
Waterford 3 Lease Obligation 7.45% (Note 10)				313,918			313,918			
Grand Gulf Lease Obligation 7.02% (Note 10)				445,734						445,734
Other Long-Term Debt				206,855	621	9,371				
Unamortized Premium and Discount - Net				(15,133)	(5,963)	(3,853)	(1,741)	(1,268)	(903)	(1,405)
Total Long-Term Debt				8,003,799	1,393,075	2,106,818	1,276,956	654,762	229,097	930,929
Less Amount Due Within One Year				682,771	85,000	147,921	185,627	65,000	-	100,891
Long-Term Debt Excluding Amount Due Within One Year				$7,321,028	$1,308,075	$1,958,897	$1,091,329	$589,762	$229,097	$830,038
Fair Value of Long-Term Debt (b)				$6,764,419	$1,255,690	$2,173,994	$986,476	$668,526	$235,875	$463,352

Long-term debt as of December 31, 2000 was:

Maturities From	Maturities To	Interest Rates From	Interest Rates To	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
					(In Thousands)					
Mortgage Bonds										
2001	2005	5.800%	8.500%	$2,455,109	$455,000	$1,001,750	$338,359	$400,000	$55,000	$205,000
2006	2010	6.450%	8.000%	365,000	100,000		115,000	80,000	70,000	
2011	2026	7.000%	8.940%	954,950	260,000	444,950	115,000	60,000	75,000	
Governmental Obligations (a)										
2010	2020	5.450%	9.000%	591,635	214,200	377,435				
2021	2030	4.850%	8.000%	1,051,750	72,000	102,000	415,120	46,030		416,600
Saltend Project Credit Facilities, avg rate 6.70%				581,938						
Damhead Creek Project Credit Facilities, avg rate 6.55%				507,194						
Note Payable to NYPA non-interest bearing, 4.8% implicit rate				744,405						
Long-Term DOE Obligation (Note 9)				144,316	144,316					
Waterford 3 Lease Obligation 7.45% (Note 10)				330,306			330,306			
Grand Gulf Lease Obligation 7.02% (Note 10)				462,534						462,534
Other Long-Term Debt				23,596	621	9,581				
Unamortized Premium and Discount - Net				(16,425)	(6,325)	(4,087)	(2,001)	(1,563)	(969)	(1,480)
Total Long-Term Debt				8,196,308	1,239,812	1,931,629	1,311,784	584,467	199,031	1,082,654
Less Amount Due Within One Year				464,215	100	122,750	35,088	-	-	151,800
Long-Term Debt Excluding Amount Due Within One Year				$7,732,093	$1,239,712	$1,808,879	$1,276,696	$584,467	$199,031	$930,854
Fair Value of Long-Term Debt (b)				$7,342,810	$1,104,206	$2,013,249	$1,003,426	$592,697	$202,525	$593,170

(a) Consists of pollution control bonds, certain series of which are secured by non-interest bearing first mortgage bonds.

(b) The fair value excludes lease obligations, long-term DOE obligations, and other long-term debt and includes debt due within one year. It is determined using bid prices reported by dealer markets and by nationally recognized investment banking firms.

The annual long-term debt maturities (excluding lease obligations) and annual cash sinking fund requirements for debt outstanding as of December 31, 2001, for the next five years are as follows:

	Entergy(a)	Entergy Arkansas	Entergy Gulf States(b)	Entergy Louisiana(c)	Entergy Mississippi	Entergy New Orleans	System Energy
				(In Thousands)			
2002	$ 637,993	$ 85,000	$148,000	$169,660	$ 65,000	-	$70,000
2003	1,123,426	255,000	339,000	150,000	255,000	$25,000	-
2004	877,854	-	592,000	-	150,000	30,000	-
2005	457,174	215,000	98,000	-	-	30,000	-
2006	159,276	-	-	-	-	40,000	-

(a) Not included are other sinking fund requirements of approximately $34.9 million annually, which may be satisfied by cash or by certification of property additions at the rate of 167% of such requirements.

(b) Not included are other sinking fund requirements of approximately $34.2 million annually, which may be satisfied by cash or by certification of property additions at the rate of 167% of such requirements.

(c) Not included are other sinking fund requirements of approximately $0.7 million annually, which may be satisfied by cash or by certification of property additions at the rate of 167% of such requirements.

In December 2001, Entergy Arkansas issued $47 million of 5.05% Pollution Control Revenue Bonds due September 1, 2028. The proceeds of the issuance were used to refund $20 million and $27 million of 8.0% Series Pollution Control Revenue Bonds prior to maturity.

In August 2001 when the Saltend plant was sold, EPDC repaid the outstanding Saltend credit facilities of approximately $555 million and terminated the Saltend interest rate swaps paying mark-to-market breakage costs of approximately $22 million. EPDC used proceeds from the sale of the plant for these payments.

EPDC maintains a credit facility of BPS45 million ($67.2 million) to finance the Damhead Creek project and for general corporate purposes in connection with the acquisition and development of power generation, distribution, or transmission facilities. No cash advances were outstanding under this facility at December 31, 2001 and 2000. In February 2001, after the Damhead Creek project reached commercial operation, EPDC paid its equity commitment of BPS36.1 million ($53.9 million) on the project and a letter of credit facility under this credit facility was cancelled in July 2001.

Damhead Finance LDC (DFLDC), an indirect wholly-owned subsidiary of EPDC, maintains a BPS483.4 million ($695.5 million) non-recourse senior credit facility. The facility finances the construction and operation of the Damhead Creek power plant. Borrowings under the senior credit facility are repayable over a fifteen-year period beginning December 31, 2001. In July 2001, the commitment of BPS20 million ($28.8 million) for a cost overrun facility was cancelled. DFLDC also maintains a BPS36.1 million ($53.9 million) subordinated credit facility, which was drawn in February 2001. DFLDC used the proceeds from the subordinated credit facility to repay a portion of the senior credit facility. The subordinated credit facility is payable over a ten-year period beginning December 31, 2001. After EPDC paid its equity commitment in February 2001, an equity bridge facility of BPS35.8 million ($53.5 million) under the senior credit facility was repaid. All of the assets of DFLDC are pledged as collateral under the senior credit facility and the subordinated credit facility. DFLDC's ability to make distributions of dividends, loans, or advances to EPDC is restricted by, among other things, the requirement to pay permitted project costs, make debt repayments, and maintain cash reserves.

The Damhead Creek credit facility requires that the annual debt service coverage ratio be at least 1.05 to 1 for the previous 12 months at semi-annual dates commencing with June 30, 2002. Given the low electricity prices currently affecting the UK market, Damhead Creek may not meet the annual debt service coverage ratio test in respect of the 12 months to June 30, 2002, which could trigger an event of default. In the event the annual debt service coverage ratio is deficient at June 30, 2002, the power development business will seek a waiver of the default from the lenders. There is no requirement for EPDC to make capital contributions or provide credit support to Damhead Creek following the occurrence of an event of default.

In 2000, a subsidiary of DFLDC entered into 10-year interest rate swap agreements with an average fixed rate of 6.52% for approximately 99% of the debt outstanding under the bridge and senior term loan portion of the senior credit facility. At December 31, 2001, the interest rate swap agreements outstanding totalled a notional amount of BPS275.8 million ($396.8 million). The mark-to-market valuation of the interest rate swap agreements at December 31, 2001, was a net liability of BPS15.9 million ($22.9 million).

In November 2000, Entergy's domestic non-utility nuclear business purchased the FitzPatrick and Indian Point 3 power plants in a seller-

financed transaction. Entergy issued notes to NYPA with seven annual installments of approximately $108 million commencing one year from the date of the closing, and eight annual installments of $20 million commencing eight years from the date of the closing. These notes do not have a stated interest rate. In accordance with the purchase agreement with NYPA, the purchase of Indian Point 2 resulted in Entergy's domestic non-utility nuclear business becoming liable to NYPA for an additional $10 million per year for 10 years, beginning in September 2003. This liability was recorded upon the purchase of Indian Point 2 in September 2001.

NOTE 8. DIVIDEND RESTRICTIONS (Entergy Corporation, Entergy Arkansas,
Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, System Energy)

Provisions within the Articles of Incorporation or pertinent indentures and various other agreements relating to the long-term debt and preferred stock of certain of Entergy Corporation's subsidiaries restrict the payment of cash dividends or other distributions on their common and preferred stock. Additionally, PUHCA prohibits Entergy Corporation's subsidiaries from making loans or advances to Entergy Corporation. As of December 31, 2001, Entergy Arkansas and Entergy Mississippi had restricted retained earnings unavailable for distribution to Entergy Corporation of $253.3 million and $15.8 million, respectively. In 2001, Entergy Corporation received dividend payments totaling $440.3 million from subsidiaries.

NOTE 9. COMMITMENTS AND CONTINGENCIES

Capital Requirements and Financing (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

Entergy plans to spend approximately $4.3 billion on construction and other capital investments during 2002-2004. This estimate includes $2.8 billion in spending by the domestic utility companies and System Energy, $0.8 billion in spending by energy commodity services, and $0.7 billion in spending by the domestic non-utility nuclear business. This plan reflects capital required to support existing business and Board-approved acquisitions. The estimated capital expenditures are subject to periodic review and modification and may vary based on the ongoing effects of business restructuring, regulatory constraints, business opportunities, market volatility, economic trends, and the ability to access capital. Entergy's firm estimated construction and other capital expenditures by year for 2002-2004 are as follows:

	2002	2003	2004	Total
		(In Millions)		
Entergy Arkansas	$239	$200	$194	$633
Entergy Gulf States	317	265	277	859
Entergy Louisiana	218	197	198	613
Entergy Mississippi	153	131	131	415
Entergy New Orleans	51	49	49	149
System Energy	25	20	20	65
Other entities	728	490	356	1,574
Entergy	$1,731	$1,352	$1,225	$4,308

Additional capital investments are possible during these years, but they will be discretionary in nature and no commitments exist currently for additional spending.

The domestic utility companies and System Energy will focus their planned spending on projects that will support continued reliability improvements and customer growth.

Energy commodity services will focus its planned spending on merchant power plant projects currently under construction, including the

purchase of gas turbines scheduled for delivery in 2002 through 2004, under an option to purchase obtained from General Electric Company that is now held by an independent special purpose entity established to finance the turbine acquisition program. The estimate does not include potential acquisitions of assets that may be offered for sale by third parties or additional capital investment in Entergy- Koch, which is an unconsolidated equity investment. Entergy is scheduled to make a $73 million cash contribution to Entergy-Koch in January 2004.

The domestic non-utility nuclear business will focus its planned spending on routine construction projects and nuclear fuel acquisitions for the plants it owns, power uprates, and on the anticipated purchase in 2002 of the 510 MW Vermont Yankee nuclear power plant.

Entergy will also require $2.8 billion during the period 2002-2004 to meet long-term debt and preferred stock maturities and cash sinking fund requirements. Entergy plans to meet these requirements primarily with internally generated funds and cash on hand, supplemented by proceeds from the issuance of debt, outstanding credit facilities, and project financing. Certain domestic utility companies and System Energy may also continue the reacquisition or refinancing of all or a portion of certain outstanding series of preferred stock and long-term debt. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - LIQUIDITY AND CAPITAL RESOURCES" for additional discussion of Entergy's capital spending plans.

Sales Warranties and Indemnities

(Entergy Corporation)

In the Entergy London and CitiPower sales transactions, Entergy or its subsidiaries made certain warranties to the purchasers. These warranties include representations regarding litigation, accuracy of financial accounts, and the adequacy of existing tax provisions. Notice of a claim on the CitiPower warranties had to be given by December 2000, and Entergy's potential liability is limited to A$100 million ($51 million). Notice of a claim on the Entergy London warranties had to be given for certain items by December 1999, and for the tax warranties, had to be given by June 30, 2001. Entergy's liability is limited to BPS1.4 billion ($2.0 billion) on certain tax warranties and BPS140 million ($203 million) on the remaining warranties relating to the Entergy London sale.

For both of the sales, the notice period is extended if a taxing authority has begun a review before expiration of the notice period. Entergy received notice in June 2001 from both purchasers regarding issues that have not been resolved by the respective taxing authorities concerning reviews that commenced before the notice deadlines. Entergy responded to both purchasers and denies that valid claims by the purchasers have been made under the terms of the warranties. Management periodically reviews reserve levels for these warranties and as of December 31, 2001 believes it has adequately provided for the ultimate resolution of these matters.

Fuel Purchase Agreements

(Entergy Corporation)

Entergy's energy commodity services segment has entered into a gas supply contract at the project level to supply up to 100% of the gas requirements for the Damhead Creek power plant located in the UK. This contract, which expires in 2016, includes a take-or-pay obligation for approximately 75% of the gas requirement for this plant.

(Entergy Arkansas and Entergy Mississippi)

Entergy Arkansas has long-term contracts for the supply of low- sulfur coal for White Bluff and Independence (which is also 25% owned by Entergy Mississippi). These contracts, which expire in 2002 and 2011, respectively, provide for approximately 70% of Entergy Arkansas' expected annual coal requirements. Additional requirements are satisfied by spot market purchases.

(Entergy Gulf States)

Entergy Gulf States has a contract for a supply of low-sulfur coal for Nelson Unit 6, which should be sufficient to satisfy the fuel requirements at Nelson Unit 6 through 2010. Effective April 1, 2000, Louisiana Generating LLC assumed ownership of Cajun's interest in the Big Cajun generating facilities, in which Entergy Gulf States owns a 42% interest. The management of Louisiana Generating LLC has advised Entergy Gulf States that it has executed coal supply and transportation contracts that should provide an adequate supply of coal for the operation of Big Cajun 2, Unit 3 for the foreseeable future.

(Entergy Louisiana)

In June 1992, Entergy Louisiana agreed to a 20-year natural gas supply contract, in which Entergy Louisiana agreed to purchase natural gas in annual amounts equal to approximately one-third of its projected annual fuel requirements for certain generating units. Annual demand charges associated with this contract are estimated to be $7.6 million. Such charges aggregate $84 million for the years 2002 through 2012.

Power Purchase Agreements

(Entergy Louisiana)

Entergy Louisiana has an agreement extending through the year 2031 to purchase energy generated by a hydroelectric facility known as the Vidalia project. Entergy Louisiana made payments under the contract of approximately $86.0 million in 2001, $58.6 million in 2000, and $70.3 million in 1999. If the maximum percentage (94%) of the energy is made available to Entergy Louisiana, current production projections would require estimated payments of approximately $92.3 million in 2002, and a total of $3.3 billion for the years 2003 through 2031. Entergy Louisiana currently recovers the costs of the purchased energy through its fuel adjustment clause.

System Fuels (Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

The domestic utility companies that are owners of System Fuels have made loans to System Fuels to finance its fuel procurement, delivery, and storage activities. The following loans outstanding to System Fuels as of December 31, 2001 mature in 2008:

Owner	Ownership Percentage	Loan Outstanding at December 31, 2001
Entergy Arkansas	35%	$11.0 million
Entergy Louisiana	33%	$14.2 million
Entergy Mississippi	19%	$5.5 million
Entergy New Orleans	13%	$3.3 million

Nuclear Insurance (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

The Price-Anderson Act, which is scheduled for renewal in August 2002, limits public liability of a nuclear plant owner for a single nuclear incident to approximately $9.5 billion. Protection for this liability is provided through a combination of private insurance underwritten by American Nuclear Insurers (ANI) (currently $200 million for each reactor) and an industry assessment program. Effective January 1, 2002, liability arising out of terrorist acts will be covered by ANI subject to one industry aggregate limit of $200 million, with a conditional option for one shared industry aggregate limit reinstatement of $200 million. Under the assessment program, the maximum payment requirement for each nuclear incident would be $88.1 million per reactor, payable at a rate of $10 million per licensed reactor per incident per year. Entergy has nine licensed reactors. As a co-licensee of Grand Gulf 1 with System Energy, SMEPA would share in 10% of this obligation. In addition, each owner/licensee of Entergy's nine nuclear units participates in a private insurance program that provides coverage for worker tort claims filed for bodily injury caused by radiation exposure. The program provides for a maximum assessment of approximately $27.9 million for the nine nuclear units in the event that losses exceed accumulated reserve funds.

Entergy's nuclear owner/licensee subsidiaries are also members of certain insurance programs that provide coverage for property damage, including decontamination and premature decommissioning expense, to members' nuclear generating plants. These programs are underwritten by Nuclear Electric Insurance, Limited (NEIL). As of December 31, 2001, Entergy was insured against such losses up to $2.3 billion for each of its nuclear units, except for Pilgrim, which is insured for $1.115 billion in property damages. In addition, Entergy's nuclear owner/licensee subsidiaries are members of the NEIL insurance program that covers certain replacement power and business interruption costs incurred due to prolonged nuclear unit outages. Under the property damage and replacement power/business interruption insurance programs, these Entergy subsidiaries could be subject to assessments if losses exceed the accumulated funds available to the insurers. As of December 31, 2001, the maximum amounts of such possible assessments were: Entergy Arkansas - $24.9 million; Entergy Gulf States - $18.8 million; Entergy Louisiana - $21.1 million; Entergy Mississippi - $1.4 million; Entergy New Orleans - $0.7 million; System Energy - $16.1 million, and for Entergy's domestic non-utility nuclear business - $54.8 million.

Effective November 15, 2001, in the event that one or more acts of terrorism cause accidental property damage under one or more of all nuclear insurance policies issued by NEIL (including, but not limited to those described above) within 12 months from the date the first accidental property damage occurs, the maximum recovery under all such nuclear insurance policies shall be an aggregate of $3.24 billion plus the additional amounts recovered for such losses from reinsurance, indemnity, and any other source applicable to such losses.

Entergy maintains property insurance for each of its nuclear units in excess of the NRC's minimum requirement for nuclear power plant licensees of $1.06 billion per site. NRC regulations provide that the proceeds of this insurance must be used, first, to render the reactor safe and stable, and second, to complete decontamination operations. Only after proceeds are dedicated for such use and regulatory approval is secured would any remaining proceeds be made available for the benefit of plant owners or their creditors.

Spent Nuclear Fuel and Decommissioning Costs (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy)

Spent Nuclear Fuel

Entergy's nuclear owner/licensee subsidiaries provide for the estimated future disposal costs of spent nuclear fuel in accordance with the Nuclear Waste Policy Act of 1982. The affected Entergy companies entered into contracts with the DOE, whereby the DOE will furnish disposal service at a cost of one mill per net KWH generated and sold after April 7, 1983, plus a one-time fee for generation prior to that date. Entergy Arkansas is the only Entergy company that generated electric power with nuclear fuel prior to that date and has a recorded liability as of December 31, 2001 of $150 million for the one- time fee. The fees payable to the DOE may be adjusted in the future to assure full recovery. Entergy considers all costs incurred for the disposal of spent nuclear fuel, except accrued interest, to be proper components of nuclear fuel expense. Provisions to recover such costs have been or will be made in applications to regulatory authorities.

Entergy's domestic non-utility nuclear business has accepted assignment of the Pilgrim, FitzPatrick, Indian Point 3, and Indian Point 2 spent fuel disposal contracts with the DOE previously held by Boston Edison, NYPA, and Consolidated Edison. Boston Edison, NYPA, and Consolidated Edison have paid or retained liability for the fees for all generation prior to the purchase dates of those plants.

Delays have occurred in the DOE's program for the acceptance and disposal of spent nuclear fuel at a permanent repository. After twenty years of study, the DOE, in February 2002, formally recommended, and President Bush approved, Yucca Mountain, Nevada as the permanent spent fuel repository. The State of Nevada may veto the site subject to override by simple majority of both houses of Congress. If Yucca Mountain is sustained as the repository site, DOE will proceed with the licensing and eventual construction of the repository and may begin receipt of spent fuel as early as approximately 2010. Otherwise, DOE may not accept spent fuel for a significantly longer period of time. Considerable uncertainty exists regarding the time frame under which the DOE will begin to accept spent fuel from Entergy facilities for storage or disposal. As a result, future expenditures will be required to increase spent fuel storage capacity at Entergy's nuclear plant sites.

Pending DOE acceptance and disposal of spent nuclear fuel, the owners of nuclear plants are responsible for their own spent fuel storage. Current on-site spent fuel storage capacity at Grand Gulf 1 and River Bend is estimated to be sufficient until approximately 2005 and 2004, respectively, at which time dry cask storage facilities will be placed into service. The spent fuel pool at Waterford 3 was recently expanded through the replacement of the existing storage racks with higher density storage racks. This expansion should provide sufficient storage for Waterford 3 until after 2010. An ANO storage facility using dry casks began operation in 1996 and has been expanded since and will be further expanded as needed. The spent fuel storage facility at Pilgrim is licensed to provide enough storage capacity until approximately 2012. FitzPatrick has sufficient spent fuel storage capacity through 2002, and additional dry cask storage capacity is being constructed that will provide sufficient storage capacity through 2004 and will be expanded as needed. Indian Point 2 and Indian Point 3 currently have sufficient spent fuel storage capacity until approximately 2004 and 2010, respectively.

Nuclear Decommissioning Costs

Total approved decommissioning costs for rate recovery purposes as of December 31, 2001, for Entergy Arkansas', Entergy Gulf States', Entergy Louisiana's, and System Energy's nuclear power plants, excluding SMEPA's share of Grand Gulf 1, are as follows:

Estimated	Total Approved Decommissioning Costs (In Millions)
ANO 1 and ANO 2 (based on a 1998 cost study reflecting 1997 dollars)	$813.1
River Bend - Louisiana (based on a 1996 cost study reflecting 1996 dollars)	419.0
River Bend - Texas (based on a 1996 cost study reflecting 1996 dollars)	385.2
Waterford 3 (based on a 1994 updated study in 1993 dollars)	320.1
Grand Gulf 1 (based on a 1994 cost study using 1993 dollars)	341.1
	$2,278.5

Entergy records decommissioning liabilities for these plants as the estimated decommissioning costs are collected from customers or as

earnings on the trust funds are realized. The decommissioning liabilities recorded are discussed below.

Entergy periodically reviews and updates estimated decommissioning costs. Although Entergy is presently under-recovering for Grand Gulf 1, Waterford 3, and River Bend based on more recent estimates, applications have been and will continue to be made to the appropriate regulatory authorities to reflect projected decommissioning costs in rates. Decommissioning costs recovered in rates are deposited in trust funds and reported at market value based upon market quotes or as determined by widely used pricing services. These trust fund assets largely offset the accumulated decommissioning liability that is recorded as accumulated depreciation for Entergy Arkansas, Entergy Gulf States, and Entergy Louisiana, and are recorded as deferred credits for System Energy and Entergy's domestic non-utility nuclear business. The liability associated with the trust funds received from Cajun with the transfer of Cajun's 30% share of River Bend is also recorded as a deferred credit by Entergy Gulf States. The actual decommissioning costs may vary from the estimates because of regulatory requirements, changes in technology, and increased costs of labor, materials, and equipment.

In June 2001, Entergy Arkansas received notification from the NRC of approval for a renewed operating license authorizing operations at ANO 1 through May 2034. In November 2001, the APSC ordered Entergy Arkansas to reflect 20-year license extensions in its determination of the ANO 1 and ANO 2 decommissioning revenue requirements for rates to be effective January 1, 2002. Entergy Arkansas will not recover decommissioning costs in 2002 for ANO 1 and 2 based on the extension of the ANO 1 license and the assumption that the ANO 2 license will be extended and that the existing decommissioning trust funds, together with their expected future earnings, will meet the estimated decommissioning costs.

Entergy Louisiana prepared a decommissioning cost update for Waterford 3 in 1999 and produced a revised decommissioning cost update of $481.5 million. This cost update was filed with the LPSC in the third quarter of 2000.

In the Texas retail jurisdiction in a case filed with the PUCT in March 2000, Entergy Gulf States included River Bend decommissioning costs of $481.5 million based on a 1999 cost update amount of $525.8 million. PUCT substantive rules for rate requests for decommissioning limit the allowance for contingencies to ten percent, although the actual estimate employs greater contingency amounts. In LPSC rate reviews filed in May 1999 and 2000, Entergy Gulf States included decommissioning costs based on a 1998 update of $562.7 million and a 1999 update of $525.8 million, respectively. The decommissioning liability for the 30 percent share of River Bend formerly owned by Cajun was funded by a transfer of $132 million to the River Bend Decommissioning Trust at the completion of Cajun's bankruptcy proceedings.

System Energy included updated decommissioning costs (based on the updated 1994 study) in its 1995 rate increase filing with FERC. Rates requested in this proceeding were placed into effect in December 1995, subject to refund. In July 2000, FERC issued an order approving a lower decommissioning cost than what was requested by System Energy. System Energy filed a motion for rehearing, which was granted, and FERC affirmed its previous decision. System Energy adjusted its collection to the FERC-approved level of $341 million in the third quarter of 2001. A 1999 decommissioning cost update of $540.8 million for Grand Gulf has not yet been filed with FERC.

As part of the Pilgrim purchase, Boston Edison funded a $471.3 million decommissioning trust fund, which was transferred to Entergy. After a favorable tax determination regarding the trust fund, Entergy returned $43 million of the trust fund to Boston Edison. Entergy believes that Pilgrim's decommissioning fund will be adequate to cover future decommissioning costs for the Pilgrim plant without any additional deposits to the trust.

As part of the Indian Point 1 and 2 purchase, Consolidated Edison transferred a $430 million decommissioning trust fund, along with the liability to decommission Indian Point 1 and Indian Point 2, to Entergy. Entergy also funded an additional $25 million resulting in a total fund of $455 million. Entergy believes that Indian Point 1 and 2's decommissioning trust fund will be adequate to cover future decommissioning costs for these plants without any additional deposits to the trust.

For the Indian Point 3 and FitzPatrick plants purchased in 2000, NYPA retained the decommissioning trusts and the decommissioning liability. NYPA and Entergy executed decommissioning agreements, which specify their decommissioning obligations. NYPA has the right to require Entergy to assume the decommissioning liability provided that it assigns the corresponding decommissioning trust, up to a specified level, to Entergy. If the decommissioning liability is retained by NYPA, Entergy will perform the decommissioning of the plants at a price equal to the lesser of a pre-specified level or the amount in the decommissioning trusts. Entergy believes that the amounts available to it under either scenario are sufficient to cover the future decommissioning costs without any additional contributions to the trusts.

The cumulative liabilities and decommissioning expenses recorded in 2001 by Entergy were as follows:

Cumulative 2001 Cumulative Liabilities as of 2001 Trust Decommissioning Liabilities as

	December 31, 2000	Earnings	Expenses	of December 31, 2001
		(In Millions)		
ANO 1 and ANO 2	$283.3	$9.5	$-	$292.8
River Bend	215.5	5.1	6.2	226.8
Waterford 3	97.9	3.2	10.4	111.5
Grand Gulf 1	153.0	5.1	(23.8) (a)	134.3
Pilgrim	454.0	- (b)	20.1	474.1
Indian Point 1 & 2	430.0 (c)	- (b)	5.3	435.3
	$1,633.7	$22.9	$18.2	$1,674.8

(a) Totals for Grand Gulf 1 include the effect of the FERC-ordered refund.
(b) Trust earnings on the decommissioning trust funds for Pilgrim and Indian Point 1 & 2 are recorded as income and do not increase the decommissioning liability.
(c) Added in third quarter of 2001, when the units were acquired.

In 2000 and 1999, ANO's decommissioning expense was $3.8 million and $10.7 million, respectively; River Bend's decommissioning expense was $6.2 million and $7.6 million, respectively; Waterford 3's decommissioning expense was $10.4 and $8.8 million, respectively; Grand Gulf 1's decommissioning expense was $18.9 million in both years; and Pilgrim's decommissioning expense was $19.2 and $6.8 million, respectively.

The EPAct contains a provision that assesses domestic nuclear utilities with fees for the decontamination and decommissioning of the DOE's past uranium enrichment operations. Annual assessments (in 2001 dollars), which will be adjusted annually for inflation, are for 15 years and are approximately $4.1 million for Entergy Arkansas, $1.0 million for Entergy Gulf States, $1.6 million for Entergy Louisiana, and $1.5 million for System Energy. At December 31, 2001, five years of assessments were remaining. DOE fees are included in other current liabilities and other non-current liabilities and, as of December 31, 2001, recorded liabilities were $20.5 million for Entergy Arkansas, $3.6 million for Entergy Gulf States, $7.8 million for Entergy Louisiana, and $7.7 million for System Energy. Regulatory assets in the financial statements offset these liabilities. FERC requires that utilities treat these assessments as costs of fuel as they are amortized and recover these costs through rates in the same manner as other fuel costs.

Environmental Issues

(Entergy Arkansas)

Entergy Arkansas has received notices from the EPA and the Arkansas Department of Environmental Quality alleging that Entergy Arkansas, along with others, may be a PRP for clean-up costs associated with a site in Arkansas. As of December 31, 2001, Entergy Arkansas does not expect the remaining clean-up costs to exceed its recorded liability of approximately $5 million.

(Entergy Gulf States)

Entergy Gulf States has been designated as a PRP for the cleanup of certain hazardous waste disposal sites. Entergy Gulf States is currently negotiating with the EPA and state authorities regarding the cleanup of these sites. As of December 31, 2001, Entergy Gulf States does not expect the remaining clean-up costs to exceed its recorded liability of $15.1 million for the remaining sites at which the EPA has designated Entergy Gulf States as a PRP.

(Entergy Louisiana and Entergy New Orleans)

During 1993, the LDEQ issued new rules for solid waste regulation, including regulation of wastewater impoundments. Entergy Louisiana and Entergy New Orleans have determined that certain of their power plant wastewater impoundments were affected by these regulations and have chosen to upgrade or close them. As a result, a remaining recorded liability in the amount of $5.8 million for Entergy Louisiana and $0.5 million for Entergy New Orleans existed at December 31, 2001 for wastewater upgrades and closures. Completion of this work is pending LDEQ approval. Entergy Louisiana and Entergy New Orleans do not expect the remaining costs for work at these sites to exceed the recorded provisions.

City Franchise Ordinances (Entergy New Orleans)

Entergy New Orleans provides electric and gas service in the City of New Orleans pursuant to franchise ordinances. These ordinances contain a continuing option for the city to purchase Entergy New Orleans' electric and gas utility properties. A resolution to study the advantages for ratepayers that might result from an acquisition of these properties was filed in a committee of the Council in January 2001. The committee has deferred consideration of and has taken no further action regarding that resolution. The full Council must approve the resolution to commence such a study before it can become effective.

Waterford 3 Lease Obligations (Entergy Louisiana)

On September 28, 1989, Entergy Louisiana entered into three identical transactions for the sale and leaseback of undivided interests (aggregating approximately 9.3%) in Waterford 3. In July 1997, Entergy Louisiana caused the lessors to issue $307.6 million aggregate principal amount of Waterford 3 Secured Lease Obligation Bonds, 8.76% Series due 2017, to refinance the outstanding bonds originally issued to finance the purchase of the undivided interests by the lessors. The lease payments were reduced to reflect the lower interest costs. Upon the occurrence of certain events, Entergy Louisiana may be obligated to pay amounts sufficient to permit the termination of the lease transactions and may be required to assume the outstanding bonds issued to finance, in part, the lessors' acquisition of the undivided interests in Waterford 3.

Off Balance Sheet Turbine Financing Arrangement (Entergy Corporation)

EWO obtained contracts in October 1999 to acquire 36 turbines from General Electric. Entergy's rights and obligations under the contracts for 22 of the turbines were sold to a third party in May 2001. Entergy has certain rights to reacquire the turbines from the third party, whether pursuant to an interim lease commencing when a turbine is ready for shipment or pursuant to certain purchase rights. If Entergy does not take title to the turbines prior to certain specified dates, the third party has certain rights to sell the turbines and Entergy may be held liable for specific defined shortfalls, if any. Entergy's maximum projected exposure under this arrangement is approximately $250 million. This exposure, however, does not take into account Entergy's ongoing efforts to develop sites for the turbines.

Employment Litigation (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and Entergy New Orleans)

Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and Entergy New Orleans are defendants in numerous lawsuits filed by former employees asserting that they were wrongfully terminated and/or discriminated against on the basis of age, race, and/or sex. Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and Entergy New Orleans are vigorously defending these suits and deny any liability to the plaintiffs. Nevertheless, no assurance can be given as to the outcome of these cases.

Asbestos and Hazardous Material Litigation (Entergy Gulf States, Entergy Louisiana, Entergy New Orleans)

Numerous lawsuits have been filed in federal and state courts in Texas and Louisiana primarily by contractor employees in the 1950-1980 timeframe against Entergy Gulf States, Entergy Louisiana, and Entergy New Orleans, as premises owners of power plants, for damages caused by alleged exposure to asbestos or other hazardous material. Many other defendants are named in these lawsuits as well. Since 1992, the Entergy companies have resolved over 3 thousand claims for nominal amounts that in the aggregate total less than $13 million, including defense costs. Some of this loss has been offset by reimbursement from insurers. Presently there are over 3 thousand claims pending and reserves have been established that should be adequate to cover any exposure. Additionally, negotiations continue with insurers to recover more reimbursement, while new coverage is being secured to minimize anticipated future potential exposures. Management believes that loss exposure has been and will continue to be handled successfully so that the ultimate resolution of these matters will not be material, in the aggregate, to its financial position or results of operation.

Grand Gulf 1-Related Agreements

Capital Funds Agreement (Entergy Corporation and System Energy)

Entergy Corporation has agreed to supply System Energy with sufficient capital to (i) maintain System Energy's equity capital at an amount equal to a minimum of 35% of its total capitalization (excluding short-term debt), and (ii) permit the continued commercial operation of Grand Gulf 1 and pay in full all indebtedness for borrowed money of System Energy when due. In addition, under supplements to the Capital Funds Agreement assigning System Energy's rights as security for specific debt of System Energy, Entergy Corporation has agreed to make cash capital contributions to enable System Energy to make payments on such debt when due.

System Energy has entered into agreements with Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans whereby they are obligated to purchase their respective entitlements of capacity and energy from System Energy's 90% interest in Grand Gulf 1, and to make payments that, together with other available funds, are adequate to cover System Energy's operating expenses. System Energy would have to secure funds from other sources, including Entergy Corporation's obligations under the Capital Funds Agreement, to cover any shortfalls from payments received from Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans under these agreements.

Unit Power Sales Agreement (Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

System Energy has agreed to sell all of its 90% share of capacity and energy from Grand Gulf 1 to Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans in accordance with specified percentages (Entergy Arkansas-36%, Entergy Louisiana-14%, Entergy Mississippi-33%, and Entergy New Orleans-17%) as ordered by FERC. Charges under this agreement are paid in consideration for the purchasing companies' respective entitlement to receive capacity and energy and are payable irrespective of the quantity of energy delivered so long as the unit remains in commercial operation. The agreement will remain in effect until terminated by the parties and the termination is approved by FERC, most likely upon Grand Gulf 1's retirement from service. Monthly obligations for payments under the agreement are approximately $20 million for Entergy Arkansas, $7 million for Entergy Louisiana, $20 million for Entergy Mississippi, and $9 million for Entergy New Orleans.

Availability Agreement (Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans are individually obligated to make payments or subordinated advances to System Energy in accordance with stated percentages (Entergy Arkansas-17.1%, Entergy Louisiana-26.9%, Entergy Mississippi-31.3%, and Entergy New Orleans-24.7%) in amounts that, when added to amounts received under the Unit Power Sales Agreement or otherwise, are adequate to cover all of System Energy's operating expenses as defined, including an amount sufficient to amortize the cost of Grand Gulf 2 over 27 years. (See Reallocation Agreement terms below.) System Energy has assigned its rights to payments and advances to certain creditors as security for certain obligations. Since commercial operation of Grand Gulf 1, payments under the Unit Power Sales Agreement have exceeded the amounts payable under the Availability Agreement. Accordingly, no payments under the Availability Agreement have ever been required. If Entergy Arkansas or Entergy Mississippi fails to make its Unit Power Sales Agreement payments, and System Energy is unable to obtain funds from other sources, Entergy Louisiana and Entergy New Orleans could become subject to claims or demands by System Energy or its creditors for payments or advances under the Availability Agreement (or the assignments thereof) equal to the difference between their required Unit Power Sales Agreement payments and their required Availability Agreement payments.

Reallocation Agreement (Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

System Energy, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans entered into the Reallocation Agreement relating to the sale of capacity and energy from Grand Gulf and the related costs, in which Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans agreed to assume all of Entergy Arkansas' responsibilities and obligations with respect to Grand Gulf under the Availability Agreement. FERC's decision allocating a portion of Grand Gulf 1 capacity and energy to Entergy Arkansas supersedes the Reallocation Agreement as it relates to Grand Gulf 1. Responsibility for any Grand Gulf 2 amortization amounts has been individually allocated (Entergy Louisiana-26.23%, Entergy Mississippi-43.97%, and Entergy New Orleans-29.80%) under the terms of the Reallocation Agreement. However, the Reallocation Agreement does not affect Entergy Arkansas' obligation to System Energy's lenders under the assignments referred to in the preceding paragraph. Entergy Arkansas would be liable for its share of such amounts if Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans were unable to meet their contractual obligations. No payments of any amortization amounts will be required so long as amounts paid to System Energy under the Unit Power Sales Agreement, including other funds available to System Energy, exceed amounts required under the Availability Agreement, which is expected to be the case for the foreseeable future.

Reimbursement Agreement (System Energy)

In December 1988, System Energy entered into two separate, but identical, arrangements for the sale and leaseback of an approximate aggregate 11.5% ownership interest in Grand Gulf 1. In connection with the equity funding of the sale and leaseback arrangements, letters of credit are required to be maintained to secure certain amounts payable for the benefit of the equity investors by System Energy under the leases. The current letters of credit are effective until March 20, 2003.

Under the provisions of a bank letter of credit reimbursement agreement, System Energy has agreed to a number of covenants relating to the maintenance of certain capitalization and fixed charge coverage ratios. System Energy agreed, during the term of the reimbursement agreement, to maintain its equity at not less than 33% of its adjusted capitalization (defined in the reimbursement agreement to include certain amounts not included in capitalization for financial statement purposes). In addition, System Energy must maintain, with respect to each fiscal quarter during the term of the reimbursement agreement, a ratio of adjusted net income to interest expense (calculated, in each case, as specified in the reimbursement agreement) of at least 1.60 times earnings. As of December 31, 2001, System Energy's equity approximated 46.35% of its adjusted capitalization, and its fixed charge coverage ratio for 2001 was 2.17.

Litigation (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans)

In addition to those discussed above, Entergy and the domestic utility companies are involved in a number of legal proceedings and claims in the ordinary course of their business. While management is unable to predict the outcome of such litigation, it is not expected that the ultimate resolution of these matters will have a material adverse effect on results of operations, cash flows, or financial condition of these entities.

NOTE 10. LEASES

General

As of December 31, 2001, Entergy had capital leases and non- cancelable operating leases for equipment, buildings, vehicles, and fuel storage facilities (excluding nuclear fuel leases and the sale and leaseback transactions) with minimum lease payments as follows:

Capital Leases

Year	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana
		(In Thousands)		
2002	$18,695	$9,646	$9,000	
2003	18,695	9,646	9,000	
2004	18,695	9,646	9,000	
2005	9,660	9,611	-	
2006	5,724	5,683	-	
Years thereafter	7,997	7,986	-	
Minimum lease payments	79,466	52,218	27,000	
Less: Amount representing interest	20,197	16,075	4,082	
Present value of net minimum lease payments	$59,269	$36,143	$22,918	

Operating Leases

Year	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana
		(In Thousands)		
2002	$89,517	$25,411	$19,671	$13,209
2003	74,521	15,820	18,545	12,062
2004	67,880	14,808	17,517	10,555
2005	53,970	12,607	15,356	7,139
2006	43,964	9,607	14,118	4,192
Years thereafter	65,435	6,318	11,256	2,145
Minimum lease payments	$395,287	$84,571	$96,463	$49,302

Rental expense for Entergy's leases (excluding nuclear fuel leases and the Grand Gulf 1 and Waterford 3 sale and leaseback transactions) amounted to $65.1 million, $53.3 million, and $65.2 million, in 2001, 2000, and 1999, respectively. These amounts include $21.1 million, $18.9 million, and $23.9 million for Entergy Arkansas; $22.0 million, $18.9 million, and $19.2 million for Entergy Gulf States; and $11.7 million, $7.9 million, and $13.1 million for Entergy Louisiana. In addition to the above rental expense, railcar operating lease payments, which

are recorded in fuel expense, were $12.2 million in 2001, $12.5 million in 2000, and $12.6 million in 1999 for Entergy Arkansas and $2.8 million in 2001 and 2000 and $4.1 million in 1999 for Entergy Gulf States. The railcar lease payments are recorded as fuel expense in accordance with regulatory treatment.

Nuclear Fuel Leases (Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy)

As of December 31, 2001, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy each had arrangements to lease nuclear fuel in an aggregate amount up to $135 million, $90 million, $90 million, and $95 million, respectively. As of December 31, 2001, the unrecovered cost base of Entergy Arkansas', Entergy Gulf States', Entergy Louisiana's, and System Energy's nuclear fuel leases amounted to approximately $65.6 million, $67.7 million, $70.3 million, and $61.9 million, respectively. The lessors finance the acquisition and ownership of nuclear fuel through loans made under revolving credit agreements, the issuance of commercial paper, and the issuance of intermediate-term notes. The credit agreements for Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy have termination dates of November 2003, November 2003, December 2004, and November 2003, respectively. Such termination dates may be extended from time to time with the consent of the lenders. The intermediate- term notes issued pursuant to these fuel lease arrangements have varying maturities through March 15, 2005. It is expected that additional financing under the leases will be arranged as needed to acquire additional fuel, to pay interest, and to pay maturing debt. However, if such additional financing cannot be arranged, the lessee in each case must repurchase sufficient nuclear fuel to allow the lessor to meet its obligations.

Lease payments are based on nuclear fuel use. The table below represents the total nuclear fuel lease payments (principal and interest) as well as the separate interest component charged to operations by the domestic utility companies and System Energy in 2001, 2000, and 1999:

	2001		2000		1999	
	Lease Payments	Interest	Lease Payments	Interest	Lease Payments	Interest
	(In Millions)					
Entergy Arkansas	$54.1	$5.7	$42.7	$5.5	$48.6	$5.6
Entergy Gulf States	31.5	4.1	54.3	6.1	31.4	1.8
Entergy Louisiana	37.2	3.8	30.5	3.1	29.7	3.7
System Energy	26.5	3.6	31.2	5.2	28.1	3.4
Total	$149.3	$17.2	$158.7	$19.9	$137.8	$14.5

Sale and Leaseback Transactions

Waterford 3 Lease Obligations (Entergy Louisiana)

In 1989, Entergy Louisiana sold and leased back 9.3% of its interest in Waterford 3 for the aggregate sum of $353.6 million. The lease has an approximate term of 28 years. The lessors financed the sale-leaseback through the issuance of Waterford 3 Secured Lease Obligation Bonds. The lease payments made by Entergy Louisiana are sufficient to service the debt.

In 1994, Entergy Louisiana did not exercise its option to repurchase the 9.3% interest in Waterford 3. As a result, Entergy Louisiana issued $208.2 million of non-interest bearing first mortgage bonds as collateral for the equity portion of certain amounts payable under the lease.

In 1997, the lessors refinanced the outstanding bonds used to finance the purchase of Waterford 3 at lower interest rates, which reduced the annual lease payments.

Upon the occurrence of certain events, Entergy Louisiana may be obligated to assume the outstanding bonds used to finance the purchase of the unit and to pay an amount sufficient to withdraw from the lease transaction. Such events include lease events of default, events of loss, deemed loss events, or certain adverse "Financial Events." "Financial Events" include, among other things, failure by Entergy Louisiana, following the expiration of any applicable grace or cure period, to maintain (i) total equity capital (including preferred stock) at least equal to 30% of adjusted capitalization, or (ii) a fixed charge coverage ratio of at least 1.50 computed on a rolling 12 month basis.

As of December 31, 2001, Entergy Louisiana's total equity capital (including preferred stock) was 48.37% of adjusted capitalization and its fixed charge coverage ratio for 2001 was 2.75.

As of December 31, 2001, Entergy Louisiana had future minimum lease payments (reflecting an overall implicit rate of 7.45%) in connection with the Waterford 3 sale and leaseback transactions, which are recorded as long-term debt, as follows (in thousands):

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2002
$39,246
2003
59,709
2004
31,739
2005
14,554
2006
18,261
Years thereafter
407,874

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Total
571,383
Less: Amount representing interest
257,465

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Present value of net minimum lease payments
$313,918

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Grand Gulf 1 Lease Obligations (System Energy)

In December 1988, System Energy sold 11.5% of its undivided ownership interest in Grand Gulf 1 for the aggregate sum of $500 million. Subsequently, System Energy leased back its interest in the unit for a term of 26-1/2 years. System Energy has the option of terminating the lease and repurchasing the 11.5% interest in the unit at certain intervals during the lease. Furthermore, at the end of the lease term, System Energy has the option of renewing the lease or repurchasing the 11.5% interest in Grand Gulf 1.

System Energy is required to report the sale-leaseback as a financing transaction in its financial statements. For financial reporting purposes, System Energy expenses the interest portion of the lease obligation and the plant depreciation. However, operating revenues include the recovery of the lease payments because the transactions are accounted for as a sale and leaseback for ratemaking purposes. Until 2004, the total of interest and depreciation expense exceeds the corresponding revenues realized. Consistent with a recommendation contained in a FERC audit report, System Energy recorded as a net deferred asset the difference between the recovery of the lease payments and the amounts expensed for interest and depreciation and is recording this difference as a deferred asset or liability on an ongoing basis. The amount of this net deferred asset was $88.7 million and $100.8 million as of December 31, 2001 and 2000, respectively.

As of December 31, 2001, System Energy had future minimum lease payments (reflecting an implicit rate of 7.02%), which are recorded as long-term debt as follows (in thousands):

2002
$53,827
2003
48,524
2004
36,133
2005
52,253
2006
52,253
Years thereafter
470,276

Total
713,266
Less: Amount representing interest
267,532

Present value of net minimum lease payments
$445,734

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NOTE 11. RETIREMENT AND OTHER POSTRETIREMENT BENEFITS (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

Pension Plans

Entergy has five postretirement benefit plans, "Entergy Corporation Retirement Plan for Non-Bargaining Employees," "Entergy Corporation Retirement Plan for Bargaining Employees," "Entergy Corporation Retirement Plan II for Non-Bargaining Employees," "Entergy Corporation Retirement Plan II for Bargaining Employees," and "Entergy Corporation Retirement Plan III" covering substantially all of its domestic employees. Except for the Entergy Corporation Retirement Plan III, the pension plans are noncontributory and provide pension benefits that are based on employees' credited service and compensation during the final years before retirement. The Entergy Corporation Retirement Plan III includes a mandatory employee contribution of 3% of earnings during the first 10 years of plan participation, and allows voluntary contributions from 1% to 10% of earnings for a limited group of employees. Entergy Corporation and its subsidiaries fund pension costs in accordance with contribution guidelines established by the Employee Retirement Income Security Act of 1974, as amended, and the Internal Revenue Code of 1986, as amended. The assets of the plans include common and preferred stocks, fixed-income securities, interest in a money market fund, and insurance contracts.

Total 2001, 2000, and 1999 pension cost of Entergy Corporation and its subsidiaries, including amounts capitalized, included the following components (in thousands):

2001	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Service cost - benefits earned during the period	$49,166	$9,207	$6,645	$5,358	$2,659	$1,280	$2,423
Interest cost on projected benefit obligation	118,448	30,746	26,292	19,114	10,602	3,643	3,366
Expected return on assets	(157,889)	(41,308)	(44,511)	(31,089)	(16,547)	(2,712)	(3,865)
Amortization of transition asset	(7,142)	(2,336)	-	(2,792)	(1,250)	-	(319)
Amortization of prior service cost	5,735	1,697	1,896	759	694	262	59
Recognized net (gain)/loss	(6,573)	(2,228)	(7,266)	(2,398)	(1,406)	172	(52)
Net pension cost (income)	$1,745	($4,222)	($16,944)	($11,048)	($5,248)	$2,645	$1,612

2000	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Service cost - benefits earned during the period	$37,130	$8,125	$6,051	$4,710	$2,314	$1,138	$2,140
Interest cost on projected benefit obligation	108,782	31,128	25,135	18,287	11,268	3,591	2,430
Expected return on assets	(145,717)	(38,571)	(41,322)	(28,588)	(15,341)	(2,710)	(3,014)
Amortization of transition asset	(9,740)	(2,336)	(2,387)	(2,823)	(1,250)	(180)	(319)
Amortization of prior service cost	12,953	1,701	1,896	805	669	262	59
Recognized net (gain)/loss	(8,576)	(200)	(7,204)	(1,849)	(292)	247	(96)
Net pension cost (income)	($5,168)	($153)	($17,831)	($9,458)	($2,632)	$2,348	$1,200

1999	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Service cost - benefits earned during the period	$39,327	$8,723	$6,531	$4,948	$2,278	$997	$2,334
Interest cost on projected benefit obligation	104,591	29,457	24,757	17,950	10,810	3,296	3,017
Expected return on assets	(130,535)	(34,784)	(37,170)	(25,629)	(13,815)	(2,601)	(3,738)
Amortization of transition asset	(9,740)	(2,336)	(2,387)	(2,808)	(1,250)	(195)	(482)
Amortization of prior service cost	11,362	1,227	1,434	558	480	165	64
Net pension cost (income)	$15,005	$2,287	($6,835)	($4,981)	($1,497)	$1,662	$1,195

The funded status of Entergy's various pension plans as of December 31, 2001 and 2000 was (in thousands):

2001	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Change in Projected Benefit Obligation (PBO)							
Balance at 12/31/00	$1,602,673	$441,108	$352,815	$259,365	$158,166	$51,491	$36,895
Service cost	49,166	9,207	6,645	5,358	2,659	1,280	2,423
Interest cost	118,448	30,746	26,292	19,114	10,602	3,643	3,366
Amendment	212	(48)	-	-	260	-	-
Actuarial (gain)/loss	16,369	(18,323)	10,753	6,911	(11,759)	(1,880)	8,002
Benefits paid	(88,476)	(25,137)	(25,598)	(18,296)	(10,120)	(2,140)	(122)
Acquisition	22,100	-	-	-	-	-	-
Balance at 12/31/01	$1,720,492	$437,553	$370,907	$272,452	$149,808	$52,394	$50,564
Change in Plan Assets							
Fair value of assets at 12/31/00	$1,843,115	$484,060	$522,257	$362,427	$193,788	$31,707	$36,915
Actual return on plan assets	(80,335)	(15,056)	(28,201)	(20,566)	(9,052)	2,243	3,756
Employer contributions	10,532	-	-	-	-	-	-
Employee contributions	2,000	-	-	-	-	-	-
Benefits paid	(88,476)	(25,137)	(25,598)	(18,296)	(10,120)	(2,140)	(122)
Fair value of assets at 12/31/01	$1,686,836	$443,867	$468,458	$323,565	$174,616	$31,810	$40,549
Funded status	($33,656)	$6,314	$97,551	$51,113	$24,808	($20,584)	($10,015)
Unrecognized transition asset	(3,202)	-	-	-	(222)	-	(1,262)
Unrecognized prior service cost	40,330	13,299	11,516	5,813	4,334	1,979	364
Unrecognized net (gain)/loss	(70,934)	(37,662)	(101,785)	(27,798)	(19,620)	7,819	1,205
Prepaid/(accrued) pension cost	($67,462)	($18,049)	$7,282	$29,128	$9,300	($10,786)	($9,708)

2000	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Change in Projected Benefit Obligation (PBO)							
Balance at 12/31/99	$1,499,601	$424,554	$348,217	$256,949	$153,262	$46,042	$43,262
Service cost	37,130	8,125	6,051	4,710	2,314	1,138	2,140
Interest cost	108,782	31,128	25,135	18,287	11,268	3,591	2,430
Amendment	18,376	5,321	5,166	3,139	2,129	1,220	11
Actuarial (gain)/loss	(32,916)	(3,455)	(6,134)	(7,077)	(901)	1,739	(10,810)
Benefits paid	(85,185)	(24,565)	(25,620)	(16,643)	(9,906)	(2,239)	(138)
Acquisitions	56,884	-	-	-	-	-	-
Balance at 12/31/00	$1,602,672	$441,108	$352,815	$259,365	$158,166	$51,491	$36,895
Change in Plan Assets							
Fair value of assets at 12/31/99	$1,965,178	$518,262	$563,597	$389,755	$207,475	$31,370	$56,442
Actual return on plan assets	(40,047)	(9,637)	(15,720)	(10,685)	(3,781)	2,576	(19,389)
Employer contributions	3,083	-	-	-	-	-	-
Employee contributions	86	-	-	-	-	-	-
Benefits paid	(85,185)	(24,565)	(25,620)	(16,643)	(9,906)	(2,239)	(138)
Fair value of assets at 12/31/00	$1,843,115	$484,060	$522,257	$362,427	$193,788	$31,707	$36,915
Funded status	$240,443	$42,952	$169,442	$103,062	$35,622	($19,784)	$20
Unrecognized transition asset	(10,094)	(2,336)	-	(2,792)	(1,250)	-	(1,262)
Unrecognized prior service cost	44,223	14,822	13,050	6,572	4,915	2,241	364
Unrecognized net (gain)/loss	(328,642)	(77,710)	(192,154)	(88,761)	(35,234)	9,402	(7,219)
Prepaid/(accrued) pension cost	($54,070)	($22,272)	($9,662)	$18,081	$4,053	($8,141)	($8,097)

Other Postretirement Benefits

Entergy also provides health care and life insurance benefits for retired employees. Substantially all domestic employees may become eligible for these benefits if they reach retirement age while still working for Entergy.

Effective January 1, 1993, Entergy adopted SFAS 106, which required a change from a cash method to an accrual method of accounting for postretirement benefits other than pensions. At January 1, 1993, the actuarially determined accumulated postretirement benefit obligation (APBO) earned by retirees and active employees was estimated to be approximately $241.4 million for Entergy (other than Entergy Gulf States) and $128 million for Entergy Gulf States. Such obligations are being amortized over a 20-year period that began in 1993.

Entergy Arkansas, the portion of Entergy Gulf States regulated by the PUCT, Entergy Mississippi, and Entergy New Orleans have received regulatory approval to recover SFAS 106 costs through rates. Entergy Arkansas began recovery in 1998, pursuant to an APSC order. This order also allowed Entergy Arkansas to amortize a regulatory asset (representing the difference between SFAS 106 costs and cash expenditures for other postretirement benefits incurred for a five-year period that began January 1, 1993) over a 15-year period that began in January 1998.

The LPSC ordered the portion of Entergy Gulf States regulated by the LPSC and Entergy Louisiana to continue the use of the pay-as-you-go method for ratemaking purposes for postretirement benefits other than pensions. However, the LPSC retains the flexibility to examine individual companies' accounting for postretirement benefits to determine if special exceptions to this order are warranted.

Pursuant to regulatory directives, Entergy Arkansas, Entergy Mississippi, Entergy New Orleans, the portion of Entergy Gulf States regulated by the PUCT, and System Energy fund postretirement benefit obligations collected in rates. System Energy is funding on behalf of Entergy Operations postretirement benefits associated with Grand Gulf
1. Entergy Louisiana and Entergy Gulf States continue to recover a portion of these benefits regulated by the LPSC and FERC on a pay-as-you-go basis. The assets of the various postretirement benefit plans other than pensions include common stocks, fixed-income securities, and a money market fund.

Total 2001, 2000, and 1999 postretirement benefit costs of Entergy Corporation and its subsidiaries, including amounts capitalized and deferred, included the following components (in thousands):

2001	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Service cost - benefits earned during the period	$24,225	$4,969	$3,606	$2,707	$1,302	$739	$1,094
Interest cost on APBO	38,811	8,551	8,911	5,527	2,816	3,158	907
Expected return on assets	(12,578)	(3,218)	(4,104)	-	(1,933)	(1,832)	(959)
Amortization of transition obligation	17,874	3,954	5,803	2,971	1,502	2,678	220
Amortization of prior service cost	992	245	278	141	87	89	24
Recognized net (gain)/loss	(1,506)	173	(1,028)	45	-	(180)	-
Net postretirement benefit cost	$67,818	$14,674	$13,466	$11,391	$3,774	$4,652	$1,286

2000	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Service cost - benefits earned during the period	$18,252	$4,395	$3,147	$2,405	$1,236	$667	$998
Interest cost on APBO	34,022	7,945	8,346	5,073	2,714	3,012	788
Expected return on assets	(10,566)	(2,196)	(3,682)	-	(1,696)	(1,661)	(811)
Amortization of transition obligation	17,874	3,954	5,803	2,971	1,502	2,678	220
Amortization of prior service cost	520	123	161	71	44	45	12
Recognized net (gain)	(3,070)	-	(1,803)	(30)	-	(561)	(8)
Net postretirement benefit cost	$57,032	$14,221	$11,972	$10,490	$3,800	$4,180	$1,199

1999	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Service cost - benefits earned during the period	$16,950	$3,952	$3,227	$2,140	$1,009	$512	$982
Interest cost on APBO	29,467	6,596	8,206	4,234	2,167	2,699	631
Expected return on assets	(8,208)	(1,309)	(2,980)	-	(1,634)	(1,425)	(522)
Amortization of transition obligation	17,874	3,954	5,803	2,971	1,502	2,678	222
Amortization of prior service cost	44	-	44	-	-	-	-
Recognized net (gain)	(1,452)	-	(393)	(227)	(69)	(616)	(8)
Net postretirement benefit cost	$54,675	$13,193	$13,907	$9,118	$2,975	$3,848	$1,305

The funded status of Entergy's postretirement plans as of December 31, 2001 and 2000 was (in thousands):

2001	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Change in APBO							
Balance at 12/31/00	$507,756	$114,667	$118,824	$72,721	$38,994	$42,133	$11,990
Service cost	24,225	4,969	3,606	2,707	1,302	739	1,094
Interest cost	38,811	8,551	8,911	5,527	2,816	3,158	907
Actuarial loss	44,289	8,573	9,203	7,182	1,680	4,406	1,536
Benefits paid	(37,403)	(8,825)	(9,293)	(6,438)	(2,996)	(4,452)	(524)
Acquisitions	13,053	-	-	-	-		
Balance at 12/31/01	$590,731	$127,935	$131,251	$81,699	$41,796	$45,984	$15,003
Change in Plan Assets							
Fair value of assets at 12/31/00	$143,038	$32,843	$44,408	$ -	$21,657	$26,217	$11,655
Actual return on plan assets	663	160	222	-	43	327	(163)
Employer contributions	51,892	16,155	13,106	6,438	4,151	5,668	1,583
Benefits paid	(37,403)	(8,825)	(9,293)	(6,438)	(2,996)	(4,452)	(524)
Fair value of assets at 12/31/01	$158,190	$40,333	$48,443	$ -	$22,855	$27,760	$12,551
Funded status	($432,541)	($87,602)	($82,808)	($81,699)	($18,941)	($18,224)	($2,452)
Unrecognized transition obligation	126,196	43,482	63,838	32,691	16,521	29,471	2,453
Unrecognized prior service cost	4,514	1,103	1,302	636	393	402	103
Unrecognized net (gain)/loss	70,208	19,391	(10,198)	3,670	5,787	(2,250)	640
Prepaid/(accrued) postretirement benefit asset/(liability)	($231,623)	($23,626)	($27,866)	($44,702)	$3,760	$9,399	$744

2000	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Change in APBO							
Balance at 12/31/99	$429,772	$95,656	$118,295	$61,156	$31,133	$38,363	$9,546
Service cost	18,252	4,395	3,147	2,405	1,236	667	998
Interest cost	34,022	7,945	8,346	5,073	2,714	3,012	788
Amendment	5,691	1,471	1,406	848	524	536	139
Actuarial (gain)/loss	34,759	13,486	(3,845)	8,551	6,060	3,891	1,104
Benefits paid	(33,238)	(8,286)	(8,525)	(5,312)	(2,673)	(4,336)	(585)
Acquisitions	18,498	-	-	-	-	-	-
Balance at 12/31/00	$507,756	$114,667	$118,824	$72,721	$38,994	$42,133	$11,990
Change in Plan Assets							
Fair value of assets at 12/31/99	$120,208	$22,205	$39,045	$ -	$19,614	$23,716	$9,549
Actual return on plan assets	3,719	808	1,448	-	422	584	288
Employer contributions	52,339	18,116	12,440	5,312	4,294	6,253	2,403
Benefits paid	(33,238)	(8,286)	(8,525)	(5,312)	(2,673)	(4,336)	(585)
Acquisitions	10	-	-	-	-	-	-
Fair value of assets at 12/31/00	$143,038	$32,843	$44,408	$ -	$21,657	$26,217	$11,655
Funded status	($364,718)	($81,824)	($74,416)	($72,721)	($17,337)	($15,916)	($335)
Unrecognized transition obligation	137,669	47,436	69,641	35,662	18,023	32,149	2,673
Unrecognized prior service cost	5,506	1,348	1,580	777	480	491	127
Unrecognized net (gain)/loss	18,900	7,933	(24,311)	(3,467)	2,217	(8,341)	(2,018)
Prepaid/(accrued) postretirement benefit asset/(liability)	($202,643)	($25,107)	($27,506)	($39,749)	$3,383	$8,383	$447

The assumed health care cost trend rate used in measuring the APBO of Entergy was 8% for 2002, gradually decreasing each successive year until it reaches 5% in 2009 and beyond. A one percentage-point change in the assumed health care cost trend rate for 2001 would have the following effects (in thousands):

2001	1 Percentage Point Increase		1 Percentage Point Decrease	
	Increase in the APBO	Increase in the sum of service cost and interest cost	Decrease in the APBO	Decrease in the sum of service cost and interest cost
Entergy	$61,321	$8,651	$51,408	$7,077
Entergy Arkansas	$12,480	$1,767	$10,509	$1,451
Entergy Gulf States	$12,975	$1,624	$10,951	$1,337
Entergy Louisiana	$7,512	$1,014	$6,356	$839
Entergy Mississippi	$3,834	$494	$3,240	$408
Entergy New Orleans	$3,383	$376	$2,914	$315
System Energy	$1,938	$328	$1,599	$265

The significant actuarial assumptions used in determining the pension PBO and the SFAS 106 APBO for 2001, 2000, and 1999 were as follows:

	2001	2000	1999
Weighted-average discount rate	7.50%	7.50%	7.50%
Weighted-average rate of increase in future compensation levels	4.60%	4.60%	4.60%
Expected long-term rate of return on plan assets:			
Taxable assets	5.50%	5.50%	5.50%
Non-taxable assets	9.00%	9.00%	9.00%

Entergy's remaining pension transition assets are being amortized over the greater of the remaining service period of active participants or 15 years and its SFAS 106 transition obligations are being amortized over 20 years.

NOTE 12. BUSINESS SEGMENT INFORMATION (Entergy Corporation and Entergy New Orleans)

Entergy's reportable segments as of December 31, 2001 are domestic utility, domestic non-utility nuclear, and energy commodity services. Domestic utility provides retail electric service in portions of Arkansas, Louisiana, Mississippi, and Texas, and provides natural gas utility service in portions of Louisiana. Entergy's domestic non- utility nuclear segment is focused on acquiring, owning, operating, and selling power from nuclear power plants and providing operations and management services to nuclear power plants owned by other utilities in the United States. Energy commodity services includes the: 1) Entergy- Koch joint venture, engaged in the marketing of wholesale electricity, gas, other generating fuels, electric capacity, and financial instruments, and also transports and stores natural gas; and 2) Entergy Wholesale Operations, focused on acquiring or developing power generation projects in North America and Europe. Entergy's operating segments are strategic business units managed separately due to their different operating and regulatory environments. Entergy's chief operating decision maker is its Office of the Chief Executive, which consists of its highest-ranking officers.

During the third quarter of 2001, Entergy began integration of Entergy-Koch and Entergy Wholesale Operations into the energy commodity services segment. Prior to the third quarter of 2001, Entergy-Koch and Entergy Wholesale Operations were reported as separate segments. Prior to the first quarter of 2001, Entergy reported its power marketing and trading segment separately. On January 31, 2001, Entergy contributed substantially all of its power marketing and trading business to Entergy-Koch, which is now a part of the energy commodity services segment. Results from Entergy-Koch are reported as equity in earnings of unconsolidated equity affiliates in the financial statements. See Note 13 to the

financial statements for further discussion of the investment in Entergy-Koch, L.P. The segment financial information for 1999 and 2000 has been restated to conform with the 2001 presentation.

"All other" includes the parent company, Entergy Corporation, and other business activity, which is principally gains or losses on the sales of businesses and the earnings on the proceeds of those sales.

Entergy's segment financial information is as follows (in thousands):

	Domestic Utility	Domestic Non-Utility Nuclear*	Energy Commodity Services*	All Other*	Eliminations	Consolidated
2001						
Operating revenues	$7,432,920	$789,244	$1,370,485	$34,603	($6,353)	$9,620,899
Deprec, amort. & decomm.	667,333	17,706	34,667	4,516	-	724,222
Amort. of rate deferrals	16,583	-	-	-	-	16,583
Interest income	79,702	54,053	23,169	37,235	(34,354)	159,805
Equity in earnings of unconsolidated equity affiliates	-	-	180,956	-	-	180,956
Interest charges	576,705	81,114	74,953	41,558	(34,353)	739,977
Income taxes	300,284	80,053	74,493	863	-	455,693
Cumulative effect of accounting change	-	-	23,482	-	-	23,482
Net income (loss)	574,554	127,880	105,939	(57,866)	-	750,507
Total assets	20,309,695	3,449,156	2,377,733	863,906	(1,090,179)	25,910,311
Investment in affiliates - at equity	214	-	765,889	-	-	766,103
Cash paid for long-lived asset additions	1,110,484	705,216	199,387	21,550	-	2,036,637

	Domestic Utility	Domestic Non-Utility Nuclear*	Energy Commodity Services*	All Other*	Eliminations	Consolidated
2000						
Operating revenues	$7,401,598	$298,147	$2,353,792	$32,450	($63,858)	$10,022,129
Deprec, amort. & decomm.	770,144	1,191	10,996	3,278	-	785,609
Amort. of rate deferrals	30,392	-	-	-	-	30,392
Interest income	57,795	29,534	5,838	78,390	(8,507)	163,050
Equity in earnings of unconsolidated equity affiliates	-	-	13,715	-	-	13,715
Interest charges	515,156	33,213	(3,725)	22,103	(9,317)	557,430
Income taxes	435,667	31,492	24,689	(12,927)	-	478,921
Net income	618,263	49,158	54,908	(11,414)	-	710,915
Total assets	20,567,433	2,227,177	2,590,678	620,104	(553,496)	25,451,896
Investment in affiliates - at equity	214	-	136,273	-	-	136,487
Cash paid for long-lived asset additions	1,080,055	63,593	390,298	9,771	-	1,543,717

	Domestic Utility	Domestic Non-Utility Nuclear*	Energy Commodity Services*	All Other*	Eliminations	Consolidated
1999						
Operating revenues	$6,414,623	$109,699	$2,292,158	($17,030)	($33,815)	$8,765,635
Deprec, amort. & decomm.	732,182	131	6,934	5,622	-	744,869
Amort. of rate deferrals	115,627	-	-	-	-	115,627
Interest income	49,556	8,673	15,459	73,453	(3,540)	143,601
Equity in earnings of unconsolidated equity affiliates	-	-	7,593	-	-	7,593
Interest charges	536,543	7,527	9,392	5,679	(3,540)	555,601
Income taxes	351,448	10,525	(28,998)	23,692	-	356,667
Net income (loss)	553,525	15,705	(39,940)	65,736	-	595,026
Total assets	18,941,603	573,330	1,832,316	1,816,532	(193,841)	22,969,940
Investment in affiliates - at equity	214	-	117,164	-	-	117,378
Cash paid for long-lived asset additions	761,356	92,625	420,024	2,709	-	1,276,714

Businesses marked with * are referred to as the "competitive businesses," with the exception of the parent company, Entergy Corporation, which is also included in the "All Other" column. Eliminations are primarily intersegment activity.

Products and Services

In addition to retail electric service, Entergy New Orleans supplies natural gas services in the City of New Orleans. Revenue from these two services is separately reported in Entergy New Orleans' Income Statements.

Geographic Areas

For the year ended December 31, 2001, Entergy derived approximately 6% of its revenue from outside of the United States. For the years ended 2000 and 1999, Entergy derived less than 1% of its operating revenue from outside of the United States.

Long-lived assets as of December 31 were as follows (in thousands):

	2001	2000	1999
Domestic	$16,842,158	$15,425,915	$14,751,166
Foreign	421,870	1,019,831	749,590
Consolidated	$17,264,028	$16,445,746	$15,500,756

NOTE 13. EQUITY METHOD INVESTMENTS (Entergy Corporation)

In January 2001, subsidiaries of Entergy and Koch Industries, Inc. formed a limited partnership, Entergy-Koch, L.P. Entergy-Koch engages in the gathering, transmission, and storage of natural gas in the Gulf Coast region of the United States through its Gulf South Pipeline subsidiary. Entergy-Koch engages in physical and financial natural gas and power trading, and weather derivatives trading, in the United States, the United Kingdom, Western Europe, and Canada through its Entergy-Koch Trading subsidiaries. In the formation of the partnership, Entergy contributed most of the assets and trading contracts of its power marketing and trading business and $414 million of cash. Koch Industries contributed its 8,800-mile Koch Gateway Pipeline (which has been renamed the Gulf South Pipeline), gas storage facilities including the 65.8 BCF Bistineau storage facility located near Shreveport, Louisiana, and Koch Energy Trading, which marketed and traded electricity, gas, weather derivatives, and other energy-related commodities and services.

Entergy and Koch have equal ownership interests in Entergy-Koch, L.P., which is governed by an eight-member board of directors. Each partner appointed four members of the board. Although the ownership interests are equal, the partnership agreement allocates Entergy-Koch's profits differently through 2003 based upon the source of the earnings. Losses and distributions from operations are allocated to the partners equally. These significantly disproportionate profit allocations were favorable to Entergy in the aggregate in 2001. In 2004, a revaluation of Entergy-Koch's assets for capital account purposes will occur, and future profit allocations will change after the revaluation. The profit allocations other than for weather trading and international trading are expected to become equal, unless special allocations are necessary to equalize the partners' capital accounts. Earnings allocated under the terms of the partnership agreement constitute equity, not subject to reallocation, for the partners.

Entergy also owns investments in the following companies that it accounts for under the equity method of accounting: Generandes Peru S.A. (in which Entergy owns 34% of the voting power), a privatized generation company that provides a significant portion of electricity for Lima, Peru; Compania Electrica San Isidro S.A. (in which Entergy owns 25% of the voting power), a power plant that provides power to the Chilean market with a portion under contract and the remainder on a merchant basis; RS Cogen LLC (in which Entergy holds a 50% member interest), a co-generation project that will provide power on an industrial and merchant basis in the Lake Charles, Louisiana area; EntergyShaw LLC (in which Entergy holds a 50% member interest), a company which provides management, engineering, procurement, construction, and commissioning services for electric power plants; and Crete Energy Ventures, LLC (in which Entergy holds a 50% member interest), a merchant power plant under construction in Crete, Illinois. Following is a reconciliation of Entergy's investments in equity affiliates (in thousands):

	2001	2000	1999
Beginning of year	$136,487	$117,378	$139,064
Additional investments	471,102	25,943	296
Equity in net income	180,956	13,715	7,593
Dividends received	(21,191)	(20,468)	(9,389)
Currency translation adjustments	138	(891)	(20,186)
Dispositions and other adjustments	(1,389)	810	-
End of year	$766,103	$136,487	$117,378

The following is a summary of combined financial information reported by Entergy's equity method investees (in thousands):

	2001	2000	1999
Income Statement Items			
Operating revenues	$693,400	$200,026	$188,617
Operating income	309,752	90,694	82,336
Net income	226,039	74,042	49,473
Balance Sheet Items			
Current assets	$2,969,132	$82,044	
Noncurrent assets	3,309,752	1,554,022	
Current liabilities	2,729,769	163,063	
Noncurrent liabilities	1,491,957	489,544	

Related-party transactions

During 2001, Entergy procured various services from Entergy-Koch consisting primarily of pipeline transportation services for natural gas and risk management services for electricity and natural gas. The total cost of such services in 2001 was approximately $7.8 million. Entergy's operating transactions with its other equity method investees were not material in 2001, 2000, or 1999.

EntergyShaw is currently constructing two projects for Entergy or its affiliates, the Crete and Harrison County projects. Entergy has guaranteed the obligations of EntergyShaw to construct the Harrison County plant, and Entergy's maximum liability on the guarantee is $232.5 million.

NOTE 14. ACQUISITIONS AND DISPOSITIONS (Entergy Corporation)

Asset Acquisitions

Indian Point 2

In September 2001, Entergy's domestic non-utility nuclear business acquired the 970 MW Indian Point 2 nuclear power plant located in Westchester County, New York from Consolidated Edison. Entergy paid approximately $600 million in cash at the closing of the purchase and received the plant, nuclear fuel, materials and supplies, a purchase power agreement (PPA), and assumed certain liabilities. On the second anniversary of the Indian Point 2 acquisition, Entergy's nuclear business will also begin to pay NYPA $10 million per year for up to 10 years in accordance with the Indian Point 3 purchase agreement. Under the PPA, Consolidated Edison will purchase 100% of Indian Point 2's output for an average price of $39/MWh through 2004. Consolidated Edison transferred a $430 million decommissioning trust fund, along with the liability to decommission Indian Point 2 and Indian Point 1, to Entergy. Entergy acquired Indian Point 1 in the transaction, a plant that has been shut down and in safe storage since the 1970s.

The acquisition was accounted for using the purchase method. The results of operations of Indian Point 2 subsequent to the purchase date have been included in Entergy's consolidated results of operations. The Indian Point 2 purchase price has been preliminarily allocated to the assets

acquired and liabilities assumed based on their estimated fair values on the purchase date. The allocation was based on preliminary information and amounts recorded may change, primarily as a result of additional expected information on the fair value of the plant facility.

Indian Point 3 and FitzPatrick

In November 2000, Entergy's domestic non-utility nuclear business acquired from NYPA the 825 MW James A. FitzPatrick nuclear power plant near Oswego, New York, and the 980 MW Indian Point 3 nuclear power plant located in Westchester County, New York, in exchange for $50 million at closing and notes to NYPA with payments totaling $906 million. Entergy will also be required to make certain additional payments to NYPA in the event that the plants' license lives are extended.

The acquisition encompassed the nuclear plants, materials and supplies, and nuclear fuel, as well as the assumption of $124 million in liabilities. The purchase agreement provides that NYPA will purchase a substantial majority of the output of the units at specified prices through 2004. The purchase agreement also provides that NYPA will retain the decommissioning obligations and related trust funds through the original license expiration date (approximately 2015). At that time, NYPA is required either to transfer the decommissioning liability to Entergy along with a specified amount in the decommissioning trust funds, or to retain Entergy to perform decommissioning services for a specified price that may be limited by the amount in the trust. In the purchase price allocation, Entergy recorded an asset representing its estimate of the net present value of the decommissioning contract obtained in the acquisition, based on an independent decommissioning cost study and other projections. The asset increases by monthly accretion based on the discount rate used to determine the original net present value. Entergy records the monthly accretion as interest income.

The acquisition was accounted for using the purchase method. The results of operations of Indian Point 3 and FitzPatrick subsequent to November 21, 2000 have been included in Entergy's consolidated statements of income. The purchase price has been allocated to the acquired assets, including identifiable intangible assets, and liabilities assumed based on their estimated fair values on the purchase date. Intangible assets are being amortized straight-line over the remaining lives of the plants.

Pilgrim Nuclear Station

In July 1999, Entergy's domestic non-utility nuclear business acquired the 670 MW Pilgrim Nuclear Station located in Plymouth, Massachusetts, from Boston Edison. The acquisition included the plant, real estate, materials and supplies, and nuclear fuel, for a total purchase price of $81 million. As part of the Pilgrim purchase, Boston Edison funded a $471 million decommissioning trust fund, which was transferred to an Entergy subsidiary. Based on a favorable tax determination regarding the trust fund, Entergy returned $43 million of the trust fund to Boston Edison.

Asset Dispositions

In August 2001, Entergy's EWO business sold the Saltend plant to Calpine Corporation for a cash payment of approximately $800 million. Entergy's gain on the sale was approximately $88.1 million ($57.2 million after tax). The results of operations of the Saltend plant are included in Entergy's consolidated statements of income through the date of sale. The gain arising from the sale is included in operating revenues in that statement. EWO actively manages its assets as an investment portfolio, and attempts to maximize flexibility to respond to different market environments. Active management of the portfolio is expected to result in: the commercial operation of projects by EWO; the sale of projects at various stages in their planning, development, or operation; or the abandonment of projects. In the sales transaction, Entergy or its subsidiaries made certain warranties to the purchasers relating primarily to the performance of certain remedial work on the facility and the assumption of responsibility for certain contingent liabilities. The warranties are backed by an Entergy Corporation guarantee, and Entergy believes that it has provided adequate reserves for the warranties as of December 31, 2001.

In January 1999, Entergy disposed of its security monitoring subsidiary, Entergy Security, Inc. at a minimal gain. Several telecommunication businesses were sold in June 1999, also at small gains. The results of operations of these businesses are included in Entergy's consolidated statements of income through their respective dates of sale. Gains and losses arising from these sales are included in "Other Income, Gain (loss) on sale of assets - net" in that statement.

NOTE 15. RISK MANAGEMENT AND FAIR VALUES (Entergy Corporation)

Market and Commodity Risks

In the normal course of business, Entergy is exposed to a number of market and commodity risks. Market risk is the potential loss that Entergy may incur as a result of changes in the market or fair value of a particular instrument or commodity. All financial and commodity-related instruments, including derivatives, are subject to market risk. Entergy is subject to a number of commodity and market risks, including:

Type of risk	Primary Affected Segments
Power price risk	All reportable segments
Fuel price risk	All reportable segments
Interest rate risk - variable rate debt	Energy Commodity Services
Foreign currency exchange rate risk	All reportable segments
Equity price and interest rate risk - Domestic investments	Domestic Utility, Non-utility Nuclear

Entergy manages these risks through both contractual arrangements and derivatives. Contractual risk management tools include long-term power and fuel purchase agreements, capacity contracts, and tolling agreements. Entergy also uses a variety of commodity and financial derivatives, including natural gas and electricity futures, forwards and options, foreign currency forwards, and interest rate swaps as a part of its overall risk management strategy. Additionally, certain fuel supply contracts with volumetric optionality are required to be classified as derivatives under interpretations of SFAS 133. Except for the energy trading activities conducted by the energy commodity services segment, Entergy enters into derivatives only to manage natural risks inherent in its physical or financial assets or liabilities.

Entergy's exposure to market risk is determined by a number of factors, including the size, term, composition, and diversification of positions held, as well as market volatility and liquidity. For instruments such as options, the time period during which the option may be exercised and the relationship between the current market price of the underlying instrument and the option's contractual strike or exercise price also affects the level of market risk. A significant factor influencing the overall level of market risk to which Entergy is exposed is its use of hedging techniques to mitigate such risk. Entergy manages market risk by actively monitoring compliance with stated risk management policies as well as monitoring the effectiveness of its hedging policies and strategies. Entergy's risk management policies limit the amount of total net exposure and rolling net exposure during the stated periods. These policies, including related risk limits, are regularly assessed to ensure their appropriateness given Entergy's objectives.

Hedging Derivatives

Entergy classifies substantially all of the following types of derivative instruments as cash flow hedges:

Instrument	Business Segment
Interest rate swaps	Energy Commodity Services
Natural gas and electricity futures and forwards	Energy Commodity Services
Foreign currency forwards	Domestic Utility, Domestic Non-utility Nuclear

The scheduled maturity of futures, forwards, and swaps that are classified as cash flow hedges will result in the reclassification into earnings during 2002 of approximately $5.2 million of net losses that are recorded in accumulated other comprehensive income at December 31, 2001. During 2001, net losses on cash flow hedges of approximately $22.2 million were reclassified into earnings. The maximum length of time over which Entergy is currently hedging the variability in future cash flows for forecasted transactions (excluding interest rate swaps) at December 31, 2001 is approximately 25 months. The ineffective portion of the change in the value of Entergy's cash flow hedges during 2001 was insignificant.

Other Derivatives

Entergy also holds derivative instruments such as natural gas and electricity options and forwards that are not accounted for as hedges. These instruments are entered into to optimize asset values or limit risks. Additionally, fuel supply contracts that are required to be classified as derivatives under SFAS 133 are not accounted for as hedges. These contracts are entered into in order to secure long term supplies of fuel for certain of Entergy's independent power generation plants.

Fair Values

Commodity Instruments

Fair value estimates of energy commodity services' commodity instruments are made at discrete points in time based on relevant market information. Market quotes are used in determining fair value whenever they are available. When market quotes are not available (e.g. in the case of a long-dated commodity contract), other information is used, including transactional data and internally developed models. Fair value estimates based on these other methodologies are necessarily subjective in nature and involve uncertainties and matters of significant judgment. Therefore, actual results may differ from these estimates. At December 31, 2001 and 2000, the fair values of energy commodity services' energy-related commodity contracts accounted for on a mark-to-market basis were as follows:

	2001		2000	
	Assets	Liabilities	Assets	Liabilities
	(In Thousands)			
Consolidated subsidiaries	$59,996	$18,882	$623,190	$563,447
Equity method investees (1)	$2,088,953	$1,982,196	-	-

(1) As required by equity method accounting principles, only Entergy's net investment in these investees is reflected in its balance sheet, and these assets and liabilities are not reflected in Entergy's balance sheet. See Note 13 to the financial statements for more information on Entergy's equity method investees.

Following are the cumulative periods in which the net mark-to-market assets would be realized in cash if they are held to maturity and market prices are unchanged:

	2002	2003	2004-2005
Consolidated subsidiaries	55%	98%	100%
Equity method investees	10%	83%	100%

Financial Instruments

The estimated fair value of Entergy's financial instruments is determined using bid prices reported by dealer markets and by nationally recognized investment banking firms. The estimated fair value of derivative financial instruments is based on market quotes of the applicable interest rates. Considerable judgment is required in developing the estimates of fair value. Therefore, estimates are not necessarily indicative of the amounts that Entergy could realize in a current market exchange. In addition, gains or losses realized on financial instruments held by regulated businesses may be reflected in future rates and therefore do not accrue to the benefit or detriment of stockholders.

Entergy considers the carrying amounts of most of its financial instruments classified as current assets and liabilities to be a reasonable estimate of their fair value because of the short maturity of these instruments. Additional information regarding financial instruments and their fair values is included in Notes 5, 6, and 7 to the financial statements.

NOTE 16. TRANSACTIONS WITH AFFILIATES (Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

Each domestic utility company purchases electricity from and sells electricity to the other domestic utility companies, System Energy, and Entergy Power (in the case of Entergy Arkansas) under rate schedules filed with FERC. In addition, the domestic utility companies and System Energy purchase fuel from System Fuels; receive management, technical, advisory, operating, and administrative services from Entergy Services; and receive management, technical, and operating services from Entergy Operations. Pursuant to SEC rules under PUHCA, these transactions are on an "at cost" basis, and are eliminated in the consolidated financial statements of Entergy.

As described in Note 1 to the financial statements, all of System Energy's operating revenues consist of billings to Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans.

The tables below contain the various affiliate transactions among the domestic utility companies and System Energy (in millions).

Intercompany Revenues

	Entergy	Entergy	Entergy	Entergy	Entergy System
	Arkansas	Gulf States	Louisiana	Mississippi	New Orleans	Energy
2001	$250.2	$75.2	$26.1	$118.3	$10.0	$535.0
2000	$255.3	$93.7	$20.8	$88.1	$31.6	$656.7
1999	$189.2	$38.4	$27.3	$68.3	$14.2	$620.0

Intercompany Operating Expenses

	Entergy	Entergy	Entergy	Entergy	Entergy	Entergy System
	Arkansas	Gulf States	Louisiana	Mississippi	New Orleans	Energy (1)
2001	$262.9	$274.8	$298.1	$535.2	$231.7	$9.5
2000	$387.9	$239.4	$388.5	$388.2	$177.0	$10.1
1999	$357.5	$223.9	$294.3	$315.6	$182.5	$9.8

(1) Includes $3.5 million in 2001, $47.3 million in 2000, and $15.8 million in 1999 for power purchased from Entergy Power.

Operating Expenses Paid or Reimbursed to Entergy Operations

	Entergy	Entergy	Entergy	Entergy System
	Arkansas	Gulf States	Louisiana	Energy
2001	$141.4	$102.7	$104.6	$75.8
2000	$163.0	$116.0	$113.2	$92.6
1999	$179.2	$110.9	$113.8	$91.3

NOTE 17. QUARTERLY FINANCIAL DATA (UNAUDITED) (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

The business of the domestic utility companies and System Energy is subject to seasonal fluctuations with the peak periods occurring during the third quarter. Operating results for the four quarters of 2001 and 2000 were:

Operating Revenue

	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
			(In Thousands)				
2001:							
First Quarter	$2,652,427	$393,800	$734,476	$548,914	$256,158	$204,015	$151,166
Second Quarter	2,507,430	453,108	730,893	547,784	274,148	160,309	152,902
Third Quarter	2,575,736	541,556	714,488	473,342	354,518	167,137	66,276
Fourth Quarter	1,885,306	388,312	468,703	331,873	208,917	99,389	164,683
2000:							
First Quarter	$1,804,661	$346,877	$483,231	$346,820	$182,775	$119,742	$157,089
Second Quarter	2,153,487	447,823	586,386	448,067	215,606	136,651	159,389
Third Quarter	3,429,651	548,156	817,152	722,175	297,966	200,861	169,114
Fourth Quarter	2,634,330	419,779	624,471	545,375	241,024	183,036	171,157

Operating Income (Loss)

	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
			(In Thousands)				
2001:							
First Quarter	$360,967	$71,647	$126,182	$39,267	$14,524	$4,218	$60,594
Second Quarter	481,704	104,118	111,562	88,913	31,647	9,373	61,281
Third Quarter	606,503	163,538	118,201	192,528	34,302	2,653	83,906
Fourth Quarter	124,168	40,387	41,247	3,922	9,839	(9,194)	64,673
2000:							
First Quarter	$279,773	$76,759	$50,435	$46,513	$13,214	$6,372	$74,440
Second Quarter	449,237	82,931	125,033	102,587	28,784	15,087	66,895
Third Quarter	591,933	93,917	190,136	178,889	36,295	32,136	67,580
Fourth Quarter	188,119	56,413	47,685	44,371	15,470	(14,209)	61,830

Net Income (Loss)

	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
			(In Thousands)				
2001:							
First Quarter	$160,871	$28,978	$59,046	$6,859	$4,535	$474	$20,798
Second Quarter	245,583	47,038	51,382	37,034	15,673	3,369	21,202
Third Quarter	317,454	82,401	52,353	101,515	18,748	(308)	37,793
Fourth Quarter	26,599(a)	19,768	16,663	(12,858)	664	(5,730)	36,562
2000:							
First Quarter	$108,410	$35,314	$10,757	$11,191	$4,295	$1,817	$25,786
Second Quarter	245,773	38,978	60,815	46,687	13,503	7,217	21,786
Third Quarter	306,689	43,922	97,325	94,167	17,611	17,593	23,709
Fourth Quarter	50,043	18,833	11,446	10,634	3,564	(10,109)	22,464

(a) Net income before cumulative effect of accounting change for the fourth quarter of 2001 was $3,117.

Earnings per Average Common Share (Entergy Corporation)

	2001		2000	
	Basic	Diluted	Basic	Diluted
First Quarter	$0.70	$0.69	$0.42	$0.42
Second Quarter	$1.08	$1.06	$1.04	$1.04
Third Quarter	$1.41	$1.39	$1.35	$1.34

Fourth Quarter $0.10 (b) $0.09 (b) $0.19 $0.17

(b) Basic and diluted earnings per average common share before the cumulative effect of accounting change for the fourth quarter of 2001 was ($0.01).

Item 9. Changes In and Disagreements With Accountants On Accounting and Financial Disclosure.

On the recommendation of the Audit Committee of the Board, the Executive Committee of the Board (acting between board meetings) has appointed Deloitte & Touche as independent accountants for Entergy Corporation, effective August 13, 2001. The Boards of Directors of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy also appointed Deloitte & Touche as independent accountants for each of those corporations effective August 13, 2001. Entergy's former independent accountants, PricewaterhouseCoopers, were dismissed effective August 13, 2001. The reports issued by PricewaterhouseCoopers on Entergy's financial statements for either of the two most recent fiscal years did not contain any adverse opinion or a disclaimer of opinion, or any qualification or modification as to uncertainty, audit scope or accounting principles. During Entergy's two most recent fiscal years and through August 13, 2001, there were no disagreements with PricewaterhouseCoopers on a matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which, if not resolved to the satisfaction of PricewaterhouseCoopers, would have caused PricewaterhouseCoopers to make reference to the subject matter of the disagreement in connection with its reports.

Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy initially reported the change in accountants on Form 8-K on August 13, 2001. The Form 8-K contained a letter from PricewaterhouseCoopers to the Securities and Exchange Commission stating that it agreed with the statements concerning their firm made therein.

PART III

Item 10. Directors and Executive Officers of the Registrants (Entergy
Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

All officers and directors listed below held the specified positions with their respective companies as of the date of filing this report.

Name	Age	Position	Period
ENTERGY ARKANSAS, INC.			
Directors			
Hugh T. McDonald	43	President and Chief Executive Officer of Entergy Arkansas	2000-Present
		Director of Entergy Arkansas	2000-Present
		Senior Vice President, Retail of Entergy Services, Inc.	1999-2000
		Director, Regulatory Affairs - TX of Entergy Gulf States	1995-1999
Donald C. Hintz		See information under the Entergy Corporation Officers Section in Part I.	
Richard J. Smith		See information under the Entergy Corporation Officers Section in Part I.	
C. John Wilder		See information under the Entergy Corporation Officers Section in Part I.	
Officers			
William E. Madison	55	Senior Vice President - Human Resources and Administration of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans	2001-Present
		Senior Vice President & Chief Human Resources Officer, Avis Group Holdings, Inc. - Garden City, New York	2000-2001
		President, US Region and Vice President, Global Human Resource Strategy, E.I. DuPont de Nemours, Wilmington, Delaware	1997-2000
John Thomas Kennedy	42	Vice President - State Governmental Affairs of Entergy Arkansas	2000-Present
		Attorney at Law, Russellville, Arkansas	1985-2000
Frank F. Gallaher		See information under the Entergy Corporation Officers Section in Part I.	
Joseph T. Henderson		See information under the Entergy Corporation Officers Section in Part I.	
Nathan E. Langston		See information under the Entergy Corporation Officers Section in Part I.	
Hugh T. McDonald		See information under the Entergy Arkansas Directors Section above.	
Steven C. McNeal		See information under the Entergy Corporation Officers Section in Part I.	
Richard J. Smith		See information under the Entergy Corporation Officers Section in Part I.	
Michael G. Thompson		See information under the Entergy Corporation Officers Section in Part I.	
C. John Wilder		See information under the Entergy Corporation Officers Section in Part I.	
ENTERGY GULF STATES, INC.			
Directors			
E. Renae Conley	44	Director of Entergy Gulf States and Entergy Louisiana	2000-Present
		President and Chief Executive Officer - LA of Entergy Gulf States and Entergy Louisiana	2000-Present
		Vice President, Investor Relations of Entergy Services	1999-2000
		Cincinnati Gas & Electric, (a subsidiary of Cinergy Corp.)	1998-1999
		Chief Executive Officer of Cadence LLC (a subsidiary of Cinergy Corp.)	1997-1998
		Vice President of Sales of Cinergy Corp.	1996-1997

Each director and officer of the applicable Entergy company is elected yearly to serve by the unanimous consent of the sole stockholder, Entergy Corporation, at its annual meeting.

Section 16(a) Beneficial Ownership Reporting Compliance

Information called for by this item concerning the directors and officers of Entergy Corporation is set forth in the Proxy Statement of Entergy Corporation to be filed in connection with its Annual Meeting of Stockholders to be held on May 10, 2002, under the heading "Section 16(a) Beneficial Ownership Reporting Compliance", which information is incorporated herein by reference.

Item 11. Executive Compensation

ENTERGY CORPORATION

Information called for by this item concerning the directors and officers of Entergy Corporation is set forth in the Proxy Statement under the headings "Executive Compensation Tables", "General Information About Nominees", "Director Compensation", and "Comparison of Five Year Cumulative Total Return", all of which information is incorporated herein by reference.

ENTERGY ARKANSAS, ENTERGY GULF STATES, ENTERGY LOUISIANA, ENTERGY MISSISSIPPI, ENTERGY NEW ORLEANS, AND SYSTEM ENERGY

Summary Compensation Table

The following table includes the Chief Executive Officer and the four other most highly compensated executive officers in office as of December 31, 2001 at Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy (collectively, the "Named Executive Officers"). This determination was based on total annual base salary and bonuses from all Entergy sources earned by each officer for the year 2001. See Item 10, "Directors and Executive Officers of the Registrants," for information on the principal positions of the Named Executive Officers in the table below.

Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy

As shown in Item 10, most Named Executive Officers are employed by several Entergy companies. Because it would be impracticable to allocate such officers' salaries among the various companies, the table below includes the aggregate compensation paid by all Entergy companies.

		Annual Compensation			Long-Term Compensation Awards		Payouts	
Name	Year	Salary	Bonus	Other Annual Comp.	Restricted Stock Awards	Securities Underlying Options	(a) LTIP Payouts	(b) All Other Comp.
E. Renae Conley	2001	$308,769	$486,186	$46,240	(c)	34,600 shares	$ -	$10,742
CEO-Entergy Louisiana	2000	282,642	280,000	41,573	(c)	20,000	181,109	8,559
CEO-LA-Entergy Gulf States	1999	215,000	344,934	29,662	$84,188(c)(d)	7,500	-	7,747
Joseph F. Domino	2001	$245,384	$292,583	$48,254	(c)	14,800 shares	$ -	$7,150
CEO-TX-Entergy Gulf States	2000	235,358	180,732	51,399	(c)	20,000	142,314	7,084
	1999	223,569	200,210	7,072	(c)	13,487	-	6,838
Donald C. Hintz	2001	$599,423	$779,000	$198,321	(c)	160,000 shares	$ -	$21,605
	2000	570,096	743,000	104,399	(c)	175,000	1,181,837	26,516
	1999	535,713	495,000	76,188	(c)	272,000	-	22,156
Jerry D. Jackson	2001	$475,345	$576,382	$19,646	(c)	80,000 shares	$ -	$17,378
	2000	458,223	554,214	58,758	(c)	58,500	1,181,575	15,162
	1999	442,809	403,554	39,670	(c)	94,000	-	15,497
J. Wayne Leonard	2001	$897,500	$1,684,800	$3,709	$7,400,000(c)(d)	330,600 shares	$ -	$ -
	2000	836,538	1,190,000	11,646	(c)	330,600	2,410,413	-
	1999	771,938	840,000	2,570	(c)	255,000	-	-
Hugh T. McDonald	2001	$231,335	$333,078	$118,502	(c)	14,800 shares	$ -	$18,664
CEO-Entergy Arkansas	2000	209,400	165,000	53,808	(c)	34,600	172,773	54,878
	1999	181,704	176,267	438	(c)	14,700	-	5,429
Daniel F. Packer	2001	$228,209	$262,881	$15,410	(c)	14,800 shares	$ -	$7,055
CEO-Entergy New Orleans	2000	219,432	167,382	16,433	(c)	20,000	196,929	6,658
	1999	211,055	127,920	10,517	(c)	16,750	-	6,583
Carolyn C. Shanks	2001	$241,085	$287,672	$17,140	(c)	14,800 shares	$ -	$7,206
CEO-Entergy Mississippi	2000	231,193	182,530	2,594	(c)	20,000	104,241	4,858
	1999	208,931	133,950	2,549	(c)	11,050	-	4,800
C. John Wilder	2001	$493,128	$600,000	$158,059	(c)	87,700 shares	$ -	$16,284
	2000	468,392	619,370	148,540	(c)	87,700	953,006	13,919
	1999	445,191	406,693	119,878	(c)	52,500	-	20,035
Jerry W. Yelverton	2001	$443,269	$540,000	$145,389	(c)	65,000 shares	$ -	$14,697
CEO-System Energy	2000	408,846	510,000	4,197	$201,875(c)(d)	58,900	503,482	12,732
	1999	363,997	328,500	8,036	(c)	49,400	-	11,286

(a) Amounts include the value of restricted shares that vested in 2000 (see note (c) below) under Entergy's Equity Ownership Plan.

(b) Includes the following:

(1) 2001 benefit accruals under the Defined Contribution Restoration Plan as follows: Ms. Conley $3,392; Mr. Domino $1,600; Mr. Hintz $14,415; Mr. Jackson $11,272; Mr. McDonald $1,666; Mr. Packer $1,473; Ms. Shanks $2,003; Mr. Wilder $8,367; and Mr. Yelverton $8,732.

(2) 2001 employer contributions to the System Savings Plan as follows: Ms. Conley $6,269; Mr. Domino $5,550; Mr. Hintz $6,681; Mr. Jackson $6,106; Mr. McDonald $5,527; Mr. Packer $5,582; Ms. Shanks $5,203; Mr. Wilder $7,917; and Mr. Yelverton $5,965.

(3) 2001 reimbursements for moving expenses as follows: Ms. Conley $1,081; Mr. Hintz $509; and Mr. McDonald $11,471.

(c) Restricted unit awards (equivalent to shares of Entergy Corporation common stock) in 2001 are reported under the "Long-Term Incentive Plan Awards" table, and reference is made to this table for information on the aggregate number of restricted units awarded during 2001 and the vesting schedule for such units. At December 31, 2001, the number and value of the aggregate restricted unit holdings were as follows: Ms. Conley 15,200 units, $594,472; Mr. Domino 6,200 units, $242,482; Mr. Hintz 57,000 units, $2,229,270; Mr. Jackson 25,400 units, $993,394; Mr. Leonard 246,000 units, $9,621,060; Mr. McDonald 6,800 units, $265,948; Mr. Packer 6,200 units, $242,482; Ms. Shanks 6,200 units, $242,482; Mr. Wilder 25,400 units, $993,394; and Mr. Yelverton 32,400 units, $1,267,164. Accumulated dividends are paid on restricted units when vested. The value of restricted unit holdings as of December 31, 2001 is determined by multiplying the total number of units held by the closing market price of Entergy Corporation common stock on the New York Stock Exchange Composite Transactions on December 31, 2001 ($39.11 per share). The value of stock for which restrictions were lifted in 2000, and the applicable portion of accumulated cash dividends, are reported in the LTIP payouts column in the above table.

(d) Restricted units were granted to the following individuals in addition to those granted under the Long Term Incentive Plan. Ms. Conley was granted 3,000 units in 1999. The units will vest incrementally over a three-year period that began in 2000, based on continued service with Entergy Corporation. Accumulated dividends will be paid. In January 2001, Mr. Leonard was granted 200,000 restricted units. 50,000 of the restricted stock units will vest on each of December 31, 2001, December 31, 2002, December 31, 2003 and December 31, 2004, based on continued service with Entergy Corporation. Accumulated dividends will not be paid on Mr. Leonard's restricted units when vested. Mr.

Yelverton was granted 10,000 units in 2000. Restrictions will be lifted on 3,000 units in 2001 and 2002, and the remaining 4,000 units in 2003. Accumulated dividends will not be paid. The value these individuals may realize is dependent upon both the number of units that vest and the future market price of Entergy Corporation common stock.

Option Grants in 2001

The following table summarizes option grants during 2001 to the Named Executive Officers. The absence, in the table below, of any Named Executive Officer indicates that no options were granted to such officer.

Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy

	Individual Grants				Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term(b)	
Name	Number of Securities Underlying Options Granted (a)	% of Total Options Granted to Employees in 2001	Exercise Price (per share) (a)	Expiration Date	5%	10%
E. Renae Conley	34,600	0.4%	$ 37.00	1/25/11	$ 805,111	$2,040,309
Joseph F. Domino	14,800	0.2%	37.00	1/25/11	344,383	872,733
Donald C. Hintz	160,000	1.9%	37.00	1/25/11	3,723,056	9,434,955
Jerry D. Jackson	80,000	0.9%	37.00	1/25/11	1,861,528	4,717,478
J. Wayne Leonard	330,600	3.8%	37.00	1/25/11	7,692,765	19,494,977
Hugh T. McDonald	14,800	0.2%	37.00	1/25/11	344,383	872,733
Daniel F. Packer	14,800	0.2%	37.00	1/25/11	344,383	872,733
Carolyn C. Shanks	14,800	0.2%	37.00	1/25/11	344,383	872,733
C. John Wilder	87,700	1.0%	37.00	1/25/11	2,040,700	5,171,535
Jerry W. Yelverton	65,000	0.8%	37.00	1/25/11	1,512,492	3,832,951

(a) Options were granted on January 25, 2001, pursuant to the Equity Ownership Plan. All options granted on this date have an exercise price equal to the closing price of Entergy Corporation common stock on the New York Stock Exchange Composite Transactions on January 25, 2001. These options will vest in equal increments, annually, over a three-year period beginning in 2002.

(b) Calculation based on the market price of the underlying securities assuming the market price increases over a ten-year option period and assuming annual compounding. The column presents estimates of potential values based on simple mathematical assumptions. The actual value, if any, a Named Executive Officer may realize is dependent upon the market price on the date of option exercise.

Aggregated Option Exercises in 2001 and December 31, 2001 Option Values

The following table summarizes the number and value of all unexercised options held by the Named Executive Officers. The absence, in the table below, of any Named Executive Officer indicates that no options are held by such officer.

			Number of Securities Underlying Unexercised Options as of December 31, 2001		Value of Unexercised In-the-Money Options as of December 31, 2001(b)	
Name	Shares Acquired on Exercise	Value Realized (a)	Exercisable	Unexercisable	Exercisable	Unexercisable
E. Renae Conley	-	$ -	11,666	50,434	$162,627	$315,436
Joseph F. Domino	-	-	17,156	32,631	213,265	287,288
Donald C. Hintz	2,500	22,916	238,833	420,667	2,778,663	3,477,946
Jerry D. Jackson	-	-	60,833	150,334	633,897	1,084,501
J. Wayne Leonard	-	-	280,200	636,000	3,334,647	5,027,873
Hugh T. McDonald	18,199	293,945	3,133	42,768	28,738	455,918
Daniel F. Packer	-	-	17,832	33,718	209,809	297,258
Carolyn C. Shanks	10,349	185,632	-	31,818	-	279,831
C. John Wilder	-	-	64,233	163,667	791,892	1,287,469
Jerry W. Yelverton	60,816	893,685	-	120,734	-	920,785

(a) Based on the difference between the closing price of Entergy Corporation's common stock on the New York Stock Exchange Composite

Transactions on the exercise date and the option exercise price.

(b) Based on the difference between the closing price of Entergy Corporation's common stock on the New York Stock Exchange Composite Transactions on December 31, 2001, and the option exercise price.

Long-Term Incentive Plan Awards in 2001

The following Table summarizes the awards of restricted units (equivalent to shares of Entergy Corporation common stock) granted under the Equity Ownership Plan in 2000 to the Named Executive Officers.

Name	Number of Units	Performance Period Until Maturation or Payout	Estimated Future Payouts Under Non-Stock Price-Based Plans (# of units) (a) (b) Threshold	Target	Maximum
E. Renae Conley	7,500	1/1/01-12/31/03	2,500	5,000	7,500
Joseph F. Domino	3,100	1/1/01-12/31/03	1,100	2,100	3,100
Donald C. Hintz	28,500	1/1/01-12/31/03	9,500	19,000	28,500
Jerry D. Jackson	12,700	1/1/01-12/31/03	4,300	8,500	12,700
J. Wayne Leonard	48,000	1/1/01-12/31/03	16,000	32,000	48,000
Hugh T. McDonald	3,100	1/1/01-12/31/03	1,100	2,100	3,100
Daniel F. Packer	3,100	1/1/01-12/31/03	1,100	2,100	3,100
Carolyn C. Shanks	3,100	1/1/01-12/31/03	1,100	2,100	3,100
C. John Wilder	12,700	1/1/01-12/31/03	4,300	8,500	12,700
Jerry W. Yelverton	12,700	1/1/01-12/31/03	4,300	8,500	12,700

(a) Restricted units awarded will vest at the end of a three-year period, subject to the attainment of approved performance goals for Entergy. Restrictions are lifted based upon the achievement of the cumulative result of these goals for the performance period. The value any Named Executive Officer may realize is dependent upon both the number of units that vest and the future market price of Entergy Corporation common stock.

(b) The threshold, target, and maximum levels correspond to the achievement of 50%, 100%, and 150%, respectively, of Equity Ownership Plan goals. Achievement of a threshold, target, or maximum level would result in the award of the number of units indicated in the respective column. Achievement of a level between these three specified levels would result in the award of a number of units calculated by means of interpolation.

Pension Plan Tables

Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy

Retirement Income Plan Table

Annual Covered Compensation	Years of Service 15	20	25	30	35
$100,000	$22,500	$30,000	$37,500	$45,000	$52,500
200,000	45,000	60,000	75,000	90,000	105,000
300,000	67,500	90,000	112,500	135,000	157,500
400,000	90,000	120,000	150,000	180,000	210,000
500,000	112,500	150,000	187,500	225,000	262,500
650,000	146,250	195,000	243,750	292,500	341,250
950,000	213,750	285,000	356,250	427,500	498,750

All of the Named Executive Officers participate in a Retirement Income Plan, a defined benefit plan, that provides a benefit for employees at retirement from Entergy based upon (1) generally all years of service beginning at age 21 through termination, with a forty-year maximum, multiplied by (2) 1.5%, multiplied by (3) the final average compensation. Final average compensation is based on the highest consecutive 60 months of covered compensation in the last 120 months of service. The normal form of benefit for a single employee is a lifetime annuity and for a married employee is a 50% joint and survivor annuity. Other actuarially equivalent options are available to each retiree. Retirement benefits are not subject to any deduction for Social Security or other offset amounts. The amount of the Named Executive Officers' annual compensation covered by the plan as of December 31, 2001, is represented by the salary column in the Summary Compensation Table above.

The credited years of service under the Retirement Income Plan, as of December 31, 2001, for the following Named Executive Officers is as follows: Mr. Domino 31; Mr. Jackson 22; Mr. Leonard 3; Mr. McDonald 19; Mr. Packer 19; Ms. Shanks 18; and Mr. Yelverton 22. The credited years of service under the Retirement Income Plan, as of December 31, 2001 for the following Named Executive Officers, as a result of entering into supplemental retirement agreements, is as follows: Ms. Conley 19; Mr. Hintz 30; and Mr. Wilder 18.

The maximum benefit under the Retirement Income Plan is limited by Sections 401 and 415 of the Internal Revenue Code of 1986, as amended; however, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy have elected to participate in the Pension Equalization Plan sponsored by Entergy Corporation. Under this plan, certain executives, including the Named Executive Officers, would receive an additional amount equal to the benefit that would have been payable under the Retirement Income Plan, except for the Sections 401 and 415 limitations discussed above.

In addition to the Retirement Income Plan discussed above, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy participate in the Supplemental Retirement Plan of Entergy Corporation and Subsidiaries and the Post-Retirement Plan of Entergy Corporation and Subsidiaries. Participation is limited to one of these two plans and is at the invitation of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy. The participant may receive from the appropriate Entergy company a monthly benefit payment not in excess of .025 (under the Supplemental Retirement Plan) or .0333 (under the Post-Retirement Plan) times the participant's average basic annual salary (as defined in the plans) for a maximum of 120 months. Mr. Hintz, Mr. Packer and Mr. Yelverton have entered into a Supplemental Retirement Plan participation contract, and Mr. Jackson has entered into a Post- Retirement Plan participation contract. Current estimates indicate that the annual payments to each Named Executive Officer under the above plans would be less than the payments to that officer under the System Executive Retirement Plan discussed below.

System Executive Retirement Plan Table (1)

Annual Covered Compensation	Years of Service 10	15	20	25	30+
$ 200,000	$60,000	$90,000	$100,000	$110,000	$120,000
300,000	90,000	135,000	150,000	165,000	180,000
400,000	120,000	180,000	200,000	220,000	240,000
500,000	150,000	225,000	250,000	275,000	300,000
600,000	180,000	270,000	300,000	330,000	360,000
700,000	210,000	315,000	350,000	385,000	420,000
1,000,000	300,000	450,000	500,000	550,000	600,000

(1) Covered pay includes the average of the highest three years of annual base pay and incentive awards earned by the executive during the ten years immediately preceding his retirement. Benefits shown are based on a target replacement ratio of 50% based on the years of service and covered compensation shown. The benefits for 10, 15, and 20 or more years of service at the 45% and 55% replacement levels would decrease (in the case of 45%) or increase (in the case of 55%) by the following percentages: 3.0%, 4.5%, and 5.0%, respectively.

In 1993, Entergy Corporation adopted the System Executive Retirement Plan (SERP). This plan was amended in 1998. Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy are participating employers in the SERP. The SERP is an unfunded defined benefit plan offered at retirement to certain senior executives, which would currently include all the Named Executive Officers. Participating executives choose, at retirement, between the retirement benefits paid under provisions of the SERP or those payable under the Supplemental Retirement Plan or the Post-Retirement Plan discussed above. The plan was amended in 1998 to provide that covered pay is the average of the highest three years annual base pay and incentive awards earned by the executive during the ten years immediately preceding his retirement. Benefits paid under the SERP are calculated by multiplying the covered pay times target pay replacement ratios (45%, 50%, or 55%, dependent on job rating at retirement) that are attained, according to plan design, at 20 years of credited service. The target ratios are increased by 1% for each year of service over 20 years, up to a maximum of 30 years of service. In accordance with the SERP formula, the target ratios are reduced for each year of service below 20 years. The credited years of service under this plan are identical to the years of service for Named Executive Officers (other than Ms. Conley, Mr. Jackson, Mr. Wilder and Mr. Yelverton) disclosed above in the section entitled "Pension Plan Tables-Retirement Income Plan Table". Ms. Conley, Mr. Jackson, Mr. Wilder, and Mr. Yelverton have 2 years, 28 years, 3 years, and 32 years, respectively, of credited service under this plan.

The amended plan provides that a single employee receives a lifetime annuity and a married employee receives the reduced benefit with a 50% surviving spouse annuity. Other actuarially equivalent options are available to each retiree. SERP benefits are offset by any and all defined benefit plan payments from Entergy. SERP benefits are not subject to Social Security offsets.

Eligibility for and receipt of benefits under any of the executive plans described above are contingent upon several factors. The participant must agree, without the specific consent of the Entergy company for which such participant was last employed, not to take employment after retirement with any entity that is in competition with, or similar in nature to, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy or any affiliate thereof. Eligibility for benefits is forfeitable for various reasons, including violation of an agreement with Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy, certain resignations of employment, or certain terminations of employment without Company permission.

In addition to the Retirement Income Plan discussed above, Entergy Gulf States provides, among other benefits to officers, an Executive Income Security Plan for key managerial personnel. The plan provides participants with certain retirement, disability, termination, and survivors' benefits. To the extent that such benefits are not funded by the employee benefit plans of Entergy Gulf States or by vested benefits payable by the participants' former employers, Entergy Gulf States is obligated to make supplemental payments to participants or their survivors. The plan provides that upon the death or disability of a participant during his employment, he or his designated survivors will receive (i) during the first year following his death or disability an amount not to exceed his annual base salary, and (ii) thereafter for a number of years until the participant attains or would have attained age 65, but not less than nine years, an amount equal to one-half of the participant's annual base salary. The plan also provides supplemental retirement benefits for life for participants retiring after reaching age 65 equal to one- half of the participant's average final compensation rate, with one- half of such benefit upon the death of the participant being payable to a surviving spouse for life.

Entergy Gulf States amended and restated the plan effective March 1, 1991, to provide such benefits for life upon termination of employment of a participating officer or key managerial employee without cause (as defined in the plan) or if the participant separates from employment for good reason (as defined in the plan), with 1/2 of such benefits to be payable to a surviving spouse for life. Further, the plan was amended to provide medical benefits for a participant and his family when the participant separates from service. These medical benefits generally continue until the participant is eligible to receive medical benefits from a subsequent employer; but in the case of a participant who is over 50 at the time of separation and was participating in the plan on March 1, 1991, medical benefits continue for life. By virtue of the 1991 amendment and restatement, benefits for a participant under such plan cannot be modified once he becomes eligible to participate in the plan. Mr. Domino is a participant in this plan.

Compensation of Directors

For information regarding compensation of the directors of Entergy Corporation, see the Proxy Statement under the heading "Director Compensation", which information is incorporated herein by reference. Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy currently have no non-employee directors, and none of the current directors of these companies are compensated for their responsibilities as director.

Retired non-employee directors of Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans with a minimum of five years of service on the respective Boards of Directors are paid $200 a month for a term of years corresponding to the number of years of active service as directors. Retired non-employee directors with over ten years of service receive a lifetime benefit of $200 a month. Years of service as an advisory director are included in calculating this benefit. System Energy has no retired non-employee directors.

Retired non-employee directors of Entergy Gulf States receive retirement benefits under a plan in which all directors who served continuously for a period of years will receive a percentage of their retainer fee in effect at the time of their retirement for life. The retirement benefit is 30 percent of the retainer fee for service of not less than five nor more than nine years, 40 percent for service of not less than ten nor more than fourteen years, and 50 percent for fifteen or more years of service. For those directors who retired prior to the retirement age, their benefits are reduced. The plan also provides disability retirement and optional hospital and medical coverage if the director has served at least five years prior to the disability. The retired director pays one-third of the premium for such optional hospital and medical coverage and Entergy Gulf States pays the remaining two-thirds. Years of service as an advisory director are included in calculating this benefit.

Executive Retention and Employment Agreements and Change-in-Control Arrangements

Entergy Gulf States

As a result of the merger between Entergy and Entergy Gulf States, Entergy Gulf States is obligated to pay benefits under the Executive Income Security Plan to those persons who were participants at the time of the merger and who later terminated their employment under circumstances described in the plan. For additional description of the benefits under the Executive Income Security Plan, see the "Pension Plan Tables-System Executive Retirement Plan Table" section noted above.

Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy

Upon completion of a transaction resulting in a change-in-control of Entergy (a "Merger"), benefits already accrued under Entergy's System Executive Retirement Plan, Post-Retirement Plan, Supplemental Retirement Plan and Pension Equalization Plan will become fully vested if the participant is involuntarily terminated without "cause" or terminates employment for "good reason" (as such terms are defined in such plans).

Retention Agreement with Mr. Leonard - The retention agreement with Mr. Leonard provides that upon a termination of employment while a Merger is pending (a) by Entergy without "cause" or by Mr. Leonard for "good reason", as such terms are defined in the agreement, other than a termination of employment described in the next paragraph, or
(b) by reason of Mr. Leonard's death or disability:

o Entergy will pay to him a lump sum cash severance payment equal to three times (in limited circumstances, five times) the sum of Mr. Leonard's base salary and target annual incentive award;

o Entergy will pay to him a pro rata annual incentive award, based on an assumed maximum annual achievement of applicable performance goals;

o his supplemental retirement benefit will fully vest, will be determined as if he had remained employed with Entergy until the attainment of age 55, and will commence upon his attainment of age 55;

o he will be entitled to immediate payment of performance awards, based upon an assumed target achievement of applicable performance goals;

o all of his stock options will become fully vested and will remain outstanding for their full ten-year term; and

o Entergy will pay to him a "gross-up" payment in respect of any excise taxes he might incur.

If Mr. Leonard's employment is terminated by Entergy for "cause" at any time, or by Mr. Leonard without "good reason" and without Entergy's permission prior to his attainment of age 55, Mr. Leonard will forfeit his supplemental retirement benefit. If Mr. Leonard's employment is terminated by Mr. Leonard without "good reason" with Entergy's permission prior to his attainment of age 55, Mr. Leonard will be entitled to a supplemental retirement benefit, reduced by
6.5% for each year that the termination date precedes his attainment of age 55, payable commencing upon Mr. Leonard's attainment of age 62. If Mr. Leonard's employment is terminated by Mr. Leonard without "good reason" following his attainment of age 55, Mr. Leonard will be entitled to his full supplemental retirement benefit. The amounts payable under the agreement will be funded in a rabbi trust.

Retention agreement with Mr. Hintz - The retention agreement with Mr. Hintz provides that Mr. Hintz will be paid an initial retention payment of approximately $2.8 million on the date on which a Merger is completed and an additional retention payment of approximately $2.3 million on the second anniversary of the completion of a Merger if he remains employed on each of those dates. The agreement also provides that upon termination of employment while a Merger is pending and for two years after completion (a) by Mr. Hintz for "good reason" or by Entergy without "cause", as such terms are defined in the agreement or (b) by reason of Mr. Hintz's death or disability:

o Entergy will pay to him a lump sum cash severance payment equal to $2.8 million if such termination occurs prior to completion of a Merger or equal to $2.3 million if such termination occurs following completion of a Merger;

o Entergy will pay to him a pro rata annual incentive award, based on an assumed maximum achievement of applicable performance goals, if such termination occurs following completion of a Merger;

o he will be entitled to immediate payment of performance awards based upon an assumed target achievement of applicable performance goals, if such termination occurs prior to completion of a Merger, or based upon an assumed maximum achievement of applicable performance goals, if such termination occurs following completion of a Merger;

o all of his stock options will become fully vested and will remain outstanding for their full ten-year term;

o he will be entitled to receive a supplemental retirement benefit that, when combined with Mr. Hintz's SERP benefit, equals the benefit he would have earned under the terms of the SERP as in effect immediately prior to March 25, 1998; and

o Entergy will pay to him a "gross-up" payment in respect of any excise taxes he might incur.

Retention Agreement with Mr. Jackson - The retention agreement with Mr. Jackson provides that upon retirement in accordance with the agreement, Mr. Jackson: (a) will be entitled to a subsidized retirement benefit equal to the applicable nonqualified retirement benefit payable to Mr. Jackson without reduction for early retirement ("Subsidized Retirement Benefit"); and (b) may enter into a consulting arrangement with Entergy through March 31, 2005, under terms and conditions set forth in the agreement.

Pursuant to the agreement, should Mr. Jackson experience a Qualifying Event (as defined in the agreement) after the Successor Placement Date (as defined in the agreement) but before March 31, 2003, he shall not be entitled to benefits under the System Executive Continuity Plan but shall instead be entitled to the following:

o a lump sum amount equal to any unpaid base salary that would otherwise have been paid through March 31, 2003;

o the Subsidized Retirement Benefit; and

o all other benefits to which he may be entitled under the terms and conditions of those Entergy plans and programs in which he participates in accordance with the agreement.

Additionally, Mr. Jackson is entitled to certain benefits, as described in the agreement, in the event of a change in control (as defined in the System Executive Continuity Plan) after which Entergy or its successor company fails to honor Mr. Mr. Jackson's consulting arrangement.

Retention Agreement with Mr. Wilder - The retention agreement with Mr. Wilder provides the following: if Mr. Wilder terminates his employment for any reason following shareholder approval of the merger with FPL Group, or, alternatively, following shareholder approval of any other Merger, but prior to completion of a Merger, Entergy will pay to him a lump sum cash severance payment equal to three times the sum of his base salary and target annual incentive award and a "gross-up" payment in respect of any excise taxes he might incur.

The agreement also provides that, as a substitute for the above entitlement, upon termination of employment (a) by Mr. Wilder for "good reason" or by Entergy without "cause", as such terms are defined in the agreement, in each case prior to the termination of a Merger or prior to

the second anniversary of the completion of a Merger, (b) by reason of Mr. Wilder's death or disability while a Merger is pending and for two years after completion of a Merger or
(c) for any reason following the second anniversary of a Merger:

o Mr. Wilder will be entitled to a lump sum cash severance payment equal to four times (in limited circumstances, three times) the sum of the his base salary and maximum annual incentive award;

o Mr. Wilder will be entitled to a pro rata annual incentive award, based on an assumed maximum achievement of applicable performance goals;

o except in the case of a termination by reason of death or disability, he will continue to be employed as a Special Project Coordinator at an annual base salary of $200,000, and will continue to participate in all of Entergy's benefit plans, until the earliest of
(a) his attainment of age 55 (at which time he will be deemed eligible to retire under Entergy's plans then in effect), (b) his employment with a company listed in the Fortune Global 500 Index or (c) his employment with any company that has a conflict of interest policy that would prohibit his continued employment with Entergy;

o Entergy will credit him with 15 additional years of service under Entergy's supplemental retirement plan and he may elect to receive either (a) approximately $1.9 million in a cash lump sum in full settlement of all nonqualified retirement benefits or (b) the benefit that he would have earned under the terms of the SERP applicable to individuals who became participants on or after March 25, 1998 (which amount he may elect to receive upon completion of a Merger);

o he will be entitled to immediate vesting of performance awards, based upon an assumed maximum achievement of applicable performance goals;

o all of his stock options will become fully vested and will remain outstanding for their full ten-year term; and

o he will be entitled to a "gross-up" payment in respect of any excise taxes he might incur.

If Mr. Wilder terminates employment without good reason and other than on account of death or disability, on or after the completion of a Merger and before the second anniversary of the completion of a Merger:

o Mr. Wilder is entitled to a lump sum cash severance payment equal to three times the sum of his base salary and target annual incentive award;

o Mr. Wilder is entitled to a pro rata annual incentive award, based on an assumed maximum achievement of applicable performance goals;

o he will continue to be employed as a Special Project Coordinator at an annual base salary of $200,000, and will continue to participate in all of Entergy's benefit plans, until the earliest of (a) his attainment of age 55 (at which time he will be deemed eligible to retire under Entergy's plans then in effect), (b) his employment with a company listed in the Fortune Global 500 Index or (c) his employment with any company that has a conflict of interest policy that would prohibit his continued employment with Entergy;

o Entergy will credit him with 15 additional years of service under Entergy's supplemental retirement plan and he may elect either (a) approximately $1.9 million in a cash lump sum in full settlement of all nonqualified retirement benefits or (b) the benefit that he would have earned under the terms of the SERP applicable to individuals who became participants on or after March 25, 1998 (which amount he may elect to receive upon completion of a Merger);

o he will be entitled to immediate vesting of performance awards, based upon an assumed target achievement of applicable performance goals;

o all of his stock options will become fully vested and will remain outstanding for their full ten-year term; and

o he will be entitled to a "gross-up" payment in respect of any excise taxes he might incur.

Retention Agreement with Mr. Yelverton - The retention agreement with Mr. Yelverton provides that he will be paid cash retention payments of $680,000 on each of the first three anniversaries of the completion of a Merger if he remains employed on each of those dates. The agreement also provides that upon termination of employment while a Merger is pending and for three years after completion (a) by Mr. Yelverton for "good reason" or by Entergy without "cause", as such terms are defined in the agreement or (b) by reason of Mr. Yelverton's death or disability:

o Entergy will pay him a lump sum cash severance payment equal to the remaining unpaid portion of the cash retention payments;

o he will be entitled to immediate payment of performance awards, based upon an assumed target achievement of applicable performance goals;

o all of his stock options will become fully vested and will remain outstanding for their full ten-year term; and

o Entergy will pay to him a "gross-up" payment in respect of any excise taxes he might incur.

System Executive Continuity Plan - Ms. Conley, Mr. Domino, Mr. McDonald, Mr. Packer and Ms. Shanks are participants in Entergy's System Executive Continuity Plan, which provides severance pay and benefits under specified circumstances following a change in control. In the event a participant's employment is involuntarily terminated without cause or if a participant terminates for good reason during the change in control period, the participant will be entitled to:

o a cash severance payment equal to 1-3 times (depending on the participant's System Management Level) base annual salary and target award payable over a continuation period of 1-3 years (depending on the participant's System Management Level);

o continued medical and dental insurance coverage for the continuation period (subject to offset for any similar coverage provided by the participant's new employer);

o immediate vesting of performance awards, based upon an assumed achievement of applicable performance targets; and

o payment of a "gross-up" payment in respect of any excise taxes the participant might incur.

Participants in the Continuity Plan are subject to post- employment restrictive covenants, including noncompetition provisions, which run for two years for executive officers, but extend to three years if permissible under applicable law.

Personnel Committee Interlocks and Insider Participation

The compensation of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy executive officers was set by the Personnel Committee of Entergy Corporation's Board of Directors, composed solely of Directors of Entergy Corporation.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Entergy Corporation owns 100% of the outstanding common stock of registrants Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy. The information with respect to persons known by Entergy Corporation to be beneficial owners of more than 5% of Entergy Corporation's outstanding common stock is included under the heading "Stockholders Who Own at Least Five Percent" in the Proxy Statement, which information is incorporated herein by reference. The registrants know of no contractual arrangements that may, at a subsequent date, result in a change in control of any of the registrants.

As of December 31, 2001, the directors, the Named Executive Officers, and the directors and officers as a group for Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy, respectively, beneficially owned directly or indirectly common stock of Entergy Corporation as indicated:

Name	Entergy Corporation Common Stock Amount and Nature of Beneficial Ownership(a) Sole Voting and Investment Power		Other Beneficial Ownership(d)	Entergy Corporation Stock Equivalent Units (e)
Entergy Corporation				
Maureen S. Bateman*	900		-	800
W. Frank Blount*	7,434		-	8,000
George W. Davis*	2,100		-	2,400
Simon D. deBree*	140		-	-
Claiborne P. Deming*	(c)		-	-
Norman C. Francis*	3,100		-	5,600
Frank F. Gallaher**	8,091		54,667	47,041
Donald C. Hintz**	3,715		414,499	26,861
Jerry D. Jackson**	23,447		138,333	25,721
J. Wayne Leonard***	13,065		585,600	-
Robert v.d. Luft*	22,672		214,166	7,200
Kathleen A. Murphy*	1,900	(b)	-	800
Paul W. Murrill*	2,722		-	8,000
James R. Nichols*	9,757		-	8,000
William A. Percy, II*	1,150		-	800
Dennis H. Reilley*	600		-	1,600
Wm. Clifford Smith*	10,400		-	8,000
Bismark A. Steinhagen*	10,247		-	8,000
C. John Wilder**	9,234		140,199	53,693

All directors and executive officers 153,136 1,776,548 265,462

(e) Name	Entergy Corporation Common Stock Amount and Nature of Beneficial Ownership(a) Sole Voting and Investment Power	Other Beneficial Ownership(d)	Entergy Corporation Stock Equivalent Units
Entergy Arkansas			
Donald C Hintz***	3,715	414,499	26,861
Jerry D. Jackson**	23,447	138,333	25,721
J. Wayne Leonard**	13,065	585,600	-
Hugh T. McDonald***	3,728	21,166	877
Richard J. Smith*	307	66,665	229
C. John Wilder***	9,234	140,199	53,693
All directors and executive officers	84,065	1,587,548	207,142
Entergy Gulf States			
E. Renae Conley***	1,148	29,866	10,299
Joseph F. Domino***	10,142	33,253	6,043
Donald C. Hintz***	3,715	414,499	26,861
Jerry D. Jackson**	23,447	138,333	25,721
J. Wayne Leonard**	13,065	585,600	-
Richard J. Smith*	307	66,665	229
C. John Wilder***	9,234	140,199	53,693
All directors and executive officers	112,560	1,698,119	231,160
Entergy Louisiana			
E. Renae Conley***	1,148	29,866	10,299
Donald C. Hintz***	3,715	414,499	26,861
Jerry D. Jackson**	23,447	138,333	25,721
J. Wayne Leonard**	13,065	585,600	-
Richard J. Smith*	307	66,665	229
C. John Wilder***	9,234	140,199	53,693
All directors and executive officers	102,296	1,658,733	224,852
Entergy Mississippi			
Donald C. Hintz***	3,715	414,499	26,861
Jerry D. Jackson**	23,447	138,333	25,721
J. Wayne Leonard**	13,065	585,600	-
Carolyn C. Shanks***	3,960	15,284	1,556
Richard J. Smith*	307	66,665	229
C. John Wilder***	9,234	140,199	53,693
All directors and executive officers	89,380	1,587,566	210,308

Name	Entergy Corporation Common Stock Amount and Nature of Beneficial Ownership(a) Sole Voting and Investment Power	Other Beneficial Ownership(d)	Entergy Corporation Stock Equivalent Units (e)
Entergy New Orleans			
Donald C. Hintz***	3,715	414,499	26,861
Jerry D. Jackson**	23,447	138,333	25,721
J. Wayne Leonard**	13,065	585,600	-
Daniel F. Packer***	3,423	35,016	3,007
Richard J. Smith*	307	66,665	229
C. John Wilder***	9,234	140,199	53,693
All directors and executive officers	86,428	1,610,289	209,269
System Energy			
Donald C. Hintz***	3,715	414,499	26,861
Jerry D. Jackson**	23,447	138,333	25,721
J. Wayne Leonard**	13,065	585,600	-
C. John Wilder***	9,234	140,199	53,693
Jerry W. Yelverton***	8,779	57,766	987
All directors and executive officers	75,073	1,435,639	136,299

* Director of the respective Company ** Named Executive Officer of the respective Company *** Director and Named Executive Officer of the respective Company

(a) Based on information furnished by the respective individuals. Except as noted, each individual has sole voting and investment power. The number of shares of Entergy Corporation common stock owned by each individual and by all directors and executive officers as a group does not exceed one percent of the outstanding Entergy Corporation common stock.

(b) Includes 1,000 shares for Ms. Murphy in which she has joint ownership.

(c) Mr. Deming was elected to the Board on January 25, 2002 and now owns 50 shares.

(d) Other Beneficial Ownership includes, for the Named Executive Officers, shares of Entergy Corporation common stock that may be acquired within 60 days after December 31, 2001, in the form of unexercised stock options awarded pursuant to the Equity Ownership Plan.

(e) Represents the balances of stock equivalent units each executive holds under the Executive Annual Incentive Plan Deferral Program and the Defined Contribution Restoration Plan. These units will be paid out in a combination of Entergy Corporation Common Stock and cash based on the value of Entergy Corporation Common Stock on the date of payout. The deferral period is determined by the individual and is at least two years from the award of the bonus up until retirement for the Executive Annual Incentive Plan and at retirement for the Defined Contribution Restoration Plan. For Directors of Entergy Corporation the units are part of the Service Award for Directors. All non- employee directors are credited with 800 units for each year of service on the Board up to a maximum of 10 years.

Item 13. Certain Relationships and Related Transactions

During 2001, T. Baker Smith & Son, Inc. performed land-surveying services for, and received payments of approximately $105,229 from Entergy companies. Mr. Wm. Clifford Smith, a director of Entergy Corporation, is President of T. Baker Smith & Son, Inc. Mr. Smith's children own 100% of the voting stock of T. Baker Smith & Son, Inc.

See Item 10, "Directors and Executive Officers of the Registrants," for information on certain relationships and transactions required to be reported under this item.

Other than as provided under applicable corporate laws, Entergy does not have policies whereby transactions involving executive officers and directors are approved by a majority of disinterested directors. However, pursuant to the Entergy Corporation Code of Conduct, transactions involving an Entergy company and its executive officers must have prior approval by the next higher reporting level of that individual, and transactions involving an Entergy company and its directors must be reported to the secretary of the appropriate Entergy company.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a)1. Financial Statements and Independent Auditors' Reports for Entergy, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy are listed in the Index to Financial Statements (see pages 50 and 51)

(a)2. Financial Statement Schedules

Reports of Independent Accountants on Financial Statement Schedules (see page 257)

Financial Statement Schedules are listed in the Index to Financial Statement Schedules (see page S-1)

(a)3. Exhibits

Exhibits for Entergy, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy are listed in the Exhibit Index (see page E-1). Each management contract or compensatory plan or arrangement required to be filed as an exhibit hereto is identified as such by footnote in the Exhibit Index.

(b) Reports on Form 8-K

Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy

A Current Report on Form 8-K, dated August 13, 2001, was filed with the SEC on August 13, 2001, reporting information under Item 4. "Changes in Registrant's Certifying Accountant" and Item 7. "Financial Statements, Pro Forma Financial Statements and Exhibits".

Entergy Corporation and Entergy Arkansas

A Current Report on Form 8-K, dated December 10, 2001, was filed with the SEC on December 10, 2001, reporting information under Item 5. "Other Information".

Entergy Corporation

A Current Report on Form 8-K, dated January 8, 2002, was filed with the SEC on January 8, 2002, reporting information under Item 7. "Financial Statements, Pro Forma Financial Statements and Exhibits" and Item 9. "Regulation FD Disclosure".

Entergy Corporation

A Current Report on Form 8-K, dated January 31, 2002, was filed with the SEC on January 31, 2002, reporting information under Item 7. "Financial Statements, Pro Forma Financial Statements and Exhibits" and Item 9. "Regulation FD Disclosure".

ENTERGY CORPORATION

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. The signature of the undersigned company shall be deemed to relate only to matters having reference to such company and any subsidiaries thereof.

ENTERGY CORPORATION

By /s/ Nathan E. Langston
Nathan E. Langston, Senior Vice President
and Chief Accounting Officer

Date: March 14, 2002

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated. The signature of each of the undersigned shall be deemed to relate only to matters having reference to the above-named company and any subsidiaries thereof.

Signature	Title	Date
/s/ Nathan E. Langston *Nathan E. Langston*	*Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)*	*March 14, 2002*

J. Wayne Leonard (Chief Executive Officer and Director; Principal Executive Officer); Robert v.d. Luft (Chairman of the Board and Director); C. John Wilder (Executive Vice President and Chief Financial Officer; Principal Financial Officer); Maureen S. Bateman, W. Frank Blount, George W. Davis, Simon deBee, Norman C. Francis, Kathleen A. Murphy, Paul W. Murrill, James R. Nichols, William A. Percy, II, Dennis H. Reilley, Wm. Clifford Smith, and Bismark A. Steinhagen (Directors).

By: /s/ Nathan E. Langston *March 14, 2002*
(Nathan E. Langston, Attorney-in-fact)

ENTERGY ARKANSAS, INC.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. The signature of the undersigned company shall be deemed to relate only to matters having reference to such company and any subsidiaries thereof.

ENTERGY ARKANSAS, INC.

By /s/ Nathan E. Langston
Nathan E. Langston, Senior Vice President
and Chief Accounting Officer

Date: March 14, 2002

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated. The signature of each of the undersigned shall be deemed to relate only to matters having reference to the above-named company and any subsidiaries thereof.

Signature	Title	Date
/s/ Nathan E. Langston *Nathan E. Langston*	*Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)*	*March 14, 2002*

Hugh T. McDonald (Chairman of the Board, President, Chief Executive Officer, and Director; Principal Executive Officer); C. John Wilder (Executive Vice President, Chief Financial Officer, and Director; Principal Financial Officer); Donald C. Hintz and Richard J. Smith (Directors).

By: /s/ Nathan E. Langston *March 14, 2002*
(Nathan E. Langston, Attorney-in-fact)

ENTERGY GULF STATES, INC.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. The signature of the undersigned company shall be deemed to relate only to matters having reference to such company and any subsidiaries thereof.

ENTERGY GULF STATES, INC.

By /s/ Nathan E. Langston
Nathan E. Langston, Senior Vice President
and Chief Accounting Officer

Date: March 14, 2002

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated. The signature of each of the undersigned shall be deemed to relate only to matters having reference to the above-named company and any subsidiaries thereof.

Signature	Title	Date
/s/ Nathan E. Langston *Nathan E. Langston*	*Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)*	*March 14, 2002*

Joseph F. Domino (Chairman of the Board, President, Chief Executive Officer-Texas, and Director; Principal Executive Officer); E. Renae Conley (President, Chief Executive Officer-Louisiana, and Director; Principal Executive Officer); C. John Wilder (Executive Vice President, Chief Financial Officer, and Director; Principal Financial Officer); Donald C. Hintz and Richard J. Smith (Directors).

By: /s/ Nathan E. Langston *March 14, 2002*
(Nathan E. Langston, Attorney-in-fact)

ENTERGY LOUISIANA, INC.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. The signature of the undersigned company shall be deemed to relate only to matters having reference to such company and any subsidiaries thereof.

ENTERGY LOUISIANA, INC.

By /s/ Nathan E. Langston
Nathan E. Langston, Senior Vice President
and Chief Accounting Officer

Date: March 14, 2002

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated. The signature of each of the undersigned shall be deemed to relate only to matters having reference to the above-named company and any subsidiaries thereof.

Signature	Title	Date
/s/ Nathan E. Langston *Nathan E. Langston*	*Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)*	*March 14, 2002*

E. Renae Conley (Chairman of the Board, President, Chief Executive Officer, and Director; Principal Executive Officer); C. John Wilder (Executive Vice President, Chief Financial Officer, and Director; Principal Financial Officer); Donald C. Hintz and Richard J. Smith (Directors).

By: /s/ Nathan E. Langston *March 14, 2002*
(Nathan E. Langston, Attorney-in-fact)

ENTERGY MISSISSIPPI, INC.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. The signature of the undersigned company shall be deemed to relate only to matters having reference to such company and any subsidiaries thereof.

ENTERGY MISSISSIPPI, INC.

By /s/ Nathan E. Langston
Nathan E. Langston, Senior Vice President
and Chief Accounting Officer

Date: March 14, 2002

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated. The signature of each of the undersigned shall be deemed to relate only to matters having reference to the above-named company and any subsidiaries thereof.

Signature	Title	Date
/s/ Nathan E. Langston *Nathan E. Langston*	*Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)*	*March 14, 2002*

Carolyn C. Shanks (Chairman of the Board, President, Chief Executive Officer, and Director; Principal Executive Officer); C. John Wilder (Executive Vice President, Chief Financial Officer, and Director; Principal Financial Officer); Donald C. Hintz and Richard J. Smith (Directors).

By: /s/ Nathan E. Langston *March 14, 2002*
(Nathan E. Langston, Attorney-in-fact)

ENTERGY NEW ORLEANS, INC.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. The signature of the undersigned company shall be deemed to relate only to matters having reference to such company and any subsidiaries thereof.

ENTERGY NEW ORLEANS, INC.

By /s/ Nathan E. Langston
Nathan E. Langston, Senior Vice President
and Chief Accounting Officer

Date: March 14, 2002

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated. The signature of each of the undersigned shall be deemed to relate only to matters having reference to the above-named company and any subsidiaries thereof.

Signature	Title	Date
/s/ Nathan E. Langston *Nathan E. Langston*	*Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)*	*March 14, 2002*

Daniel F. Packer (Chairman of the Board, President, Chief Executive Officer, and Director; Principal Executive Officer); C. John Wilder (Executive Vice President, Chief Financial Officer, and Director; Principal Financial Officer); Donald C. Hintz and Richard J. Smith (Directors).

By: /s/ Nathan E. Langston *March 14, 2002*
(Nathan E. Langston, Attorney-in-fact)

SYSTEM ENERGY RESOURCES, INC.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. The signature of the undersigned company shall be deemed to relate only to matters having reference to such company and any subsidiaries thereof.

SYSTEM ENERGY RESOURCES, INC.

By /s/ Nathan E. Langston
Nathan E. Langston, Senior Vice President
and Chief Accounting Officer

Date: March 14, 2002

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated. The signature of each of the undersigned shall be deemed to relate only to matters having reference to the above-named company and any subsidiaries thereof.

Signature	Title	Date
/s/ Nathan E. Langston *Nathan E. Langston*	*Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)*	*March 14, 2002*

Jerry W. Yelverton (Chairman of the Board, President, Chief Executive Officer, and Director; Principal Executive Officer); C. John Wilder (Executive Vice President, Chief Financial Officer, and Director; Principal Financial Officer); and Donald C. Hintz (Director).

By: /s/ Nathan E. Langston *March 14, 2002*
(Nathan E. Langston, Attorney-in-fact)

EXHIBIT 23(a)

INDEPENDENT AUDITORS' CONSENTS

We consent to the incorporation by reference in Post-Effective Amendments No. 3 and 5A on Form S-8 and their related prospectuses to Registration Statement No. 33-54298 on Form S-4, Registration Statements No. 333-02503 and 333-22007 of Entergy Corporation on Form S-3 and Registration Statements No. 333-75097, 333-55692, and 333-68950 of Entergy Corporation on Form S-8 of our report dated January 31, 2002, which report includes an explanatory paragraph regarding the Corporation's change in 2001 in the method of accounting for derivative instruments, appearing in this Annual Report on Form 10-K of Entergy Corporation for the year ended December 31, 2001.

We consent to the incorporation by reference in Registration Statements No. 33-50289, 333-00103, 333-05045 and 333-39018 of Entergy Arkansas, Inc. on Form S-3 of our report dated January 31, 2002, appearing in this Annual Report on Form 10-K of Entergy Arkansas, Inc. for the year ended December 31, 2001.

We consent to the incorporation by reference in Registration Statements No. 33-49739, 33-51181 and 333-60957 of Entergy Gulf States, Inc. on Form S-3 and Registration Statement No. 333-17911 on Form S-2 of our report dated January 31, 2002, appearing in this Annual Report on Form 10-K of Entergy Gulf States, Inc. for the year ended December 31, 2001.

We consent to the incorporation by reference in Registration Statements No. 33-46085, 33-39221, 33-50937, 333-00105, 333-01329, 333-03567 and 333-93683 of Entergy Louisiana, Inc. on Form S-3 of our report dated January 31, 2002, appearing in this Annual Report on Form 10-K of Entergy Louisiana, Inc. for the year ended December 31, 2001.

We consent to the incorporation by reference in Registration Statements No. 33-53004, 33-55826, 33-50507, 333-64023 and 333-53554 of Entergy Mississippi, Inc. on Form S-3 of our report dated January 31, 2002, appearing in this Annual Report on Form 10-K of Entergy Mississippi, Inc. for the year ended December 31, 2001.

We consent to the incorporation by reference in Registration Statements No. 33-57926, 333-00255 and 333-95599 of Entergy New Orleans, Inc. on Form S-3 of our report dated January 31, 2002, appearing in this Annual Report on Form 10-K of Entergy New Orleans, Inc. for the year ended December 31, 2001.

We consent to the incorporation by reference in Registration Statements No. 33-47662, 33-61189, and 333-06717 of System Energy Resources, Inc. on Form S-3 of our report dated January 31, 2002, appearing in this Annual Report on Form 10-K of System Energy Resources, Inc. for the year ended December 31, 2001.

DELOITTE & TOUCHE LLP

New Orleans, Louisiana
March 14, 2002

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Entergy Corporation:

We have audited the consolidated financial statements of Entergy Corporation and the financial statements of Entergy Arkansas, Inc., Entergy Gulf States, Inc., Entergy Louisiana, Inc., Entergy Mississippi, Inc., Entergy New Orleans, Inc., and System Energy Resources, Inc., as of December 31, 2001 and 2000, and for each of the three years in the period ended December 31, 2001, and have issued our reports thereon dated January 31, 2002, our report on the consolidated financial statements of the Corporation includes an explanatory paragraph regarding the Corporation's change in 2001 in the method of accounting for derivative instruments; such financial statements and reports are included in your 2001 Annual Report to Shareholders and are included herein. Our audits also included the consolidated financial statement schedules of Entergy Corporation and financial statement schedules of Entergy Arkansas, Inc., Entergy Gulf States, Inc., Entergy Louisiana, Inc., Entergy Mississippi, Inc., Entergy New Orleans, Inc., and System Energy Resources, Inc, listed in Item 14. These financial statement schedules are the responsibility of the Corporation's management. Our responsibility is to express an opinion based on our audits. In our opinion, such financial statement schedules, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

DELOITTE & TOUCHE LLP

New Orleans, Louisiana
January 31, 2002

INDEX TO FINANCIAL STATEMENT SCHEDULES

Schedules other than those listed above are omitted because they are not required, not applicable, or the required information is shown in the financial statements or notes thereto.

Columns have been omitted from schedules filed because the information is not applicable.

ENTERGY CORPORATION

SCHEDULE I - FINANCIAL STATEMENTS OF ENTERGY CORPORATION
STATEMENTS OF INCOME

	For the Years Ended December 31,		
	2001	2000	1999
	(In Thousands)		
Income:			
Equity in income of subsidiaries	$801,155	$698,243	$651,977
Interest on temporary investments	18,889	12,273	5,703
Total	820,044	710,516	657,680
Expenses and Other Deductions:			
Administrative and general expenses	45,525	25,146	85,815
Income taxes (credit)	9,787	(15,212)	12,524
Taxes other than income	825	661	739
Interest	37,711	20,627	6,143
Total	93,848	31,222	105,221
Net Income	$726,196	$679,294	$552,459

See Entergy Corporation and Subsidiaries Notes to Financial Statements in Part II, Item 8.

ENTERGY CORPORATION

SCHEDULE I - FINANCIAL STATEMENTS OF ENTERGY CORPORATION
STATEMENTS OF CASH FLOWS

	Year to Date December 31, 2001	2000	1999
	(In Thousands)		
Operating Activities:			
Net income	$726,196	$679,294	$552,459
Noncash items included in net income:			
Equity in earnings of subsidiaries	(801,155)	(698,243)	(651,977)
Deferred income taxes	11,005	(9,014)	(15,237)
Depreciation	1,391	962	1,438
Changes in working capital:			
Receivables	(1,804)	2,013	198
Payables	1,140	(13,822)	17,256
Other working capital accounts	489,997	98,489	(83,711)
Common stock dividends received from subsidiaries	440,300	314,300	532,300
Other	(19,418)	(11,694)	68,276
Net cash flow provided by operating activities	847,652	362,285	421,002
Investing Activities:			
Investment in subsidiaries	(239,180)	194,665	237,121
Capital expenditures	(103)	(360)	(604)
Changes in other temporary investments	(4,782)	-	-
Other	897	(1,000)	9,328
Net cash flow provided by (used in) investing activities	(243,168)	193,305	245,845
Financing Activities:			
Changes in short-term borrowings	(36,999)	267,000	(165,500)
Advances to subsidiaries	27,067	(32,833)	(32,261)
Common stock dividends paid	(269,122)	(271,019)	(291,483)
Repurchase of common stock	(36,895)	(550,206)	(245,004)
Notes receivable to/from associated companies	(368,992)	-	-
Issuance of common stock	64,345	41,908	15,320
Net cash flow used in financing activities	(620,596)	(545,150)	(718,928)
Net increase (decrease) in cash and cash equivalents	(16,112)	10,440	(52,081)
Cash and cash equivalents at beginning of period	26,933	16,493	68,574
Cash and cash equivalents at end of period	$10,821	$26,933	$16,493

See Entergy Corporation and Subsidiaries Notes to Financial Statements in Part II, Item 8.

ENTERGY CORPORATION

SCHEDULE I - FINANCIAL STATEMENTS OF ENTERGY CORPORATION
BALANCE SHEETS

	December 31, 2001	2000
	(In Thousands)	
ASSETS		
Current Assets:		
Cash and cash equivalents:		
Temporary cash investments - at cost, which approximates market	$10,821	$26,933
Total cash and cash equivalents	10,821	26,933
Other temporary investments	4,782	-
Notes receivable - associated companies	368,992	-
Accounts receivable - associated companies	4,915	20,932
Other	2,517	2,012
Total	392,027	49,877
Investment in Wholly-owned Subsidiaries	7,860,109	7,310,589
Deferred Debits and Other Assets	98,488	154,658
Total	$8,350,624	$7,515,124
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Notes payable	$350,001	$387,000
Accounts payable:		
Associated companies	13,618	2,206
Other	5,105	3,964
Taxes accrued	215,368	13,123
Other current liabilities	7,861	10,542
Total	591,953	416,835
Deferred Credits and Noncurrent Liabilities	302,651	93,588
Shareholders' Equity:		
Common stock, $.01 par value, authorized 500,000,000 shares; issued 248,174,087 shares in 2001 and 248,094,614 shares in 2000	2,482	2,481
Paid-in capital	4,662,704	4,660,483
Retained earnings	3,638,448	3,190,640
Accumulated other comprehensive loss	(88,794)	(73,998)
Less cost of treasury stock (27,441,384 shares in 2001 and 28,490,031 shares in 2000	758,820	774,905
Total common shareholders' equity	7,456,020	7,004,701
Total	$8,350,624	$7,515,124

See Entergy Corporation and Subsidiaries Notes to Financial Statements in Part II, Item 8.

ENTERGY CORPORATION
CONSOLIDATED STATEMENTS OF RETAINED EARNINGS, COMPREHENSIVE INCOME, AND PAID-IN CAPITAL

	For the Years Ended December 31,					
	2001		2000		1999	
	(In Thousands)					
RETAINED EARNINGS						
Retained Earnings - Beginning of period	$3,190,639		$2,786,467		$2,526,888	
Add - Earnings applicable to common stock	726,196	$726,196	679,294	$679,294	552,459	$552,459
Deduct:						
Dividends declared on common stock	278,342		275,929		294,352	
Capital stock and other expenses	45		(807)		(1,472)	
Total	278,387		275,122		292,880	
Retained Earnings - End of period	$3,638,448		$3,190,639		$2,786,467	
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) (Net of tax):						
Balance at beginning of period	($75,033)		($73,805)		($46,739)	
Cumulative effect to January 1, 2001 of accounting change regarding fair value of derivative instruments	(18,021)		-		-	
Net derivative instrument fair value changes arising during the period	48	48	-	-	-	-
Foreign currency translation adjustments	4,615	4,615	(5,216)	(5,216)	(22,043)	(22,043)
Net unrealized investment gains (losses)	(403)	(403)	3,988	3,988	(5,023)	(5,023)
Balance at end of period:						
Accumulated derivative instrument fair value changes	(17,973)		-		-	
Other accumulated comprehensive income (loss) items	(70,821)		(75,033)		(73,805)	
Total	($88,794)		($75,033)		($73,805)	
Comprehensive Income		$730,456		$678,066		$525,393
PAID-IN CAPITAL						
Paid-in Capital - Beginning of period	$4,660,483		$4,636,163		$4,630,609	
Add:						
Common stock issuances related to stock plans	2,221		24,320		5,554	
Paid-in Capital - End of period	$4,662,704		$4,660,483		$4,636,163	

See Entergy Corporation and Subsidiaries Notes to Financial Statements in Part II, Item 8.

ENTERGY CORPORATION AND SUBSIDIARIES

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
Years Ended December 31, 2001, 2000, and 1999
(In Thousands)

Column A Description	Column B Balance at Beginning of Period	Column C Additions Charged to Income	Column D Other Changes Deductions from Provisions (Note 1)	Column E Balance at End of Period
Year ended December 31, 2001				
Accumulated Provisions Deducted from Assets--Doubtful Accounts	$9,947	$12,762	$3,454	$19,255
Accumulated Provisions Not Deducted from Assets:				
Property insurance	$(108,351)	$45,714	$140,900	$(203,537)
Injuries and damages (Note 2)	35,135	20,334	26,084	29,385
Environmental	37,183	7,442	9,823	34,802
Total	$(36,033)	$73,490	$176,807	$(139,350)
Year ended December 31, 2000				
Accumulated Provisions Deducted from Assets--Doubtful Accounts	$9,507	$17,550	$17,110	$9,947
Accumulated Provisions Not Deducted from Assets:				
Property insurance	$(33,267)	$66,866	$141,950	$(108,351)
Injuries and damages (Note 2)	34,309	16,785	15,959	35,135
Environmental	37,793	9,084	9,694	37,183
Total	$38,835	$92,735	$167,603	$(36,033)
Year ended December 31, 1999				
Accumulated Provisions Deducted from Assets--Doubtful Accounts	$10,300	$19,349	$20,142	$9,507
Accumulated Provisions Not Deducted from Assets:				
Property insurance	$(14,846)	$35,208	$53,629	$(33,267)
Injuries and damages (Note 2)	28,162	25,162	19,015	34,309
Environmental	35,857	11,344	9,408	37,793
Total	$49,173	$71,714	$82,052	$38,835

Notes:
(1) Deductions from provisions represent losses or expenses for which the respective provisions were created. In the case of the provision for doubtful accounts, such deductions are reduced by recoveries of amounts previously written off.

(2) Injuries and damages provision is provided to absorb all current expenses as appropriate and for the estimated cost of settling claims for injuries and damages.

ENTERGY ARKANSAS, INC.

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
Years Ended December 31, 2001, 2000, and 1999
(In Thousands)

Column A Description	Column B Balance at Beginning of Period	Column C Additions Charged to Income	Column D Other Changes Deductions from Provisions (Note 1)	Column E Balance at End of Period
Year ended December 31, 2001				
Accumulated Provisions Deducted from Assets-- Doubtful Accounts	$1,667	$-	$-	$1,667
Accumulated Provisions Not Deducted from Assets:				
Property insurance	$(80,297)	$16,155	$114,573	$(178,715)
Injuries and damages (Note 2)	3,152	2,367	2,629	2,890
Environmental	7,136	2,181	2,407	6,910
Total	$(70,009)	$20,703	$119,609	$(168,915)
Year ended December 31, 2000				
Accumulated Provisions Deducted from Assets-- Doubtful Accounts	$1,768	$3,840	$3,941	$1,667
Accumulated Provisions Not Deducted from Assets:				
Property insurance	$858	$35,521	$116,676	$(80,297)
Injuries and damages (Note 2)	3,253	1,322	1,423	3,152
Environmental	4,934	4,082	1,880	7,136
Total	$9,045	$40,925	$119,979	$(70,009)
Year ended December 31, 1999				
Accumulated Provisions Deducted from Assets-- Doubtful Accounts	$1,753	$4,175	$4,160	$1,768
Accumulated Provisions Not Deducted from Assets:				
Property insurance	$7,600	$18,306	$25,048	$858
Injuries and damages (Note 2)	4,618	2,502	3,867	3,253
Environmental	4,894	3,132	3,092	4,934
Total	$17,112	$23,940	$32,007	$9,045

Notes:
(1) Deductions from provisions represent losses or expenses for which the respective provisions were created. In the case of the provision for doubtful accounts, such deductions are reduced by recoveries of amounts previously written off.

(2) Injuries and damages provision is provided to absorb all current expenses as appropriate and for the estimated cost of settling claims for injuries and damages.

ENTERGY GULF STATES, INC.

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
Years Ended December 31, 2001, 2000, and 1999
(In Thousands)

Column A Description	Column B Balance at Beginning of Period	Column C Additions Charged to Income	Column D Other Changes Deductions from Provisions (Note 1)	Column E Balance at End of Period
Year ended December 31, 2001				
Accumulated Provisions Deducted from Assets-- Doubtful Accounts	$2,131	$-	$-	$2,131
Accumulated Provisions Not Deducted from Assets--				
Property insurance	$(5,698)	$4,485	$7,508	$(8,721)
Injuries and damages (Note 2)	9,406	5,266	7,899	6,773
Environmental	20,671	2,306	4,261	18,716
Total	$24,379	$12,057	$19,668	$16,768
Year ended December 31, 2000				
Accumulated Provisions Deducted from Assets-- Doubtful Accounts	$1,828	$4,757	$4,454	$2,131
Accumulated Provisions Not Deducted from Assets--				
Property insurance	$(3,452)	$4,486	$6,732	$(5,698)
Injuries and damages (Note 2)	8,684	6,538	5,816	9,406
Environmental	24,445	1,844	5,618	20,671
Total	$29,677	$12,868	$18,166	$24,379
Year ended December 31, 1999				
Accumulated Provisions Deducted from Assets-- Doubtful Accounts	$1,735	$4,271	$4,178	$1,828
Accumulated Provisions Not Deducted from Assets--				
Property insurance	$(4,184)	$4,486	$3,754	$(3,452)
Injuries and damages (Note 2)	4,759	9,810	5,885	8,684
Environmental	22,309	4,187	2,051	24,445
Total	$22,884	$18,483	$11,690	$29,677

Notes:
(1) Deductions from provisions represent losses or expenses for which the respective provisions were created. In the case of the provision for doubtful accounts, such deductions are reduced by recoveries of amounts previously written off.

(2) Injuries and damages provision is provided to absorb all current expenses as appropriate and for the estimated cost of settling claims for injuries and damages.

ENTERGY LOUISIANA, INC.

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
Years Ended December 31, 2001, 2000, and 1999
(In Thousands)

Column A Description	Column B Balance at Beginning of Period	Column C Additions Charged to Income	Column D Other Changes Deductions from Provisions (Note 1)	Column E Balance at End of Period
Year ended December 31, 2001				
Accumulated Provisions Deducted from Assets--Doubtful Accounts	$1,771	$-	$-	$1,771
Accumulated Provisions Not Deducted from Assets:				
Property insurance	$(27,040)	$11,900	$11,435	$(26,575)
Injuries and damages (Note 2)	11,583	3,674	5,428	9,829
Environmental	7,793	2,051	1,717	8,127
Total	$(7,664)	$17,625	$18,580	$(8,619)
Year ended December 31, 2000				
Accumulated Provisions Deducted from Assets--Doubtful Accounts	$1,615	$4,603	$4,447	$1,771
Accumulated Provisions Not Deducted from Assets:				
Property insurance	$(24,089)	$11,900	$14,851	$(27,040)
Injuries and damages (Note 2)	12,452	3,889	4,758	11,583
Environmental	7,022	2,132	1,361	7,793
Total	$(4,615)	$17,921	$20,970	$(7,664)
Year ended December 31, 1999				
Accumulated Provisions Deducted from Assets--Doubtful Accounts	$1,164	$4,797	$4,346	$1,615
Accumulated Provisions Not Deducted from Assets:				
Property insurance	$(17,825)	$6,680	$12,944	$(24,089)
Injuries and damages (Note 2)	13,124	7,038	7,710	12,452
Environmental	7,236	1,059	1,273	7,022
Total	$2,535	$14,777	$21,927	$(4,615)

Notes:
(1) Deductions from provisions represent losses or expenses for which the respective provisions were created. In the case of the provision for doubtful accounts, such deductions are reduced by recoveries of amounts previously written off.

(2) Injuries and damages provision is provided to absorb all current expenses as appropriate and for the estimated cost of settling claims for injuries and damages.

ENTERGY MISSISSIPPI, INC.

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
Years Ended December 31, 2001, 2000, and 1999
(In Thousands)

Column A	Column B	Column C	Column D	Column E
		Additions	Other Changes	
Description	Balance at Beginning of Period	Charged to Income	Deductions from Provisions (Note 1)	Balance at End of Period
Year ended December 31, 2001				
Accumulated Provisions Deducted from Assets-- Doubtful Accounts	$1,044	$-	$-	$1,044
Accumulated Provisions Not Deducted from Assets:				
Property insurance	$(4,765)	$13,124	$7,080	$1,279
Injuries and damages (Note 2)	6,694	8,196	8,584	6,306
Environmental	511	581	605	487
Total	$2,440	$21,901	$16,269	$8,072
Year ended December 31, 2000				
Accumulated Provisions Deducted from Assets-- Doubtful Accounts	$886	$2,635	$2,477	$1,044
Accumulated Provisions Not Deducted from Assets:				
Property insurance	$(16,356)	$14,956	$3,365	$(4,765)
Injuries and damages (Note 2)	6,849	1,579	1,734	6,694
Environmental	594	418	501	511
Total	$(8,913)	$16,953	$5,600	$2,440
Year ended December 31, 1999				
Accumulated Provisions Deducted from Assets-- Doubtful Accounts	$1,217	$2,106	$2,437	$886
Accumulated Provisions Not Deducted from Assets:				
Property insurance	$(11,543)	$5,736	$10,549	$(16,356)
Injuries and damages (Note 2)	3,796	2,950	(103)	6,849
Environmental	704	895	1,005	594
Total	$(7,043)	$9,581	$11,451	$(8,913)

Notes:
(1) Deductions from provisions represent losses or expenses for which the respective provisions were created. In the case of the provision for doubtful accounts, such deductions are reduced by recoveries of amounts previously written off.

(2) Injuries and damages provision is provided to absorb all current expenses as appropriate and for the estimated cost of settling claims for injuries and damages.

ENTERGY NEW ORLEANS, INC.

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
Years Ended December 31, 2001, 2000, and 1999
(In Thousands)

Column A	Column B	Column C	Column D	Column E
		Additions	Other Changes	
Description	Balance at Beginning of Period	Charged to Income	Deductions from Provisions (Note 1)	Balance at End of Period
Year ended December 31, 2001				
Accumulated Provisions Deducted from Assets-- Doubtful Accounts	$770	$4,918	$3,454	$2,234
Accumulated Provisions Not Deducted from Assets:				
Property insurance	$9,449	$50	$304	$9,195
Injuries and damages (Note 2)	4,300	831	1,544	3,587
Environmental	1,072	323	833	562
Total	$14,821	$1,204	$2,681	$13,344
Year ended December 31, 2000				
Accumulated Provisions Deducted from Assets-- Doubtful Accounts	$846	$1,715	$1,791	$770
Accumulated Provisions Not Deducted from Assets:				
Property insurance	$9,772	$3	$326	$9,449
Injuries and damages (Note 2)	3,071	3,457	2,228	4,300
Environmental	798	608	334	1,072
Total	$13,641	$4,068	$2,888	$14,821
Year ended December 31, 1999				
Accumulated Provisions Deducted from Assets-- Doubtful Accounts	$761	$1,936	$1,851	$846
Accumulated Provisions Not Deducted from Assets:				
Property insurance	$11,106	$-	$1,334	$9,772
Injuries and damages (Note 2)	1,865	2,862	1,656	3,071
Environmental	714	2,071	1,987	798
Total	$13,685	$4,933	$4,977	$13,641

Notes:
(1) Deductions from provisions represent losses or expenses for which the respective provisions were created. In the case of the provision for doubtful accounts, such deductions are reduced by recoveries of amounts previously written off.

(2) Injuries and damages provision is provided to absorb all current expenses as appropriate and for the estimated cost of settling claims for injuries and damages.

EXHIBIT INDEX

The following exhibits indicated by an asterisk preceding the exhibit number are filed herewith. The balance of the exhibits have heretofore been filed with the SEC, respectively, as the exhibits and in the file numbers indicated and are incorporated herein by reference. The exhibits marked with a (+) are management contracts or compensatory plans or arrangements required to be filed herewith and required to be identified as such by Item 14 of Form 10-K. Reference is made to a duplicate list of exhibits being filed as a part of this Form 10-K, which list, prepared in accordance with Item 102 of Regulation S-T of the SEC, immediately precedes the exhibits being physically filed with this Form 10-K.

(3) (i) Articles of Incorporation

Entergy Corporation

(a) 1 -- Certificate of Incorporation of Entergy Corporation dated December 31, 1993 (A-1(a) to Rule 24 Certificate in 70-8059).

System Energy

(b) 1 -- Amended and Restated Articles of Incorporation of System Energy and amendments thereto through April 28, 1989 (A-1(a) to Form U-1 in 70-5399).

Entergy Arkansas

(c) 1 -- Amended and Restated Articles of Incorporation of Entergy Arkansas effective November 12, 1999 (3(i)(c)1 to Form 10-K for the year ended December 31, 1999 in 1- 10764).

Entergy Gulf States

(d) 1 -- Restated Articles of Incorporation of Entergy Gulf States effective November 17, 1999 (3(i)(d)1 to Form 10-K for the year ended December 31, 1999 in 1-27031).

Entergy Louisiana

(e) 1 -- Amended and Restated Articles of Incorporation of Entergy Louisiana effective November 15, 1999 (3(a) to Form S-3 in 333-93683).

Entergy Mississippi

(f) 1 -- Amended and Restated Articles of Incorporation of Entergy Mississippi effective November 12, 1999 (3(i)(f)1 to Form 10-K for the year ended December 31, 1999 in 0- 320).

Entergy New Orleans

(g) 1 -- Amended and Restated Articles of Incorporation of Entergy New Orleans effective November 15, 1999 (3(a) to Form S-3 in 333-95599).

(3) (ii) By-Laws

(a) -- By-Laws of Entergy Corporation as amended January 29, 1999, and as presently in effect (4.2 to Form S-8 in File No. 333-75097).

(b) -- By-Laws of System Energy effective July 6, 1998, and as presently in effect (3(f) to Form 10-Q for the quarter ended June 30, 1998 in 1-9067).

(c) -- By-Laws of Entergy Arkansas effective November 26, 1999, and as presently in effect (3(ii)(c) to Form 10-K for the year ended December 31, 1999 in 1-10764).

(d) -- By-Laws of Entergy Gulf States effective November 26, 1999, and as presently in effect (3(ii)(d) to Form 10- K for the year ended

December 31, 19991-27031).

(e) -- By-Laws of Entergy Louisiana effective November 26, 1999, and as presently in effect (3(b) to Form S-3 in File No. 333-93683).

(f) -- By-Laws of Entergy Mississippi effective November 26, 1999, and as presently in effect (3(ii)(f) to Form 10- K for the year ended December 31, 1999 in 0-320).

(g) -- By-Laws of Entergy New Orleans effective November 30, 1999, and as presently in effect (3(b) to Form S-3 in File No. 333-95599).

(4) Instruments Defining Rights of Security Holders, Including Indentures

Entergy Corporation

(a) 1 -- See (4)(b) through (4)(g) below for instruments defining the rights of holders of long-term debt of System Energy, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi and Entergy New Orleans.

(a) 2 -- Third Amended and Restated Credit Agreement, dated as of May 17, 2001, among Entergy, the Banks (Citibank, N.A., ABN AMRO Bank N.V., The Bank of New York, Bayerische Hypo-und Vereinsbank AG (New York Branch), The Industrial Bank of Japan, Ltd., The Fuji Bank, Limited, Bayerische Landesbank Girozentrale, The Chase Manhattan Bank, The Royal Bank of Scotland PLC, The Bank of Nova Scotia, Bank One, N.A., Barclays Bank PLC, Mellon Bank, N.A., Royal Bank of Canada, Union Bank of California, N.A., IntesaBCI (Los Angeles Foreign Branch), KBC Bank N.V., and Westdeutsche Landesbank Girozentrale), and Citibank, N.A., as Agent (4(a) to Form 10-Q for the quarter ended June 30, 2001 in 1-11299).

(a) 3 -- Assumption Agreement, dated July 12, 2001, among First Union National Bank, as Additional Lender, Entergy and Citibank N.A., as Agent (5(a) to Rule 24 Certificate dated November 6, 2001 in 70-9749).

System Energy

(b) 1 -- Mortgage and Deed of Trust, dated as of June 15, 1977, as amended by twenty-one Supplemental Indentures (A-1 in 70-5890 (Mortgage); B and C to Rule 24 Certificate in 70-5890 (First); B to Rule 24 Certificate in 70-6259 (Second); 20(a)-5 to Form 10-Q for the quarter ended June 30, 1981 in 1-3517 (Third); A-1(e)-1 to Rule 24 Certificate in 70-6985 (Fourth); B to Rule 24 Certificate in 70-7021 (Fifth); B to Rule 24 Certificate in 70-7021 (Sixth); A-3(b) to Rule 24 Certificate in 70-7026 (Seventh); A-3(b) to Rule 24 Certificate in 70-7158 (Eighth); B to Rule 24 Certificate in 70-7123 (Ninth); B-1 to Rule 24 Certificate in 70-7272 (Tenth); B-2 to Rule 24 Certificate in 70-7272 (Eleventh); B-3 to Rule 24 Certificate in 70-7272 (Twelfth); B-1 to Rule 24 Certificate in 70-7382 (Thirteenth); B-2 to Rule 24 Certificate in 70-7382 (Fourteenth); A-2(c) to Rule 24 Certificate in 70-7946 (Fifteenth); A-2(c) to Rule 24 Certificate in 70-7946 (Sixteenth); A-2(d) to Rule 24 Certificate in 70-7946 (Seventeenth); A-2(e) to Rule 24 Certificate dated May 4, 1993 in 70-7946 (Eighteenth); A-2(g) to Rule 24 Certificate dated May 6, 1994 in 70-7946 (Nineteenth); A-2(a)(1) to Rule 24 Certificate dated August 8, 1996 in 70-8511 (Twentieth); and A-2(a)(2) to Rule 24 Certificate dated August 8, 1996 in 70-8511 (Twenty-first)).

(b) 2 -- Facility Lease No. 1, dated as of December 1, 1988, between Meridian Trust Company and Stephen M. Carta (Steven Kaba, successor), as Owner Trustees, and System Energy (B-2(c)(1) to Rule 24 Certificate dated January 9, 1989 in 70-7561), as supplemented by Lease Supplement No. 1 dated as of April 1, 1989 (B-22(b) (1) to Rule 24 Certificate dated April 21, 1989 in 70-7561) and Lease Supplement No. 2 dated as of January 1, 1994 (B-3(d) to Rule 24 Certificate dated January 31, 1994 in 70-8215).

(b) 3 -- Facility Lease No. 2, dated as of December 1, 1988 between Meridian Trust Company and Stephen M. Carta (Steven Kaba, successor), as Owner Trustees, and System Energy (B-2(c)(2) to Rule 24 Certificate dated January 9, 1989 in 70-7561), as supplemented by Lease Supplement No. 1 dated as of April 1, 1989 (B-22(b) (2) to Rule 24 Certificate dated April 21, 1989 in 70-7561) and Lease Supplement No. 2 dated as of January 1, 1994 (B-4(d) Rule 24 Certificate dated January 31, 1994 in 70-8215).

Entergy Arkansas

(c) 1 -- Mortgage and Deed of Trust, dated as of October 1, 1944, as amended by fifty-six Supplemental Indentures (7(d) in 2-5463 (Mortgage); 7(b) in 2-7121 (First); 7(c) in 2-7605 (Second); 7(d) in 2-8100 (Third);
7(a)-4 in 2-8482 (Fourth); 7(a)-5 in 2-9149 (Fifth);
4(a)-6 in 2-9789 (Sixth); 4(a)-7 in 2-10261 (Seventh);
4(a)-8 in 2-11043 (Eighth); 2(b)-9 in 2-11468 (Ninth);
2(b)-10 in 2-15767 (Tenth); D in 70-3952 (Eleventh); D in 70-4099 (Twelfth); 4(d) in 2-23185 (Thirteenth); 2(c) in 2-24414 (Fourteenth); 2(c) in 2-25913 (Fifteenth); 2(c) in 2-28869 (Sixteenth); 2(d) in 2-28869 (Seventeenth);
2(c) in 2-35107 (Eighteenth); 2(d) in 2-36646 (Nineteenth); 2(c) in 2-39253 (Twentieth); 2(c) in 2-41080 (Twenty-first); C-1 to Rule 24 Certificate in 70-5151 (Twenty-second); C-1 to Rule 24 Certificate in 70-5257 (Twenty-third); C to Rule 24 Certificate in 70-5343 (Twenty-fourth); C-1 to Rule 24 Certificate in 70-5404 (Twenty-fifth); C to Rule 24 Certificate in 70-5502 (Twenty-sixth); C-1 to Rule 24

Certificate in 70-5556 (Twenty-seventh); C-1 to Rule 24 Certificate in 70-5693 (Twenty-eighth); C-1 to Rule 24 Certificate in 70-6078 (Twenty-ninth); C-1 to Rule 24 Certificate in 70-6174 (Thirtieth); C-1 to Rule 24 Certificate in 70-6246 (Thirty-first); C-1 to Rule 24 Certificate in 70-6498 (Thirty-second); A-4b-2 to Rule 24 Certificate in 70-6326 (Thirty-third); C-1 to Rule 24 Certificate in 70-6607 (Thirty-fourth); C-1 to Rule 24 Certificate in 70-6650 (Thirty-fifth); C-1 to Rule 24 Certificate dated December 1, 1982 in 70-6774 (Thirty-sixth); C-1 to Rule 24 Certificate dated February 17, 1983 in 70-6774 (Thirty-seventh); A-2(a) to Rule 24 Certificate dated December 5, 1984 in 70-6858 (Thirty-eighth); A-3(a) to Rule 24 Certificate in 70-7127 (Thirty-ninth); A-7 to Rule 24 Certificate in 70-7068 (Fortieth); A-8(b) to Rule 24 Certificate dated July 6, 1989 in 70-7346 (Forty-first); A-8(c) to Rule 24 Certificate dated February 1, 1990 in 70-7346 (Forty-second); 4 to Form 10-Q for the quarter ended September 30, 1990 in 1-10764 (Forty-third); A-2(a) to Rule 24 Certificate dated November 30, 1990 in 70-7802 (Forty-fourth); A-2(b) to Rule 24 Certificate dated January 24, 1991 in 70-7802 (Forty-fifth); 4(d)(2) in 33-54298 (Forty-sixth); 4(c)(2) to Form 10-K for the year ended December 31, 1992 in 1- 10764 (Forty-seventh); 4(b) to Form 10-Q for the quarter ended June 30, 1993 in 1-10764 (Forty-eighth); 4(c) to Form 10-Q for the quarter ended June 30, 1993 in 1-10764 (Forty-ninth); 4(b) to Form 10-Q for the quarter ended September 30, 1993 in 1-10764 (Fiftieth); 4(c) to Form 10- Q for the quarter ended September 30, 1993 in 1-10764 (Fifty-first); 4(a) to Form 10-Q for the quarter ended June 30, 1994 in 1-10764 (Fifty-second); C-2 to Form U5S for the year ended December 31, 1995 (Fifty-third); C-
2(a) to Form U5S for the year ended December 31, 1996 (Fifty-fourth); 4(a) to Form 10-Q for the quarter ended March 31, 2000 in 1-10764 (Fifty-fifth); and 4(a) to Form 10-Q for the quarter ended September 30, 2001 in 1-10764 (Fifty-sixth)).

(c) 2 -- Indenture for Unsecured Subordinated Debt Securities relating to Trust Securities between Entergy Arkansas and Bank of New York (as Trustee), dated as of August 1, 1996 (filed as Exhibit A-1(a) to Rule 24 Certificate dated August 26, 1996 in 70-8723).

(c) 3 -- Amended and Restated Trust Agreement of Entergy Arkansas Capital I, dated as of August 14, 1996 (filed as Exhibit A-3(a) to Rule 24 Certificate dated August 26, 1996 in 70-8723).

(c) 4 -- Guarantee Agreement between Entergy Arkansas (as Guarantor) and The Bank of New York (as Trustee), dated as of August 14, 1996, with respect to Entergy Arkansas Capital I's obligations on its 8 1/2% Cumulative Quarterly Income Preferred Securities, Series A (filed as Exhibit A-4(a) to Rule 24 Certificate dated August 26, 1996 in 70-8723).

Entergy Gulf States

(d) 1 -- Indenture of Mortgage, dated September 1, 1926, as amended by certain Supplemental Indentures (B-a-I-1 in Registration No. 2-2449 (Mortgage); 7-A-9 in Registration No. 2-6893 (Seventh); B to Form 8-K dated September 1, 1959 (Eighteenth); B to Form 8-K dated February 1, 1966 (Twenty-second); B to Form 8-K dated March 1, 1967 (Twenty-third); C to Form 8-K dated March 1, 1968 (Twenty- fourth); B to Form 8-K dated November 1, 1968 (Twenty- fifth); B to Form 8-K dated April 1, 1969 (Twenty-sixth); 2-A-8 in Registration No. 2-66612 (Thirty-eighth); 4-2 to Form 10-K for the year ended December 31, 1984 in 1-27031 (Forty-eighth); 4-2 to Form 10-K for the year ended December 31, 1988 in 1-27031 (Fifty-second); 4 to Form 10- K for the year ended December 31, 1991 in 1-27031 (Fifty- third); 4 to Form 8-K dated July 29, 1992 in 1-27031 (Fifth-fourth); 4 to Form 10-K dated December 31, 1992 in 1-27031 (Fifty-fifth); 4 to Form 10-Q for the quarter ended March 31, 1993 in 1-27031 (Fifty-sixth); 4-2 to Amendment No. 9 to Registration No. 2-76551 (Fifty- seventh); 4(b) to Form 10-Q for the quarter ended March 31,1999 in 1-27031 (Fifty-eighth); A-2(a) to Rule 24 Certificate dated June 23, 2000 in 70-8721 (Fifty-ninth); and A-2(a) to Rule 24 Certificate dated September 10, 2001 in 70-9751 (Sixtieth)).

(d) 2 -- Indenture, dated March 21, 1939, accepting resignation of The Chase National Bank of the City of New York as trustee and appointing Central Hanover Bank and Trust Company as successor trustee (B-a-1-6 in Registration No. 2-4076).

(d) 3 -- Indenture for Unsecured Subordinated Debt Securities relating to Trust Securities, dated as of January 15, 1997 (A-11(a) to Rule 24 Certificate dated February 6, 1997 in 70-8721).

(d) 4 -- Amended and Restated Trust Agreement of Entergy Gulf States Capital I dated January 28, 1997 of Series A Preferred Securities (A-13(a) to Rule 24 Certificate dated February 6, 1997 in 70-8721).

(d) 5 -- Guarantee Agreement between Entergy Gulf States, Inc. (as Guarantor) and The Bank of New York (as Trustee) dated as of January 28, 1997 with respect to Entergy Gulf States Capital I's obligation on its 8.75% Cumulative Quarterly Income Preferred Securities, Series A (A-14(a) to Rule 24 Certificate dated February 6, 1997 in 70- 8721).

Entergy Louisiana

(e) 1 -- Mortgage and Deed of Trust, dated as of April 1, 1944, as amended by fifty-five Supplemental Indentures
(7(d) in 2-5317 (Mortgage); 7(b) in 2-7408 (First); 7(c) in 2-8636 (Second); 4(b)-3 in 2-10412 (Third); 4(b)-4 in 2-12264 (Fourth); 2(b)-5 in 2-12936 (Fifth); D in 70-3862 (Sixth); 2(b)-7 in 2-22340 (Seventh); 2(c) in 2-24429 (Eighth); 4(c)-9 in 2-25801 (Ninth); 4(c)-10 in 2-26911 (Tenth); 2(c) in 2-28123 (Eleventh); 2(c) in 2-34659 (Twelfth); C to Rule 24 Certificate in 70-4793 (Thirteenth); 2(b)-2 in 2-38378 (Fourteenth); 2(b)-2 in 2-39437 (Fifteenth); 2(b)-2 in 2-42523 (Sixteenth); C to Rule 24 Certificate in 70-5242 (Seventeenth); C to Rule 24 Certificate in 70-5330 (Eighteenth); C-1 to Rule 24 Certificate in 70-5449 (Nineteenth); C-1 to Rule 24 Certificate in 70-5550 (Twentieth);

A-6(a) to Rule 24 Certificate in 70-5598 (Twenty-first); C-1 to Rule 24 Certificate in 70-5711 (Twenty-second); C-1 to Rule 24 Certificate in 70-5919 (Twenty-third); C-1 to Rule 24 Certificate in 70-6102 (Twenty-fourth); C-1 to Rule 24 Certificate in 70-6169 (Twenty-fifth); C-1 to Rule 24 Certificate in 70-6278 (Twenty-sixth); C-1 to Rule 24 Certificate in 70-6355 (Twenty-seventh); C-1 to Rule 24 Certificate in 70-6508 (Twenty-eighth); C-1 to Rule 24 Certificate in 70-6556 (Twenty-ninth); C-1 to Rule 24 Certificate in 70-6635 (Thirtieth); C-1 to Rule 24 Certificate in 70-6834 (Thirty-first); C-1 to Rule 24 Certificate in 70-6886 (Thirty-second); C-1 to Rule 24 Certificate in 70-6993 (Thirty-third); C-2 to Rule 24 Certificate in 70-6993 (Thirty-fourth); C-3 to Rule 24 Certificate in 70-6993 (Thirty-fifth); A-2(a) to Rule 24 Certificate in 70-7166 (Thirty-sixth); A-2(a) in 70-7226 (Thirty-seventh); C-1 to Rule 24 Certificate in 70-7270 (Thirty-eighth); 4(a) to Quarterly Report on Form 10-Q for the quarter ended June 30, 1988 in 1-8474 (Thirty-ninth); A-2(b) to Rule 24 Certificate in 70-7553 (Fortieth); A-2(d) to Rule 24 Certificate in 70-7553 (Forty-first); A-3(a) to Rule 24 Certificate in 70-7822 (Forty-second); A-3(b) to Rule 24 Certificate in 70-7822 (Forty-third); A-2(b) to Rule 24 Certificate in 70-7822 (Forty-fourth); A-3(c) to Rule 24 Certificate in 70-7822 (Forty-fifth); A-2(c) to Rule 24 Certificate dated April 7, 1993 in 70-7822 (Forty-sixth); A-3(d) to Rule 24 Certificate dated June 4, 1993 in 70-7822 (Forth- seventh); A-3(e) to Rule 24 Certificate dated December 21, 1993 in 70-7822 (Forty-eighth); A-3(f) to Rule 24 Certificate dated August 1, 1994 in 70-7822 (Forty- ninth); A-4(c) to Rule 24 Certificate dated September 28, 1994 in 70-7653 (Fiftieth); A-2(a) to Rule 24 Certificate dated April 4, 1996 in 70-8487 (Fifty-first); A-2(a) to Rule 24 Certificate dated April 3, 1998 in 70-9141 (Fifty- second); A-2(b) to Rule 24 Certificate dated April 9, 1999 in 70-9141 (Fifty-third); A-3(a) to Rule 24 Certificate dated July 6, 1999 in 70-9141 (Fifty-fourth); and A-2(c) to Rule 24 Certificate dated June 2, 2000 in 70-9141 (Fifty-fifth)).

(e) 2 -- Facility Lease No. 1, dated as of September 1, 1989, between First National Bank of Commerce, as Owner Trustee, and Entergy Louisiana (4(c)-1 in Registration No. 33-30660).

(e) 3 -- Facility Lease No. 2, dated as of September 1, 1989, between First National Bank of Commerce, as Owner Trustee, and Entergy Louisiana (4(c)-2 in Registration No. 33-30660).

(e) 4 -- Facility Lease No. 3, dated as of September 1, 1989, between First National Bank of Commerce, as Owner Trustee, and Entergy Louisiana (4(c)-3 in Registration No. 33-30660).

(e) 5 -- Indenture for Unsecured Subordinated Debt Securities relating to Trust Securities, dated as of July 1, 1996 (A-14(a) to Rule 24 Certificate dated July 25, 1996 in 70-8487).

(e) 6 -- Amended and Restated Trust Agreement of Entergy Louisiana Capital I dated July 16, 1996 of Series A Preferred Securities (A-16(a) to Rule 24 Certificate dated July 25, 1996 in 70-8487).

(e) 7 -- Guarantee Agreement between Entergy Louisiana, Inc. (as Guarantor) and The Bank of New York (as Trustee) dated as of July 16, 1996 with respect to Entergy Louisiana Capital I's obligation on its 9% Cumulative Quarterly Income Preferred Securities, Series A (A-19(a) to Rule 24 Certificate dated July 25, 1996 in 70-8487).

Entergy Mississippi

(f) 1 -- Mortgage and Deed of Trust, dated as of February 1, 1988, as amended by sixteen Supplemental Indentures (A-2(a)-2 to Rule 24 Certificate in 70-7461 (Mortgage); A-2(b)-2 in 70-7461 (First); A-5(b) to Rule 24 Certificate in 70-7419 (Second); A-4(b) to Rule 24 Certificate in 70-7554 (Third); A-1(b)-1 to Rule 24 Certificate in 70-7737 (Fourth); A-2(b) to Rule 24 Certificate dated November 24, 1992 in 70-7914 (Fifth); A-2(e) to Rule 24 Certificate dated January 22, 1993 in 70-7914 (Sixth); A-2(g) to Form U-1 in 70-7914 (Seventh); A-2(i) to Rule 24 Certificate dated November 10, 1993 in 70-7914 (Eighth); A-2(j) to Rule 24 Certificate dated July 22, 1994 in 70-7914 (Ninth); (A-2(l) to Rule 24 Certificate dated April 21, 1995 in 70-7914 (Tenth); A-2(a) to Rule 24 Certificate dated June 27, 1997 in 70- 8719 (Eleventh); A-2(b) to Rule 24 Certificate dated April 16, 1998 in 70-8719 (Twelfth); A-2(c) to Rule 24 Certificate dated May 12, 1999 in 70-8719 (Thirteenth); A-3(a) to Rule 24 Certificate dated June 8, 1999 in 70-8719 (Fourteenth); A-2(d) to Rule 24 Certificate dated February 24, 2000 in 70-8719 (Fifteenth); and A-2(a) to Rule 24 Certificate dated February 9, 2001 in 70-9757 (Sixteenth)).

Entergy New Orleans

(g) 1 -- Mortgage and Deed of Trust, dated as of May 1, 1987, as amended by nine Supplemental Indentures (A-2(c) to Rule 24 Certificate in 70-7350 (Mortgage); A-5(b) to Rule 24 Certificate in 70-7350 (First); A-4(b) to Rule 24 Certificate in 70-7448 (Second); 4(f)4 to Form 10-K for the year ended December 31, 1992 in 0-5807 (Third); 4(a) to Form 10-Q for the quarter ended September 30, 1993 in 0-5807 (Fourth); 4(a) to Form 8-K dated April 26, 1995 in 0-5807 (Fifth); 4(a) to Form 8-K dated March 22, 1996 in 0-5807 (Sixth); 4(b) to Form 10-Q for the quarter ended June 30, 1998 in 0-5807 (Seventh); 4(d) to Form 10-Q for the quarter ended June 30, 2000 in 0-5807 (Eighth); and C-5(a) to Form U5S for the year ended December 31, 2000 (Ninth)).

(10) Material Contracts

Entergy Corporation

(a) 1 -- Agreement, dated April 23, 1982, among certain System companies, relating to System Planning and Development and Intra-System Transactions (10(a)1 to Form 10-K for the year ended December 31, 1982 in 1-3517).

(a) 2 -- Middle South Utilities (now Entergy Corporation) System Agency Agreement, dated December 11, 1970 (5(a)-2 in 2-41080).

(a) 3 -- Amendment, dated February 10, 1971, to Middle South Utilities System Agency Agreement, dated December 11, 1970 (5(a)-4 in 2-41080).

(a) 4 -- Amendment, dated May 12, 1988, to Middle South Utilities System Agency Agreement, dated December 11, 1970 (5(a)-4 in 2-41080).

(a) 5 -- Middle South Utilities System Agency Coordination Agreement, dated December 11, 1970 (5(a)-3 in 2-41080).

(a) 6 -- Service Agreement with Entergy Services, dated as of April 1, 1963 (5(a)-5 in 2-41080).

(a) 7 -- Amendment, dated January 1, 1972, to Service Agreement with Entergy Services (5(a)-6 in 2-43175).

(a) 8 -- Amendment, dated April 27, 1984, to Service Agreement with Entergy Services (10(a)-7 to Form 10-K for the year ended December 31, 1984, in 1-3517).

(a) 9 -- Amendment, dated August 1, 1988, to Service Agreement with Entergy Services (10(a)-8 to Form 10-K for the year ended December 31, 1988, in 1-3517).

(a) 10-- Amendment, dated January 1, 1991, to Service Agreement with Entergy Services (10(a)-9 to Form 10-K for the year ended December 31, 1990, in 1-3517).

(a) 11-- Amendment, dated January 1, 1992, to Service Agreement with Entergy Services (10(a)-11 for the year ended December 31, 1994 in 1-3517).

*(a) 12-- Amendment, dated January 1, 2000, to Service Agreement with Entergy Services.

*(a) 13-- Amendment, dated January 1, 2001, to Service Agreement with Entergy Services.

(a) 14-- Availability Agreement, dated June 21, 1974, among System Energy and certain other System companies (B to Rule 24 Certificate dated June 24, 1974 in 70-5399).

(a) 15-- First Amendment to Availability Agreement, dated as of June 30, 1977 (B to Rule 24 Certificate dated June 24, 1977 in 70-5399).

(a) 16-- Second Amendment to Availability Agreement, dated as of June 15, 1981 (E to Rule 24 Certificate dated July 1, 1981 in 70-6592).

(a) 17-- Third Amendment to Availability Agreement, dated as of June 28, 1984 (B-13(a) to Rule 24 Certificate dated July 6, 1984 in 70-6985).

(a) 18-- Fourth Amendment to Availability Agreement, dated as of June 1, 1989 (A to Rule 24 Certificate dated June 8, 1989 in 70-5399).

(a) 19-- Eighteenth Assignment of Availability Agreement, Consent and Agreement, dated as of September 1, 1986, with United States Trust Company of New York and Gerard F. Ganey, as Trustees (C-2 to Rule 24 Certificate dated October 1, 1986 in 70-7272).

(a) 20-- Nineteenth Assignment of Availability Agreement, Consent and Agreement, dated as of September 1, 1986, with United States Trust Company of New York and Gerard F. Ganey, as Trustees (C-3 to Rule 24 Certificate dated October 1, 1986 in 70-7272).

(a) 21-- Twenty-sixth Assignment of Availability Agreement, Consent and Agreement, dated as of October 1, 1992, with United States Trust Company of New York and Gerard F. Ganey, as Trustees (B-2(c) to Rule 24 Certificate dated November 2, 1992 in 70-7946).

(a) 22-- Twenty-seventh Assignment of Availability Agreement, Consent and Agreement, dated as of April 1, 1993, with United States Trust Company of New York and Gerard F. Ganey as Trustees (B-2(d) to Rule 24 Certificate dated May 4, 1993 in 70-7946).

(a) 23-- Twenty-ninth Assignment of Availability Agreement, Consent and Agreement, dated as of April 1, 1994, with United States Trust Company of New York and Gerard F. Ganey as Trustees (B-2(f) to Rule 24 Certificate dated May 6, 1994 in 70-7946).

(a) 24-- Thirtieth Assignment of Availability Agreement, Consent and Agreement, dated as of August 1, 1996, among System Energy, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi and Entergy New Orleans, and United States Trust Company of New York and Gerard F.

Ganey, as Trustees (B-2(a) to Rule 24 Certificate dated August 8, 1996 in 70-8511).

(a) 25-- Thirty-first Assignment of Availability Agreement, Consent and Agreement, dated as of August 1, 1996, among System Energy, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans, and United States Trust Company of New York and Gerard F. Ganey, as Trustees (B-2(b) to Rule 24 Certificate dated August 8, 1996 in 70-8511).

(a) 26-- Thirty-second Assignment of Availability Agreement, Consent and Agreement, dated as of December 27, 1996, among System Energy, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans, and The Chase Manhattan Bank (B-2(a) to Rule 24 Certificate dated January 13, 1997 in 70-7561).

(a) 27-- Thirty-third Assignment of Availability Agreement, Consent and Agreement, dated as of December 20, 1999, among System Energy, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans, and The Chase Manhattan Bank (B-2(b) to Rule 24 Certificate dated March 3, 2000 in 70-7561).

(a) 28-- Capital Funds Agreement, dated June 21, 1974, between Entergy Corporation and System Energy (C to Rule 24 Certificate dated June 24, 1974 in 70-5399).

(a) 29-- First Amendment to Capital Funds Agreement, dated as of June 1, 1989 (B to Rule 24 Certificate dated June 8, 1989 in 70-5399).

(a) 30-- Eighteenth Supplementary Capital Funds Agreement and Assignment, dated as of September 1, 1986, with United States Trust Company of New York and Gerard F. Ganey, as Trustees (D-2 to Rule 24 Certificate dated October 1, 1986 in 70-7272).

(a) 31-- Nineteenth Supplementary Capital Funds Agreement and Assignment, dated as of September 1, 1986, with United States Trust Company of New York and Gerard F. Ganey, as Trustees (D-3 to Rule 24 Certificate dated October 1, 1986 in 70-7272).

(a) 32-- Twenty-sixth Supplementary Capital Funds Agreement and Assignment, dated as of October 1, 1992, with United States Trust Company of New York and Gerard F. Ganey, as Trustees (B-3(c) to Rule 24 Certificate dated November 2, 1992 in 70-7946).

(a) 33-- Twenty-seventh Supplementary Capital Funds Agreement and Assignment, dated as of April 1, 1993, with United States Trust Company of New York and Gerard F. Ganey, as Trustees (B-3(d) to Rule 24 Certificate dated May 4, 1993 in 70-7946).

(a) 34-- Twenty-ninth Supplementary Capital Funds Agreement and Assignment, dated as of April 1, 1994, with United States Trust Company of New York and Gerard F. Ganey, as Trustees (B-3(f) to Rule 24 Certificate dated May 6, 1994 in 70-7946).

(a) 35-- Thirtieth Supplementary Capital Funds Agreement and Assignment, dated as of August 1, 1996, among Entergy Corporation, System Energy and United States Trust Company of New York and Gerard F. Ganey, as Trustees (B-3(a) to Rule 24 Certificate dated August 8, 1996 in 70- 8511).

(a) 36-- Thirty-first Supplementary Capital Funds Agreement and Assignment, dated as of August 1, 1996, among Entergy Corporation, System Energy and United States Trust Company of New York and Gerard F. Ganey, as Trustees (B-3(b) to Rule 24 Certificate dated August 8, 1996 in 70- 8511).

(a) 37-- Thirty-second Supplementary Capital Funds Agreement and Assignment, dated as of December 27, 1996, among Entergy Corporation, System Energy and The Chase Manhattan Bank (B-1(a) to Rule 24 Certificate dated January 13, 1997 in 70-7561).

(a) 38-- Thirty-third Supplementary Capital Funds Agreement and Assignment, dated as of December 20, 1999, among Entergy Corporation, System Energy and The Chase Manhattan Bank (B-3(b) to Rule 24 Certificate dated March 3, 2000 in 70-7561).

(a) 39-- First Amendment to Supplementary Capital Funds Agreements and Assignments, dated as of June 1, 1989, by and between Entergy Corporation, System Energy, Deposit Guaranty National Bank, United States Trust Company of New York and Gerard F. Ganey (C to Rule 24 Certificate dated June 8, 1989 in 70-7026).

(a) 40-- First Amendment to Supplementary Capital Funds Agreements and Assignments, dated as of June 1, 1989, by and between Entergy Corporation, System Energy, United States Trust Company of New York and Gerard F. Ganey (C to Rule 24 Certificate dated June 8, 1989 in 70-7123).

(a) 41-- First Amendment to Supplementary Capital Funds Agreement and Assignment, dated as of June 1, 1989, by and between Entergy Corporation, System Energy and Chemical Bank (C to Rule 24 Certificate dated June 8, 1989 in 70-7561).

(a) 42-- Reallocation Agreement, dated as of July 28, 1981, among System Energy and certain other System companies (B-1(a) in 70-6624).

(a) 43-- Joint Construction, Acquisition and Ownership Agreement, dated as of May 1, 1980, between System Energy and SMEPA (B-1(a) in 70-6337), as amended by Amendment No. 1, dated as of May 1, 1980 (B-1(c) in 70-6337) and Amendment No. 2, dated as of October 31, 1980 (1 to Rule 24 Certificate dated October 30, 1981 in 70-6337).

(a) 44-- Operating Agreement dated as of May 1, 1980, between System Energy and SMEPA (B(2)(a) in 70-6337).

(a) 45-- Assignment, Assumption and Further Agreement No. 1, dated as of December 1, 1988, among System Energy, Meridian Trust Company and Stephen M. Carta, and SMEPA (B-7(c)(1) to Rule 24 Certificate dated January 9, 1989 in 70-7561).

(a) 46-- Assignment, Assumption and Further Agreement No. 2, dated as of December 1, 1988, among System Energy, Meridian Trust Company and Stephen M. Carta, and SMEPA (B-7(c)(2) to Rule 24 Certificate dated January 9, 1989 in 70-7561).

(a) 47-- Substitute Power Agreement, dated as of May 1, 1980, among Entergy Mississippi, System Energy and SMEPA (B(3)(a) in 70-6337).

(a) 48-- Grand Gulf Unit No. 2 Supplementary Agreement, dated as of February 7, 1986, between System Energy and SMEPA (10(aaa) in 33-4033).

(a) 49-- Compromise and Settlement Agreement, dated June 4, 1982, between Texaco, Inc. and Entergy Louisiana (28(a) to Form 8-K dated June 4, 1982 in 1-3517).

(a) 50-- Unit Power Sales Agreement, dated as of June 10, 1982, between System Energy and Entergy Arkansas, Entergy Louisiana, Entergy Mississippi and Entergy New Orleans
(10(a)-39 to Form 10-K for the year ended December 31, 1982 in 1-3517).

(a) 51-- First Amendment to Unit Power Sales Agreement, dated as of June 28, 1984, between System Energy and Entergy Arkansas, Entergy Louisiana, Entergy Mississippi and Entergy New Orleans (19 to Form 10-Q for the quarter ended September 30, 1984 in 1-3517).

(a) 52-- Revised Unit Power Sales Agreement (10(ss) in 33-4033).

(a) 53-- Middle South Utilities Inc. and Subsidiary Companies Intercompany Income Tax Allocation Agreement, dated April 28, 1988 (D-1 to Form U5S for the year ended December 31, 1987).

(a) 54-- First Amendment, dated January 1, 1990, to the Middle South Utilities Inc. and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-2 to Form U5S for the year ended December 31, 1989).

(a) 55-- Second Amendment dated January 1, 1992, to the Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-3 to Form U5S for the year ended December 31, 1992).

(a) 56-- Third Amendment dated January 1, 1994 to Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-3(a) to Form U5S for the year ended December 31, 1993).

(a) 57-- Fourth Amendment dated April 1, 1997 to Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-5 to Form U5S for the year ended December 31, 1996).

(a) 58-- Guaranty Agreement between Entergy Corporation and Entergy Arkansas, dated as of September 20, 1990 (B-1(a) to Rule 24 Certificate dated September 27, 1990 in 70-7757).

(a) 59-- Guarantee Agreement between Entergy Corporation and Entergy Louisiana, dated as of September 20, 1990 (B-2(a) to Rule 24 Certificate dated September 27, 1990 in 70-7757).

(a) 60-- Guarantee Agreement between Entergy Corporation and System Energy, dated as of September 20, 1990 (B-3(a) to Rule 24 Certificate dated September 27, 1990 in 70- 7757).

(a) 61-- Loan Agreement between Entergy Operations and Entergy Corporation, dated as of September 20, 1990 (B-12(b) to Rule 24 Certificate dated June 15, 1990 in 70-7679).

(a) 62-- Loan Agreement between Entergy Power and Entergy Corporation, dated as of August 28, 1990 (A-4(b) to Rule 24 Certificate dated September 6, 1990 in 70-7684).

(a) 63-- Loan Agreement between Entergy Corporation and Entergy Systems and Service, Inc., dated as of December 29, 1992 (A-4(b) to Rule 24 Certificate in 70-7947).

*+(a)64--Executive Financial Counseling Program of Entergy Corporation and Subsidiaries.

***+(a)65--Entergy Corporation Executive Annual Incentive Plan.**

+(a) 66-- Equity Ownership Plan of Entergy Corporation and Subsidiaries (A-4(a) to Rule 24 Certificate dated May 24, 1991 in 70-7831).

+(a) 67-- Amendment No. 1 to the Equity Ownership Plan of Entergy Corporation and Subsidiaries (10(a) 71 to Form 10- K for the year ended December 31, 1992 in 1-3517).

+(a) 68-- 1998 Equity Ownership Plan of Entergy Corporation and Subsidiaries (Filed with the Proxy Statement dated March 30, 1998).

*+(a)69--Amendments, effective June 13, 2000 and December 7, 2001, to the 1998 Equity Ownership Plan of Entergy Corporation and Subsidiaries.

*+(a)70--Supplemental Retirement Plan of Entergy Corporation and Subsidiaries, as amended effective January 1, 2000.

*+(a)71--Amendment, effective December 28, 2001, to the Supplemental Retirement Plan of Entergy Corporation and Subsidiaries.

*+(a)72--Defined Contribution Restoration Plan of Entergy Corporation and Subsidiaries, as amended effective January 1, 2000.

*+(a)73--Amendment, effective December 28, 2001, to the Defined Contribution Restoration Plan of Entergy Corporation and Subsidiaries.

*+(a)74--Executive Disability Plan of Entergy Corporation and Subsidiaries.

*+(a)75--Executive Deferred Compensation Plan of Entergy Corporation and Subsidiaries, as amended effective January 1, 2000.

*+(a)76--Amendment, effective December 7, 2001, to the Executive Deferred Compensation Plan of Entergy Corporation and Subsidiaries.

*+(a)77--Equity Awards Plan of Entergy Corporation and Subsidiaries, effective as of August 31, 2000.

*+(a)78--Amendment, effective December 7, 2001, to the Equity Awards Plan of Entergy Corporation and Subsidiaries.

*+(a)79--System Executive Continuity Plan of Entergy Corporation and Subsidiaries, effective as of March 1, 2000.

*+(a)80--Post-Retirement Plan of Entergy Corporation and Subsidiaries, as amended effective January 1, 2000.

*+(a)81--Amendment, effective December 28, 2001, to the Post- Retirement Plan of Entergy Corporation and Subsidiaries.

*+(a)82--Pension Equalization Plan of Entergy Corporation and Subsidiaries, as amended effective January 1, 2000.

*+(a)83- Amendment, effective December 28, 2001, to the Pension Equalization Plan of Entergy Corporation and Subsidiaries.

*+(a)84--Service Recognition Program for Non-Employee Outside Directors of Entergy Corporation and Subsidiaries, effective January 1, 2000.

+(a) 85-- Stock Plan for Outside Directors of Entergy Corporation and Subsidiaries, as amended (10(a) 74 to Form 10-K for the year ended December 31, 1992 in 1- 3517).

*+(a)86--Executive Income Security Plan of Gulf States Utilities Company, as amended effective March 1, 1991.

*+(a)87--System Executive Retirement Plan of Entergy Corporation and Subsidiaries, effective January 1, 2000.

*+(a)88--Amendment, effective December 28,. 2001, to the System Executive Retirement Plan of Entergy Corporation and Subsidiaries.

+(a)89 -- Retention Agreement effective October 27, 2000 between J. Wayne Leonard and Entergy Corporation (10(a)81 to Form 10-K for the year ended December 31, 2000 in 1-11299).

+(a)90 -- Retention Agreement effective July 29, 2000 between Frank F. Gallaher and Entergy Corporation (10(a)82 to Form 10-K for the year ended December 31, 2000 in 1- 11299).

*+(a)91 -- Letter Agreement effective July 25, 2001 between Jerry D. Jackson and Entergy Corporation.

+(a)92 -- Retention Agreement effective July 29, 2000 between Donald C. Hintz and Entergy Corporation (10(a)85 to Form 10-K for the year ended December 31, 2000 in 1-11299).

+(a)93 -- Retention Agreement effective July 29, 2000 between Michael G. Thompson and Entergy Corporation (10(a)86 to Form 10-K for the year ended December 31, 2000 in 1- 11299).

+(a)94 -- Retention Agreement effective January 22, 2001 between Richard J. Smith and Entergy Services, Inc (10(a)87 to Form 10-K for the year ended December 31, 2000 in 1-11299).

+(a)95 -- Retention Agreement effective July 29, 2000 between Jerry W. Yelverton and Entergy Corporation (10(a)89 to Form 10-K for the year ended December 31, 2000 in 1- 11299).

+(a)96 -- Retention Agreement effective July 29, 2000 between C. John Wilder and Entergy Corporation (10(a)90 to Form 10-K for the year ended December 31, 2000 in 1-11299).

*+(a)97--Employment Agreement effective August 7, 2001 between Curt L. Hebert and Entergy Corporation.

(a) 98-- Agreement of Limited Partnership of Entergy-Koch, LP among EKLP, LLC, EK Holding I, LLC, EK Holding II, LLC and Koch Energy, Inc. dated January 31, 2001 (10(a)94 to Form 10-K/A for the year ended December 31, 2000 in 1- 11299).

System Energy

(b) 1 through
(b) 14-- See 10(a)-12 through 10(a)-25 above.

(b) 15 through
(b) 28-- See 10(a)-26 through 10(a)-39 above.

(b) 29-- Reallocation Agreement, dated as of July 28, 1981, among System Energy and certain other System companies (B-1(a) in 70-6624).

(b) 30-- Joint Construction, Acquisition and Ownership Agreement, dated as of May 1, 1980, between System Energy and SMEPA (B-1(a) in 70-6337), as amended by Amendment No. 1, dated as of May 1, 1980 (B-1(c) in 70-6337) and Amendment No. 2, dated as of October 31, 1980 (1 to Rule 24 Certificate dated October 30, 1981 in 70-6337).

(b) 31-- Operating Agreement, dated as of May 1, 1980, between System Energy and SMEPA (B(2)(a) in 70-6337).

(b) 32- Amended and Restated Installment Sale Agreement, dated as of February 15, 1996, between System Energy and Claiborne County, Mississippi (B-6(a) to Rule 24 Certificate dated March 4, 1996 in 70-8511).

(b) 33-- Loan Agreement, dated as of October 15, 1998, between System Energy and Mississippi Business Finance Corporation (B-6(b) to Rule 24 Certificate dated November 12, 1998 in 70-8511).

(b) 34-- Loan Agreement, dated as of May 15, 1999, between System Energy and Mississippi Business Finance Corporation (B-6(c) to Rule 24 Certificate dated June 8, 1999 in 70-8511).

(b) 35-- Facility Lease No. 1, dated as of December 1, 1988, between Meridian Trust Company and Stephen M. Carta (Stephen J. Kaba, successor), as Owner Trustees, and System Energy (B-2(c)(1) to Rule 24 Certificate dated January 9, 1989 in 70-7561), as supplemented by Lease Supplement No. 1 dated as of April 1, 1989 (B-22(b) (1) to Rule 24 Certificate dated April 21, 1989 in 70-7561) and Lease Supplement No. 2 dated as of January 1, 1994 (B-
3(d) to Rule 24 Certificate dated January 31, 1994 in 70- 8215).

(b) 36-- Facility Lease No. 2, dated as of December 1, 1988 between Meridian Trust Company and Stephen M. Carta (Stephen J. Kaba, successor), as Owner Trustees, and System Energy (B-2(c)(2) to Rule 24 Certificate dated January 9, 1989 in 70-7561), as supplemented by Lease Supplement No. 1 dated as of April 1, 1989 (B-22(b) (2) to Rule 24 Certificate dated April 21, 1989 in 70-7561) and Lease Supplement No. 2 dated as of January 1, 1994 (B-
4(d) Rule 24 Certificate dated January 31, 1994 in 70- 8215).

(b) 37-- Assignment, Assumption and Further Agreement No. 1, dated as of December 1, 1988, among System Energy, Meridian Trust Company and Stephen M. Carta, and SMEPA (B-7(c)(1) to Rule 24 Certificate dated January 9, 1989 in 70-7561).

(b) 38-- Assignment, Assumption and Further Agreement No. 2, dated as of December 1, 1988, among System Energy, Meridian Trust Company and Stephen M. Carta, and SMEPA (B-7(c)(2) to Rule 24 Certificate dated January 9, 1989 in 70-7561).

(b) 39-- Collateral Trust Indenture, dated as of January 1, 1994, among System Energy, GG1B Funding Corporation and Bankers Trust Company, as Trustee (A-3(e) to Rule 24 Certificate dated January 31, 1994 in 70-8215), as supplemented by Supplemental Indenture No. 1 dated January 1, 1994, (A-3(f) to Rule 24 Certificate dated January 31, 1994 in 70-8215).

(b) 40-- Substitute Power Agreement, dated as of May 1, 1980, among Entergy Mississippi, System Energy and SMEPA (B(3)(a) in 70-6337).

(b) 41-- Grand Gulf Unit No. 2 Supplementary Agreement, dated as of February 7, 1986, between System Energy and SMEPA (10(aaa) in 33-4033).

(b) 42-- Unit Power Sales Agreement, dated as of June 10, 1982, between System Energy and Entergy Arkansas, Entergy Louisiana, Entergy Mississippi and Entergy New Orleans
(10(a)-39 to Form 10-K for the year ended December 31, 1982 in 1-3517).

(b) 43-- First Amendment to the Unit Power Sales Agreement, dated as of June 28, 1984, between System Energy and Entergy Arkansas, Entergy Louisiana, Entergy Mississippi and Entergy New Orleans (19 to Form 10-Q for the quarter ended September 30, 1984 in 1-3517).

(b) 44-- Revised Unit Power Sales Agreement (10(ss) in 33-4033).

(b) 45-- Fuel Lease, dated as of February 24, 1989, between River Fuel Funding Company #3, Inc. and System Energy (B-1(b) to Rule 24 Certificate dated March 3, 1989 in 70-7604).

(b) 46-- System Energy's Consent, dated January 31, 1995, pursuant to Fuel Lease, dated as of February 24, 1989, between River Fuel Funding Company #3, Inc. and System Energy (B-1(c) to Rule 24 Certificate dated February 13, 1995 in 70-7604).

(b) 47-- Sales Agreement, dated as of June 21, 1974, between System Energy and Entergy Mississippi (D to Rule 24 Certificate dated June 26, 1974 in 70-5399).

(b) 48-- Service Agreement, dated as of June 21, 1974, between System Energy and Entergy Mississippi (E to Rule 24 Certificate dated June 26, 1974 in 70-5399).

(b) 49-- Partial Termination Agreement, dated as of December 1, 1986, between System Energy and Entergy Mississippi (A-2 to Rule 24 Certificate dated January 8, 1987 in 70-5399).

(b) 50-- Middle South Utilities, Inc. and Subsidiary Companies Intercompany Income Tax Allocation Agreement, dated April 28, 1988 (D-1 to Form U5S for the year ended December 31, 1987).

(b) 51-- First Amendment, dated January 1, 1990 to the Middle South Utilities Inc. and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-2 to Form U5S for the year ended December 31, 1989).

(b) 52-- Second Amendment dated January 1, 1992, to the Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-3 to Form U5S for the year ended December 31, 1992).

(b) 53-- Third Amendment dated January 1, 1994 to Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-3(a) to Form U5S for the year ended December 31, 1993).

(b) 54-- Fourth Amendment dated April 1, 1997 to Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-5 to Form U5S for the year ended December 31, 1996).

(b) 55-- Service Agreement with Entergy Services, dated as of July 16, 1974, as amended (10(b)-43 to Form 10-K for the year ended December 31, 1988 in 1-9067).

(b) 56-- Amendment, dated January 1, 1991, to Service Agreement with Entergy Services (10(b)-45 to Form 10-K for the year ended December 31, 1990 in 1-9067).

(b) 57-- Amendment, dated January 1, 1992, to Service Agreement with Entergy Services (10(a) -11 to Form 10-K for the year ended December 31, 1994 in 1-3517).

(b) 58-- Operating Agreement between Entergy Operations and System Energy, dated as of June 6, 1990 (B-3(b) to Rule 24 Certificate dated June 15, 1990 in 70-7679).

(b) 59-- Guarantee Agreement between Entergy Corporation and System Energy, dated as of September 20, 1990 (B-3(a) to Rule 24 Certificate dated September 27, 1990 in 70-7757).

(b) 60-- Amended and Restated Reimbursement Agreement, dated as of December 1, 1988 as amended and restated as of December 20, 1999, among System Energy Resources, Inc., The Bank of Tokyo-Mitsubishi, Ltd., as Funding Bank and The Chase Manhattan Bank, as administrating bank, Union Bank of California, N.A., as documentation agent, and the Banks named therein, as Participating Banks (B-1(b) to Rule 24 Certificate dated March 3, 2000 in 70- 7561).

Entergy Arkansas

(c) 1 -- Agreement, dated April 23, 1982, among Entergy Arkansas and certain other System companies, relating to System Planning and Development and Intra-System Transactions (10(a) 1 to Form 10-K for the year ended December 31, 1982 in 1-3517).

(c) 2 -- Middle South Utilities System Agency Agreement, dated December 11, 1970 (5(a)2 in 2-41080).

(c) 3 -- Amendment, dated February 10, 1971, to Middle South Utilities System Agency Agreement, dated December 11, 1970 (5(a)-4 in 2-41080).

(c) 4 -- Amendment, dated May 12, 1988, to Middle South Utilities System Agency Agreement, dated December 11, 1970 (5(a) 4 in 2-41080).

(c) 5 -- Middle South Utilities System Agency Coordination Agreement, dated December 11, 1970 (5(a)-3 in 2-41080).

(c) 6 -- Service Agreement with Entergy Services, dated as of April 1, 1963 (5(a)-5 in 2-41080).

(c) 7 -- Amendment, dated January 1, 1972, to Service Agreement with Entergy Services (5(a)- 6 in 2-43175).

(c) 8 -- Amendment, dated April 27, 1984, to Service Agreement, with Entergy Services (10(a)- 7 to Form 10-K for the year ended December 31, 1984 in 1-3517).

(c) 9 -- Amendment, dated August 1, 1988, to Service Agreement with Entergy Services (10(c)- 8 to Form 10-K for the year ended December 31, 1988 in 1-10764).

(c) 10-- Amendment, dated January 1, 1991, to Service Agreement with Entergy Services (10(c)-9 to Form 10-K for the year ended December 31, 1990 in 1-10764).

(c) 11-- Amendment, dated January 1, 1992, to Service Agreement with Entergy Services (10(a)-11 to Form 10-K for the year ended December 31, 1994 in 1-3517).

(c) 12 through
(c) 25-- See 10(a)-12 through 10(a)-25 above.

(c) 26-- Agreement, dated August 20, 1954, between Entergy Arkansas and the United States of America (SPA)(13(h) in 2-11467).

(c) 27-- Amendment, dated April 19, 1955, to the United States of America (SPA) Contract, dated August 20, 1954
(5(d)-2 in 2-41080).

(c) 28-- Amendment, dated January 3, 1964, to the United States of America (SPA) Contract, dated August 20, 1954
(5(d)-3 in 2-41080).

(c) 29-- Amendment, dated September 5, 1968, to the United States of America (SPA) Contract, dated August 20, 1954
(5(d)-4 in 2-41080).

(c) 30-- Amendment, dated November 19, 1970, to the United States of America (SPA) Contract, dated August 20, 1954
(5(d)-5 in 2-41080).

(c) 31-- Amendment, dated July 18, 1961, to the United States of America (SPA) Contract, dated August 20, 1954
(5(d)-6 in 2-41080).

(c) 32-- Amendment, dated December 27, 1961, to the United States of America (SPA) Contract, dated August 20, 1954 (5(d)-7 in 2-41080).

(c) 33-- Amendment, dated January 25, 1968, to the United States of America (SPA) Contract, dated August 20, 1954 (5(d)-8 in 2-41080).

(c) 34-- Amendment, dated October 14, 1971, to the United States of America (SPA) Contract, dated August 20, 1954 (5(d)-9 in 2-43175).

(c) 35-- Amendment, dated January 10, 1977, to the United States of America (SPA) Contract, dated August 20, 1954 (5(d)-10 in 2-60233).

(c) 36-- Agreement, dated May 14, 1971, between Entergy Arkansas and the United States of America (SPA) (5(e) in 2-41080).

(c) 37-- Amendment, dated January 10, 1977, to the United States of America (SPA) Contract, dated May 14, 1971 (5(e)-1 in 2-60233).

(c) 38-- Contract, dated May 28, 1943, Amendment to Contract, dated July 21, 1949, and Supplement to Amendment to Contract, dated December 30, 1949, between Entergy Arkansas and McKamie Gas Cleaning Company; Agreements, dated as of September 30, 1965, between Entergy Arkansas and former stockholders of McKamie Gas Cleaning Company; and Letter Agreement, dated June 22, 1966, by Humble Oil & Refining Company accepted by Entergy Arkansas on June 24, 1966 (5(k)-7 in 2-41080).

(c) 39-- Agreement, dated April 3, 1972, between Entergy Services and Gulf United Nuclear Fuels Corporation (5(l)-3 in 2-46152).

(c) 40-- Fuel Lease, dated as of December 22, 1988, between River Fuel Trust #1 and Entergy Arkansas (B-1(b) to Rule 24 Certificate in 70-7571).

(c) 41-- White Bluff Operating Agreement, dated June 27, 1977, among Entergy Arkansas and Arkansas Electric Cooperative Corporation and City Water and Light Plant of the City of Jonesboro, Arkansas (B-2(a) to Rule 24 Certificate dated June 30, 1977 in 70-6009).

(c) 42-- White Bluff Ownership Agreement, dated June 27, 1977, among Entergy Arkansas and Arkansas Electric Cooperative Corporation and City Water and Light Plant of the City of Jonesboro, Arkansas (B-1(a) to Rule 24 Certificate dated June 30, 1977 in 70-6009).

(c) 43-- Agreement, dated June 29, 1979, between Entergy Arkansas and City of Conway, Arkansas (5(r)-3 in 2-66235).

(c) 44-- Transmission Agreement, dated August 2, 1977, between Entergy Arkansas and City Water and Light Plant of the City of Jonesboro, Arkansas (5(r)-3 in 2-60233).

(c) 45-- Power Coordination, Interchange and Transmission Service Agreement, dated as of June 27, 1977, between Arkansas Electric Cooperative Corporation and Entergy Arkansas (5(r)-4 in 2-60233).

(c) 46-- Independence Steam Electric Station Operating Agreement, dated July 31, 1979, among Entergy Arkansas and Arkansas Electric Cooperative Corporation and City Water and Light Plant of the City of Jonesboro, Arkansas and City of Conway, Arkansas (5(r)-6 in 2-66235).

(c) 47-- Amendment, dated December 4, 1984, to the Independence Steam Electric Station Operating Agreement (10(c) 51 to Form 10-K for the year ended December 31, 1984 in 1-10764).

(c) 48-- Independence Steam Electric Station Ownership Agreement, dated July 31, 1979, among Entergy Arkansas and Arkansas Electric Cooperative Corporation and City Water and Light Plant of the City of Jonesboro, Arkansas and City of Conway, Arkansas (5(r)-7 in 2-66235).

(c) 49-- Amendment, dated December 28, 1979, to the Independence Steam Electric Station Ownership Agreement (5(r)-7(a) in 2-66235).

(c) 50-- Amendment, dated December 4, 1984, to the Independence Steam Electric Station Ownership Agreement (10(c) 54 to Form 10-K for the year ended December 31, 1984 in 1-10764).

(c) 51-- Owner's Agreement, dated November 28, 1984, among Entergy Arkansas, Entergy Mississippi, other co-owners of the Independence Station (10(c) 55 to Form 10-K for the year ended December 31, 1984 in 1-10764).

(c) 52-- Consent, Agreement and Assumption, dated December 4, 1984, among Entergy Arkansas, Entergy Mississippi, other co-owners of the

Independence Station and United States Trust Company of New York, as Trustee (10(c) 56 to Form 10-K for the year ended December 31, 1984 in 1-10764).

(c) 53-- Power Coordination, Interchange and Transmission Service Agreement, dated as of July 31, 1979, between Entergy Arkansas and City Water and Light Plant of the City of Jonesboro, Arkansas (5(r)-8 in 2-66235).

(c) 54-- Power Coordination, Interchange and Transmission Agreement, dated as of June 29, 1979, between City of Conway, Arkansas and Entergy Arkansas (5(r)-9 in 2-66235).

(c) 55-- Agreement, dated June 21, 1979, between Entergy Arkansas and Reeves E. Ritchie ((10)(b)-90 to Form 10-K for the year ended December 31, 1980 in 1-10764).

(c) 56-- Reallocation Agreement, dated as of July 28, 1981, among System Energy and certain other System companies (B-1(a) in 70-6624).

(c) 57-- Unit Power Sales Agreement, dated as of June 10, 1982, between System Energy and Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans
(10(a) 39 to Form 10-K for the year ended December 31, 1982 in 1-3517).

(c) 58-- First Amendment to Unit Power Sales Agreement, dated as of June 28, 1984, between System Energy, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans (19 to Form 10-Q for the quarter ended September 30, 1984 in 1-3517).

(c) 59-- Revised Unit Power Sales Agreement (10(ss) in 33-4033).

(c) 60-- Contract For Disposal of Spent Nuclear Fuel and/or High-Level Radioactive Waste, dated June 30, 1983, among the DOE, System Fuels and Entergy Arkansas (10(b)-57 to Form 10-K for the year ended December 31, 1983 in 1-10764).

(c) 61-- Middle South Utilities, Inc. and Subsidiary Companies Intercompany Income Tax Allocation Agreement, dated April 28, 1988 (D-1 to Form U5S for the year ended December 31, 1987).

(c) 62-- First Amendment, dated January 1, 1990, to the Middle South Utilities, Inc. and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-2 to Form U5S for the year ended December 31, 1989).

(c) 63-- Second Amendment dated January 1, 1992, to the Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-3 to Form U5S for the year ended December 31, 1992).

(c) 64-- Third Amendment dated January 1, 1994, to Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-3(a) to Form U5S for the year ended December 31, 1993).

(c) 65-- Fourth Amendment dated April 1, 1997 to Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-5 to Form U5S for the year ended December 31, 1996).

(c) 66-- Assignment of Coal Supply Agreement, dated December 1, 1987, between System Fuels and Entergy Arkansas (B to Rule 24 letter filing dated November 10, 1987 in 70-5964).

(c) 67-- Coal Supply Agreement, dated December 22, 1976, between System Fuels and Antelope Coal Company (B-1 in 70-5964), as amended by First Amendment (A to Rule 24 Certificate in 70-5964); Second Amendment (A to Rule 24 letter filing dated December 16, 1983 in 70-5964); and Third Amendment (A to Rule 24 letter filing dated November 10, 1987 in 70-5964).

(c) 68-- Operating Agreement between Entergy Operations and Entergy Arkansas, dated as of June 6, 1990 (B-1(b) to Rule 24 Certificate dated June 15, 1990 in 70-7679).

(c) 69-- Guaranty Agreement between Entergy Corporation and Entergy Arkansas, dated as of September 20, 1990 (B-1(a) to Rule 24 Certificate dated September 27, 1990 in 70-7757).

(c) 70-- Agreement for Purchase and Sale of Independence Unit 2 between Entergy Arkansas and Entergy Power, dated as of August 28, 1990 (B-3(c) to Rule 24 Certificate dated September 6, 1990 in 70-7684).

(c) 71-- Agreement for Purchase and Sale of Ritchie Unit 2 between Entergy Arkansas and Entergy Power, dated as of August 28, 1990 (B-4(d) to Rule 24 Certificate dated September 6, 1990 in 70-7684).

(c) 72-- Ritchie Steam Electric Station Unit No. 2 Operating Agreement between Entergy Arkansas and Entergy Power, dated as of August 28,

1990 (B-5(a) to Rule 24 Certificate dated September 6, 1990 in 70-7684).

(c) 73-- Ritchie Steam Electric Station Unit No. 2 Ownership Agreement between Entergy Arkansas and Entergy Power, dated as of August 28, 1990 (B-6(a) to Rule 24 Certificate dated September 6, 1990 in 70-7684).

(c) 74-- Power Coordination, Interchange and Transmission Service Agreement between Entergy Power and Entergy Arkansas, dated as of August 28, 1990 (10(c)-71 to Form 10-K for the year ended December 31, 1990 in 1-10764).

(c) 75-- Loan Agreement dated June 15, 1993, between Entergy Arkansas and Independence Country, Arkansas (B-1 (a) to Rule 24 Certificate dated July 9, 1993 in 70- 8171).

(c) 76-- Loan Agreement dated June 15, 1994, between Entergy Arkansas and Jefferson County, Arkansas (B-1(a) to Rule 24 Certificate dated June 30, 1994 in 70-8405).

(c) 77-- Loan Agreement dated June 15, 1994, between Entergy Arkansas and Pope County, Arkansas (B-1(b) to Rule 24 Certificate in 70-8405).

(c) 78-- Loan Agreement dated November 15, 1995, between Entergy Arkansas and Pope County, Arkansas (10(c) 96 to Form 10-K for the year ended December 31, 1995 in 1- 10764).

(c) 79-- Agreement as to Expenses and Liabilities between Entergy Arkansas and Entergy Arkansas Capital I, dated as of August 14, 1996 (4(j) to Form 10-Q for the quarter ended September 30, 1996 in 1-10764).

(c) 80-- Loan Agreement dated December 1, 1997, between Entergy Arkansas and Jefferson County, Arkansas (10(c)100 to Form 10-K for the year ended December 31, 1997 in 1-10764).

*(c) 81-- Refunding Agreement, dated December 1, 2001, between Entergy Arkansas and Pope Country, Arkansas.

Entergy Gulf States

(d) 1 -- Guaranty Agreement, dated July 1, 1976, between Entergy Gulf States and American Bank and Trust Company (C and D to Form 8-K dated August 6, 1976 in 1-27031).

(d) 2 -- Guaranty Agreement, dated August 1, 1992, between Entergy Gulf States and Hibernia National Bank, relating to Pollution Control Revenue Refunding Bonds of the Industrial Development Board of the Parish of Calcasieu, Inc. (Louisiana) (10-1 to Form 10-K for the year ended December 31, 1992 in 1-27031).

(d) 3 -- Guaranty Agreement, dated January 1, 1993, between Entergy Gulf States and Hancock Bank of Louisiana, relating to Pollution Control Revenue Refunding Bonds of the Parish of Pointe Coupee (Louisiana) (10-2 to Form 10- K for the year ended December 31, 1992 in 1-27031).

(d) 4 -- Deposit Agreement, dated as of December 1, 1983 between Entergy Gulf States, Morgan Guaranty Trust Co. as Depositary and the Holders of Depository Receipts, relating to the Issue of 900,000 Depositary Preferred Shares, each representing 1/2 share of Adjustable Rate Cumulative Preferred Stock, Series E-$100 Par Value (4-17 to Form 10-K for the year ended December 31, 1983 in 1- 27031).

(d) 5 -- Agreement effective February 1, 1964, between Sabine River Authority, State of Louisiana, and Sabine River Authority of Texas, and Entergy Gulf States, Central Louisiana Electric Company, Inc., and Louisiana Power & Light Company, as supplemented (B to Form 8-K dated May 6, 1964, A to Form 8-K dated October 5, 1967, A to Form 8-K dated May 5, 1969, and A to Form 8-K dated December 1, 1969 in 1-27031).

(d) 6 -- Joint Ownership Participation and Operating Agreement regarding River Bend Unit 1 Nuclear Plant, dated August 20, 1979, between Entergy Gulf States, Cajun, and SRG&T; Power Interconnection Agreement with Cajun, dated June 26, 1978, and approved by the REA on August 16, 1979, between Entergy Gulf States and Cajun; and Letter Agreement regarding CEPCO buybacks, dated August 28, 1979, between Entergy Gulf States and Cajun (2, 3, and 4, respectively, to Form 8-K dated September 7, 1979 in 1-27031).

(d) 7 -- Ground Lease, dated August 15, 1980, between Statmont Associates Limited Partnership (Statmont) and Entergy Gulf States, as amended (3 to Form 8-K dated August 19, 1980 and A-3-b to Form 10-Q for the quarter ended September 30, 1983 in 1-27031).

(d) 8 -- Lease and Sublease Agreement, dated August 15, 1980, between Statmont and Entergy Gulf States, as amended (4 to Form 8-K dated August 19, 1980 and A-3-c to Form 10-Q for the quarter ended September 30, 1983 in 1- 27031).

(d) 9 -- Lease Agreement, dated September 18, 1980, between BLC Corporation and Entergy Gulf States (1 to Form 8-K dated October 6, 1980

in 1-27031).

(d) 10-- Joint Ownership Participation and Operating Agreement for Big Cajun, between Entergy Gulf States, Cajun Electric Power Cooperative, Inc., and Sam Rayburn G&T, Inc, dated November 14, 1980 (6 to Form 8-K dated January 29, 1981 in 1-27031); Amendment No. 1, dated December 12, 1980 (7 to Form 8-K dated January 29, 1981 in 1-27031); Amendment No. 2, dated December 29, 1980 (8 to Form 8-K dated January 29, 1981 in 1-27031).

(d) 11-- Agreement of Joint Ownership Participation between SRMPA, SRG&T and Entergy Gulf States, dated June 6, 1980, for Nelson Station, Coal Unit #6, as amended (8 to Form 8- K dated June 11, 1980, A-2-b to Form 10-Q for the quarter ended June 30, 1982; and 10-1 to Form 8-K dated February 19, 1988 in 1-27031).

(d) 12-- Agreements between Southern Company and Entergy Gulf States, dated February 25, 1982, which cover the construction of a 140-mile transmission line to connect the two systems, purchase of power and use of transmission facilities (10-31 to Form 10-K for the year ended December 31, 1981 in 1-27031).

(d) 13-- Transmission Facilities Agreement between Entergy Gulf States and Mississippi Power Company, dated February 28, 1982, and Amendment, dated May 12, 1982 (A-2-c to Form 10-Q for the quarter ended March 31, 1982 in 1- 27031) and Amendment, dated December 6, 1983 (10-43 to Form 10-K for the year ended December 31, 1983 in 1- 27031).

(d) 14-- First Amended Power Sales Agreement, dated December 1, 1985 between Sabine River Authority, State of Louisiana, and Sabine River Authority, State of Texas, and Entergy Gulf States, Central Louisiana Electric Co., Inc., and Louisiana Power and Light Company (10-72 to Form 10-K for the year ended December 31, 1985 in 1- 27031).

+(d) 15-- Deferred Compensation Plan for Directors of Entergy Gulf States and Varibus Corporation, as amended January 8, 1987, and effective January 1, 1987 (10-77 to Form 10-K for the year ended December 31, 1986 in 1- 27031). Amendment dated December 4, 1991 (10-3 to Amendment No. 8 in Registration No. 2-76551).

+(d) 16-- Trust Agreement for Deferred Payments to be made by Entergy Gulf States pursuant to the Executive Income Security Plan, by and between Entergy Gulf States and Bankers Trust Company, effective November 1, 1986 (10-78 to Form 10-K for the year ended December 31, 1986 in 1- 27031).

+(d) 17-- Trust Agreement for Deferred Installments under Entergy Gulf States' Management Incentive Compensation Plan and Administrative Guidelines by and between Entergy Gulf States and Bankers Trust Company, effective June 1, 1986 (10-79 to Form 10-K for the year ended December 31, 1986 in 1-27031).

+(d) 18-- Nonqualified Deferred Compensation Plan for Officers, Nonemployee Directors and Designated Key Employees, effective December 1, 1985, as amended, continued and completely restated effective as of March 1, 1991 (10-3 to Amendment No. 8 in Registration No. 2-76551).

+(d) 19-- Trust Agreement for Entergy Gulf States' Nonqualified Directors and Designated Key Employees by and between Entergy Gulf States and First City Bank, Texas-Beaumont, N.A. (now Texas Commerce Bank), effective July 1, 1991 (10-4 to Form 10-K for the year ended December 31, 1992 in 1-27031).

(d) 20-- Lease Agreement, dated as of June 29, 1987, among GSG&T, Inc., and Entergy Gulf States related to the leaseback of the Lewis Creek generating station (10-83 to Form 10-K for the year ended December 31, 1988 in 1- 27031).

(d) 21-- Nuclear Fuel Lease Agreement between Entergy Gulf States and River Bend Fuel Services, Inc. to lease the fuel for River Bend Unit 1, dated February 7, 1989 (10-64 to Form 10-K for the year ended December 31, 1988 in 1- 27031).

(d) 22-- Trust and Investment Management Agreement between Entergy Gulf States and Morgan Guaranty and Trust Company of New York (the "Decommissioning Trust Agreement) with respect to decommissioning funds authorized to be collected by Entergy Gulf States, dated March 15, 1989 (10-66 to Form 10-K for the year ended December 31, 1988 in 1-27031).

(d) 23-- Amendment No. 2 dated November 1, 1995 between Entergy Gulf States and Mellon Bank to Decommissioning Trust Agreement (10(d) 31 to Form 10-K for the year ended December 31, 1995 in 1-27031).

(d) 24-- Partnership Agreement by and among Conoco Inc., and Entergy Gulf States, CITGO Petroleum Corporation and Vista Chemical Company, dated April 28, 1988 (10-67 to Form 10-K for the year ended December 31, 1988 in 1- 27031).

+(d) 25-- Gulf States Utilities Company Executive Continuity Plan, dated January 18, 1991 (10-6 to Form 10-K for the year ended December 31, 1990 in 1-27031).

+(d) 26-- Trust Agreement for Entergy Gulf States' Executive Continuity Plan, by and between Entergy Gulf States and First City Bank, Texas-Beaumont, N.A. (now Texas Commerce Bank), effective May 20, 1991 (10-5 to Form 10-K for the year ended December 31, 1992 in 1-27031).

+(d) 27-- Gulf States Utilities Board of Directors' Retirement Plan, dated February 15, 1991 (10-8 to Form 10- K for the year ended December 31, 1990 in 1-27031).

(d) 28-- Operating Agreement between Entergy Operations and Entergy Gulf States, dated as of December 31, 1993 (B-2(f) to Rule 24 Certificate in 70-8059).

(d) 29-- Guarantee Agreement between Entergy Corporation and Entergy Gulf States, dated as of December 31, 1993 (B-5(a) to Rule 24 Certificate in 70-8059).

(d) 30-- Service Agreement with Entergy Services, dated as of December 31, 1993 (B-6(c) to Rule 24 Certificate in 70-8059).

(d) 31-- Third Amendment, dated January 1, 1994, to Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-3(a) to Form U5S for the year ended December 31, 1993).

(d) 32-- Agreement as to Expenses and Liabilities between Entergy Gulf States and Entergy Gulf States Capital I, dated as of January 28, 1997 (10(d)52 to Form 10-K for the year ended December 31, 1996 in 1-27031).

(d) 33-- Refunding Agreement dated as of May 1, 1998 between Entergy Gulf States and Parish of Iberville, State of Louisiana (B-3(a) to Rule 24 Certificate dated May 29, 1998 in 70-8721).

(d) 34-- Refunding Agreement dated as of May 1, 1998 between Entergy Gulf States and Industrial Development Board of the Parish of Calcasieu, Inc. (B-3(b) to Rule 24 Certificate dated January 29, 1999 in 70-8721).

(d) 35-- Refunding Agreement (Series 1999-A) dated as of September 1, 1999 between Entergy Gulf States and Parish of West Feliciana, State of Louisiana (B-3(c) to Rule 24 Certificate dated October 8, 1999 in 70-8721).

(d) 36-- Refunding Agreement (Series 1999-B) dated as of September 1, 1999 between Entergy Gulf States and Parish of West Feliciana, State of Louisiana (B-3(d) to Rule 24 Certificate dated October 8, 1999 in 70-8721).

Entergy Louisiana

(e) 1 -- Agreement, dated April 23, 1982, among Entergy Louisiana and certain other System companies, relating to System Planning and Development and Intra-System Transactions (10(a) 1 to Form 10-K for the year ended December 31, 1982, in 1-3517).

(e) 2 -- Middle South Utilities System Agency Agreement, dated December 11, 1970 (5(a)-2 in 2-41080).

(e) 3 -- Amendment, dated as of February 10, 1971, to Middle South Utilities System Agency Agreement, dated December 11, 1970 (5(a)-4 in 2-41080).

(e) 4 -- Amendment, dated May 12, 1988, to Middle South Utilities System Agency Agreement, dated December 11, 1970 (5(a) 4 in 2-41080).

(e) 5 -- Middle South Utilities System Agency Coordination Agreement, dated December 11, 1970 (5(a)-3 in 2-41080).

(e) 6 -- Service Agreement with Entergy Services, dated as of April 1, 1963 (5(a)-5 in 2-42523).

(e) 7 -- Amendment, dated as of January 1, 1972, to Service Agreement with Entergy Services (4(a)-6 in 2-45916).

(e) 8 -- Amendment, dated as of April 27, 1984, to Service Agreement with Entergy Services (10(a) 7 to Form 10-K for the year ended December 31, 1984 in 1-3517).

(e) 9 -- Amendment, dated as of August 1, 1988, to Service Agreement with Entergy Services (10(d)-8 to Form 10-K for the year ended December 31, 1988 in 1-8474).

(e) 10-- Amendment, dated January 1, 1991, to Service Agreement with Entergy Services (10(d)-9 to Form 10-K for the year ended December 31, 1990 in 1-8474).

(e) 11-- Amendment, dated January 1, 1992, to Service Agreement with Entergy Services (10(a)-11 to Form 10-K for the year ended December 31, 1994 in 1-3517).

(e) 12 through
(e) 25-- See 10(a)-12 through 10(a)-25 above.

(e) 26-- Fuel Lease, dated as of January 31, 1989, between River Fuel Company #2, Inc., and Entergy Louisiana (B-1(b) to Rule 24 Certificate in 70-7580).

(e) 27-- Reallocation Agreement, dated as of July 28, 1981, among System Energy and certain other System companies (B-1(a) in 70-6624).

(e) 28-- Compromise and Settlement Agreement, dated June 4, 1982, between Texaco, Inc. and Entergy Louisiana (28(a) to Form 8-K dated June 4, 1982 in 1-8474).

(e) 29-- Unit Power Sales Agreement, dated as of June 10, 1982, between System Energy and Entergy Arkansas, Entergy Louisiana, Entergy Mississippi and Entergy New Orleans
(10(a) 39 to Form 10-K for the year ended December 31, 1982 in 1-3517).

(e) 30-- First Amendment to the Unit Power Sales Agreement, dated as of June 28, 1984, between System Energy and Entergy Arkansas, Entergy Louisiana, Entergy Mississippi and Entergy New Orleans (19 to Form 10-Q for the quarter ended September 30, 1984 in 1-3517).

(e) 31-- Revised Unit Power Sales Agreement (10(ss) in 33-4033).

(e) 32-- Middle South Utilities, Inc. and Subsidiary Companies Intercompany Tax Allocation Agreement, dated April 28, 1988 (D-1 to Form U5S for the year ended December 31, 1987).

(e) 33-- First Amendment, dated January 1, 1990, to the Middle South Utilities, Inc. and Subsidiary Companies Intercompany Income Tax Allocation Agreement, dated January 1, 1990 (D-2 to Form U5S for the year ended December 31, 1989).

(e) 34-- Second Amendment dated January 1, 1992, to the Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-3 to Form U5S for the year ended December 31, 1992).

(e) 35-- Third Amendment dated January 1, 1994 to Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-3(a) to Form U5S for the year ended December 31, 1993).

(e) 36-- Fourth Amendment dated April 1, 1997 to Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-5 to Form U5S for the year ended December 31, 1996).

(e) 37-- Contract for Disposal of Spent Nuclear Fuel and/or High-Level Radioactive Waste, dated February 2, 1984, among DOE, System Fuels and Entergy Louisiana (10(d)33 to Form 10-K for the year ended December 31, 1984 in 1-8474).

(e) 38-- Operating Agreement between Entergy Operations and Entergy Louisiana, dated as of June 6, 1990 (B-2(c) to Rule 24 Certificate dated June 15, 1990 in 70-7679).

(e) 39-- Guarantee Agreement between Entergy Corporation and Entergy Louisiana, dated as of September 20, 1990 (B-2(a), to Rule 24 Certificate dated September 27, 1990 in 70-7757).

(e) 40-- Installment Sale Agreement, dated July 20, 1994, between Entergy Louisiana and St. Charles Parish, Louisiana (B-6(e) to Rule 24 Certificate dated August 1, 1994 in 70-7822).

(e) 41-- Installment Sale Agreement, dated November 1, 1995, between Entergy Louisiana and St. Charles Parish, Louisiana (B-6(a) to Rule 24 Certificate dated December 19, 1995 in 70-8487).

(e) 42-- Refunding Agreement (Series 1999-A), dated as of June 1, 1999, between Entergy Louisiana and Parish of St. Charles, State of Louisiana (B-6(a) to Rule 24 Certificate dated July 6, 1999 in 70-9141).

(e) 43-- Refunding Agreement (Series 1999-B), dated as of June 1, 1999, between Entergy Louisiana and Parish of St. Charles, State of Louisiana (B-6(b) to Rule 24 Certificate dated July 6, 1999 in 70-9141).

(e) 44-- Refunding Agreement (Series 1999-C), dated as of October 1, 1999, between Entergy Louisiana and Parish of St. Charles, State of Louisiana (B-11(a) to Rule 24 Certificate dated October 15, 1999 in 70-9141).

(e) 45-- Agreement as to Expenses and Liabilities between Entergy Louisiana, Inc. and Entergy Louisiana Capital I dated July 16, 1996 (4(d) to Form 10-Q for the quarter ended June 30, 1996 in 1-8474).

Entergy Mississippi

(f) 1 -- Agreement dated April 23, 1982, among Entergy Mississippi and certain other System companies, relating to System Planning and Development and Intra-System Transactions (10(a) 1 to Form 10-K for the year ended December 31, 1982 in 1-3517).

(f) 2 -- Middle South Utilities System Agency Agreement, dated December 11, 1970 (5(a)-2 in 2-41080).

(f) 3 -- Amendment, dated February 10, 1971, to Middle South Utilities System Agency Agreement, dated December 11, 1970 (5(a) 4 in 2-41080).

(f) 4 -- Amendment, dated May 12, 1988, to Middle South Utilities System Agency Agreement, dated December 11, 1970 (5(a) 4 in 2-41080).

(f) 5 -- Middle South Utilities System Agency Coordination Agreement, dated December 11, 1970 (5(a)-3 in 2-41080).

(f) 6 -- Service Agreement with Entergy Services, dated as of April 1, 1963 (D in 37-63).

(f) 7 -- Amendment, dated January 1, 1972, to Service Agreement with Entergy Services (A to Notice, dated October 14, 1971 in 37-63).

(f) 8 -- Amendment, dated April 27, 1984, to Service Agreement with Entergy Services (10(a) 7 to Form 10-K for the year ended December 31, 1984 in 1-3517).

(f) 9 -- Amendment, dated as of August 1, 1988, to Service Agreement with Entergy Services (10(e) 8 to Form 10-K for the year ended December 31, 1988 in 0-320).

(f) 10-- Amendment, dated January 1, 1991, to Service Agreement with Entergy Services (10(e) 9 to Form 10-K for the year ended December 31, 1990 in 0-320).

(f) 11-- Amendment, dated January 1, 1992, to Service Agreement with Entergy Services (10(a)-11 to Form 10-K for the year ended December 31, 1994 in 1-3517).

(f) 12 through
(f) 25-- See 10(a)-12 - 10(a)-25above.

(f) 26-- Installment Sale Agreement, dated as of June 1, 1974, between Entergy Mississippi and Washington County, Mississippi (B-2(a) to Rule 24 Certificate dated August 1, 1974 in 70-5504).

(f) 27-- Amended and Restated Installment Sale Agreement, dated as of April 1, 1994, between Entergy Mississippi and Warren County, Mississippi (B-6(a) to Rule 24 Certificate dated May 4, 1994 in 70-7914).

(f) 28-- Amended and Restated Installment Sale Agreement, dated as of April 1, 1994, between Entergy Mississippi and Washington County, Mississippi, (B-6(b) to Rule 24 Certificate dated May 4, 1994 in 70-7914).

(f) 29-- Refunding Agreement, dated as of May 1, 1999, between Entergy Mississippi and Independence County, Arkansas (B-6(a) to Rule 24 Certificate dated June 8, 1999 in 70-8719).

(f) 30-- Substitute Power Agreement, dated as of May 1, 1980, among Entergy Mississippi, System Energy and SMEPA (B-3(a) in 70-6337).

(f) 31-- Amendment, dated December 4, 1984, to the Independence Steam Electric Station Operating Agreement
(10(c) 51 to Form 10-K for the year ended December 31, 1984 in 0-375).

(f) 32-- Amendment, dated December 4, 1984, to the Independence Steam Electric Station Ownership Agreement
(10(c) 54 to Form 10-K for the year ended December 31, 1984 in 0-375).

(f) 33-- Owners Agreement, dated November 28, 1984, among Entergy Arkansas, Entergy Mississippi and other co-owners of the Independence Station (10(c) 55 to Form 10-K for the year ended December 31, 1984 in 0-375).

(f) 34-- Consent, Agreement and Assumption, dated December 4, 1984, among Entergy Arkansas, Entergy Mississippi, other co-owners of the

Independence Station and United States Trust Company of New York, as Trustee (10(c) 56 to Form 10-K for the year ended December 31, 1984 in 0-375).

(f) 35-- Reallocation Agreement, dated as of July 28, 1981, among System Energy and certain other System companies (B-1(a) in 70-6624).

+(f) 36-- Post-Retirement Plan (10(d) 24 to Form 10-K for the year ended December 31, 1983 in 0-320).

(f) 37-- Unit Power Sales Agreement, dated as of June 10, 1982, between System Energy and Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans
(10(a) 39 to Form 10-K for the year ended December 31, 1982 in 1-3517).

(f) 38-- First Amendment to the Unit Power Sales Agreement, dated as of June 28, 1984, between System Energy and Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans (19 to Form 10-Q for the quarter ended September 30, 1984 in 1-3517).

(f) 39-- Revised Unit Power Sales Agreement (10(ss) in 33-4033).

(f) 40-- Sales Agreement, dated as of June 21, 1974, between System Energy and Entergy Mississippi (D to Rule 24 Certificate dated June 26, 1974 in 70-5399).

(f) 41-- Service Agreement, dated as of June 21, 1974, between System Energy and Entergy Mississippi (E to Rule 24 Certificate dated June 26, 1974 in 70-5399).

(f) 42-- Partial Termination Agreement, dated as of December 1, 1986, between System Energy and Entergy Mississippi (A-2 to Rule 24 Certificate dated January 8, 1987 in 70-5399).

(f) 43-- Middle South Utilities, Inc. and Subsidiary Companies Intercompany Income Tax Allocation Agreement, dated April 28, 1988 (D-1 to Form U5S for the year ended December 31, 1987).

(f) 44-- First Amendment dated January 1, 1990 to the Middle South Utilities Inc. and Subsidiary Companies Intercompany Tax Allocation Agreement (D-2 to Form U5S for the year ended December 31, 1989).

(f) 45-- Second Amendment dated January 1, 1992, to the Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-3 to Form U5S for the year ended December 31, 1992).

(f) 46-- Third Amendment dated January 1, 1994 to Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-3(a) to Form U5S for the year ended December 31, 1993).

(f) 47-- Fourth Amendment dated April 1, 1997 to Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-5 to Form U5S for the year ended December 31, 1996).

Entergy New Orleans

(g) 1 -- Agreement, dated April 23, 1982, among Entergy New Orleans and certain other System companies, relating to System Planning and Development and Intra-System Transactions (10(a)-1 to Form 10-K for the year ended December 31, 1982 in 1-3517).

(g) 2 -- Middle South Utilities System Agency Agreement, dated December 11, 1970 (5(a)-2 in 2-41080).

(g) 3 -- Amendment dated as of February 10, 1971, to Middle South Utilities System Agency Agreement, dated December 11, 1970 (5(a)-4 in 2-41080).

(g) 4 -- Amendment, dated May 12, 1988, to Middle South Utilities System Agency Agreement, dated December 11, 1970 (5(a) 4 in 2-41080).

(g) 5 -- Middle South Utilities System Agency Coordination Agreement, dated December 11, 1970 (5(a)-3 in 2-41080).

(g) 6 -- Service Agreement with Entergy Services dated as of April 1, 1963 (5(a)-5 in 2-42523).

(g) 7 -- Amendment, dated as of January 1, 1972, to Service Agreement with Entergy Services (4(a)-6 in 2-45916).

(g) 8 -- Amendment, dated as of April 27, 1984, to Service Agreement with Entergy Services (10(a)7 to Form 10-K for the year ended December 31, 1984 in 1-3517).

(g) 9 -- Amendment, dated as of August 1, 1988, to Service Agreement with Entergy Services (10(f)-8 to Form 10-K for the year ended December 31, 1988 in 0-5807).

(g) 10-- Amendment, dated January 1, 1991, to Service Agreement with Entergy Services (10(f)-9 to Form 10-K for the year ended December 31, 1990 in 0-5807).

(g) 11-- Amendment, dated January 1, 1992, to Service Agreement with Entergy Services (10(a)-11 to Form 10-K for year ended December 31, 1994 in 1-3517).

(g) 12 through
(g) 25-- See 10(a)-12 - 10(a)-25 above.

(g) 26-- Reallocation Agreement, dated as of July 28, 1981, among System Energy and certain other System companies (B-1(a) in 70-6624).

(g) 27-- Unit Power Sales Agreement, dated as of June 10, 1982, between System Energy and Entergy Arkansas, Entergy Louisiana, Entergy Mississippi and Entergy New Orleans
(10(a) 39 to Form 10-K for the year ended December 31, 1982 in 1-3517).

(g) 28-- First Amendment to the Unit Power Sales Agreement, dated as of June 28, 1984, between System Energy and Entergy Arkansas, Entergy Louisiana, Entergy Mississippi and Entergy New Orleans (19 to Form 10-Q for the quarter ended September 30, 1984 in 1-3517).

(g) 29-- Revised Unit Power Sales Agreement (10(ss) in 33-4033).

(g) 30-- Transfer Agreement, dated as of June 28, 1983, among the City of New Orleans, Entergy New Orleans and Regional Transit Authority (2(a) to Form 8-K dated June 24, 1983 in 1-1319).

(g) 31-- Middle South Utilities, Inc. and Subsidiary Companies Intercompany Income Tax Allocation Agreement, dated April 28, 1988 (D-1 to Form U5S for the year ended December 31, 1987).

(g) 32-- First Amendment, dated January 1, 1990, to the Middle South Utilities, Inc. and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-2 to Form U5S for the year ended December 31, 1989).

(g) 33-- Second Amendment dated January 1, 1992, to the Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-3 to Form U5S for the year ended December 31, 1992).

(g) 34-- Third Amendment dated January 1, 1994 to Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-3(a) to Form U5S for the year ended December 31, 1993).

(g) 35-- Fourth Amendment dated April 1, 1997 to Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-5 to Form U5S for the year ended December 31, 1996).

(12) Statement Re Computation of Ratios

*(a) Entergy Arkansas's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Fixed Charges and Preferred Dividends, as defined.

*(b) Entergy Gulf States' Computation of Ratios of Earnings to Fixed Charges and of Earnings to Fixed Charges and Preferred Dividends, as defined.

*(c) Entergy Louisiana's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Fixed Charges and Preferred Dividends, as defined.

*(d) Entergy Mississippi's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Fixed Charges and Preferred Dividends, as defined.

*(e) Entergy New Orleans' Computation of Ratios of Earnings to Fixed Charges and of Earnings to Fixed Charges and Preferred Dividends, as defined.

*(f) System Energy's Computation of Ratios of Earnings to Fixed Charges, as defined.

*(21) Subsidiaries of the Registrants

(23) Consents of Experts and Counsel

*(a) The consent of Deloitte & Touche LLP is contained herein at page 256.

*(24) Powers of Attorney

* Filed herewith.
+ Management contracts or compensatory plans or arrangements.

Exhibit 10(a)12

Amendment To

Service Agreement

The parties hereto do hereby stipulate and agree to that the SERVICE AGREEMENT entered into by and between them under date of April 1, 1963, and as heretofore amended on January 1, 1972, April 27, 1984, August 1, 1988, January 28, 1991, January 1, 1992, January 1, 1996, January 1, 1998 and January 1, 1999 be and the same hereby is further amended by substituting for **Exhibit II and the Supplement to Exhibit II to the SERVICE** AGREEMENT, the attached revised Exhibit II and revised Supplement to Exhibit II. This Amendment is made and entered into as of January 1, 2000.

ENTERGY SERVICES, INC.

By /s/ Nathan E. Langston
Vice President and Chief Accounting Officer

ENTERGY CORPORATION

By /s/ Donald Hintz
President

Exhibit B

Exhibit II

METHODS OF ALLOCATING COSTS AMONG CLIENT COMPANIES RECEIVING SERVICE UNDER THIS AND SIMILAR SERVICE AGREEMENTS WITH

ENTERGY SERVICES, INC. (SERVICES)

1. The costs of rendering service by Services will include all costs of doing business including interest on debt but excluding a return for the use of Services' initial equity capital amounting to $20,000.

2. (a) Services will maintain a separate record of the expenses of each department. The expenses of each department will include:

(i) those expenses that are directly attributable to such department,

(ii) an appropriate portion of those office and housekeeping expenses that are not directly attributable to a department but which are necessary to the operation of such department, and

(iii) an appropriate portion of those expenses of other Services' departments necessary to support the operation of the department.

(b) Expenses of the department will include salaries and wages of employees, including social security taxes, vacations, paid absences, sickness, employee disability expenses, and other employee welfare expenses, rent and utilities, desktops, telephones, materials and supplies, and all other expenses attributable to the department.

(c) Departmental expense will be categorized into one of three classes:

(i) those expenses which are directly attributable to specific services rendered to a Client Company or group of Client Companies (Departmental Direct Costs),

(ii) those expenses which are attributable to the overall operation of the department and not to a specific service provided to Client Companies (Departmental Indirect Costs) (these expenses include not only the salaries and wages of employees, but also other related employment costs described in Section 2 (b) above), and

(iii) those expenses which are attributable to the operation of other departments of Services as well as to a specific service provided to the Client Companies (Departmental Support Service Costs).

(d) The indirect expenses of the department will not include:

(i) those incremental out-of-pocket expenses that are incurred for the direct benefit and convenience of a Client Company or a group of Client Companies and are to be directly charged to such Client Company or group of Client Companies; and

(ii) Services' overhead expenses that are attributable to maintaining the corporate existence of Services, franchise and other general taxes, and all other incidental overhead expenses including those auditing fees and accounting department expenses attributable to Services (Indirect Corporate Costs).

(e) Services will establish annual budgets for controlling the expenses of each service department and those expenses outlined above in Section 2 (d), which are not department specific.

3. Employees in each department will maintain a record of the time they are employed in rendering service to each Client Company or group of Client Companies. The hourly rate for each employee will be determined each pay period.

4. (a) The charge to a Client Company or a group of Client Companies for a particular service will be the sum of the figures derived by multiplying the hours reported by each employee in rendering such service by the hourly rate applicable to such employee and other direct allocated expenses.

(b) Departmental Indirect Costs as defined in 2(c) (ii) will be loaded onto project codes in proportion to the direct salaries and wages charged to all project codes.

(c) Departmental Support Service Costs as defined in 2(c)(iii) will be allocated to other internal Services departments and the Client Companies using consumption-based billing methods, with these costs then distributed by function. Any costs that remain at Services after this initial billing will be loaded onto project codes in proportion to the direct salaries and wages charged to all project codes.

5. Those expenses of Services that are not included in the expenses of a department under Section 2 above will be charged to Client Companies receiving service as follows:

(a) Incremental out-of-pocket costs incurred for the direct benefit and convenience of a Client Company or a group of Client Companies will be charged directly to such company or group of companies.

(b) The Indirect Corporate Costs of Services referred to above in Section 2(d)(ii) will be allocated among the Client Companies in the same proportion as the charges to the Client Companies, excluding Indirect Corporate Costs.

(c) If the method of allocation of Departmental Indirect Costs (Section 4(b)), Departmental Support Service Costs (Section 4(c)), or Indirect Corporate Costs (Section 5(b)), would result in an inequity because of a change in operations or organization of the Client Companies, then Services may adjust the basis to effect an equitable distribution. Any such change in allocation shall be made only after first giving the Commission written notice of such proposed change not less than 60 days prior to the proposed effectiveness of any such change.

6. On the basis of the foregoing, monthly bills will be rendered to Client Company. Billing procedures and amounts will be open to audit by Client Company and by any regulatory authority having jurisdiction in respect of the Client Company.

7. When services are rendered to a group of Client Companies, costs of such service shall be allocated equitably among the Companies based on the nature and scope of the service rendered according to the formulae outlined in Exhibit II, Supplement.

Exhibit C

ALLOCATION FORMULAE FOR GROUPS OF CLIENT COMPANIES

Exhibit II, Supplement

Note: Each allocation formula will be based on data relevant to participating Client Companies to whom the services are provided and the department providing the service.

ENERGY SALES

Based on total kilowatt-hours of energy sold to consumers.

Used primarily for the allocation of costs associated with the financial analyses of sales and related items.

CUSTOMERS

Based on a twelve-month average of residential, commercial, industrial, government, and municipal general business electric and gas customers.

Used primarily for the allocation of costs associated with the support of customer based services. Would include customer service and support, marketing, economic forecasts, environmental services, financial and regulatory analyses and customer information systems.

EMPLOYEES

Based on the number of full and part time employees at period end.

Used primarily for the allocation of costs associated with the support of employee-based services. Would include administration of employee benefits programs, employee communications, employee training, and various facilities- based benefits.

RESPONSIBILITY RATIO

Based on the ratio of the company's load at time of system peak load. The peak load is the average of the twelve monthly highest clock-hour demands in kilowatts of the interconnected system occurring each month coincident with the system peak load.

Used primarily for the allocation of costs incurred in fossil plant support and integrated planning.

TRANSMISSION LINE MILES

Based on the number of miles of transmission lines, weighted for design voltage (Voltage < 400kv = 1; Voltage >=400kv =2).

Used primarily for the allocation of costs associated with project design, maintenance and installation of Entergy transmission lines.

SUBSTATIONS

Based on the number of high voltage substations weighted for Voltage (Voltage < 500kv = 1; Voltage >= 500kv = 2).

Used primarily for the allocation of related engineering and technical support for transmission and distribution substation operations and maintenance as well as for engineering and project management associated with substation construction.

COMPOSITE - TRANSMISSION LINES/SUBSTATIONS

Based on two components: Transmission Line Miles (30% weighting) and the Number of High Voltage Substations (70% weighting).

Used primarily for the allocation of the costs associated with the support of the transmission and distribution function that have both a transmission line component as well as a substation or load component.

GAS CONSUMPTION

Based on the volume of natural gas consumed annually by all gas fired generating units within the Entergy System.

Used for the allocation of costs associated with services in support of gas purchased for gas fired generation units.

TAX INCOME AND DEDUCTION RATIO

Based on the prior years' Federal Income Tax return, total Income and Deductions.

Used for the allocation of costs associated with the preparation of consolidated Federal income tax returns and research of Federal tax issues.

LEVEL OF ESI SERVICE

Based on ESI total billings to each System Company, excluding ESI corporate overhead.

Used for the allocation of costs associated with support of ESI as a legal entity.

SYSTEM CAPACITY (NON-NUCLEAR)

Based on the power level, in kilowatts, that could be achieved if all non-nuclear generating units were operating at maximum capability simultaneously.

Used primarily for the allocation of costs associated with the support of the fossil operations of the System. This would include services provided by plant support, environmental and purchasing.

LABOR DOLLARS BILLED

Based on total labor dollars billed to each System Company.

Used primarily to allocate certain employee-related costs and the costs associated with depreciation.

DISTRIBUTION LINE MILES

Based on the number of miles of distribution lines of 34.5kv or less.

Used primarily for the allocation of costs associated with project design, maintenance and installation of Entergy distribution lines.

COAL CONSUMPTION

Based on the quantity of tons of coal delivered for a twelve- month period to each coal plant within the Entergy System.

Used for the allocation of costs associated with services in support of coal purchased for coal generating units

ACCOUNTS PAYABLE TRANSACTIONS

Based on the number of accounts payable transactions processed annually for each Entergy System Company.

Used for the allocation of costs associated with the support of the accounts payable function.

INSURANCE PREMIUMS (NON-NUCLEAR)

Based on non-nuclear insurance premiums.

Used for the allocation of costs associated with risk management.

ASSET RECORDS

Based on the number of asset records at period end.

Used for the allocation of costs associated with the fixed asset accounting function.

AVERAGE OUTSTANDING CAPITAL EXPENDITURE AUTHORIZATIONS
(CEA'S)

Based on a twelve-month average of outstanding CEA's.

Used for the allocation of costs associated with the capital project costing accounting function.

TOTAL ASSETS

Based on total assets at period end.

Used primarily to allocate costs associated with the oversight and safeguarding of corporate assets. This would include services provided by financial management and certain finance functions, among others. Also used when the services provided are driven by the relative size and complexity of the System Companies and there is no functional relationship between the services and any other available allocation formula.

BANK ACCOUNTS AND QPC'S

Based on the number of bank accounts and quick payment centers (QPC's) at period end.

Used for the allocation of costs associated with daily cash management activities.

COMPUTER USAGE COMPOSITE

Based on three components: Customers (52% weighting), General Ledger Transactions (29% weighting) and Employees (19% weighting), with weighting based on historical usage.

Used primarily for the allocation of costs associated with the mainframe computer and related database administration.

GENERAL LEDGER TRANSACTIONS

Based on the number of general ledger transactions for the period.

Used primarily for the allocation of costs associated with general ledger activities, including related information systems, and for general accounting activities.

FIBER

Based on capacity and use of the Entergy System's fiber optic network.

Used primarily for the allocation of fiber optic operation and maintenance expenses.

NUCLEAR UNITS

Based on the number of nuclear units managed and operated by each Entergy System Company.

Used primarily to allocate nuclear fuel-related services.

NUCLEAR SITES

Based on the number of nuclear sites managed and operated by each Entergy System Company.

Used to allocate miscellaneous nuclear-related services.

TWO-WAY RADIOS

Based on the number of two-way radios within each Legal Entity.

Used for the allocation of costs associated with the support and maintenance provided by the Information Technology department for the two way radio system.

NUMBER OF PC's

Based on the number of PC's within each Legal Entity at period end.

Used primarily for the allocation of costs associated with the maintenance and support of desktop PC's.

PAYCHECKS ISSUED

Based on the number of paychecks issued to each Legal Entity.

Used for the allocation of costs associated with the processing of payroll.

REMOTE ACCESS SERVICE (RAS) ID'S

Based on the number of RAS ID's within each Legal Entity at period end.

Used for the allocation of costs associated with providing Remote Access Service to Entergy employees and contractors.

SQUARE FOOTAGE

Based on square footage occupied by all Legal Entities (SALL) and the regulated companies (SREG).

Used primarily to allocate the costs associated with facilities supervision and support.

TRANSITION TO COMPETITION

Based on a twelve-month average of residential, commercial, industrial, government, and municipal general business of gas and/or electric customers.

Used primarily for the allocation of costs associated with the management support of the Entergy System's strategy for and transition to competition.

TELEPHONES

Based on the number of telephones within each Legal Entity at period end.

Used for the allocation of costs associated with maintenance and support of telephones.

CALL CENTERS

Based on the number of customer calls for each Legal Entity at period end.

Used for the allocation of costs associated with customer service support centers.

SUPPLY CHAIN - Inventory Management T & D Transfers

Based on the number of transfer transactions for transmission and distribution (T & D) for each Legal Entity at period end.

Used for the allocation of costs associated with management and operation of inventories, excluding Fossil and Nuclear.

SUPPLY CHAIN - Investment Recovery Total Revenue

Based on the dollar amount of investment recovery revenue generated within each Legal Entity at period end.

Used for the allocation of costs associated with the management and operations of investment recovery.

SUPPLY CHAIN - Procurement Total Spending

Based on the dollar amount of procurement spending within each Legal Entity at period end.

Used for the allocation of costs associated with procurement activities for the Entergy System.

Exhibit 10(a)13

Amendment To
Service Agreement

The parties hereto do hereby stipulate and agree to that the SERVICE AGREEMENT entered into by and between them under date of April 1, 1963, and as heretofore amended on January 1, 1972, April 27, 1984, August 1, 1988, January 28, 1991, January 1, 1992, January 1, 1996, January 1, 1998, January 1, 1999 and January 1, 2000 be and the same hereby is further amended by substituting for the Supplement to Exhibit II to the SERVICE AGREEMENT, the attached revised Supplement to Exhibit II. This Amendment is made and entered into as of January 1, 2001.

ENTERGY SERVICES, INC.

By /s/ Nathan E. Langston
Vice President and Chief Accounting Officer

ENTERGY CORPORATION

By Donald Hintz President

Exhibit B

ALLOCATION FORMULAE FOR GROUPS OF CLIENT COMPANIES

Exhibit II, Supplement

Note: Each allocation formula will be based on data relevant to participating Client Companies to whom the services are provided.

ENERGY SALES

Based on total kilowatt-hours of energy sold to consumers.

Used primarily for the allocation of costs associated with the financial analyses of sales and related items.

CUSTOMERS

Based on a twelve-month average of residential, commercial, industrial, government, and municipal general business electric and gas customers.

Used primarily for the allocation of costs associated with the support of customer based services. Would include customer service and support, marketing, economic forecasts, environmental services, financial and regulatory analyses and customer information systems.

EMPLOYEES

Based on the number of full-time employees at period end.

Used primarily for the allocation of costs associated with the support of employee-based services. Would include administration of employee benefits programs, employee communications, employee training, various facilities-based benefits and information technology desktop support.

RESPONSIBILITY RATIO

Based on the ratio of the company's load at time of system peak load. The peak load is the average of the twelve monthly highest clock-hour demands in kilowatts of the interconnected system occurring each month coincident with the system peak load.

Used primarily for the allocation of costs incurred in fossil plant support and integrated planning.

COMPOSITE - TRANSMISSION, DISTRIBUTION/CUSTOMER SERVICE

Based on four components of equal weighting: kilowatt-hour energy sales; average customers; number of distribution and customer service/support employees; and the Transmission/Substation Composite Allocation Method.

Used primarily for the allocation of costs incurred in the support of the overall transmission and distribution system of Entergy's Operating Companies. These costs are related to sales, transmission lines or substations, customers or customer service/support employees.

TRANSMISSION LINE MILES

Based on the number of miles of transmission lines, weighted for design voltage (Voltage < 400kv = 1; Voltage >=400kv =2).

Used primarily for the allocation of costs associated with project design, maintenance and installation of Entergy transmission lines.

SUBSTATIONS

Based on the number of high voltage substations weighted for Voltage (Voltage < 500kv = 1; Voltage >= 500kv = 2).

Used primarily for the allocation of related engineering and technical support for transmission and distribution substation operations and maintenance as well as for engineering and project management associated with substation construction.

COMPOSITE - TRANSMISSION LINES/SUBSTATIONS

Based on two components: Transmission Line Miles (30% weighting) and the Number of High Voltage Substations (70% weighting).

Used primarily for the allocation of the costs associated with the support of the transmission and distribution function that have both a transmission line component as well as a substation or load component.

GAS CONSUMPTION

Based on the volume of natural gas consumed annually by all gas fired generating units within the Entergy System.

Used for the allocation of costs associated with services in support of gas purchased for gas fired generation units.

TAX INCOME AND DEDUCTION RATIO

Based on the prior years' Federal Income Tax return, total Income and Deductions.

Used for the allocation of costs associated with the preparation of consolidated Federal income tax returns and research of Federal tax issues.

LEVEL OF ESI SERVICE

Based on ESI total billings to each System company, excluding corporate overhead.

Used for the allocation of costs associated with support of ESI as a legal entity.

SYSTEM CAPACITY (NON-NUCLEAR)

Based on the power level, in kilowatts, that could be achieved if all non-nuclear generating units were operating at maximum capability simultaneously.

Used primarily for the allocation of costs associated with the support of the fossil operations of the System. This would include services provided by plant support, environmental and purchasing.

LABOR DOLLARS BILLED

Based on total labor dollars billed to each company.

Used primarily to allocate the costs associated with employee benefits plans, payroll taxes, departmental indirect costs and performance based compensation plans for ESI employees.

DISTRIBUTION LINE MILES

Based on the number of miles of distribution lines of 34.5kv or less.

Used primarily for the allocation of costs associated with project design, maintenance and installation of Entergy distribution lines.

COAL CONSUMPTION

Based on the quantity of tons of coal delivered for a twelve month period to each coal plant within the Entergy System.

Used for the allocation of costs associated with services in support of coal purchased for coal generating units

ACCOUNTS PAYABLE TRANSACTIONS

Based on the number of accounts payable transactions processed annually for each Entergy System Company.

Used for the allocation of costs associated with the support of the accounts payable function.

SQUARE FOOTAGE

Based on square footage occupied by ESI functional business units.

Used primarily to allocate the costs associated with facilities supervision and support.

INSURANCE PREMIUMS (NON-NUCLEAR)

Based on non-nuclear insurance premiums.

Used for the allocation of costs associated with risk management.

ASSET RECORDS

Based on the number of asset records at period end.

Used for the allocation of costs associated with the fixed asset accounting function.

AVERAGE OUTSTANDING CAPITAL EXPENDITURE AUTHORIZATIONS
(CEA'S)

Based on a twelve-month average of outstanding CEA's and SJO's.

Used for the allocation of costs associated with the capital project costing accounting function.

TOTAL ASSETS

Based on total assets at period end.

Used primarily to allocate costs associated with the oversight and safeguarding of corporate assets. This would include services provided by financial management and certain finance functions, among others. Also used when the services provided are driven by the relative size and complexity of the System Companies and there is no functional relationship between the services and any other available allocation formula.

BANK ACCOUNTS

Based on the number of bank accounts at period end.

Used for the allocation of costs associated with daily cash management activities.

COMPUTER USAGE COMPOSITE

Based on three components: Customers (52% weighting), General Ledger Transactions (29% weighting) and Employees (19% weighting), with weighting based on historical usage.

Used primarily for the allocation of costs associated with the mainframe computer, unix servers and related database administration.

GENERAL LEDGER TRANSACTIONS

Based on the number of general ledger transactions for the period.

Used primarily for the allocation of costs associated with general ledger activities, including related information systems, and for general accounting activities.

TRANSITION TO COMPETITION

Based on a twelve-month average of residential, commercial, industrial, government, and municipal general business of gas and/or electric customers.

Used primarily for the allocation of costs associated with the management support of the Entergy System's strategy for and transition to competition.

TELEPHONES

Based on the number of telephones within each Legal Entity at period end.

Used for the allocation of costs associated with maintenance and support of telephones.

FIBER

Based on capacity and use of the Entergy System's fiber optic network.

Used primarily for the allocation of fiber optic operations and maintenance expenses.

NUCLEAR UNITS

Based on the number of nuclear units managed and operated by each Entergy System Company.

Used primarily to allocate nuclear fuel-related services.

NUCLEAR SITES

Based on the number of nuclear sites managed and operated by each Entergy System Company.

Used to allocate miscellaneous nuclear-related services.

CALL CENTERS

Based on the number of customer calls for each Legal Entity at period end.

Used for the allocation of costs associated with customer service support centers.

ACCOUNTS RECEIVABLE INVOICES

Based on the number of accounts receivable invoices processed annually for each Entergy System Company.

Used for the allocation of costs associated with the support of the accounts receivable function.

PROPERTY AND LIABILITY PAID LOSSES

Based on a five-year annual average of the property and liability losses paid by the system companies.

Used for the allocation of costs associated with the operation and maintenance of the Risk Information System.

COMPOSITE- SUPPLY CHAIN (Number of Transactions, Stockroom Count and Procurement Total Spending

Based on three components with weighting to each: number of transactions (37.5%), stockroom count (37.5%), and procurement total spending (25%).

Used for the allocation of costs associated with the management and operations of the materials management and work order processing system.

SUPPLY CHAIN - Inventory Management Fossil, Transmission & Distribution Issues, Transfers & Returns

Based on the number of issues, transfer & return transactions for each Legal Entity at period end.

Used for the allocation of costs associated with the management and operations of investment recovery, including Fossil, but excluding Nuclear.

SUPPLY CHAIN - Procurement Total Spending

Based on the dollar amount of procurement spending within each Legal Entity at period end.

Used for the allocation of costs associated with procurement activities for the Entergy System.

Exhibit 10(a)64

EXECUTIVE FINANCIAL COUNSELING PROGRAM
OF ENTERGY CORPORATION AND SUBSIDIARIES

1. Purpose.

The purpose of the Executive Financial Counseling Program of Entergy Corporation and Subsidiaries (the "Program") is to attract, retain and motivate Eligible Executives in the service of the System and to reinforce corporate, organizational and business-development goals and other System objectives, thus allowing System Companies to remain competitive with their peer companies. The Program will accomplish this by assisting Eligible Executives of System Companies in building financial peace of mind, thus increasing the productivity of such officers. The Program will permit Eligible Executives who elect to participate hereunder to be reimbursed for certain expenses incurred for personal financial counseling services.

2. Definitions.

The following terms, as used herein, shall have the following meanings:

a. "Allotment" shall mean the maximum amount of Covered Expenses that may be reimbursed to a Participant with respect to a Program Year, as set forth in Section 6 below.

b. "Board" shall mean the Board of Directors of the Company.

c. "Committee" shall mean the Personnel Committee of the Board, or such other individual or group as the Board shall select in its sole discretion. Any reference herein to the Committee shall include the Committee's delegate, the Senior Vice President, Human Resources and Administration, Entergy Services, Inc., or such replacement as the Committee may appoint from time to time.

d. "Company" shall mean Entergy Corporation, or any successor.

e. "Continuation Period" shall mean the period commencing on the Eligible Executive's Separation Date and ending on the last day of the Program Year in which occurred such Separation Date.

f. "Covered Expenses" shall mean any costs related to the following services which are incurred by an Eligible Executive (A) during a Program Year while employed by a System Company or (B) during the Continuation Period, if applicable:

i. risk management (i.e., the assessment of personal financial risks to determine whether sufficient insurance coverage exists);

ii. tax planning assistance (including preparation of tax returns);

iii. investment planning and portfolio management;

iv. retirement planning;

v. estate planning (including trustee and legal fees associated with the establishment, maintenance and revision of trusts and wills);

provided that Covered Expenses shall not include any of the following items: appraisal fees; commissions, brokerage fees or premiums on the sale or purchase of securities or insurance of any kind; computer hardware or software; the cost of tax return preparation manuals; custodial or legal fees relating to rental property; fees associated with the opening and administration of a succession; fines or penalties; expenses attributable to a "hobby" of the Participant; legal fees with respect to any criminal or civil litigation (including, but not limited to contract disputes, tort and divorce cases); expenses relating to home offices; real estate transaction fees; rental cost of safety deposit box; subscriptions to investment magazines, newsletters or other publications; tax, accounting or legal fees associated with any business venture other than the Participant's employment with the System (including, but not limited to, with respect to such business venture of the Participant's spouse); or travel, transportation, meals or entertainment expenses of any kind.

g. "Disability" shall mean a Participant's eligibility for and receipt of benefits under any Company sponsored long term disability plan.

h. "EAIP" shall mean the Executive Annual Incentive Plan or any successor or replacement plan of the Company.

i. "Eligible Executive" shall mean any System Company officer who is a Vice President, Senior Vice President, Executive Vice President or above and whose target annual incentive under the EAIP (as determined by the Committee in its sole discretion) is 40% of base salary or above with respect to the applicable Program Year . An individual who is an Eligible Executive on the date immediately preceding his Separation

Date shall continue to be an Eligible Executive during the Continuation Period (i.e., covered services rendered after the Separation Date but before the end of the Program Year in which occurred the Separation Date are eligible for reimbursement under the Program to the extent of the Participant's remaining Allotment for such Program Year). An individual who is an Eligible Executive on the date immediately preceding his Termination Date shall cease to be a Participant on his Termination Date (i.e., services rendered after the Termination Date shall not be covered under the Program and any unused Allotment shall be forfeited on the Termination Date).

j. "Gross-Up Payment" shall have the meaning set forth in Section 5(b) hereof.

k. "Level 1 Participant" shall mean a Participant designated as such by the Committee and who has attained the office of Executive Vice President or above.

l. "Level 2 Participant" shall mean a Participant designated as such by the Committee who has attained the office of Senior Vice President.

m. "Level 3 Participant" shall mean a Participant designated as such by the Committee who has attained the office of Vice President with an EAIP target level of 40%.

n. "Participant" shall mean an Eligible Executive who elects to exercise his right to reimbursement for Covered Expenses under the Program.

o. "Program" shall mean this Executive Financial Counseling Plan of Entergy Corporation and Subsidiaries, as may be amended from time to time.

p. "Program Year" shall mean the calendar year, or such other 12-month period as the Committee shall determine in its sole discretion.

q. "Reimbursement Amount" shall have the meaning set forth in Section 5(b) hereof.

r. "Retirement" shall mean a Participant's retirement from employment with his or her System Company employer in accordance with the terms and conditions of the qualified defined benefit pension plan, or such successor or replacement plan, in which his System Company employer participates.

s. "Separation Date" shall mean an Eligible Executive's separation from System Company employment due to Retirement, death or Disability.

t. "System" shall mean Company and all other System Companies, and shall include any successors.

u. "System Company" shall mean Company and any corporation eighty percent (80%) or more of whose stock (based on voting power or value) is owned, directly or indirectly, by Company and any partnership or trade or business which is eighty percent (80%) or more controlled, directly or indirectly, by Company, and shall include any successors and, at the Committee's discretion, any affiliated companies.

v. "Termination Date" shall mean an Eligible Employee's termination from System Company employment for reasons other than Retirement, death or Disability.

3. Administration.

The Program shall be administered by the Committee. The Committee shall have the authority in its sole discretion, subject to and not inconsistent with the express provisions of the Program, to administer the Program and to exercise all the powers and authorities either specifically granted to it under the Program or necessary or advisable in the administration of the Program, including, without limitation, the authority to certify those officers who shall be considered Eligible Executives; to determine the terms, conditions and restrictions relating to any reimbursement to be made hereunder; to construe and interpret the Program; to prescribe, amend and rescind rules and regulations relating to the Program; and, to make all other determinations deemed necessary or advisable for the administration of the Program. The Committee may delegate to one or more agents such duties as it may deem advisable, and the Committee or any person to whom it has delegated duties as aforesaid may employ one or more persons to render advice with respect to any responsibility the Committee or such person may have under the Program. All decisions, determinations and interpretations of the Committee shall be final and binding on all persons, including the Company, the Participant or any person claiming any rights under the Program from or through any Participant.

No member of the Board or the Committee shall be liable for any action taken, or determination made, in good faith with respect to the Program.

4. Eligibility; Participation.

Each Eligible Executive for a Program Year shall be entitled to reimbursement for Covered Expenses incurred by such Eligible Executive, in an

amount not to exceed the Eligible Executive's Allotment for such Program Year, plus the amount of any Gross-Up Payment that may be payable under Section
5(b) below.

5. Payment.

a.To receive reimbursement of Covered Expenses, a Participant must complete a form approved by the Committee and submit with the form documentation of a Covered Expense or Covered Expenses within the following applicable time period:

- If the Participant is an active System employee -- within 90 days following the Program Year in which the subject services were provided to the Participant.

- If the Participant's Separation Date occurs during the Program Year - within 90 days following the Program Year in which the subject services were provided to the Participant.

- If the Participant's Termination Date occurs during the Program Year - within 15 days following the Participant's Termination Date.

Further, a Participant must acknowledge and agree that the Company and all other System Companies or affiliate companies are in no way liable for any loss, damage, or failure resulting from the acts or omissions of any service providers made available to the Participant under this Program. A Participant must acknowledge and agree that the involvement of any service provider is merely an accommodation and convenience under the Program and shall not impose any liability or responsibility of any kind on the Company, any other System Companies or affiliate companies. A Participant must further agree to indemnify, defend and hold Entergy harmless from and against any such claim brought by the Participant or anyone else with respect to the Participant's participation in the Program.

b.If any of the payments received by a Participant (such payments, excluding the Gross-Up Payment, being hereinafter referred to as the "Reimbursement Amount") will be subject to any federal, state or local taxes income or employment taxes, the System Company employer shall pay to the Executive, not later than 30 days following the date of payment of the Reimbursement Amount to which such tax relates, an additional amount (the "Gross-Up Payment") such that the sum of the net amount of the Reimbursement Amount and the net amount of the Gross-Up Payment retained by the Participant, after deduction of any federal, state and local income and employment taxes on the Reimbursement Amount on the Gross-Up Payment, shall be equal to the Reimbursement Amount. For purposes of determining the amount of each Gross-Up Payment, the Executive shall be deemed to pay federal income tax at the highest marginal rate of federal income taxation in the calendar year in which such Gross-Up Payment is to be made and state and local income taxes at the highest marginal rate of taxation in the state and locality of the Executive's residence on such date, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

6. Allotments

With respect to each Program Year in which an officer is certified as an Eligible Executive, the Allotment for each Level 1 Participant shall be $7,500; the Allotment for each Level 2 Participant shall be $5,500; and the Allotment for each Level 3 Participant shall be $3,000. If a Participant incurs Covered Expenses in a Program Year that are less than his or her Allotment with respect to such Program Year, such unused Allotment shall be forfeited at the end of the applicable Program Year. Covered Expenses in a Program Year that exceed an Eligible Executive's Allotment for that Program Year shall not be reimbursable from the Eligible Executive's Allotment for a subsequent Program Year.

An individual who is an Eligible Executive on the date immediately preceding his Separation Date shall continue to be an Eligible Executive during the Continuation Period (i.e., covered services rendered after the Separation Date but before the end of the Program Year in which occurred the Separation Date are eligible for reimbursement under the Program to the extent of the Participant's remaining Allotment for such Program Year). An individual who is an Eligible Executive on the date immediately preceding his Termination Date shall cease to be a Participant on his Termination Date (i.e., services rendered after the Termination Date shall not be covered under the Program and any unused Allotment shall be forfeited on the Termination Date).

7. Service Providers

With respect to tax or estate planning advice, Participants may select any bona-fide accountant, attorney, trustee or firm whose usual and customary business is to provide tax planning or estate planning advice (including the establishment, maintenance and revision of trusts and wills). With respect to any other services for which a Participant may make a claim for reimbursement hereunder, Participants must select among the following service providers:

a. American Express Financial Advisers, Inc.;

b. AYCO Corporation;

c. Banc One Financial Services;

d. Merrill Lynch;

e. Morgan Stanley Dean Witter;

f. Salomon Smith Barney, Inc., or

g. any other service provider approved by the Committee (in its sole discretion) from time to time.

8 General Provisions

a. Nontransferability. Except as otherwise required by law, the rights of Participants under the Program (including the right to payment of the Reimbursement Amounts) shall not be assignable or transferable by a Participant except by will or the laws of descent and distribution.

b. No Right to Continued Employment. Nothing in the Program shall confer upon any Participant the right to continue in the employ of the System Company employer or to be entitled to any remuneration or benefits not set forth in the Program or to interfere with or limit in any way the right of the System Company employer to terminate such Participant's employment.

c. Amendment, Termination and Duration of the Plan. The Board or the Committee may at any time and from time to time alter, amend, suspend, or terminate the Program in whole or in part. The Program shall continue in effect until terminated by the Board or the Committee. Notwithstanding the foregoing, no amendment shall affect adversely any of the rights of any Participant, without such Participant's consent, with respect to Covered Expense previously incurred.

d. Unfunded Status of the Program. The Program is intended to constitute an "unfunded" plan for purposes of Covered Expense reimbursements. With respect to any payments not yet made to a Participant, nothing contained in the Program shall give any such Participant any rights that are greater than those of a general creditor of a -System Company.

e. Governing Law. The Plan and all determinations made and actions taken pursuant hereto shall be governed by the laws of the State of Delaware without giving effect to the conflict of laws principles thereof.

f. Effective Date. The Program shall be effective on January 25, 2001.

Exhibit 10(a)65

EXECUTIVE ANNUAL INCENTIVE PLAN

I. PURPOSE

The objective of this Plan is to provide an incentive to executive employees of Entergy Corporation or any System Company based on the achievement of annual System, Business Unit and/or individual Performance Goals.

II. DEFINITIONS

The terms defined in this Section II shall, for all purposes of this Plan, have the meanings herein specified, unless the context expressly, or by necessary implication requires otherwise:

A.Award: The actual dollar amount paid to a Participant.

B.Board: The Board of Directors of Entergy Corporation.

C.Business Unit: A System Company, division or department thereof, or any combination of System Companies, divisions or departments thereof.

D.Code: The Internal Revenue Code of 1986, as amended.
Reference in the Plan to any section of the Code shall be deemed to include any amendment or successor provisions to such section and any regulation under such section.

E.Committee: The Personnel Committee of the Board or such other committee as determined by the Board which shall be comprised solely of two or more outside Directors of the Company within the meaning of Section 162(m) of the Code who are also non- employee Directors within the meaning of Rule 16b-3.

F.Covered Participant: A Participant who is a "covered employee" as defined in Section 162(m)(3) of the Code, and the regulations promulgated thereunder, or who the Committee believes will be such a covered employee for a Plan Year, and who the Committee believes will have remuneration in excess of $1,000,000 for the applicable period, as provided in
Section 162(m) of the Code.

G.Director: An individual elected to the Board by the shareholders of the Company.

H.Entergy Corporation: Entergy Corporation and any successor of such corporation.

I.Participant: An executive employee of a System Company approved for participation by the Committee.

J.Performance Goals: The goals which are established by the Committee against which performance will be measured.

K.Plan: This Executive Annual Incentive Plan, as originally adopted, or if amended or supplemented, as so amended or supplemented.

L.Plan Year: The calendar year.

M.Rule 16b-3: Securities and Exchange Commission Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, as such may be amended from time to time, and any successor, rule, regulation or statute fulfilling the same or similar function.

N.System: The group of corporations composed of Entergy Corporation and every System Company, as defined below.

0.System Company: Entergy Corporation and any corporation 80% or more of whose stock (based on voting power or value) is owned directly or indirectly by Entergy Corporation.

III. PARTICIPATION

A.Prior to the commencement of each Plan Year, Participants will be recommended by the Chief Executive Officer of Entergy Corporation and approved by the Committee. Participants are to be those executive employees who, in the opinion of the Committee, are responsible for establishing the strategic direction of Entergy Corporation and/or Business Units, executing tactical action Plans, or achievement of bottom line results.

B.Except as provided in Article VII, if due to hiring, or promotion, an employee becomes eligible to participate in the Plan during a Plan Year, then the Committee shall have the discretion to provide during the Plan year that the individual shall be eligible for an Award.

IV. PERFORMANCE GOALS

The Committee will establish System, Business Unit and individual Performance Goals for each Plan Year before the beginning of each Plan Year, or, except as provided in Article VII as soon as practicable in such Plan Year.

V. AWARD DETERMINATION

The Committee will determine for each Plan Year before the beginning of each Plan Year, or, except as provided in Article VII as soon as practicable in such Plan Year, the method for computing the Award payable to each Participant if the Performance Goals are attained.

VI. PAYMENT OF AWARDS

A.Except as otherwise provided in Subsection C below, no Participant shall be vested nor payment of any Awards be made, prior to the end of the applicable Plan Year.

B.As soon as practical following the Plan Year, Awards will be paid in cash unless the Participant has filed a voluntary deferral election in accordance with the administrative guidelines.

C.Status changes shall be governed by the administrative guidelines of the program.

VII. SPECIAL PROVISIONS APPLICABLE TO COVERED PARTICIPANTS

Awards paid to Covered Participants under this Plan shall also be governed by the conditions of this Article VII in addition to the other requirements set forth in this Plan. Should conditions set forth under this Article VII conflict with the other provisions of this Plan, the conditions of this Article VII shall prevail.

A.The Performance Goals, the objective formula or standards for computing the amount of compensation payable to a Covered Participant if the Performance Goals are attained and the Performance Period shall be established by the Committee in writing prior to the: beginning of the Performance Period, or by such other later date as may be permitted under Section 162(m) of the Code. The "Performance Period" is the period over which the performance of the Participant shall be measured.

B.The maximum amount of compensation payable to a single Participant pursuant to this Plan for any single Plan Year shall be $2,000,000.00.

C.The Performance Goals may be based upon or may relate to one or any combination of the following business criteria: EBITDA, EBIT, net income, earnings per share, operating cash flow, cash flow, return on equity, sales, budget achievement, productivity, price of Entergy Corporation stock, market share, total return to shareholder, return on capital, net cash flow, cash available to parent, net operating profit after taxes (NOPAT), economic value added (EVA), expense spending, O&M expense, expense, O&M or capital/kwh, capital spending, gross margin, net margin, market capitalization, market value, debt ratio, equity ratio, return on assets, profit margin, customer growth or customer satisfaction. The Performance Goals may be stated in terms of absolute levels or relative to another company or companies or to an index or indices. The Performance Goals established by the Committee shall be adjusted to reflect capital changes and shall exclude unusual or nonrecurring events, including extraordinary items, changes in accounting principles, discontinued operations, acquisitions, divestitures and material restructuring charges.

D.The Performance Goals shall not allow for any discretion by the Committee as to an increase in any Award, but discretion to lower an Award is permissible.

E.The Award and payment of any Award under this Plan to a Covered Participant with respect to a relevant Performance Period shall be contingent upon the attainment of the Performance Goals that are applicable to such Covered Participant. The Committee shall certify in writing prior to payment any such Award that such applicable Performance Goals relating to the Award are satisfied. Approved minutes of the Committee may be used for this purpose.

F.All Awards to Covered Participants under this Plan shall be further subject to such other conditions, restrictions, and requirements as the Committee may determine to be necessary to carry out the purpose of this Article VII.

VIII.ADMINISTRATION

A.The Plan shall be administered by the Committee, which, in addition to the other powers set forth herein, shall have the full power, subject to, and within the limits of the Plan, to:

1. Make, interpret. and approve all rules for the administration of the Plan;

2. Exercise all powers and perform such acts in connection with the Plan as are deemed necessary or appropriate to promote the best interests of the System.

B.The Committee may authorize one or more of its members or any officer of Entergy Corporation, to execute and deliver documents on behalf of the Committee.

IX. ADDITIONAL PROVISIONS

A.Nothing in this Plan shall be construed as giving an employee any right to remain in the employ of his respective System Company nor any other System Company. The receipt of an Award in one Plan Year shall not give a Participant a right to receive and Award for any subsequent Plan Year.

B.No right or interest of any Participant in the Plan shall be assigned or transferable by the recipient thereof. In the event of a Participant's death, any payment to which the Participant may be entitled shall be made to the Participant's designated beneficiary, or in the absence of such designation, to the Participant's estate.

C.A System Company shall have the right to deduct from all payments under this Plan any federal, state, and/or local taxes required by law to be withheld with respect to such payments.

D.The Committee's determinations under the Plan (including without limitation, determinations of the persons to receive Awards, the form, amount and timing of such payments, the terms and provisions of such payments, and the agreements evidencing same) need not be uniform and may be made selectively among persons who receive, or are eligible to receive, Awards under the Plan, whether or not such persons are similarly situated.

E.Payments under the Plan shall not constitute earnings for purposes of any retirement plan, unless so specified in such retirement plan.

F.A System Company shall have no obligation to reserve or otherwise fund in advance any amounts which arc or may in the future become payable under this Plan. Any funds, which a System Company acting in its sole discretion determines to reserve for future payments under this plan, may be commingled with other funds of the System Company and need not in any way be segregated from other assets or funds held by the System Company.

G.As the context of the Plan may require, the singular may be read as the plural and the plural as the singular.

H.The captions to the articles, sections, and paragraphs, of this Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

1.This Plan shall be governed and construed in accordance with the laws of the State of Louisiana.

X. AMENDMENT AND TERMINATION

The Committee may amend, suspend, or terminate the Plan or any portion thereof at any time, provided, if exemption from Section 162(m) deduction limits is to be continued, such amendment is made with Board and shareholder approval if shareholder approval is necessary to comply with any tax, regulatory or exchange requirement, including for these purposes, the requirements for the performance-based compensation exception wider Section 162(m) of the Code.

XI. EFFECTIVE DATE OF PLAN

The Plan shall be effective with the Plan Year commencing January 1, 1998.

Exhibit 10(a)69

1998 EQUITY OWNERSHIP PLAN OF
ENTERGY CORPORATION AND SUBSIDIARIES

Certificate of Amendment

Amendment No. 2

THIS INSTRUMENT, executed this 13th day of June, 2000, but made effective as of January 1, 2000, constitutes the Second Amendment of the 1998 Equity Ownership Plan of Entergy Corporation and Subsidiaries (the "Plan").

All capitalized terms used in this document shall have the meanings assigned to them in the Plan unless otherwise defined in this document.

Pursuant to Section 9.1 of the Plan giving the Committee the right to amend the Plan, the Plan is hereby amended as follows:

1. Article XI is amended in its entirety to read as follows:

ARTICLE XI

CHANGE IN CONTROL

11.1 Definitions. The following definitions shall be applicable to this Article XI of the Plan:

(a) "Cause" shall mean:

(1) willful and continuing failure by System Management Participant to substantially perform System Management Participant's duties (other than such failure resulting from the System Management Participant's incapacity due to physical or mental illness or any such actual or anticipated failure after the issuance of a Notice of Termination for Good Reason by the System Management Participant) that has not been cured within 30 days after a written demand for substantial performance is delivered to the System Management Participant by the board of directors of the Employer, which demand specifically identifies the manner in which the board believes that the System Management Participant has not substantially performed the System Management Participant's duties; or

(2) the willful engaging by the System Management Participant in conduct which is demonstrably and materially injurious to any System Company, monetarily or otherwise; or

(3) conviction of or entrance of a plea of guilty or nolo contendere to a felony or other crime which has or may have a material adverse affect on System Management Participant's ability to carry out System Management Participant's duties or upon the reputation of any System Company; or

(4) a material violation by System Management Participant of any agreement System Management Participant has with a System Company; or

(5) unauthorized disclosure by System Management Participant of the confidences of any System Company.

For purposes of clauses (1) and (2) of this definition, no act, or failure to act, on System Management Participant's part shall be deemed "willful" unless done, or omitted to be done, by System Management Participant not in good faith and without reasonable belief that System Management Participant's act, or failure to act, was in the best interest of Employer.

(b) "Committee" shall mean, from and after the date immediately preceding the commencement of a Change in Control Period, (1) the individuals (not fewer than two in number) who, on the date six months before the commencement of the Change in Control Period, constitute the Committee under Section 3.1, plus (2) in the event that fewer than two individuals are available from the group specified in clause (1) above for any reason, such individuals as may be appointed by the individual or individuals so available (including for this purpose any individual or individuals previously so appointed under this clause (2)).

(c) "Change in Control" shall mean:

(1) the purchase or other acquisition by any person, entity or group of persons, acting in concert within the meaning of Sections 13(d) or 14(d) of the Securities Exchange Act of 1934 ("Act"), or any comparable successor provisions, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Act) of 25 percent or more of either the shares of common stock outstanding immediately following such acquisition or the combined voting power of Entergy Corporation's voting securities entitled to vote generally and outstanding immediately following such acquisition, other than any such purchase or acquisition in connection with a Non-CIC Merger (defined in subsection (2) below);

(2) the consummation of a merger or consolidation of Entergy Corporation, or any direct or indirect subsidiary of Entergy Corporation with any other corporation, other than a Non-CIC Merger, which shall mean a merger or consolidation immediately following which the individuals who comprise the Board immediately prior thereto constitute at least a majority of the Board, or the board of directors of the entity surviving such merger or consolidation, or the board of directors of any parent thereof (unless the failure of such individuals to comprise at least such a majority is unrelated to such merger or consolidation);

(3) the stockholders of Entergy Corporation approve a plan of complete liquidation or dissolution of Entergy Corporation or there is consummated an agreement for the sale or disposition by Entergy Corporation of all or substantially all of Entergy Corporation's assets; or

(4) any change in the composition of the Board such that during any period of two consecutive years, individuals who at the beginning of such period constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of Entergy Corporation) whose appointment or election by the Board or nomination for election by Entergy Corporation's stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on January 1, 2000 or whose appointment, election or nomination for election was previously so approved or recommended, cease for any reason to constitute at least a majority thereof.

Provided, however, that no Change in Control shall be deemed to occur solely by virtue of (i) the insolvency or bankruptcy of Entergy Corporation; or (ii) the transfer of assets of Entergy Corporation to an affiliate of Entergy Corporation, provided such affiliate assumes the obligations of the Plan and agrees to continue uninterrupted the rights of the System Management Participants under the Plan; or (iii) the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of Entergy Corporation immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of Entergy Corporation immediately following such transaction or series of transactions.

(d) "Change in Control Period" shall mean the period commencing ninety (90) days prior to and ending twenty-four (24) calendar months following a Change in Control.

(e) "Good Reason" shall mean the occurrence, without the System Management Participant's express written consent, of any of the following events during the Change in Control Period:

(1) the substantial reduction or alteration in the nature or status of the System Management Participant's duties or responsibilities from those in effect on the date immediately preceding the first day of the Change in Control Period, other than an insubstantial and inadvertent act that is remedied by the System Company employer promptly after receipt of notice thereof given by the System Management Participant and other than any such alteration primarily attributable to the fact that Entergy Corporation may no longer be a public company;

(2) a reduction of 5% or more in System Management Participant's annual rate of base salary as in effect immediately prior to commencement of a Change in Control Period, which shall be calculated exclusive of any bonuses, overtime, or other special payments, but including the amount, if any, the System Management Participant elects to defer under: (i) a cash or deferred arrangement qualified under Code Section 401(k); (ii) a cafeteria plan under Code Section 125; (iii) the Executive Deferred Compensation Plan of Entergy Corporation and Subsidiaries, or any successor or replacement plan; and (iv) any other nonqualified deferred compensation plan, agreement, or arrangement in which the System Management Participant may hereafter participate or be a party;

(3) requiring System Management Participant to be based at a location outside of the continental United States and other than his primary work location as it existed on the date immediately preceding the first day of the Change in Control Period, except for required travel on business of any System Company to an extent substantially consistent with the System Management Participant's present business obligations;

(4) failure by System Company employer to continue in effect any compensation plan in which System Management Participant participates immediately prior to the commencement of the Change in Control Period which is material to System Management Participant's total compensation, including but not limited to compensation plans in effect, including stock option, restricted stock, stock appreciation right, incentive compensation, bonus and other plans or any substitute plans adopted prior to the Change in Control Period, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or the failure by System Company employer to continue System Management Participant's participation therein (or in such substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount or timing of payment of benefits provided and the level of the System Management Participant's participation relative to other participants, as existed immediately prior to the Change in Control; or

(5) failure by System Company employer to continue to provide System Management Participant with benefits substantially similar to those enjoyed by System Management Participant under any of the System Company's pension, savings, life insurance, medical, health and accident, or disability plans in which System Management Participant was participating immediately prior to the Change in Control Period; the taking of any other action by System Company employer which would directly or indirectly materially reduce any of such benefits or deprive System Management Participant of any material fringe benefit enjoyed by System Management Participant immediately prior to commencement of the

Change in Control Period, or the failure by System Company employer to provide System Management Participant with the number of paid vacation days to which System Management Participant is entitled on the basis of years of service with the System in accordance with the System Company's normal vacation policy in effect at the time of the Change in Control.

System Management Participant's right to terminate his employment for Good Reason shall not be affected by System Management Participant's incapacity due to physical or mental illness. System Management Participant's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason.

(f) "Notice of Termination" shall mean a notice that shall indicate the specific termination provision in this Plan relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of System Management Participant's employment under the provision so indicated. Further, a Notice of Termination for Cause is required to include a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters (3/4) of the entire membership of the terminating employer's board of directors at a meeting of such board of directors which was called and held for the purpose of considering such termination (after reasonable notice to System Management Participant and an opportunity for System Management Participant, together with System Management Participant's counsel, to be heard before that board) finding that, in the good faith opinion of the board, System Management Participant was guilty of conduct set forth in the definition of Cause herein, and specifying the particulars thereof in detail.

(g) "Potential Change in Control" shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

(1) Entergy Corporation or any affiliate or subsidiary company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control; or

(2) the Board adopts a resolution to the effect that, for purposes of this Plan, a Potential Change in Control has occurred; or

(3) any System Company or any person or entity publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control; or

(4) any person or entity becomes the beneficial owner (as that term is defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended from time to time), either directly or indirectly, of securities of Entergy Corporation representing 20% or more of either the then outstanding shares of common stock of Entergy Corporation or the combined voting power of Entergy Corporation's then outstanding securities (not including in the calculation of the securities beneficially owned by such person or entity any securities acquired directly from Entergy Corporation or its affiliates).

(h) "Qualifying Event" shall mean the occurrence of one of the following within the Change in Control Period:

(1) The System Management Participant's employment is terminated by Employer other than for Cause; or

(2) The System Management Participant terminates his System employment for Good Reason.

For purposes of this Plan, the following shall not constitute Qualifying Events:
(i) System Management Participant's death; or (ii) System Management Participant becoming disabled under the terms of the Entergy Corporation Companies' Benefits Plus Long Term Disability ("LTD") Plan.

(i) "System" shall mean Entergy Corporation and all System Companies and, except in determining whether a Change in Control has occurred, shall include any successor thereto.

(j) "System Company" shall mean Entergy Corporation and any corporation 80% or more of whose stock (based on voting power) or value is owned, directly or indirectly, by Entergy Corporation and any partnership or trade or business which is 80% or more controlled, directly or indirectly, by Entergy Corporation, and, except in determining whether a Change in Control has occurred, shall include any successor thereto.

(k) "System Management Level" shall mean the applicable management level set forth below:

(1) System Management Level 1 (Chief Executive Officer and Chairman of the Board of Entergy Corporation);

(2) System Management Level 2 (Presidents and Executive Vice Presidents within the System);

(3) System Management Level 3 (Senior Vice Presidents within the System); and

(4) System Management Level 4 (Vice Presidents within the System).

(l) "System Management Participant" shall mean a Participant who, immediately prior to the commencement of a Change in Control Period, is (a) at one of the System Management Levels set forth in Section 11.1(k); and (b) eligible to participate in the System Executive Continuity Plan of Entergy Corporation and Subsidiaries.

11.2 Accelerated Vesting of Performance Shares. Notwithstanding anything stated herein to the contrary, but subject to the forfeiture provisions of this Section 11.2 and any federal securities law restrictions on sale and exercise, if during a Change in Control Period there should occur a Qualifying Event with respect to a System Management Participant, the number of Performance Shares and Performance Share units, as applicable, the System Management Participant shall be entitled to receive under the Plan with respect to any Performance Period that precedes or includes the day on which the Change in Control Period commences shall be determined as if the System Management Participant satisfied the remaining performance requirements at System Management Participant's target level with respect to such Performance Period(s). However, any Performance Shares and Performance Share units, as applicable, that were not fully vested prior to the date of such Qualifying Event shall continue to be subject to forfeiture upon the occurrence of any of the following:

(a) Without System Company employer permission, Employee removes, copies, or fails to return if he or she has already removed, any property belonging to one or all of the System Companies, including, but not limited to, the original or any copies of any records, computer files or disks, reports, notes, documents, files, audio or video tapes, papers of any kind, or equipment provided by any one or all of the System Companies or created using property of or for the benefit of one or all of the System Companies.

(b) During System Management Participant's employment and for 2 years thereafter, other than as authorized by a System Company or as required by law or as necessary for the System Management Participant to perform his duties for a System Company employer, System Management Participant shall disclose to any person or entity any non-public data or information concerning any System Company, in which case System Management Participant shall be required to repay any Plan benefits previously received by him. Disclosure of information pursuant to subpoena, judicial process, or request of a governmental authority shall not be deemed a violation of this provision, provided that System Management Participant gives the System Company immediate notice of any such subpoena or request and fully cooperates with any action by System Company to object to, quash, or limit such request; or

(c) System Management Participant engages in any employment
(without the prior written consent of his last System employer) either individually or with any person, corporation, governmental agency or body, or other entity in competition with, or similar in nature to, any business conducted by any System Company at any time within the Applicable Period (defined below) and commencing upon termination of employment, where such competing employer is located in, or servicing in any way customers located in, those parishes and counties in which any System Company services customers during such Applicable Period, in which case System Management Participant shall be required to repay any Plan benefits previously received by him. For purposes of this Section, Applicable Period shall mean:

(1) two (2) years for System Management Participants at System Management Levels 1 and 2 at the commencement of the Change in Control Period, provided, however, that the two-year Applicable Period shall be extended to three (3) years if otherwise permissible under applicable law;

(2) two (2) years for System Management Participants at System Management Level 3 at the commencement of the Change in Control Period; and

(3) one (1) year for System Management Participants at System Management Level 4 at the commencement of the Change in Control Period.

However, if the stated Applicable Periods described herein shall be impermissible under applicable law, then the Applicable Period for purposes of this Plan shall be the maximum time period allowed under applicable law for a covenant not to compete.

11.3 Commencement Date of Awards. Notwithstanding anything stated herein to the contrary, but subject to the forfeiture provisions of Section 11.2 and any federal securities law restrictions on sale and exercise, if during a Change in Control Period there should occur a Qualifying Event with respect to a System Management Participant:

(a) all restrictions shall be lifted on any Options, Restricted Shares, and Restricted Share units, as applicable, granted to a System Management Participant under the Plan prior to the occurrence of such Qualifying Event; and

(b) the System Management Participant may elect to receive all Awards payable to him under the Plan on the first day of any month following the System Management Participant's termination.

11.4 No Benefit Reduction. Notwithstanding anything stated above to the contrary, an amendment to, or termination of, the Plan following a Change in Control shall not reduce the Awards granted under this Plan through the date of any such amendment or termination. In no event shall a System Management Participant's Awards under this Plan following a Change in Control be less than such System Management Participant's Awards under this Plan immediately prior to the Change in Control Period, subject, however, to the forfeiture provisions referenced in Section 11.2 as in existence on the date immediately preceding the commencement date of the Change in Control Period. In

addition, no provision of this Plan may be modified, waived, or discharged during the two-year period commencing on the date of a Potential Change in Control, unless such modification, waiver, or discharge is agreed to in writing and signed by the affected System Management Participant and by the Committee.

11.5 Source of Payments. Within thirty (30) days following the date of a Change in Control, each System Company shall make a single irrevocable lump sum contribution to the Trust for Deferred Payments of Entergy Corporation and Subsidiaries ("Trust") pursuant to the terms and conditions described in such Trust. Each System Company's contribution shall be in an amount equal to the total Awards granted to such System Company's Plan System Management Participants under the Plan through the date of any such Change in Control. If one or more of a System Company's System Management Participants shall continue to be employed by a System Company after such a Change in Control, each calendar year the System Company shall, as soon as possible, but in no event longer than thirty (30) days following the end of such calendar year, make an irrevocable contribution to the Trust in an amount that is necessary in order to maintain a lump sum amount credited to the System Company's Plan account under the Trust that is equal to the total unpaid Awards granted to such System Company's System Management Participants as of the end of each applicable calendar year. Notwithstanding the foregoing in this Section to the contrary, a System Company may make contributions to the Trust prior to a Change in Control in such amounts as it shall determine in its complete discretion. The Trust is intended as a "grantor" trust under the Internal Revenue Code and the establishment and funding of such Trust is not intended to cause System Management Participants to realize current income on amounts contributed thereto, and the Trust shall be so interpreted.

11.6 Claims of Good Reason/Cause During Change in Control Period. Notwithstanding any provision of the Plan to the contrary, solely for purposes of any determination regarding the existence of Good Reason or Cause during a Change in Control Period, any position taken by the System Management Participant shall be presumed to be correct unless Employer establishes to the Committee by clear and convincing evidence that such position is not correct.

IN WITNESS WHEREOF, the Personnel Committee has caused this Second Amendment to be executed by its duly authorized representative on the day, month, and year above set forth.

PERSONNEL COMMITTEE
through the undersigned duly
authorized representative

C. GARY CLARY
Senior Vice-President,
Human Resources and Administration
for Entergy Services, Inc.

1998 EQUITY OWNERSHIP PLAN OF
ENTERGY CORPORATION AND SUBSIDIARIES

Certificate of Amendment
Amendment No. 3

THIS INSTRUMENT, executed and made effective this 7th day of December, 2001 ("Effective Date"), constitutes the Third Amendment of the 1998 Equity Ownership Plan of Entergy Corporation and Subsidiaries (the "Plan").

All capitalized terms used in this document shall have the meanings assigned to them in the Plan unless otherwise defined in this document.

Pursuant to Section 9.1 of the Plan giving the Committee the right to amend the Plan, the Plan is hereby amended as follows:

1. Article II of the Plan is amended to add the following new Section 2.18 and new Section 2.19:

2.18 "Restricted Share Units" shall mean an Equity Award that is subject to such restrictions on transfer and such forfeiture conditions as the Committee deems appropriate and shall be subject to the grant, dividend, forfeiture and other provisions of Article VI to the same extent as Restricted Shares, except that a Participant shall not be entitled to vote Restricted Share Units and payment in respect of Restricted Share Units may be settled in cash at the election of the Participant. The restrictions imposed upon an award of Restricted Share Units will lapse in accordance with the requirements specified by the Committee in the award agreement.

2.19 "Performance Share Units" shall mean an Equity Award that is subject to attainment of performance goals established by the Committee at the beginning of the Performance Period and shall be subject to the award and other provisions of Article VII to the same extent as Performance Shares, except that payment in respect of Performance Share Units may be settled in cash at the election of the Participant.

2. Article X, Section 10.2 of the Plan is amended and restated as follows:

10.2 Fractional Shares. The Employer shall not be required to deliver any fractional share of Common Stock but may pay, in lieu thereof, the Fair Market Value of such fractional share to the Participant or the Participant's beneficiary or estate, as the case may be. For purposes of this Section 10.2, the Fair Market Value shall be determined as of the following dates: (i) the date on which restrictions lapse for Restricted Shares or Restricted Share Units, (ii) the date of delivery of Performance Shares or Performance Share Units, (iii) the maturity date for Equity Awards other than Restricted Share Units or Performance Share Units, or (iv) in any case, such other dates the Committee may determine.

3. The last sentence of Article XI, Section 11.4 of the Plan is amended and restated as follows:

In addition, unless agreed to in writing and signed by the affected System Management Participant and by the Committee, no provision of this Plan may be modified, waived or discharged before the earlier of: (a) the expiration of the two-year period commencing on the date of a Potential Change in Control, or (b) the date on which the Change in Control event contemplated by the Potential Change in Control is terminated.

4. A new Article XII is added to the Plan to read as follows:

ARTICLE XII

DEFERRAL ELECTIONS

12.1 Definitions. The following definitions shall be applicable to this Article XII of the Plan:

(a) "System Management Level" shall mean the applicable management level set forth below:

(i) System Management Level 1 (Chief Executive Officer and Chairman of the Board of Entergy Corporation);

(ii) System Management Level 2 (Presidents and Executive Vice Presidents within the System);

(iii) System Management Level 3 (Senior Vice Presidents within the System); and

(iv) System Management Level 4 (Vice Presidents within the System).

(b) "System Management Participant" shall mean a Participant who is currently, or was immediately prior to the commencement of a Change in Control Period, at one of the System Management Levels set forth in Section 12.1(a). Notwithstanding the foregoing, a former System

Management Participant who has otherwise satisfied
Section 12.4(c) shall be treated as a System Management Participant solely for purposes of being eligible to make Successive Deferral Elections in accordance with Section 12.4.

(c) Additional definitions set forth in other Sections of this Article XII shall apply to all provisions of this Article XII unless otherwise indicated.

12.2 Deferral Elections.

(a) At any time designated in subsection (b) of this Section 12.2, a System Management Participant may execute and deliver to the Committee (or its delegate) one or more irrevocable written elections (each, a "Deferral Election") to defer receipt of such Deferrable Benefits (as defined herein) as System Management Participant may designate in such Deferral Election. A "Deferrable Benefit" is any of the following forms of Award payable under the Plan:

(i) Shares deliverable upon exercise of nonstatutory stock options ("Profit Shares"), provided that stock options must be exercised using mature shares held by the System Management Participant ("stock-for-stock" exercise), under guidelines and procedures for stock-for-stock exercise provided by the Committee or otherwise in accordance with
Section 12.2(b)(v);

(ii) Restricted Share Units, provided that the Restricted Period must be scheduled to expire more than six months after the date a Deferral Election respecting it is delivered to the Committee (or its delegate);

(iii) Performance Share Units, provided that payment in respect of such Performance Share Units must be scheduled to be made more than six months after the date a Deferral Election respecting it is delivered to the Committee (or its delegate) or otherwise in accordance with Section 12.2(b)(vi); and

(iv) Incentive Compensation under the Executive Annual Incentive Plan ("EAIP") used to purchase Equity Awards at a discount in accordance with Section 8.1 ("EAIP Equity Awards"), provided that payment of the Incentive Compensation used to purchase such EAIP Equity Awards must be scheduled to be made no earlier than the calendar year following the performance year to which such Incentive Compensation relates or otherwise in accordance with
Section 12.2(b)(vii).

(b) Each Deferral Election must be made in accordance with the following provisions:

(i) With respect to shares of stock deliverable upon stock-for- stock exercise: A Deferral Election must be made no later than the date that precedes by six (6) months the earliest date in the next succeeding calendar year proposed for exercise of options using mature shares;

(ii) With respect to Restricted Share Units: A Deferral Election must be made no later than the date that precedes by six months the expiration of the Restricted Period for such Equity Award to the System Management Participant;

(iii) With respect to Performance Share Units: A Deferral Election must be made no later than the date that precedes by six months the earliest date such Equity Award may be made to the System Management Participant; and

(iv) With respect to Incentive Compensation used to purchase EAIP Equity Awards: A Deferral Election must be made with respect to the Incentive Compensation used to purchase such EAIP Equity Awards prior to the beginning of the performance year with respect to which such Incentive Compensation relates.

Provided, however, that, the Committee shall accept as binding on the Plan any Deferral Election signed and returned by a System Management Participant to the Committee, or its delegate, no later than December 31, 2001, which applies to:

(v) Delivery of shares of stock upon an exercise of nonstatutory options using mature shares in the next succeeding calendar year;

(vi) Performance Share Units expected to be awarded upon such date or dates each of which is not earlier than the first business day of the calendar year immediately following the Effective Date of this Article XII; and

(vii) EAIP Equity Awards subject to a deferral period expiring not earlier than the first business day of the calendar year immediately following the Effective Date of this Article XII.

12.3 Deferred Amount; Deferral Receipt Date. Each Deferral Election may defer receipt of an amount of any Deferrable Benefit, which may be less than the entire amount of such Deferrable Benefit (a "Deferred Amount"). Each Deferred Amount may be expressed as a number of units or a percentage (in 10 percent increments) of the total of such Deferrable Benefit due the System Management Participant. Receipt of each

Deferred Amount may be deferred to such date or dates as System Management Participant shall specify in such Deferral Election (each, a "Deferral Receipt Date"), provided that:

(a) A Deferral Receipt Date shall be not less than two (2) years following the date on which the Deferred Amount would otherwise be paid to the System Management Participant; and

(b) the Deferral Receipt Date shall in no event be later than the date on which the System Management Participant terminates employment unless such System Management Participant terminates employment with a System Company due to (i) retirement in accordance with the terms and conditions of the Entergy Corporation- sponsored qualified defined benefit plan in which the System Management Participant participates ("Retirement"); (ii) Retirement following the System Management Participant's long term disability under the Entergy Corporation-sponsored long-term disability plan in which the System Management Participant participates ("Long-Term Disability"); or (iii) a "Qualifying Event" (as defined in the System Executive Continuity Plan of Entergy Corporation and Subsidiaries), in which case deferral can be postponed beyond termination of employment, but in no event later than death.

12.4 Deferral Election Procedure. Each Deferral Election shall be effective upon its execution and delivery to the Committee (or its delegate), provided such delivery is made in accordance with the time or times specified in subsection 12.2(b). Once made, a Deferral Election may not be revoked or modified. However, further irrevocable elections to defer receipt of previously deferred benefits (each, a "Successive Deferral Election") to a subsequent Deferral Receipt Date may be made in writing by a System Management Participant by execution and delivery of an appropriate written election to the Committee (or its delegate), provided always that:

(a) No Successive Deferral Election may be made if the existing Deferral Receipt Date is less than six months from the date of delivery to the Committee (or its delegate) of such election;

(b) A subsequent Deferral Receipt Date shall be not less than two (2) years following the date at which the System Management Participant makes a Subsequent Deferral Election under this section; and

(c) No Successive Deferral Election may be made following the System Management Participant's termination of employment unless the System Management Participant terminates employment with a System Company due to Retirement, Long-Term Disability, or a Qualifying Event, in which case deferral can be postponed beyond termination of employment, but in no event later than death.

The Committee shall have the sole and exclusive authority and discretion to establish rules, regulations and procedures for the execution and delivery of any Deferral Election (including any Successive Deferral Election) and may condition such elections in any manner that such Committee deems necessary, appropriate or desirable including, without limitation, the complete authority and discretion to delay the effective date of any Deferral Election (including any Successive Deferral Election) or to reject any such Deferral Election (including any Successive Deferral Election) as the Committee deems necessary, appropriate or desirable in order to maintain the orderly and accurate administration of the Plan. If the effective date of the Deferral Election (including any Successive Deferral Election) is delayed pursuant to such authority, the Committee shall notify the System Management Participant of such delay and advise the System Management Participant of the anticipated effective date of such election.

12.5 Forfeiture of Deferred Amounts. Each Deferral Election (including any Successive Deferral Election) shall remain subject to limitations or forfeitures of benefits for (a) breach of any of the conditions of receipt of any Award under the Plan and (b) failure of System Management Participant to satisfy any of the conditions necessary to receipt of any Deferrable Benefit.

12.6 Payment of Deferred Amounts. Commencing with the effective date of a System Management Participant's Deferral Election and until the corresponding Deferral Receipt Date, the applicable Deferred Amount shall be accounted for as units (including fractional units) of Common Stock, the number of such units being based on the value of a share of Common Stock on the effective date of such Deferral Election. Units that are the subject of such Deferral Election shall be credited with dividend equivalent amounts equal to all dividends paid with respect to a share of Common Stock during the Deferral Election period and, if applicable, any Successive Deferral Election period(s) ("Dividend Equivalents"). All Dividend Equivalents will be reinvested in additional units as of the payment date of the dividend in respect of which they are awarded. As soon as reasonably practicable following the System Management Participant's Deferral Receipt Date with respect to a Deferred Amount, the Employer shall pay to the System Management Participant, in cash or in shares of Common Stock, as elected by the System Management Participant, an amount equal to (i) the Fair Market Value of a share of Common Stock on the Deferral Receipt Date, multiplied by the number of units then credited to the System Management Participant's account (including units awarded in respect of reinvested Dividend Equivalents) with respect to such Deferred Amount, less (ii) all applicable estimated income tax and employment tax amounts required to be withheld in connection with such payment.

12.7 Acceleration of Deferred Amounts.

(a) Acceleration on Death. Notwithstanding an irrevocable Deferral Election (including any Successive Deferral Election), if a System Management Participant dies, all of System Management Participant's outstanding Deferral Receipt Dates shall be accelerated, and the entirety of System Management Participant's Deferred Amounts (net of any amounts required to be withheld for federal and state income tax) shall be

paid in accordance with the terms of this Plan to any Beneficiary.

(b) Hardship Distributions. At any time a System Management Participant may apply to the Committee for a special distribution of all or any part of his Deferred Amounts valued as of the date of his application on account of an immediate and heavy financial need arising from one or more of the following, or similar, events:

(i) uninsured medical costs resulting from and accident, injury or illness to the System Management Participant and/or members of his immediate family;

(ii) to prevent the foreclosure or eviction from the System Management Participant's primary residence;

(iii) funeral expenses for an immediate family member of the System Management Participant;

(iv) substantial casualty losses; or

(v) any other emergency conditions in the System Management Participant's financial affairs.

The office of the Senior Vice-President, Human Resources and Administration for Entergy Services, Inc., on behalf of the Committee, shall consider the circumstances of each such case and the best interest of the System Management Participant and his family and shall have the right, in its sole discretion, if applicable, to allow such a special distribution, or if applicable, to direct a distribution of part of the amount requested or to refuse to allow any distribution. Upon determination that such a special distribution shall be granted, the System Management Participant's employer shall make the appropriate distribution to the System Management Participant from its general assets in respect of the System Management Participant's Deferred Amounts and the Administrator shall accordingly reduce or adjust the Deferred Amounts credited to the Participant. In no event shall the aggregate amount of the special distribution exceed the full value of the Participant's Deferred Amounts. For purposes of this Section, the value of the Participant's Deferred Amounts shall be determined as of the date of the Participant's application for the special distribution.

(c) Acceleration Subject to Penalty. Notwithstanding the existence in force, with respect to a System Management Participant, of one or more irrevocable Deferral Elections or Successive Deferral Elections, such System Management Participant may require the immediate payment to the System Management Participant of any of the System Management Participant's Deferred Amounts, as determined in accordance with Section 12.6, but substituting the actual payment date for System Management Participant's Deferral Receipt Date, less any amounts withheld to satisfy federal and state income tax withholding obligations, and subject to a penalty on each such accelerated Deferred Amount (prior to withholding for taxes) of ten percent (10%). Such penalty amount shall for all purposes be deemed canceled and not paid to the System Management Participant.

(d) Acceleration Upon Taxation. Notwithstanding the existence in force, with respect to a System Management Participant, of one or more irrevocable Deferral Elections or Successive Deferral Elections, if the Internal Revenue Service (or any corresponding state income tax authority) prevails in a claim by it that Deferred Amounts constitute taxable income to the System Management Participant or his beneficiary for any taxable year prior to the taxable year in which such Deferred Amounts are scheduled to be distributed to the System Management, such System Management Participant may require the immediate payment to the System Management Participant of such Deferred Amounts, as determined in accordance with Section 12.6 but substituting the actual payment date for System Management Participant's Deferral Receipt Date, that are held to be currently taxable, less any amounts withheld to satisfy federal and state income tax withholding obligations. For purposes of this Section 12.7(d), the Internal Revenue Service or corresponding state income tax authority shall be deemed to have prevailed in a claim if such claim is upheld by a court of final jurisdiction, or if the Employer, or the System Management Participant or beneficiary, based upon an opinion of legal counsel satisfactory to the Employer and the System Management Participant or his beneficiary, fails to appeal a decision of the Internal Revenue Service or corresponding state income

tax authority, or a court of applicable jurisdiction with respect to such claim, to an appropriate appeals authority or to a court of higher jurisdiction, within the appropriate time period.

IN WITNESS WHEREOF, the Personnel Committee has caused this Third Amendment to the 1998 Equity Ownership Plan of Entergy Corporation and Subsidiaries to be executed by its duly authorized representative on the day, month, and year above set forth.

PERSONNEL COMMITTEE
through the undersigned duly
authorized representative

WILLIAM E. MADISON
Senior Vice-President,
Human Resources and Administration

for Entergy Services, Inc.

Exhibit 10(a)70

SUPPLEMENTAL RETIREMENT PLAN
OF ENTERGY CORPORATION AND SUBSIDIARIES
(As Amended and Restated Effective January 1, 2000)

Entergy Corporation previously established the Supplemental Retirement Plan of Entergy Corporation and Subsidiaries. Since that time the Board of Directors of Entergy Corporation has amended the plan from time to time, including the amendment and restatement effective July 26, 1996 and the amendment effective March 25, 1998. On October 29, 1999, the Board of Directors of Entergy Corporation approved, authorized, and adopted certain changes to the plan that are incorporated into this amendment and restatement, which is effective January 1, 2000.

PURPOSES

The Supplemental Retirement Plan of Entergy Corporation and Subsidiaries has as its purposes attracting, retaining and motivating highly competent eligible employees; and encouraging personal growth and improvement of personal productivity. The Plan is designed primarily to aid eligible employees in providing supplemental post-retirement income for themselves and their families and after death benefits for their designated beneficiaries. The Plan is also designed to make available to the Employer, subsequent to the Employee's Retirement from Service or Separation from Service, as applicable, and subject to the Employee's time constraints, the Employee's knowledge of, and experience with respect to, the business and operations of the Employer.

ARTICLE I

DEFINITIONS

The following terms shall have the meanings hereinafter indicated unless expressly provided herein to the contrary:

1.01 "Administrator" shall mean the Personnel Committee established by the Board of Directors, or such other individuals or committee (not fewer than three in number) as shall from time to time be designated in writing by the Chairman of the Board of Directors as the administrator of the Plan. The Administrator shall be the "plan administrator" for the Plan within the meaning of ERISA. Notwithstanding the foregoing, from and after the date immediately preceding the commencement of a Change in Control Period, the "Administrator" shall mean (a) the individuals (not fewer than three in number) who, on the date six months before the commencement of the Change in Control Period, constitute the Administrator, plus (b) in the event that fewer than three individuals are available from the group specified in clause (a) above for any reason, such individuals as may be appointed by the individual or individuals so available (including for this purpose any individual or individuals previously so appointed under this clause (b)); provided, however, that the maximum number of individuals constituting the Administrator shall not exceed six.

1.02 "Average Basic Annual Salary" shall mean the Participant's average Basic Annual Salary for the highest consecutive five Years of Service during the ten Years immediately preceding the earlier of his date of death, Retirement from Service or Separation from Service (or in the event the Participant has not completed five consecutive Years of Service upon his death or Normal Retirement Date, "Average Basic Annual Salary" shall mean the Participant's average Basic Annual Salary for his actual consecutive Year(s) of Service immediately prior to his date of death or Normal Retirement Date; provided, however, that if a Participant shall have retired on his Deferred Retirement Date, the Participant's Average Basic Annual Salary shall not be less than the Participant's Average Basic Annual Salary determined as though the Employee's Retirement from Service had occurred on his Normal Retirement Date.

1.03 "Basic Annual Salary" shall mean the Employee's regular annual cash earnings from all System Companies, exclusive of any bonus, overtime or other special payments, but including the amount, if any, the Participant elects to defer under:
(a) a cash or deferred arrangement qualified under Code
Section 401(k); (b) a cafeteria plan under Code Section 125;
(c) the Executive Deferred Compensation Plan of Entergy Corporation and Subsidiaries, or any successor or replacement plan; and (d) any other nonqualified deferred compensation plan, agreement, or arrangement in which the Participant may participate or to which the Participant may be a party.

Notwithstanding anything stated in the Plan to the contrary and solely for purposes of calculating benefits under the Plan, "Basic Annual Salary" for any year commencing on or after January 1, 1995, shall mean the Employee's regular annual cash earnings from all System Companies, exclusive of overtime or other special payments, but including any and all bonuses or other incentive compensation paid pursuant to the terms of the Executive Annual Incentive Plan and Management Incentive Plan, as such plans are from time to time amended, and also including the amount, if any, the Participant elects to defer under: (a) a cash or deferred arrangement qualified under Code Section 401(k); (b) a cafeteria plan under Code Section 125; (c) the Executive Deferred Compensation Plan of Entergy Corporation and Subsidiaries, or any successor or replacement plan; and (d) any other nonqualified deferred compensation plan, agreement, or arrangement in which the Participant may participate or to which the Participant may be a party. Nothing stated herein shall be construed as an amendment to any qualified plan maintained by a System Company.

1.04 "Beneficiary" shall mean any individual or entity so designated by the Participant, or, if the Participant does not designate a Beneficiary or if the Beneficiary predeceases the Participant, the Beneficiary shall mean the Participant's estate.

1.05 "Board of Directors" shall mean the Board of Directors of Entergy Corporation.

1.06 "Change in Control" shall mean:

(a) the purchase or other acquisition by any person, entity or group of persons, acting in concert within the meaning of Sections 13(d) or 14(d) of the Securities Exchange Act of 1934 ("Act"), or any comparable successor provisions, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Act) of 25 percent or more of either the shares of common stock outstanding immediately following such acquisition or the combined voting power of Entergy Corporation's voting securities entitled to vote generally and outstanding immediately following such acquisition, other than any such purchase or acquisition in connection with a Non-CIC Merger (defined in subsection (b) below);

(b) the consummation of a merger or consolidation of Entergy Corporation, or any direct or indirect subsidiary of Entergy Corporation with any other corporation, other than a Non-CIC Merger, which shall mean a merger or consolidation immediately following which the individuals who comprise the Board of Directors immediately prior thereto constitute at least a majority of the Board of Directors, or the board of directors of the entity surviving such merger or consolidation, or the board of directors of any parent thereof (unless the failure of such individuals to comprise at least such a majority is unrelated to such merger or consolidation);

(c) the stockholders of Entergy Corporation approve a plan of complete liquidation or dissolution of Entergy Corporation or there is consummated an agreement for the sale or disposition by Entergy Corporation of all or substantially all of Entergy Corporation's assets; or

(d) any change in the composition of the Board of Directors such that during any period of two consecutive years, individuals who at the beginning of such period constitute the Board of Directors and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of Entergy Corporation) whose appointment or election by the Board of Directors or nomination for election by Entergy Corporation's stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on January 1, 2000 or whose appointment, election or nomination for election was previously so approved or recommended, cease for any reason to constitute at least a majority thereof.

Provided, however, that no Change in Control shall be deemed to occur solely by virtue of (1) the insolvency or bankruptcy of Entergy Corporation; or (2) the transfer of assets of Entergy Corporation to an affiliate of Entergy Corporation, provided such affiliate assumes the obligations of the Plan and agrees to continue uninterrupted the rights of the Participants under the Plan; or (3) the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of Entergy Corporation immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of Entergy Corporation immediately following such transaction or series of transactions.

1.07 "Change in Control Period" shall mean the period commencing ninety (90) days prior to and ending twenty-four (24) calendar months following a Change in Control.

1.08 "Claims Administrator" shall mean the Administrator or its designee responsible for administering claims for benefits under the Plan.

1.09 "Claims Appeal Administrator" shall mean the Administrator or its delegee responsible for administering appeals from the denial or partial denial of claims for benefits under the Plan.

1.10 "Code" shall mean the Internal Revenue Code of 1986, as amended.

1.11 "Deferred Retirement Date" shall mean the date determined in accordance with Section 3.03.

1.12 "Early Retirement Date" shall mean the date determined in accordance with Section 3.02.

1.13 "Employee" shall mean an employee of a System Company who is selected by the Administrator to participate in the Plan as a member of a System Company employer's select group of management or highly compensated employees.

1.14 "Employer" shall mean the System Company with which the Employee is last employed on or before the Employee's Retirement from Service.

1.15 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

1.16 "Good Reason" shall mean the occurrence, without the Participant's express written consent, of any of the following events during the

Change in Control Period:

(a) the substantial reduction or alteration in the nature or status of the Participant's duties or responsibilities from those in effect on the date immediately preceding the first day of the Change in Control Period, other than an insubstantial and inadvertent act that is remedied by the System Company employer promptly after receipt of notice thereof given by the Participant and other than any such alteration primarily attributable to the fact that Entergy Corporation may no longer be a public company;

(b) a reduction of 5% or more in Participant's annual rate of base salary as in effect immediately prior to commencement of a Change in Control Period, which shall be calculated exclusive of any bonuses, overtime, or other special payments, but including the amount, if any, the Participant elects to defer under: (1) a cash or deferred arrangement qualified under Code Section 401(k);
(2) a cafeteria plan under Code Section 125; (3) the Executive Deferred Compensation Plan of Entergy Corporation and Subsidiaries, or any successor or replacement plan; and (4) any other nonqualified deferred compensation plan, agreement, or arrangement in which the Participant may hereafter participate or be a party;

(c) requiring Participant to be based at a location outside of the continental United States and other than his primary work location as it existed on the date immediately preceding the first day of the Change in Control Period, except for required travel on business of any System Company to an extent substantially consistent with the Participant's present business obligations;

(d) failure by System Company employer to continue in effect any compensation plan in which Participant participates immediately prior to the commencement of the Change in Control Period which is material to Participant's total compensation, including but not limited to compensation plans in effect, including stock option, restricted stock, stock appreciation right, incentive compensation, bonus and other plans or any substitute plans adopted prior to the Change in Control Period, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or the failure by System Company employer to continue Participant's participation therein (or in such substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount or timing of payment of benefits provided and the level of the Participant's participation relative to other participants, as existed immediately prior to the Change in Control; or

(e) failure by System Company employer to continue to provide Participant with benefits substantially similar to those enjoyed by Participant under any of the System Company's pension, savings, life insurance, medical, health and accident, or disability plans in which Participant was participating immediately prior to the Change in Control Period, the taking of any other action by System Company employer which would directly or indirectly materially reduce any of such benefits or deprive Participant of any material fringe benefit enjoyed by Participant immediately prior to commencement of the Change in Control Period, or the failure by System Company employer to provide Participant with the number of paid vacation days to which Participant is entitled on the basis of years of service with the System in accordance with the System Company's normal vacation policy in effect at the time of the Change in Control.

Participant's right to terminate his employment for Good Reason shall not be affected by Participant's incapacity due to physical or mental illness. Participant's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason.

1.17 "Income Commencement Date" shall mean the first day of the first month next following the Participant's date of death, Normal Retirement Date, Early Retirement Date, or Deferred Retirement Date in accordance with Sections 3.01, 3.02, and 3.03, respectively. The "Income Commencement Date" of a Participant who Separates from Service shall mean the applicable date set forth in Section 4.03 or 4.04.

1.18 "Normal Retirement Date" shall be the Employee's 65th birthday.

1.19 "Participant" shall mean an Employee who (a) has executed a written Participant Application that has been accepted by the Administrator, and (b) remains eligible for participation in accordance with the applicable provisions of the Plan including, without limitation, Section 6.01.

1.20 "Participant Application" shall mean the written application between an Employee and the Administrator evidencing Employee's participation in this Plan, which Application shall be part of the Plan. Participant Applications executed after January 1, 2000 shall be in substantially the same form as the attached Appendix A, as may be amended from time to time by the Administrator.

1.21 "Personnel Committee" shall mean the Personnel Committee of the Board of Directors.

1.22 "Plan" shall mean this Supplemental Retirement Plan of Entergy Corporation and Subsidiaries and any amendments, supplements or modifications from time to time made hereto. Any Participant Applications entered into pursuant to this Plan shall be deemed part of the Plan.

1.23 "Potential Change in Control" shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

(a) Entergy Corporation or any affiliate or subsidiary company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control; or

(b) the Board of Directors adopts a resolution to the effect that, for purposes of this Plan, a Potential Change in Control has occurred; or

(c) any System Company or any person or entity publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control; or

(d) any person or entity becomes the beneficial owner (as that term is defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended from time to time), either directly or indirectly, of securities of Entergy Corporation representing 20% or more of either the then outstanding shares of common stock of Entergy Corporation or the combined voting power of Entergy Corporation's then outstanding securities

(not including in the calculation of the securities beneficially owned by such person or entity any securities acquired directly from Entergy Corporation or its affiliates).

1.24 "Prior Plan" shall mean the Supplemental Retirement Plan of Entergy Corporation and Subsidiaries, as amended and restated effective July 26, 1996, and any prior amendments or amendments and restatements to such Prior Plan, and any agreements, contracts, or other arrangements with respect to such Prior Plan.

1.25 "Qualifying Event" shall mean the occurrence of one of the following within the Change in Control Period:

(a) Participant's employment is terminated by Employer other than for Cause, as defined in Section 7.01; or

(b) Participant terminates his System employment for Good Reason.

For purposes of this Plan, the following shall not constitute Qualifying Events: (1) Participant's death; or (2) Participant becoming disabled under the terms of the Entergy Corporation Companies' Benefits Plus Long Term Disability ("LTD") Plan.

1.26 "Retirement from Service" shall mean the retirement of the Participant from employment with the Employer in accordance with Section 3.01, 3.02, or 3.03.

1.27 "Separation from Service" shall mean the separation of the Participant from employment with the Employer in accordance with Section 3.04.

1.28 "System" shall mean Entergy Corporation and all System Companies, and, except in determining whether a Change in Control has occurred, shall include any successor thereto as contemplated in Section 9.03 of this Plan.

1.29 "System Company" shall mean Entergy Corporation and any corporation 80% or more of whose stock (based on voting power) or value is owned, directly or indirectly, by Entergy Corporation and any partnership or trade or business which is 80% or more controlled, directly or indirectly, by Entergy Corporation, and, except in determining whether a Change in Control has occurred, shall include any successor thereto as contemplated in Section 9.03 of this Plan.

1.30 System Management Level" shall mean the applicable management level set forth below:

(a) System Management Level 1 (Chief Executive Officer and Chairman of the Board of Entergy Corporation);

(b) System Management Level 2 (Presidents and Executive Vice Presidents within the System);

(c) System Management Level 3 (Senior Vice Presidents within the System); and

(d) System Management Level 4 (Vice Presidents within the System).

1.31 "Target Award" shall mean the target percentage established by the Personnel Committee under the Executive Annual Incentive Plan of Entergy Corporation and Subsidiaries with respect to the Participant.

1.32 "Year" shall mean any period of twelve consecutive months.

1.33 "Year of Service" shall mean each year of employment within the System.

ARTICLE II

PARTICIPATION

2.01 Each Participant shall continue to be a Participant (a) unless he forfeits his benefits in accordance with Section 6.01; or (b) until the Plan is terminated in accordance with Article IX hereof, except to the extent otherwise specifically set forth in Article IX.

ARTICLE III

RETIREMENT AND SEPARATION FROM SERVICE DATES

3.01 Normal Retirement Date. A Participant who shall have retired from employment with the Employer on his Normal Retirement Date shall have a nonforfeitable right to his accrued benefits under the Plan, except as set forth in Section 6.01. If a Participant continues in employment with the Employer after his Normal Retirement Date without the written consent of the Employer, he shall have a forfeiture event under Section 6.01(b).

3.02 Early Retirement Date. A Participant who attains a minimum of age 55 with ten or more Years of Service shall retire prior to his Normal Retirement Date upon the date designated in a written notice of the Employer to the Participant requesting the Participant's early retirement. Such notice shall be delivered to the Participant at least 30 calendar days prior to the date of retirement designated therein. The date upon which the Participant retires in accordance with such notice shall be his Early Retirement Date; provided, that if the Participant does not retire on the date designated in such notice, he shall have a forfeiture event under Section 6.01(b), and the Employer shall have the right to terminate the Participant from his employment with the Employer as of the date designated in such notice. Alternatively, if, upon the written request of the Participant after having attained a minimum age of 55 with ten or more Years of Service and with the written consent of the Employer, the Participant shall retire prior to his Normal Retirement Date, the date of such retirement shall be his Early Retirement Date. The Participant shall have a nonforfeitable right to all of his accrued benefits under the Plan upon his retirement on his Early Retirement Date, except as set forth in Section 6.01.

3.03 Deferred Retirement Date. If, with the written consent of the Employer, a Participant continues his employment with the Employer after his Normal Retirement Date, the Participant shall retire upon the date designated in a written notice of the Employer to the Participant requesting the Participant's retirement. Such notice shall be delivered to the Participant at least 30 calendar days prior to the date of retirement designated therein. The date upon which the Participant retires in accordance with such notice shall be his Deferred Retirement Date; provided, that if the Participant does not retire on the date designated in such notice, he shall have a forfeiture event under Section 6.01(b), and the Employer shall have the right to terminate the Participant from his employment with the Employer as of the date designated in such notice. If, pursuant to such written consent, a Participant continues his employment with the Employer after his Normal Retirement Date and if such Participant shall die while so employed, the date of his death shall be deemed his Deferred Retirement Date and the Participant's Retirement from Service shall be deemed to have occurred as of this Deferred Retirement Date. Alternatively, if, upon the written request of the Participant and with the written consent of the Employer, the Participant shall retire after his Normal Retirement Date, the date of such retirement shall be his Deferred Retirement Date. The Participant shall have a nonforfeitable right to his accrued benefits under the Plan upon his retirement on his Deferred Retirement Date, except as set forth in Section 6.01.

3.04 Separation from Service Date. The Participant shall separate his employment with the Employer prior to his Early Retirement Date upon the date designated in a written notice of the Employer to the Participant requesting the Participant's Separation from Service. Such notice shall be delivered to the Participant at least 15 calendar days prior to the date of separation designated therein. The date upon which the Participant separates his employment in accordance with such notice shall be his Separation from Service Date; provided, that if the Participant does not separate his employment with his Employer on the date designated in such notice, he shall have a forfeiture event under Section 6.01(b), and the Employer shall have the right to terminate the Participant from his employment with the Employer as of the date designated in such notice. Alternatively, if, upon the written request of the Participant and with the written consent of the Employer, the Participant shall separate his employment with the Employer prior to his Early Retirement Date, the date of such separation shall be his Separation from Service Date. The Participant shall have a nonforfeitable right to all of his accrued benefits under the Plan as of his Separation from Service Date, except as set forth in Section 6.01.

ARTICLE IV

BENEFITS

4.01 Subject to Sections 4.05, 4.06 and 4.07 below, upon the death of the Participant prior to his Normal Retirement Date and provided such Participant has not retired on an Early Retirement Date, his Beneficiary will be provided a monthly benefit equal to one-half of the benefit the Participant would have received under the Plan had he lived and continued to work until his Normal Retirement Date, but based on the Participant's Average Basic Annual Salary as of his date of death; provided, however, if a Participant shall die prior to the completion of one Year of Service, then such Participant's Beneficiary will be provided a monthly benefit equal to one-half of the benefit the Participant would have received had he lived and continued to work until his Normal Retirement Date and had the Participant's Average Basic Annual Salary been determined as if he had completed one Year of Service and received his Basic Annual Salary for such Year of Service. Such monthly payments will commence on the Income Commencement Date and will be made to the Beneficiary for a period of 120 months.

4.02 Subject to Sections 4.05, 4.06 and 4.07 below, upon a Participant's Retirement from Service, after attaining a minimum of age 55 with ten

or more Years of Service, he will be paid, beginning as of his Income Commencement Date and subject to Section 6.01, a monthly benefit equal to .0833 times the sum of:

(a) 1.25% of the Participant's Average Basic Annual Salary for each of the first ten Years of Service; and

(b) 1.00% of the Participant's Average Basic Annual Salary for each Year of Service after ten and not more than twenty Years of Service; and

(c) .75% of the Participant's Average Basic Annual Salary for each Year of Service in excess of twenty Years of Service.

Provided, however, in no event will the monthly benefit payable under this Section 4.02 exceed .025 times the Participant's Average Basic Annual Salary nor will such monthly benefits be payable for more than 120 months; and provided, further, that in the case of a Participant whose Retirement from Service shall occur or be deemed to have occurred as of his Deferred Retirement Date, for the purposes of the calculation of "Years of Service" under this
Section 4.02, no Years of Service after his Normal Retirement Date shall be considered.

4.03 Subject to Sections 4.05, 4.06 and 4.07, upon a Participant's Separation from Service, after attaining ten or more Years of Service, he, or the Participant's Beneficiary in the event of his death, will be paid, beginning on the first day of the first month coincident with or next following his Normal Retirement Date and subject to Section 6.01, a monthly benefit equal to .0833 times the sum of:

(a) 1.25% of the Participant's Average Basic Annual Salary for each of the first ten Years of Service; and

(b) 1.00% of the Participant's Average Basic Annual Salary for each Year of Service after ten and not more than twenty Years of Service; and

(c) .75% of the Participant's Average Basic Annual Salary for each Year of Service in excess of twenty Years of Service.

Alternatively, the Participant or the Participant's Beneficiary in the event of his death, may elect to receive a benefit as early as age 55; however, the benefit that would have been payable as of his Normal Retirement Date, computed in accordance with this Section 4.03, shall be reduced by 1/4 of 1% for each month by which his Income Commencement Date precedes his Normal Retirement Date.

Provided, however, in no event will the monthly benefit payable as of the Participant's Normal Retirement Date under this Section 4.03 exceed .025 times the Participant's Average Basic Annual Salary nor will such monthly benefits be payable for more than 120 months.

4.04 Subject to Sections 4.05, 4.06 and 4.07 below, upon the Participant's Separation from Service, with less than ten Years of Service, he or the Participant's Beneficiary, in the event of his death, will be paid, beginning on the first day of the first month coincident with or next following his Normal Retirement Date and subject to Section 6.01, a monthly benefit equal to .0833 times 1.25% of the Participant's Average Basic Annual Salary for each of his Years of Service.

Provided, however, in no event will the monthly benefit payable under this Section 4.04 exceed .025 times the Participant's Average Basic Annual Salary nor will such monthly benefits be payable for more than 120 months.

4.05 Effect of Officer Status Demotion. Except as provided below, if a Participant loses his status as an officer of a System Company employer (otherwise than for the purpose of assuming an officer position with another System Company) ("Officer Status Demotion"), the period of employment subsequent to the date of such Officer Status Demotion shall not be included in determining such Participant's Years of Service for any purpose under the Plan including, without limitation, the calculation of benefits under Sections 4.02, 4.03, and 4.04 above. In the event a Participant experiences an Officer Status Demotion, his System Company employer may, in its sole discretion, instruct the Administrator to permit such Participant to continue the accrual of benefits under the Plan based on the period of his employment subsequent to the date of his Officer Status Demotion, provided such Participant remains an Employee as defined in Section 1.13. If his System Company employer determines that the Participant may continue to accrue benefits under the Plan for the period of his employment subsequent to his Officer Status Demotion, the provisions of this Section 4.05 shall be without effect unless and until such Participant changes his position again at which time his System Company employer, in its sole discretion, may again determine if such Participant will be permitted to continue the accrual of benefits under the Plan. Unless his System Company employer determines that such Participant is eligible to continue the accrual of benefits subsequent to his Officer Status Demotion within sixty days from the date of such Officer Status Demotion, the calculation of such Participant's benefits under the Plan shall be subject to the limitations described under this Section 4.05. If a Participant whose benefits are limited in accordance with the terms of this
Section 4.05 is subsequently reinstated as an officer of a System Company, the period of employment subsequent to such reinstatement shall be included in determining his Years of Service under the Plan. The provisions of this Section 4.05 shall be effective as of November 1, 1991; provided, however, that the date of Officer Status Demotion for Participants who experienced an Officer Status Demotion prior to November 1, 1991, shall be deemed to be November 1, 1991, for purposes of this
Section 4.05.

4.06 The amount of monthly benefit payable to a Participant or his Beneficiary under Sections 4.01, 4.02, 4.03 or 4.04 hereof shall be offset by

the lifetime monthly benefit, without regard to any actuarial reductions, payable to the Participant or Beneficiary by any System Company as the result of granting additional years of service credit to such Participant pursuant to any other non-qualified supplemental or deferred compensation plan, arrangement or agreement, where applicable.

4.07 Upon the death of a retired separated Participant who had not received 120 monthly payments under Sections 4.02, 4.03 or 4.04 hereof prior to his death, the Beneficiary will continue to be paid the same monthly benefit until a total of 120 such monthly payments have been made on behalf of the Participant.

4.08 In lieu of the monthly benefits payable under Sections 4.02 and 4.07, a Participant who, at the time of his Retirement from Service, is a full officer of a System Company and is eligible for a Target Award at a level at or above 40% of base salary as from time to time defined in the Executive Annual Incentive Plan of Entergy Corporation and Subsidiaries, and who retires on or after his Early Retirement Date may elect, subject to the terms and conditions set forth in this Section 4.08, an optional single- sum payment that is equal to the present value of the Participant's benefit determined under Section 4.02 as of the date of his Retirement from Service. Present value shall be computed using the same interest and mortality assumptions used in the Entergy Corporation Retirement Plan for Non-Bargaining Employees for computing the present value of benefits (for purposes of the involuntary cash-out rules) as of the time such single-sum amount is to be computed. An eligible Participant's election of the single-sum payment shall be subject to the following restrictions and limitations:

(a) such election must be made on or before the earlier of (1) the date that is ninety (90) days prior to his Normal Retirement Date, or (2) the date the Participant makes written request to the Employer to Retire from Service;

(b) any failure by the Participant to make an affirmative written election hereunder on or before the deadline established in Subsection (a) above shall constitute a waiver of any right to elect the single-sum form of benefit, in which case the terms of Sections 4.02 and 4.07 shall govern to the extent applicable;

(c) Participant may cancel his election for the single-sum form of benefit at any time prior to the deadline for making such election as described in Subsection (a), after which date any such election shall become irrevocable; and

(d) an eligible Participant's election shall be subject to the written consent of the Employer.

Under this optional single-sum form of benefit payment, no further benefit payments of any kind shall be made under the Plan to the Participant, the Participant's Beneficiary, or any other person on behalf of the Participant.

4.09 Prior Plan Benefits. The benefits under this Plan supercede and replace entirely any benefits provided under the Prior Plan. If a Participant in the Prior Plan fails to execute the Participant Application, then such individual shall be subject to the terms and conditions of the Prior Plan, including any forfeiture provisions thereof, and shall not receive any benefits under the terms of this restated Plan.

ARTICLE V

SOURCE OF PAYMENTS

5.01 Unfunded Plan. It is a condition of the Plan that neither a Participant nor any other person or entity shall look to any other person or entity other than the Employer for the payment of benefits under the Plan. The Participant or any other person or entity having or claiming a right to payments hereunder shall rely solely on the unsecured obligation of the Employer set forth herein. Nothing in this Plan shall be construed to give the Participant or any such person or entity any right, title, interest, or claim in or to any specific asset, fund, reserve, account or property of any kind whatsoever, owned by any Employer or in which the Employer may have any right, title or interest now or in the future. However, Participant or any such person or entity shall have the right to enforce his claim against the Employer in the same manner as any other unsecured creditor of such entity. Neither a Participant nor his Beneficiary or contingent annuitant shall have any rights in or against any specific assets of any System Company.

5.02 Employer Liability. At its own discretion, a System Company employer may purchase such insurance or annuity contracts or other types of investments as it deems desirable in order to accumulate the necessary funds to provide for the future benefit payments under the Plan. However, (a) a System Company employer shall be under no obligation to fund the benefits provided under this Plan; (b) the investment of System Company employer funds credited to a special account established hereunder shall not be restricted in any way; and (c) such funds may be available for any purpose the System Company may choose. Nothing stated herein shall prohibit a System Company employer from adopting or establishing a trust or other means as a source for paying any obligations created hereunder provided, however, any and all rights that any such Participants shall have with respect to any such trust or other fund shall be governed by the terms thereof.

5.03 Establishment of Trust. Notwithstanding any provisions of this Article V to the contrary, within thirty (30) days following the date of a Change in Control, each System Company shall make a single irrevocable lump sum contribution to the Trust for Deferred Payments of Entergy Corporation and Subsidiaries ("Trust") pursuant to the terms and conditions described in such Trust. Each System Company's contribution shall be in an amount actuarially equivalent to the total benefits accrued by such System Company's Plan Participants (including a Participant's

Beneficiary) under the Plan through the date of any such Change in Control. Actuarial equivalence shall be determined using the mortality factors set forth in the Entergy Corporation Retirement Plan for Non-Bargaining Employees and using the interest rates used by the Pension Benefit Guaranty Corporation for purposes of determining the present value of a lump sum distribution on plan termination (Appendix B to ERISA Regulation Section 2619 or its successor). If one or more of a System Company's Participants shall continue to be employed by a System Company after such a Change in Control, each calendar year the System Company shall, as soon as possible, but in no event longer than thirty (30) days following the end of such calendar year, make an irrevocable contribution to the Trust in an amount that is necessary in order to maintain a lump sum amount credited to the System Company's Plan account under the Trust that is actuarially equivalent to the total unpaid benefits accrued by the System Company's Participants as of the end of each applicable calendar year. Notwithstanding the foregoing in this Section to the contrary, a System Company may make contributions to the Trust prior to a Change in Control in such amounts as it shall determine in its complete discretion. The Trust is intended as a "grantor" trust under the Internal Revenue Code and the establishment and funding of such Trust is not intended to cause Participants to realize current income on amounts contributed thereto, and the Trust shall be so interpreted.

ARTICLE VI

FORFEITURES AND BENEFIT REPAYMENTS

6.01 Forfeitures. Except as otherwise provided in Section 7.02 of this Plan, Participant shall cease to be a Participant hereunder, no benefits under the Plan shall be payable hereunder, and Participant shall repay all amounts that he may have previously received hereunder, on and after any of the following events:

(a) if the Participant Separates from Service prior to completing five Years of Service;

(b) if the Participant resigns his employment with the Employer (otherwise than for the purpose of transferring to another System Company) prior to his Separation from Service or Retirement from Service, or does not Separate or Retire from Service on the applicable date set forth in Sections 3.01, 3.02,
3.03, and 3.04;

(c) if the Participant is involuntarily terminated by the Employer for cause, which for purposes of this Section 6.01 shall mean:

(1) a material violation by Participant of any agreement between Participant and any System Company; or

(2) a material violation of the employer-employee relationship existing between Participant and a System Company employer at the time, including, without limitation, breach of confidentiality or moral turpitude; or

(3) a material failure by Participant to perform the services required of him pursuant to any agreement between Participant and any System Company, or, if there is no such agreement, a material failure by Participant to perform the reasonable customary services of an employee holding the type of position he holds at the time; or

(4) an act of embezzlement, theft, defalcation, larceny, material fraud, or other acts of dishonesty by the Participant; or

(5) a conviction of Participant or Participant's entrance of a plea of guilty or nolo contendere to a felony or other crime which has or may have a material adverse affect on his ability to carry out his duties or upon the reputation of any System Company.

(d) if the Participant engages in any employment (without the prior written consent of his Employer) either individually or with any person, corporation, governmental agency or body, or other entity in competition with, or similar in nature to, any business conducted by any System Company (or its successor) at any time within the two-year period commencing at Retirement or Separation from Service, or other termination of employment, as applicable, where such competing employer is located in, or servicing in any way customers located in, those parishes and counties in which any System Company services customers during the two-year period; or

(e) if during the Participant's employment and for two years thereafter, other than as authorized by a System Company, or as required by law, or as necessary for the Participant to perform his duties for a System Company employer, the Participant shall divulge, communicate or use to the detriment of the Employer or the System, or use for the benefit of any other person or entity, or misuse in any way, any confidential or proprietary information or trade secrets of the Employer or the System, including without limitation non-public financial information, know-how, formulas, or other technical data. Disclosure of information pursuant to subpoena, judicial process, or request of a governmental authority shall not be deemed a violation of this provision, provided that the Participant gives the System Company immediate notice of any such subpoena or request and fully cooperates with any action by System Company to object to, quash, or limit such request.

Section 6.01(a) and (b) above shall not apply and shall not cause a forfeiture if a Participant shall become vested in his Plan benefits pursuant to Section 7.02.

6.02 Advisory Services. As a condition for benefits under this Plan, the Participant must hold himself available to render advisory services, with his consent, if so requested by the Employer, during the period beginning with his Retirement from Service, as applicable, and continuing for a period of ten years thereafter. If the Participant agrees to render such advisory services, he will make himself available to the Employer with respect to matters related to his area or areas of expertise, as considered appropriate by the Employer, and will consult thereof with the directors and officers of the Employer and with such other person or persons as the chief executive officer of the Employer may designate and will perform such special assignments within his area of expertise and capability as may be mutually agreed upon with the chief executive officer of the Employer. The Participant shall control the manner in which he renders services hereunder and may, at his discretion, decline to render any such services requested by the Employer if the Participant's time constraints are such that the rendering of such services would result in an undue burden upon the Participant. Rendering such advisory services shall in no way constitute or be construed as creating an employer/employee relationship, partnership, joint venture, or other business group or concerted activity between any requesting employer and Participant, and a Participant rendering services pursuant to this Section 6.02 shall not on account thereof be entitled to any of the fringe or supplemental benefits of the requesting employer or any other System Company, including employee benefit plan participation.

ARTICLE VII

CHANGE IN CONTROL

7.01 Definitions. The following additional definitions shall be applicable to this Article VII of the Plan:

(a) "Cause" shall mean:

(1) willful and continuing failure by Participant to substantially perform Participant's duties (other than such failure resulting from the Participant's incapacity due to physical or mental illness or any such actual or anticipated failure after the issuance of a Notice of Termination for Good Reason by the Participant) that has not been cured within 30 days after a written demand for substantial performance is delivered to the Participant by the board of directors of the Employer, which demand specifically identifies the manner in which the board believes that the Participant has not substantially performed the Participant's duties; or

(2) the willful engaging by the Participant in conduct which is demonstrably and materially injurious to any System Company, monetarily or otherwise; or

(3) conviction of or entrance of a plea of guilty or nolo contendere to a felony or other crime which has or may have a material adverse affect on Participant's ability to carry out Participant's duties or upon the reputation of any System Company; or

(4) a material violation by Participant of any agreement Participant has with a System Company; or

(5) unauthorized disclosure by Participant of the confidences of any System Company.

For purposes of clauses (1) and (2) of this definition, no act, or failure to act, on Participant's part shall be deemed "willful" unless done, or omitted to be done, by Participant not in good faith and without reasonable belief that Participant's act, or failure to act, was in the best interest of Employer.

(b) "Notice of Termination" shall mean a notice that shall indicate the specific termination provision in this Plan relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Participant's employment under the provision so indicated. Further, a Notice of Termination for Cause is required to include a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters (3/4) of the entire membership of the terminating employer's board of directors at a meeting of such board of directors which was called and held for the purpose of considering such termination (after reasonable notice to Participant and an opportunity for Participant, together with Participant's counsel, to be heard before that board) finding that, in the good faith opinion of the board, Participant was guilty of conduct set forth in the definition of Cause herein, and specifying the particulars thereof in detail.

7.02 Accelerated Vesting. Notwithstanding anything stated herein to the contrary, if during a Change in Control Period there should occur a Qualifying Event with respect to a Participant, the Participant shall not cease to be a Participant and shall be fully vested in and shall have a non-forfeitable right to all benefits accrued under this Plan as of the date of such Qualifying Event, except that all such benefits shall continue to be subject to forfeiture upon the occurrence of any of the following:

(a) Without Employer permission, Employee removes, copies, or fails to return if he or she has already removed, any property belonging to one or all of the System Companies, including, but not limited to, the original or any copies of any records, computer files or disks, reports, notes, documents, files, audio or video tapes, papers of any kind, or equipment provided by any one or all of the System Companies or created using property of or for the benefit of one or all of the System Companies.

(b) During Participant's employment and for 2 years thereafter, other than as authorized by a System Company or as required by law or as necessary for the Participant to perform his duties for a System Company employer, Participant shall disclose to any person or entity any

non-public data or information concerning any System Company, in which case Participant shall be required to repay any Plan benefits previously received by him. Disclosure of information pursuant to subpoena, judicial process, or request of a governmental authority shall not be deemed a violation of this provision, provided that Participant gives the System Company immediate notice of any such subpoena or request and fully cooperates with any action by System Company to object to, quash, or limit such request; or

(c) Participant engages in any employment (without the prior written consent of his last System Company employer) either individually or with any person, corporation, governmental agency or body, or other entity in competition with, or similar in nature to, any business conducted by any System Company at any time within the Applicable Period (defined below) and commencing upon termination of employment, where such competing employer is located in, or servicing in any way customers located in, those parishes and counties in which any System Company services customers during such Applicable Period, in which case Participant shall be required to repay any Plan benefits previously received by him. For purposes of this section, Applicable Period shall mean:

(1) two (2) years for Participants at System Management Levels 1 and 2 at the commencement of the Change in Control Period, provided, however, that the two-year Applicable Period shall be extended to three (3) years if otherwise permissible under applicable law;

(2) two (2) years for Participants at System Management Level 3 at the commencement of the Change in Control Period; and

(3) one (1) year for Participants at System Management Level 4 at the commencement of the Change in Control Period.

However, if the stated Applicable Periods described herein shall be impermissible under applicable law, then the Applicable Period for purposes of this Plan shall be the maximum time period allowed under applicable law for a covenant not to compete.

7.03 Benefit Amount and Income Commencement Date. Notwithstanding anything stated herein to the contrary, if during a Change in Control Period there should occur a Qualifying Event with respect to a Participant and if there does not occur a forfeiture event referenced in Section 7.02, the Participant's benefit amount and Income Commencement Date shall be determined pursuant to the provisions of this Plan as modified by the following:

(a) if such Participant has attained age 55 upon termination, then he shall be deemed to have retired on an Early Retirement Date, his benefit amount shall be determined according to Section
4.02 without regard to that Section's eligibility requirements and such Participant, or his Beneficiary in the event of his death, may elect his Income Commencement Date without the consent of the Employer, which shall be on the first day of any month following the Participant's termination; and

(b) if such Participant has not attained age 55 upon termination, then he shall be deemed to have a Separation from Service, his benefit amount shall be determined according to
Section 4.03 without regard to that Section's eligibility requirements and such Participant, or his Beneficiary in the event of his death, may elect his Income Commencement Date without the consent of the Employer, which shall be on the first day of any month coincident with or next following the Participant's attainment of age 55.

7.04 No Benefit Reduction. Notwithstanding anything stated above to the contrary, an amendment to, or termination of, the Plan following a Change in Control shall not reduce the level of benefits accrued under this Plan through the date of any such amendment or termination. In no event shall a Participant's benefit under this Plan following a Change in Control be less than such Participant's benefit under this Plan immediately prior to the Change in Control Period, subject, however, to the forfeiture provisions referenced in Section 7.02 as in existence on the date immediately preceding the commencement date of the Change in Control Period.

7.05 Provisions of Referenced Plans. To the extent this Plan references or incorporates provisions of any other System Company plan, including, but not limited to, the Entergy Corporation Retirement Plan for Non-Bargaining Employees, and (a) such other plan is amended, supplemented, modified or terminated during the two-year period commencing on the date of a Potential Change in Control and (b) such amendment, supplementation, modification or termination adversely affects any benefit under this Plan, whether it be in the method of calculation or otherwise, then for purposes of determining benefits under this Plan, the Administrator shall rely upon the version of such other plan in existence immediately prior to any such amendment, supplementation, modification or termination, unless such change is agreed to in writing and signed by the affected Participant and by the Administrator, or by their legal representatives or successors.

ARTICLE VIII

PLAN ADMINISTRATION

8.01 Administration of Plan. The Administrator shall operate and administer the Plan and, as such, shall have the authority as Administrator to exercise the powers and discretion conferred on it by the Plan, including the right to delegate any function to a specified person or persons. The Administrator shall discharge its duties for the exclusive benefit of the Participants and their beneficiaries.

8.02 Powers of the Administrator. The Administrator and any of its delegees shall administer the Plan in accordance with its terms and shall have all powers, authority, and discretion necessary or proper for such purpose. In furtherance of this duty, the Administrator shall have the sole and exclusive power and discretion to make factual determinations, construe and interpret the Plan, including the intent of the Plan and any ambiguous, disputed or doubtful provisions of the Plan. All findings, decisions, or determinations of any type made by the Administrator, including factual determinations and any interpretation or construction of the Plan, shall be final and binding on all parties and shall not be disturbed unless the Administrator's decisions are arbitrary and capricious. The Administrator shall be the sole judge of the standard of proof required in any claim for benefits and/or in any question of eligibility for a benefit. By way of example, the Administrator shall have the sole and exclusive power and discretion:

(a) to adopt such rules and regulations as it shall deem desirable or necessary for the administration of the Plan on a consistent and uniform basis;

(b) to interpret the Plan including, without limitation, the power to use Administrator's sole and exclusive discretion to construe and interpret (i) the Plan, (ii) the intent of the Plan, and (iii) any ambiguous, disputed or doubtful provisions of the Plan;

(c) to determine all questions arising in the administration of the Plan including, but not limited to, the power and discretion to determine the rights or eligibility of any Employee, Participant, Beneficiary or other claimant to receive under the Plan;

(d) to require such information as the Administrator may reasonably request from any Employee, Participant, Beneficiary or other claimant as a condition for receiving any benefit under the Plan;

(e) to grant and/or deny any and all claims for benefits, and construe any and all issues of Plan interpretation and/or fact issues relating to eligibility for benefits;

(f) to compute the amount and determine the manner and timing of any benefits payable under the Plan;

(g) to execute or deliver any instrument or make any payment on behalf of the Plan;

(h) to employ one or more persons to render advice with respect to any of the Administrator's responsibilities under the Plan;

(i) to direct the Employer concerning all payments that shall be made pursuant to the terms of the Plan; and

(j) to make findings of fact, to resolve disputed fact issues, and to make determinations based on the facts and evidence contained in the administrative record developed during the claims review procedure.

For any acts not specifically enumerated above, when applying, construing, or interpreting any and all Plan provisions and/or fact questions presented in claims for benefits, the Administrator shall have the same discretionary powers as enumerated above.

8.03 Reliance on Reports and Certificates. The Administrator may rely conclusively upon all tables, valuations, certificates, opinions and reports furnished by an actuary, accountant, counsel or other person who may from time to time be employed or engaged for such purposes.

8.04 Claims Administration. The Administrator may appoint and, in its sole discretion, remove a Claims Administrator and/or Claims Appeal Administrator to administer claims for benefits under the Plan in accordance with its terms, and, pursuant to section 8.02, such delegees shall have all powers, authority, and discretion necessary or proper for such purpose. In the absence of such appointment, the Administrator shall be the Claims Administrator and Claims Appeal Administrator.

8.05 Filing Benefit Claims. Any claim asserting entitlement to a benefit under the Plan must be asserted within 90 days after the event giving rise to the claim by sending written notice of the claim to the Claims Administrator. The written notice of the claim must be accompanied by any and all documents, materials, or other evidence allegedly supporting the claim for benefits. If the claim is granted, the claimant will be so notified in writing by the Claims Administrator.

8.06 Claims of Good Reason/Cause During Change in Control Period. Solely for purposes of any determination regarding the existence of Good Reason or Cause (as defined in Section 7.01(a)) during a Change in Control Period, any position taken by the Participant shall be presumed to be correct unless Employer establishes to the Administrator by clear and convincing evidence that such position is not correct.

8.07 Denial or Partial Denial of Benefit Claims. If the Claims Administrator denies a claim for benefits in whole or part, the Claims Administrator shall notify the claimant in writing of the decision within ninety (90) days after the claim has been received by the Claims Administrator. In the Claim Administrator's sole discretion, the Claims Administrator may extend the time to decide the claim for an additional ninety (90) days, by giving written notice of the need for such an extension any time prior to the expiration of the initial ninety-day period. The Claims Administrator, in its sole discretion, reserves the right to request specific information from the claimant, and reserves the right to have the claimant examined or tested by person(s) employed or compensated by the Plan. If the claim is denied or partially denied, the Claims

Administrator shall provide the claimant with written notice stating:

(a) the specific reasons for the denial of the claim (including the facts upon which the denial was based) and reference to any pertinent plan provisions on which the denial is based;

(b) if applicable, a description of any additional material or information necessary for claimant to perfect the claim and an explanation of why such material or information is necessary; and

(c) an explanation of the claims review appeal procedure including the name and address of the person or Committee to whom any appeal should be directed.

8.08 Appeal of Claims That Are Denied or Partially Denied. The claimant may request review of the Claims Administrator's denial or partial denial of a claim for Plan benefits. Such request must be made in writing within sixty (60) days after claimant has received notice of the Claims Administrator's decision and shall include with the written request for an appeal any and all documents, materials, or other evidence which claimant believes supports his or her claim for benefits. The written request for an appeal, together with all documents, materials, or other evidence which claimant believes supports his or her claim for benefits should be addressed to the Claims Administrator, who will be responsible for submitting the appeal for review to the Claims Appeal Administrator.

8.09 The Appeal Process. The Claims Administrator will submit the appeal to the Claims Appeal Administrator for review of the denial or partial denial of the claim. Within sixty
(60) days after the receipt of claimant's appeal, claimant will be notified of the final decision of the Claims Appeal Administrator, unless, in the Claims Appeal Administrator's sole discretion, circumstances require an extension of this period for up to an additional sixty (60) days. If such an extension is required, the Claims Appeal Administrator shall notify claimant of this extension in writing before the expiration of the initial sixty-day period. During the appeal, the Claims Appeal Administrator, in its sole discretion, reserves the right to request specific information from the claimant, and reserves the right to have the claimant examined or tested by person(s) employed or compensated by the Plan. The final decision of the Claims Appeal Administrator shall set forth in writing the facts and plan provisions upon which the decision is based. All decisions of the Claims Appeal Administrator are final and binding on all employees, Participants, their Beneficiaries, or other claimants.

8.10 Judicial Proceedings for Benefits. No claimant may file suit in court to obtain benefits under the Plan without first completely exhausting all stages of this claims review process. In any event, no legal action seeking Plan benefits may be commenced or maintained against the Plan more than ninety (90) days after the Claims Appeal Administrator's decision on appeal.

ARTICLE IX

AMENDMENT AND TERMINATION

9.01 General. The Board of Directors shall have the right, in its absolute discretion, at any time and from time to time, to modify or amend, in whole or in part, any or all of the provisions of this Plan, or suspend or terminate it entirely, subject to the provisions of Section 9.02 hereof. The provisions of this Article IX shall survive a termination of the Plan unless such termination is agreed to by the Participants.

9.02 Restrictions on Amendment or Termination. Any amendment or modification to, or the termination of, the Plan shall be subject to the following restrictions:

(a) Employer shall continue, subject to the provisions of
Section 6.01, to make payments to any retired Participant or Beneficiary then entitled to payments as if the Plan had not been amended, supplemented, modified or terminated; and

(b) as to any Participant who has not yet begun receiving monthly benefits under the Plan, the Employer, subject to the provisions of Sections 6.01 and 7.02, shall remain obligated to provide a benefit upon the earlier of the Participant's Early Retirement Date or death that is actuarially equivalent to (and payable for the term of) the accrued benefit under Article IV earned by the Participant at the time the Plan is amended, supplemented, modified or terminated; and

(c) no amendment, modification, suspension or termination of the Plan may reduce the amount of benefits or adversely affect the manner of payment of benefits of any Participant or Beneficiary then receiving benefits in accordance with the terms of Article IV, unless such modification is agreed to in writing and signed by the affected Participant or Beneficiary and by the Plan Administrator, or by their legal representatives or successors; and

(d) no provision of this Plan may be modified, waived, or discharged during the two-year period commencing on the date of a Potential Change in Control, unless such modification, waiver, or discharge is agreed to in writing and signed by the affected Participant and by the Plan Administrator, or by their legal representatives or successors.

9.03 Successors. A System employer shall require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) of all or substantially all of its business and/or assets to expressly assume and agree to perform this Plan in the same manner and to the same extent that the System employer would be required to perform it if no such succession had taken place. Failure of the System employer to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Plan and shall entitle each Participant to Plan benefits from the System Company employer in the same amount and on the same terms as he would be entitled hereunder if terminated voluntarily for Good Reason, except for the purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the effective date of termination. Any successor or surviving entity that assumes or otherwise adopts this Plan as contemplated in this Section
9.03 shall succeed to all the rights, powers and duties of the System employer hereunder, subject to the restrictions on amendment or termination of the Plan as set forth in Section
9.02. The employment of the Participant who has continued in the employ of such successor or surviving entity shall not be deemed to have been terminated or severed for any purpose hereunder; however, such continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason.

9.04 Dissolution of the Employer. In the event that a System employer with which Participant was employed while a Participant in the Plan is dissolved or liquidated by reason of bankruptcy, insolvency or otherwise prior to Employee's death or Retirement from Service, without any provision being made for the continuance of the Plan by a successor to the business of such System employer or unless another System Company shall have assumed the obligations of such System employer under the Plan, the date on which such dissolution or liquidation occurs shall be deemed to be the non-retired Participant's Early Retirement Date and the Participant's Retirement from Service shall be deemed to have occurred on his Early Retirement Date. At the option of the person entitled thereto, the Actuarial Equivalent of such benefits shall be paid immediately in one lump sum. Upon the date of such liquidation or dissolution, in the case of a Beneficiary or retired Participant who is receiving benefit payments under the Plan, the actuarial equivalent of the benefits then remaining to be paid under the Plan to the Participant, joint annuitant, or Beneficiary, as applicable, shall be paid immediately in one lump sum at the option of the person entitled thereto.

ARTICLE X

MISCELLANEOUS

10.01 Gender and Number. The masculine pronoun whenever used in the Plan shall include the feminine. Similarly, the feminine pronoun whenever used in the Plan shall include the masculine as the context or facts may require. Whenever any words are used herein in the singular, they shall be construed as if they were also used in the plural in all cases where the context so applies.

10.02 Captions. The captions of this Plan are not part of the provisions of the Plan and shall have no force and effect.

10.03 Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

10.04 Controlling Law. The administration of the Plan, and any Trust established thereunder, shall be governed by applicable federal law, including ERISA , and, to the extent federal law is inapplicable, the laws of the State of Delaware, without regard to the conflict of law principles of any state. Any persons or corporations who now are or shall subsequently become parties to the Plan shall be deemed to consent to this provision.

10.05 No Right to Employment. The Plan confers no right upon any Employee to continue his employment with any employer, whether or not a System Company.

10.06 Indemnification. To the extent not covered by insurance, or if there is a failure to provide full insurance coverage for any reason, and to the extent permissible under applicable laws and regulations, the System employers agree to hold harmless and indemnify the Administrator and its members against any and all claims and causes of action by or on behalf of any and all parties whomsoever, and all losses therefrom, including, without limitation, costs of defense and attorneys' fees, based upon or arising out of any act or omission relating to or in connection with the Plan and Trust other than losses resulting from any such person's fraud or willful misconduct.

10.07 No Alienation. The benefits provided hereunder shall not be subject to alienation, assignment, pledge, anticipation, attachment, garnishment, receivership, execution or levy of any kind, including liability for alimony or support payments, and any attempt to cause such benefits to be so subjected shall not be recognized, except to the extent as may be required by law.

Exhibit 10(a)71

SUPPLEMENTAL RETIREMENT PLAN OF
ENTERGY CORPORATION AND SUBSIDIARIES
(As Amended and Restated Effective January 1, 2000)

Certificate of Amendment

Amendment No. 1

THIS INSTRUMENT, executed and made effective this 28th day of December, 2001, ("Effective Date") constitutes the First Amendment of the Supplemental Retirement Plan of Entergy Corporation and Subsidiaries, as amended and restated effective January 1, 2000 (the "Plan").

All capitalized terms used in this document shall have the meanings assigned to them in the Plan unless otherwise defined in this document.

Pursuant to Section 9.01 of the Plan, the Personnel Committee, as authorized by the Board of Directors, does hereby amend the Plan as follows:

1. Current Sections 1.31, 1.32 and 1.33 are renumbered 1.32, 1.33 and 1.34, respectively, and a new Section 1.31 is added to the Plan to read as follows:

1.31 "System Management Participant" shall mean a

Participant who is currently, or was immediately prior to the commencement of a Change in Control Period, at one of the System Management Levels set forth in Section 1.30.

2. Section 4.08 of the Plan is amended in its entirety to read as follows:

4.08 (a) In lieu of the monthly benefits payable under Sections 4.02 and 4.07, a Participant who, at the time of his Retirement from Service (on or after his Early Retirement Date) or Qualifying Event, is a System Management Participant (or is treated as a System Management Participant in accordance with Section 1.31), may elect, subject to the terms and conditions set forth in this Section 4.08(a) and Section 4.08(c), an optional single-sum payment. The optional single-sum payment amount shall be equal to the present value of the System Management Participant's Plan benefit determined under (1) Section 4.02 as of the date of his Retirement from Service or (2) Section 7.03 as of the date of his Qualifying Event, if applicable. Present value shall be computed using the same interest and mortality assumptions used in the Entergy Corporation Retirement Plan for Non-Bargaining Employees for computing the present value of benefits (for purposes of the involuntary cash-out rules) as of the time such single-sum amount is to be computed. Under this optional form of benefit payment, no further benefit payments of any kind shall be made under the Plan to the Participant, the Participant's legal spouse, or any other person on behalf of the Participant.

(b) A System Management Participant who is eligible for an optional single-sum payment in accordance with Section 4.08(a), and who is eligible to participate in and has elected to participate in the Executive Deferred Compensation Plan of Entergy Corporation and Subsidiaries ("EDCP") may elect, in accordance with Section 4.08(c), to convert the entire amount of the present value of the Participant's Plan benefit, determined in accordance with Section 4.08(a), to an equivalent credited balance under the EDCP, in which case no further benefit payments of any kind shall be due, or made under the Plan, to the Participant, the Participant's legal spouse, or any other person on behalf of the Participant. Any election to convert Plan benefits under this Section 4.08(b) shall be effective as to the entire value of such Plan benefits at the time of conversion.

(c) A System Management Participant's election of the single-sum payment in accordance with Section 4.08(a) and a System Management Participant's conversion election in accordance with Section 4.08(b), if applicable, shall be subject to the following:

(1) Each such election must be made at least 6 months prior to the earlier of (i) Retirement from Service or (ii) the earliest Income Commencement Date under Section 7.03(a) or (b), as applicable, following a Qualifying Event, and in such form as the Administrator (or its delegate) may require;

(2) Any failure by the Participant to make an affirmative written election on or before the deadline established in subsection (1) above shall constitute a waiver both of any right to elect the single-sum form of benefit and the right to convert Plan benefits in

entirety to read as follows:

9.01 General. The Personnel Committee of the Board of Directors shall have the right, in its absolute discretion, at any time and from time to time, to modify or amend, in whole or in part, any or all of the provisions of this Plan, or suspend or terminate it entirely, subject to the provisions of Section 9.02 hereof. The provisions of this Article IX shall survive a termination of the Plan unless such termination is agreed to by the Participants.

5. Section 9.02(d) of the Plan is amended and restated as follows:

(d) Unless agreed to in writing and signed by the affected System Management Participant and by the Plan Administrator, no provision of this Plan may be modified, waived or discharged before the earlier of: (i) the expiration of the two-year period commencing on the date of a Potential Change in Control, or (ii) the date on which the Change in Control event contemplated by the Potential Change in Control is terminated.

IN WITNESS WHEREOF, the Personnel Committee has caused this First Amendment to the Supplemental Retirement Plan of Entergy Corporation and Subsidiaries to be executed by its duly authorized representative on the day, month, and year above set forth.

PERSONNEL COMMITTEE
through the undersigned duly
authorized representative

WILLIAM E. MADISON
Senior Vice-President,
Human Resources and Administration
for Entergy Services, Inc.

Exhibit 10(a)72

DEFINED CONTRIBUTION RESTORATION PLAN OF ENTERGY CORPORATION AND SUBSIDIARIES
(As Amended and Restated Effective January 1, 2000)

Entergy Corporation previously established the Defined Contribution Restoration Plan of Entergy Corporation and Subsidiaries, effective as of January 1, 1989. Since that time the plan has been amended from time to time by the Board of Directors of Entergy Corporation, including a July 26, 1996 amendment and restatement and a subsequent amendment effective as of January 1, 1997. On October 29, 1999, the Board of Directors of Entergy Corporation approved, authorized, and adopted certain changes to the plan that are incorporated into this amendment and restatement, effective January 1, 2000.

ARTICLE I

INTRODUCTION

1.01 Name and Purpose of Plan. This Plan shall be known as the Defined Contribution Restoration Plan of Entergy Corporation and Subsidiaries (the "Plan"). The purpose of the Plan is to provide certain defined contribution benefits which are not otherwise payable or cannot otherwise be provided under the Savings Plan of Entergy Corporation and Subsidiaries, as a result of the limitations set forth under Sections 401(a)(17), 401(k), 401(m), and 415(c) of the Internal Revenue Code of 1986, as amended from time to time.

1.02 Funding. The Plan shall be an unfunded deferred compensation arrangement. Benefits shall be paid solely from the general assets of the Employer.

ARTICLE II

DEFINITIONS

The following terms shall have the meanings hereinafter indicated unless expressly provided herein to the contrary:

2.01 "Account" shall mean the account, including any subaccounts, established and maintained for each Participant to reflect his interest under the Plan.

2.02 "Administrator" shall mean the Personnel Committee established by the Board of Directors, or such other individuals or committee (not fewer than three in number) as shall from time to time be designated in writing by the Chairman of the Board of Directors as the administrator of the Plan. The Administrator shall be the "plan administrator" for the Plan within the meaning of ERISA. Notwithstanding the foregoing, from and after the date immediately preceding the commencement of a Change in Control Period, the "Administrator" shall mean (a) the individuals (not fewer than three in number) who, on the date six months before the commencement of the Change in Control Period, constitute the Administrator, plus (b) in the event that fewer than three individuals are available from the group specified in clause (a) above for any reason, such individuals as may be appointed by the individual or individuals so available (including for this purpose any individual or individuals previously so appointed under this clause (b)); provided, however, that the maximum number of individuals constituting the Administrator shall not exceed six.

2.03 "Basic Contribution" shall mean the Employee contribution eligible for Employer Matching Contributions under the Savings Plan.

2.04 "Beneficiary" shall mean the person or persons designated by the Participant to receive any benefits under the Plan upon the death of the Participant. If no Beneficiary survives the Participant, or the Participant failed to designate a Beneficiary, any benefits payable upon the death of the Participant shall be paid to his estate.

2.05 "Board of Directors" shall mean the Board of Directors of Entergy Corporation.

2.06 "Cause" shall mean:

(a) willful and continuing failure by Participant to substantially perform Participant's duties (other than such failure resulting from the Participant's incapacity due to physical or mental illness or any such actual or anticipated failure after the issuance of a Notice of Termination for Good Reason by the Participant) that has not been cured within thirty
(30) days after a written demand for substantial performance is delivered to Participant by the board of directors of Employer, which demand specifically identifies the manner in which the board believes that Participant has not substantially performed Participant's duties; or

(b) the willful engaging by the Participant in conduct which is demonstrably and materially injurious to any System Company, monetarily or otherwise; or

(c) conviction of or entrance of a plea of guilty or nolo contendere to a felony or other crime which has or may have a material adverse affect on Participant's ability to carry out Participant's duties or upon the reputation of any System Company; or

(d) a material violation by Participant of any agreement Participant has with a System Company; or

(e) unauthorized disclosure by Participant of the confidences of any System Company.

For purposes of clauses (1) and (2) of this definition, no act, or failure to act, on the Participant's part shall be deemed "willful" unless done, or omitted to be done, by the Participant not in good faith and without reasonable belief that the Participant's act, or failure to act, was in the best interest of the Employer.

2.07 "Change in Control" shall mean:

(a) the purchase or other acquisition by any person, entity or group of persons, acting in concert within the meaning of Sections 13(d) or 14(d) of the Securities Exchange Act of 1934 ("Act"), or any comparable successor provisions, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Act) of twenty-five percent (25%) or more of either the shares of common stock outstanding immediately following such acquisition or the combined voting power of Entergy Corporation's voting securities entitled to vote generally and outstanding immediately following such acquisition, other than any such purchase or acquisition in connection with a Non-CIC Merger (defined in subsection (b) below);

(b) the consummation of a merger or consolidation of Entergy Corporation, or any direct or indirect subsidiary of Entergy Corporation with any other corporation, other than a Non-CIC Merger, which shall mean a merger or consolidation immediately following which the individuals who comprise the Board of Directors immediately prior thereto constitute at least a majority of the Board of Directors, or the board of directors of the entity surviving such merger or consolidation, or the board of directors of any parent thereof (unless the failure of such individuals to comprise at least such a majority is unrelated to such merger or consolidation);

(c) the stockholders of Entergy Corporation approve a plan of complete liquidation or dissolution of Entergy Corporation or there is consummated an agreement for the sale or disposition by Entergy Corporation of all or substantially all of Entergy Corporation's assets; or

(d) any change in the composition of the Board of Directors such that during any period of two consecutive years, individuals who at the beginning of such period constitute the Board of Directors and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of Entergy Corporation) whose appointment or election by the Board of Directors or nomination for election by Entergy Corporation's stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on January 1, 2000 or whose appointment, election or nomination for election was previously so approved or recommended, cease for any reason to constitute at least a majority thereof.

Provided, however, that no Change in Control shall be deemed to occur solely by virtue of (1) the insolvency or bankruptcy of Entergy Corporation; or (2) the transfer of assets of Entergy Corporation to an affiliate of Entergy Corporation, provided such affiliate assumes the obligations of the Plan and agrees to continue uninterrupted the rights of the Participants under the Plan; or (3) the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of Entergy Corporation immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of Entergy Corporation immediately following such transaction or series of transactions.

2.08 "Change in Control Period" shall mean the period commencing ninety (90) days prior to and ending twenty-four (24) calendar months following a Change in Control.

2.09 "Claims Administrator" shall mean the Administrator or its designee responsible for administering claims for benefits under the Plan.

2.10 "Claims Appeal Administrator" shall mean the Administrator or its delegee responsible for administering appeals from the denial or partial denial of claims for benefits under the Plan.

2.11 "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

2.12 "Common Stock" shall mean the common stock of Entergy Corporation.

2.13 "Company Account" shall mean the account under the Savings Plan that reflects the Employer Matching Contributions and any earnings thereon.

2.14 "Disability" shall mean a physical or mental condition of a Participant, which, based on evidence satisfactory to the Administrator, and in

the opinion of the Administrator, renders such Participant unfit to perform the duties of an employee. Evidence may include medical evidence or that the Participant qualifies for disability benefits from Social Security Administration.

2.15 "Earnings" shall mean the regular wages or salary received by the Participant from his System Company employer, exclusive of bonus and overtime payments. Subject to the provisions of
Section 4.01, solely for purposes of determining benefits under the Plan, the earnings or compensation considered for any year commencing on or after January 1, 1997, in determining the amount to be credited to a Participant's Account shall be deemed to include the amount of base salary the Participant elects to defer under the Executive Deferred Compensation Plan of Entergy Corporation and Subsidiaries, or any successor or replacement plan and any other nonqualified deferred compensation plan, agreement, or arrangement in which the Participant may hereafter participate or be a party thereto. Nothing stated herein shall be construed as an amendment to the Savings Plan.

2.16 "Employee" shall mean an individual who is employed by a System Company employer and who is included on the Federal Insurance Contribution Act rolls of such System Company.

2.17 "Employer" shall mean the System Company that has adopted the Plan and with which the Participant is last employed on or before the Participant's retirement or termination of employment.

2.18 "Employer Matching Contributions" shall mean the contributions made by a System Company employer to the Savings Plan on behalf of a Participant.

2.19 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

2.20 "Good Reason" shall mean the occurrence, without the Participant's express written consent, of any of the following events during the Change in Control Period:

(a) the substantial reduction or alteration in the nature or status of the Participant's duties or responsibilities from those in effect on the date immediately preceding the first day of the Change in Control Period, other than an insubstantial and inadvertent act that is remedied by the System Company employer promptly after receipt of notice thereof given by the Participant and other than any such alteration primarily attributable to the fact that Entergy Corporation may no longer be a public company;

(b) a reduction of 5% or more in Participant's annual rate of base salary as in effect immediately prior to commencement of a Change in Control Period, which shall be calculated exclusive of any bonuses, overtime, or other special payments, but including the amount, if any, the Participant elects to defer under: (1) a cash or deferred arrangement qualified under Code Section 401(k);
(2) a cafeteria plan under Code Section 125; (3) the Executive Deferred Compensation Plan of Entergy Corporation and Subsidiaries, or any successor or replacement plan; and (4) any other nonqualified deferred compensation plan, agreement, or arrangement in which the Participant may hereafter participate or be a party;

(c) requiring Participant to be based at a location outside of the continental United States and other than his primary work location as it existed on the date immediately preceding the first day of the Change in Control Period, except for required travel on business of any System Company to an extent substantially consistent with the Participant's present business obligations;

(d) failure by System Company employer to continue in effect any compensation plan in which Participant participates immediately prior to the commencement of the Change in Control Period which is material to Participant's total compensation, including but not limited to compensation plans in effect, including stock option, restricted stock, stock appreciation right, incentive compensation, bonus and other plans or any substitute plans adopted prior to the Change in Control Period, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or the failure by System Company employer to continue Participant's participation therein (or in such substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount or timing of payment of benefits provided and the level of the Participant's participation relative to other participants, as existed immediately prior to the Change in Control; or

(e) failure by System Company employer to continue to provide Participant with benefits substantially similar to those enjoyed by Participant under any of the System Company's pension, savings, life insurance, medical, health and accident, or disability plans in which Participant was participating immediately prior to the Change in Control Period, the taking of any other action by System Company employer which would directly or indirectly materially reduce any of such benefits or deprive Participant of any material fringe benefit enjoyed by Participant immediately prior to commencement of the Change in Control Period, or the failure by System Company employer to provide Participant with the number of paid vacation days to which Participant is entitled on the basis of years of service with the System in accordance with the System Company's normal vacation policy in effect at the time of the Change in Control.

Participant's right to terminate his employment for Good Reason shall not be affected by Participant's incapacity due to physical or mental illness. Participant's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason.

2.21 "Notice of Termination" shall mean a notice that shall indicate the specific termination provision in this Plan relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Participant's employment under the provision so indicated. Further, a Notice of Termination for Cause is required to include a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters (3/4) of the entire membership of the terminating employer's board of directors at a meeting of such board of directors which was called and held for the purpose of considering such termination (after reasonable notice to Participant and an opportunity for Participant, together with Participant's counsel, to be heard before that board) finding that, in the good faith opinion of the board, Participant was guilty of conduct set forth in the definition of Cause herein, and specifying the particulars thereof in detail.

2.22 "Participant" shall mean an Employee who is eligible to participate in the Plan and who remains eligible for participation in accordance with the applicable provisions of the Plan.

2.23 "Plan" shall mean the Defined Contribution Restoration Plan of Entergy Corporation and Subsidiaries, and any amendments, supplements or modifications from time to time made hereto. Any Participant Applications entered into pursuant to this Plan shall be deemed part of the Plan.

2.24 "Potential Change in Control" shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

(a) Entergy Corporation or any affiliate or subsidiary company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control; or

(b) the Board of Directors adopts a resolution to the effect that, for purposes of this Plan, a Potential Change in Control has occurred; or

(c) any System Company or any person or entity publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control; or

(d) any person or entity becomes the beneficial owner (as that term is defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended from time to time), either directly or indirectly, of securities of Entergy Corporation representing 20% or more of either the then outstanding shares of common stock of Entergy Corporation or the combined voting power of Entergy Corporation's then outstanding securities (not including in the calculation of the securities beneficially owned by such person or entity any securities acquired directly from Entergy Corporation or its affiliates).

2.25 "Prior Plan" shall mean the Defined Contribution Restoration Plan of Entergy Corporation and Subsidiaries, as amended and restated effective July 26, 1996 and as amended effective January 1, 1997, and any prior amendments or amendments and restatements to such Prior Plan, and any agreements, contracts, or other arrangements with respect to such Prior Plan.

2.26 "Qualifying Event" shall mean the occurrence of one of the following within the Change in Control Period:

(a) The Participant's employment is terminated by Employer other than for Cause; or

(b) The Participant terminates his System employment for Good Reason.

For purposes of this Plan, the following shall not constitute Qualifying Events: (1) Participant's death; or (2) Participant becoming disabled under the terms of the Entergy Corporation Companies' Benefits Plus Long Term Disability ("LTD") Plan.

2.27 "Retirement" shall mean the termination of employment of a Participant with all System Companies on or after the date he attains age 65 or is eligible for an immediate benefit from any qualified defined benefit retirement plan sponsored by any System Company.

2.28 "Savings Plan" shall mean the Savings Plan of Entergy Corporation and Subsidiaries.

2.29 "Savings Plan Restoration Account" shall mean the portion of a Participant's Account attributable to accrued benefits in accordance with Section 4.01, and any earnings thereon.

2.30 "Service" shall mean the period of elapsed time that an Employee accrued from his date of hire with a System Company to his termination date.

2.31 "System" shall mean Entergy Corporation and all other System Companies, and, except in determining whether a Change in Control has occurred, shall include any successor thereto as contemplated in Section 11.03 of this Plan.

2.32 "System Company" shall mean Entergy Corporation and any corporation whose stock is 80% or more (based on voting power or value) owned, directly or indirectly, by Entergy Corporation and any partnership, trade or business which is 80% or more controlled, directly or

indirectly, by Entergy Corporation, and, except in determining whether a Change in Control has occurred, shall include any successor thereto as contemplated in Section 11.03 of this Plan.

2.33 "System Management Level" shall mean the applicable management level set forth below:

(a) System Management Level 1 (Chief Executive Officer and Chairman of the Board of Entergy Corporation);

(b) System Management Level 2 (President and Executive Vice Presidents within the System);

(c) System Management Level 3 (Senior Vice Presidents within the System); and

(d) System Management Level 4 (Vice Presidents within the System).

2.34 "Valuation Date" shall mean the last day of the month.

ARTICLE III

ELIGIBILITY AND PARTICIPATION

3.01 Eligibility. Any full officer of a System Company who is a Participant in the Savings Plan and for whom contributions to the Savings Plan by his System Company employer are limited by Code 401(a)(17), 401(k), 401(m), and 415(c) shall be eligible to participate in the Plan. Notwithstanding the foregoing, a Participant in the Savings Plan must be a member of the System Company employer's select group of management or highly compensated employees in order to benefit under this Plan from any additional or supplemental benefits attributable to the maximum limitations imposed by Code 401(a)(17), 401(k), and 401(m).

3.02 Participation. Any Employee who satisfies the requirement(s) of Sections 2.22 and 3.01 shall become a Participant as of the date contributions by his System Company employer on his behalf to the Savings Plan would exceed the limitations described in Section 3.01. The Employee shall continue to be a Participant until the Valuation Date coincident with or next following his termination of employment, Retirement, Disability, or death.

ARTICLE IV

BENEFITS

4.01 Savings Plan Benefit Restoration. Except as otherwise provided in this Section 4.01, the amount to be credited to a Participant's Account as a result of limitations on his Employer Matching Contributions due to Code 401(a)(17), 401(k), 401(m) and 415(c) shall be equal to the Employer Matching Contributions that could have been credited to his Company Account under the Savings Plan without regard to Code 401(k), 401(m) and 415(c), less the amount actually credited. For purposes of calculating the Employer Matching Contributions that could have been credited to his Company Account, a Participant's Earnings shall be considered without regard to Code 401(a)(17) and shall be based on the lowest Basic Contribution rate such Participant contributed to the Savings Plan during the Plan Year.

In case of a Participant who is on an involuntary suspension status during any part of the Plan Year, the Employer Matching Contributions that could have been credited to such Participant's Company Account in the Savings Plan shall be based on the lowest Basic Contribution rate such Participant contributed to the Savings Plan during the current Plan Year. A Participant who is on a voluntary suspension status during any part of the Plan Year shall be deemed to have elected not to contribute Basic Contributions to the Plan, and thus not eligible to receive Employer Matching Contributions during that Plan Year.

4.02 Pre-1991 Plan Benefit. Notwithstanding any provision to the contrary, any benefits allocated in accordance with the Prior Plan to a Participant's ESOP Restoration Account as of December 31, 1990, shall continue to be maintained in accordance with the terms of this Plan.

ARTICLE V

ACCOUNTING, INVESTMENT AND VALUATION

5.01 Participant's Account. The Administrator shall create and maintain adequate records to reflect the interest of each Participant in the Plan. Such records shall be in the form of individual accounts, with each Participant having a Savings Plan Restoration Account (and, if applicable, a pre- 1991 ESOP Restoration Account). Such Account shall be kept for record keeping purposes only and shall not be construed as providing for assets to be held in trust or escrow or any other form of asset segregation for the Participant or for any Beneficiary to whom benefits are to be paid pursuant to the terms of the Plan.

5.02 Deemed Investment. All amounts credited to a Participant's Savings Plan Restoration Account (and, if applicable, pre- 1991 ESOP Restoration Account) shall be deemed to be invested in shares of Common Stock, including fractional shares, on the date such amounts would have been invested had they been contributed to the Savings Plan.

5.03 Valuation. On each Valuation Date each Participant's Account shall be:

(a) credited with any additional benefit allocated as of the Valuation Date to such Participant's Savings Plan Restoration Account in accordance with Article IV.

(b) credited with any dividends declared by the Board of Directors with respect to shares of Common Stock deemed credited to the Participant's Account as of the preceding Valuation Date, as follows:

(i) in case of cash dividends, credit the value of additional shares that could have been purchased with the dividends which would have been payable if the shares credited to the Participant's Account had been outstanding; or

(ii) in case of dividends payable in Common Stock, credit the value of additional shares as would have been payable if the shares credited to the Participant's Account had been outstanding.

(c) valued based on the market value of the Common Stock as of the last business day of the month.

5.04 Statements. At least once each quarter, each Participant shall be furnished a statement showing such Participant's interest in the Plan.

ARTICLE VI

WITHDRAWALS AND LOANS

6.01 Withdrawals. A Participant shall not be entitled to withdraw any portion of his Account while employed by any System Company.

6.02 Loans. A Participant shall not be eligible to obtain a loan from the Plan.

ARTICLE VII

PLAN PAYMENTS

7.01 Retirement or Disability. Upon the Retirement or Disability of a Participant, the value of his Account shall be paid to him in accordance with Sections 7.04 and 7.05.

7.02 Death. Upon the death of a Participant, the value of his Account shall be paid to his designated Beneficiary in accordance with Sections 7.04 and 7.05.

7.03 Termination of Employment. Upon a Participant's termination of employment for reasons other than death, Disability, or Retirement, the vested value of his Account shall be paid to him in accordance with Sections 7.04 and 7.05. Except as otherwise provided in Section 9.01 in the event of a Change in Control, the vested value of a Participant's Account shall be equal to the vested value of his Savings Plan Restoration Account determined in accordance with the terms of the Savings Plan (plus, if applicable, the vested value of his pre-1991 ESOP Restoration Account).

7.04 Form of Payment. All Plan payments shall be in cash. No portion of a Participant's Account shall be paid in shares of Common Stock.

7.05 Method of Payment. As soon as reasonably practicable following a Participant's termination of employment, Retirement, Disability or death, the vested value of such Participant's Account shall be paid in a single lump sum. The vested value of the Account shall be determined as of the Valuation Date coincident with or immediately following the Participant's date of termination of employment, Retirement, Disability or death.

ARTICLE VIII

SOURCE OF PAYMENTS

8.01 Unfunded Plan. It is a condition of the Plan that neither a Participant nor any other person or entity shall look to any other person or entity other than the Employer for the payment of benefits under the Plan. The Participant or any other person or entity having or claiming a right to payments hereunder shall rely solely on the unsecured obligation of the Employer set forth herein. Nothing in this Plan shall be construed to give the Participant or any such person or entity any right, title, interest, or claim in or to any specific asset, fund, reserve, account or property

of any kind whatsoever, owned by any Employer or in which the Employer may have any right, title or interest now or in the future. However, Participant or any such person or entity shall have the right to enforce his claim against the Employer in the same manner as any other unsecured creditor of such entity. Neither a Participant nor his Beneficiary or contingent annuitant shall have any rights in or against any specific assets of any System Company.

8.02 Employer Liability. At its own discretion, a System Company employer may purchase such insurance or annuity contracts or other types of investments as it deems desirable in order to accumulate the necessary funds to provide for the future benefit payments under the Plan. However, (a) a System Company employer shall be under no obligation to fund the benefits provided under this Plan; (b) the investment of System Company employer funds credited to a special account established hereunder shall not be restricted in any way; and (c) such funds may be available for any purpose the System Company may choose. Nothing stated herein shall prohibit a System Company employer from adopting or establishing a trust or other means as a source for paying any obligations created hereunder provided, however, any and all rights that any such Participants shall have with respect to any such trust or other fund shall be governed by the terms thereof.

8.03 Establishment of Trust. Notwithstanding any provisions of this Article VIII to the contrary, within thirty (30) days following the date of a Change in Control, each System Company shall make a single irrevocable lump sum contribution to the Trust for Deferred Payments of Entergy Corporation and Subsidiaries ("Trust") pursuant to the terms and conditions described in such Trust. Each System Company's contribution shall be in an amount equal to the total benefits accrued by such System Company's Plan Participants (including a Participant's Beneficiary) under the Plan through the date of any such Change in Control. If one or more of a System Company's Participants shall continue to be employed by a System Company after such a Change in Control, each calendar year the System Company shall, as soon as possible, but in no event longer than thirty (30) days following the end of such calendar year, make an irrevocable contribution to the Trust in an amount that is necessary in order to maintain a lump sum amount credited to the System Company's Plan account under the Trust that is equal to the total unpaid benefits accrued by the System Company's Participants as of the end of each applicable calendar year. Notwithstanding the foregoing in this Section to the contrary, a System Company may make contributions to the Trust prior to a Change in Control in such amounts as it shall determine in its complete discretion. The Trust is intended as a "grantor" trust under the Internal Revenue Code and the establishment and funding of such Trust is not intended to cause Participants to realize current income on amounts contributed thereto, and the Trust shall be so interpreted.

ARTICLE IX

CHANGE IN CONTROL

9.01 Accelerated Vesting. Notwithstanding anything stated herein to the contrary, if during a Change in Control Period there should occur a Qualifying Event with respect to a Participant, the Participant shall not cease to be a Participant and, regardless of his vested status under the Savings Plan, shall be fully vested in and shall have a non- forfeitable right to all benefits accrued under this Plan as of the date of such Qualifying Event, except that all such benefits shall continue to be subject to forfeiture upon the occurrence of any of the following events:

(a) Without Employer permission, Employee removes, copies, or fails to return if he or she has already removed, any property belonging to one or all of the System Companies, including, but not limited to, the original or any copies of any records, computer files or disks, reports, notes, documents, files, audio or video tapes, papers of any kind, or equipment provided by any one or all of the System Companies or created using property of or for the benefit of one or all of the System Companies.

(b) During Participant's employment and for 2 years thereafter, other than as authorized by a System Company or as required by law or as necessary for the Participant to perform his duties for a System Company employer, Participant shall disclose to any person or entity any non-public data or information concerning any System Company, in which case Participant shall be required to repay any Plan benefits previously received by him. Disclosure of information pursuant to subpoena, judicial process, or request of a governmental authority shall not be deemed a violation of this provision, provided that Participant gives the System Company immediate notice of any such subpoena or request and fully cooperates with any action by System Company to object to, quash, or limit such request; or

(c) Participant engages in any employment (without the prior written consent of his last System employer) either individually or with any person, corporation, governmental agency or body, or other entity in competition with, or similar in nature to, any business conducted by any System Company at any time within the Applicable Period (defined below) and commencing upon termination of employment, where such competing employer is located in, or servicing in any way customers located in, those parishes and counties in which any System Company services customers during such Applicable Period, in which case Participant shall be required to repay any Plan benefits previously received by him. For purposes of this Section, Applicable Period shall mean:

(1) two (2) years for Participants at System Management Levels 1 and 2 at the commencement of the Change in Control Period, provided, however, that the two-year Applicable Period shall be extended to three (3) years if otherwise permissible under applicable law;

(2) two (2) years for Participants at System Management Level 3 at the commencement of the Change in Control Period; and

(3) one (1) year for Participants at System Management Level 4 at the commencement of the Change in Control Period.

However, if the stated Applicable Periods described herein shall be impermissible under applicable law, then the Applicable Period for purposes of this Plan shall be the maximum time period allowed under applicable law for a covenant not to compete.

9.02 Benefit Commencement Date. Notwithstanding anything stated herein to the contrary, if during a Change in Control Period there should occur a Qualifying Event with respect to a Participant and if there does not occur a forfeiture event referenced in Section 9.01, the Participant may commence his benefits hereunder without the consent of the Employer as of his Retirement or Disability or the date on which his employment with the Employer terminates, whichever occurs first. The Participant, in his discretion, may elect in advance of his termination from employment, to defer the commencement of his benefits until his Normal Retirement Date, but not later than the date on which his retirement payments under the Savings Plan commence.

9.03 No Benefit Reduction. Notwithstanding anything stated above to the contrary, an amendment to, or termination of, the Plan following a Change in Control shall not reduce the level of benefits accrued under this Plan through the date of any such amendment or termination. In no event shall a Participant's benefit under this Plan following a Change in Control be less than such Participant's benefit under this Plan immediately prior to the Change in Control Period, subject, however, to the forfeiture provisions referenced in Section 9.01 as in existence on the date immediately preceding the commencement date of the Change in Control Period.

9.04 Provisions of Referenced Plans. To the extent this Plan references or incorporates provisions of any other System Company plan, including, but not limited to, the Savings Plan, and (a) such other plan is amended, supplemented, modified or terminated during the two-year period commencing on the date of a Potential Change in Control and
(b) such amendment, supplementation, modification or termination adversely affects any benefit under this Plan, whether it be in the method of calculation or otherwise, then for purposes of determining benefits under this Plan, the Administrator shall rely upon the version of such other plan in existence immediately prior to any such amendment, supplementation, modification or termination, unless such change is agreed to in writing and signed by the affected Participant and by the Administrator, or by their legal representatives or successors.

ARTICLE X

ADMINISTRATION

10.01 Administration of Plan. The Administrator shall operate and administer the Plan and, as such, shall have the authority as Administrator to exercise the powers and discretion conferred on it by the Plan, including the right to delegate any function to a specified person or persons. The Administrator shall discharge its duties for the exclusive benefit of the Participants and their beneficiaries.

10.02 Powers of the Administrator. The Administrator and any of its delegees shall administer the Plan in accordance with its terms and shall have all powers, authority, and discretion necessary or proper for such purpose. In furtherance of this duty, the Administrator shall have the sole and exclusive power and discretion to make factual determinations, construe and interpret the Plan, including the intent of the Plan and any ambiguous, disputed or doubtful provisions of the Plan. All findings, decisions, or determinations of any type made by the Administrator, including factual determinations and any interpretation or construction of the Plan, shall be final and binding on all parties and shall not be disturbed unless the Administrator's decisions are arbitrary and capricious. The Administrator shall be the sole judge of the standard of proof required in any claim for benefits and/or in any question of eligibility for a benefit. By way of example, the Administrator shall have the sole and exclusive power and discretion:

(a) to adopt such rules and regulations as it shall deem desirable or necessary for the administration of the Plan on a consistent and uniform basis;

(b) to interpret the Plan including, without limitation, the power to use Administrator's sole and exclusive discretion to construe and interpret (1) the Plan, (2) the intent of the Plan, and (3) any ambiguous, disputed or doubtful provisions of the Plan;

(c) to determine all questions arising in the administration of the Plan including, but not limited to, the power and discretion to determine the rights or eligibility of any Employee, Participant, Beneficiary or other claimant to receive under the Plan;

(d) to require such information as the Administrator may reasonably request from any Employee, Participant, Beneficiary or other claimant as a condition for receiving any benefit under the Plan;

(e) to grant and/or deny any and all claims for benefits, and construe any and all issues of Plan interpretation and/or fact issues relating to eligibility for benefits;

(f) to compute the amount and determine the manner and timing of any benefits payable under the Plan;

(g) to execute or deliver any instrument or make any payment on behalf of the Plan;

(h) to employ one or more persons to render advice with respect to any of the Administrator's responsibilities under the Plan;

(i) to direct the Employer concerning all payments that shall be made pursuant to the terms of the Plan; and

(j) to make findings of fact, to resolve disputed fact issues, and to make determinations based on the facts and evidence contained in the administrative record developed during the claims review procedure.

For any acts not specifically enumerated above, when applying, construing, or interpreting any and all Plan provisions and/or fact questions presented in claims for benefits, the Administrator shall have the same discretionary powers as enumerated above.

10.03 Reliance on Reports and Certificates. The Administrator may rely conclusively upon all tables, valuations, certificates, opinions and reports furnished by an actuary, accountant, counsel or other person who may from time to time be employed or engaged for such purposes.

10.04 Claims Administration. The Administrator may appoint and, in its sole discretion, remove a Claims Administrator and/or Claims Appeal Administrator to administer claims for benefits under the Plan in accordance with its terms, and, pursuant to Section 10.02, such delegees shall have all powers, authority, and discretion necessary or proper for such purpose. In the absence of such appointment, the Administrator shall be the Claims Administrator and Claims Appeal Administrator.

10.05 Filing Benefit Claims. Any claim asserting entitlement to a benefit under the Plan must be asserted within ninety (90) days after the event giving rise to the claim by sending written notice of the claim to the Claims Administrator. The written notice of the claim must be accompanied by any and all documents, materials, or other evidence allegedly supporting the claim for benefits. If the claim is granted, the claimant will be so notified in writing by the Claims Administrator.

10.06 Claims of Good Reason/Cause During Change in Control Period. Solely for purposes of any determination regarding the existence of Good Reason or Cause (as defined in Section 2.06) during a Change in Control Period, any position taken by the Participant shall be presumed to be correct unless Employer establishes to the Plan Administrator by clear and convincing evidence that such position is not correct.

10.07 Denial or Partial Denial of Benefit Claims. If the Claims Administrator denies a claim for benefits in whole or part, the Claims Administrator shall notify the claimant in writing of the decision within ninety (90) days after the claim has been received by the Claims Administrator. In the Claim Administrator's sole discretion, the Claims Administrator may extend the time to decide the claim for an additional ninety (90) days, by giving written notice of the need for such an extension any time prior to the expiration of the initial ninety-day period. The Claims Administrator, in its sole discretion, reserves the right to request specific information from the claimant, and reserves the right to have the claimant examined or tested by person(s) employed or compensated by the Plan. If the claim is denied or partially denied, the Claims Administrator shall provide the claimant with written notice stating:

(a) the specific reasons for the denial of the claim (including the facts upon which the denial was based) and reference to any pertinent plan provisions on which the denial is based;

(b) if applicable, a description of any additional material or information necessary for claimant to perfect the claim and an explanation of why such material or information is necessary; and

(c) an explanation of the claims review appeal procedure including the name and address of the person or committee to whom any appeal should be directed.

10.08 Appeal of Claims That Are Denied or Partially Denied. The claimant may request review of the Claims Administrator's denial or partial denial of a claim for Plan benefits. Such request must be made in writing within sixty
(60) days after claimant has received notice of the Claims Administrator's decision and shall include with the written request for an appeal any and all documents, materials, or other evidence which claimant believes supports his or her claim for benefits. The written request for an appeal, together with all documents, materials, or other evidence which claimant believes supports his or her claim for benefits should be addressed to the Claims Administrator, who will be responsible for submitting the appeal for review to the Claims Appeal Administrator.

10.09 The Appeal Process. The Claims Administrator will submit the appeal to the Claims Appeal Administrator for review of the denial or partial denial of the claim. Within sixty (60) days after the receipt of claimant's appeal, the claimant will be notified of the final decision of the Claims Appeal Administrator, unless, in the Claims Appeal Administrator's sole discretion, circumstances require an extension of this period for up to an additional sixty (60) days. If such an extension is required, the Claims Appeal Administrator shall notify claimant of this extension in writing before the expiration of the initial sixty-day period. During the appeal, the Claims Appeal Administrator, in its sole discretion, reserves the right to request specific information from the claimant, and reserves the right to have the claimant examined or tested by person(s) employed or compensated by the Plan. The final decision of the Claims Appeal Administrator shall set forth in writing the facts and plan provisions upon which the decision is based. All decisions of the Claims Appeal Administrator are final and binding on all employees, Participants, their Beneficiaries, or other claimants.

10.10 Judicial Proceedings for Benefits. No claimant may file suit in court to obtain benefits under the Plan without first completely exhausting

all stages of this claims review process. In any event, no legal action seeking Plan benefits may be commenced or maintained against the Plan more than ninety (90) days after the Claims Appeal Administrator's decision on appeal.

ARTICLE XI

AMENDMENT AND TERMINATION

11.01 General. The Board of Directors shall have the right, in its absolute discretion, at any time and from time to time, to modify or amend, in whole or in part, any or all of the provisions of this Plan, or suspend or terminate it entirely, subject to the provisions of Section 11.02 hereof. The provisions of this Article XI shall survive a termination of the Plan unless such termination is agreed to by the Participants.

11.02 Restrictions on Amendment or Termination. Any amendment or modification to, or the termination of, the Plan shall be subject to the following restrictions:

(a) Employer shall continue to make any payment to any retired, terminated or disabled Participant or Beneficiary then entitled to a payment under Article VII as if the Plan had not been amended, supplemented, modified or terminated; and

(b) as to any Participant who has not yet received payment of benefits under the Plan, the Employer, subject to the provisions of Section 9.01, shall remain obligated to provide a benefit upon the earlier of the Participant's Retirement, Disability, termination or death that is equal to the benefit earned by the Participant under Article IV at the time the Plan is amended, supplemented, modified or terminated, and if the Plan is terminated for any reason, all benefits shall become fully vested; and

(c) no amendment, modification, suspension or termination of the Plan may reduce the amount of benefits or adversely affect the manner of payment of benefits of any Participant or Beneficiary then receiving benefits in accordance with the terms of Article VII, unless such modification is agreed to in writing and signed by the affected Participant or Beneficiary and by the Plan Administrator, or by their legal representatives or successors; and

(d) no provision of this Plan may be modified, waived, or discharged during the two-year period commencing on the date of a Potential Change in Control, unless such modification, waiver, or discharge is agreed to in writing and signed by the affected Participant and by the Plan Administrator, or by their legal representatives or successors.

11.03 Successors. A System employer shall require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) of all or substantially all of its business and/or assets to expressly assume and agree to perform this Plan in the same manner and to the same extent that the System employer would be required to perform it if no such succession had taken place. Failure of the System employer to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Plan and shall entitle each Participant to Plan benefits from the System Company employer in the same amount and on the same terms as he would be entitled hereunder if terminated voluntarily for Good Reason, except for the purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the effective date of termination. Any successor or surviving entity that assumes or otherwise adopts this Plan as contemplated in this Section 11.03 shall succeed to all the rights, powers and duties of the System employer and the Board of Directors hereunder, subject to the restrictions on amendment or termination of the Plan as set forth in Section 11.02. The employment of the Participant who has continued in the employ of such successor or surviving entity shall not be deemed to have been terminated or severed for any purpose hereunder; however, such continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason.

11.04 Dissolution of the Employer. In the event that a System employer with which Participant was employed while a Participant in the Plan is dissolved or liquidated by reason of bankruptcy, insolvency or otherwise prior to Employee's death or Retirement, without any provision being made for the continuance of the Plan by a successor to the business of such System employer or unless another System Company shall have assumed the obligations of such System employer under the Plan, the date on which such dissolution or liquidation occurs shall be deemed a termination of the Plan with respect to the accrued benefits of Participants of such System employer.

ARTICLE XII

MISCELLANEOUS

12.01 Gender and Number. The masculine pronoun whenever used in the Plan shall include the feminine. Similarly, the feminine pronoun whenever used in the Plan shall include the masculine as the context or facts may require. Whenever any words are used herein in the singular, they shall be construed as if they were also used in the plural in all cases where the context so applies.

12.02 Captions. The captions of this Plan are not part of the provisions of the Plan and shall have no force and effect.

12.03 Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

12.04 Controlling Law. The administration of the Plan, and any Trust established thereunder, shall be governed by applicable federal law, including the ERISA and, to the extent federal law is inapplicable, the laws of the State of Delaware, without regard to the conflict of law principles of any state. Any persons or corporations who now are or shall subsequently become parties to the Plan shall be deemed to consent to this provision.

12.05 No Right to Employment. The Plan confers no right upon any Employee to continue his employment with any employer, whether or not a System Company.

12.06 Indemnification. To the extent not covered by insurance, or if there is a failure to provide full insurance coverage for any reason, and to the extent permissible under applicable laws and regulations, the System employers agree to hold harmless and indemnify the Administrator and its members against any and all claims and causes of action by or on behalf of any and all parties whomsoever, and all losses therefrom, including, without limitation, costs of defense and attorneys' fees, based upon or arising out of any act or omission relating to or in connection with the Plan and Trust other than losses resulting from any such person's fraud or willful misconduct.

12.07 No Alienation. The benefits provided hereunder shall not be subject to alienation, assignment, pledge, anticipation, attachment, garnishment, receivership, execution or levy of any kind, including liability for alimony or support payments, and any attempt to cause such benefits to be so subjected shall not be recognized, except to the extent as may be required by law.

Exhibit 10(a)73

DEFINED CONTRIBUTION RESTORATION PLAN OF ENTERGY CORPORATION AND SUBSIDIARIES
(As Amended and Restated Effective January 1, 2000)

Certificate of Amendment

Amendment No. 1

THIS INSTRUMENT, executed and made effective this 28th day of December, 2001, ("Effective Date") constitutes the First Amendment of the Defined Contribution Restoration Plan of Entergy Corporation and Subsidiaries, as amended and restated effective January 1, 2000 (the "Plan").

All capitalized terms used in this document shall have the meanings assigned to them in the Plan unless otherwise defined in this document.

Pursuant to Section 11.01 of the Plan, the Personnel Committee, as authorized by the Board of Directors, does hereby amend the Plan as follows:

1. Current Section 2.34 is renumbered 2.35, and a new Section 2.34 is added to the Plan to read as follows:

2.34 "System Management Participant" shall mean a Participant who is currently, or was immediately prior to the commencement of a Change in Control Period, at one of the System Management Levels set forth in Section 2.33.

2. Article VII of the Plan is amended by adding a new Section 7.06 to read as follows:

7.06 Optional Conversion Election for System Management Participants.

(a) Notwithstanding Sections 7.01 and 7.05 to the contrary, a Participant who, at the time of his Retirement, Disability or Qualifying Event, is a System Management Participant (or is treated as a System Management Participant in accordance with Section 2.34), and who is eligible to participate in and has elected to participate in the Executive Deferred Compensation Plan of Entergy Corporation and Subsidiaries ("EDCP") may elect, in lieu of payment of the value of his Account in a single lump sum, to convert the entire value of his Account (as determined in accordance with Section 7.05) to an equivalent credited balance under the EDCP, in which case no further benefit payments of any kind shall be due, or made under the Plan, to the Participant, the Participant's legal spouse, or any other person on behalf of the Participant. Any election to convert Plan benefits under this Section 7.06(a) shall be effective as to the entire value of such Account at the time of conversion.

(b) A System Management Participant's conversion election in accordance with Section 7.06(a), if applicable, shall be subject to the following:

(1) Such election must be made at least 6 months prior to the earlier of (i) Retirement, (ii) Disability or (iii) the earliest benefit commencement date under Section 9.02 following a Qualifying Event, and in such form as the Administrator (or its delegate) may require;

(2) Any failure by the Participant to make an affirmative written election hereunder on or before the deadline established in subsection (1) above shall constitute a waiver of any right to convert Plan benefits in accordance with Section 7.06(a), in which case the terms of Sections 7.01 and 7.05 (or Section 9.02, if applicable) shall govern;

(3) The Participant may cancel his election for conversion of Plan benefits at any time prior to the deadline for making such election as described in subsection (1), after which date any such election shall become irrevocable; and

(4) An eligible Participant's election shall be subject to the written consent of the Employer.

3. Section 9.02 of the Plan is amended in its entirety to read as follows:

9.02 Benefit Commencement Date.

(a) Notwithstanding any Plan provision to the contrary, if during a Change in Control Period there should occur a Qualifying Event with respect to a Participant and if there does not occur a forfeiture event referenced in Section 9.01, the Participant may commence his benefits hereunder without the consent of the Employer as of his Retirement, Disability or the date on

which his employment with the Employer terminates, whichever occurs first.

(b) If a Participant described in subsection 9.02(a) is a System Management Participant (or is treated as a System Management Participant in accordance with Section 2.34) at the time of such Qualifying Event, then at the System Management Participant's earliest benefit commencement date, as described in subsection 9.02(a), the entire value of his Account (as determined in accordance with Section 7.05) shall be converted to an equivalent credited balance under the EDCP if the System Management Participant has a conversion election in effect that satisfies the requirements of Section 7.06(b), in which case no further benefit payments of any kind shall be due, or made under the Plan, to the Participant, the Participant's legal spouse, or any other person on behalf of the Participant.

4. Section 11.01 of the Plan is hereby restated in its entirety to read as follows:

11.01 General. The Personnel Committee of the Board of Directors shall have the right, in its absolute discretion, at any time and from time to time, to modify or amend, in whole or in part, any or all of the provisions of this Plan, or suspend or terminate it entirely, subject to the provisions of Section 11.02 hereof. The provisions of this Article XI shall survive a termination of the Plan unless such termination is agreed to by the Participants.

5. Section 11.02(d) of the Plan is amended and restated as follows:

(d) Unless agreed to in writing and signed by the affected System Management Participant and by the Plan Administrator, no provision of this Plan may be modified, waived or discharged before the earlier of: (i) the expiration of the two-year period commencing on the date of a Potential Change in Control, or
(ii) the date on which the Change in Control event contemplated by the Potential Change in Control is terminated.

IN WITNESS WHEREOF, the Personnel Committee has caused this First Amendment to the Defined Contribution Restoration Plan of Entergy Corporation and Subsidiaries to be executed by its duly authorized representative on the day, month, and year above set forth.

PERSONNEL COMMITTEE
through the undersigned duly
authorized representative

WILLIAM E. MADISON
Senior Vice-President,
Human Resources and Administration
for Entergy Services, Inc.

Exhibit 10(a)74

Executive Disability Plan

A Plan Document & Summary Plan Description

File Behind Tab 06 of Your Total Compensation Binder

Revised January 1, 1997

Contents

The Executive Disability Plan

The Executive Disability Plan of Entergy Corporation and Subsidiaries ("Plan") is designed to provide eligible employees of participating Entergy Corporation Companies ("Employers") with income during a period of total disability arising from illness or serious injury that lasts many months. This Plan document is also intended to serve as your summary plan description, written to comply with the disclosure regulations under the Employee Retirement Income Security Act of 1974, as amended (ERISA). If there is any conflict between this document and any other summary provided by Employers, the provisions contained in this document will control.

The Executive Disability Plan provides supplemental long term disability (LTD) benefits for eligible executives. The Plan pays a higher level of benefits than is available under the Entergy Corporation Companies' BenefitsPlus Long Term Disability Plan (the "Primary LTD Plan").

This Plan is sponsored, underwritten and administered by Entergy.

In this document

This document describes what is covered under the Plan, what is not covered and how you can use the Plan. Any term used in this Plan, unless otherwise specifically defined herein, will have the same meaning as under the Primary LTD Plan. In addition, except as otherwise specifically provided under this Plan, benefits provided under this Plan will be subject to the same benefit limitations provided under the Primary LTD Plan.

Eligibility

Eligibility to participate

You must be a member of the Employer's select group of management or one of a select group of highly compensated employees in order to be eligible to participate in the Entergy Executive Disability Plan.

You are eligible to participate in the Entergy Executive Disability Plan if you:

X are an active employee of Entergy Corporation or any of its participating Employers;

X have elected 65% coverage under the Primary LTD Plan; and

X are either (a) elected as an officer of one of the Employers, or (b) made a department head in one or more of the Employers.

Eligibility for benefits

To be eligible for benefits under this Plan, you must:

X Have been totally disabled for 180 consecutive days -- that is, you must have completed the 180 day elimination period;

X Be currently enrolled in, and eligible for LTD benefits under, the Primary LTD Plan;

X Be under the regular care and treatment of a licensed physician; and

X Be certified as totally disabled by the Plan Administrator, based on conclusive medical evidence.

The Plan Administrator is responsible for the overall management of the Plan. For more information, see page 16.

Benefits during the elimination period

During the 180-day elimination period before LTD benefits begin, you may be eligible for benefits under the Employer's Short Term Disability (STD) Plan, as described in your Entergy System Policy and Procedures manual.

Recurrent disability

If you have a "recurrent disability" (one that is caused by a worsening in your condition or due to the same or related cause(s) as your prior disability that was eligible for benefits under this Plan) that occurs within 6 months of the end of your prior disability claim and you are continuously insured under the Primary LTD Plan for the period between your prior disability claim and your recurrent disability, you will not have to complete another elimination period before LTD benefits resume under the Plan.

Enrollment and effective date

To be a participant in the Executive Disability Plan, you also must be enrolled at the same time for 65% coverage under the Primary LTD Plan through BenefitsPlus. You are eligible to enroll in the Primary LTD Plan within 31 days of your hire date or, subject to the enrollment restriction period discussed below, during the open enrollment period each fall. For more information on enrollment, contact the Employee Benefits Department.

Note: An enrollment election for the Primary LTD Plan remains in effect for two calendar years in the case of a prior annual open enrollment that became effective January 1, and until the beginning of the third subsequent calendar year in the case of a prior open enrollment that became effective any date other than January 1. If you do not elect 65% coverage under the Primary LTD Plan when you become eligible, you will have to wait until the applicable restriction period under the Primary LTD Plan lapses before you again may be eligible to enroll in this Plan.

You are automatically enrolled in the Executive Disability Plan if you meet the eligibility requirements for participation, as described above. You do not have to complete a separate enrollment form for executive coverage.

If you become enrolled under this Plan within 31 days from your date of hire, your coverage will be retroactive to the first day you were "active at work." If you become enrolled under this Plan during an annual open enrollment period, your coverage will be effective as of the January 1 immediately following such open enrollment period, provided you are "actively at work" on such date. The term "actively at work" means you are working for your Employer for earnings that are paid regularly and that you are performing the material and substantial duties of your regular occupation at your Employer's usual place of business, or an alternative work site at the direction of your Employer, or a location to which your job requires you to travel. This includes Employer authorized vacation time and business trips.

If you are absent from work on the date your coverage would normally begin and such absence is due to injury, sickness, or pregnancy, your coverage will begin on the date you return to being "actively at work" and work 1 regular working day.

If your coverage under this Plan begins and thereafter you are placed on an unpaid leave of absence, you will be covered for up to 10 days following the date on which your leave of absence begins. If your coverage under this Plan begins and thereafter you are placed on a paid leave of absence, you will be covered for up to 60 days following the date on which your leave of absence begins.

Cost for coverage

There is no cost to you for coverage under the Executive Disability Plan. When you elect coverage under the Primary LTD Plan, you will authorize payroll deductions to pay your share of premiums under that plan.

When your coverage terminates

Your coverage under the Plan terminates on the earliest of the following dates or events:

1. the date you no longer are an eligible employee or the date your eligible group is no longer covered;

2. the date the Plan is terminated by Entergy Corporation or on which your Employer terminates its participation under the Plan;

3. the date you are no longer "actively at work" with your Employer (except as noted above for a paid or unpaid leave of absence), unless you are transferring directly to the employment of another participating Employer;

4. the date your coverage or benefits under the Primary LTD Plan ceases;

5. the ending of the period for which your last contribution is made, if you are ever required to pay a part of the costs of the Plan; or

6. the date on which you receive benefits from any defined benefit plans sponsored by any Entergy Employer.

7. the date your employment is deemed to terminate on account of a temporary layoff, an unpaid leave of absence (subject to the 10 day continuation coverage noted above), or a general work stoppage (including a strike or lockout).

The Plan will provide coverage for a payable claim which occurs while you are covered under the Plan.

Disability

You are considered "disabled" for purposes of both the Primary LTD and this Plan if it is determined that you are either totally disabled or partially disabled.

Total Disability

You are totally disabled when it is determined that:

X During the elimination period and for the next 24 months, you are (1) limited from performing all the material and substantial duties of your regular occupation due to your sickness or injury, and (2) are not engaged in any other occupation or employment for wage or profit.

X After 24 months of payments, it is determined that due to the same sickness or injury, you are unable to perform the duties of any occupation for which you are reasonably fitted by education, training, or experience.

Partial Disability

You are partially disabled when you are receiving or entitled to benefits under the Plan while you are totally disabled, but it is determined that (1) you are able to perform some but not all of the material and substantial duties of your regular occupation or any gainful occupation on either a full-time or part-time basis; and (2) you are engaged in a program of rehabilitative employment.

For purposes of this Plan, "rehabilitative employment" means employment or service that prepares you to resume gainful work and that is approved by the Plan Administrator. The term, when appropriate, will include any necessary and feasible vocational testing, vocational training, work place modification, prosthesis, and job placement.

Disabilities that are not covered

LTD benefits under the Primary LTD Plan and this Plan are not payable if you are disabled:

X due to intentionally self-inflicted injuries while sane or insane;

X by your commission of an assault, battery, or felony for which you have been convicted under state or federal law;

X due to war, any act of war (declared or not), insurrection, rebellion, your taking part in a riot, or civil disorder;

X due to or contributed to by a pre-existing condition, as defined under the Primary LTD Plan and until such exclusion no longer applies.

Monthly disability benefit

LTD benefits are paid monthly. If you qualify, Entergy's Primary LTD and Executive Disability Plans work together to replace a portion of your base monthly salary. The Primary LTD Plan replaces a maximum of 65% of your base monthly salary up to a maximum monthly benefit of $5,000. The Executive Disability Plan replaces a maximum of 65% of your base monthly salary, the product of which is reduced by the maximum monthly benefit of $5,000 payable under the Primary LTD Plan. Therefore, if your base monthly salary did not exceed $7,692, you would not be eligible for benefits under the Executive Disability Plan [(65% x $7,692) - $5,000 = $0)].

Base monthly salary

Your "base monthly salary" is your monthly rate of basic earnings from your Employer in effect just prior to your date of disability. Your monthly rate of basic earnings means your regular monthly pay, including all amounts you elect on a pre-tax basis to defer under a qualified 401(k) plan or a Code Section 125 plan, but excluding income received from commissions, bonuses, overtime pay, or any other fringe benefit or extra compensation.

Other disability income

To receive benefits under this Plan, you must also have applied for Social Security disability benefits and for any benefits that are available to you through other disability plans, including the Primary LTD Plan.

Your benefits under the Entergy LTD Plans will be reduced by any deductible sources of income, including:

X Any benefits you are eligible to receive as regular salary, commission, bonus, special payments, sick leave, vacation pay or any other salary continuation plan;

X Primary Social Security benefits;

X Any benefits you are eligible to receive under worker's compensation or similar legislation;

X Fifty percent (50%) of any amounts of income derived from rehabilitative employment, as described above;

X Any disability benefits you are able to receive under any other governmental or employer-sponsored disability or salary continuation plan; and

X Any other disability benefits payable under law.

If deductible sources of income exceed 65% of your base monthly salary, then no benefits are payable under this Plan. The benefits under this Plan are not subject to the maximum monthly benefit limitation under the Primary LTD Plan.

Current and complete information

Your disability status and benefits could be affected if you do not provide the Plan Administrator with current and complete information that could directly bear on your disability status. Also, it is important for you to inform the Plan Administrator of any change in your personal situation. Your benefits could be affected if the Plan Administrator cannot contact you due to a change in your name, address or other circumstances.

How to file a claim for Executive Disability Plan benefits

To receive LTD benefits, you must file written claims. You file separate claim forms for benefits under the Primary LTD Plan and this Plan. Claim forms for both plans are available from the Employee Benefits Department.

When completing your claim for benefits under this Plan, you must provide current medical documentation of your disability. The Plan Administrator may accept your proof of disability under the Primary LTD Plan as proof of disability under this Plan. However, the Plan Administrator may also require you to undergo an examination performed by a physician whom the Plan Administrator selects. The Plan Administrator may also require medical certification of your continuing disability from time to time.

If your claim for benefits under the Executive Disability Plan is denied, in whole or in part, you can appeal that denial. The process for appealing a denied claim is described beginning on page
16.

When disability benefits end

Executive Disability benefits continue until the first of these events occurs:

X You recover from your disability;

X Your disability benefits under the Primary LTD Plan end;

X You are no longer under the regular care and treatment of a qualified physician;

X You do not provide complete medical evidence of your disability, including cooperation with any required physician examinations;

X The date you first receive retirement benefits under the Entergy Corporation Retirement Plan for Non-Bargaining Employees; or

X You fail to notify the Plan Administrator of a change of address or other circumstances that may directly bear upon the determination of your continued disabled status.

If the Plan ends

If the Executive Disability Plan should end, benefits and claims incurred prior to Plan termination but not yet paid will continue as if the Plan were still in effect.

Administrative Information

The Executive Disability Plan is an unfunded long-term disability plan sponsored by Entergy Corporation. Benefits that may become payable in accordance with the terms of the Plan are paid from the general assets of the Employer. This Section contains certain information about the Plan that may be helpful to you.

Participating Employers

Entergy Arkansas, Inc.
2300 TCBY Tower Building
425 West Capitol Avenue
Little Rock, Arkansas 72201

Entergy Louisiana, Inc.
639 Loyola Avenue
New Orleans, Louisiana 70113

Entergy Enterprises, Inc.
3 Financial Centre
900 South Shackleford Road
Suite 210
Little Rock, Arkansas 72211

Entergy Mississippi, Inc.
Electric Building
308 East Pearl Street
Jackson, Mississippi 39215-1640

Entergy Operations, Inc.
Echelon One
1340 Echelon Parkway
Jackson, Mississippi 39213

Entergy New Orleans, Inc.
639 Loyola Avenue
New Orleans, Louisiana 70113

Entergy Services, Inc.
639 Loyola Avenue
New Orleans, Louisiana 70113

Entergy Gulf States, Inc.
Edison Plaza
350 Pine Street
Beaumont, Texas 77704

Entergy Nuclear, Inc.
Inc.
Post Office Box 32000
Jackson, Mississippi 39286

Entergy Operations Services,

107 Mallard, Suite B
St. Rose, Louisiana 70087

Any other Entergy System entity that adopts this Plan will also become a participating employer under the Plan.

Plan Administration

The Employee Benefits Committee ("Committee") is the Plan Administrator and has authority to control and manage the operation and administration of the Plan and is the agent for service of legal process. The day to day responsibilities for the administration of the Plan, including, without limitation, the responsibilities described above, have been delegated to the Director of Employee Benefits whose address is as follows:

Director of Employee Benefits Employee Benefits Department Entergy Services, Inc.
P.O. Box 61000
New Orleans, Louisiana 70161
Telephone: (504) 576-5588

The Committee is composed of persons appointed from time to time by the Chairman of the Board of Directors of Entergy Corporation

("Board") pursuant to authority granted by the Board.

If your claim for benefits is denied

If you disagree with a decision of the Plan Administrator regarding your claim for Executive Disability Plan benefits, you can file a written appeal with the Plan Administrator within 60 days of the date of such decision. Your appeal will be reviewed and you will receive a written response within 90 days of the date you file your appeal. This 90-day period may be extended for up to an additional 90 days if the Plan Administrator determines that such an extension is warranted.

Any denial of a claim will include:

X The reason for the denial;

X Reference to pertinent Plan provisions on which the denial is based;

X A description of any additional material or information that is necessary to perfect the claim, together with an explanation of why the material or information is necessary; and

X An explanation of the Plan's claim review procedure.

Within 60 days after you receive a written denial, you can file a written request for a review of your appeal. Your request must be directed to the Director, Employee Benefits Department. You will receive written notification of the Director's decision within 60 days of your request.

Plan amendment and termination

The Plan described in this booklet may be amended, modified or otherwise terminated, in whole or in part, at any time by Entergy Corporation or those persons whom Entergy Corporation has, from time to time, authorized to make any such amendments. While it is Entergy's intent that the Plan be continued indefinitely, the company and the participating employers reserve the right to terminate this Plan at any time.

Discretionary authority

The Employee Benefits Committee and its delegee, the Director of Employee Benefits, shall have the sole and exclusive power and discretion to construe and interpret the Plan, including the intent of the Plan and any ambiguous, disputed or doubtful provisions of the Plan. All decisions of the Employee Benefits Committee and/or its delegee, the Director of Employee Benefits, of any type, including any factual determinations or any interpretation or construction of the Plan, shall be final and binding on all parties. By way of example, the Employee Benefits Committee and its delegee, the Director of Employee Benefits, shall have the sole and exclusive power and discretion: (i) to resolve all questions concerning the eligibility for benefits under the Plan and to require any person to furnish such information as it may reasonably request as a condition to receiving any benefit under the Plan; and (ii) to determine the amount, manner and timing of benefits payable under the Plan.

No additional rights created

Neither the establishment, existence or amendment to this Plan nor the payment of benefits under this Plan shall be construed as giving you or any other person any legal or equitable rights against your Employer, the Plan sponsor or any officer or director of any Employer, or as giving you any right to continued employment or officer or department-head status with any Employer. Nothing contained in this Plan shall give a participant any right, title or interest in any property of the Employer.

Your ERISA rights

As a participant in the Plan, you have certain rights under ERISA. You have the right to:

X Examine free of charge all plan documents and copies of all documents filed by the Plan with the US Department of Labor at the Plan Administrator's office and other specified locations including the offices of your local Human Resources representative. This includes insurance contracts, detailed annual reports and Plan descriptions.

X Obtain copies of all Plan documents and other plan information by making a written request to the Plan Administrator. The Plan Administrator may make a reasonable charge for the copies.

X Receive a summary of the Plan's annual financial report.
The Plan Administrator is required by law to provide each participant with a copy of this summary report.

The people who are responsible for the operation of the Plan, called "fiduciaries", have certain duties. Fiduciaries must operate the Plan

prudently and in the best interest of Plan participants and beneficiaries.

You will be notified in writing if your claim for a benefit under the Plan is denied in whole or in part. Written notification will include the name and address of the person to whom written request may be made for review of the denial. You have the right to have your claim reviewed and reconsidered. Neither your employer nor any other person may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit under the Plan or exercising your rights under ERISA.

Under ERISA there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $100 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. If you have a claim for benefits which is denied or ignored, you may file suit in state or federal court. If it should happen that Plan fiduciaries misuse the Plan's money or if you are discriminated against for asserting your rights, you may seek assistance from the US Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order you to pay these costs and fees, for example, if it finds your claim if frivolous. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest Area Office of the US Labor-Management Services Administration, Department of Labor.

Executed this day of , 1997.

ENTERGY CORPORATION
through the undersigned duly authorized representative

Jerry D. Jackson
Executive Vice President - External Affairs and Chief Administrative Officer

Exhibit 10(a)75

EXECUTIVE DEFERRED COMPENSATION PLAN
OF ENTERGY CORPORATION AND SUBSIDIARIES
(As Amended and Restated Effective January 1, 2000)

On October 25, 1996, the Board of Directors of Entergy Corporation approved, authorized and adopted the Entergy Executive Compensation Deferral Program for the benefit of certain executive employees of Entergy Corporation and its subsidiaries. On December 4, 1998, the Board of Directors of Entergy Corporation amended, restated and renamed the program as the Executive Deferred Compensation Program of Entergy Corporation and Subsidiaries. On October 29, 1999, the Board of Directors of Entergy Corporation approved, authorized and adopted certain changes to the program that are incorporated into this amendment and restatement, which has been renamed the Executive Deferred Compensation Plan of Entergy Corporation and Subsidiaries, and which is effective January 1, 2000.

ARTICLE I

PURPOSE AND DURATION

1.01 Purpose. The Executive Deferred Compensation Plan of Entergy Corporation and Subsidiaries has as its purpose attracting and retaining certain executive employees who are members of a select group of management or highly compensated employees. The Plan is designed to aid Participants in furthering their financial independence by providing them with an opportunity to systematically defer receipt of a portion of their eligible compensation as a means for providing benefits for the Participant at termination of employment. The Plan thereby defers taxation of such benefits to the Participant until distribution, pursuant to Section 451 of the Internal Revenue Code of 1986, as amended. The Plan is intended to be a top-hat plan (i.e., an unfunded deferred compensation plan maintained for a select group of management or highly compensated employees) under Sections 201(2), 301(a)(3), and 401(a)(1) of the Employee Retirement Income Security Act of 1974, as amended.

1.02 Scope and Duration. Entergy hopes and expects to continue the Plan indefinitely but expressly reserves the right to amend or terminate it, or discontinue recognition of any further deferrals under its terms, and each employer reserves the right to withdraw from the Plan, subject to the provisions hereinafter set forth. The benefits payable under the Plan are independent of any benefits the Employee is or may become entitled to receive under any funded pension, profit sharing, stock bonus or savings plan, except that the measure of the future value of amounts credited to a Participant's Account hereunder shall be based on the relative value of such Account balances had those balances represented actual dollars invested in selected investment funds from time to time available under the Savings Plan or, in the absence of such Savings Plan, any other measure that the Administrator may from time to time thereafter establish for purposes of this Plan.

ARTICLE II

DEFINITIONS

The following terms shall have the meaning hereafter indicated unless expressly provided herein to the contrary:

2.01 "Account" shall mean the account the Administrator maintains, on a book-entry basis only, for each Participant under the Plan. Such Account shall include a book entry for the deferrals elected by the Participant hereunder subject to change or adjustment based on the changes in the relative value of those Investment Funds that the Participant from time to time directs as the basis for the valuation of the deferred amounts allocated to his or her Account. No actual dollars are maintained in, nor accounted for under, any such Account.

2.02 "Administrator" shall mean the Personnel Committee established by the Board of Directors, or such other individuals or committee (not fewer than three in number) as shall from time to time be designated in writing by the Chairman of the Board of Directors as the administrator of the Plan. The Administrator shall be the "plan administrator" for the Plan within the meaning of ERISA. Notwithstanding the foregoing, from and after the date immediately preceding the commencement of a Change in Control Period, the "Administrator" shall mean (a) the individuals (not fewer than three in number) who, on the date six months before the commencement of the Change in Control Period, constitute the Administrator, plus (b) in the event that fewer than three individuals are available from the group specified in clause (a) above for any reason, such individuals as may be appointed by the individual or individuals so available (including for this purpose any individual or individuals previously so appointed under this clause (b)); provided, however, that the maximum number of individuals constituting the Administrator shall not exceed six.

2.03 "Available Base Salary" shall mean that portion of a Participant's Base Salary that remains after the deduction or reduction of such Base Salary on account of all appropriate or required tax withholdings, loan repayments, contributions under a cafeteria plan under Code 125 (including, without limitation, amounts contributed to a flexible spending account covered by such cafeteria plan), deferral contributions pursuant to Code
401(k) or otherwise under the Savings Plan, United Way or other charitable deductions or contributions, political action committee contributions, garnishments or other legally required or mandated deductions (i.e., Internal Revenue Service levies), and any other deductions

or reductions related to contributions to any other employee benefit plan from time to time sponsored by Entergy Corporation or in which the Employer is the sponsor or a participating employer.

2.04 "Base Salary" shall mean the regular or normal salary, exclusive of overtime or bonuses, normally payable to a Participant during any period of Covered Employment including the amount, if any, such Employee defers as a deferral contribution pursuant to Code 401(k) or otherwise under the Savings Plan, and under a cafeteria plan under Code 125 (including, without limitation, amounts contributed to a flexible spending account covered by such cafeteria plan). Notwithstanding the foregoing and solely for purposes of this Plan, a Participant's Base Salary shall also include any signing bonus or retention bonus payable to a Participant during any period of Covered Employment.

2.05 "Beneficiary" shall mean any person or persons designated by a Participant to whom distribution of the Deferred Compensation credited to his Account shall be made in the event of his death prior to the full receipt thereof. A Participant may, prior to termination of his employment, designate one or more primary and contingent Beneficiaries to whom distribution of such Deferred Compensation shall be made in the event of his death prior to the full receipt thereof; provided, however, that in the event the Participant is married and no designation of Beneficiary is received by the Administrator prior to his death, such primary Beneficiary shall be deemed to be the Participant's surviving spouse. The Participant may elect to change or revoke his designated Beneficiary at any time; provided, however, that such new election or revocation shall not be effective unless in writing on forms provided by the Administrator and shall not in any event be effective unless and until filed with the Administrator. If no designated or deemed Beneficiary survives the Participant or former Participant, or if an unmarried Participant or former Participant fails to designate a Beneficiary under the Plan, such Deferred Compensation shall be paid to his estate.

2.06 "Board of Directors" shall mean the Board of Directors of Entergy Corporation.

2.07 "Change in Control" shall mean:

(a) the purchase or other acquisition by any person, entity or group of persons, acting in concert within the meaning of Sections 13(d) or 14(d) of the Securities Exchange Act of 1934 ("Act"), or any comparable successor provisions, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Act) of twenty-five percent (25%) or more of either the shares of common stock outstanding immediately following such acquisition or the combined voting power of Entergy Corporation's voting securities entitled to vote generally and outstanding immediately following such acquisition, other than any such purchase or acquisition in connection with a Non-CIC Merger (defined in subsection (b) below);

(b) the consummation of a merger or consolidation of Entergy Corporation, or any direct or indirect subsidiary of Entergy Corporation with any other corporation, other than a Non-CIC Merger, which shall mean a merger or consolidation immediately following which the individuals who comprise the Board of Directors immediately prior thereto constitute at least a majority of the Board of Directors, or the board of directors of the entity surviving such merger or consolidation, or the board of directors of any parent thereof (unless the failure of such individuals to comprise at least such a majority is unrelated to such merger or consolidation);

(c) the stockholders of Entergy Corporation approve a plan of complete liquidation or dissolution of Entergy Corporation or there is consummated an agreement for the sale or disposition by Entergy Corporation of all or substantially all of Entergy Corporation's assets; or

(d) any change in the composition of the Board of Directors such that during any period of two consecutive years, individuals who at the beginning of such period constitute the Board of Directors and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of Entergy Corporation) whose appointment or election by the Board of Directors or nomination for election by Entergy Corporation's stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the Effective Date or whose appointment, election or nomination for election was previously so approved or recommended, cease for any reason to constitute at least a majority thereof.

Provided, however, that no Change in Control shall be deemed to occur solely by virtue of (1) the insolvency or bankruptcy of Entergy Corporation; or (2) the transfer of assets of Entergy Corporation to an affiliate of Entergy Corporation, provided such affiliate assumes the obligations of the Plan and agrees to continue uninterrupted the rights of the Participants under the Plan; or (3) the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of Entergy Corporation immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of Entergy Corporation immediately following such transaction or series of transactions.

2.08 "Change in Control Period" shall mean the period commencing ninety (90) days prior to and ending twenty-four (24) calendar months following a Change in Control.

2.09 "Claims Administrator" shall mean the Administrator or its designee responsible for administering claims for benefits under the Plan.

2.10 "Claims Appeal Administrator" shall mean the Administrator or its delegee responsible for administering appeals from the denial or partial denial of claims for benefits under the Plan.

2.11 "Code" shall mean the Internal Revenue Code of 1986, as amended.

2.12 "Covered Employment" shall mean that period during which a Participant is actively employed by an Employer and is eligible for participation hereunder under the terms and conditions set forth in the Plan.

2.13 "Deferred Compensation" shall mean the amount of deferred Base Salary and Incentive Compensation credited to a Participant's Account, as valued at any given point in time based on the relative value of the respective Investment Funds that the Participant directs over time less administrative charges or costs, and that would be available for distribution assuming that all requirements and requisites for distribution under the Plan are satisfied.

2.14 "Designation Date" shall mean the date or dates as of which an initial or subsequent designation of deemed investment directions by a Participant takes effect pursuant to Section 4.04.

2.15 "EAIP" shall mean the Executive Annual Incentive Plan of Entergy Corporation and Subsidiaries, as amended from time to time.

2.16 "Employee" shall mean an employee of a System Company who is in the select group of management or highly compensated employees.

2.17 "Employer" shall mean the System Company with which the Participant is last employed on or before the Participant's termination from System employment.

2.18 "EOP" shall mean the Equity Ownership Plan of Entergy Corporation and Subsidiaries, as amended from time to time.

2.19 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

2.20 "Incentive Compensation" shall mean the amount of any incentive award that a Participant may become eligible to receive during a period of Covered Employment under the terms of the EAIP or other comparable incentive plan that the Administrator may from time to time recognize as "Incentive Compensation" for purposes of this Plan. The term "Incentive Compensation" shall include only those incentive awards payable based on performance years commencing on or after January 1, 1997. The written determination by the Administrator as to the inclusion or exclusion of a given incentive plan as "Incentive Compensation" under the terms of this Plan shall be final and binding on all parties.

2.21 "Investment Funds" shall mean the several investment funds from time to time available under the Savings Plan (excluding the Entergy Stock Fund), which funds shall be used as a basis for determining the value of the Deferred Compensation credited to a Participant's Account.

2.22 "Participant" shall mean any Employee who (a) is eligible to defer Base Salary or Incentive Compensation pursuant to Section 3.01 and (b) elects to do so. Any employee who is eligible to defer Base Salary or Incentive Compensation under this Plan and has Deferred Compensation allocated to his Account hereunder shall remain a Participant through the date on which all such sums are distributed pursuant to Section 4.06 or 4.07, as applicable. Such Employee's status as a Participant through the date of any such distribution does not convey any continued right to defer additional sums hereunder nor to make any further investment directions with respect to book-entry amounts held in his Account except in accordance with rules and procedures established by the Administrator.

2.23 "Personnel Committee" shall mean the Personnel Committee of the Board of Directors.

2.24 "Plan" shall mean this Executive Deferred Compensation Plan of Entergy Corporation and Subsidiaries, and any amendments, supplements or modifications from time to time made hereto.

2.25 "Potential Change in Control" shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

(a) Entergy Corporation or any affiliate or subsidiary company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control; or

(b) the Board of Directors adopts a resolution to the effect that, for purposes of this Plan, a Potential Change in Control has occurred; or

(c) any System Company or any person or entity publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control; or

(d) any person or entity becomes the beneficial owner (as that term is defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended from time to time), either directly or indirectly, of securities of Entergy Corporation representing 20% or more of either the then outstanding shares of common stock of Entergy Corporation or the combined voting power of Entergy Corporation's then outstanding securities

(not including in the calculation of the securities beneficially owned by such person or entity any securities acquired directly from Entergy Corporation or its affiliates).

2.26 "Savings Plan" shall mean the Savings Plan of Entergy Corporation and Subsidiaries, as amended from time to time.

2.27 "System" shall mean Entergy Corporation and all other System Companies, and, except in determining whether a Change in Control has occurred, shall include any successor thereto as contemplated in Section 7.03 of this Plan.

2.28 "System Company" shall mean Entergy Corporation and any corporation 80% or more of whose stock (based on voting power or value) is owned, directly or indirectly, by Entergy Corporation and any partnership or trade or business which is 80% or more controlled, directly or indirectly, by Entergy Corporation, and, except in determining whether a Change in Control has occurred, shall include any successor thereto as contemplated in Section
7.03 of this Plan.

2.29 "Valuation Date" shall mean the valuation date relating to the date on which the Participant terminates his employment with all Employers, files for a Hardship Distribution under Section
4.06, files or makes a change in investment direction, or transfers from one System employer to another, as applicable to the particular circumstances requiring the valuation of the Deferred Compensation allocated to the Participant's Account. For purposes of periodic reporting and disclosure to Participants as to the relative value of their Account, the "Valuation Date" shall be the last business day immediately preceding the Participant's inquiry or such other date as the Administrator may determine and disclose in any such report or disclosure.

ARTICLE III

PARTICIPATION

3.01 Eligibility and Participation. Any Employee who is employed on a salaried basis in a bona fide executive, administrative, or professional capacity at a specified rate per annum, and who has been approved and remains eligible for participation in EAIP shall be eligible to participate in the Plan during his period of Covered Employment. Subject to the provisions of the Plan and without limiting the eligibility of those persons described herein, the Administrator shall from time to time designate as eligible hereunder such other Employees who, in the written opinion of the Administrator, have significant responsibility for the continued growth, development and financial success of Entergy Corporation and any of its affiliates. An Employee described above who elects to participate shall become a Participant in the Plan. A Participant may lose his eligibility to participate at any time by written determination of the Administrator, but shall retain his rights hereunder to the Deferred Compensation credited to his Accounts through the date of any such removal. The Administrator shall have complete discretion to terminate the participation by any Participant who has made a willful and deliberate misrepresentation or false statement to the Administrator as a means for qualifying for, or obtaining, a distribution under the Plan.

3.02 Removal from Participation.

(a) A Participant made eligible under the terms of Section 3.01 shall lose his eligibility to participate under the Plan on the later of the following events (1) termination of System employment; or (2) distribution of all the Deferred Compensation credited to his Account under the Plan; (3) loss of eligibility to participate under the EAIP unless the Administrator, in its discretion, has designated such employee as an Employee who is eligible to participate pursuant to Section 3.01 above; or (4) written revocation of Participant status pursuant to Section 3.01 above based on a false or misleading statement or representation made by the Participant to the Administrator in the exercise of any and all rights, options or directions available to the Participant under the terms of the Plan. That is, by way of illustration and without limiting the breadth of the foregoing, if the Participant makes a willful and deliberate misrepresentation to the Administrator as a means for qualifying for, or obtaining, a Hardship Distribution under Section 4.06, such Participant shall be subject to immediate loss of continued Participant status except to the extent of any Deferred Compensation previously allocated to his Account under the Plan. Further, any willful or deliberate misrepresentation made by a Participant shall subject the Participant to disciplinary actions, including discharge, by the Employer or the right of the Administrator to demand and recover from the Participant any amounts distributed to the Participant based on any such false or misleading statements or misrepresentations.

(b) Further, if any Participant loses his eligibility for participation in the EAIP and has not otherwise been designated as an eligible Employee by the Administrator hereunder, such Participant shall remain a Participant solely as to the Deferred Compensation credited to his Account on the date on which his participation in the EAIP ceases, and such participation hereunder shall continue until the later of the occurrence of one of the events described in 3.02 (a).

3.03 Continuation of Participation through Distribution. Notwithstanding anything stated in Section 3.02 to the contrary, a Participant shall remain a Participant through the date on which his Deferred Compensation is distributed to him pursuant to Section 4.07, except that a Participant who has experienced any of the events or circumstances described in Section 3.02(a) shall not be permitted to make any further deferrals under the Plan after the date of such event. As to any undistributed Deferred Compensation credited to his Account prior to occurrence of an event or circumstance described in Section 3.02(a), such Participant may continue to make investment directions in

accordance with Section 4.04, subject to the rules, regulations and procedures from time to time established by the Administrator.

ARTICLE IV

DEFERRAL ELECTIONS

4.01 Deferral of Base Salary.

(a) Subject to rules, regulations and procedures as established by the Administrator from time to time, a Participant may elect to defer (in one percent increments) any percentage of his Base Salary (but not less than five percent of his Base Salary nor amounts in excess of his Available Base Salary) except that any such Base Salary deferral election (or revocation of a prior deferral election) shall be effective on the later of (1) the date immediately following the date on which the Administrator (or its delegate) receives the Participant's election (or revocation) either in writing or through a voice response system that may be established under the Plan, or (2) the beginning of the first complete payroll period next following the receipt of such election (or revocation) by the Administrator (or its delegate). Any such election (or revocation of a prior deferral election) shall remain in effect through the earlier of (1) the Participant's termination of employment or loss of Participant status under Section 3.02(a) above, whichever is earlier, or (2) the effective date for any election (or revocation) made by the Participant subsequent to such new or initial election (or revocation). Any such election (including any revocation of a prior deferral election) shall be given prospective effect only and shall not adversely affect any Deferred Compensation deferred or credited to the Participant's Account based on any prior deferral election. No deferrals may be made from any Base Salary until the first complete payroll period commencing after the effective date of this Plan.

(b) A new deferral election (or revocation of a prior deferral election) shall not affect the investment direction of any Deferred Compensation then or thereafter credited to the Participant's Account unless the Participant makes a new investment direction election under Section 4.04. Once in effect, the amounts deferred by the Participant hereunder shall be credited to his Account on a book-entry basis as soon as practicable following the date of each deferred installment of Base Salary.

(c) The Administrator shall have the sole and exclusive authority and discretion to establish rules, regulations and procedures for the execution and delivery of any deferral election or revocation and may condition such elections in any reasonable manner that such Administrator deems necessary, appropriate or desirable including, without limitation, the complete authority and discretion to delay the effective date of any deferral election or revocation for one or more payroll periods as the Administrator deems necessary, appropriate or desirable in order to maintain the orderly and accurate administration of the Plan. If the effective date of the deferral election is delayed pursuant to such authority, the Administrator shall notify the Participant of such delay and advise the Participant of the anticipated effective date of such election or revocation.

4.02 Deferral of Incentive Compensation.

(a) Subject to rules, regulations and procedures as established by the Administrator from time to time, a Participant may elect to defer (in ten percent increments) any percentage of his Incentive Compensation, but in no event can the Participant defer less than ten percent of his Incentive Compensation nor more than the amount of Incentive Compensation attributable to the same performance year that is deferred by the Participant under the terms of the Equity Awards program of the EOP. An Incentive Compensation deferral election shall be effective on the later of
(1) the date immediately following the date on which the Administrator (or its delegate) receives the Participant's election either in writing or through a voice response system that may be established under the Plan, or (2) the beginning of the first complete performance year next following the receipt of such election by the Administrator (or its delegate). All such elections are irrevocable. Any such election shall apply only to Incentive Compensation payable with respect to a single performance year and shall not have continuing deferral effect or application as to Incentive Compensation payable for any future performance years. That is, a separate Incentive Compensation deferral election must be made with respect to the Incentive Compensation payable for each performance year.

(b) A new deferral election (or revocation of a prior deferral election) shall not affect the investment direction of any Deferred Compensation then or thereafter credited to the Participant's Account unless the Participant makes a new investment direction election under Section 4.04. Once in effect, the amounts electively deferred by the Participant hereunder shall be credited to his Account on a book-entry basis as soon as practicable following the date of each deferred installment of Incentive Compensation.

(c) The Administrator shall have the sole and exclusive authority and discretion to establish rules, regulations and procedures for the execution and delivery of any deferral election and may condition such elections in any reasonable manner that the Administrator deems necessary, appropriate or desirable including, without limitation, the complete authority and discretion to delay the effective date of any deferral election or reject any such deferral election as the Administrator deems necessary, appropriate or desirable in order to maintain the orderly and accurate administration of the Plan. If the effective date of the deferral election is delayed pursuant to such authority, the Administrator shall notify the Participant of such delay and advise the Participant of the anticipated effective date of such election.

4.03 Accounts. The amount of any deferrals elected by the Participant pursuant to Sections 4.01 and 4.02, respectively, shall be credited to his Account established and maintained for such Participant. Such Account of such Participant shall be the record of cumulative Deferred

Compensation attributable to his deferrals under the Plan, solely for accounting purposes and, as provided in Section 5.01, shall not require a segregation of any System Company assets.

4.04 Deemed Investment Direction of Participants. Subject to such limitations as may from time to time be required by law, imposed by the Administrator, or contained elsewhere in the Plan and subject to such operating rules and procedures as may be imposed from time to time by the Administrator, prior to and effective for each Designation Date, each Participant may communicate to the Administrator, or any person to whom the Administrator has delegated such administrative duties, a direction as to how his Account should be deemed to be invested among the Investment Funds as such are from time to time available under the Savings Plan. Such direction shall designate the percentage (in any whole percent multiples) of each portion of the Participant's Account that is requested to be deemed to be invested in the respective Investment Funds on a book-entry basis only and shall be subject to such rules and procedures for direction of investments under the Savings Plan, as modified by the Administrator with respect to the Plan. Unless and until the Employer elects, in its discretion, or is required to fund the obligations of the Employer reflected by the Deferred Compensation pursuant to Article V, no actual investments in the several Investment Funds shall be made hereunder, and the Participants shall have no right, claim or demand with respect to any such Investment Funds based on the deemed investment of Deferred Compensation.

4.05 Allocation of Deemed Earnings or Losses on Accounts. Pursuant to Section 4.04, each Participant shall have the right to direct the Administrator as to how the Deferred Compensation credited to his Account shall be deemed invested. The Administrator shall maintain records that track or replicate the performance of such deemed investments in the respective Investment Funds consistent with the Participant's directions. The Participant's Account will be credited or debited with the increase or decrease in the realizable net asset value of the designated deemed investments. As of each Valuation Date, an amount equal to the net increase or decrease in realizable net asset value of each Investment Fund since the preceding Valuation Date shall be credited among the respective Participants' Accounts deemed to be invested in that Investment Fund in accordance with the ratio that the portion of the Deferred Compensation credited to such Account that is deemed to be invested within the given Investment Fund bears to the aggregate of all amounts deemed to be invested within that same Investment Fund. For instance, if the net asset value per unit held in the Investment Fund increased by 2%, the Participant's Account shall be credited with 2% per unit deemed held by the Participant's Account in such Investment Fund pursuant to his investment directions.

4.06 Hardship Distributions. At any time after completing five (5) years of participation in this Plan, a Participant may apply to the Administrator for a special distribution of all or any part of his Account valued as of the date of his application on account of an immediate and heavy financial need arising from one or more of the following, or similar, events:

(a) uninsured medical costs resulting from an accident, injury or illness to the Participant and/or members of his immediate family;

(b) secondary educational costs (e.g., tuition);

(c) the purchase of a principal residence or to prevent the foreclosure or eviction from the Participant's primary residence;

(d) funeral expenses for an immediate family member of the Participant;

(e) substantial casualty losses; or

(f) any other emergency conditions in the Participant's financial affairs.

The Administrator shall consider the circumstances of each such case and the best interest of the Participant and his family and shall have the right, in its sole discretion, if applicable, to allow such a special distribution, or if applicable, to direct a distribution of part of the amount requested or to refuse to allow any distribution. Upon the Administrator's determination that such a special distribution should be granted, the Participant's employer shall make the appropriate distribution to the Participant from its general assets in respect of the Participant's Account and the Administrator shall accordingly reduce or adjust the amount of Deferred Compensation credited to the Participant's Account. In no event shall the aggregate amount of the special distribution exceed the full value of the Participant's Account. For purposes of this Section, the value of the Participant's Account shall be determined as of the date of the Participant's application for the special distribution. If the amount of the requested distribution equals or exceeds the full value of the Deferred Compensation credited to the Participant's Account on such Valuation Date and a special distribution is subsequently made hereunder, the Account shall not thereafter be credited with further earnings or losses with respect to the distributed amounts pursuant to Section 4.05. In the event that a member of the Administrator is the Participant requesting such a special distribution, such Participant shall refrain from participating in the Administrator's special distribution determination.

4.07 Payment of Deferred Compensation. Except to the extent that such amounts are distributed in a special hardship distribution pursuant to Section 4.06, a Participant who has Deferred Compensation credited to his Account shall be entitled to receive a cash distribution from the Employer within thirty days of his retirement or termination of employment with Entergy and all of its affiliates, or as reasonably practicable thereafter, as the Administrator shall determine. Such distribution shall be an amount equal to the value of the Deferred Compensation credited to his Account as of the effective date of the Participant's retirement or termination from service, less any amounts withheld to satisfy federal and state income tax withholding obligations.

4.08 Death Benefits. If a Participant dies before receiving all amounts due to the Participant hereunder, the entire remaining value of the Participant's Account shall be paid in cash, based on the value of the Deferred Compensation credited to the Participant's Account as of the date of his death, to his Beneficiary.

4.09 Non-Transferability. Deferred Compensation granted under the Plan, and any rights and privileges pertaining thereto, may not be transferred, assigned, pledged or hypothecated in any manner, by operation of law or otherwise, other than by will or by the laws of descent and distribution, and shall not be subject to execution, attachment or similar process.

ARTICLE V

SOURCE OF PAYMENTS

5.01 Unfunded Plan. In the case of Deferred Compensation credited to a Participant's Account under the Plan, no actual units in the respective Investment Funds shall be purchased at the time of the deferrals, and Entergy, the Employer and the Plan, or any one of them, shall not be required to set aside a fund or assets for the payment of any such Deferred Compensation. It is a condition of the Plan, and the Participant expressly agrees, that neither he nor any other person or entity shall look to any other person or entity other than the Employer for the payment of benefits under the Plan. The Participant or any other person or entity having or claiming a right to payments hereunder shall rely solely on the unsecured obligation of the Employer set forth herein. Nothing in this Plan shall be construed to give the Participant or any such person or entity any right, title, interest, or claim in or to any specific asset, fund, reserve, account or property of any kind whatsoever, owned by the Employer or in which the Employer may have any right, title or interest now or in the future. However, the Participant or any such person or entity shall have the right to enforce his claim against the Employer in the same manner as any other unsecured creditor of the Employer.

5.02 Employer Liability. At its own discretion, a System Company employer may purchase such insurance or annuity contracts or other types of investments as it deems desirable in order to accumulate the necessary funds to provide for the future benefit payments under the Plan. However, (a) a System Company employer shall be under no obligation to fund the benefits provided under this Plan; (b) the investment of System Company employer funds credited to a special account established hereunder shall not be restricted in any way; and (c) such funds may be available for any purpose the System Company may choose. Nothing stated herein shall prohibit a System Company employer from adopting or establishing a trust or other means as a source for paying any obligations created hereunder provided, however, any and all rights that any such Participants shall have with respect to any such trust or other fund shall be governed by the terms thereof. The Employer reserves the right in its sole discretion to establish at a future date a rabbi trust to hold assets that may be used to cover the Employer's costs of the Plan including, without limitation, a rabbi trust that provides for the actual investment of contributions in the respective Investment Funds, as available to the Employer, on the same basis as the deemed investment directions made by the Participant pursuant to Section 4.04.

5.03 Establishment of Trust. Notwithstanding any provisions of this Article V to the contrary, within thirty (30) days following a Change in Control, each Employer shall make a single irrevocable lump sum contribution to the Trust for Deferred Payments of Entergy Corporation and Subsidiaries ("Trust") pursuant to the terms and conditions described in such Trust. Each Employer's contribution shall be in an amount equal to the total benefits credited to such Employer's Plan Participants (including a Participant's Beneficiary) under the Plan through the date of any such Change of Control. If one or more of an Employer's Participants shall continue to be employed by a System Company of Entergy after such a Change of Control, each calendar year the Employer shall, as soon as possible, but in no event longer than thirty (30) days following the end of such calendar year, make an irrevocable contribution to the Trust in an amount that is necessary in order to maintain a lump sum amount credited to the Employer's Plan account under the Trust that is equal to the total unpaid benefits of the Employer's Participants as of the end of each applicable calendar year. Notwithstanding the foregoing in this Section 5.03 to the contrary, an Employer may make contributions to the Trust prior to a Change of Control in such amounts as it shall determine in its complete discretion. The Trust is intended as a "grantor" trust under the Internal Revenue Code and the establishment and funding of such Trust is not intended to cause Participants to realize current income on amounts contributed thereto, and the Trust shall be so interpreted.

ARTICLE VI

PLAN ADMINISTRATION

6.01 Administration of Plan. The Administrator shall operate and administer the Plan and, as such, shall have the authority as Administrator to exercise the powers and discretion conferred on it by the Plan, including the right to delegate any function to a specified person or persons. The Administrator shall discharge its duties for the exclusive benefit of the Participants and their Beneficiaries.

6.02 Powers of the Administrator. The Administrator and any of its delegees shall administer the Plan in accordance with its terms and shall have all powers, authority, and discretion necessary or proper for such purpose. In furtherance of this duty, the Administrator shall have the sole and exclusive power and discretion to make factual determinations, construe and interpret the Plan, including the intent of the Plan and any ambiguous, disputed or doubtful provisions of the Plan. All findings, decisions, or determinations of any type made by the Administrator, including factual determinations and any interpretation or construction of the Plan, shall be final and binding on all parties and shall not be disturbed unless the Administrator's decisions are arbitrary and capricious. The Administrator shall be the sole judge of the standard of proof required in any claim for benefits and/or in any question of eligibility for a benefit. By way of example, the Administrator shall have the sole and exclusive power and discretion:

(a) to adopt such rules and regulations as it shall deem desirable or necessary for the administration of the Plan;

(b) to interpret the Plan including, without limitation, the power to use Administrator's sole and exclusive discretion to construe and interpret (1) the Plan, (2) the intent of the Plan, and (3) any ambiguous, disputed or doubtful provisions of the Plan;

(c) to determine all questions arising in the administration of the Plan including, but not limited to, the power and discretion to determine the rights or eligibility of any Employee, Participant, Beneficiary or other claimant to receive under the Plan;

(d) to require such information as the Administrator may reasonably request from any Employee, Participant, Beneficiary or other claimant as a condition for receiving any benefit under the Plan;

(e) to grant and/or deny any and all claims for benefits, and construe any and all issues of Plan interpretation and/or fact issues relating to eligibility for benefits;

(f) to compute the amount and determine the manner and timing of any benefits payable under the Plan;

(g) to execute or deliver any instrument or make any payment on behalf of the Plan;

(h) to employ one or more persons to render advice with respect to any of the Administrator's responsibilities under the Plan;

(i) to direct the Employer concerning all payments that shall be made pursuant to the terms of the Plan;

(j) to make findings of fact, to resolve disputed fact issues, and to make determinations based on the facts and evidence contained in the administrative record developed during the claims review procedure;

(k) to grant or establish Accounts pursuant to Article IV, to determine restrictions related to Deferred Compensation and any credits to or distributions from such Accounts, to determine the employees to whom, and the time or times when, participation in the Plan shall be permitted hereunder, and to determine the amount of Deferred Compensation to be credited to such Accounts for Participants; and

(l) to determine the terms and provisions of the Participant deferral elections (which need not be identical).

For any acts not specifically enumerated above, when applying, construing, or interpreting any and all Plan provisions and/or fact questions presented in claims for benefits, the Administrator shall have the same discretionary powers as enumerated above.

6.03 Reliance on Reports and Certificates. The Administrator may rely conclusively upon all tables, valuations, certificates, opinions and reports furnished by an actuary, accountant, counsel or other person who may from time to time be employed or engaged for such purposes.

6.04 Claims Administration. The Administrator may appoint and, in its sole discretion, remove a Claims Administrator and/or Claims Appeal Administrator to administer claims for benefits under the Plan in accordance with its terms, and, pursuant to Section 6.02, such delegees shall have all powers, authority, and discretion necessary or proper for such purpose. In the absence of such appointment, the Administrator shall be the Claims Administrator and Claims Appeal Administrator.

6.05 Filing Benefit Claims. Any claim asserting entitlement to a benefit under the Plan must be asserted within ninety (90) days after the event giving rise to the claim by sending written notice of the claim to the Claims Administrator. The written notice of the claim must be accompanied by any and all documents, materials, or other evidence allegedly supporting the claim for benefits. If the claim is granted, the claimant will be so notified in writing by the Claims Administrator.

6.06 Denial or Partial Denial of Benefit Claims. If the Claims Administrator denies a claim for benefits in whole or part, the Claims

Administrator shall notify the claimant in writing of the decision within ninety (90) days after the Claims Administrator has received the claim. In the Claim Administrator's sole discretion, the Claims Administrator may extend the time to decide the claim for an additional ninety (90) days, by giving written notice of the need for such an extension any time prior to the expiration of the initial ninety (90) day period. The Claims Administrator, in its sole discretion, reserves the right to request specific information from the claimant, and reserves the right to have the claimant examined or tested by person(s) employed or compensated by the Plan. If the claim is denied or partially denied, the Claims Administrator shall provide the claimant with written notice stating:

(a) the specific reasons for the denial of the claim (including the facts upon which the denial was based) and reference to any pertinent Plan provisions on which the denial is based;

(b) if applicable, a description of any additional material or information necessary for claimant to perfect the claim and an explanation of why such material or information is necessary; and

(c) an explanation of the claims review appeal procedure including the name and address of the person or committee to whom any appeal should be directed.

6.07 Appeal of Claims That Are Denied or Partially Denied. The claimant may request review of the Claims Administrator's denial or partial denial of a claim for Plan benefits. Such request must be made in writing within 60 days after claimant has received notice of the Claims Administrator's decision and shall include with the written request for an appeal any and all documents, materials, or other evidence which claimant believes supports his or her claim for benefits. The written request for an appeal, together with all documents, materials, or other evidence which claimant believes supports his or her claim for benefits should be addressed to the Claims Administrator, who will be responsible for submitting the appeal for review to the Claims Appeal Administrator.

6.08 The Appeal Process. The Claims Administrator will submit the appeal to the Claims Appeal Administrator for review of the denial or partial denial of the claim. Within sixty
(60) days after the receipt of claimant's appeal, claimant will be notified of the final decision of the Claims Appeal Administrator, unless, in the Claims Appeal Administrator's sole discretion, circumstances require an extension of this period for up to an additional sixty (60) days. If such an extension is required, the Claims Appeal Administrator shall notify claimant of this extension in writing before the expiration of the initial sixty-day period. During the appeal, the Claims Appeal Administrator, in its sole discretion, reserves the right to request specific information from the claimant, and reserves the right to have the claimant examined or tested by person(s) employed or compensated by the Plan. The final decision of the Claims Appeal Administrator shall set forth in writing the facts and Plan provisions upon which the decision is based. All decisions of the Claims Appeal Administrator are final and binding on all employees, Participants, their Beneficiaries, or other claimants.

6.09 Judicial Proceedings for Benefits. No claimant may file suit in court to obtain benefits under the Plan without first completely exhausting all stages of this claims review process. In any event, no legal action seeking Plan benefits may be commenced or maintained against the Plan more than ninety (90) days after the Claims Appeal Administrator's decision on appeal.

6.10 Non-Uniform Determinations. The Administrator's determinations under the Plan, including, without limitation, determinations as to the Employees eligible to defer a portion of their Available Base Salary and/or Incentive Compensation, and the terms and provisions of such deferrals, need not be uniform and may be made by it selectively among Employees who receive or are eligible to participate in the Plan, whether or not such Employees are similarly situated.

ARTICLE VII

TERMINATION OR AMENDMENT OF THE PLAN

7.01 Termination and Amendment. Subject to Sections 1.02 and
7.02, the Plan may be suspended, terminated, modified or amended at any time whatsoever by the Board of Directors of Entergy Corporation or any other person or persons whom the Board of Directors may expressly from time to time authorize to take any and all such actions for and on behalf of Entergy Corporation and the respective Employers. Any such action shall be evidenced by the minutes of the Board of Directors or a written certificate of amendment or termination executed by any person or persons so authorized by the Board of Directors. If the Plan is terminated, the terms of the Plan shall, notwithstanding such termination, continue in effect with respect to Deferred Compensation allocated to the Participant's Account on or before the date of such termination.

7.02 Restrictions on Amendment or Termination. Any amendment or modification to, or the termination of, the Plan shall be subject to the following restrictions:

(a) No amendment to, or termination of, the Plan following a Change in Control shall reduce the amount credited to a Participant's Account under this Plan through the date of any such amendment or termination.

(b) No amendment, modification, suspension or termination of the Plan may reduce the amount of benefits or adversely affect the manner of

payment of benefits of any Participant or Beneficiary then receiving benefits, unless such modification is agreed to in writing and signed by the affected Participant or Beneficiary and by the Plan Administrator, or by their legal representatives and successors; and

(c) No provision of this Plan may be modified, waived, or discharged during the 2-year period commencing on the date of a Potential Change in Control unless such modification, waiver, or discharge is agreed to in writing and signed by the affected Participant and by the Plan Administrator, or by their legal representatives and successors.

7.03 Successors. A System employer shall require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) of all or substantially all of its business and/or assets to expressly assume and agree to perform this Plan in the same manner and to the same extent that the System employer would be required to perform it if no such succession had taken place. Any successor or surviving entity that assumes or otherwise adopts this Plan as contemplated in this Section 7.03 shall succeed to all the rights, powers and duties of the Employer and the Board of Directors hereunder, subject to the restrictions on amendment or termination of the Plan as set forth in Section 7.02.

ARTICLE VIII

MISCELLANEOUS

8.01 Tax Withholding. Subject to such terms and conditions as may be established by the Administrator, the Participant shall pay to have withheld by the Employer any amount necessary to satisfy applicable federal, state or local tax withholding requirements attributable to the Deferred Compensation distributed under this Plan or, in lieu of such withholding, shall remit to the Employer such amount as so necessary to satisfy such applicable federal, state or local tax withholding requirements promptly upon notification of the amounts due. The Administrator may permit such amount to be paid by the Participant to be withheld from the value of the Participant's Account that otherwise would be distributed to such Participant upon the distribution of the Deferred Compensation allocated to the Participant's Account.

8.02 Deferral Elections. Each deferral election made pursuant to Sections 4.01 and 4.02, respectively, shall be subject to such restrictions, terms and conditions as the Administrator may require. Notwithstanding anything to the contrary contained in the Plan, no System Company is obligated to accept, permit or recognize any deferrals under the Plan made by any Participant hereunder unless such Participant shall execute all appropriate agreements with respect to such deferral in such form as the Administrator may determine from time to time.

8.03 Effect on Other Plans. Any increases or losses in the value of Deferred Compensation credited to the Participant's Account through the date of distribution shall not constitute earnings for purposes of any pension plan covering employees of any System Company except as otherwise expressly provided in any such pension plan.

8.04 Gender and Number. The masculine pronoun whenever used in the Plan shall include the feminine. Similarly, the feminine pronoun whenever used in the Plan shall include the masculine as the context or facts may require. Whenever any words are used herein in the singular, they shall be construed as if they were also used in the plural in all cases where the context so applies.

8.05 Captions. The captions of this Plan are not part of the provisions of the Plan and shall have no force and effect.

8.06 Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

8.07 No Right to Employment. This Plan does not confer nor shall be construed as creating an express or implied contract of employment.

8.08 Notices. Every direction, revocation or notice authorized or required by the Plan shall be deemed delivered to the Plan Administrator on the date it is personally delivered to the Plan Administrator or three business days after it its sent by registered mail, postage prepaid, and properly addressed to Entergy Services, Inc., Employee Benefits Department, Attention:
Plan Administrator, Executive Deferred Compensation Plan, 639 Loyola Avenue, 14th Floor, New Orleans, Louisiana 70113 and shall be deemed delivered to a Participant on the date it is personally delivered to him or three business days after it is sent by registered or certificate mail, postage prepaid, addressed to him at the last address shown for him on the records of his Employer.

8.09 Controlling Law. The administration of the Plan, and any Trust established thereunder, shall be governed by applicable federal law, including ERISA, and, to the extent federal law is inapplicable, the laws of the State of Delaware, without regard to the conflict of law principles of any state. Any persons or corporations who now are or shall subsequently become parties to the Plan shall be deemed to consent to this provision.

Exhibit 10(a)76

EXECUTIVE DEFERRED COMPENSATION PLAN OF ENTERGY CORPORATION AND SUBSIDIARIES

Certificate of Amendment

Amendment No. 1

THIS INSTRUMENT, executed and made effective this __ day of December, 2001, constitutes the First Amendment of the Executive Deferred Compensation Plan of Entergy Corporation and Subsidiaries, as amended and restated effective January 1, 2000 (the "Plan").

All capitalized terms used in this document shall have the meanings assigned to them in the Plan unless otherwise defined in this document.

Pursuant to Section 7.01 of the Plan, the Personnel Committee, as authorized by the Board of Directors, does hereby amend the Plan as follows:

1. Section 1.01 of the Plan is amended by adding the following new sentence at the end of that Section to read as follows:

Effective December 7, 2001, the Plan's purpose of attracting and retaining certain executive employees has been enhanced by allowing a System Management Participant the opportunity to defer receipt of all or a portion of his Executive Plan Benefits.

2. Section 2.04 of the Plan is amended by deleting the last sentence of such Section.

3. Section 2.13 of the Plan is amended in its entirety to read as follows:

2.13 "Deferred Compensation" shall mean the amount of deferred Base Salary, Incentive Compensation and Executive Plan Benefits credited to a Participant's Account, as valued at any given point in time based on the relative value of the respective Investment Funds that the Participant directs over time less administrative charges or costs, and that would be available for distribution assuming that all requirements and requisites for distribution under the Plan are satisfied.

4. Section 2.18 of the Plan is amended in its entirety to read as follows:

2.18 "EOP" and "EAP" shall mean, respectively, the 1998 Equity Ownership Plan of Entergy Corporation and Subsidiaries and the Entergy Corporation and Subsidiaries Equity Awards Plan, both as amended from time to time.

5. Section 2.19 of the Plan is amended in its entirety to read as follows:

2.19 "Executive Plan Benefits" shall mean a lump sum benefit payable to a System Management Participant from one of the following Entergy Corporation sponsored non- qualified plans, in accordance with the terms and conditions of such plans: Pension Equalization Plan of Entergy Corporation and Subsidiaries, Post-Retirement Plan of Entergy Corporation and Subsidiaries, Supplemental Retirement Plan of Entergy Corporation and Subsidiaries, System Executive Retirement Plan of Entergy Corporation and Subsidiaries, and Defined Contribution Restoration Plan of Entergy Corporation.

6. Section 2.20 of the Plan is amended in its entirety to read as follows:

2.20 "Incentive Compensation" shall mean: (a) the amount of any incentive award payable based on performance years commencing on or after January 1, 1997 that a Participant may become eligible to receive during a period of Covered Employment under the terms of the EAIP or other comparable incentive plan that the Administrator may from time to time recognize as "Incentive Compensation" for purposes of this Plan, and (b) the amount of any signing bonus or additional types or forms of compensation payable on or after January 1, 1997 that the Administrator or the office of the Senior Vice-President, Human Resources and Administration, in its or his sole discretion, approves with respect to one or more Employees, in its or his sole discretion, as "Incentive Compensation" under the terms of this Plan. The determination by the Administrator or by the office of the Senior Vice-President, Human Resources and Administration as to the inclusion or exclusion of any compensation with respect to one or more Employees as "Incentive Compensation" under the terms of this Plan shall be final and binding on all parties.

7. Section 2.21 of the Plan is amended in its entirety to read as follows:

2.21 "Investment Funds" shall mean the several T. Rowe Price investment funds from time to time available under the Savings Plan (excluding the Entergy Stock Fund and excluding TradeLink), which funds shall be used as a basis for determining the value of Deferred Compensation credited to a Participant's Account.

8. Section 2.22 of the Plan is amended in its entirety to read as follows:

2.22 "Participant" shall mean any Employee who (a) is eligible to defer Base Salary, Incentive Compensation or Executive Plan Benefits pursuant to Section 3.01 and
(b) elects to do so. Any employee who is eligible to defer Base Salary, Incentive Compensation or Executive Plan Benefits under this Plan and has Deferred Compensation allocated to his Account hereunder shall remain a Participant through the date on which all such sums are distributed pursuant to Section 4.10, 4.11,
4.12 or 4.13, as applicable. Such Employee's status as a Participant through the date of any such distribution does not convey any continued right to defer additional sums hereunder nor to make any further investment directions with respect to book-entry amounts held in his Account except in accordance with rules and procedures established by the Administrator.

9. New Plan Sections 2.29 and 2.30 are added to Article II to read as follows:

2.29 "System Management Level" shall mean the applicable management level set forth below:

(a) System Management Level 1 (Chief Executive Officer and Chairman of the Board of Entergy Corporation);

(b) System Management Level 2 (Presidents and Executive Vice Presidents within the System);

(c) System Management Level 3 (Senior Vice Presidents within the System); and

(d) System Management Level 4 (Vice Presidents within the System).

2.30 "System Management Participant" shall mean a Participant who is currently, or was immediately prior to the commencement of a Change in Control Period, at one of the System Management Levels set forth in Section 2.29. Notwithstanding the foregoing, a former System Management Participant who has otherwise satisfied Section 4.05(c) shall be treated as a System Management Participant solely for purposes of being eligible to make Successive Deferral Elections in accordance with Section 4.05.

10. Former Section 2.29 is renumbered Section 2.31 and amended in its entirety to read as follows:

2.31 "Valuation Date" shall mean the valuation date relating to the date on which the Participant is scheduled to have Deferred Compensation distributed to him in accordance with Section 4.10, 4.11, 4.12 or 4.13, files or makes a change in investment direction, or transfers from one System employer to another, as applicable to the particular circumstances requiring the valuation of the Deferred Compensation allocated to the Participant's Account. For purposes of periodic reporting and disclosure to Participants as to the relative value of their Account, the "Valuation Date" shall be the last business day immediately preceding the Participant's inquiry or such other date as the Administrator may determine and disclose in any such report or disclosure.

11. Article IV of the Plan is amended and restated in its entirety, to read as follows:

ARTICLE IV

DEFERRAL ELECTIONS

4.01 Deferral of Base Salary.

(a) Subject to the applicable deferral election requirements set forth in Sections 4.04, 4.05 and 4.06, and such other rules, regulations and procedures as may be established by the Administrator from time to time, a Participant may elect to defer (in one percent increments) any percentage of his Base Salary (but not less than five percent of his Base Salary nor amounts in excess of his Available Base Salary).

Such initial Base Salary deferral election must be made prior to the beginning of the first complete payroll period with respect to which such Base Salary is payable and in such form as the Administrator (or its delegate) may require. Any such election shall remain in effect with respect to future Base Salary amounts through the earlier of
(1) the Participant's termination of employment or loss of Participant status under Section 3.02(a) above, whichever is earlier, or (2) the effective date for any election made by the Participant with respect to future Base Salary amounts subsequent to such initial election. Any such election shall be given prospective effect only and shall not adversely affect any Deferred Compensation deferred or credited to the Participant's Account based on any prior deferral election.

(b) A new deferral election shall not affect the investment direction of any Deferred Compensation then or thereafter credited to the Participant's Account unless the Participant makes a new investment direction election under Section
4.08. Once in effect, the amounts deferred by the Participant hereunder shall be credited to his Account on a book-entry basis as soon as practicable following the date of each deferred installment of Base Salary.

4.02 Deferral of Incentive Compensation.

(a) Subject to the deferral election requirements set forth in Sections 4.04, 4.05 and 4.06, and such other rules, regulations, and procedures as established by the Administrator from time to time, a Participant may elect to defer (in ten percent increments) any percentage of his Incentive Compensation, but in no event can the Participant defer less than ten percent of his Incentive Compensation. In addition, only with respect to Incentive Compensation payable under the terms of the EAIP or other comparable incentive plan that the Administrator may from time to time recognize as "Incentive Compensation" for purposes of this Plan, a Participant in no event may defer more than the amount of such Incentive Compensation attributable to the same performance year that is deferred by the Participant under the terms of the Equity Awards program of the EOP or EAP, as applicable.

With respect only to Incentive Compensation payable under the terms of the EAIP or other comparable incentive plan that the Administrator may from time to time recognize as "Incentive Compensation" for purposes of this Plan, an initial Incentive Compensation deferral election must be made prior to the beginning of performance year with respect to which such Incentive Compensation relates and in such form as the Administrator (or its delegate) may require. With respect to all other Incentive Compensation, an initial Incentive Compensation deferral election must be made in all cases at least prior to the commencement of the first payroll period with respect to which such Incentive Compensation is earned and, to the extent possible, six (6) months preceding the scheduled payment date of such Incentive Compensation. Any such election shall apply only to Incentive Compensation payable with respect to a single performance year and shall not have any continuing deferral effect or application as to Incentive Compensation payable for any future performance years. That is, a separate Incentive Compensation deferral election must be made with respect to the Incentive Compensation payable for each performance year.

(b) A new deferral election shall not affect the investment direction of any Deferred Compensation then or thereafter credited to the Participant's Account unless the Participant makes a new investment direction election under Section 4.08. Once in effect, the amounts deferred by the Participant hereunder shall be credited to is Account on a book-entry basis as soon as practicable following the date of each deferred installment of Incentive Compensation.

4.03 Deferral of Executive Plan Benefits.

Subject to the deferral election requirements set forth in Sections 4.04, 4.05 and 4.06, and such other rules, regulations, and procedures as established by the Administrator from time to time, a System Management Participant may elect to convert the entire amount of his Executive Plan Benefits to an equivalent credited balance under this Plan. Any election to convert Executive Plan Benefits into this Plan must include the entire value of such Executive Plan Benefits. A System Management Participant may then elect to defer (in ten percent increments) under this Plan any percentage of his converted Executive Plan Benefits, but in no event can the System Management Participant defer less than ten percent of his converted Executive Plan Benefits.

For purposes of this Plan, an initial Executive Plan Benefits conversion and deferral election must be made at least 6 months prior to: (a) retirement in accordance with the terms and conditions of the Entergy Corporation-sponsored qualified defined benefit plan in which the System Management Participant participates ("Retirement"); (b) Retirement following the System Management Participant's long term disability under the Entergy Corporation-sponsored long-term disability plan in which the System Management Participant participates ("Long-Term Disability"); or (c) the earliest distribution date of Executive Plan Benefits following a "Qualifying Event" (as defined in the System Executive Continuity Plan of Entergy Corporation and Subsidiaries) and in such form as the Administrator (or its delegate) may require.

4.04 Deferral Receipt Date for System Management Participants.

Receipt of Deferred Compensation may be deferred to such date or dates as a System Management Participant shall specify in a deferral election (each, a "Deferral Receipt Date"), provided that:

(a) A Deferral Receipt Date shall be not less than two
(2) years following the date on which the Deferred Compensation would otherwise be paid to the System Management Participant; and

(b) the Deferral Receipt Date shall in no event be later than the date on which the System Management Participant terminates employment unless such System Management Participant terminates employment with a System Company due to Retirement, Long-Term Disability, or a Qualifying Event, in which case deferral can be postponed beyond termination of employment, but in no event later than death.

4.05 Deferral Election Procedure for System Management Participants. Each deferral election shall be effective upon its execution and delivery to the Administrator (or its delegate), provided such delivery is made in accordance with the time or times specified in this Article IV. Once made, a deferral election may not be revoked or modified. However, further irrevocable elections to defer receipt of previously Deferred Compensation (each, a "Successive Deferral Election") to a subsequent Deferral Receipt Date may be made in writing by a System Management Participant by execution and delivery of an appropriate written election to the Administrator (or its delegate), provided always that:

(a) No Successive Deferral Election may be made if the existing Deferral Receipt Date is less than six months from the date of delivery to the

Administrator (or its delegate) of such election;

(b) A subsequent Deferral Receipt Date shall be not less than two (2) years following the date at which the System Management Participant makes a Subsequent Deferral Election under this section; and

(c) No Successive Deferral Election may be made following the System Management Participant's termination of employment unless such System Management Participant terminates employment with a System Company due to Retirement, Long-Term Disability, or a Qualifying Event, in which case deferral can be postponed beyond termination of employment, but in no event later than death.

4.06 Deferral Election Procedure for All Participants. With

respect to all Participants, the Administrator shall have the sole and exclusive authority and discretion to establish rules, regulations and procedures for the execution and delivery of any deferral election (including any Successive Deferral Election by a System Management Participant) and may condition such elections in any manner that such Administrator deems necessary, appropriate or desirable including, without limitation, the complete authority and discretion to delay the effective date of any deferral election (including any Successive Deferral Election by a System Management Participant) or to reject any such deferral election (including any Successive Deferral Election by a System Management Participant) as the Administrator deems necessary, appropriate or desirable in order to maintain the orderly and accurate administration of the Plan. If the effective date of the deferral election (including any Successive Deferral Election by a System Management Participant) is delayed pursuant to such authority, the Administrator shall notify the Participant of such delay and advise the Participant of the anticipated effective date of such election.

4.07 Accounts. The amount of any deferrals elected by the Participant pursuant to Sections 4.01, 4.02 and 4.03, respectively, shall be credited to the Account established and maintained for such Participant. Such Account of the Participant shall be the record of cumulative Deferred Compensation attributable to his deferrals under the Plan, solely for accounting purposes and, as provided in Section 5.01, shall not require a segregation of any System Company assets.

4.08 Deemed Investment Direction of Participants. Subject to such limitations as may from time to time be required by law, imposed by the Administrator, or contained elsewhere in the Plan and subject to such operating rules and procedure as may be imposed from time to time by the Administrator, prior to and effective for each Designation Date, each Participant may communicate to the Administrator, or any person to whom the Administrator has delegated such Administrative duties, a direction as to how his Account should be deemed to be invested among the Investment Funds as such are from time to time available under the Savings Plan. Such direction shall designate the percentage (in any whole percent multiples) of each portion of the Participant's Account that is requested to be deemed to be invested in the respective Investment Funds on a book-entry basis only and shall be subject to such rules and procedures for direction of investments under the Savings Plan, as modified by the Administrator with respect to the Plan. Unless and until the Employer elects, in its discretion, or is required to fund the obligations of the Employer reflected by the Deferred Compensation pursuant to Article V, no actual investments in the several Investment Funds shall be made hereunder, and the Participants shall have no right, claim or demand with respect to any such Investment Funds based on the deemed investment of Deferred Compensation.

4.09 Allocation of Deemed Earnings or Losses on Accounts. Pursuant to Section 4.08, each Participant shall have the right to direct the Administrator as to how the Deferred Compensation credited to his Account shall be deemed invested. The Administrator shall maintain records that track or replicate the performance of such deemed investments in the respective Investment Funds consistent with the Participant's directions. The Participant's account will be credited with the increase or decrease in the realizable net asset value of the designated deemed

investments. As of each Valuation Date, an amount equal to the net increase or decrease in realizable net asset value of each Investment Fund since the preceding Valuation Date shall be credited among the respective Participants' Accounts deemed to be invested in that Investment Fund in accordance with the ratio that the portion of the Deferred Compensation Fund bears to the aggregate of all amounts deemed to be invested within that same Investment Fund. For instance, if the net asset value per unit held in the Investment Fund increased by 2%, the Participant's Account shall be credited with 2% per unit deemed held by the Participant's Account in such Investment Fund pursuant to his investment directions.

4.10 Hardship Distributions. At any time a Participant may apply to the Administrator for a special distribution of all or any part of his Account valued as of the date of his application on account of an immediate and heavy financial need arising from one or more of the following, or similar, events:

(a) uninsured medical costs resulting from and accident, injury or illness to the Participant and/or members of his immediate family;

(b) to prevent the foreclosure or eviction from the Participant's primary residence;

(c) funeral expenses for an immediate family member of the Participant;

(d) substantial casualty losses; or

(e) any other emergency conditions in the Participant's financial affairs.

The office of the Senior Vice-President, Human Resources and Administration for Entergy Services, Inc., on behalf of the Administrator, shall consider the circumstances of each such case and the best interest of the Participant and his family and shall have the right, in its sole discretion, if applicable, to allow such a special distribution, or if applicable, to direct a distribution of part of the amount requested or to refuse to allow any distribution. Upon determination that such a special distribution shall be granted, the Participant's employer shall make the appropriate distribution to the Participant from its general assets in respect of the Participant's Account and the Administrator shall accordingly reduce or adjust the amount of Deferred Compensation credited to the Participant's Account. In no event shall the aggregate amount of the special distribution exceed the full value of the Participant's Account. For purposes of this Section, the value of the Participant's Account shall be determined as of the date of the Participant's application for the special distribution. If the amount of the requested distribution equals or exceeds the full value of the Deferred Compensation credited to the Participant's Account on such Valuation Date and a special distribution is subsequently made hereunder, the Account shall not thereafter be credited with further earnings or losses with respect to the distributed amounts pursuant to Section 4.09.

4.11 Accelerated Distribution to System Management Participant Subject to Penalty. Notwithstanding the existence in force, with respect to a System Management Participant, of one or more irrevocable deferral elections or Successive Deferral Elections, such System Management Participant may require the immediate payment to System Management Participant of any part of System Management Participant's Deferred Compensation Account, less any amounts withheld to satisfy federal and state income tax withholding obligations, and subject to a penalty on such accelerated Deferred Compensation (prior to withholding for taxes) of ten percent (10%). Such penalty amount shall for all purposes be deemed canceled and not paid to the System Management Participant

4.12 Acceleration Upon Taxation. Notwithstanding the existence in force, with respect to a Participant, of one or more irrevocable deferral elections or Successive Deferral Elections (in the case of a System Management Participant), if the Internal Revenue Service (or any corresponding state income tax authority) prevails in a claim by it that such Participant's Deferred Compensation Account constitutes taxable income to the Participant or his beneficiary for any taxable year prior to the taxable year in which such Deferred Compensation is scheduled to be distributed to the Participant, such Participant may require the immediate payment to the Participant of such amount of Participant's Deferred Compensation Account as is held to be currently taxable, less any amounts withheld to satisfy federal and state income tax withholding obligations. For purposes of this Section 4.12, the Internal Revenue Service or corresponding state income tax authority shall be deemed to have prevailed in a claim if such claim is upheld by a court of final jurisdiction, or if the Employer, or the Participant or beneficiary, based upon an opinion of legal counsel satisfactory to the Employer and the Participant or his beneficiary, fails to appeal a decision of the Internal Revenue Service or corresponding state income tax authority, or a court of applicable jurisdiction with respect to such claim, to an appropriate appeals authority or to a court of higher jurisdiction, within the appropriate time period.

4.13 Payment of Deferred Compensation.

(a) System Management Participants. Except to the extent that such amounts are distributed in a special hardship distribution pursuant to Section 4.10, distributed in an accelerated distribution subject to penalty pursuant to Section 4.11, or distributed due to current taxation pursuant to Section 4.12, a System Management Participant who has Deferred Compensation credited to his Account shall be entitled to receive a cash distribution from the Employer as soon as reasonably practicable following the Participant's Deferral Receipt Date with respect to a Deferred Compensation amount. Such distribution shall be an amount equal to the value of the Deferred Compensation that is payable on such Deferral Receipt Date, less any amounts withheld to satisfy federal and state income tax withholding obligations.

(b) All Other Participants. Except to the extent that such amounts are distributed in a special hardship distribution pursuant to Section 4.10 or distributed due to current taxation pursuant to
Section 4.12, a Participant who is not a System Management Participant and who has Deferred Compensation credited to his Account shall be entitled to receive a cash distribution from the Employer within thirty days of his retirement or termination of employment with Entergy and all of its affiliates, or as reasonably practicable thereafter, as the Administrator shall determine. Such distribution shall be an amount equal to the value of the Deferred Compensation credited to his Account as of the effective date of the Participant's retirement or termination from service, less any amounts withheld to satisfy federal and state income tax withholding obligations.

4.14 Acceleration Upon Death. Notwithstanding an irrevocable deferral election (including any Successive Deferral Election by a System Management Participant), if a Participant dies, all of a System Management Participant's outstanding Deferral Receipt Dates shall be accelerated, and the entirety of Participant's Deferred Compensation Account as of the time of his death (net of any amounts required to be withheld for federal and state income tax) shall be paid in accordance with the terms of this Plan to any Beneficiary.

4.15 Non-Transferability. Deferred Compensation granted under the Plan, and any rights and privileges pertaining thereto, may not be transferred, assigned, pledged or hypothecated in any manner, by operation of law or otherwise, other than by will or by the laws of descent and distribution, and shall not be subject to execution, attachment or similar process.

12. Section 7.02(c) of the Plan is amended and restated as follows:

(c) Unless agreed to in writing and signed by the affected Participant and by the Plan Administrator, no provision of this Plan may be modified, waived or discharged before the earlier of: (i) the expiration of the two-year period commencing on the date of a Potential Change in Control, or (ii) the date on which the Change in Control event contemplated by the Potential Change in Control is terminated.

IN WITNESS WHEREOF, the Personnel Committee has caused this First Amendment to the Executive Deferred Compensation Plan of Entergy Corporation and Subsidiaries to be executed by its duly authorized representative on the day, month, and year above set forth.

PERSONNEL COMMITTEE
through the undersigned duly authorized
representative

WILLIAM E. MADISON
Senior Vice-President,
Human Resources and Administration
for Entergy Services, Inc.

Exhibit 10(a)77

ENTERGY CORPORATION AND SUBSIDIARIES

EQUITY AWARDS PLAN

ARTICLE I

PURPOSE

1.01 Purpose. The purpose of this Entergy Corporation and Subsidiaries Equity Awards Plan (the "Plan") is to provide eligible key employees with an opportunity to acquire shares of Common Stock (as defined in Section 2.03 below), to more closely tie the interests of such key employees to those of Entergy shareholders and to provide incentive to key employees through the use of equity incentives.

1.02 Scope and Duration

(a) Awards under the Plan may be granted in the following forms:

(1) Options ("Options") as described in Article V and related equity maintenance rights as described in Article V;

(2) Shares of Common Stock of Entergy which are restricted as provided in Article VI ("Restricted Shares");

(3) Shares of Common Stock of Entergy which are subject to attainment of certain Performance Goals during a Performance Period as provided in Article VII ("Performance Shares"); and

(4) Equity Awards and related benefits as described in Article VIII ("Equity Awards").

(b) Subject to Section 10.01, the maximum aggregate of 30 million (30,000,000) shares of Common Stock shall be available for delivery pursuant to Awards (as defined in Section 2.01) of Options, Restricted Shares, Performance Shares, Equity Awards or Additional Equity Awards granted from time to time under the Plan. Shares of Common Stock delivered under this Plan shall be authorized but unissued shares or open market shares of Entergy. Shares of Common Stock purchased on the open market shall be purchased and held, in such manner, as from time to time determined by the Committee, so that such shares are not returned to the status of authorized but unissued shares of Entergy but are available for Awards under the Plan. Shares of Common Stock covered by Awards which are not earned, or which are forfeited or terminated for any reason, and Options which expire unexercised or which are exchanged for other Awards, shall again be available for subsequent Awards under the Plan. Shares received in connection with the exercise of Options by delivery of other shares of Common Stock, and shares related to that portion of an Award utilized for the payment of withholding taxes shall again be available for Awards under the Plan. Shares of Common Stock which are surrendered by reason of forfeiture, or which are received in connection with the exercise of Options by delivery of other shares of Common Stock, shall be held by such person or persons (including, but not limited to, Entergy, any Subsidiary, or any employee or agent thereof, or any agent of the Plan), and in such manner, as from time to time shall be directed by the Committee, so that such shares are not returned to the status of authorized but unissued shares of Entergy, but are available for subsequent Awards under the Plan. Except to the extent used for the payment of withholding taxes, cash dividends or cash dividend equivalents, any Award, or portion thereof, which is settled in cash shall be applied against the maximum allocation of shares. Shares of Common Stock that are delivered to a Participant under the Plan as a result of the reinvestment of cash dividends or dividend equivalents in conjunction with Awards shall be applied against the maximum allocation of shares.

ARTICLE II

DEFINITIONS

The following words and phrases shall have the respective meanings under the Plan as hereinafter set forth unless the context clearly requires a different meaning:

2.01 "Award" shall mean the beneficial interest in or right to any Option, Restricted Shares, Performance Shares or Equity Awards granted from time to time under the Plan by the Committee subject to such restrictions, terms and conditions as the Committee may determine.

2.02 "Board" shall mean the Board of Directors of Entergy Corporation.

2.03 "Cause" shall mean:

(a) willful and continuing failure by System Management Participant to substantially perform System Management Participant's duties (other than such failure resulting from the System Management Participant's incapacity due to physical or mental illness or any such actual or

anticipated failure after the issuance of a Notice of Termination for Good Reason by the System Management Participant) that has not been cured within 30 days after a written demand for substantial performance is delivered to the System Management Participant by the board of directors of the Employer, which demand specifically identifies the manner in which the board believes that the System Management Participant has not substantially performed the System Management Participant's duties; or

(b) the willful engaging by the System Management Participant in conduct which is demonstrably and materially injurious to any System Company, monetarily or otherwise; or

(c) conviction of or entrance of a plea of guilty or nolo contendere to a felony or other crime which has or may have a material adverse affect on System Management Participant's ability to carry out System Management Participant's duties or upon the reputation of any System Company; or

(d) a material violation by System Management Participant of any agreement System Management Participant has with a System Company; or

(e) unauthorized disclosure by System Management Participant of the confidences of any System Company.

For purposes of clauses (a) and (b) of this definition, no act, or failure to act, on System Management Participant's part shall be deemed "willful" unless done, or omitted to be done, by System Management Participant not in good faith and without reasonable belief that System Management Participant's act, or failure to act, was in the best interest of Employer.

2.04 "Change in Control" shall mean:

(a) the purchase or other acquisition by any person, entity or group of persons, acting in concert within the meaning of Sections 13(d) or 14(d) of the Securities Exchange Act of 1934 ("Act"), or any comparable successor provisions, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Act) of 25 percent or more of either the shares of common stock outstanding immediately following such acquisition or the combined voting power of Entergy Corporation's voting securities entitled to vote generally and outstanding immediately following such acquisition, other than any such purchase or acquisition in connection with a Non-CIC Merger (defined in subsection (b) below);

(b) the consummation of a merger or consolidation of Entergy Corporation, or any direct or indirect subsidiary of Entergy Corporation with any other corporation, other than a Non-CIC Merger, which shall mean a merger or consolidation immediately following which the individuals who comprise the Board immediately prior thereto constitute at least a majority of the Board, or the board of directors of the entity surviving such merger or consolidation, or the board of directors of any parent thereof (unless the failure of such individuals to comprise at least such a majority is unrelated to such merger or consolidation);

(c) the stockholders of Entergy Corporation approve a plan of complete liquidation or dissolution of Entergy Corporation or there is consummated an agreement for the sale or disposition by Entergy Corporation of all or substantially all of Entergy Corporation's assets; or

(d) any change in the composition of the Board such that during any period of two consecutive years, individuals who at the beginning of such period constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of Entergy Corporation) whose appointment or election by the Board or nomination for election by Entergy Corporation's stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on January 1, 2000 or whose appointment, election or nomination for election was previously so approved or recommended, cease for any reason to constitute at least a majority thereof.

Provided, however, that no Change in Control shall be deemed to occur solely by virtue of (1) the insolvency or bankruptcy of Entergy Corporation; or (2) the transfer of assets of Entergy Corporation to an affiliate of Entergy Corporation, provided such affiliate assumes the obligations of the Plan and agrees to continue uninterrupted the rights of the System Management Participants under the Plan; or (3) the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of Entergy Corporation immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of Entergy Corporation immediately following such transaction or series of transactions.

2.05 "Change in Control Period" shall mean the period commencing ninety (90) days prior to and ending twenty-four (24) calendar months following a Change in Control.

2.06 "Code" shall mean the Internal Revenue Code of 1986, as amended. Reference in the Plan to any section of the Code shall be deemed to include any amendment or successor provisions to such section and any regulation under such section.

2.07 "Committee" shall mean the Committee provided for in Section
3.01. Notwithstanding the foregoing, from and after the date immediately preceding the commencement of a Change in Control Period "Committee" shall mean (a) the individuals (not fewer than two in number) who, on the date six months before the commencement of the

Change in Control Period, constitute the Committee under Section 3.01, plus (b) in the event that fewer than two individuals are available from the group specified in clause (a) above for any reason, such individuals as may be appointed by the individual or individuals so available (including for this purpose any individual or individuals previously so appointed under this clause (b)).

2.08 "Common Stock" shall mean shares of common stock of Entergy Corporation and the common stock of any successor corporation by merger or reorganization.

2.09 "Covered Employee" shall mean an Employee who is a "covered employee" as defined in Section 162(m)(3) of the Code, and the regulations promulgated thereunder, or who the Committee believes will be such a covered employee for a Plan Year, and who the Committee believes will have remuneration in excess of $1,000,000 for the applicable period, as provided in Section 162(m) of the Code.

2.10 "Employee" shall mean a key employee of a System Company who is selected by the Committee, in its sole discretion, to participate in the Plan.

2.11 "Employer" shall mean, except as otherwise determined by the Committee, with respect to a given Participant and a given Award, the System Company for whom such Participant is employed at the time an Award is granted under this Plan.

2.12 "Entergy" shall mean Entergy Corporation, a Delaware corporation, and any successor of such corporation as a result of any reorganization or merger.

2.13 "Equity Award" shall mean an Award of a unit whose value is related to the value of shares of Common Stock but does not represent actual shares of Common Stock at the time such an Award is granted.

2.14 "Fair Market Value" shall mean the closing price of the Common Stock as reported on the New York Stock Exchange Composite Tape on the date the respective Award is granted or such other value as the Committee may determine represents the then current traded value of a share of Common Stock.

2.15 "Good Reason" shall mean the occurrence, without the System Management Participant's express written consent, of any of the following events during the Change in Control Period:

(a) the substantial reduction or alteration in the nature or status of the System Management Participant's duties or responsibilities from those in effect on the date immediately preceding the first day of the Change in Control Period, other than an insubstantial and inadvertent act that is remedied by the System Company employer promptly after receipt of notice thereof given by the System Management Participant and other than any such alteration primarily attributable to the fact that Entergy Corporation may no longer be a public company;

(b) a reduction of 5% or more in System Management Participant's annual rate of base salary as in effect immediately prior to commencement of a Change in Control Period, which shall be calculated exclusive of any bonuses, overtime, or other special payments, but including the amount, if any, the System Management Participant elects to defer under: (1) a cash or deferred arrangement qualified under Code Section 401(k); (2) a cafeteria plan under Code Section 125; (3) the Executive Deferred Compensation Plan of Entergy Corporation and Subsidiaries, or any successor or replacement plan; and (4) any other nonqualified deferred compensation plan, agreement, or arrangement in which the System Management Participant may hereafter participate or be a party;

(c) requiring System Management Participant to be based at a location outside of the continental United States and other than his primary work location as it existed on the date immediately preceding the first day of the Change in Control Period, except for required travel on business of any System Company to an extent substantially consistent with the System Management Participant's present business obligations;

(d) failure by System Company employer to continue in effect any compensation plan in which System Management Participant participates immediately prior to the commencement of the Change in Control Period which is material to System Management Participant's total compensation, including but not limited to compensation plans in effect, including stock option, restricted stock, stock appreciation right, incentive compensation, bonus and other plans or any substitute plans adopted prior to the Change in Control Period, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or the failure by System Company employer to continue System Management Participant's participation therein (or in such substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount or timing of payment of benefits provided and the level of the System Management Participant's participation relative to other participants, as existed immediately prior to the Change in Control; or

(e) failure by System Company employer to continue to provide System Management Participant with benefits substantially similar to those enjoyed by System Management Participant under any of the System Company's pension, savings, life insurance, medical, health and accident, or disability plans in which System Management Participant was participating immediately prior to the Change in Control Period; the taking of any other action by System Company employer which would directly or indirectly materially reduce any of such benefits or deprive System Management Participant of any material fringe benefit enjoyed by System Management Participant immediately prior to commencement of the Change in Control Period, or the failure by System Company employer to provide System Management Participant with the number of paid

vacation days to which System Management Participant is entitled on the basis of years of service with the System in accordance with the System Company's normal vacation policy in effect at the time of the Change in Control.

System Management Participant's right to terminate his employment for Good Reason shall not be affected by System Management Participant's incapacity due to physical or mental illness. System Management Participant's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason.

2.16 "Notice of Termination" shall mean a notice that shall indicate the specific termination provision in this Plan relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of System Management Participant's em ployment under the provision so indicated. Further, a Notice of Termination for Cause is required to include a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters (3/4) of the entire membership of the terminating employer's board of directors at a meeting of such board of directors which was called and held for the purpose of considering such termination (after reasonable notice to System Management Participant and an opportunity for System Management Participant, together with System Management Participant's counsel, to be heard before that board) finding that, in the good faith opinion of the board, System Management Participant was guilty of conduct set forth in the definition of Cause herein, and specifying the particulars thereof in detail.

2.17 "Options" shall mean any nonstatutory stock options granted under the Plan.

2.18 "Participant" shall mean any Employee who is granted an Award under the Plan; provided, however, that Covered Employees and Employees who are determined by the Committee to be officers, within the meaning of Rule 16(a) of the Securities Exchange Act of 1934, as amended, and Section 312.03(a) of the New York Stock Exchange Rules shall not be eligible to participate in this Plan.

2.19 "Performance Goals" shall mean the goals for a Performance Period which are established by the Committee against which performance will be measured.

2.20 "Performance Period" shall mean the period designated by the Committee during which Performance Goals must be attained.

2.21 "Performance Shares" shall mean shares of Common Stock of Entergy Corporation which are awarded subject to attainment of Performance Goals during the applicable Performance Period. Notwithstanding the foregoing, the Committee has sole discretion and is authorized to grant dollar value equivalent units in lieu of Performance Shares, in which case any reference to Common Stock of Entergy Corporation shall mean its dollar value equivalent.

2.22 "Plan" shall mean the Entergy Corporation and Subsidiaries Equity Award Plan, as from time to time amended.

2.23 "Potential Change in Control" shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

(a) Entergy Corporation or any affiliate or subsidiary company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control; or

(b) the Board adopts a resolution to the effect that, for purposes of this Plan, a Potential Change in Control has occurred; or

(c) any System Company or any person or entity publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control; or

(d) any person or entity becomes the beneficial owner (as that term is defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended from time to time), either directly or indirectly, of securities of Entergy Corporation representing 20% or more of either the then outstanding shares of common stock of Entergy Corporation or the combined voting power of Entergy Corporation's then outstanding securities (not including in the calculation of the securities beneficially owned by such person or entity any securities acquired directly from Entergy Corporation or its affiliates).

2.24 "Qualifying Event" shall mean the occurrence of one of the following within the Change in Control Period:

(a) The System Management Participant's employment is terminated by Employer other than for Cause; or

(b) The System Management Participant terminates his System employment for Good Reason.

For purposes of this Plan, the following shall not constitute Qualifying Events: (1) System Management Participant's death; or (2) System Management Participant becoming disabled under the terms of the Entergy Corporation Companies' Benefits Plus Long Term Disability ("LTD") Plan.

2.25 "Restricted Shares" shall mean shares of Common Stock of Entergy Corporation which are awarded subject to restrictions on the holder's right to sell, transfer, pledge or assign such shares and with such other restrictions as the Committee may determine in accordance with the provisions of Article VI of the Plan. Notwithstanding the foregoing, the Committee has sole discretion and is authorized to grant dollar value equivalent units in lieu of Restricted Shares, in which case any reference to Common Stock of Entergy Corporation shall mean its dollar value equivalent.

2.26 "System" shall mean Entergy Corporation and all System Companies and, except in determining whether a Change in Control has occurred, shall include any successor thereto.

2.27 "System Company" shall mean Entergy Corporation and any corporation 80% or more of whose stock (based on voting power) or value is owned, directly or indirectly, by Entergy Corporation and any partnership or trade or business which is 80% or more controlled, directly or indirectly, by Entergy Corporation, and, except in determining whether a Change in Control has occurred, shall include any successor thereto.

2.28 "System Management Level" shall mean the applicable management level set forth below:

(a) System Management Level 1 (Chief Executive Officer and Chairman of the Board of Entergy Corporation);

(b) System Management Level 2 (Presidents and Executive Vice Presidents within the System);

(c) System Management Level 3 (Senior Vice Presidents within the System); and

(d) System Management Level 4 (Vice Presidents within the System).

2.29 "System Management Participant" shall mean a Participant who, immediately prior to the commencement of a Change in Control Period, is (a) at one of the System Management Levels set forth in Section 2.28; and (b) eligible to participate in the System Executive Continuity Plan of Entergy Corporation and Subsidiaries.

ARTICLE III

ADMINISTRATION

3.01 Committee. The Plan shall be administered by the Personnel Committee or any successor thereto of the Board or such other committee as determined by the Board (the "Committee").

3.02 Powers of Committee. The Committee shall have plenary authority in its discretion, subject to and not inconsistent with the express provisions of this Plan:

(a) To grant Options, to determine the purchase price of the Common Stock covered by each Option, the term of each Option, the key employees and outside directors to whom, and the time or times at which Options shall be granted and the number of shares to be covered by each Option;

(b) To determine which Options, if any, shall be accompanied by additional equity maintenance rights as described in Section 5.02;

(c) To grant Restricted Shares and to determine the term of the Restricted Period (as defined in Article VI) and restrictions, forfeiture provisions and other conditions applicable to such Restricted Shares, the key employees and outside directors to whom, and the time or times at which, Restricted Shares shall be granted;

(d) To grant Performance Shares and to determine the Performance Goals, Performance Period and other conditions applicable to such Performance Shares, the key employees and outside directors to whom, and the time or times at which, Performance Shares shall be granted;

(e) To grant or establish Equity Award Accounts pursuant to the terms of Article VIII, to determine restrictions related to such Equity Awards and any allocations to or distributions from such Equity Award Accounts, the key employees and outside directors to whom and the time or times when participation therein shall be permitted hereunder and the number of Equity Awards to be allocated to such Equity Award Accounts for Participants;

(f) To interpret the Plan subject to the terms of Section 3.04;

(g) To prescribe, amend and rescind rules and regulations relating to the Plan subject to the terms of Section 3.04;

(h) To determine the terms and provisions of the Options, Restricted Shares, Performance Shares or Equity Award agreements (which need not be identical) and to cause the respective Employers to enter into such agreements with such Participants in connection with Awards under the

Plan; and to make all other determinations deemed necessary or advisable for the administration of the Plan.

3.03 Delegation of Duties. The Committee may delegate to one or more of its members or to one or more agents such administrative duties as it may deem advisable, and the Committee or any person to whom it has delegated duties as aforesaid may employ one or more persons to render advice with respect to any responsibility the Committee or such person may have under the Plan. The Committee may employ attorneys, consultants, accountants or other persons and the Committee, Entergy and its officers and directors shall be entitled to rely upon the advice, opinions or evaluations of any such persons.

3.04 Interpretations. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon all Participants, Entergy and all other interested persons. No member or agent of the Committee shall be personally liable for any action, determination, or interpretation made in good faith with respect to the Plan or Awards made hereunder, and all members and agents of the Committee shall be fully protected by Entergy in respect of any such action, determination or interpretation. Subject to the express provisions of the Plan, the Committee may interpret the Plan, prescribe, amend and rescind rules and regulations relating to it, determine the terms and provisions of the respective Awards and make all other determinations it deems necessary or advisable for the administration of the Plan.

3.05 Non-Uniform Determinations. The Committee's determinations under the Plan, including without limitation, determinations as to the key employees to receive Awards, the terms and provisions of such Awards and the agreement(s) evidencing the same, need not be uniform and may be made by it selectively among the key employees who receive or are eligible to receive Awards under the Plan, whether or not such key employees are similarly situated.

3.06 Reliance on Reports and Certificates. The Committee may rely conclusively upon all tables, valuations, certificates, opinions and reports furnished by an actuary, accountant, counsel or other person who may from time to time be employed or engaged for such purposes.

3.07 Claims Administration. The Committee may appoint and, in its sole discretion, remove a Claims Administrator and/or Claims Appeal Administrator to administer claims for benefits under the Plan in accordance with its terms, and, pursuant to Section 3.03, such delegees shall have all powers, authority, and discretion necessary or proper for such purpose. In the absence of such appointment, the Committee shall be the Claims Administrator and Claims Appeal Administrator.

3.08 Filing Benefit Claims. Any claim asserting entitlement to a benefit under the Plan must be asserted within ninety (90) days after the event giving rise to the claim by sending written notice of the claim to the Claims Administrator. The written notice of the claim must be accompanied by any and all documents, materials, or other evidence allegedly supporting the claim for benefits. If the claim is granted, the claimant will be so notified in writing by the Claims Administrator.

3.09 Claims of Good Reason/Cause During Change in Control Period. Solely for purposes of any determination regarding the existence of Good Reason or Cause during a Change in Control Period, any position taken by the System Management Participant shall be presumed to be correct unless Employer establishes to the Committee by clear and convincing evidence that such position is not correct.

3.10 Denial or Partial Denial of Benefit Claims. If the Claims Administrator denies a claim for benefits in whole or part, the Claims Administrator shall notify the claimant in writing of the decision within ninety (90) days after the claim has been received by the Claims Administrator. In the Claim Administrator's sole discretion, the Claims Administrator may extend the time to decide the claim for an additional ninety (90) days, by giving written notice of the need for such an extension any time prior to the expiration of the initial ninety-day period. The Claims Administrator, in its sole discretion, reserves the right to request specific information from the claimant, and reserves the right to have the claimant examined or tested by person(s) employed or compensated by the Plan. If the claim is denied or partially denied, the Claims Administrator shall provide the claimant with written notice stating:

(a) the specific reasons for the denial of the claim (including the facts upon which the denial was based) and reference to any pertinent plan provisions on which the denial is based;

(b) if applicable, a description of any additional material or information necessary for claimant to perfect the claim and an explanation of why such material or information is necessary; and

(c) an explanation of the claims review appeal procedure including the name and address of the person or Committee to whom any appeal should be directed.

3.11 Appeal of Claims That Are Denied or Partially Denied. The claimant may request review of the Claims Administrator's denial or partial denial of a claim for Plan benefits. Such request must be made in writing within 60 days after claimant has received notice of the Claims Administrator's decision and shall include with the written request for an appeal any and all documents, materials, or other evidence which claimant believes supports his or her claim for benefits. The written request for an appeal, together with all

documents, materials, or other evidence which claimant believes supports his or her claim for benefits should be addressed to the Claims Administrator, who will be responsible for submitting the appeal for review to the Claims Appeal Administrator.

3.12 The Appeal Process. The Claims Administrator will submit the appeal to the Claims Appeal Administrator for review of the denial or partial denial of the claim. Within sixty (60) days after the receipt of claimant's appeal, claimant will be notified of the final decision of the Claims Appeal Administrator, unless, in the Claims Appeal Administrator's sole discretion, circumstances require an extension of this period for up to an additional sixty (60) days. If such an extension is required, the Claims Appeal Administrator shall notify claimant of this extension in writing before the expiration of the initial sixty-day period. During the appeal, the Claims Appeal Administrator, in its sole discretion, reserves the right to request specific information from the claimant, and reserves the right to have the claimant examined or tested by person(s) employed or compensated by the Plan. The final decision of the Claims Appeal Administrator shall set forth in writing the facts and plan provisions upon which the decision is based. All decisions of the Claims Appeal Administrator are final and binding on all employees, Participants, their beneficiaries, or other claimants.

3.13 Judicial Proceedings for Benefits. No claimant may file suit in court to obtain benefits under the Plan without first completely exhausting all stages of this claims review process. In any event, no legal action seeking Plan benefits may be commenced or maintained against the Plan more than ninety (90) days after the Claims Appeal Administrator's decision on appeal.

ARTICLE IV

PARTICIPATION

4.01 Eligibility. Key employees of any System Company, who, in the opinion of the Committee, have significant responsibility for the continued growth, development and financial success of the Companies shall be eligible to be granted Awards under the Plan; provided, however, that Covered Employees and Employees who are determined by the Committee to be officers, within the meaning of Rule 16(a) of the Securities Exchange Act of 1934, as amended, and Section 312.03(a) of the New York Stock Exchange Rules shall not be eligible to participate in this Plan. Subject to the provisions of the Plan, the Committee shall from time to time select from such eligible persons those to whom Awards shall be granted and determine the amount of such Award. No Employee shall have any vested right to be granted an Award under the Plan.

4.02 Dividend Equivalents. In the discretion of the Committee, an Award made in the form of an Equity Award may provide, subject to such restrictions, terms and conditions as the Committee may establish, for (i) the crediting to the account of, or the current payment to, each Participant who has such an Award of an amount equal to cash dividends and stock dividends (collectively, "Dividends") paid by Entergy upon one share of Common Stock for each share of Common Stock subject to each Equity Award ("Dividend Equivalents"), or (ii) the deemed reinvestment of such Dividend Equivalents in the form of additional Equity Awards credited to the Participant's Equity Award Account ("Additional Equity Awards").

ARTICLE V

STOCK OPTIONS

5.01 General Provisions. The Committee may grant Options to such key employees whom the Committee determines to be eligible pursuant to the terms of Article IV. Such Options shall be in such form and upon such terms and conditions as the Committee shall from time to time determine, subject to the following:

(a) Option Price. The Option Price of each Option to purchase Common Stock shall be determined by the Committee, but shall not be less than the Fair Market Value on the date the Option is granted. For purposes of this section, the option price of an option granted under this Plan to

contemporaneously replace an option rescinded under the Equity Ownership Plan of Entergy Corporation and Subsidiaries ("EOP") shall be equal to the Fair Market Value on the date the option was originally granted under the EOP.

(b) Term of Options. No Option shall be exercisable prior to six months, or after ten years, from the date such Option is granted. Solely for purposes of determining whether the required six months have lapsed from the date of grant prior to the exercise of an option under this Article V, an option granted under this Plan to contemporaneously replace an option rescinded under the EOP shall be deemed to have been granted on the original grant date of the rescinded option.

(c) Payment of Option Price. The purchase price of the shares as to which an Option is exercised shall be paid in accordance with such terms and conditions and by such means as the Committee shall determine.

(d) Exercise of Options. Options shall be subject to such terms and conditions, shall be exercisable at such time or times, and shall be evidenced by such form of written option agreement between the Participant and the Employer, as the Committee shall determine; provided, that such determinations are not inconsistent with the other provisions of the Plan. The Committee may, in its discretion, accelerate the ability to exercise any Option in whole or in part at any time. The Committee may also permit Participants, either on a selective or aggregate basis, simultaneously to exercise Options and sell the shares of Common Stock thereby acquired pursuant to a brokerage or similar arrangement, approved in advance by the Committee, and use the proceeds from such sale as payment of the purchase price of such shares.

(e) Non-Transferability of Options. Options granted under the Plan shall not be transferable otherwise than by will or by the laws of descent and distribution, or pursuant to a qualified domestic relations order as defined by the Code, and Options and rights may be exercised during the lifetime of the Participant only by the Participant or by the Participant's guardian or legal representative. Notwithstanding the foregoing sentence, Options may be transferred to family members or charities. Any attempted assignment, transfer, pledge, hypothecation or other disposition of an option, or levy of attachment or similar process upon the Option not specifically permitted herein shall be null and void and without effect.

(f) Maximum Number of Shares. The total number of shares of Common Stock which any single Participant may be allowed to purchase pursuant to the exercise of Options granted under this Plan shall not exceed 25% of the total number of shares of Common Stock available under this Plan, subject to adjustment in the same manner as provided in Section 10.01.

5.02 Equity Maintenance. If the Participant exercises an Option during the term of his employment with a System Company and, subject to Committee approval, pays the purchase price (or any portion thereof) of the shares of Common Stock as to which such Option applies through the surrender of shares of outstanding Common Stock previously held in the Participant's name, the Committee may, in its discretion, grant to such Participant an additional Option to purchase the number of shares of Common Stock equal to the shares of Common Stock so surrendered by such Participant. Any such additional Options granted by the Committee shall be exercisable at the Fair Market Value of Common Stock determined as of the respective dates such additional Options may be granted. As stated above, such additional Options may be granted only in connection with the exercise of Options by the Participant during the term of his active employment with a System Company. The grant of such additional Options under this
Section 5.02 shall be made upon such other terms and conditions as the Committee may from time to time determine consistent with Section 5.01 above.

ARTICLE VI

RESTRICTED SHARE AWARDS

6.01 Grant of Restricted Shares. The Committee may award Restricted Shares to such key employees whom the Committee determines to be eligible pursuant to the terms of Article IV. An Award of Restricted Shares may be subject to restrictions on transfer and forfeitability provisions, all as the Committee may determine. Such Restricted Shares shall be awarded based on such other terms and conditions as the Committee shall from time to time determine subject to the provisions of the Plan; provided, however, the Participant shall be entitled to any voting rights relative to such Restricted Shares during the Restricted Period as defined below.

6.02 Award and Delivery of Restricted Shares. At the time an Award of Restricted Shares is made, the Committee shall establish a period of time (the "Restricted Period") applicable to such an Award. Each Award of Restricted Shares may have a different Restricted Period. The Committee may, in its sole discretion, at the time an Award is made, prescribe conditions for the incremental lapse of restrictions during the Restricted Period and for the lapse or termination of restrictions upon the satisfaction of other conditions in addition to or other than the expiration of the Restricted Period with respect to all or any portion of the Restricted Shares.

6.03 Dividends on Restricted Shares. Any and all cash and stock dividends paid with respect to the Restricted Shares shall be subject to any restrictions on transfer, forfeitability provisions or reinvestment requirements (including, without limitation, the reinvestment of such dividends in the form of Equity Awards) as the Committee may, in its discretion, determine.

6.04 Forfeiture. Upon the forfeiture of any Restricted Shares (including any additional Restricted Shares which may result from the

reinvestment of cash and stock dividends in accordance with such rules as the Committee may establish pursuant to Section 6.03), such forfeited shares shall be surrendered. The Participant shall have the same rights and privileges, and be subject to the same restrictions, with respect to any additional shares received pursuant to Section 10.01 due to recapitalization, mergers, or the like.

6.05 Expiration of Restricted Period. Upon the expiration or termination of the Restricted Period and the satisfaction of any other conditions prescribed by the Committee or at such earlier time as provided for in Section 6.02, the restrictions applicable to the Restricted Shares shall lapse and a stock certificate for the number of Restricted Shares with respect to which the restrictions have lapsed shall be delivered, if applicable, free of all such restrictions, except any that may be imposed by law, to the Participant or the Participant's beneficiary or estate, as the case may be.

ARTICLE VII

PERFORMANCE SHARE AWARDS

7.01 Award of Performance Shares. The Committee may award Performance Shares to such key employees whom the Committee determines to be eligible pursuant to the terms of Article IV. An Award of Performance Shares shall be subject to the attainment of specified Performance Goals during a Performance Period, both of which the Committee may determine. Performance Goals can be based on one or more business criteria that apply to the Participant, a business unit or Entergy Corporation as a whole, or any combination thereof.

7.02 Delivery of Performance Shares. Delivery of Performance Shares shall not be made until after the end of the Performance Period.

ARTICLE VIII

EQUITY AWARDS

8.01 Issuance of Equity Awards. An Equity Award may be granted to such key employees as the Committee determines pursuant to the terms of Article IV. In addition, the Committee may permit such key employees to purchase Equity Awards under such terms and conditions as the Committee, in its discretion, may determine. In the case of a purchase, the Equity Award shall be in the form of units, each of which represents one share of Common Stock, the purchase price of which shall not be less than 80% of the closing price of a share of Common Stock as reported on the New York Stock Exchange Composite Tape on the date such award is purchased. Key employees who are permitted to purchase Equity Awards shall make the election to do so at least six (6) months in advance of the purchase of the Equity Award. Equity Awards shall be allocated to a Participant's respective Equity Award Account (as defined in Section 8.03) at such time or times, in such amounts, subject to such restrictions and in accordance with such terms and conditions as the Committee, in its discretion, may determine.

8.02 Funding. In the case of Equity Awards granted under the Plan, no shares of Common Stock shall be issued at the time the Award is made, and Entergy, the Employer and Plan, or any one of them, shall not be required to set aside a fund for the payment of any such Award.

8.03 Equity Award Accounts. An Equity Award granted to a key employee shall be credited to an Equity Award Account (the "Equity Award Account") established and maintained for such Participant. The Equity Award Account of a Participant shall be the record of Equity Awards granted to him under the Plan, solely for accounting purposes and, as provided in Section 8.02 above, shall not require a segregation of any Entergy or Subsidiary assets.

8.04 Maturity of Equity Awards. All Equity Awards granted to a Participant (including all Additional Equity Awards as defined in Section 4.02 related to such Equity Awards) shall become fully matured at time or times or under such circumstances as the Committee shall from time to time determine.

8.05 Payment of Equity Awards. A Participant who has received an Equity Award allocated to his Equity Award Account shall be entitled to receive a distribution from the Employer with respect to each then mature Equity Award allocated to his Equity Award Account at such time or times, and in such form, which may include shares, cash or a combination thereof, as the Committee shall determine.

8.06 Non-Transferability. Equity Awards granted under the Plan, and any rights and privileges pertaining thereto, may not be transferred, assigned, pledged or hypothecated in any manner, by operation of law or otherwise, other than by will or by the laws of descent and distribution, and shall not be subject to execution, attachment or similar process.

ARTICLE IX

TERMINATION OR AMENDMENT OF THE PLAN

9.01 Termination and Amendment. Subject to Section 11.03, the Committee may suspend, terminate, modify or amend the Plan at any time. If the Plan is terminated, the terms of the Plan shall, notwithstanding such termination, continue to apply to Awards granted prior to such termination.

ARTICLE X

GENERAL PROVISIONS

10.01 Adjustments Upon Changes in Capitalization. Notwithstanding any other provision of the Plan, the Committee may, at any time, make or provide for such adjustments to the Plan, to the number and class of shares available thereunder or to any outstanding Options, Restricted Shares, Performance Shares or Equity Awards as it shall deem appropriate to prevent dilution or enlargement of rights, including adjustments in the event of distributions to holders of Common Stock other than a normal cash dividend, changes in the outstanding Common Stock by reason of stock dividends, stock splits, recapitalizations, mergers, consolidations, combinations or exchanges of shares, separations, reorganizations, liquidations and the like. Any such determination by the Committee shall be conclusive.

10.02 Fractional Shares. The Employer shall not be required to deliver any fractional share of Common Stock but may pay, in lieu thereof, the Fair Market Value of such fractional share to the Participant or the Participant's beneficiary or estate, as the case may be. For purposes of this Section 10.02, the Fair Market Value shall be determined as of the following dates: (a) the date on which restrictions lapse for Restricted Shares, (b) the date of delivery of Performance Shares (c) the maturity date for Equity Awards, or (d) in any case, such other date as the Committee may determine.

10.03 Tax Withholdings. Subject to such terms and conditions as may be established by the Committee, the Participant shall pay to Entergy any amount necessary to satisfy applicable federal, state or local tax withholding requirements attributable to an Award of Options, Restricted Shares, Performance Shares or Equity Awards under this Plan promptly upon notification of the amounts due. The Committee may permit such amount to be paid by the Participants to be withheld from the shares of Common Stock that otherwise would be distributed to such Participant upon the exercise of an Option, the lapse of restrictions applicable to Restricted Shares, the payment of Performance Shares or the maturity of Equity Awards, as applicable, or a combination of cash and shares of such Common Stock.

10.04 Legal and Other Requirements. The obligation of Entergy or its Subsidiaries to sell and deliver Common Stock under the Plan shall be subject to all applicable laws, regulations, rules and approvals, including, but not by way of limitation, the effectiveness of a registration statement under the Securities Act of 1933 if deemed necessary or appropriate by Entergy. Certificates for shares of Common Stock issued hereunder may be legended as the Committee shall deem appropriate.

10.05 Effective Date. The Plan shall become effective as of June 1, 2000.

10.06 Written Agreements. Each Award of Options, Restricted Shares, Performance Shares or Equity Awards shall be evidenced by a written agreement which shall contain such restrictions, terms and conditions as the Committee may require. Notwithstanding anything to the contrary contained in the Plan, neither Entergy nor its Subsidiaries bear any obligation to grant any Awards under the Plan to any Participant hereunder unless such Participant shall execute all appropriate agreements with respect to such Awards in such form as the Committee may determine from time to time.

10.07 Effect on Other Plans. Awards may be granted singly, in combination or in tandem (except where prohibited by applicable law) and may be made in combination or tandem with or as alternatives to, awards or grants under any other employee plan maintained by Entergy or its Subsidiaries; provided that the adoption of the Plan shall have no effect on awards made or to be made pursuant to other stock plans covering the employees of a System Company or its successors thereto. Awards under the Plan shall not constitute earnings for purposes of any pension plan covering employees of a System Company except as otherwise expressly provided in any such pension plan.

10.08 Right to Terminate Employment. Nothing in the Plan or any agreement entered into pursuant to the Plan shall confer upon any key employee the right to continue in the employment of Entergy or any Subsidiary or affect any right which Entergy or any Subsidiary may have to terminate the employment of such key employee.

10.09 Notices. Every direction, revocation or notice authorized or required by the Plan shall be deemed delivered to Entergy on the date it is personally delivered to the Secretary of Entergy at its principal executive offices or three business days after it is sent by registered or certified mail, postage prepaid, addressed to the Secretary at such offices, and shall be deemed delivered to a Participant on the date it is personally delivered to him or three business days after it is sent by registered or certificate mail, postage prepaid, addressed to him at the last address shown for him on the records of Entergy and its Subsidiaries.

10.10 Applicable Law. All questions pertaining to the validity, construction and administration of the Plan and rights and benefits granted hereunder shall be determined in conformity with the laws of the State of Louisiana, to the extent not preempted or controlled by the laws of the United States and regulations thereunder.

ARTICLE XI

CHANGE IN CONTROL

11.01 Accelerated Vesting of Performance Shares. Notwithstanding anything stated herein to the contrary, but subject to the forfeiture provisions of this Section 11.02 and any federal securities law restrictions on sale and exercise, if during a Change in Control Period there should occur a Qualifying Event with respect to a System Management Participant, the number of Performance Shares and Performance Share units, as applicable, the System Management Participant shall be entitled to receive under the Plan with respect to any Performance Period that precedes or includes the day on which the Change in Control Period commences shall be determined as if the System Management Participant satisfied the remaining performance requirements at System Management Participant's target level with respect to such Performance Period(s). However, any Performance Shares and Performance Share units, as applicable, that were not fully vested prior to the date of such Qualifying Event shall continue to be subject to forfeiture upon the occurrence of any of the following:

(a) Without System Company employer permission, System Management Participant removes, copies, or fails to return if he or she has already removed, any property belonging to one or all of the System Companies, including, but not limited to, the original or any copies of any records, computer files or disks, reports, notes, documents, files, audio or video tapes, papers of any kind, or equipment provided by any one or all of the System Companies or created using property of or for the benefit of one or all of the System Companies.

(b) During System Management Participant's employment and for 2 years thereafter, other than as authorized by a System Company or as required by law or as necessary for the System Management Participant to perform his duties for a System Company employer, System Management Participant shall disclose to any person or entity any non-public data or information concerning any System Company, in which case System Management Participant shall be required to repay any Plan benefits previously received by him. Disclosure of information pursuant to subpoena, judicial process, or request of a governmental authority shall not be deemed a violation of this provision, provided that System Management Participant gives the System Company immediate notice of any such subpoena or request and fully cooperates with any action by System Company to object to, quash, or limit such request; or

(c) System Management Participant engages in any employment (without the prior written consent of his last System employer) either individually or with any person, corporation, governmental agency or body, or other entity in competition with, or similar in nature to, any business conducted by any System Company at any time within the Applicable Period (defined below) and commencing upon termination of employment, where such competing employer is located in, or servicing in any way customers located in, those parishes and counties in which any System Company services customers during such Applicable Period, in which case System Management Participant shall be required to repay any Plan benefits previously received by him. For purposes of this Section, Applicable Period shall mean:

(1) two (2) years for System Management Participants at System Management Levels 1 and 2 at the commencement of the Change in Control Period, provided, however, that the two-year Applicable Period shall be extended to three (3) years if otherwise permissible under applicable law;

(2) two (2) years for System Management Participants at System Management Level 3 at the commencement of the Change in Control Period; and

(3) one (1) year for System Management Participants at System Management Level 4 at the commencement of the Change in Control Period.

However, if the stated Applicable Periods described herein shall be impermissible under applicable law, then the Applicable Period for purposes of this Plan shall be the maximum time period allowed under applicable law for a covenant not to compete.

11.02 Commencement Date of Awards. Notwithstanding anything stated herein to the contrary, but subject to the forfeiture provisions of Section 11.01 and any federal securities law restrictions on sale and exercise, if during a Change in Control Period there should occur a Qualifying Event with respect to a System Management Participant:

(a) all restrictions shall be lifted on any Options, Restricted Shares, and Restricted Share units, as applicable, granted to a System Management Participant under the Plan prior to the occurrence of such Qualifying Event; and

(b) the System Management Participant may elect to receive all Awards payable to him under the Plan on the first day of any month following the System Management Participant's termination.

11.03 No Benefit Reduction. Notwithstanding anything stated above to the contrary, an amendment to, or termination of, the Plan following a Change in Control shall not reduce the Awards granted under this Plan through the date of any such amendment or termination. In no event shall a System Management Participant's Awards under this Plan following a Change in Control be less than such System Management Participant's Awards under this Plan immediately prior to the Change in Control Period, subject, however, to the forfeiture provisions referenced in Section 11.01 as in existence on the date immediately preceding the commencement date of the Change in Control Period. In addition, no provision of this Plan may be modified, waived, or discharged during the two-year period commencing on the date of a Potential Change in Control, unless such modification, waiver, or discharge is agreed to in writing and signed by the affected System Management Participant and by the Committee.

11.04 Source of Payments. Within thirty (30) days following the date of a Change in Control, each System Company shall make a single irrevocable lump sum contribution to the Trust for Deferred Payments of Entergy Corporation and Subsidiaries ("Trust") pursuant to the terms and conditions described in such Trust. Each System Company's contribution shall be in an amount equal to the total Awards granted to such System Company's Plan System Management Participants under the Plan through the date of any such Change in Control. If one or more of a System Company's System Management Participants shall continue to be employed by a System Company after such a Change in Control, each calendar year the System Company shall, as soon as possible, but in no event longer than thirty (30) days following the end of such calendar year, make an irrevocable contribution to the Trust in an amount that is necessary in order to maintain a lump sum amount credited to the System Company's Plan account under the Trust that is equal to the total unpaid Awards granted to such System Company's System Management Participants as of the end of each applicable calendar year. Notwithstanding the foregoing in this Section to the contrary, a System Company may make contributions to the Trust prior to a Change in Control in such amounts as it shall determine in its complete discretion. The Trust is intended as a "grantor" trust under the Internal Revenue Code and the establishment and funding of such Trust is not intended to cause System Management Participants to realize current income on amounts contributed thereto, and the Trust shall be so interpreted.

IN WITNESS WHEREOF, the Entergy Corporation has caused this Plan document to be executed by its duly authorized representative, effective as of the 31st day of August, 2000.

ENTERGY CORPORATION
through the undersigned duly
authorized representative

C. GARY CLARY
Senior Vice-President,
Human Resources and Administration
for Entergy Services, Inc.

Exhibit 10(a)78

ENTERGY CORPORATION AND SUBSIDIARIES
EQUITY AWARDS PLAN

Certificate of Amendment
Amendment No. 1

THIS INSTRUMENT, executed and made effective this 7th day of December, 2001 ("Effective Date"), constitutes the First Amendment of the Entergy Corporation and Subsidiaries Equity Awards Plan (the "Plan").

All capitalized terms used in this document shall have the meanings assigned to them in the Plan unless otherwise defined in this document.

Pursuant to Section 9.01 of the Plan giving the Committee the right to amend the Plan, the Plan is hereby amended as follows:

1. Article II of the Plan is amended to add the following new Section 2.30 and new Section 2.31:

2.30 "Performance Share Units" shall mean an Equity Award that is subject to attainment of performance goals established by the Committee at the beginning of the Performance Period and shall be subject to the award and other provisions of Article VII to the same extent as Performance Shares, except that payment in respect of Performance Share Units may be settled in cash at the election of the Participant.

2.31 "Restricted Share Units" shall mean an Equity Award that is subject to such restrictions on transfer and such forfeiture conditions as the Committee deems appropriate and shall be subject to the grant, dividend, forfeiture and other provisions of Article VI to the same extent as Restricted Shares, except that a Participant shall not be entitled to vote Restricted Share Units and payment in respect of Restricted Share Units may be settled in cash at the election of the Participant. The restrictions imposed upon an award of Restricted Share Units will lapse in accordance with the requirements specified by the Committee in the award agreement.

2. Article X, Section 10.02 of the Plan is amended and restated as follows:

10.01 Fractional Shares. The Employer shall not be required to deliver any fractional share of Common Stock but may pay, in lieu thereof, the Fair Market Value of such fractional share to the Participant or the Participant's beneficiary or estate, as the case may be. For purposes of this Section 10.02, the Fair Market Value shall be determined as of the following dates: (i) the date on which restrictions lapse for Restricted Shares or Restricted Share Units, (ii) the date of delivery of Performance Shares or Performance Share Units, (iii) the maturity date for Equity Awards other than Restricted Share Units or Performance Share Units, or (iv) in any case, such other dates the Committee may determine.

3. The last sentence of Article XI, Section 11.03 of the Plan is amended and restated as follows:

In addition, unless agreed to in writing and signed by the affected System Management Participant and by the Committee, no provision of this Plan may be modified, waived or discharged before the earlier of: (a) the expiration of the two-year period commencing on the date of a Potential Change in Control, or (b) the date on which the Change in Control event contemplated by the Potential Change in Control is terminated.

4. A new Article XII is added to the Plan to read as follows:

ARTICLE XII

DEFERRAL ELECTIONS

12.01 Definitions. The following definitions shall be applicable to this Article XII of the Plan:

(a) "System Management Participant" shall mean a Participant who is currently, or was immediately prior to the commencement of a Change in Control Period, at one of the System Management Levels set forth in Section 2.28. Notwithstanding the foregoing, a former System Management Participant who has otherwise satisfied Section 12.04(c) shall be treated as a System Management Participant solely for purposes of being eligible to make Successive Deferral Elections in accordance with Section 12.04.

(b) Additional definitions set forth in other Sections of this Article XII shall apply to all provisions of this Article XII unless otherwise indicated.

12.02 Deferral Elections.

(a) At any time designated in subsection (b) of this

Section 12.02, a System Management Participant may execute and deliver to the Committee (or its delegate) one or more irrevocable written elections (each, a "Deferral Election") to defer receipt of such Deferrable Benefits (as defined herein) as System Management Participant may designate in such Deferral Election. A "Deferrable Benefit" is any of the following forms of Award payable under the Plan:

(i) Shares deliverable upon exercise of nonstatutory stock options ("Profit Shares"), provided that stock options must be exercised using mature shares held by the System Management Participant ("stock-for-stock" exercise), under guidelines and procedures for stock-for-stock exercise provided by the Committee or otherwise in accordance with 12.02(b)(v);

(ii) Restricted Share Units, provided that the Restricted Period must be scheduled to expire more than six months after the date a Deferral Election respecting it is delivered to the Committee (or its delegate);

(iii) Performance Share Units, provided that payment in respect of such Performance Share Units must be scheduled to be made more than six months after the date a Deferral Election respecting it is delivered to the Committee (or its delegate) or otherwise in accordance with 12.02(b)(vi); and

(iv) Incentive Compensation under the Executive Annual Incentive Plan ("EAIP") used to purchase Equity Awards at a discount in accordance with Section 8.01 ("EAIP Equity Awards"), provided that payment of the Incentive Compensation used to purchase such EAIP Equity Awards must be scheduled to be made no earlier than the calendar year following the performance year to which such Incentive Compensation relates or otherwise in accordance with
Section 12.02(b)(vii).

(b) Each Deferral Election must be made in accordance with the following provisions:

(i) With respect to shares of stock deliverable upon stock- for-stock exercise: A Deferral Election must be made no later than the date that precedes by six (6) months the earliest date in the next succeeding calendar year proposed for exercise of options using mature shares;

(ii) With respect to Restricted Share Units: A Deferral Election must be made no later than the date that precedes by six months the expiration of the Restricted Period for such Equity Award to the System Management Participant;

(iii) With respect to Performance Share Units: A Deferral Election must be made no later than the date that precedes by six months the earliest date such Equity Award may be made to the System Management Participant; and

(iv) With respect to Incentive Compensation used to purchase EAIP Equity Awards: A Deferral Election must be made with respect to the Incentive Compensation used to purchase such EAIP Equity Awards prior to the beginning of the performance year with respect to which such Incentive Compensation relates.

Provided, however, that, the Committee shall accept as binding on the Plan any Deferral Election signed and returned by a System Management Participant to the Committee, or its delegate, no later than December 31, 2001, which applies to:

(v) Delivery of shares of stock upon an exercise of nonstatutory options using mature shares in the next succeeding calendar year;

(vi) Performance Share Units expected to be awarded upon such date or dates each of which is not earlier than the first business day of the calendar year immediately following the Effective Date of this Article XII; and

(vii) EAIP Equity Awards subject to a deferral period expiring not earlier than the first business day of the calendar year immediately following the Effective Date of this Article XII.

12.03 Deferred Amount; Deferral Receipt Date. Each Deferral Election may defer receipt of an amount of any Deferrable Benefit, which may be less than the entire amount of such Deferrable Benefit (a "Deferred Amount"). Each Deferred Amount may be expressed as a number of units or a percentage (in 10 percent increments) of the total of such Deferrable Benefit due the System Management Participant. Receipt of each Deferred Amount may be deferred to such date or dates as System Management Participant shall specify in such Deferral Election (each, a "Deferral Receipt Date"), provided that:

(a) A Deferral Receipt Date shall be not less than two
(2) years following the date on which the Deferred Amount would otherwise be paid to the System Management Participant; and

(b) the Deferral Receipt Date shall in no event be later than the date on which the System Management Participant terminates employment unless such System Management Participant terminates employment with a System Company due to (i) retirement in accordance with the terms and conditions of the Entergy Corporation-sponsored qualified defined benefit plan in which the System Management Participant participates ("Retirement"); (ii) Retirement following the System Management Participant's long term disability under the Entergy Corporation-sponsored long-term disability plan in which the System Management Participant participates ("Long-Term Disability"); or (iii) a "Qualifying Event" (as

defined in the System Executive Continuity Plan of Entergy Corporation and Subsidiaries), in which case deferral can be postponed beyond termination of employment, but in no event later than death.

12.04 Deferral Election Procedure. Each Deferral Election shall be effective upon its execution and delivery to the Committee (or its delegate), provided such delivery is made in accordance with the time or times specified in subsection 12.02(b). Once made, a Deferral Election may not be revoked or modified. However, further irrevocable elections to defer receipt of previously deferred benefits (each, a "Successive Deferral Election") to a subsequent Deferral Receipt Date may be made in writing by a System Management Participant by execution and delivery of an appropriate written election to the Committee (or its delegate), provided always that:

(a) No Successive Deferral Election may be made if the existing Deferral Receipt Date is less than six months from the date of delivery to the Committee (or its delegate) of such election;

(b) A subsequent Deferral Receipt Date shall be not less than two (2) years following the date at which the System Management Participant makes a Subsequent Deferral Election under this section; and

(c) No Successive Deferral Election may be made following the System Management Participant's termination of employment unless the System Management Participant terminates employment with a System Company due to Retirement, Long-Term Disability, or a Qualifying Event, in which case deferral can be postponed beyond termination of employment, but in no event later than death.

The Committee shall have the sole and exclusive authority and discretion to establish rules, regulations and procedures for the execution and delivery of any Deferral Election (including any Successive Deferral Election) and may condition such elections in any manner that such Committee deems necessary, appropriate or desirable including, without limitation, the complete authority and discretion to delay the effective date of any Deferral Election (including any Successive Deferral Election) or to reject any such Deferral Election (including any Successive Deferral Election) as the Committee deems necessary, appropriate or desirable in order to maintain the orderly and accurate administration of the Plan. If the effective date of the Deferral Election (including any Successive Deferral Election) is delayed pursuant to such authority, the Committee shall notify the System Management Participant of such delay and advise the System Management Participant of the anticipated effective date of such election.

12.05 Forfeiture of Deferred Amounts. Each Deferral Election (including any Successive Deferral Election) shall remain subject to limitations or forfeitures of benefits for
(a) breach of any of the conditions of receipt of any Award under the Plan and (b) failure of System Management Participant to satisfy any of the conditions necessary to receipt of any Deferrable Benefit.

12.06 Payment of Deferred Amounts. Commencing with the effective date of a System Management Participant's Deferral Election and until the corresponding Deferral Receipt Date, the applicable Deferred Amount shall be accounted for as units (including fractional units) of Common Stock, the number of such units being based on the value of a share of Common Stock on the effective date of such Deferral Election. Units that are the subject of such Deferral Election shall be credited with dividend equivalent amounts equal to all dividends paid with respect to a share of Common Stock during the Deferral Election period and, if applicable, any Successive Deferral Election period(s) ("Dividend Equivalents"). All Dividend Equivalents will be reinvested in additional units as of the payment date of the dividend in respect of which they are awarded. As soon as reasonably practicable following the System Management Participant's Deferral Receipt Date with respect to a Deferred Amount, the Employer shall pay to the System Management Participant, in cash or in shares of Common Stock, as elected by the System Management Participant, an amount equal to (i) the Fair Market Value of a share of Common Stock on the Deferral Receipt Date, multiplied by the number of units then credited to the System Management Participant's account (including units awarded in respect of reinvested Dividend Equivalents) with respect to such Deferred Amount, less (ii) all applicable estimated income tax and employment tax amounts required to be withheld in connection with such payment.

12.07 Acceleration of Deferred Amounts.

(a) Acceleration on Death. Notwithstanding an irrevocable Deferral Election (including any Successive Deferral Election), if a System Management Participant dies, all of System Management Participant's outstanding Deferral Receipt Dates shall be accelerated, and the entirety of System Management Participant's Deferred Amounts (net of any amounts required to be withheld for federal and state income tax) shall be paid in accordance with the terms of this Plan to any Beneficiary.

(b) Hardship Distributions. At any time a System Management Participant may apply to the Committee for a special distribution of all or any part of his Deferred Amounts valued as of the date of his application on account of an immediate and heavy financial need arising from one or more of the following, or similar, events:

(i) uninsured medical costs resulting from and accident, injury or illness to the System Management Participant and/or members of his immediate family;

(ii) to prevent the foreclosure or eviction from the System Management Participant's primary residence;

(iii) funeral expenses for an immediate family member of the System Management Participant;

(iv) substantial casualty losses; or

(v) any other emergency conditions in the System Management Participant's financial affairs.

The office of the Senior Vice-President, Human Resources and Administration for Entergy Services, Inc., on behalf of the Committee, shall consider the circumstances of each such case and the best interest of the System Management Participant and his family and shall have the right, in its sole discretion, if applicable, to allow such a special distribution, or if applicable, to direct a distribution of part of the amount requested or to refuse to allow any distribution. Upon determination that such a special distribution shall be granted, the System Management Participant's employer shall make the appropriate distribution to the System Management Participant from its general assets in respect of the System Management Participant's Deferred Amounts and the Administrator shall accordingly reduce or adjust the Deferred Amounts credited to the Participant. In no event shall the aggregate amount of the special distribution exceed the full value of the Participant's Deferred Amounts. For purposes of this Section, the value of the Participant's Deferred Amounts shall be determined as of the date of the Participant's application for the special distribution.

(c) Acceleration Subject to Penalty. Notwithstanding the existence in force, with respect to a System Management Participant, of one or more irrevocable Deferral Elections or Successive Deferral Elections, such System Management Participant may require the immediate payment to the System Management Participant of any of the System Management Participant's Deferred Amounts, as determined in accordance with Section 12.06 but substituting the actual payment date for System Management Participant's Deferral Receipt Date, less any amounts withheld to satisfy federal and state income tax withholding obligations, and subject to a penalty on each such accelerated Deferred Amount (prior to withholding for taxes) of ten percent (10%). Such penalty amount shall for all purposes be deemed canceled and not paid to the System Management Participant.

(d) Acceleration Upon Taxation. Notwithstanding the existence in force, with respect to a System Management Participant, of one or more irrevocable Deferral Elections or Successive Deferral Elections, if the Internal Revenue Service (or any corresponding state income tax authority) prevails in a claim by it that Deferred Amounts constitute taxable income to the System Management Participant or his beneficiary for any taxable year prior to the taxable year in which such Deferred Amounts are scheduled to be distributed to the System Management, such System Management Participant may require the immediate payment to the System Management Participant of such Deferred Amounts, as determined in accordance with Section 12.06 but substituting the actual payment date for System Management Participant's Deferral Receipt Date, that are held to be currently taxable, less any amounts withheld to satisfy federal and state income tax withholding obligations. For purposes of this Section 12.07(d), the Internal Revenue Service or corresponding state income tax authority shall be deemed to have prevailed in a claim if such claim is upheld by a court of final jurisdiction, or if the Employer, or the System Management Participant or beneficiary, based upon an opinion of legal counsel satisfactory to the Employer and the System Management Participant or his beneficiary, fails to appeal a decision of the Internal Revenue Service or corresponding state income tax authority, or a court of applicable jurisdiction with respect to such claim, to an appropriate appeals authority or to a court of higher jurisdiction, within the appropriate time period.

IN WITNESS WHEREOF, the Personnel Committee has caused this First Amendment to the Entergy Corporation and Subsidiaries Equity Awards Plan to be executed by its duly authorized representative on the day, month, and year above set forth.

PERSONNEL COMMITTEE
through the undersigned duly
authorized representative

WILLIAM E. MADISON
Senior Vice-President,
Human Resources and Administration
for Entergy Services, Inc.

EXHIBIT 10(a)79

SYSTEM EXECUTIVE CONTINUITY PLAN
OF ENTERGY CORPORATION AND SUBSIDIARIES

PURPOSES

The System Executive Continuity Plan of Entergy Corporation and Subsidiaries has as its purposes the advancement of the interests of the Company and its stockholders by encouraging the continued attention and dedication of key members of Entergy's management to their assigned duties, without distraction, in the event of an attempted or actual change in control of Entergy Corporation. Plan Benefits shall not become due unless and until Entergy Corporation experiences a Change in Control.

ARTICLE I

DEFINITIONS

The following terms shall have the meaning hereinafter indicated unless expressly provided herein to the contrary:

1.01 "Administrator" shall mean the Personnel Committee established by the Board of Directors, or such other individuals or committee (not fewer than three in number) as shall from time to time be designated in writing by the Chairman of the Board of Directors as the administrator of the Plan. The Administrator shall be the "plan administrator" for the Plan within the meaning of ERISA. Notwithstanding the foregoing, from and after the date immediately preceding the commencement of a Change in Control Period, the "Administrator" shall mean (a) the individuals (not fewer than three in number) who, on the date six months before the commencement of the Change in Control Period, constitute the Administrator, plus (b) in the event that fewer than three individuals are available from the group specified in clause (a) above for any reason, such individuals as may be appointed by the individual or individuals so available (including for this purpose any individual or individuals previously so appointed under this clause (b)); provided, however, that the maximum number of individuals constituting the Administrator shall not exceed six.

1.02 "Base Salary" shall mean the Participant's annual rate of base salary as in effect immediately prior to commencement of a Change in Control Period or, if higher, as in effect at any time within one year immediately prior to the commencement of the Change in Control Period, which shall be calculated exclusive of any bonuses, overtime, or other special payments, but including the amount, if any, the Participant elects to defer under: (a) a cash or deferred arrangement qualified under Code Section 401(k);
(b) a cafeteria plan under Code Section 125; (c) the Executive Deferred Compensation Plan of Entergy Corporation and Subsidiaries, or any successor or replacement plan; and (d) any other nonqualified deferred compensation plan, agreement, or arrangement in which the Participant may hereafter participate or be a party.

1.03 "Beneficiary" shall mean the Surviving Spouse of Participant or, if Participant does not have a Surviving Spouse, Beneficiary shall mean any individual or entity so designated by Participant, or, if Participant does not have a Surviving Spouse and does not designate a beneficiary hereunder, or if the designated beneficiary predeceases Participant, Beneficiary shall mean Participant's estate.

1.04 "Benefit Pay Continuation Period" shall mean the applicable Benefit Pay Continuation Period described in Section 4.02 with respect to the System Management Level of the Participant.

1.05 "Board of Directors" shall mean the Board of Directors of Entergy Corporation.

1.06 "Cause" shall mean:

(a) willful and continuing failure by Participant to substantially perform Participant's duties (other than such failure resulting from the Participant's incapacity due to physical or mental illness or any such actual or anticipated failure after the issuance of a Notice of Termination for Good Reason by the Participant) that has not been cured within thirty
(30) days after a written demand for substantial performance is delivered to the Participant by the board of directors of the Employer, which demand specifically identifies the manner in which the board believes that the Participant has not substantially performed the Participant's duties; or

(b) the willful engaging by the Participant in conduct which is demonstrably and materially injurious to any System Company, monetarily or otherwise; or

(c) conviction of or entrance of a plea of guilty or nolo contendere to a felony or other crime which has or may have a material adverse affect on Participant's ability to carry out Participant's duties or upon the reputation of any System Company; or

(d) a material violation by Participant of any agreement Participant has with a System Company; or

(e) unauthorized disclosure by Participant of the confidences of any System Company.

For purposes of clauses (a) and (b) of this definition, no act, or failure to act, on the Participant's part shall be deemed "willful" unless done, or omitted to be done, by the Participant not in good faith and without reasonable belief that the Participant's act, or failure to act, was in the best interest of the Employer.

1.07 "Change in Control" shall mean:

(a) the purchase or other acquisition by any person, entity or group of persons, acting in concert within the meaning of Sections 13(d) or 14(d) of the Securities Exchange Act of 1934 ("Act"), or any comparable successor provisions, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Act) of twenty-five percent (25%) or more of either the shares of common stock outstanding immediately following such acquisition or the combined voting power of Entergy Corporation's voting securities entitled to vote generally and outstanding immediately following such acquisition, other than any such purchase or acquisition in connection with a Non-CIC Merger (defined in subsection (b) below);

(b) the consummation of a merger or consolidation of Entergy Corporation, or any direct or indirect subsidiary of Entergy Corporation with any other corporation, other than a Non-CIC Merger, which shall mean a merger or consolidation immediately following which the individuals who comprise the Board of Directors immediately prior thereto constitute at least a majority of the Board of Directors, or the board of directors of the entity surviving such merger or consolidation, or the board of directors of any parent thereof (unless the failure of such individuals to comprise at least such a majority is unrelated to such merger or consolidation);

(c) the stockholders of Entergy Corporation approve a plan of complete liquidation or dissolution of Entergy Corporation or there is consummated an agreement for the sale or disposition by Entergy Corporation of all or substantially all of Entergy Corporation's assets; or

(d) any change in the composition of the Board of Directors such that during any period of two consecutive years, individuals who at the beginning of such period constitute the Board of Directors and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of Entergy Corporation) whose appointment or election by the Board of Directors or nomination for election by Entergy Corporation's stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the Effective Date or whose appointment, election or nomination for election was previously so approved or recommended, cease for any reason to constitute at least a majority thereof.

Provided, however, that no Change in Control shall be deemed to occur solely by virtue of (1) the insolvency or bankruptcy of Entergy Corporation; or (2) the transfer of assets of Entergy Corporation to an affiliate of Entergy Corporation, provided such affiliate assumes the obligations of the Plan and agrees to continue uninterrupted the rights of the Participants under the Plan; or (3) the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of Entergy Corporation immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of Entergy Corporation immediately following such transaction or series of transactions.

1.08 "Change in Control Period" shall mean the period commencing ninety (90) days prior to and ending twenty-four (24) calendar months following a Change in Control.

1.09 "Claims Administrator" shall mean the Administrator or its designee responsible for administering claims for benefits under the Plan.

1.10 "Claims Appeal Administrator" shall mean the Administrator or its delegee responsible for administering appeals from the denial or partial denial of claims for benefits under the Plan.

1.11 "COBRA" shall mean the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

1.12 "Code" shall mean the Internal Revenue Code of 1986, as amended.

1.13 "Date of Termination," with respect to any purported termination of Participant's employment within a Change in Control Period shall mean (a) if Participant's employment is terminated for Disability, thirty (30) days after Notice of Termination is given (provided that Participant shall not have returned to the full-time performance of his duties during such thirty (30) day period), and (b) if Participant's employment is terminated for any other reason, the date specified in the Notice of Termination (which, in the case of a termination by Employer, shall not be less than thirty (30) days (except in the case of a termination for Cause) and, in the case of a termination by Participant, shall not be less than fifteen (15) days nor more than sixty (60) days, respectively, from the date such Notice of Termination is given).

1.14 "Disability" shall be deemed the reason for the termination by Employer of Participant's employment within a Change in Control Period if, as a result of Participant's incapacity due to physical or mental illness, Participant shall have been absent from the full-time performance of

Participant's duties with Employer for a period of six (6) consecutive months, Employer shall have given Participant a Notice of Termination for Disability, and, within thirty (30) days after such Notice of Termination is given, Participant shall not have returned to the full-time performance of Participant's duties.

1.15 "Effective Date" shall mean January 1, 2000, the effective date of the Plan.

1.16 "Eligible Employee" shall mean those Employees eligible for participation in this Plan, as set forth in Section 3.01.

1.17 "Employee" shall mean an employee of a System Company.

1.18 "Employer" shall mean the System Company with which the Participant is last employed on or before the Participant's termination from System employment.

1.19 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

1.20 "Good Reason" shall mean the occurrence, without the Participant's express written consent, of any of the following events during the Change in Control Period:

(a) the substantial reduction or alteration in the nature or status of the Participant's duties or responsibilities from those in effect on the date immediately preceding the first day of the Change in Control Period, other than an insubstantial and inadvertent act that is remedied by the System Company employer promptly after receipt of notice thereof given by the Participant and other than any such alteration primarily attributable to the fact that Entergy Corporation may no longer be a public company;

(b) a reduction of five percent (5%) or more in Participant's base salary as in effect immediately prior to commencement of a Change in Control Period, which shall be calculated exclusive of any bonuses, overtime, or other special payments, but including the amount, if any, the Participant elects to defer under: (1) a cash or deferred arrangement qualified under Code Section 401(k);
(2) a cafeteria plan under Code Section 125; (3) the Executive Deferred Compensation Plan of Entergy Corporation and Subsidiaries, or any successor or replacement plan; and (4) any other nonqualified deferred compensation plan, agreement, or arrangement in which the Participant may hereafter participate or be a party;

(c) requiring Participant to be based at a location outside of the continental United States and other than his primary work location as it existed on the date immediately preceding the first day of the Change in Control Period, except for required travel on business of any System Company to an extent substantially consistent with the Participant's present business obligations;

(d) failure by System Company employer to continue in effect any compensation plan in which Participant participates immediately prior to the commencement of the Change in Control Period which is material to Participant's total compensation, including but not limited to compensation plans in effect, including stock option, restricted stock, stock appreciation right, incentive compensation, bonus and other plans or any substitute plans adopted prior to the Change in Control Period, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or the failure by System Company employer to continue Participant's participation therein (or in such substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount or timing of payment of benefits provided and the level of the Participant's participation relative to other participants, as existed immediately prior to the Change in Control;

(e) failure by System Company employer to continue to provide Participant with benefits substantially similar to those enjoyed by Participant under any of the System Company's pension, savings, life insurance, medical, health and accident, or disability plans in which Participant was participating immediately prior to the Change in Control Period, the taking of any other action by System Company employer which would directly or indirectly materially reduce any of such benefits or deprive Participant of any material fringe benefit enjoyed by Participant immediately prior to commencement of the Change in Control Period, or the failure by System Company employer to provide Participant with the number of paid vacation days to which Participant is entitled on the basis of years of service with the System in accordance with the System Company's normal vacation policy in effect at the time of the Change in Control; or

(f) any purported termination of Participant's employment which is not effected pursuant to a Notice of Termination satisfying the requirements of Section 1.21 hereof; for purposes of this Plan, no such purported termination shall be effective in depriving Participant of the right to terminate employment for Good Reason.

Participant's right to terminate his employment for Good Reason shall not be affected by Participant's incapacity due to physical or mental illness. Participant's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason.

1.21 "Notice of Termination" shall mean a notice that shall indicate the specific termination provision in this Plan relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Eligible Employee's employment under the provision so indicated. Further, a Notice of Termination for Cause is required to include a copy of a resolution duly adopted by the affirmative

vote of not less than three-quarters (3/4) of the entire membership of the terminating employer's board of directors at a meeting of such board of directors which was called and held for the purpose of considering such termination (after reasonable notice to Participant and an opportunity for Participant, together with Participant's counsel, to be heard before that board) finding that, in the good faith opinion of the board, Participant was guilty of conduct set forth in the definition of Cause herein, and specifying the particulars thereof in detail.

1.22 "Office of the Chief Executive" shall mean the Office of Chief Executive, as time to time composed, which shall consist of such members appointed by, and to serve at the pleasure of, the Chief Executive Officer of Entergy Corporation.

1.23 "Participant" shall mean an Eligible Employee who fulfills the requirements for participation in this Plan as set forth in Section 3.02.

1.24 "Participant Application" shall mean the written application between Employee and the Administrator evidencing Employee's participation in this Plan, which application shall be part of the Plan. Participant Applications shall be in substantially the same form as that attached to this Plan as Appendix A, as may be amended from time to time by the Administrator.

1.25 "Personnel Committee" shall mean the Personnel Committee of the Board of Directors.

1.26 "Plan" shall mean this System Executive Continuity Plan of Entergy Corporation and Subsidiaries and any amendments, supplements or modifications from time to time made hereto in accordance with Sections 8.01 and 8.02.

1.27 "Potential Change in Control" shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

(a) Entergy Corporation or any affiliate or subsidiary company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control; or

(b) the Board of Directors adopts a resolution to the effect that, for purposes of this Plan, a Potential Change in Control has occurred; or

(c) any System Company or any person or entity publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control; or

(d) any person or entity becomes the beneficial owner (as that term is defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended from time to time), either directly or indirectly, of securities of Entergy Corporation representing twenty percent (20%) or more of either the then outstanding shares of common stock of Entergy Corporation or the combined voting power of Entergy Corporation's then outstanding securities (not including in the calculation of the securities beneficially owned by such person or entity any securities acquired directly from Entergy Corporation or its affiliates).

1.28 "Qualifying Event" shall mean the occurrence of one of the following within the Change in Control Period:

(a) Participant's employment is terminated by Employer other than for Cause; or

(b) Participant terminates his System employment for Good Reason.

For purposes of this Plan, the following shall not constitute Qualifying Events:
(1) Participant's death; or (2) Participant becoming Disabled under the terms of the Entergy Corporation Companies' Benefits Plus Long Term Disability ("LTD") Plan.

1.29 "Surviving Spouse" shall mean the person to whom the Participant was legally married as of the date of such Participant's death.

1.30 "System" shall mean Entergy Corporation and all other System Companies, and, except in determining whether a Change in Control has occurred, shall include any successor thereto as contemplated in Section 8.03 of this Plan.

1.31 "System Company" shall mean Entergy Corporation and any corporation eighty percent (80%) or more of whose stock (based on voting power or value) is owned, directly or indirectly, by Entergy Corporation and any partnership or trade or business which is eighty percent (80%) or more controlled, directly or indirectly, by Entergy Corporation, and, except in determining whether a Change in Control has occurred, shall include any successor thereto as contemplated in Section 8.03 of this Plan.

1.32 "System Management Level" shall mean the applicable management level set forth in Section 3.01.

1.33 "Target Award" shall mean the target percentage established by the Personnel Committee under the Executive Annual Incentive Plan of Entergy Corporation and Subsidiaries, or any successor plan, with respect to Participant.

ARTICLE II

CONSTRUCTION

2.01 Gender and Number. The masculine pronoun whenever used in the Plan shall include the feminine. Similarly, the feminine pronoun whenever used in the Plan shall include the masculine as the context or facts may require. Whenever any words are used herein in the singular, they shall be construed as if they were also used in the plural in all cases where the context so applies.

2.02 Captions. The captions of this Plan are not part of the provisions of the Plan and shall have no force and effect.

2.03 Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

2.04 Controlling Law. The administration of the Plan, and any Trust established thereunder, shall be governed by applicable federal law, including ERISA and, to the extent federal law is inapplicable, the laws of the State of Delaware, without regard to the conflict of law principles of any state. Any persons or corporations who now are or shall subsequently become parties to the Plan shall be deemed to consent to this provision.

2.05 No Right to Employment. This Plan does not confer nor shall be construed as creating an express or implied contract of employment.

ARTICLE III

PARTICIPATION

3.01 Eligible Employees. Only active, full-time Employees who
(a) on the day immediately preceding the commencement of a Change in Control Period are eligible for a Target Award at a level at or above 40%; and (b) are at one of the following System Management Levels (which constitute a select group of management or highly compensated employees) shall be eligible for benefits under this Plan:

(1) System Management Level 1 (Chief Executive Officer and Chairman of the Board of Entergy Corporation);

(2) System Management Level 2 (Presidents and Executive Vice Presidents within the System);

(3) System Management Level 3 (Senior Vice Presidents within the System); and

(4) System Management Level 4 (Vice Presidents within the System), but only with the advance written approval of the Office of Chief Executive.

3.02 Participation. An Eligible Employee shall become a Participant in the Plan if Eligible Employee has filed with the Administrator, pursuant to this Section 3.02 and within the time frame established by the Administrator (and as noted on the Participant Application), a Participant Application and all other agreements presented to him by the Administrator regarding his employment and non-qualified deferred compensation, provided that such Participant Application is approved and accepted in writing by the Administrator. The Participant Application shall specify the effective date of Eligible Employee's participation in the Plan. Eligible Employee shall cease to be a Participant under this Plan only in accordance with the terms of Sections 3.05 and 6.01.

3.03 Notice of Participation. Participation shall be evidenced by a written notice, signed by the Administrator and delivered to the Participant.

3.04 Participant Eligibility for Benefits. Participants in the Plan shall be eligible for Plan benefits under the terms and conditions of the Plan.

3.05 Termination of Participation.

(a) Prior to Commencement of Change in Control Period. An individual shall cease to be a Participant in this Plan and thereafter shall not be eligible for any benefits otherwise payable under this Plan if, prior to commencement of the Change in Control Period, for whatever reason (including, but not limited to, death, other loss of active employment status, loss of eligible System Management Level, loss of eligibility for Target Award level at or above 40%), such individual no longer satisfies the eligibility requirements set forth in Section 3.01. If such individual thereafter becomes an Eligible Employee, to again become a Participant in the Plan he shall be required to submit to the Administrator a new Participant Application and his participation in the Plan shall be conditioned on the Administrator's approval and acceptance of such Participation Application, as set forth in Section 3.02. An individual also shall cease to be a Participant in the Plan prior to commencement of a Change in Control Period for those reasons set forth in
Section 6.01(c) and (d).

For purposes of this Plan, an individual who becomes Disabled under the terms of the Entergy Corporation Companies' Benefits Plus Long Term Disability ("LTD") Plan and prior to commencement of a Change in Control Period shall be deemed to no longer satisfy the eligibility requirements of Section 3.01 upon the commencement of LTD Plan benefit payments to the individual or on his behalf.

(b) On or After Commencement of Change in Control Period. An individual shall cease to be a Participant in the Plan on and after the commencement of a Change in Control Period only for those reasons set forth in Section 6.01 and shall be subject to the benefit cessation, forfeiture and repayment provisions set forth therein.

ARTICLE IV

BENEFITS

4.01 Compensation and Benefit Continuation.

(a) If there should occur a Change in Control and if, within the Change in Control Period, a Participant has a Qualifying Event, Employer shall pay Participant's full salary to him through the Date of Termination at the rate in effect immediately prior to the Date of Termination or, if higher, the rate in effect immediately prior to the first occurrence of an event or circumstance constituting Good Reason, together with all compensation and benefits payable to Participant through the Date of Termination under the terms and conditions of the Employer's compensation and benefit plans, programs or arrangements as in effect immediately prior to the Date of Termination or, if more favorable to Participant, as in effect immediately prior to the first occurrence of an event or circumstance constituting Good Reason.

(b) If there should occur a Change in Control and if, within the Change in Control Period, a Participant has a Qualifying Event, Employer shall pay to Participant the Participant's normal post-termination compensation and benefits as such payments become due. Such post-termination compensation and benefits shall be determined under, and paid in accordance with, the Employer's retirement, insurance and other compensation or benefit plans, programs and arrangements.

(c) If there should occur a Change in Control and if, within the Change in Control Period, a Participant has a Qualifying Event, then such Participant shall be entitled to receive, subject to the forfeiture provisions of Section 6.01, the Plan benefits set forth in Sections 4.02 and 4.03 with respect to Participants at his System Management Level. A Participant's benefits shall be determined by reference to his System Management Level on the date immediately preceding the commencement of the Change in Control Period.

4.02 Periodic Cash Payments. A Participant satisfying all of the terms and conditions of this Plan shall be entitled to receive, in lieu of any further salary payments to the Participant for periods subsequent to the Date of Termination, but subject to the forfeiture provisions of Section 6.01, periodic cash payments calculated and payable in accordance with the following:

(a) If Participant is at System Management Level 1 or 2, the total cash benefit amount payable under this Section 4.02 to the Participant shall be equal to three (3) times the sum of: (1) Participant's Base Salary or, if higher, Participant's annual rate of salary as in effect immediately prior to the first occurrence of an event or circumstance constituting Good Reason and (2) Participant's Target Award for the year in which the Change in Control Period commences or, if higher, the year in which the Date of Termination occurs. The total cash benefit amount computed above shall be divided into substantially equal installments and paid to Participant over a thirty-six (36) consecutive month period, commencing on the Date of Termination, which thirty-six (36) consecutive month period shall be the Benefit Pay Continuation Period for System Management Level 1 and 2 Participants. Payments of such substantially equal installments over Participant's Benefit Pay Continuation Period shall be payable in advance at the same frequency as base salary payments to Participant immediately prior to the Qualifying Event.

(b) If Participant is at System Management Level 3, the total cash benefit amount payable under this Section 4.02 to Participant shall be equal to two (2) times the sum of: (1) Participant's Base Salary or, if higher, Participant's annual rate of salary as in effect immediately prior to the first occurrence of an event or circumstance constituting Good Reason and (2) Participant's Target Award for the year in which the Change in Control Period commences or, if higher, the year in which the Date of Termination occurs. The total cash benefit amount computed above shall be divided into substantially equal installments and paid to the Participant over a twenty-four (24) consecutive month period, commencing on the Date of Termination, which twenty-four (24) consecutive month period shall be the Benefit Pay Continuation Period for System Management Level 3 Participants. Payments of such substantially equal installments over Participant's Benefit Pay Continuation Period shall be payable in advance at the same frequency as base salary payments to Participant immediately prior to the Qualifying Event.

(c) If Participant is at System Management Level 4, the total cash benefit amount payable under this Section 4.02 to Participant shall be equal to the sum of: (1) Participant's Base Salary or, if higher, Participant's annual rate of salary as in effect immediately prior to the first occurrence of an event or circumstance constituting Good Reason and (2) Participant's Target Award for the year in which the Change in Control Period commences or, if higher, the year in which the Date of Termination occurs. The total cash benefit amount computed above shall be divided into substantially equal installments and paid to Participant over a twelve (12) consecutive month period, commencing on the Date of Termination, which twelve (12) consecutive month period shall be the Benefit Pay Continuation Period for System Management Level 4 Participants. Payments of such substantially equal installments over Participant's Benefit Pay Continuation Period shall be payable in advance at the same

frequency as base salary payments to Participant immediately prior to the Qualifying Event.

4.03 Additional Benefits. In addition to the benefits set forth in section 4.02, a Participant satisfying all of the terms and conditions of this Plan shall be entitled, subject to the forfeiture provisions of Section 6.01, to the following benefits under the Plan:

(a) For the duration of a Participant's Benefit Pay Continuation Period, the Employer shall arrange to provide the Participant and his dependents medical and dental benefits substantially similar to those provided to the Participant and his dependents immediately prior to the Qualifying Event or, if more favorable to the Participant, those provided to the Participant and his dependents immediately prior to the first occurrence of an event or circumstance constituting Good Reason, at no greater cost to the Participant than the cost to Employer's regular full-time active employees immediately prior to such date or occurrence; provided, however, that unless the Participant consents to a different arrangement, such medical and dental benefits shall be provided through a third-party insurer. Benefits otherwise receivable by the Participant pursuant to this Section 4.03(a) shall be reduced to the extent benefits of the same type are received by or made available to the Participant during his Benefit Pay Continuation Period (and any such benefits received by or made available to the Participant shall be reported to the Employer by the Participant); provided, however, that the Employer shall reimburse the Participant for the excess, if any, of the cost of such benefits to the Participant over such cost immediately prior to the Qualifying Event or, if more favorable to the Participant, the first occurrence of an event or circumstance constituting Good Reason. The period of coverage provided in accordance with this Section 4.03(a) shall count toward the Participant's required period of continuation coverage, if any, under COBRA.

If the Participant would have become entitled to post- retirement medical and dental benefits under the Employer's medical and dental plans, as in effect immediately prior to the Qualifying Event or, if more favorable to the Participant, as in effect immediately prior to the first occurrence of an event or circumstance constituting Good Reason, had the Participant's employment terminated at any time during his Benefit Pay Continuation Period, the Employer shall provide such post- retirement medical and dental benefits to the Participant and the Participant's dependents commencing on the later of (1) the date on which such coverage would have first become available or (2) the date on which benefits described in the immediately preceding paragraph terminate.

(b) Subject to any federal securities law restrictions on sale and exercise, the number of Performance Shares or Performance Share units, as applicable, Participant shall be entitled to receive under the Performance Share Program of the Equity Ownership Plan of Entergy Corporation and Subsidiaries with respect to any Performance Period (as defined under the Performance Share Program) that precedes or includes the day on which the Change in Control Period commences shall be determined as if Participant satisfied the remaining performance requirements at Participant's target level under the Performance Share Program with respect to such Performance Period(s).

(c) If any of the payments or benefits received or to be received by a Participant in connection with a Change in Control or the Participant's termination of employment (whether pursuant to the terms of this Plan or any other plan, arrangement or agreement with a System Company) (all such payments and benefits, excluding the Gross-Up Payment, being hereinafter referred to as the "Total Payments") will be subject to any excise tax imposed under Section 4999 of the Code ("Excise Tax"), the Employer shall pay to the Participant an additional amount (the "Gross-Up Payment") such that the net amount retained by the Participant, after deduction of any Excise Tax on the Total Payments and any federal, state and local income and employment taxes and Excise Tax upon the Gross-Up Payment, shall be equal to the Total Payments.

For purposes of determining whether any of the Total Payments will be subject to the Excise Tax and the amount of such Excise Tax, (1) all of the Total Payments shall be treated as "parachute payments" (within the meaning of
Section 280G(b)(2) of the Code) unless, in the opinion of tax counsel ("Tax Counsel") reasonably acceptable to the Participant and selected by the accounting firm which was, immediately prior to the Change in Control Period, Entergy Corporation's independent auditor (the "Auditor"), such payments or benefits (in whole or in part) do not constitute parachute payments, including by reason of Section 280G(b)(4)(A) of the Code; (2) all "excess parachute payments" (within the meaning of
Section 280G(b)(1) of the Code shall be treated as subject to the Excise Tax unless, in the opinion of Tax Counsel, such excess parachute payments (in whole or in part) represent reasonable compensation for services actually rendered (within the meaning of Section 280G(b)(4)(B) of the Code) in excess of the "Base Amount"
(within the meaning of Section 280G(b)(3) of the Code)
allocable to such reasonable compensation, or are otherwise not subject to the Excise Tax; and (3) the value of any noncash benefits or any deferred payment or benefit shall be determined by the Auditor in accordance with the principles of Sections 280G(d)(3) and (4) of the Code. For purposes of determining the amount of the Gross-Up Payment, the Participant shall be deemed to pay federal income tax at the highest marginal rate of federal income taxation in the calendar year in which the Gross-Up Payment is to be made and state and local income taxes at the highest marginal rate of taxation in the state and locality of the Participant's residence on the Date of Termination (or if there is no Date of Termination, then the date on which the Gross-Up Payment is calculated for purposes of this Section 4.03(c)), net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

In the event that the Excise Tax is finally determined to exceed the amount taken into account hereunder in calculating the Gross-Up Payment (including by reason of any payment the existence or amount of which cannot be determined at the time of the Gross-Up Payment), the Employer shall make additional Gross-Up Payment in respect of such excess (plus any interest, penalties or additions payable by the Participant with respect to such excess) within five (5) business days following the time that the amount of such excess is finally determined. The Participant and the Employer shall each reasonably cooperate with the other in connection with any administrative or judicial proceedings

concerning the existence or amount of liability for Excise Tax with respect to the Total Payments.

The payments provided in this subsection 4.03(c) shall be made not later than the 5th day following the Date of Termination; provided, however, that if the amounts of such payments cannot be finally determined on or before such day, the Employer shall pay to the Participant on such day an estimate, in accordance with this subsection
4.03(c), of the minimum amount of such payments to which the Participant is clearly entitled and shall pay the remainder of such payments (together with interest on the unpaid remainder (or on all such payments to the extent the Employer fails to make such payments when due) at 120% of the rate provided in Section 1274(b)(2)(B) of the Code) as soon as the amount thereof can be determined but in no event later than the thirtieth (30th) day after the Date of Termination.

4.04 Written Statement Explaining Benefits. At the time that payments under Sections 4.02 and 4.03 commence, the Administrator shall provide the Participant with a written statement setting forth the manner in which such payments were calculated and the basis for such calculations including, without limitation, any opinions or other advice the Employer or the Administrator has received from Tax Counsel, the Auditor or other advisors or consultants, and any such opinions or advice which are in writing shall be attached to the statement.

4.05 Legal Fees and Expenses. On or after the commencement of a Change in Control Period, the Employer shall also pay to the Participant all legal fees and expenses incurred by the Participant in disputing in good faith any issue hereunder relating to the termination of the Participant's employment, in seeking in good faith to obtain or enforce any benefit or right provided by this Plan or in connection with any tax audit or proceeding to the extent attributable to the application of
Section 4999 of the Code to any payment or benefit provided hereunder. Such payments shall be made within five (5) business days after delivery of the Participant's written requests for payment accompanied with such evidence of fees and expenses incurred as the Employer reasonably may require.

4.06 Forfeiture and Repayment of Benefits. The benefits that become payable or in which Participant vests solely upon a Change in Control shall nonetheless be subject to forfeiture and repayment under the conditions outlined in Section 6.01 of this Plan.

4.07 Death of Participant. If Participant should die after the occurrence of Participant's Qualifying Event, but prior to receiving all amounts to which he became entitled to receive under Sections 4.02 and 4.03, then all remaining amounts owed to Participant shall be paid in accordance with the terms of this Plan to his Beneficiary.

4.08 Provisions of Referenced Plans. To the extent this Plan references or incorporates provisions of any other System Company plan and (a) such other plan is amended, supplemented, modified or terminated during the two-year period commencing on the date of a Potential Change in Control and (b) such amendment, supplementation, modification or termination adversely affects any benefit under this Plan, whether it be in the method of calculation or otherwise, then for purposes of determining benefits under this Plan, the Administrator shall rely upon the version of such other plan in existence immediately prior to any such amendment, supplementation, modification or termination, unless such change is agreed to in writing and signed by the affected Participant and by the Administrator, or by their legal representatives and successors.

ARTICLE V

SOURCE OF PAYMENTS

5.01 Unfunded Plan. All rights of a Participant, Beneficiary or any other person or entity having or claiming a right to payments under this Plan shall be entirely unfunded, and nothing in this Plan shall be construed to give such person or entity any right, title, interest, or claim in or to any specific asset, fund, reserve, account or property of any kind whatsoever, owned by a System Company, or in which a System Company may have any right, title or interest now or in the future. However, the Participant, Beneficiary or any other such person or entity shall have the right to enforce his claim against the Employer or any other System Company in the same manner as any other unsecured creditor of such System Company. Neither a Participant, his Beneficiary nor any other person or entity shall have any rights in or against any specific assets of any System Company.

5.02 Employer Liability. At its own discretion, a System Company may purchase such insurance or annuity contracts or other types of investments as it deems desirable in order to accumulate the necessary funds to provide for the future benefit payments under the Plan. However, (a) a System Company shall be under no obligation to fund the benefits provided under this Plan; (b) the investment of System Company funds credited to a special account established hereunder shall not be restricted in any way; and (c) such funds may be available for any purpose the System Company may choose. Nothing stated herein shall prohibit a System Company from adopting or establishing a trust or other means as a source for paying any obligations created hereunder provided, however, any and all rights that any such Participants shall have with respect to any such trust or other fund shall be governed by the terms thereof.

5.03 Establishment of Trust. Notwithstanding any provisions of this Article V to the contrary, within thirty (30) days following the date of a Change in Control, each System Company shall make a single irrevocable lump sum contribution to the Trust for Deferred Payments of Entergy Corporation and Subsidiaries ("Trust") pursuant to the terms and conditions described in such Trust. Each System Company's contribution shall be in an amount equal to the total amount of additional benefits payable to such System Company's Plan Participants in accordance with the

provisions of Section 4.02 of the Plan for the duration of the applicable Benefit Pay Continuation Period. Notwithstanding the foregoing in this Section to the contrary, a System Company may make contributions to the Trust prior to a Change in Control in such amounts as it shall determine in its complete discretion. The Trust is intended as a "grantor" trust under the Internal Revenue Code and the establishment and funding of such Trust is not intended to cause Participants to realize current income on amounts contributed thereto, and the Trust shall be so interpreted.

ARTICLE VI

TERMINATION OF BENEFITS

6.01 Termination of Benefits. Notwithstanding any provision under this Plan to the contrary, upon the occurrence of one or more of the following events, an individual shall immediately cease to be a Participant hereunder and no Plan benefits shall be payable to him, and, where indicated below, such individual shall immediately repay any Plan benefits previously received by him:

(a) during the applicable Benefit Continuation Period, Participant accepts employment with a System Company;

(b) Participant elects to receive the benefits of any other voluntary or involuntary severance or separation program (excluding any qualified or non-qualified retirement or deferred compensation plans) maintained by any System Company, provided, however, that receipt of any benefits under the terms of any retention plan or agreement shall not be deemed to be the receipt of severance or separation benefits for purposes of this section;

(c) without Employer permission, Employee removes, copies, or fails to return if he or she has already removed, any property belonging to one or all of the System Companies, including, but not limited to, the original or any copies of any records, computer files or disks, reports, notes, documents, files, audio or video tapes, papers of any kind, or equipment provided by any one or all of the System Companies or created using property of or for the benefit of one or all of the System Companies;

(d) during Participant's employment and for 2 years thereafter, other than as authorized by a System Company or as required by law or as necessary for the Participant to perform his duties for a System Company employer, Participant shall disclose to any person or entity any non-public data or information concerning any System Company, in which case Participant shall be required to repay any Plan benefits previously received by him. Disclosure of information pursuant to subpoena, judicial process, or request of a governmental authority shall not be deemed a violation of this provision, provided that Participant gives the System Company immediate notice of any such subpoena or request and fully cooperates with any action by System Company to object to, quash, or limit such request; or

(e) Participant engages in any employment (without the prior written consent of his last System Company employer) either individually or with any person, corporation, governmental agency or body, or other entity in competition with, or similar in nature to, any business conducted by any System Company at any time within the Applicable Period (defined below) and commencing upon termination of employment, where such competing employer is located in, or servicing in any way customers located in, those parishes and counties in which any System Company services customers during such Applicable Period, in which case Participant shall be required to repay any Plan benefits previously received by him. For purposes of this section 6.01
(e), Applicable Period shall mean:

(1) two (2) years for Participants at System Management Levels 1 and 2 at the commencement of the Change in Control Period, provided, however, that the two-year Applicable Period shall be extended to three (3) years if otherwise permissible under applicable law;

(2) two (2) years for Participants at System Management Level 3 at the commencement of the Change in Control Period; and

(3) one (1) year for Participants at System Management Level 4 at the commencement of the Change in Control Period.

However, if the stated Applicable Periods described herein shall be impermissible under applicable law, then the Applicable Period for purposes of this Plan shall be the maximum time period allowed under applicable law for a covenant not to compete.

ARTICLE VII

PLAN ADMINISTRATION

7.01 Administration of Plan. The Administrator shall operate and administer the Plan and, as such, shall have the authority as Administrator to exercise the powers and discretion conferred on it by the Plan, including the right to delegate any function to a specified person or persons. The Administrator shall discharge its duties for the exclusive benefit of the Participants and their Beneficiaries.

7.02 Powers of the Administrator. The Administrator and any of its delegees shall administer the Plan in accordance with its terms and shall have all powers, authority, and discretion necessary or proper for such purpose. In furtherance of this duty, the Administrator shall have the sole

and exclusive power and discretion to make factual determinations, construe and interpret the Plan, including the intent of the Plan and any ambiguous, disputed or doubtful provisions of the Plan. All findings, decisions, or determinations of any type made by the Administrator, including factual determinations and any interpretation or construction of the Plan, shall be final and binding on all parties and shall not be disturbed unless the Administrator's decisions are arbitrary and capricious. The Administrator shall be the sole judge of the standard of proof required in any claim for benefits and/or in any question of eligibility for a benefit. By way of example, the Administrator shall have the sole and exclusive power and discretion:

(a) to adopt such rules and regulations as it shall deem desirable or necessary for the administration of the Plan on a consistent and uniform basis;

(b) to interpret the Plan including, without limitation, the power to use Administrator's sole and exclusive discretion to construe and interpret (1) the Plan, (2) the intent of the Plan, and (3) any ambiguous, disputed or doubtful provisions of the Plan;

(c) to determine all questions arising in the administration of the Plan including, but not limited to, the power and discretion to determine the rights or eligibility of any Employee, Participant, Beneficiary or other claimant to receive under the Plan;

(d) to require such information as the Administrator may reasonably request from any Employee, Participant, Beneficiary or other claimant as a condition for receiving any benefit under the Plan;

(e) to grant and/or deny any and all claims for benefits, and construe any and all issues of Plan interpretation and/or fact issues relating to eligibility for benefits;

(f) to compute the amount and determine the manner and timing of any benefits payable under the Plan;

(g) to execute or deliver any instrument or make any payment on behalf of the Plan;

(h) to employ one or more persons to render advice with respect to any of the Administrator's responsibilities under the Plan;

(i) to direct the Employer concerning all payments that shall be made pursuant to the terms of the Plan; and

(j) to make findings of fact, to resolve disputed fact issues, and to make determinations based on the facts and evidence contained in the administrative record developed during the claims review procedure.

For any acts not specifically enumerated above, when applying, construing, or interpreting any and all Plan provisions and/or fact questions presented in claims for benefits, the Administrator shall have the same discretionary powers as enumerated above.

7.03 Reliance on Reports and Certificates. The Administrator may rely conclusively upon all tables, valuations, certificates, opinions and reports furnished by an actuary, accountant, counsel or other person who may from time to time be employed or engaged for such purposes.

7.04 Claims Administration. The Administrator may appoint and, in its sole discretion, remove a Claims Administrator and/or Claims Appeal Administrator to administer claims for benefits under the Plan in accordance with its terms, and, pursuant to section 7.02, such delegees shall have all powers, authority, and discretion necessary or proper for such purpose. In the absence of such appointment, the Administrator shall be the Claims Administrator and Claims Appeal Administrator.

7.05 Filing Benefit Claims. Any claim asserting entitlement to a benefit under the Plan must be asserted within ninety (90) days after the event giving rise to the claim by sending written notice of the claim to the Claims Administrator. The written notice of the claim must be accompanied by any and all documents, materials, or other evidence allegedly supporting the claim for benefits. If the claim is granted, the claimant will be so notified in writing by the Claims Administrator.

7.06 Claim of Good Reason or Cause for Termination. For purposes of any determination regarding the existence of Good Reason or Cause for termination during a Change in Control Period, any position taken by the Participant shall be presumed correct unless Employer establishes to the Administrator by clear and convincing evidence that such position is not correct.

7.07 Denial or Partial Denial of Benefit Claims. If the Claims Administrator denies a claim for benefits in whole or part, the Claims Administrator shall notify the claimant in writing of the decision within ninety (90) days after the Claims Administrator has received the claim. In the Claim Administrator's sole discretion, the Claims Administrator may extend the time to decide the claim for an additional ninety (90) days, by giving written notice of the need for such an extension any time prior to the expiration of the initial ninety-day period. The Claims Administrator, in its sole discretion, reserves the right to request specific information from the claimant, and reserves the right to have the claimant examined or tested by person(s) employed or compensated by the Plan. If the claim is denied or partially denied, the Claims Administrator shall provide the claimant with written notice stating:

(a) the specific reasons for the denial of the claim (including the facts upon which the denial was based) and reference to any pertinent plan provisions on which the denial is based;

(b) if applicable, a description of any additional material or information necessary for claimant to perfect the claim and an explanation of why such material or information is necessary; and

(c) an explanation of the claims review appeal procedure including the name and address of the person or committee to whom any appeal should be directed.

7.08 Appeal of Claims That Are Denied or Partially Denied. The claimant may request review of the Claims Administrator's denial or partial denial of a claim for Plan benefits. Such request must be made in writing within sixty (60) days after claimant has received notice of the Claims Administrator's decision and shall include with the written request for an appeal any and all documents, materials, or other evidence which claimant believes supports his or her claim for benefits. The written request for an appeal, together with all documents, materials, or other evidence which claimant believes supports his or her claim for benefits should be addressed to the Claims Administrator, who will be responsible for submitting the appeal for review to the Claims Appeal Administrator.

7.09 The Appeal Process. The Claims Administrator will submit the appeal to the Claims Appeal Administrator for review of the denial or partial denial of the claim. Within sixty
(60) days after the receipt of claimant's appeal, claimant will be notified of the final decision of the Claims Appeal Administrator, unless, in the Claims Appeal Administrator's sole discretion, circumstances require an extension of this period for up to an additional sixty (60) days. If such an extension is required, the Claims Appeal Administrator shall notify claimant of this extension in writing before the expiration of the initial 60-day period. During the appeal, the Claims Appeal Administrator, in its sole discretion, reserves the right to request specific information from the claimant, and reserves the right to have the claimant examined or tested by person(s) employed or compensated by the Plan. The final decision of the Claims Appeal Administrator shall set forth in writing the facts and plan provisions upon which the decision is based. All decisions of the Claims Appeal Administrator are final and binding on all employees, Participants, their Beneficiaries, or other claimants.

7.10 Judicial Proceedings for Benefits. No claimant may file suit in court to obtain benefits under the Plan without first completely exhausting all stages of this claims review process. In any event, no legal action seeking Plan benefits may be commenced or maintained against the Plan more than ninety (90) days after the Claims Appeal Administrator's decision on appeal.

ARTICLE VIII

AMENDMENT AND TERMINATION

8.01 General. The Board of Directors shall have the right, in its absolute discretion, at any time and from time to time, to modify or amend, in whole or in part, any or all of the provisions of this Plan, or suspend or terminate it entirely, subject to the provisions of Section 8.02 hereof. The provisions of this Article VIII shall survive a termination of the Plan unless such termination is agreed to by the Participants.

8.02 Restrictions on Amendment or Termination. Any amendment or modification to, or the termination of, the Plan shall be subject to the following restrictions:

(a) No amendment, modification, suspension or termination of the Plan may reduce the amount of benefits or adversely affect the manner of payment of benefits of any Participant or Beneficiary then receiving benefits in accordance with the terms of Article IV, unless such modification is agreed to in writing and signed by the affected Participant or Beneficiary and by the Plan Administrator, or by their legal representatives and successors; and

(b) No provision of this Plan may be modified, waived, or discharged during the 2-year period commencing on the date of a Potential Change in Control unless such modification, waiver, or discharge is agreed to in writing and signed by the affected Participant and by the Plan Administrator, or by their legal representatives and successors.

8.03 Successors. A System employer shall require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) of all or substantially all of its business and/or assets to expressly assume and agree to perform this Plan in the same manner and to the same extent that the System employer would be required to perform it if no such succession had taken place. Failure of the System employer to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Plan and shall entitle each Participant to compensation from the System employer in the same amount and on the same terms as they would be entitled hereunder if terminated voluntarily for Good Reason, except for the purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the effective date of termination. Any successor or surviving entity that assumes or otherwise adopts this Plan as contemplated in this Section 8.03 shall succeed to all the rights, powers and duties of the Employer and the Board of Directors hereunder, subject to the restrictions on amendment or termination of the Plan as set forth in Section 8.02.

ARTICLE IX

MISCELLANEOUS

9.01 No Alienation. The benefits provided hereunder shall not be subject to alienation, assignment, pledge, anticipation, attachment, garnishment, receivership, execution or levy of any kind, including liability for alimony or support payments, and any attempt to cause such benefits to be so subjected shall not be recognized, except to the extent as may be required by law.

9.02 No Mitigation. If the Participant's employment with his Employer terminates during a Change in Control Period, the Participant is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Participant by the Employer pursuant to Article IV hereof. Further, the amount of any payment or benefit provided for under this Plan shall not be reduced by any compensation earned by the Participant as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Participant to the System, or otherwise.

9.03 Indemnification. To the extent not covered by insurance, or if there is a failure to provide full insurance coverage for any reason, and to the extent permissible under applicable laws and regulations, the System employers agree to hold harmless and indemnify Administrator and its members against any and all claims and causes of action by or on behalf of any and all parties whomsoever, and all losses therefrom, including, without limitation, costs of defense and attorneys' fees, based upon or arising out of any act or omission relating to or in connection with the Plan and Trust other than losses resulting from any such person's fraud or willful misconduct.

IN WITNESS WHEREOF, Entergy Corporation has caused this Plan to be executed by its duly authorized officer on this __ day of _____, 2000, but effective as of the Effective Date set forth herein.

ENTERGY CORPORATION
through the undersigned duly authorized
representative

C. GARY CLARY
Senior Vice-President,
Human Resources and Administration
for Entergy Services, Inc.

APPENDIX A

PROTOTYPE PARTICIPANT APPLICATION

Exhibit 10(a)80

POST-RETIREMENT PLAN
OF ENTERGY CORPORATION AND SUBSIDIARIES
(As Amended and Restated Effective January 1, 2000)

Middle South Utilities, Inc. previously established the Middle South Utilities System Post-Retirement Plan. Since that time the Board of Directors of Entergy Corporation (formerly Middle South Utilities, Inc.) has amended the plan from time to time, including the amendment and restatement effective July 26, 1996 and the amendment effective March 25, 1998. On October 29, 1999, the Board of Directors of Entergy Corporation approved, authorized, and adopted certain changes to the plan that are incorporated into this amendment and restatement, which is effective January 1, 2000.

PURPOSES

The Post-Retirement Plan of Entergy Corporation and Subsidiaries has as its purposes attracting, retaining and motivating highly competent eligible employees; and encouraging personal growth and improvement of personal productivity. The Plan is designed primarily to aid eligible employees in providing supplemental post-retirement income for themselves and their families and after death benefits for their designated beneficiaries. The Plan is also designed to make available to the Employer, subsequent to the Employee's Retirement from Service and subject to the Employee's post-retirement time constraints, the Employee's knowledge of, and experience with respect to, the business and operations of the Employer.

ARTICLE I

DEFINITIONS

The following terms shall have the meanings hereinafter indicated unless expressly provided herein to the contrary:

1.01 "Administrator" shall mean the Personnel Committee established by the Board of Directors, or such other individuals or committee (not fewer than three in number) as shall from time to time be designated in writing by the Chairman of the Board of Directors as the administrator of the Plan. The Administrator shall be the "plan administrator" for the Plan within the meaning of ERISA. Notwithstanding the foregoing, from and after the date immediately preceding the commencement of a Change in Control Period, the "Administrator" shall mean (a) the individuals (not fewer than three in number) who, on the date six months before the commencement of the Change in Control Period, constitute the Administrator, plus (b) in the event that fewer than three individuals are available from the group specified in clause (a) above for any reason, such individuals as may be appointed by the individual or individuals so available (including for this purpose any individual or individuals previously so appointed under this clause (b)); provided, however, that the maximum number of individuals constituting the Administrator shall not exceed six.

1.02 "Average Basic Annual Salary" shall mean the Participant's average Basic Annual Salary for the highest consecutive five Years of Service during the ten Years immediately preceding the earlier of his date of death or Retirement from Service (or in the event the Participant has not completed five consecutive Years of Service upon his death or Retirement from Service, "Average Basic Annual Salary" shall mean the Participant's average Basic Annual Salary for his actual consecutive Year(s) of Service immediately prior to his date of death or Retirement; provided, however, that if a Participant shall have retired on his Deferred Retirement Date, the Participant's Average Basic Annual Salary shall not be less than the Participant's Average Basic Annual Salary determined as though the Employee's Retirement from Service had occurred on his Normal Retirement Date.

1.03 "Basic Annual Salary" shall mean the Employee's regular annual cash earnings from all System Companies, exclusive of any bonus, overtime or other special payments, but including the amount, if any, the Participant elects to defer under:
(a) a cash or deferred arrangement qualified under Code
Section 401(k); (b) a cafeteria plan under Code Section 125;
(c) the Executive Deferred Compensation Plan of Entergy Corporation and Subsidiaries, or any successor or replacement plan; and (d) any other nonqualified deferred compensation plan, agreement, or arrangement in which the Participant may participate or to which the Participant may be a party.

Notwithstanding anything stated in the Plan to the contrary and solely for purposes of calculating benefits under the Plan, "Basic Annual Salary" for any year commencing on or after January 1, 1995, shall mean the Employee's regular annual cash earnings from all System Companies, exclusive of overtime or other special payments, but including any and all bonuses or other incentive compensation paid pursuant to the terms of the Executive Annual Incentive Plan and Management Incentive Plan, as such plans are from time to time amended, and also including the amount, if any, the Participant elects to defer under: (a) a cash or deferred arrangement qualified under Code Section 401(k); (b) a cafeteria plan under Code Section 125; (c) the Executive Deferred Compensation Plan of Entergy Corporation and Subsidiaries, or any successor or replacement plan; and (d) any other nonqualified deferred compensation plan, agreement, or arrangement in which the Participant may participate or to which the Participant may be a party. Nothing stated herein shall be construed as an amendment to any qualified plan

maintained by a System Company.

1.04 "Beneficiary" shall mean any individual or entity so designated by the Participant, or, if the Participant does not designate a Beneficiary or if the Beneficiary predeceases the Participant, the Beneficiary shall mean the Participant's estate.

1.05 "Board of Directors" shall mean the Board of Directors of Entergy Corporation.

1.06 "Change in Control" shall mean:

(a) the purchase or other acquisition by any person, entity or group of persons, acting in concert within the meaning of Sections 13(d) or 14(d) of the Securities Exchange Act of 1934 ("Act"), or any comparable successor provisions, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Act) of 25 percent or more of either the shares of common stock outstanding immediately following such acquisition or the combined voting power of Entergy Corporation's voting securities entitled to vote generally and outstanding immediately following such acquisition, other than any such purchase or acquisition in connection with a Non-CIC Merger (defined in subsection (b) below);

(b) the consummation of a merger or consolidation of Entergy Corporation, or any direct or indirect subsidiary of Entergy Corporation with any other corporation, other than a Non-CIC Merger, which shall mean a merger or consolidation immediately following which the individuals who comprise the Board of Directors immediately prior thereto constitute at least a majority of the Board of Directors, or the board of directors of the entity surviving such merger or consolidation, or the board of directors of any parent thereof (unless the failure of such individuals to comprise at least such a majority is unrelated to such merger or consolidation);

(c) the stockholders of Entergy Corporation approve a plan of complete liquidation or dissolution of Entergy Corporation or there is consummated an agreement for the sale or disposition by Entergy Corporation of all or substantially all of Entergy Corporation's assets; or

(d) any change in the composition of the Board of Directors such that during any period of two consecutive years, individuals who at the beginning of such period constitute the Board of Directors and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of Entergy Corporation) whose appointment or election by the Board of Directors or nomination for election by Entergy Corporation's stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on January 1, 2000 or whose appointment, election or nomination for election was previously so approved or recommended, cease for any reason to constitute at least a majority thereof.

Provided, however, that no Change in Control shall be deemed to occur solely by virtue of (1) the insolvency or bankruptcy of Entergy Corporation; or (2) the transfer of assets of Entergy Corporation to an affiliate of Entergy Corporation, provided such affiliate assumes the obligations of the Plan and agrees to continue uninterrupted the rights of the Participants under the Plan; or (3) the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of Entergy Corporation immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of Entergy Corporation immediately following such transaction or series of transactions.

1.07 "Change in Control Period" shall mean the period commencing ninety (90) days prior to and ending twenty-four (24) calendar months following a Change in Control.

1.08 "Claims Administrator" shall mean the Administrator or its designee responsible for administering claims for benefits under the Plan.

1.09 "Claims Appeal Administrator" shall mean the Administrator or its delegee responsible for administering appeals from the denial or partial denial of claims for benefits under the Plan.

1.10 "Code" shall mean the Internal Revenue Code of 1986, as amended.

1.11 "Deferred Retirement Date" shall mean the date determined in accordance with Section 3.03.

1.12 "Early Retirement Date" shall mean the date determined in accordance with Section 3.02.

1.13 "Employee" shall mean an employee of a System Company who is selected by the Administrator to participate in the Plan as a member of a System Company employer's select group of management or highly compensated employees.

1.14 "Employer" shall mean the System Company with which the Employee is last employed on or before the Employee's Retirement from Service.

1.15 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

1.16 "Good Reason" shall mean the occurrence, without the Participant's express written consent, of any of the following events during the Change in Control Period:

(a) the substantial reduction or alteration in the nature or status of the Participant's duties or responsibilities from those in effect on the date immediately preceding the first day of the Change in Control Period, other than an insubstantial and inadvertent act that is remedied by the System Company employer promptly after receipt of notice thereof given by the Participant and other than any such alteration primarily attributable to the fact that Entergy Corporation may no longer be a public company;

(b) a reduction of 5% or more in Participant's annual rate of base salary as in effect immediately prior to commencement of a Change in Control Period, which shall be calculated exclusive of any bonuses, overtime, or other special payments, but including the amount, if any, the Participant elects to defer under: (1) a cash or deferred arrangement qualified under Code Section 401(k);
(2) a cafeteria plan under Code Section 125; (3) the Executive Deferred Compensation Plan of Entergy Corporation and Subsidiaries, or any successor or replacement plan; and (4) any other nonqualified deferred compensation plan, agreement, or arrangement in which the Participant may hereafter participate or be a party;

(c) requiring Participant to be based at a location outside of the continental United States and other than his primary work location as it existed on the date immediately preceding the first day of the Change in Control Period, except for required travel on business of any System Company to an extent substantially consistent with the Participant's present business obligations;

(d) failure by System Company employer to continue in effect any compensation plan in which Participant participates immediately prior to the commencement of the Change in Control Period which is material to Participant's total compensation, including but not limited to compensation plans in effect, including stock option, restricted stock, stock appreciation right, incentive compensation, bonus and other plans or any substitute plans adopted prior to the Change in Control Period, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or the failure by System Company employer to continue Participant's participation therein (or in such substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount or timing of payment of benefits provided and the level of the Participant's participation relative to other participants, as existed immediately prior to the Change in Control; or

(e) failure by System Company employer to continue to provide Participant with benefits substantially similar to those enjoyed by Participant under any of the System Company's pension, savings, life insurance, medical, health and accident, or disability plans in which Participant was participating immediately prior to the Change in Control Period; the taking of any other action by System Company employer which would directly or indirectly materially reduce any of such benefits or deprive Participant of any material fringe benefit enjoyed by Participant immediately prior to commencement of the Change in Control Period, or the failure by System Company employer to provide Participant with the number of paid vacation days to which Participant is entitled on the basis of years of service with the System in accordance with the System Company's normal vacation policy in effect at the time of the Change in Control.

Participant's right to terminate his employment for Good Reason shall not be affected by Participant's incapacity due to physical or mental illness. Participant's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason.

1.17 "Income Commencement Date" shall mean the first day of the first month next following the Participant's date of death, Normal Retirement Date, Early Retirement Date or Deferred Retirement Date in accordance with Sections 3.01, 3.02 and 3.03, respectively.

1.18 "Normal Retirement Date" shall be the Employee's 65th birthday.

1.19 "Participant" shall mean an Employee who (a) has executed a written Participant Application that has been accepted by the Administrator, and (b) remains eligible for participation in accordance with the applicable provisions of the Plan including, without limitation, Section 6.01.

1.20 "Participant Application" shall mean the written application between an Employee and the Administrator evidencing Employee's participation in this Plan, which Application shall be part of the Plan. Participant Applications executed after January 1, 2000 shall be in substantially the same form as the attached Appendix A, as may be amended from time to time by the Administrator.

1.21 "Personnel Committee" shall mean the Personnel Committee of the Board of Directors.

1.22 "Plan" shall mean this Post-Retirement Plan of Entergy Corporation and Subsidiaries and any amendments, supplements or modifications from time to time made hereto. Any Participant Applications entered into pursuant to this Plan shall be deemed part of the Plan.

1.23 "Potential Change in Control" shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

(a) Entergy Corporation or any affiliate or subsidiary company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control; or

(b) the Board of Directors adopts a resolution to the effect that, for purposes of this Plan, a Potential Change in Control has occurred; or

(c) any System Company or any person or entity publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control; or

(d) any person or entity becomes the beneficial owner (as that term is defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended from time to time), either directly or indirectly, of securities of Entergy Corporation representing 20% or more of either the then outstanding shares of common stock of Entergy Corporation or the combined voting power of Entergy Corporation's then outstanding securities (not including in the calculation of the securities beneficially owned by such person or entity any securities acquired directly from Entergy Corporation or its affiliates).

1.24 "Prior Plan" shall mean the Post-Retirement Plan of Entergy Corporation and Subsidiaries, as amended and restated effective July 26, 1996, and any prior amendments or amendments and restatements to such Prior Plan, and any agreements, contracts, or other arrangements with respect to such Prior Plan.

1.25 "Qualifying Event" shall mean the occurrence of one of the following within the Change in Control Period:

(a) The Participant's employment is terminated by Employer other than for Cause, as defined in Section 7.01(a); or

(b) The Participant terminates his System employment for Good Reason.

For purposes of this Plan, the following shall not constitute Qualifying Events: (1) Participant's death; or (2) Participant becoming disabled under the terms of the Entergy Corporation Companies' Benefits Plus Long Term Disability ("LTD") Plan.

1.26 "Retirement from Service" shall mean the retirement of the Participant from employment with the Employer in accordance with Article III.

1.27 "System" shall mean Entergy Corporation and all System Companies and, except in determining whether a Change in Control has occurred, shall include any successor thereto as contemplated in Section 9.03 of this Plan.

1.28 "System Company" shall mean Entergy Corporation and any corporation 80% or more of whose stock (based on voting power) or value is owned, directly or indirectly, by Entergy Corporation and any partnership or trade or business which is 80% or more controlled, directly or indirectly, by Entergy Corporation, and, except in determining whether a Change in Control has occurred, shall include any successor thereto as contemplated in Section
9.03 of this Plan.

1.29 "System Management Level" shall mean the applicable management level set forth below:

(a) System Management Level 1 (Chief Executive Officer and Chairman of the Board of Entergy Corporation);

(b) System Management Level 2 (Presidents and Executive Vice Presidents within the System);

(c) System Management Level 3 (Senior Vice Presidents within the System); and

(d) System Management Level 4 (Vice Presidents within the System).

1.30 "Target Award" shall mean the target percentage established by the Personnel Committee under the Executive Annual Incentive Plan of Entergy Corporation and Subsidiaries with respect to the Participant.

1.31 "Year" shall mean any period of twelve consecutive months.

1.32 "Year of Service" shall mean each year of employment within the System.

ARTICLE II

PARTICIPATION

2.01 Each Participant shall continue to be a Participant (a) unless he forfeits his benefits in accordance with Section
6.01; or (b) until the Plan is terminated in accordance with Article IX hereof, except to the extent otherwise specifically set forth in Article IX.

ARTICLE III

RETIREMENT DATES

3.01 Normal Retirement Date. A Participant who shall have retired from employment with the Employer on his Normal Retirement Date shall have a nonforfeitable right to his accrued benefits under the Plan, except as set forth in Section 6.01. If a Participant continues in employment with the Employer after his Normal Retirement Date without the written consent of the Employer, he shall have a forfeiture event under Section 6.01(a).

3.02 Early Retirement Date. Participant shall retire prior to his Normal Retirement Date upon the date designated in a written notice of the Employer to the Participant requesting the Participant's early retirement. Such notice shall be delivered to the Participant at least 30 calendar days prior to the date of retirement designated therein. The date upon which the Participant retires in accordance with such notice shall be his Early Retirement Date; provided, that if the Participant does not retire on the date designated in such notice, he shall have a forfeiture event under Section 6.01(a), and the Employer shall have the right to terminate the Participant from his employment with the Employer as of the date designated in such notice. Alternatively, if, upon the written request of the Participant and with the written consent of the Employer, the Participant shall retire prior to his Normal Retirement Date, the date of such retirement shall be his Early Retirement Date. The Participant shall have a nonforfeitable right to all of his accrued benefits under the Plan upon his retirement on his Early Retirement Date, except as set forth in Section 6.01.

3.03 Deferred Retirement Date. If, with the written consent of the Employer, a Participant continues his employment with the Employer after his Normal Retirement Date, the Participant shall retire upon the date designated in a written notice of the Employer to the Participant requesting the Participant's retirement. Such notice shall be delivered to the Participant at least 30 calendar days prior to the date of retirement designated therein. The date upon which the Participant retires in accordance with such notice shall be his Deferred Retirement Date; provided, that if the Participant does not retire on the date designated in such notice, he shall have a forfeiture event under Section 6.01(a), and the Employer shall have the right to terminate the Participant from his employment with the Employer as of the date designated in such notice. If, pursuant to such written consent, a Participant continues his employment with the Employer after his Normal Retirement Date and if such Participant shall die while so employed, the date of his death shall be deemed his Deferred Retirement Date and the Participant's Retirement from Service shall be deemed to have occurred as of this Deferred Retirement Date. Alternatively, if, upon the written request of the Participant and with the written consent of the Employer, the Participant shall retire after his Normal Retirement Date, the date of such retirement shall be his Deferred Retirement Date. The Participant shall have a nonforfeitable right to his accrued benefits under the Plan upon his retirement on his Deferred Retirement Date, except as set forth in Section 6.01.

ARTICLE IV

BENEFITS

4.01 Upon the death of the Participant prior to his Normal Retirement Date and provided such Participant has not retired on an Early Retirement Date, his Beneficiary will be provided a monthly benefit equal to .0333 times the Participant's Average Basic Annual Salary; provided, however, if a Participant shall die prior to the completion of one Year of Service, then such Participant's Beneficiary will be provided a monthly benefit equal to .0333 times the Participant's Average Basic Annual Salary determined as if he had completed one Year of Service and received his Basic Annual Salary for such Year of Service. Such monthly payments will commence on the Income Commencement Date and will be made to the Beneficiary until the Participant would have attained age 65, had he survived, or for a period of 120 months, whichever is longer.

4.02 Upon a Participant's Retirement from Service, he will be paid, beginning as of his Income Commencement Date and subject to Section 6.01, a monthly benefit equal to .0833 times the sum of:

(a) 2.00% of the Participant's Average Basic Annual Salary for each of the first ten Years of Service; and

(b) 1.25% of the Participant's Average Basic Annual Salary for each Year of Service in excess of ten years.

Provided, however, in no event will the monthly benefit payable under this Section 4.02 exceed .0333 times the Participant's Average Basic Annual Salary nor will such monthly benefits be payable for more than 120 months; and provided, further, that in the case of a Participant whose Retirement from Service shall occur or be deemed to have occurred as of his Deferred Retirement Date, for the purposes of the calculation of "Years of Service" under this Section 4.02, no Years of Service after his Normal Retirement Date shall be considered.

4.03 Upon the death of a retired separated Participant who had not received 120 monthly payments under Section 4.02 hereof prior to his death, the Beneficiary will continue to be paid the same monthly benefit until a total of 120 such monthly payments have been made on behalf of the Participant.

4.04 In lieu of the monthly benefits payable under Sections 4.02 and 4.03, a Participant who, at the time of his Retirement from Service, is a full officer of a System Company and is eligible for a Target Award at a level at or above 40% of base salary as from time to time defined in the Executive Annual Incentive Plan of Entergy Corporation and Subsidiaries, and who retires on or after his Early Retirement Date may elect, subject to the terms and conditions set forth in this Section 4.04, an optional single-sum payment that is equal to the present value of the Participant's benefit determined under Section 4.02 as of the date of his Retirement from Service. Present value shall be computed using the same interest and mortality assumptions used in the Entergy Corporation Retirement Plan for Non-Bargaining Employees for computing the present value of benefits (for purposes of the involuntary cash-out rules) as of the time such single-sum amount is to be computed. An eligible Participant's election of the single-sum payment shall be subject to the following restrictions and limitations:

(a) Such election must be made on or before the earlier of (1) the date that is ninety (90) days prior to his Normal Retirement Date, or (2) the date the Participant makes written request to the Employer to Retire from Service;

(b) Any failure by the Participant to make an affirmative written election hereunder on or before the deadline established in Subsection (a) above shall constitute a waiver of any right to elect the single-sum form of benefit, in which case the terms of Sections 4.02 and 4.03 shall govern to the extent applicable;

(c) The Participant may cancel his election for the single-sum form of benefit at any time prior to the deadline for making such election as described in Subsection (a), after which date any such election shall become irrevocable; and

(d) An eligible Participant's election shall be subject to the written consent of the Employer.

Under this optional single-sum form of benefit payment, no further benefit payments of any kind shall be made under the Plan to the Participant, the Participant's Beneficiary, or any other person on behalf of the Participant.

4.05 Prior Plan Benefits. The benefits under this Plan supercede and replace entirely any benefits provided under the Prior Plan. If a Participant in the Prior Plan fails to execute the Participant Application, then such individual shall be subject to the terms and conditions of the Prior Plan, including any forfeiture provisions thereof, and shall not receive any benefits under the terms of this restated Plan.

ARTICLE V

SOURCE OF PAYMENTS

5.01 Unfunded Plan. It is a condition of the Plan that neither a Participant nor any other person or entity shall look to any other person or entity other than the Employer for the payment of benefits under the Plan. The Participant or any other person or entity having or claiming a right to payments hereunder shall rely solely on the unsecured obligation of the Employer set forth herein. Nothing in this Plan shall be construed to give the Participant or any such person or entity any right, title, interest, or claim in or to any specific asset, fund, reserve, account or property of any kind whatsoever, owned by any Employer or in which the Employer may have any right, title or interest now or in the future. However, Participant or any such person or entity shall have the right to enforce his claim against the Employer in the same manner as any other unsecured creditor of such entity. Neither a Participant nor his Beneficiary or contingent annuitant shall have any rights in or against any specific assets of any System Company.

5.02 Employer Liability. At its own discretion, a System Company employer may purchase such insurance or annuity contracts or other types of investments as it deems desirable in order to accumulate the necessary funds to provide for the future benefit payments under the Plan. However, (a) a System Company employer shall be under no obligation to fund the benefits provided under this Plan; (b) the investment of System Company employer funds credited to a special account established hereunder shall not be restricted in any way; and (c) such funds may be available for any purpose the System Company may choose. Nothing stated herein shall prohibit a System Company employer from adopting or establishing a trust or other means as a source for paying any obligations created hereunder provided, however, any and all rights that any such Participants shall have with respect to any such trust or other fund shall be governed by the terms thereof.

5.03 Establishment of Trust. Notwithstanding any provisions of this Article V to the contrary, within thirty (30) days following the date of a Change in Control, each System Company shall make a single irrevocable lump sum contribution to the Trust for Deferred Payments of Entergy Corporation and Subsidiaries ("Trust") pursuant to the terms and conditions described in such Trust. Each System Company's contribution shall be in an amount actuarially equivalent to the total benefits accrued by such System Company's Plan Participants (including a Participant's Beneficiary) under the Plan through the date of any such Change in Control. Actuarial equivalence shall be determined using the mortality factors set forth in the Entergy Corporation Retirement Plan for Non-Bargaining Employees and using the interest rates used by the Pension Benefit Guaranty Corporation for purposes of determining the present value of a lump sum distribution on plan termination (Appendix B to ERISA Regulation Section 2619 or its successor). If one or more of a System Company's Participants shall continue to be employed by a System Company after such a Change in Control, each calendar year the System Company shall, as soon as possible, but in no event longer than thirty (30) days following the end of such calendar year, make an irrevocable contribution to the Trust in an amount that is necessary in order to maintain a lump sum amount credited to the System Company's Plan account under the Trust that is actuarially equivalent to the total unpaid benefits accrued by the System Company's Participants as of the end of each applicable calendar year. Notwithstanding the foregoing in this

Section to the contrary, a System Company may make contributions to the Trust prior to a Change in Control in such amounts as it shall determine in its complete discretion. The Trust is intended as a "grantor" trust under the Internal Revenue Code and the establishment and funding of such Trust is not intended to cause Participants to realize current income on amounts contributed thereto, and the Trust shall be so interpreted.

ARTICLE VI

FORFEITURES AND BENEFIT REPAYMENTS

6.01 Forfeitures. Except as otherwise provided in Section 7.02 of this Plan, Participant shall cease to be a Participant hereunder, no benefits under the Plan shall be payable hereunder, and Participant shall repay all amounts that he may have previously received hereunder, on and after any of the following events:

(a) if the Participant resigns his employment with the Employer (otherwise than for the purpose of transferring to another System Company) prior to his Retirement from Service or does not Retire from Service on the applicable date set forth in Sections 3.01, 3.02, and 3.03;

(b) if the Participant is involuntarily terminated by the Employer for cause, which for purposes of this Section 6.01 shall mean:

(1) a material violation by Participant of any agreement between Participant and any System Company; or

(2) a material violation of the employer-employee relationship existing between Participant and a System Company employer at the time, including, without limitation, breach of confidentiality or moral turpitude; or

(3) a material failure by Participant to perform the services required of him pursuant to any agreement between Participant and any System Company, or, if there is no such agreement, a material failure by Participant to perform the reasonable customary services of an employee holding the type of position he holds at the time; or

(4) an act of embezzlement, theft, defalcation, larceny, material fraud, or other acts of dishonesty by the Participant; or

(5) a conviction of Participant or Participant's entrance of a plea of guilty or nolo contendere to a felony or other crime which has or may have a material adverse affect on his ability to carry out his duties or upon the reputation of any System Company.

(c) if the Participant engages in any employment (without the prior written consent of his Employer) either individually or with any person, corporation, governmental agency or body, or other entity in competition with, or similar in nature to, any business conducted by any System Company (or its successor) at any time within the two-year period commencing at Retirement from Service, or other termination of employment, as applicable, where such competing employer is located in, or servicing in any way customers located in, those parishes and counties in which any System Company services customers during the two-year period; or

(d) if during the Participant's employment and for two years thereafter, other than as authorized by a System Company, or as required by law, or as necessary for the Participant to perform his duties for a System Company employer, the Participant shall divulge, communicate or use to the detriment of the Employer or the System, or use for the benefit of any other person or entity, or misuse in any way, any confidential or proprietary information or trade secrets of the Employer or the System, including without limitation non-public financial information, know-how, formulas, or other technical data. Disclosure of information pursuant to subpoena, judicial process, or request of a governmental authority shall not be deemed a violation of this provision, provided that the Participant gives the System Company immediate notice of any such subpoena or request and fully cooperates with any action by System Company to object to, quash, or limit such request.

Section 6.01(a) above shall not apply and shall not cause a forfeiture if a Participant shall become vested in his Plan benefits pursuant to Section 7.02.

6.02 Advisory Services. As a condition for benefits under this Plan, the Participant must hold himself available to render advisory services, with his consent, if so requested by the Employer, during the period beginning with his Retirement from Service, as applicable, and continuing for a period of ten years thereafter. If the Participant agrees to render such advisory services, he will make himself available to the Employer with respect to matters related to his area or areas of expertise, as considered appropriate by the Employer, and will consult thereof with the directors and officers of the Employer and with such other person or persons as the chief executive officer of the Employer may designate and will perform such special assignments within his area of expertise and capability as may be mutually agreed upon with the chief executive officer of the Employer. The Participant shall control the manner in which he renders services hereunder and may, at his discretion, decline to render any such services requested by the Employer if the Participant's time constraints are such that the rendering of such services would result in an undue burden upon the Participant. Rendering such advisory services shall in no way constitute or be construed as creating an employer/employee relationship, partnership, joint venture, or other business group or concerted activity between any requesting employer and Participant, and a Participant rendering services pursuant to this Section 6.02 shall not on account thereof be entitled to any of the fringe or

supplemental benefits of the requesting employer or any other System Company, including employee benefit plan participation.

ARTICLE VII

CHANGE IN CONTROL

7.01 Definitions. The following additional definitions shall be applicable to this Article VII of the Plan:

(a) "Cause" shall mean:

(1) willful and continuing failure by Participant to substantially perform Participant's duties (other than such failure resulting from the Participant's incapacity due to physical or mental illness or any such actual or anticipated failure after the issuance of a Notice of Termination for Good Reason by the Participant) that has not been cured within 30 days after a written demand for substantial performance is delivered to the Participant by the board of directors of the Employer, which demand specifically identifies the manner in which the board believes that the Participant has not substantially performed the Participant's duties; or

(2) the willful engaging by the Participant in conduct which is demonstrably and materially injurious to any System Company, monetarily or otherwise; or

(3) conviction of or entrance of a plea of guilty or nolo contendere to a felony or other crime which has or may have a material adverse affect on Participant's ability to carry out Participant's duties or upon the reputation of any System Company; or

(4) a material violation by Participant of any agreement Participant has with a System Company; or

(5) unauthorized disclosure by Participant of the confidences of any System Company.

For purposes of clauses (1) and (2) of this definition, no act, or failure to act, on Participant's part shall be deemed "willful" unless done, or omitted to be done, by Participant not in good faith and without reasonable belief that Participant's act, or failure to act, was in the best interest of Employer.

(b) "Notice of Termination" shall mean a notice that shall indicate the specific termination provision in this Plan relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Participant's employment under the provision so indicated. Further, a Notice of Termination for Cause is required to include a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters (3/4) of the entire membership of the terminating employer's board of directors at a meeting of such board of directors which was called and held for the purpose of considering such termination (after reasonable notice to Participant and an opportunity for Participant, together with Participant's counsel, to be heard before that board) finding that, in the good faith opinion of the board, Participant was guilty of conduct set forth in the definition of Cause herein, and specifying the particulars thereof in detail.

7.02 Accelerated Vesting. Notwithstanding anything stated herein to the contrary, if during a Change in Control Period there should occur a Qualifying Event with respect to a Participant, the Participant shall not cease to be a Participant and shall be fully vested in and shall have a non-forfeitable right to all benefits accrued under this Plan as of the date of such Qualifying Event, except that all such benefits shall continue to be subject to forfeiture upon the occurrence of any of the following:

(a) Without Employer permission, Employee removes, copies, or fails to return if he or she has already removed, any property belonging to one or all of the System Companies, including, but not limited to, the original or any copies of any records, computer files or disks, reports, notes, documents, files, audio or video tapes, papers of any kind, or equipment provided by any one or all of the System Companies or created using property of or for the benefit of one or all of the System Companies.

(b) During Participant's employment and for 2 years thereafter, other than as authorized by a System Company or as required by law or as necessary for the Participant to perform his duties for a System Company employer, Participant shall disclose to any person or entity any non-public data or information concerning any System Company, in which case Participant shall be required to repay any Plan benefits previously received by him. Disclosure of information pursuant to subpoena, judicial process, or request of a governmental authority shall not be deemed a violation of this provision, provided that Participant gives the System Company immediate notice of any such subpoena or request and fully cooperates with any action by System Company to object to, quash, or limit such request; or

(c) Participant engages in any employment (without the prior written consent of his last System employer) either individually or with any person, corporation, governmental agency or body, or other entity in competition with, or similar in nature to, any business conducted by any System Company at any time within the Applicable Period (defined below) and commencing upon termination of employment, where such competing employer is located in, or servicing in any way customers located in, those parishes and counties in which any System Company services customers during such Applicable Period, in which case Participant shall be required to repay any Plan benefits previously received by him. For purposes of this Section, Applicable Period shall mean:

(1) two (2) years for Participants at System Management Levels 1 and 2 at the commencement of the Change in Control Period, provided, however, that the two-year Applicable Period shall be extended to three (3) years if otherwise permissible under applicable law;

(2) two (2) years for Participants at System Management Level 3 at the commencement of the Change in Control Period; and

(3) one (1) year for Participants at System Management Level 4 at the commencement of the Change in Control Period.

However, if the stated Applicable Periods described herein shall be impermissible under applicable law, then the Applicable Period for purposes of this Plan shall be the maximum time period allowed under applicable law for a covenant not to compete.

7.03 Benefit Amount and Income Commencement Date. Notwithstanding anything stated herein to the contrary, if during a Change in Control Period there should occur a Qualifying Event with respect to a Participant and if there does not occur a forfeiture event referenced in Section 7.02, the Participant's benefit amount and Income Commencement Date shall be determined pursuant to the provisions of this Plan as modified by the following:

(a) the Participant shall be deemed to have a Retirement from Service;

(b) the Participant's benefit amount shall be determined according to Section 4.02 without regard to that Section's eligibility requirements; and

(c) the Participant, or his Beneficiary in the event of his death, may elect his Income Commencement Date without the consent of the Employer, which shall be on the first day of any month following the Participant's termination.

7.04 No Benefit Reduction. Notwithstanding anything stated above to the contrary, an amendment to, or termination of, the Plan following a Change in Control shall not reduce the level of benefits accrued under this Plan through the date of any such amendment or termination. In no event shall a Participant's benefit under this Plan following a Change in Control be less than such Participant's benefit under this Plan immediately prior to the Change in Control Period, subject, however, to the forfeiture provisions referenced in Section 7.02 as in existence on the date immediately preceding the commencement date of the Change in Control Period.

7.05 Provisions of Referenced Plans. To the extent this Plan references or incorporates provisions of any other System Company plan, including, but not limited to, the Entergy Corporation Retirement Plan for Non-Bargaining Employees, and (a) such other plan is amended, supplemented, modified or terminated during the two-year period commencing on the date of a Potential Change in Control and (b) such amendment, supplementation, modification or termination adversely affects any benefit under this Plan, whether it be in the method of calculation or otherwise, then for purposes of determining benefits under this Plan, the Administrator shall rely upon the version of such other plan in existence immediately prior to any such amendment, supplementation, modification or termination, unless such change is agreed to in writing and signed by the affected Participant and by the Administrator, or by their legal representatives or successors.

ARTICLE VIII

PLAN ADMINISTRATION

8.01 Administration of Plan. The Administrator shall operate and administer the Plan and, as such, shall have the authority as Administrator to exercise the powers and discretion conferred on it by the Plan, including the right to delegate any function to a specified person or persons. The Administrator shall discharge its duties for the exclusive benefit of the Participants and their beneficiaries.

8.02 Powers of the Administrator. The Administrator and any of its delegees shall administer the Plan in accordance with its terms and shall have all powers, authority, and discretion necessary or proper for such purpose. In furtherance of this duty, the Administrator shall have the sole and exclusive power and discretion to make factual determinations, construe and interpret the Plan, including the intent of the Plan and any ambiguous, disputed or doubtful provisions of the Plan. All findings, decisions, or determinations of any type made by the Administrator, including factual determinations and any interpretation or construction of the Plan, shall be final and binding on all parties and shall not be disturbed unless the Administrator's decisions are arbitrary and capricious. The Administrator shall be the sole judge of the standard of proof required in any claim for benefits and/or in any question of eligibility for a benefit. By way of example, the Administrator shall have the sole and exclusive power and discretion:

(a) to adopt such rules and regulations as it shall deem desirable or necessary for the administration of the Plan on a consistent and uniform basis;

(b) to interpret the Plan including, without limitation, the power to use Administrator's sole and exclusive discretion to construe and interpret (i) the Plan, (ii) the intent of the Plan, and (iii) any ambiguous, disputed or doubtful provisions of the Plan;

(c) to determine all questions arising in the administration of the Plan including, but not limited to, the power and discretion to determine the

rights or eligibility of any Employee, Participant, Beneficiary or other claimant to receive under the Plan;

(d) to require such information as the Administrator may reasonably request from any Employee, Participant, Beneficiary or other claimant as a condition for receiving any benefit under the Plan;

(e) to grant and/or deny any and all claims for benefits, and construe any and all issues of Plan interpretation and/or fact issues relating to eligibility for benefits;

(f) to compute the amount and determine the manner and timing of any benefits payable under the Plan;

(g) to execute or deliver any instrument or make any payment on behalf of the Plan;

(h) to employ one or more persons to render advice with respect to any of the Administrator's responsibilities under the Plan;

(i) to direct the Employer concerning all payments that shall be made pursuant to the terms of the Plan; and

(j) to make findings of fact, to resolve disputed fact issues, and to make determinations based on the facts and evidence contained in the administrative record developed during the claims review procedure.

For any acts not specifically enumerated above, when applying, construing, or interpreting any and all Plan provisions and/or fact questions presented in claims for benefits, the Administrator shall have the same discretionary powers as enumerated above.

8.03 Reliance on Reports and Certificates. The Administrator may rely conclusively upon all tables, valuations, certificates, opinions and reports furnished by an actuary, accountant, counsel or other person who may from time to time be employed or engaged for such purposes.

8.04 Claims Administration. The Administrator may appoint and, in its sole discretion, remove a Claims Administrator and/or Claims Appeal Administrator to administer claims for benefits under the Plan in accordance with its terms, and, pursuant to Section 8.02, such delegees shall have all powers, authority, and discretion necessary or proper for such purpose. In the absence of such appointment, the Administrator shall be the Claims Administrator and Claims Appeal Administrator.

8.05 Filing Benefit Claims. Any claim asserting entitlement to a benefit under the Plan must be asserted within ninety (90) days after the event giving rise to the claim by sending written notice of the claim to the Claims Administrator. The written notice of the claim must be accompanied by any and all documents, materials, or other evidence allegedly supporting the claim for benefits. If the claim is granted, the claimant will be so notified in writing by the Claims Administrator.

8.06 Claims of Good Reason/Cause During Change in Control Period. Solely for purposes of any determination regarding the existence of Good Reason or Cause (as defined in Section 7.01(a)) during a Change in Control Period, any position taken by the Participant shall be presumed to be correct unless Employer establishes to the Plan Administrator by clear and convincing evidence that such position is not correct.

8.07 Denial or Partial Denial of Benefit Claims. If the Claims Administrator denies a claim for benefits in whole or part, the Claims Administrator shall notify the claimant in writing of the decision within ninety (90) days after the claim has been received by the Claims Administrator. In the Claim Administrator's sole discretion, the Claims Administrator may extend the time to decide the claim for an additional ninety (90) days, by giving written notice of the need for such an extension any time prior to the expiration of the initial ninety-day period. The Claims Administrator, in its sole discretion, reserves the right to request specific information from the claimant, and reserves the right to have the claimant examined or tested by person(s) employed or compensated by the Plan. If the claim is denied or partially denied, the Claims Administrator shall provide the claimant with written notice stating:

(a) the specific reasons for the denial of the claim (including the facts upon which the denial was based) and reference to any pertinent plan provisions on which the denial is based;

(b) if applicable, a description of any additional material or information necessary for claimant to perfect the claim and an explanation of why such material or information is necessary; and

(c) an explanation of the claims review appeal procedure including the name and address of the person or Committee to whom any appeal should be directed.

8.08 Appeal of Claims That Are Denied or Partially Denied. The claimant may request review of the Claims Administrator's denial or partial denial of a claim for Plan benefits. Such request must be made in writing within 60 days after claimant has received notice of the Claims Administrator's decision and shall include with the written request for an appeal any and all documents, materials, or other evidence which claimant believes supports his or her claim for benefits. The written request for an appeal, together with all documents, materials, or other evidence which claimant believes supports his or her claim for benefits should be addressed to the Claims Administrator, who will be

responsible for submitting the appeal for review to the Claims Appeal Administrator.

8.09 The Appeal Process. The Claims Administrator will submit the appeal to the Claims Appeal Administrator for review of the denial or partial denial of the claim. Within sixty
(60) days after the receipt of claimant's appeal, claimant will be notified of the final decision of the Claims Appeal Administrator, unless, in the Claims Appeal Administrator's sole discretion, circumstances require an extension of this period for up to an additional sixty (60) days. If such an extension is required, the Claims Appeal Administrator shall notify claimant of this extension in writing before the expiration of the initial sixty-day period. During the appeal, the Claims Appeal Administrator, in its sole discretion, reserves the right to request specific information from the claimant, and reserves the right to have the claimant examined or tested by person(s) employed or compensated by the Plan. The final decision of the Claims Appeal Administrator shall set forth in writing the facts and plan provisions upon which the decision is based. All decisions of the Claims Appeal Administrator are final and binding on all employees, Participants, their Beneficiaries, or other claimants.

8.10 Judicial Proceedings for Benefits. No claimant may file suit in court to obtain benefits under the Plan without first completely exhausting all stages of this claims review process. In any event, no legal action seeking Plan benefits may be commenced or maintained against the Plan more than ninety (90) days after the Claims Appeal Administrator's decision on appeal.

ARTICLE IX

AMENDMENT AND TERMINATION

9.01 General. The Board of Directors shall have the right, in its absolute discretion, at any time and from time to time, to modify or amend, in whole or in part, any or all of the provisions of this Plan, or suspend or terminate it entirely, subject to the provisions of Section 9.02 hereof. The provisions of this Article IX shall survive a termination of the Plan unless such termination is agreed to by the Participants.

9.02 Restrictions on Amendment or Termination. Any amendment or modification to, or the termination of, the Plan shall be subject to the following restrictions:

(a) Employer shall continue, subject to the provisions of
Section 6.01, to make payments to any retired Participant or Beneficiary then entitled to payments as if the Plan had not been amended, supplemented, modified or terminated; and

(b) as to any Participant who has not yet begun receiving monthly benefits under the Plan, the Employer, subject to the provisions of Sections 6.01 and 7.02, shall remain obligated to provide a benefit upon the earlier of the Participant's Retirement from Service or death that is actuarially equivalent to (and payable for the term of) the accrued benefit under
Section 4.02 earned by the Participant at the time the Plan is amended, supplemented, modified or terminated; and

(c) no amendment, modification, suspension or termination of the Plan may reduce the amount of benefits or adversely affect the manner of payment of benefits of any Participant or Beneficiary then receiving benefits in accordance with the terms of Article IV, unless such modification is agreed to in writing and signed by the affected Participant or Beneficiary and by the Plan Administrator, or by their legal representatives or successors; and

(d) no provision of this Plan may be modified, waived, or discharged during the two-year period commencing on the date of a Potential Change in Control, unless such modification, waiver, or discharge is agreed to in writing and signed by the affected Participant and by the Plan Administrator, or by their legal representatives or successors.

9.03 Successors. A System employer shall require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) of all or substantially all of its business and/or assets to expressly assume and agree to perform this Plan in the same manner and to the same extent that the System employer would be required to perform it if no such succession had taken place. Failure of the System employer to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Plan and shall entitle each Participant to Plan benefits from the System Company employer in the same amount and on the same terms as he would be entitled hereunder if terminated voluntarily for Good Reason, except for the purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the effective date of termination. Any successor or surviving entity that assumes or otherwise adopts this Plan as contemplated in this Section
9.03 shall succeed to all the rights, powers and duties of the System employer and the Board of Directors hereunder, subject to the restrictions on amendment or termination of the Plan as set forth in Section 9.02. The employment of the Participant who has continued in the employ of such successor or surviving entity shall not be deemed to have been terminated or severed for any purpose hereunder; however, such continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason.

9.04 Dissolution of the Employer. In the event that a System employer with which Participant was employed while a Participant in the Plan is dissolved or liquidated by reason of bankruptcy, insolvency or otherwise prior to Employee's death or Retirement from Service, without any provision being made for the continuance of the Plan by a successor to the business of such System employer or unless another System

Company shall have assumed the obligations of such System employer under the Plan, the date on which such dissolution or liquidation occurs shall be deemed to be the non-retired Participant's Early Retirement Date and the Participant's Retirement from Service shall be deemed to have occurred on his Early Retirement Date. At the option of the person entitled thereto, the actuarial equivalent of such benefits shall be paid immediately in one lump sum. Upon the date of such liquidation or dissolution, in the case of a Beneficiary or retired Participant who is receiving benefit payments under the Plan, the Actuarial Equivalent of the benefits then remaining to be paid under the Plan to the Participant, joint annuitant, or Beneficiary, as applicable, shall be paid immediately in one lump sum at the option of the person entitled thereto.

ARTICLE X

MISCELLANEOUS

10.01 Gender and Number. The masculine pronoun whenever used in the Plan shall include the feminine. Similarly, the feminine pronoun whenever used in the Plan shall include the masculine as the context or facts may require. Whenever any words are used herein in the singular, they shall be construed as if they were also used in the plural in all cases where the context so applies.

10.02 Captions. The captions of this Plan are not part of the provisions of the Plan and shall have no force and effect.

10.03 Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

10.04 Controlling Law. The administration of the Plan, and any Trust established thereunder, shall be governed by applicable federal law, including ERISA, as amended, and, to the extent federal law is inapplicable, the laws of the State of Delaware, without regard to the conflict of law principles of any state. Any persons or corporations who now are or shall subsequently become parties to the Plan shall be deemed to consent to this provision.

10.05 No Right to Employment. The Plan confers no right upon any Employee to continue his employment with any employer, whether or not a System Company.

10.06 Indemnification. To the extent not covered by insurance, or if there is a failure to provide full insurance coverage for any reason, and to the extent permissible under applicable laws and regulations, the System employers agree to hold harmless and indemnify the Administrator and its members against any and all claims and causes of action by or on behalf of any and all parties whomsoever, and all losses therefrom, including, without limitation, costs of defense and attorneys' fees, based upon or arising out of any act or omission relating to or in connection with the Plan and Trust other than losses resulting from any such person's fraud or willful misconduct.

10.07 No Alienation. The benefits provided hereunder shall not be subject to alienation, assignment, pledge, anticipation, attachment, garnishment, receivership, execution or levy of any kind, including liability for alimony or support payments, and any attempt to cause such benefits to be so subjected shall not be recognized, except to the extent as may be required by law.

IN WITNESS WHEREOF, Entergy Corporation has caused this amendment and restatement to be executed by its duly authorized officer on this day of _____, 2000, but effective as of January 1, 2000.

ENTERGY CORPORATION
through the undersigned duly
authorized representative

C. GARY CLARY
Senior Vice-President,
Human Resources and Administration
for Entergy Services, Inc.

APPENDIX A

PROTOTYPE PARTICIPANT APPLICATION

Exhibit 10(a)81

POST-RETIREMENT PLAN OF
ENTERGY CORPORATION AND SUBSIDIARIES
(As Amended and Restated Effective January 1, 2000)

Certificate of Amendment

Amendment No. 1

THIS INSTRUMENT, executed and made effective this 28th day of December, 2001, ("Effective Date") constitutes the First Amendment of the Post-Retirement Plan of Entergy Corporation and Subsidiaries, as amended and restated effective January 1, 2000 (the "Plan").

All capitalized terms used in this document shall have the meanings assigned to them in the Plan unless otherwise defined in this document.

Pursuant to Section 9.01 of the Plan, the Personnel Committee, as authorized by the Board of Directors, does hereby amend the Plan as follows:

1. Current Sections 1.30, 1.31 and 1.32 are renumbered 1.31, 1.32 and 1.33, respectively, and a new Section 1.30 is added to the Plan to read as follows:

1.30 "System Management Participant" shall mean a Participant who is currently, or was immediately prior to the commencement of a Change in Control Period, at one of the System Management Levels set forth in
Section 1.29.

2. Section 4.04 of the Plan is amended in its entirety to read as follows:

4.04 (a) In lieu of the monthly benefits payable under Sections 4.02 and 4.03, a Participant who, at the time of his Retirement from Service (on or after his Early Retirement Date) or Qualifying Event, is a System Management Participant (or is treated as a System Management Participant in accordance with
Section 1.30), may elect, subject to the terms and conditions set forth in this Section 4.04(a) and
Section 4.04(c), an optional single-sum payment. The optional single-sum payment amount shall be equal to the present value of the System Management Participant's Plan benefit determined under (1)
Section 4.02 as of the date of his Retirement from Service or (2) Section 7.03 as of the date of his Qualifying Event, if applicable. Present value shall be computed using the same interest and mortality assumptions used in the Entergy Corporation Retirement Plan for Non-Bargaining Employees for computing the present value of benefits (for purposes of the involuntary cash-out rules) as of the time such single-sum amount is to be computed. Under this optional form of benefit payment, no further benefit payments of any kind shall be made under the Plan to the Participant, the Participant's legal spouse, or any other person on behalf of the Participant.

(b) A System Management Participant who is eligible for an optional single-sum payment in accordance with Section 4.04(a), and who is eligible to participate in and has elected to participate in the Executive Deferred Compensation Plan of Entergy Corporation and Subsidiaries ("EDCP") may elect, in accordance with Section 4.04(c), to convert the entire amount of the present value of the Participant's Plan benefit, determined in accordance with Section 4.04(a), to an equivalent credited balance under the EDCP, in which case no further benefit payments of any kind shall be due, or made under the Plan, to the Participant, the Participant's legal spouse, or any other person on behalf of the Participant. Any election to convert Plan benefits under this Section
4.04(b) shall be effective as to the entire value of such Plan benefits at the time of conversion.

(c) A System Management Participant's election of the single-sum payment in accordance with Section 4.04(a) and a System Management Participant's conversion election in accordance with
Section 4.04(b), if applicable, shall be subject to the following:

(1) Each such election must be made at least 6 months prior to the earlier of (i) Retirement from Service or (ii) the earliest Income Commencement Date under Section 7.03 following a Qualifying Event, and in such form as the Administrator (or its delegate) may require;

(2) Any failure by the Participant to make an affirmative written election hereunder on or before the deadline established in subsection (1) above shall constitute a waiver both of any right to elect the single-sum form of benefit and the right to convert Plan benefits in accordance with Section 4.04(b), in which case the terms of Sections
4.02 and 4.03 shall govern to the extent applicable;

(3) The Participant may cancel his election for the single- sum form of benefit or conversion of Plan benefits, if applicable, at any time prior to the deadline for making such elections as described in subsection (1), after which date any such election(s) shall become irrevocable; and

(4) An eligible Participant's election shall be subject to the written consent of the Employer.

3. Section 7.03 of the Plan is amended by adding a new paragraph at the end of that Section to read as follows:

If a Participant described in this Section 7.03 is a System Management Participant (or is treated as a System Management Participant in accordance with
Section 1.30) at the time of such Qualifying Event, then at the System Management Participant's earliest Income Commencement Date, as described in (c) above, the entire amount of the present value (as computed in accordance with Section 4.04(a)) of the System Management Participant's Plan benefit, as determined in accordance with this Section 7.03, shall be converted to an equivalent credited balance under the EDCP if the System Management Participant has a conversion election in effect that satisfies the requirements of Section 4.04(c), in which case no further benefit payments of any kind shall be due, or made under the Plan, to the Participant, the Participant's legal spouse, or any other person on behalf of the Participant.

4. Section 9.01 of the Plan is hereby restated in its entirety to read as follows:

9.01 General. The Personnel Committee of the Board of Directors shall have the right, in its absolute discretion, at any time and from time to time, to modify or amend, in whole or in part, any or all of the provisions of this Plan, or suspend or terminate it entirely, subject to the provisions of Section 9.02 hereof. The provisions of this Article IX shall survive a termination of the Plan unless such termination is agreed to by the Participants.

5. Section 9.02(d) of the Plan is amended and restated as follows:

(d) Unless agreed to in writing and signed by the affected System Management Participant and by the Plan Administrator, no provision of this Plan may be modified, waived or discharged before the earlier of: (i) the expiration of the two-year period commencing on the date of a Potential Change in Control, or (ii) the date on which the Change in Control event contemplated by the Potential Change in Control is terminated.

IN WITNESS WHEREOF, the Personnel Committee has caused this First Amendment to the Post-Retirement Plan of Entergy Corporation and Subsidiaries to be executed by its duly authorized representative on the day, month, and year above set forth.

PERSONNEL COMMITTEE
through the undersigned duly
authorized representative

WILLIAM E. MADISON
Senior Vice-President,
Human Resources and Administration
for Entergy Services, Inc.

Exhibit 10(a)82

PENSION EQUALIZATION PLAN
OF ENTERGY CORPORATION AND SUBSIDIARIES
(As Amended and Restated Effective January 1, 2000)

Middle South Utilities, Inc. previously established the Pension Equalization Plan of Middle South Utilities, Inc. to be effective for active employees who were participants in a Qualified Plan on or after January 1, 1981. Since that time, the Board of Directors of Entergy Corporation (formerly Middle South Utilities, Inc.) has amended the plan from time to time, including the amendment and restatement effective July 26, 1996, the amendment effective January 1, 1997, and the amendment effective March 25, 1998. On October 29, 1999, the Board of Directors of Entergy Corporation approved, authorized, and adopted certain changes to the plan that are incorporated into this amendment and restatement, which is effective as of January 1, 2000.

ARTICLE I

DEFINITIONS

The following terms shall have the meaning hereinafter indicated unless expressly provided herein to the contrary:

1.01 "Administrator" shall mean the Personnel Committee established by the Board of Directors, or such other individuals or committee (not fewer than three in number) as shall from time to time be designated in writing by the Chairman of the Board of Directors as the administrator of the Plan. The Administrator shall be the "plan administrator" for the Plan within the meaning of ERISA. Notwithstanding the foregoing, from and after the date immediately preceding the commencement of a Change in Control Period, the "Administrator" shall mean (a) the individuals (not fewer than three in number) who, on the date six months before the commencement of the Change in Control Period, constitute the Administrator, plus (b) in the event that fewer than three individuals are available from the group specified in clause (a) above for any reason, such individuals as may be appointed by the individual or individuals so available (including for this purpose any individual or individuals previously so appointed under this clause (b)); provided, however, that the maximum number of individuals constituting the Administrator shall not exceed six.

1.02 "Beneficiary" shall mean Participant's Beneficiary under the Qualified Plan.

1.03 "Board of Directors" shall mean the Board of Directors of Entergy Corporation.

1.04 "Change in Control" shall mean:

(a) the purchase or other acquisition by any person, entity or group of persons, acting in concert within the meaning of Sections 13(d) or 14(d) of the Securities Exchange Act of 1934 ("Act"), or any comparable successor provisions, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Act) of 25 % or more of either the shares of common stock outstanding immediately following such acquisition or the combined voting power of Entergy Corporation's voting securities entitled to vote generally and outstanding immediately following such acquisition, other than any such purchase or acquisition in connection with a Non-CIC Merger (defined in subsection (b) below);

(b) the consummation of a merger or consolidation of Entergy Corporation, or any direct or indirect subsidiary of Entergy Corporation with any other corporation, other than a Non-CIC Merger, which shall mean a merger or consolidation immediately following which the individuals who comprise the Board of Directors immediately prior thereto constitute at least a majority of the Board of Directors, or the board of directors of the entity surviving such merger or consolidation, or the board of directors of any parent thereof (unless the failure of such individuals to comprise at least such a majority is unrelated to such merger or consolidation);

(c) the stockholders of Entergy Corporation approve a plan of complete liquidation or dissolution of Entergy Corporation or there is consummated an agreement for the sale or disposition by Entergy Corporation of all or substantially all of Entergy Corporation's assets; or

(d) any change in the composition of the Board of Directors such that during any period of two consecutive years, individuals who at the beginning of such period constitute the Board of Directors and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of Entergy Corporation) whose appointment or election by the Board of Directors or nomination for election by Entergy Corporation's stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on January 1, 2000 or whose appointment, election or nomination for election was previously so approved or recommended, cease for any reason to constitute at least a majority thereof.

Provided, however, that no Change in Control shall be deemed to occur solely by virtue of (1) the insolvency or bankruptcy of Entergy Corporation; or (2) the transfer of assets of Entergy Corporation to an affiliate of Entergy Corporation, provided such affiliate assumes the obligations of the Plan and agrees to continue uninterrupted the rights of the Participants under the Plan; or (3) the consummation of any

transaction or series of integrated transactions immediately following which the record holders of the common stock of Entergy Corporation immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of Entergy Corporation immediately following such transaction or series of transactions.

1.05 "Change in Control Period" shall mean the period commencing ninety (90) days prior to and ending twenty-four (24) calendar months following a Change in Control.

1.06 "Claims Administrator" shall mean the Administrator or its designee responsible for administering claims for benefits under the Plan.

1.07 "Claims Appeal Administrator" shall mean the Administrator or its delegee responsible for administering appeals from the denial or partial denial of claims for benefits under the Plan.

1.08 "Code" shall mean the Internal Revenue Code of 1986, as amended.

1.09 "Combined Benefit" shall mean the combined monthly retirement income to which a Participant would be entitled under the Qualified Plan and Section 3.02 of this Plan, computed as though he elected the Life Annuity Option.

1.10 "Eligible Employee" shall mean an Employee eligible for participation in this Plan, as set forth in Section 2.01.

1.11 "Employee" shall mean an employee of a System Company employer.

1.12 "Employer" shall mean the System Company that has adopted the Plan and with which the Participant is last employed on or before the Participant's retirement or termination of employment.

1.13 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

1.14 "Good Reason" shall mean the occurrence, without the Participant's express written consent, of any of the following events during the Change in Control Period:

(a) the substantial reduction or alteration in the nature or status of the Participant's duties or responsibilities from those in effect on the date immediately preceding the first day of the Change in Control Period, other than an insubstantial and inadvertent act that is remedied by the System Company employer promptly after receipt of notice thereof given by the Participant and other than any such alteration primarily attributable to the fact that Entergy Corporation may no longer be a public company;

(b) a reduction of 5% or more in Participant's annual rate of base salary as in effect immediately prior to commencement of a Change in Control Period, which shall be calculated exclusive of any bonuses, overtime, or other special payments, but including the amount, if any, the Participant elects to defer under: (1) a cash or deferred arrangement qualified under Code Section 401(k);
(2) a cafeteria plan under Code Section 125; (3) the Executive Deferred Compensation Plan of Entergy Corporation and Subsidiaries, or any successor or replacement plan; and (4) any other nonqualified deferred compensation plan, agreement, or arrangement in which the Participant may hereafter participate or be a party;

(c) requiring Participant to be based at a location outside of the continental United States and other than his primary work location as it existed on the date immediately preceding the first day of the Change in Control Period, except for required travel on business of any System Company to an extent substantially consistent with the Participant's present business obligations;

(d) failure by System Company employer to continue in effect any compensation plan in which Participant participates immediately prior to the commencement of the Change in Control Period which is material to Participant's total compensation, including but not limited to compensation plans in effect, including stock option, restricted stock, stock appreciation right, incentive compensation, bonus and other plans or any substitute plans adopted prior to the Change in Control Period, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or the failure by System Company employer to continue Participant's participation therein (or in such substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount or timing of payment of benefits provided and the level of the Participant's participation relative to other participants, as existed immediately prior to the Change in Control;

(e) failure by System Company employer to continue to provide Participant with benefits substantially similar to those enjoyed by Participant under any of the System Company's pension, savings, life insurance, medical, health and accident, or disability plans in which Participant was participating immediately prior to the Change in Control Period, the taking of any other action by a System Company which would directly or indi rectly materially reduce any of such benefits or deprive Participant of any material fringe benefit enjoyed by Participant immediately prior to the Change in Control, or the failure by System Company employer to provide Participant with the number of paid vacation days to which Participant is entitled on the basis of years of service with the System in accordance with the System Company's normal vacation policy in effect at the time of the Change in Control; or

Participant's right to terminate his employment for Good Reason shall not be affected by Participant's incapacity due to physical or mental illness. Participant's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason.

1.15 "Life Annuity Option" shall mean a single life annuity form of payment for the life of the Participant, regardless of whether such form of payment is available to Participant.

1.16 "Participant" shall mean an Eligible Employee who satisfies the requirements for participation in this Plan as set forth in Section 2.02.

1.17 "Participant Application" shall mean the written application for Supplemental Credited Service under the Plan between an eligible Employee and the Administrator, which application shall be part of the Plan. Participant Applications executed after January 1, 2000 shall be in substantially the same form as the attached Appendix A, as may be amended from time to time by the Administrator.

1.18 "Personnel Committee" shall mean the Personnel Committee of the Board of Directors.

1.19 "Plan" shall mean this Pension Equalization Plan of Entergy Corporation and Subsidiaries, as amended from time to time in accordance with Plan provisions.

1.20 "Potential Change in Control" shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

(a) Entergy Corporation or any affiliate or subsidiary company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control; or

(b) the Board of Directors adopts a resolution to the effect that, for purposes of this Plan, a Potential Change in Control has occurred; or

(c) any System Company or any person or entity publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control; or

(d) any person or entity becomes the beneficial owner (as that term is defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended from time to time), either directly or indirectly, of securities of Entergy Corporation representing 20% or more of either the then outstanding shares of common stock of Entergy Corporation or the combined voting power of Entergy Corporation's then outstanding securities (not including in the calculation of the securities beneficially owned by such person or entity any securities acquired directly from Entergy Corporation or its affiliates).

1.21 "Prior Plan" shall mean the Pension Equalization Plan of Entergy Corporation and Subsidiaries, as amended and restated effective July 26, 1996 and as amended effective March 25, 1998, and any prior amendments or amendments and restatements to such Prior Plan, and any agreements (including, but not limited to Supplemental Credited Service Agreements), contracts, or other arrangements with respect to such Prior Plan.

1.22 "Qualified Plan" shall mean the qualified defined benefit pension plan maintained by a System Company, as such Qualified Plan may from time to time be amended, and in which Participant is a participant.

1.23 "Qualifying Event" shall mean the occurrence of one of the following within the Change in Control Period:

(a) The Participant's employment is terminated by Employer other than for Cause (as defined in Section 5.01(a)); or

(b) The Participant terminates his System employment for Good Reason.

For purposes of this Plan, the following shall not constitute Qualifying Events: (1) Participant's death; or (2) Participant becoming disabled under the terms of the Entergy Corporation Companies' Benefits Plus Long Term Disability ("LTD") Plan.

1.24 "Supplemental Credited Service" shall mean additional service the Administrator, in its sole discretion, may grant to a Participant in computing his benefit under this Plan after consideration of Participant's prior service with utilities, utility service companies, or other employment considered to be helpful in Participant's work with a System Company as specifically set forth in and evidenced by the Participant Application.

1.25 "System" shall mean Entergy Corporation and all other System Companies, and, except in determining whether a Change in Control has occurred, shall include any successor thereto as contemplated in Section 7.03.

1.26 "System Company" shall mean Entergy Corporation and any corporation whose stock is 80% or more (based on voting power or value) owned, directly or indirectly, by Entergy Corporation and any partnership or trade or business which is 80% or more controlled, directly or indirectly, by Entergy Corporation, and, except in determining whether a Change in Control has occurred, shall include any successor thereto as contemplated in Section
7.03 of this Plan.

1.27 "System Management Level" shall mean the applicable management level set forth below:

(a) System Management Level 1 (Chief Executive Officer and Chairman of the Board of Entergy Corporation);

(b) System Management Level 2 (Presidents and Executive Vice Presidents within the System);

(c) System Management Level 3 (Senior Vice Presidents within the System); and

(d) System Management Level 4 (Vice Presidents within the System).

1.28 "Target Award" shall mean the target percentage established by the Personnel Committee under the Executive Annual Incentive Plan of Entergy Corporation and Subsidiaries, or any successor plan, with respect to Participant.

ARTICLE II

ELIGIBILITY AND PARTICIPATION

2.01 Eligible Employees. An Employee who is a participant in a Qualified Plan shall be eligible for benefits under this Plan if his benefits under the Qualified Plan are reduced by reason of the limitations of Code 415 applicable to the Qualified Plan. However, only an Employee who is a member of his System Company employer's select group of management or highly compensated employees shall be eligible for benefits under this Plan attributable to (a) the grant of Supplemental Credited Service; (b) the inclusion of additional forms of compensation described in Section 3.02
(c); or (c) the maximum limitations imposed on compensation by Code 401(a)(17).

2.02 Participation. An Eligible Employee shall become a Participant in the Plan if the Eligible Employee is a participant in a Qualified Plan. A Participant shall be eligible to receive Supplemental Credited Service under this Plan only if he executes a Participant Application and files it with the Administrator within the time frame established by the Administrator (as noted on the Participant Application), and provided that such Participant Application is approved and accepted in writing by the Administrator.

ARTICLE III

BENEFITS

3.01 General. The benefits under this Plan supercede and replace entirely any benefits provided under the Prior Plan. No provision of the Plan shall in any way be construed as any amendment to any Qualified Plan, and to the extent the qualified status under federal law of any Qualified Plan is threatened by any provision of or payment under this Plan, the Plan shall be automatically reformed to the extent necessary to ensure the continuation of the qualified status of the Qualified Plan.

3.02 Plan Benefits (Excluding Supplemental Credited Service Benefits).

(a) Retirement/Vested Termination Benefit. Subject to the remaining subsections of this Section 3.02, each Participant, regardless of whether he has been granted Supplemental Credited Service, shall receive an additional monthly retirement income under this Plan in an amount equal to the monthly retirement income which would have been payable under the Qualified Plan, without regard to any provisions contained in the Qualified Plan relating to a maximum limitation on pensions imposed under Code 401 and 415, less the monthly retirement income actually paid under the Qualified Plan.

(b) Death Benefit. In the event of a Participant's death prior to the commencement of his monthly retirement income under a Qualified Plan, the Participant's Beneficiary shall receive an additional monthly pre-retirement death benefit under this Plan in an amount equal to the monthly pre-retirement death benefit that would have been payable under a Qualified Plan, without regard to any provisions contained in a Qualified Plan, relating to a maximum limitation on pensions imposed under Code 401 and 415, less the monthly pre-retirement death benefit actually payable to the Beneficiary under the Qualified Plan.

(c) Earnings. Solely for purposes of determining benefits under the Plan, the earnings or compensation considered for any year commencing on or after January 1, 1995, in determining the amount of monthly retirement income that would have been payable under any applicable underlying Qualified Plan(s) shall be deemed to include any and all bonuses or other incentive compensation paid pursuant to the terms of the

Executive Annual Incentive Plan of Entergy Corporation and Subsidiaries and the Management Incentive Plan of Entergy Corporation and Subsidiaries, as such plans are from time to time amended. In addition, the earnings or compensation considered for any year commencing on or after January 1, 1997, in determining the amount of monthly retirement income that would have been payable under any applicable underlying Qualified Plan(s) shall be deemed to include the amount of base salary and annual bonuses/incentives, if any, the Participant elects to defer under the Executive Deferred Compensation Plan of Entergy Corporation and Subsidiaries, or any successor or replacement plan and any other nonqualified deferred compensation plan, agreement, or arrangement in which the Participant may hereafter participate or be a party thereto. Nothing stated herein shall be construed as an amendment to the underlying Qualified Plans.

(d) Qualified Plan Terms Control. Except as otherwise provided herein, all terms and conditions of the Qualified Plan applicable to a Qualified Plan retirement benefit or pre-retirement death benefit shall also be applicable to a supplemental retirement benefit or pre-retirement death benefit payable under this Plan. Any benefit provided to a Participant or Beneficiary in accordance with this Section 3.02 shall be payable under the same terms as the benefit payable under a Qualified Plan subject, however, to the approval of the Administrator.

3.03 Supplemental Credited Service Benefits.

(a) Benefit Amount. Subject to the forfeiture provisions of Section 5.01, a Participant who is granted Supplemental Credited Service under his Participant Application shall, in addition to any supplemental retirement benefits provided under Section 3.02, be entitled to receive, beginning with the first day of the first month following Participant's retirement from System employment, either at Normal Retirement Age (as defined in the Qualified Plan) or earlier or later than that with the prior consent of his Employer, an amount equal to the excess of (1) over the sum of (2) and (3), where (1), (2), and (3) are as follows:

(1) the Participant's Combined Benefit, but computed as though he were entitled to have his years of benefit service (as defined in the Qualified Plan for benefit accrual purposes) increased by his Supplemental Credited Service;

(2) the Participant's Combined Benefit, computed without regard to any Supplemental Credited Service; and

(3) if set forth in the Participant Application, the monthly payment to which the Participant is entitled under the defined benefit pension plan(s) of Participant's predecessor employer(s), or their successors or assigns, computed as if the Participant had elected the Life Annuity Option.

(b) Qualified Plan Terms Control. Except as otherwise provided herein, all terms and conditions of the Qualified Plan applicable to a Qualified Plan retirement benefit or pre-retirement death benefit shall also be applicable to any Supplemental Credited Service supplemental retirement benefit or pre-retirement death benefit payable under this Plan. Any benefit provided to a Participant or Beneficiary in accordance with this Section 3.03 shall be payable under the same terms as the benefit payable under a Qualified Plan subject, however, to the approval of the Administrator and to Section 5.04.

(c) Death Benefit. In the event a Participant with Supplemental Credited Service has elected a non-Life Annuity Option under the Combined Plans and in the event the Participant predeceases his Beneficiary, the amount of death benefit payments to the Beneficiary attributable to the Participant's Supplemental Credited Service shall be determined by an equivalent actuarial adjustment.

(d) Prior Plan Benefits. The benefits under this Section 3.03 of the Plan supercede and replace entirely any Supplemental Credited Service benefits provided under the Prior Plan. If a Participant in the Prior Plan fails to execute the Participant Application, then such individual shall be subject to the terms and conditions of the Prior Plan with respect to any Supplemental Credited Service benefits, including any forfeiture provisions thereof, and shall not receive any Supplemental Credited Service benefits under the terms of this restated Plan.

(e) Forfeiture of Supplemental Credited Service Benefit. Subject to the provisions of Section 5.02, a Participant otherwise entitled to a Supplemental Credited Service benefit under this Plan shall cease to be so entitled, and Participant shall repay all Supplemental Credited Service benefits that he may have previously received hereunder upon the occurrence of one or more of the following events:

(1) Participant resigns his System employment (other than for the purpose of transferring to another System Company) prior to his Normal Retirement Date (as defined in the Qualified Plan); or

(2) Participant is terminated from System employment for cause. For purposes of this Section 3.03(e), "termination for cause" shall mean:

(i) a material violation by Participant of any agreement between Participant and any System Company; or

(ii) a material violation of the employer-employee relationship existing between Participant and a System Company employer at the time, including, without limitation, breach of confidentiality or moral turpitude; or

(iii) a material failure by Participant to perform the services required of him pursuant to any agreement between Participant and any System

Company, or, if there is no such agreement, a material failure by Participant to perform the reasonable customary services of an employee holding the type of position he holds at the time; or

(iv) an act of embezzlement, theft, defalcation, larceny, material fraud, or other acts of dishonesty by the Participant; or

(v) a conviction of Participant or Participant's entrance of a plea of guilty or nolo contendere to a felony or other crime which has or may have a material adverse affect on his ability to carry out his duties or upon the reputation of any System Company.

3.04 Lump Sum Option. Notwithstanding Sections 3.02(d) and 3.03(b) to the contrary, a Participant who is eligible at the time of his retirement from service for a Target Award at a level at or above 40%, and who retires on or after his Early Retirement Date under the Qualified Plan, may elect, in lieu of payment of his retirement benefits (as computed under Sections 3.02(a) and 3.03(a)) in the form of monthly benefits and subject to the terms and conditions set forth in this Section 3.04, an optional single-sum payment that is equal to the present value of the Participant's retirement benefits determined under Sections 3.02(a) and 3.03(a) as of the date of his retirement. Present value shall be computed using the same interest and mortality assumptions used in the Entergy Corporation Retirement Plan for Non- Bargaining Employees for computing the present value of benefits (for purposes of the involuntary cash-out rules) as of the time such single-sum amount is to be computed. An eligible Participant's election of the single-sum payment shall be subject to the following restrictions and limitations:

(a) such election must be made on or before the earlier of (1) the date that is ninety (90) days prior to his Normal Retirement Date under and as defined by the Qualified Plan, or (2) the date the Participant makes written request to his System Company employer to retire from service;

(b) any failure by the Participant to make an affirmative written election hereunder on or before the deadline established in Subsection (a) above shall constitute a waiver of any right to elect the single-sum form of benefit, in which case the terms of Sections 3.02 and 3.03 shall govern to the extent applicable;

(c) Participant may cancel his election for the single-sum form of benefit at any time prior to the deadline for making such election as described in Subsection (a), after which date any such election shall become irrevocable; and

(d) an eligible Participant's election shall be subject to the written consent of the Administrator.

Under this optional single-sum form of benefit payment, no further benefit payments of any kind shall be made under the Plan to the Participant, the Participant's Beneficiary, or any other person on behalf of the Participant.

ARTICLE IV

SOURCE OF PAYMENTS

4.01 Unfunded Plan. It is a condition of the Plan that neither a Participant nor any other person or entity shall look to any other person or entity other than the Employer for the payment of benefits under the Plan. The Participant or any other person or entity having or claiming a right to payments hereunder shall rely solely on the unsecured obligation of the Employer set forth herein. Nothing in this Plan shall be construed to give the Participant or any such person or entity any right, title, interest, or claim in or to any specific asset, fund, reserve, account or property of any kind whatsoever, owned by any Employer or in which the Employer may have any right, title or interest now or in the future. However, Participant or any such person or entity shall have the right to enforce his claim against the Employer in the same manner as any other unsecured creditor of such entity. Neither a Participant nor his Beneficiary or contingent annuitant shall have any rights in or against any specific assets of any System Company.

4.02 Employer Liability. At its own discretion, a System Company employer may purchase such insurance or annuity contracts or other types of investments as it deems desirable in order to accumulate the necessary funds to provide for the future benefit payments under the Plan. However, (a) a System Company employer shall be under no obligation to fund the benefits provided under this Plan; (b) the investment of System Company employer funds credited to a special account established hereunder shall not be restricted in any way; and (c) such funds may be available for any purpose the System Company may choose. Nothing stated herein shall prohibit a System Company employer from adopting or establishing a trust or other means as a source for paying any obligations created hereunder provided, however, any and all rights that any such Participants shall have with respect to any such trust or other fund shall be governed by the terms thereof.

4.03 Establishment of Trust. Notwithstanding any provisions of this Article IV to the contrary, within thirty (30) days following the date of a Change in Control, each System Company shall make a single irrevocable lump sum contribution to the Trust for Deferred Payments of Entergy Corporation and Subsidiaries ("Trust") pursuant to the terms and conditions described in such Trust. Each System Company's contribution shall be in an amount actuarially equivalent to the total benefits accrued by such System Company's Plan Participants (including a Participant's Beneficiary) under the Plan through the date of any such Change in Control. Actuarial equivalence shall be determined using the mortality factors set forth in the Entergy Corporation Retirement Plan for Non-Bargaining Employees and using the interest rates used by the Pension Benefit Guaranty Corporation for purposes of determining the present value of a lump sum distribution on plan termination (Appendix B to

ERISA Regulation Section 2619 or its successor). If one or more of a System Company's Participants shall continue to be employed by a System Company after such a Change in Control, each calendar year the System Company shall, as soon as possible, but in no event longer than thirty (30) days following the end of such calendar year, make an irrevocable contribution to the Trust in an amount that is necessary in order to maintain a lump sum amount credited to the System Company's Plan account under the Trust that is actuarially equivalent to the total unpaid benefits accrued by the System Company's Participants as of the end of each applicable calendar year. Notwithstanding the foregoing in this Section to the contrary, a System Company may make contributions to the Trust prior to a Change in Control in such amounts as it shall determine in its complete discretion. The Trust is intended as a "grantor" trust under the Internal Revenue Code and the establishment and funding of such Trust is not intended to cause Participants to realize current income on amounts contributed thereto, and the Trust shall be so interpreted.

ARTICLE V

CHANGE IN CONTROL

5.01 Definitions. The following additional definitions shall be applicable to this Article V:

(a) "Cause" shall mean:

(1) willful and continuing failure by Participant to substantially perform Participant's duties (other than such failure resulting from the Participant's incapacity due to physical or mental illness or any such actual or anticipated failure after the issuance of a Notice of Termination for Good Reason by Participant) that has not been cured within thirty (30) days after a written demand for substantial performance is delivered to Participant by the board of directors of Employer, which demand specifically identifies the manner in which the board believes that Participant has not substantially performed Participant's duties; or

(2) the willful engaging by the Participant in conduct which is demonstrably and materially injurious to any System Company, monetarily or otherwise; or

(3) conviction of or entrance of a plea of guilty or nolo contendere to a felony or other crime which has or may have a material adverse affect on Participant's ability to carry out Participant's duties or upon the reputation of any System Company; or

(4) a material violation by Participant of any agreement Participant has with a System Company; or

(5) unauthorized disclosure by Participant of the confidences of any System Company.

For purposes of clauses (1) and (2) of this definition, no act, or failure to act, on the Participant's part shall be deemed "willful" unless done, or omitted to be done, by the Participant not in good faith and without reasonable belief that the Participant's act, or failure to act, was in the best interest of the Employer.

(b) "Notice of Termination" shall mean a notice that shall indicate the specific termination provision in this Plan relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Participant's employment under the provision so indicated. Further, a Notice of Termination for Cause is required to include a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters (3/4) of the entire membership of the terminating employer's board of directors at a meeting of such board of directors which was called and held for the purpose of considering such termination (after reasonable notice to Participant and an opportunity for Participant, together with Participant's counsel, to be heard before that board) finding that, in the good faith opinion of the board, Participant was guilty of conduct set forth in the definition of Cause herein, and specifying the particulars thereof in detail.

5.02 Accelerated Vesting. Notwithstanding any Plan provision to the contrary, if during a Change in Control Period there should occur a Qualifying Event with respect to a Participant, Participant shall not cease to be a Participant and shall, regardless of his vested status under the Qualified Plan, be fully vested in, and have a non- forfeitable right to, all benefits accrued under the Plan as of the date of such Qualifying Event, except that all such benefits shall be subject to forfeiture upon the occurrence of any of the following events:

(a) without Employer permission, Employee removes, copies, or fails to return if he or she has already removed, any property belonging to one or all of the System Companies, including, but not limited to, the original or any copies of any records, computer files or disks, reports, notes, documents, files, audio or video tapes, papers of any kind, or equipment provided by any one or all of the System Companies or created using property of or for the benefit of one or all of the System Companies; or

(b) during Participant's employment and for two years thereafter, other than as authorized by a System Company, or as required by law, or as necessary for the Participant to perform his duties for a System Company employer, the Participant shall divulge, communicate or use to the detriment of the Employer or the System, or use for the benefit of any other person or entity, or misuse in any way, any confidential or proprietary information or trade secrets of the Employer or the System, including without limitation non-public financial information, know-how, formulas, or other technical data. Disclosure of information pursuant to subpoena, judicial process, or request of a governmental

authority shall not be deemed a violation of this provision, provided that the Participant gives the System Company immediate notice of any such subpoena or request and fully cooperates with any action by System Company to object to, quash, or limit such request; or

(c) Participant engages in any employment (without the prior written consent of his last System Company employer) either individually or with any person, corporation, governmental agency or body, or other entity in competition with, or similar in nature to, any business conducted by any System Company at any time within the Applicable Period (defined below) and commencing upon termination of employment, where such competing employer is located in, or servicing in any way customers located in, those parishes and counties in which any System Company services customers during such Applicable Period, in which case Participant shall be required to repay any Plan benefits previously received by him. For purposes of this section 5.02(c), Applicable Period shall mean:

(1) two (2) years for Participants at System Management Levels 1 and 2 at the commencement of the Change in Control Period, provided, however, that the two-year Applicable Period shall be extended to three (3) years if otherwise permissible under applicable law;

(2) two (2) years for Participants at System Management Level 3 at the commencement of the Change in Control Period; and

(3) one (1) year for Participants at System Management Level 4 at the commencement of the Change in Control Period.

However, if the stated Applicable Periods described herein shall be impermissible under applicable law, then the Applicable Period for purposes of this Plan shall be the maximum time period allowed under applicable law for a covenant not to compete.

5.03 Benefit Commencement Date. Notwithstanding any Plan provision to the contrary, if during a Change in Control Period there should occur a Qualifying Event with respect to a Participant and if there does not occur a forfeiture event referenced in Section 5.02, Participant's benefits may commence, as elected by Participant without the consent of the Employer, as of the first day of any month after Participant attains age 55.

5.04 No Benefit Reduction. Notwithstanding any provision of this Plan to the contrary, an amendment to, or termination of, the Plan following a Change in Control shall not reduce the level of benefits accrued under this Plan through the date of any such amendment or termination.

5.05 Provisions of Referenced Plans. To the extent this Plan references or incorporates provisions of any other System Company plan, including, but not limited to, the Entergy Corporation Retirement Plan for Non-Bargaining Employees, and (a) such other plan is amended, supplemented, modified or terminated during the two-year period commencing on the date of a Potential Change in Control and (b) such amendment, supplementation, modification or termination adversely affects any benefit under this Plan, whether it be in the method of calculation or otherwise, then for purposes of determining benefits under this Plan, the Administrator shall rely upon the version of such other plan in existence immediately prior to any such amendment, supplementation, modification or termination, unless such change is agreed to in writing and signed by the affected Participant and by the Administrator, or by their legal representatives or successors.

ARTICLE VI

PLAN ADMINISTRATION

6.01 Administration of Plan. The Administrator shall operate and administer the Plan and, as such, shall have the authority as Administrator to exercise the powers and discretion conferred on it by the Plan, including the right to delegate any function to a specified person or persons. The Administrator shall discharge its duties for the exclusive benefit of the Participants and their Beneficiaries.

6.02 Powers of the Administrator. The Administrator and any of its delegees shall administer the Plan in accordance with its terms and shall have all powers, authority, and discretion necessary or proper for such purpose. In furtherance of this duty, the Administrator shall have the sole and exclusive power and discretion to make factual determinations, construe and interpret the Plan, including the intent of the Plan and any ambiguous, disputed or doubtful provisions of the Plan. All findings, decisions, or determinations of any type made by the Administrator, including factual determinations and any interpretation or construction of the Plan, shall be final and binding on all parties and shall not be disturbed unless the Administrator's decisions are arbitrary and capricious. The Administrator shall be the sole judge of the standard of proof required in any claim for benefits and/or in any question of eligibility for a benefit. By way of example, the Administrator shall have the sole and exclusive power and discretion:

(a) to adopt such rules and regulations as it shall deem desirable or necessary for the administration of the Plan on a consistent and uniform basis;

(b) to interpret the Plan including, without limitation, the power to use Administrator's sole and exclusive discretion to construe and interpret (1) the Plan, (2) the intent of the Plan, and (3) any ambiguous, disputed or doubtful provisions of the Plan;

(c) to determine all questions arising in the administration of the Plan including, but not limited to, the power and discretion to determine the rights or eligibility of any Employee, Participant, Beneficiary or other claimant to receive under the Plan;

(d) to require such information as the Administrator may reasonably request from any Employee, Participant, Beneficiary or other claimant as a condition for receiving any benefit under the Plan;

(e) to grant and/or deny any and all claims for benefits, and construe any and all issues of Plan interpretation and/or fact issues relating to eligibility for benefits;

(f) to compute the amount and determine the manner and timing of any benefits payable under the Plan;

(g) to execute or deliver any instrument or make any payment on behalf of the Plan;

(h) to employ one or more persons to render advice with respect to any of the Administrator's responsibilities under the Plan;

(i) to direct the Employer concerning all payments that shall be made pursuant to the terms of the Plan; and

(j) to make findings of fact, to resolve disputed fact issues, and to make determinations based on the facts and evidence contained in the administrative record developed during the claims review procedure.

For any acts not specifically enumerated above, when applying, construing, or interpreting any and all Plan provisions and/or fact questions presented in claims for benefits, the Administrator shall have the same discretionary powers as enumerated above.

6.03 Reliance on Reports and Certificates. The Administrator may rely conclusively upon all tables, valuations, certificates, opinions and reports furnished by an actuary, accountant, counsel or other person who may from time to time be employed or engaged for such purposes.

6.04 Claims Administration. The Administrator may appoint and, in its sole discretion, remove a Claims Administrator and/or Claims Appeal Administrator to administer claims for benefits under the Plan in accordance with its terms, and, pursuant to Section 6.02, such delegees shall have all powers, authority, and discretion necessary or proper for such purpose. In the absence of such appointment, the Administrator shall be the Claims Administrator and Claims Appeal Administrator.

6.05 Filing Benefit Claims. Any claim asserting entitlement to a benefit under the Plan must be asserted within ninety (90) days after the event giving rise to the claim by sending written notice of the claim to the Claims Administrator. The written notice of the claim must be accompanied by any and all documents, materials, or other evidence allegedly supporting the claim for benefits. If the claim is granted, the claimant will be so notified in writing by the Claims Administrator.

6.06 Claim of Good Reason or Cause for Termination. For purposes of any determination regarding the existence of Good Reason or Cause (as defined in Section 5.01(a)) for termination during a Change in Control Period, any position taken by the Participant shall be presumed correct unless Employer establishes to the Plan Administrator by clear and convincing evidence that such position is not correct.

6.07 Denial or Partial Denial of Benefit Claims. If the Claims Administrator denies a claim for benefits in whole or part, the Claims Administrator shall notify the claimant in writing of the decision within ninety (90) days after the Claims Administrator has received the claim. In the Claim Administrator's sole discretion, the Claims Administrator may extend the time to decide the claim for an additional ninety (90) days, by giving written notice of the need for such an extension any time prior to the expiration of the initial 90 day period. The Claims Administrator, in its sole discretion, reserves the right to request specific information from the claimant, and reserves the right to have the claimant examined or tested by person(s) employed or compensated by the Plan. If the claim is denied or partially denied, the Claims Administrator shall provide the claimant with written notice stating:

(a) the specific reasons for the denial of the claim (including the facts upon which the denial was based) and reference to any pertinent plan provisions on which the denial is based;

(b) if applicable, a description of any additional material or information necessary for claimant to perfect the claim and an explanation of why such material or information is necessary; and

(c) an explanation of the claims review appeal procedure including the name and address of the person or committee to whom any appeal should be directed.

6.08 Appeal of Claims That Are Denied or Partially Denied. The claimant may request review of the Claims Administrator's denial or partial denial of a claim for Plan benefits. Such request must be made in writing within sixty (60) days after claimant has received notice of the Claims Administrator's decision and shall include with the written request for an appeal any and all documents, materials, or other evidence which claimant believes supports his or her claim for benefits. The written request for an appeal, together with all documents, materials, or other evidence which claimant believes supports his or her claim for benefits should be addressed to the Claims Administrator, who will be responsible for submitting the appeal for review to the Claims Appeal Administrator.

6.09 The Appeal Process. The Claims Administrator will submit the appeal to the Claims Appeal Administrator for review of the denial or partial denial of the claim. Within sixty (60) days after the receipt of claimant's appeal, claimant will be notified of the final decision of the Claims Appeal Administrator, unless, in the Claims Appeal Administrator's sole discretion, circumstances require an extension of this period for up to an additional sixty (60) days. If such an extension is required, the Claims Appeal Administrator shall notify claimant of this extension in writing before the expiration of the initial 60-day period. During the appeal, the Claims Appeal Administrator, in its sole discretion, reserves the right to request specific information from the claimant, and reserves the right to have the claimant examined or tested by person(s) employed or compensated by the Plan. The final decision of the Claims Appeal Administrator shall set forth in writing the facts and plan provisions upon which the decision is based. All decisions of the Claims Appeal Administrator are final and binding on all employees, Participants, their Beneficiaries, or other claimants.

6.10 Judicial Proceedings for Benefits. No claimant may file suit in court to obtain benefits under the Plan without first completely exhausting all stages of this claims review process. In any event, no legal action seeking Plan benefits may be commenced or maintained against the Plan more than ninety (90) days after the Claims Appeal Administrator's decision on appeal.

ARTICLE VII

AMENDMENT AND TERMINATION

7.01 General. The Board of Directors shall have the right, in its absolute discretion, at any time and from time to time, to modify or amend, in whole or in part, any or all of the provisions of this Plan, or suspend or terminate it entirely, subject to the provisions of Section 7.02 hereof. The provisions of this Article VII shall survive a termination of the Plan unless such termination is agreed to by the Participants.

7.02 Restrictions on Amendment or Termination. Any amendment or modification to, or the termination of, the Plan shall be subject to the following restrictions:

(a) Employer shall continue to make payments to any retired Participant or Beneficiary then entitled to payments as if the Plan had not been amended, supplemented, modified or terminated; and

(b) as to any Participant who has not yet begun receiving monthly benefits under the Plan, the Employer, subject to the provisions of Section 3.03(e) and 5.02, shall remain obligated to provide a benefit upon the earlier of the Participant's retirement or death that is actuarially equivalent to (and payable for the term of) the accrued benefit earned by the Participant at the time the Plan is amended, supplemented, modified or terminated; and

(c) no amendment, modification, suspension or termination of the Plan may reduce the amount of benefits or adversely affect the manner of payment of benefits of any Participant or Beneficiary then receiving benefits in accordance with the terms of Article III, unless such modification is agreed to in writing and signed by the affected Participant or Beneficiary and by the Plan Administrator, or by their legal representatives or successors; and

(d) no provision of this Plan may be modified, waived, or discharged during the two-year period commencing on the date of a Potential Change in Control unless such modification, waiver, or discharge is agreed to in writing and signed by the affected Participant and by the Plan Administrator, or by their legal representatives or successors.

7.03 Successors. A System employer shall require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) of all or substantially all of its business and/or assets to expressly assume and agree to perform this Plan in the same manner and to the same extent that the System employer would be required to perform it if no such succession had taken place. Failure of the System employer to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Plan and shall entitle each Participant to compensation from the System employer in the same amount and on the same terms as they would be entitled hereunder if terminated voluntarily for Good Reason, except for the purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the effective date of termination. Any successor or surviving entity that assumes or otherwise adopts this Plan as contemplated in this Section 7.03 shall succeed to all the rights, powers and duties of the System employer and the Board of Directors hereunder, subject to the restrictions on amendment or termination of the Plan as set forth in this Article VII. The employment of the Participant who has continued in the employ of such successor or surviving entity shall not be deemed to have been terminated or severed for any purpose hereunder; however, such continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason.

7.04 Dissolution of the Employer. In the event that the Employer is dissolved or liquidated by reason of bankruptcy, insolvency or otherwise prior to the Employee's death or Retirement from Service, without any provision being made for the continuance of the Plan by a successor to the business of the Employer or unless another System Company shall have assumed the obligations of the Employer under the Plan, the date on which such dissolution or liquidation occurs shall be deemed to be the non-retired Participant's Early Retirement Date and the Participant's Retirement from Service shall be deemed to have occurred on his Early Retirement Date. At the option of the person entitled thereto, the actuarial equivalents of such benefits shall be paid immediately in one lump sum. Upon the date of such liquidation or dissolution in the case of

a retired Participant or Beneficiary who is receiving benefit payments under the Plan, the actuarial equivalent of the benefits then remaining to be paid under the Plan to the Participant or Beneficiary shall be paid immediately in one lump sum at the option of the person entitled thereto.

ARTICLE VIII

MISCELLANEOUS

8.01 Gender and Number. The masculine pronoun whenever used in the Plan shall include the feminine. Similarly, the feminine pronoun whenever used in the Plan shall include the masculine as the context or facts may require. Whenever any words are used herein in the singular, they shall be construed as if they were also used in the plural in all cases where the context so applies.

8.02 Captions. The captions of this Plan are not part of the provisions of the Plan and shall have no force and effect.

8.03 Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

8.04 Controlling Law. The administration of the Plan, and any Trust established thereunder, shall be governed by applicable federal law, including ERISA and, to the extent federal law is inapplicable, the laws of the State of Delaware, without regard to the conflict of law principles of any state. Any persons or corporations who now are or shall subsequently become parties to the Plan shall be deemed to consent to this provision.

8.05 No Right to Employment. This Plan does not confer nor shall be construed as creating an express or implied contract of employment.

8.06 Indemnification. To the extent not covered by insurance, or if there is a failure to provide full insurance coverage for any reason, and to the extent permissible under applicable laws and regulations, the System employers agree to hold harmless and indemnify the Administrator and its members against any and all claims and causes of action by or on behalf of any and all parties whomsoever, and all losses therefrom, including, without limitation, costs of defense and attorneys' fees, based upon or arising out of any act or omission relating to or in connection with the Plan and Trust other than losses resulting from any such person's fraud or willful misconduct.

8.07 No Alienation. The benefits provided hereunder shall not be subject to alienation, assignment, pledge, anticipation, attachment, garnishment, receivership, execution or levy of any kind, including liability for alimony or support payments, and any attempt to cause such benefits to be so subjected shall not be recognized, except to the extent as may be required by law.

IN WITNESS WHEREOF, Entergy Corporation has caused this Plan to be executed by its duly authorized officer on this __ day of _____, 2000, but effective as of January 1, 2000.

ENTERGY CORPORATION
through the undersigned duly authorized
representative

C. GARY CLARY
Senior Vice-President,
Human Resources and Administration
for Entergy Services, Inc.

Exhibit 10(a)83

PENSION EQUALIZATION PLAN OF
ENTERGY CORPORATION AND SUBSIDIARIES
(As Amended and Restated Effective January 1, 2000)

Certificate of Amendment

Amendment No. 1

THIS INSTRUMENT, executed and made effective this 28th day of December, 2001, ("Effective Date") constitutes the First Amendment of the Pension Equalization Plan of Entergy Corporation and Subsidiaries, as amended and restated effective January 1, 2000 (the "Plan").

All capitalized terms used in this document shall have the meanings assigned to them in the Plan unless otherwise defined in this document.

Pursuant to Section 7.01 of the Plan, the Personnel Committee, as authorized by the Board of Directors, does hereby amend the Plan as follows:

1. Current Section 1.28 is renumbered 1.29, and a new Section 1.28 is added to the Plan to read as follows:

1.28 "System Management Participant" shall mean a Participant who is currently, or was immediately prior to the commencement of a Change in Control Period, at one of the System Management Levels set forth in
Section 1.27.

2. Section 3.04 of the Plan is amended in its entirety to read as follows:

3.04 Optional Single-Sum Payment Election; Conversion Election for System Management Participants.

(a) Notwithstanding Sections 3.02(d) and 3.03(b) to the contrary, a Participant who, at the time of his retirement from service (on or after his Early Retirement Date under the Qualified Plan) or Qualifying Event, is a System Management Participant (or is treated as a System Management Participant in accordance with Section 1.28), may elect, in lieu of payment of his retirement benefits (as computed under Sections 3.02(a) and 3.03(a)) in the form of monthly benefits and subject to the terms and conditions set forth in this Section 3.04(a) and Section 3.04(c), an optional single-sum payment. The optional single-sum payment amount shall be equal to the present value of the System Management Participant's Plan benefit determined under (1) Sections 3.02(a) and 3.03(a) as of the date of his retirement from service or (2) Section 5.03 as of the date of his Qualifying Event, if applicable. Present value shall be computed using the same interest and mortality assumptions used in the Entergy Corporation Retirement Plan for Non- Bargaining Employees for computing the present value of benefits (for purposes of the involuntary cash- out rules) as of the time such single-sum amount is to be computed. Under this optional form of benefit payment, no further benefit payments of any kind shall be made under the Plan to the Participant, the Participant's legal spouse, or any other person on behalf of the Participant.

(b) A System Management Participant who is eligible for an optional single-sum payment in accordance with Section 3.04(a), and who is eligible to participate in and has elected to participate in the Executive Deferred Compensation Plan of Entergy Corporation and Subsidiaries ("EDCP") may elect, in accordance with Section 3.04(c), to convert the entire amount of the present value of the Participant's Plan benefit, determined in accordance with Section 3.04(a), to an equivalent credited balance under the EDCP, in which case no further benefit payments of any kind shall be due, or made under the Plan, to the Participant, the Participant's legal spouse, or any other person on behalf of the Participant. Any election to convert Plan benefits under this Section
3.04(b) shall be effective as to the entire value of such Plan benefits at the time of conversion.

(c) A System Management Participant's election of the single-sum payment in accordance with Section 3.04(a) and a System Management Participant's conversion election in accordance with
Section 3.04(b), if applicable, shall be subject to the following:

(1) Each such election must be made at least 6 months prior to the earlier of
(i) retirement from service or (ii) the earliest benefit commencement date under Section 5.03 following a Qualifying Event, and in such form as the Administrator (or its delegate) may require;

(2) Any failure by the Participant to make an affirmative written election hereunder on or before the deadline established in subsection (1) above shall constitute a waiver both of any right to elect the single-sum form of benefit and the right to convert Plan benefits in accordance with Section 3.04(b), in which case the terms of Sections
3.02 and 3.03 shall govern to the extent applicable;

(3) The Participant may cancel his election for the single- sum form of benefit or conversion of Plan benefits, if applicable, at any time prior to

the deadline for making such elections as described in subsection (1), after which date any such election(s) shall become irrevocable; and

(4) An eligible Participant's election shall be subject to the written consent of the Employer.

3. Section 5.03 of the Plan is amended in its entirety to read as follows:

5.03 Benefit Commencement Date.

(a) Notwithstanding any Plan provision to the contrary, if during a Change in Control Period there should occur a Qualifying Event with respect to a Participant and if there does not occur a forfeiture event referenced in Section 5.02, Participant's benefits, as computed under Sections 3.02(a) and 3.03(a) at the time of such Qualifying Event, may commence, as elected by Participant without the consent of the Employer, as of the first day of any month after Participant attains age 55.

(b) If a Participant described in subsection 5.03(a) is a System Management Participant (or is treated as a System Management Participant in accordance with Section 1.28) at the time of such Qualifying Event, then at the System Management Participant's earliest benefit commencement date, as described in subsection 5.03(a), the entire amount of the present value (as computed in accordance with Section 3.04(a)) of the System Management Participant's Plan benefit, determined in accordance with Section 5.03(a), shall be converted to an equivalent credited balance under the EDCP if the System Management Participant has a conversion election in effect that satisfies the requirements of Section 3.04(c), in which case no further benefit payments of any kind shall be due, or made under the Plan, to the Participant, the Participant's legal spouse, or any other person on behalf of the Participant.

4. Section 7.01 of the Plan is hereby restated in its entirety to read as follows:

7.01 General. The Personnel Committee of the Board of Directors shall have the right, in its absolute discretion, at any time and from time to time, to modify or amend, in whole or in part, any or all of the provisions of this Plan, or suspend or terminate it entirely, subject to the provisions of Section 7.02 hereof. The provisions of this Article VII shall survive a termination of the Plan unless such termination is agreed to by the Participants.

5. Section 7.02(d) of the Plan is amended and restated as follows:

(d) Unless agreed to in writing and signed by the affected System Management Participant and by the Plan Administrator, no provision of this Plan may be modified, waived or discharged before the earlier of: (i) the expiration of the two-year period commencing on the date of a Potential Change in Control, or
(ii) the date on which the Change in Control event contemplated by the Potential Change in Control is terminated.

IN WITNESS WHEREOF, the Personnel Committee has caused this First Amendment to the Pension Equalization Plan of Entergy Corporation and Subsidiaries to be executed by its duly authorized representative on the day, month, and year above set forth.

PERSONNEL COMMITTEE
through the undersigned duly
authorized representative

WILLIAM E. MADISON
Senior Vice-President,
Human Resources and Administration
for Entergy Services, Inc.

Exhibit 10(a)84

ENTERGY CORPORATION SERVICE RECOGNITION PROGRAM
FOR NON-EMPLOYEE OUTSIDE DIRECTORS
(As Amended and Restated Effective January 1, 2000)

On October 29, 1999, the Board of Directors of Entergy Corporation approved, authorized, and adopted certain changes to this Entergy Corporation Service Recognition Program for Non-Employee Outside Directors that are incorporated into this amendment and restatement of the Program, which is effective January 1, 2000.

PURPOSE

The Program identifies those non-employee Outside Directors who are eligible for recognition for their service on the Entergy Corporation Board, sets forth the terms and conditions of the Program, and establishes the commencement date for receipt of benefits under the Program.

ARTICLE I

DEFINITIONS

The following terms shall have the meaning hereinafter indicated unless expressly provided herein to the contrary:

1.01 "Administrator" shall mean the Senior Vice-President, Human Resources and Administration for Entergy Services, Inc.

1.02 "Cause" shall mean:

(a) a material violation by the Outside Director of any agreement with Entergy Corporation or the Entergy Corporation Board to which he is a party;

(b) a material violation of the director relationship existing between the Outside Director and the Entergy Corporation Board at the time, including, without limitation, breach of confidentiality, moral turpitude, theft or defalcation; and

(c) a material failure by the Outside Director to perform the services required by him by any agreement with Entergy Corporation or the Entergy Corporation Board to which he is a party, or, if there is no such agreement, a material failure by the Outside Director to perform the reasonable customary services of a director.

1.03 "Change in Control" shall mean:

(a) the purchase or other acquisition by any person, entity or group of persons, acting in concert within the meaning of Sections 13(d) or 14(d) of the Securities Exchange Act of 1934 ("Act"), or any comparable successor provisions, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Act) of twenty-five percent (25%) or more of either the shares of common stock outstanding immediately following such acquisition or the combined voting power of Entergy Corporation's voting securities entitled to vote generally and outstanding immediately following such acquisition, other than any such purchase or acquisition in connection with a Non-CIC Merger (defined in subsection (b) below);

(b) the consummation of a merger or consolidation of Entergy Corporation, or any direct or indirect subsidiary of Entergy Corporation with any other corporation, other than a Non-CIC Merger, which shall mean a merger or consolidation immediately following which the individuals who comprise the Board of Directors of Entergy Corporation immediately prior thereto constitute at least a majority of the Board of Directors of Entergy Corporation, or the board of directors of the entity surviving such merger or consolidation, or the board of directors of any parent thereof (unless the failure of such individuals to comprise at least such a majority is unrelated to such merger or consolidation);

(c) the stockholders of Entergy Corporation approve a plan of complete liquidation or dissolution of Entergy Corporation or there is consummated an agreement for the sale or disposition by Entergy Corporation of all or substantially all of Entergy Corporation's assets; or

(d) any change in the composition of the Board of Directors of Entergy Corporation such that during any period of two consecutive years, individuals who at the beginning of such period constitute the Board of Directors of Entergy Corporation and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of Entergy Corporation) whose appointment or election by the Board of Directors of Entergy Corporation or nomination for election by Entergy Corporation's stockholders was approved or recommended by a vote of at least two- thirds (2/3) of the directors then still in office who either were directors on the Effective Date or whose appointment, election or nomination for election was previously so approved or recommended, cease for any reason to constitute at least a majority thereof.

Provided, however, that no Change in Control shall be deemed to occur solely by virtue of (1) the insolvency or bankruptcy of Entergy Corporation; or (2) the transfer of assets of Entergy Corporation to an affiliate of Entergy Corporation, provided such affiliate assumes the obligations of the Program and agrees to continue uninterrupted the rights of the Participants under the Program; or (3) the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of Entergy Corporation immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of Entergy Corporation immediately following such transaction or series of transactions.

1.04 "Change in Control Period" shall mean the period commencing ninety (90) days prior to and ending twenty-four (24) calendar months following a Change in Control.

1.05 "Claims Administrator" shall mean the Administrator or its delegee responsible for administering claims for benefits under the Program.

1.06 "Claims Appeal Administrator" shall mean the Administrator or its delegee responsible for administering appeals from the denial or partial denial of claims for benefits under the Program.

1.07 "Disability" shall mean a physical or mental condition of an Outside Director, which, based on evidence satisfactory to the Administrator, and in the opinion of the Administrator, renders such Outside Director unfit to perform his duties as a director. Evidence may include medical evidence or that the Outside Director qualifies for disability benefits from Social Security Administration.

1.08 "Entergy Common Stock" shall mean Common Stock of Entergy Corporation, par value $.01 per share.

1.09 "Entergy Corporation Board" shall mean the Board of Directors of Entergy Corporation or its predecessor corporation.

1.10 "Equity Unit" shall mean the phantom market value equivalent of one (1) share of Entergy Common Stock. Equity Units do not represent actual shares of Entergy Common Stock and no shares of actual Entergy Common Stock are purchased or acquired under this Program.

1.11 "Outside Director" shall mean a non-employee outside director who: (a) becomes Separated from the Entergy Corporation Board on or after May 1, 1996; and (b) has a minimum of five years of service on either the Entergy Corporation Board or a Subsidiary Board, except that service on a Subsidiary Board includes only such service as preceded a non-employee outside director's appointment to the Entergy Corporation Board and is included only if such outside director becomes an outside director on the Entergy Corporation Board.

1.12 "Separation" shall mean the occurrence of any of the following events: (a) the Outside Director's voluntary resignation from, or failure to be re-elected to, the Entergy Corporation Board; (b) the inability of the Outside Director to seek re-election by reason of having attained age 70 as described in Section 5.03; (c) the Outside Director's Disability; (d) the Outside Director's involuntary removal from the Entergy Corporation Board, including the Outside Director's voluntary or involuntary termination from the Entergy Corporation Board under Section 3.08, or (e) the Outside Director's death. An eligible Outside Director shall be considered "Separated" from the Entergy Corporation Board on his or her last day of service as an Outside Director on the Entergy Corporation Board for any of the reasons set forth in this Section 1.12.

1.13 "Subsidiary Board" shall mean the board of directors of any corporation 80% or more of whose stock (based on voting power) or value is owned, directly or indirectly, by Entergy Corporation and any partnership or trade or business which is 80% or more controlled, directly or indirectly, by Entergy Corporation.

ARTICLE II

PARTICIPATION

2.01 Eligible Participants. Except as otherwise provided in Section 3.08, only Outside Directors are eligible for benefits under the Program. For purposes of determining whether a non-employee outside director meets the eligibility criteria of the Program as set forth in Section 1.11, service on a Subsidiary Board shall include service on the Board of Directors of Entergy Gulf States, Inc., or its predecessor.

2.02 Former Directors Not Eligible. All former eligible directors who separated from the Entergy Corporation Board or any Subsidiary Board prior to May 1, 1996 shall continue to be governed by the terms of the program for outside directors as in effect immediately prior to May 1, 1996. Any former eligible director who separated from the Entergy Corporation Board or any Subsidiary Board prior to May 1, 1996, or who is covered under the prior program for outside directors shall not be eligible to receive any benefits described under this Program. Except as otherwise provided in Section 3.08 in the event of a Change in Control, this Program provides Separation benefits only for Outside Directors who serve on, and subsequently Separate from, the Entergy Corporation Board. Outside Directors will receive benefits for service (on the Entergy Corporation Board and, prior thereto, on a Subsidiary Board) only under this Program.

2.03 Effective Date. The effective date of this Program is May 1, 1996; provided, however, that in determining the grant of Equity Units and dividend equivalent rights to eligible Outside Directors pursuant to Sections 3.01 and 3.03, respectively, all years of service that the Outside Director may have on the Entergy Corporation Board (or on a Subsidiary Board prior to joining the Entergy Corporation Board) shall be included in such determination. The effective date of this amendment and restatement of the Program is January 1, 2000.

ARTICLE III

BENEFITS

3.01 Service Recognition Awards. Subject to Section 5.02, eligible Separated Outside Directors receive 800 Equity Units multiplied times the number of years of service such eligible Separated Outside Director served on the Entergy Corporation Board (or prior thereto on a Subsidiary Board, including the Board of Directors of Entergy Gulf States, Inc., or its predecessor) through the date of his Separation from the Entergy Corporation Board, but in no event shall the cumulative number of Equity Units granted under this Program to any one Outside Director exceed 8,000 Equity Units. If the Outside Director serves for a portion of a year, then only a prorated portion of the 800 Equity Units shall be awarded based on the portion of such year he served on the Entergy Corporation Board (or prior thereto on a Subsidiary Board, including the Board of Directors of Entergy Gulf States, Inc., or its predecessor). Except for the survivor's benefits described under Section 3.07, eligible Outside Directors shall not vest in any benefits hereunder unless and until the date on which they are Separated from the Entergy Corporation Board.

3.02 Concurrent Service. For purposes of calculating years of service under the Program, Entergy Corporation directors will receive credit for any prior years of service as a Subsidiary Board director, unless service on the Subsidiary Board was concurrent with service on the Entergy Corporation Board, in which case credit during such concurrent service period will be given for years of service on the Entergy Corporation Board only.

3.03 Dividend Equivalent Rights. If Entergy Corporation declares one or more cash dividends respecting Entergy Common Stock to holders of record as of a date or dates occurring on or after the effective date of this Program, an eligible Outside Director shall receive a credit to his account as established under this Program equal in value to the cash dividend paid to a holder of record for each share of Entergy Common Stock multiplied times the number of undistributed Equity Units that such eligible Outside Director has accumulated under the Program based on the formula described in Section 3.01 through such record date based on whole years of service on the Entergy Corporation Board (or prior whole years of service on a Subsidiary Board, including the Board of Directors of Entergy Gulf States, Inc., or its predecessor) through such record date.

3.04 Payment of Benefits. Commencing on the first day of the month next following an eligible Outside Director's Separation from the Entergy Corporation Board, and thereafter for the four consecutive anniversary dates of such date (the "Annual Installment Dates"), the eligible Separated Outside Director shall be entitled to receive an annual installment payment, as hereinafter determined, based on accumulated Equity Units described in Section 3.01 and dividend equivalent rights described in Section 3.03. Except as provided in the event of death, the five annual installments represent the minimum or earliest payment schedule. An eligible Outside Director shall have no right to demand payment of benefits any sooner than permitted under this schedule. The payment of benefits shall be subject to the following:

(a) Each annual installment shall be made within thirty (30) days after the applicable Annual Installment Date. In general, each annual installment represents a proportionate share of the remaining accumulated cash value of Equity Units and dividend equivalent rights accrued by the Outside Director based on the number of remaining annual installments to be paid. For instance, at Separation, the first annual installment shall equal 20% of the total cash value of the accumulated Equity Units and dividend equivalent rights. In the second installment, 25% of the total cash value of the remaining accumulated Equity Units and dividend equivalent rights is payable. In the third installment, 33 1/3% of the total cash value of the remaining accumulated Equity Units and dividend equivalent rights is payable. In the fourth installment, 50% of the total cash value of the remaining accumulated Equity Units and dividend equivalent rights is payable. In the fifth and final installment the total cash value of the remaining accumulated Equity Units and dividend equivalent rights is distributed.

(b) The amount of each such annual installment payment shall be credited against the Outside Director's remaining accumulated Equity Units and dividend equivalent rights in accordance with an irrevocable written election made by the Outside Director no later than his initial Annual Installment Date. Such election shall specify that each annual installment will be credited against the Outside Director's accumulated Equity Units and dividend equivalent rights in accordance with one of the following choices: (1) first against all accumulated dividend equivalent rights and then against accumulated Equity Units; (2) first against all accumulated Equity Units and then against accumulated dividend equivalent rights; or (3) pro-rata against remaining accumulated Equity Units and dividend equivalent rights, based on the value of each as of the close of business on the last business day immediately preceding the applicable Annual Installment Date. If no election in this regard is made by the Outside Director prior to his initial Annual Installment Date, then the amount of each such annual installment shall be credited in accordance with choice (3) above.

(c) Each annual installment shall be paid in the form of cash based upon the closing price of Entergy Common Stock on the New York Stock Exchange as of the close of business on the last business day immediately preceding the applicable Annual Installment Date. No participation or payment under this Program shall be in the form of actual shares of Entergy Common Stock. Subject to Section 3.07, all installments payable under this Program shall cease upon the distribution of all five installments. If the Outside Director dies after Separation from the Entergy

Corporation Board, but before all five installments have been paid, the Outside Director's remaining unpaid accrued benefits under this Program (based on the closing price of Entergy Common Stock on the New York Stock Exchange as of the close of business on the last business day occurring immediately preceding the Outside Director's death) shall be paid in a lump sum, within thirty (30) days after the date of his death, to his designated beneficiary on file with the Secretary to the Entergy Corporation Board or, in the absence of any such named beneficiary, to the estate of the Outside Director.

(d) Notwithstanding the foregoing, an eligible Outside Director may, prior to Separation from the Entergy Corporation Board and subject to consent from Entergy Corporation, execute a written deferral election under which the commencement of the five annual installments under this Program may be irrevocably deferred for a fixed number of years not to exceed fifteen (15) years from the date of such Outside Director's Separation from the Entergy Corporation Board. If the Outside Director executes such a deferral election, Separates and subsequently dies prior to the deferred commencement date for the installments, the survivor's benefit provisions described in Section 3.07 shall apply.

3.05 Other Benefits.

(a) Life Insurance - Eligible Outside Directors of the Entergy Corporation Board who have at least 10 years of service will continue to receive $25,000 of life insurance coverage after Separation at no cost to the Outside Director.

(b) Accidental Death - Optional $100,000 accidental death coverage will be available to eligible Separated Outside Directors (if insurable under standard or reasonable rates), with premiums paid by the Outside Director.

3.06 Adjustments Upon Changes in Capitalization. The service recognition awards described under Sections 3.01 and 3.03, respectively, shall be subject to adjustment as deemed necessary by the Entergy Corporation Board to avoid dilution or enlargement of the value of the Equity Units or dividend equivalent rights hereunder, including adjustments made necessary to avoid dilution or enlargement of such rights hereunder resulting from changes in the Entergy Common Stock by reason of stock dividends, stock splits, recapitalizations, mergers, consolidations, combinations or exchanges of shares, separations, reorganizations, liquidations and the like. Any such determination by the Entergy Corporation Board shall be binding.

3.07 Death While In Active Service on the Board. If an Outside Director dies while serving on the Entergy Corporation Board, all benefits payable under the Program shall be paid in a lump sum to the beneficiary named by the Outside Director, or, in the absence of a named beneficiary, to the estate of the Outside Director. A beneficiary designation shall be effective only if in writing, signed by the Outside Director and filed with the Secretary of the Entergy Corporation Board prior to the death of the Outside Director.

3.08 Change in Control.

(a) Notwithstanding anything stated herein to the contrary, if there should occur a Change in Control and if, within the Change in Control Period, an Outside Director (which solely for purposes of this Section
3.08 shall also include any outside director of the Entergy Corporation Board who satisfies all of the requirements of Section 1.11 except the 5-year eligibility requirement) is involuntarily terminated from the Entergy Corporation Board or otherwise loses his status as an outside director on the Entergy Corporation Board for reasons other than for Cause within the Change in Control Period, such Outside Director shall fully vest in, and have a nonforfeitable right to, all benefits accrued under the Program (or that would have accrued under the Program if the outside director were not subject to the 5-year eligibility requirement of Section 1.11) as of the date of any such termination, and no amendment or termination of the Program shall reduce such vested accrued benefit. In any such event, the Outside Director may commence his or her benefits hereunder without the consent of Entergy Corporation or its successor as of the first day of the month next following his or her termination or Separation from the Entergy Corporation Board. Any termination of the Outside Director from the Entergy Corporation Board within the Change in Control Period, whether voluntarily or involuntarily, may, at the Outside Director's sole discretion, be deemed a Separation hereunder.

(b) Notwithstanding any provision of this Program to the contrary, any amendment to, or termination of, the Program following a Change of Control shall not reduce the level of benefits accrued under this Program (or the level of benefits that would have accrued under the Program if the outside director were not subject to the 5-year eligibility requirement of Section 1.11) through the date of any such amendment or termination. In no event shall an Outside Director's benefit accrued under this Program following a Change of Control be less than the benefit accrued by such Outside Director under this Program (or the benefit that would have accrued under the Program if the outside director were not subject to the 5-year eligibility requirement of Section 1.11) immediately prior to the Change of Control Period.

(c) Nothing stated herein shall prohibit Entergy Corporation from adopting or establishing a trust or other means for funding any obligations created hereunder provided, however, any and all rights that any such Outside Directors shall have with respect to any such trust or other fund shall be governed by the terms thereof.

(d) Notwithstanding any provisions of this subsection to the contrary, within thirty (30) days following the date of a Change of Control, Entergy Corporation shall make a single irrevocable lump sum contribution to the Trust for Deferred Payments of Entergy Corporation and Subsidiaries ("Trust") pursuant to the terms and conditions described in such Trust. Such contribution shall be in an amount equal to the total benefits

accrued by the eligible Outside Directors and their beneficiaries under the Program (or the benefits that would have accrued under the Program if the outside director were not subject to the 5-year eligibility requirement of Section 1.11) through the date of any such Change of Control. If an Outside Director shall continue to serve as an Outside Director on the Entergy Corporation Board after a Change of Control, an additional amount shall be contributed by Entergy Corporation to the Trust each calendar year, if necessary, in order to maintain a lump sum amount credited to Entergy Corporation's Program account under the Trust that is equal to the total unpaid benefits accrued by the Outside Directors (including the total unpaid benefits that would have accrued under the Program if the outside director were not subject to the 5-year eligibility requirement of Section 1.11) as of the end of each applicable calendar year. Notwithstanding the foregoing sentence and this subsection to the contrary, Entergy Corporation may make contributions to the Trust prior to a Change of Control in such amounts as it shall determine in its complete discretion. The Trust is intended as a "grantor" trust under the Internal Revenue Code and the establishment and funding of such Trust is not intended to cause Outside Directors to realize current income on amounts contributed thereto, and the Trust shall be so interpreted.

ARTICLE IV

PROGRAM ADMINISTRATION

4.01 Administration of the Program. The Senior Vice-President, Human Resources and Administration for Entergy Services, Inc. is the Administrator of this Program and is responsible for its interpretation and maintenance. The Administrator shall operate and administer the Program and, as such, shall have the authority as Administrator to exercise the powers and discretion conferred on it by the Program, including the right to delegate any function to a specified person or persons.

4.02 Board Approval. The Entergy Corporation Board must approve any deviations from this Program relating to the amount of compensation or benefits of Outside Directors.

4.03 Powers of the Administrator. The Administrator and any of its delegees shall administer the Program in accordance with its terms and shall have all powers, authority, and discretion necessary or proper for such purpose. In furtherance of this duty, the Administrator shall have the sole and exclusive power and discretion to make factual determinations, construe and interpret the Program, including the intent of the Program and any ambiguous, disputed or doubtful provisions of the Program. All findings, decisions, or determinations of any type made by the Administrator, including factual determinations and any interpretation or construction of the Program, shall be final and binding on all parties and shall not be disturbed unless the Administrator's decisions are arbitrary and capricious. The Administrator shall be the sole judge of the standard of proof required in any claim for benefits and/or in any question of eligibility for a benefit. By way of example, the Administrator shall have the sole and exclusive power and discretion:

(a) to adopt such rules and regulations as it shall deem desirable or necessary for the administration of the Program on a consistent and uniform basis;

(b) to interpret the Program including, without limitation, the power to use Administrator's sole and exclusive discretion to construe and interpret (1) the Program, (2) the intent of the Program, and (3) any ambiguous, disputed or doubtful provisions of the Program;

(c) to determine all questions arising in the administration of the Program including, but not limited to, the power and discretion to determine rights or eligibility of any claimant to receive benefits under the Program;

(d) to require such information as the Administrator may reasonably request from any Participant or claimant as a condition for receiving any benefit under the Program;

(e) to grant and/or deny any and all claims for benefits, and construe any and all issues of Program interpretation and/or fact issues relating to eligibility for benefits;

(f) to compute the amount and determine the manner and timing of any benefits payable under the Program;

(g) to execute or deliver any instrument or make any payment on behalf of the Program;

(h) to employ one or more persons to render advice with respect to any of the Administrator's responsibilities under the Program;

(i) to direct all payments that shall be made pursuant to the terms of the Program; and

(j) to make findings of fact, to resolve disputed fact issues, and to make determinations based on the facts and evidence contained in the administrative record developed during the claims review procedure.

For any acts not specifically enumerated above, when applying, construing, or interpreting any and all Program provisions and/or fact questions presented in claims for benefits, the Administrator shall have the same discretionary powers as enumerated above.

4.04 Reliance on Reports and Certificates. The Administrator may rely conclusively upon all tables, valuations, certificates, opinions and reports furnished by an actuary, accountant, counsel or other person who may from time to time be employed or engaged for such purposes.

4.05 Claims Administration. The Administrator may appoint and, in its sole discretion, remove a Claims Administrator and/or Claims Appeal Administrator to administer claims for benefits under the Program in accordance with its terms, and such delegees shall have all powers, authority, and discretion necessary or proper for such purpose. In the absence of such appointment, the Administrator shall be the Claims Administrator and Claims Appeal Administrator.

4.06 Filing Benefit Claims. Any claim asserting entitlement to a benefit under the Program must be asserted within 90 days after the event giving rise to the claim by sending written notice of the claim to the Claims Administrator. The written notice of the claim must be accompanied by any and all documents, materials, or other evidence allegedly supporting the claim for benefits. If the claim is granted, the claimant will be so notified in writing by the Claims Administrator.

4.07 Denial or Partial Denial of Benefit Claims. If the Claims Administrator denies a claim for benefits in whole or part, the Claims Administrator shall notify the claimant in writing of the decision within 90 days after the claim has been received by the Claims Administrator. In the Claim Administrator's sole discretion, the Claims Administrator may extend the time to decide the claim for an additional 90 days, by giving written notice of the need for such an extension any time prior to the expiration of the initial 90 day period. The Claims Administrator, in its sole discretion, reserves the right to request specific information from the claimant, and reserves the right to have the claimant examined or tested by person(s) employed or compensated by the Program. If the claim is denied or partially denied, the Claims Administrator shall provide the claimant with written notice stating:

(a) the specific reasons for the denial of the claim (including the facts upon which the denial was based) and reference to any pertinent Program provisions on which the denial is based;

(b) if applicable, a description of any additional material or information necessary for claimant to perfect the claim and an explanation of why such material or information is necessary; and

(c) an explanation of the claims review appeal procedure including the name and address of the person or committee to whom any appeal should be directed.

4.08 Appeal of Claims That Are Denied or Partially Denied. The claimant may request review of the Claims Administrator's denial or partial denial of a claim for Program benefits. Such request must be made in writing within 60 days after claimant has received notice of the Claims Administrator's decision and shall include with the written request for an appeal any and all documents, materials, or other evidence which claimant believes supports his or her claim for benefits. The written request for an appeal, together with all documents, materials, or other evidence which claimant believes supports his or her claim for benefits should be addressed to the Claims Administrator, who will be responsible for submitting the appeal for review to the Claims Appeal Administrator.

4.09 The Appeal Process. The Claims Administrator will submit the appeal to the Claims Appeal Administrator for review of the denial or partial denial of the claim. Within 60 days after the receipt of claimant's appeal, the claimant will be notified of the final decision of the Claims Appeal Administrator, unless, in the Claims Appeal Administrator's sole discretion, circumstances require an extension of this period for up to an additional 60 days. If such an extension is required, the Claims Appeal Administrator shall notify claimant of this extension in writing before the expiration of the initial 60-day period. During the appeal, the Claims Appeal Administrator, in its sole discretion, reserves the right to request specific information from the claimant, and reserves the right to have the claimant examined or tested by person(s) employed or compensated by the Program. The final decision of the Claims Appeal Administrator shall set forth in writing the facts and Program provisions upon which the decision is based. All decisions of the Claims Appeal Administrator are final and binding on Outside Directors, their beneficiaries, or other claimants.

4.10 Judicial Proceedings for Benefits. No claimant may file suit in court to obtain benefits under the Program without first completely exhausting all stages of this claims review process. In any event, no legal action seeking Program benefits may be commenced or maintained against the Program more than ninety (90) days after the Claims Appeal Administrator's decision on appeal.

ARTICLE V

PROCEDURES

5.01 Written Notification. Upon Separation of an Entergy Corporation Board member, the Secretary of the Entergy Corporation Board will provide written notification of the director's official retirement date and any other pertinent information to the Administrator.

5.02 Amendment or Termination. Except as otherwise provided herein, this Program shall be subject to amendment or termination by a majority vote of the Entergy Corporation Board at any time. Any such amendment or termination shall be binding on all eligible Separated directors and active directors alike regardless of their status, provided, however, that no such amendment or termination shall affect an eligible Separated director's rights to any and all recognition awards or benefits accrued prior to the effective date of any such amendment or termination.

5.03 Maximum Age. Outside directors cannot stand for re-election to the Entergy Corporation Board after their 70th birthday.

5.04 Program Summary. A summary of the Entergy Corporation Service Recognition Program shall be attached to this Program as Attachment 1.

IN WITNESS WHEREOF, Entergy Corporation has caused this Program to be executed by its duly authorized officer on this day of _____, 2000, but effective as of January 1, 2000.

ENTERGY CORPORATION
through the undersigned duly authorized
representative

C. GARY CLARY
Senior Vice-President,
Human Resources and Administration
for Entergy Services, Inc.

ATTACHMENT 1 TO ENTERGY CORPORATION SERVICE RECOGNITION PROGRAM FOR NON-EMPLOYEE OUTSIDE DIRECTORS

ELIGIBILITY	5 YEARS SERVED ON ENTERGY CORPORATION BOARD (but including service on a Subsidiary Board prior to serving as an Outside Director on the Entergy Corporation Board)
ANNUAL BENEFIT	800 EQUITY UNITS PER YEAR OF SERVICE ON THE ENTERGY CORPORATION BOARD (INCLUDING PRIOR YEARS OF SERVICE ON A SUBSIDIARY BOARD) PAID OVER NO LESS THAN 5 YEARS.
CUMULATIVE	EQUITY UNITS SHALL NOT EXCEED 8,000 EQUITY UNITS.
MAXIMUM AGE	AGE 70
AT DEATH	SURVIVOR'S BENEFITS IF ELIGIBLE DIRECTOR DIES WHILE IN ACTIVE SERVICE ON THE ENTERGY CORPORATION BOARD; SURVIVOR'S BENEFITS ALSO AVAILABLE IF ELIGIBLE DIRECTOR DIES AFTER SEPARATION, BUT BEFORE FINAL DISTRIBUTION
TREATMENT OF PREVIOUSLY	BENEFIT IN EFFECT PRIOR TO EFFECTIVE DATE WILL CONTINUE TO BE PROVIDED

SEPARATED

DIRECTORS

This Attachment 1 is provided merely as a summary of the benefits under the Program and does not represent a binding description of such benefits. For a full description of the benefits available under the Program, please refer to the Program document. If there is any conflict between this summary and the Program document, the Program document shall control.

Exhibit 10(a)86

GULF STATES UTILITIES COMPANY

EXECUTIVE INCOME SECURITY PLAN

EFFECTIVE OCTOBER 1, 1980,

AS AMENDED, CONTINUED AND COMPLETELY RESTATED

EFFECTIVE AS OF MARCH 1, 1991

GULF STATES UTILITIES COMPANY
EXECUTIVE INCOME SECURITY PLAN

PURPOSE

The purpose of this Plan is to provide specified retirement, disability, termination and survivor benefits to a select group of officers and key managerial employees of the Company who contribute to the continued growth, development, and future success of the Company. The benefits under this Plan shall be in addition to any entitlements which an employee may have under an employment contract with the Company.

ARTICLE I

DEFINITIONS

For purposes hereof, unless otherwise clearly apparent from the context, the following terms shall have the following indicated meanings:

1.1 "Average Final Compensation Rate" shall be determined based upon the average annual rate of Compensation of a Participant in the 12 consecutive months during his or her last 60 months of Company employment which produces the highest average.

1.2 "Cause" shall be determined by the Committee, in exercise of good faith and reasonable judgement, and shall mean the gross dereliction of duty by a Participant or the committing of an act by a Participant which involves or constitutes moral turpitude, such as fraud, embezzlement or dishonesty.

1.3 "Committee" shall mean the Compensation Committee of the Board of Directors of Gulf States Utilities Company.

1.4 "Company" shall mean Gulf States Utilities Company and its subsidiaries, and their respective successors and assigns.

1.5 "Compensation" shall mean the basic remuneration authorized for a Participant for services rendered to the Company, including (solely for purposes of this Plan and not otherwise) amounts representing basic remuneration which are (i) deferred under the Gulf States Utilities Company Nonqualified Deferred Compensation Plan for Officers, Nonemployee Directors and Designated Key Employees, (ii) deferred under the Gulf States Utilities Company Nonqualified Accrued Contributions Plan for Designated Key Employees, and (iii) authorized by the Company as a Participant's stated salary but not paid because of limitations, restrictions or reductions imposed for reasons other than non-performance of services, termination of employment or demotion to another position. Notwithstanding the foregoing, Compensation will not include (i) any bonuses (whether deferred pursuant to the Gulf States Utilities Company Nonqualified Deferred Compensation Plan for Officers, Nonemployee Directors, and Designated Key Employees or otherwise), and pay for overtime or special pay and (ii) the Company's costs for any employee benefit plan.

1.6 "Dependent Child" shall mean the natural born or legally adopted child of a Participant who at the time of death or permanent and total disability of the Participant was dependent on the Participant for his or her support and who is less than 19 years of age (or if enrolled as full-time college student, less than 23 years of age) at the time payment of any supplement is to be made to the child.

1.7 "50% Joint and Survivor Annuity" shall mean an annuity providing for a reduced retirement benefit to a Participant during his or her life, and for a benefit to his or her Surviving Spouse during his or her life at the rate of one-half the amount paid to the Participant.

1.8 "Good Reason" shall mean (i) without Cause the Company assigns the Participant to duties materially inconsistent with the Participant's authorities, duties, responsibilities and status (including offices, titles and reporting requirements) as an officer or key managerial employee of the Company, or materially reduces or. alters the nature or status of the Participant's authorities, duties or responsibilities, or (ii) without Cause the Company requires the Participant to be based at a location outside of the Company's service area as in effect from time to time, except for required travel on the Company's business to an extent substantially consistent with the Participant's business obligations, or (iii) without Cause the Company reduces the Participant's base salary. as in effect from time to time or (iv) the Company terminates the Participant's employment without providing the Participant a written notice of termination :setting forth the basis for the Company's decision to terminate the Participant for Cause.

1.9 "Key Managerial Employee" shall mean a non-officer employee of the Company whose participation in this Plan is approved by the Compensation Committee.

1.10 "Life Income Annuity" shall mean a retirement benefit payable during the Participant's lifetime only with no further amount payable after his or her death.

1.11 "Officer" shall mean an officer of the Company duly elected or appointed by the Board of Directors, but excludes assistant officers.

1.12 "Participant" shall mean an Officer or Key Managerial Employee of the Company who remains in the employ of the Company and who

otherwise meets the requirements for participation hereunder.

1.13 "Plan" shall mean the Gulf States Utilities Company Executive Income Security Plan approved by the Company's Board of Directors on April 19, 1981, as amended, continued and completely restated from time to time.

1.14 "Previous Employers" shall mean organizations, including the United States military services, with which a Participant was employed before being employed by the Company.

1.15 "Previous Employer Provided Retirement Benefits" shall mean any retirement benefits received by a Participant, or the right to future receipt of benefits by the Participant, from any pension plans sponsored by the Participant's Previous Employers and any retirement benefits received by the Participant, or the right to future receipt of benefits by the Participant, from pension plans of any military services or governmental entities. If such benefits are paid on any basis other than a 50% Joint and Survivor Annuity for a Participant who is married or a Life Income Annuity for a Participant who is not married, then for purposes of this Plan, the Committee shall convert such benefits to the actuarial equivalent of such annuity. If such converted figure is less than the actual amount of Previous Employer Provided Retirement Benefits, then the actual amount shall be used for purposes of this Plan, and if Previous Employer Provided Retirement Benefits are smaller than the converted amount, then the converted amount shall be used for purposes of this Plan.

1.16 "Previous Employer Provided Survivor Benefits" shall mean any benefits received by the Participant's Surviving Spouse, or the right to future receipt of benefits by the Surviving Spouse, following the Participant's death, from any plans described in Section 1.15.

1.17 "Primary Social Security Benefit" shall mean the amount of the benefit which, under the provisions of the Federal Social Security Act as in effect on a Participant's date of termination of employment, the Participant is, or will be, entitled to receive as his or her "primary insurance amount" at the earliest time such Benefit would otherwise be available to the Participant assuming that (i) the Participant has made or will make appropriate and timely application for such Benefit and (ii) no event has occurred or will occur by reason of which the amount of such Benefit has been or will be delayed, suspended or forfeited, in whole or in part.

1.18 "Representative" shall mean that person who is the Company's Manager of Benefits and who will be responsible to administer this Plan pursuant to Article 9.

1.19 "Surviving Spouse" shall mean the person to whom a Participant was married at the time of his or her death, provided that if the Participant's death occurs after he or she retires or is terminated without Cause or resigns from employment for Good Reason, a person shall qualify as a Surviving Spouse only if he or she was married to the Participant at the time of the Participant's retirement, termination or resignation and at the time of the Participant's death.

1.20 "Surviving Spouse's Social Security Benefit" shall mean the Social Security benefit that a Participant's Surviving Spouse will be entitled to receive at the earliest time such Benefit would otherwise be available to the Surviving Spouse following the death of the Participant assuming that (i) the Surviving Spouse has made or will make appropriate and timely application for such Benefit and (ii) no event has occurred or will occur by reason of which the amount of such Benefit will be delayed, suspended or forfeited, in whole or in part. If under the foregoing assumptions the Surviving Spouse is entitled to receive a Primary Social Security Benefit as a result of the Surviving Spouse's own employment and such Benefit is larger than the Surviving Spouse's Social Security Benefit to which he or she would be entitled, such higher benefit shall be used for purposes of this Plan. The Surviving Spouse's Social Security Benefit shall not include any additional Social Security Benefits paid for Dependent Children.

1.21 "Trusteed Retirement Plan" shall mean the Gulf States Utilities Company Trusteed Retirement Plan, as amended from time to time.

ARTICLE 2

ELIGIBILITY AND MEMBERSHIP

2.1 All Officers and Key Managerial Employees who were employed on a continuous full-time basis by the Company (including periods of disability and authorized leaves of absence) as of April 19, 1981, and who were 60 years of age or less on October 1, 1980, are eligible for Plan participation. Any Officer or Key Managerial Employee who is employed on a continuous full-time basis by the Company (including periods of disability and- authorized leaves of absence) at any time after April 19, 1981, shall be eligible for Plan participation upon being so designated by the Committee as a Participant.

2.2 As a condition of participation, each Participant shall complete, execute, and return to the Committee or the Committee's Representative a Participation Agreement in the form attached hereto and shall comply with such further conditions as may be established from time to time by -the Committee.

2.3 Upon commencing participation, a Participant shall remain in this Plan unless and until (i) his or her employment is terminated by the

Company for Cause or
(ii) the Participant resigns from employment with the Company without Good Reason as defined in Section 1.8 above.

2.4 At such time as a Participant who is under the age of 50 years commences to receive payment of a supplement under the provisions of this Plan, the Participant shall also be entitled to continue to receive medical benefits for the Participant and his or her family (if applicable). These severance medical benefits and the Participant's premium (if applicable) shall be the same as those medical benefits provided to and premiums paid by retired employees of the Company. These severance medical benefits and premiums shall increase or decrease at the same time and in the same amount as the medical benefits and premiums for retired employees of the Company shall increase or decrease, and shall continue until the Participant is eligible to receive medical benefits from a subsequent employer.

At such time as a Participant who has attained the age of 50 years or more commences to receive payment of a supplement under the provisions of this Plan, the Participant shall also be entitled to continue to receive retirement medical benefits for the Participant and his or her family (if applicable). These retirement medical benefits and the Participant's premium (if applicable) shall be the same as those medical benefits provided to and premiums paid by retired employees of the Company. These retirement medical benefits and premiums shall increase or decrease at the same time and in the same amount as the medical benefits and premiums for retired employees of the Company shall increase or decrease, and shall continue (i) so long as the Participant receives payment of the supplement in the case of a Participant who was a Participant in this Plan as of March 1, 1991, and (ii) until the Participant is eligible to receive medical benefits from a subsequent employer in the case of a Participant who becomes a Participant after March 1, 1991.

The Participant understands that it is the Participant's responsibility to pay any federal or state taxes which may be imposed on medical benefits payable under this Section and on any supplements paid pursuant to the other provisions of this Plan.

ARTICLE 3

NORMAL RETIREMENT SUPPLEMENT

3.1 If a Participant remains an active Company employee until at least the age of 65 years and then retires at a time when he or she meets all other conditions for participation prescribed hereunder, the Company shall pay to the, Participant a monthly income supplement which is eqUal to (a) minus (b) minus Cc) minus (d) . and which shall be computed as follows:

(a) 50% of his or her monthly Average Final Compensation Rate, minus

(b) his or her monthly Primary Social Security Benefit, minus

(c) the monthly retirement benefits which the Participant is eligible to receive from the Trusteed Retirement Plan, computed on a 50% Joint and Survivor Annuity basis if he or she is married or on a Life Income Annuity basis if he or she is not married, minus

(d) his or her monthly Previous Employer Provided Retirement Benefits and his or her distributions which are made from the Trust Agreement for Deferred Payments created by the Company and which are attributable to payments made with reference to this Plan.

3.2 Calculation of the amounts described in Section 3.1(b) through (d) above shall be made at the time of the Participant's retirement and any subsequent increases or decreases in such amounts that result from cost-of-living or similar periodic adjustments shall not affect the income supplement initially calculated to be payable to the Participant.

3.3 If, subsequent to the initial calculation of the supplement, a benefit payable to the Participant as described in Section 3.1(b) through (d) above is terminated or initiated, or is eligible to be initiated with or without reduction in the case of Section
3.1(b), -or is eligible to be initiated without reduction in the case of Section 3.1(c) or (d), then the supplement payable hereunder shall be adjusted to give effect to such termination, initiation or eligibility on the date thereof.

3.4 The Participant shall provide to the Committee in the manner it prescribes full and accurate information about benefits received under Section 3.1(b) through
(d) above and shall promptly report to the Committee any subsequent initiation, termination or eligibility for initiation of such benefits. The Committee at its sole discretion may cancel a Participant's participation in this Plan if it determines that complete, accurate and timely disclosure of such benefits and their subsequent initiation, termination or eligibility for initiation is not made by the Participant.

3.5 The income supplements as described in Section 3.1 above shall be paid monthly and shall commence on the first day of the month following the month in which the Participant's retirement occurs. Payments shall continue during the lifetime of the Participant with the last payment being payable on the first day of the month following the Participant's death.

ARTICLE 4

TERMINATION SUPPLEMENT

4.1 If a Participant's employment is terminated by the Company without Cause or if a Participant separates from the Company's employment for Good Reason as stated in Section 1.8 above, then the Company shall pay to the Participant a monthly income supplement which is equal to (a) minus (b) minus (c) minus (d) and which shall be computed as follows:

(a) 50% of his or her Average Final Compensation Rate, minus

(b) his or her monthly Primary Social Security Benefit payable from time to time, minus

(c) the monthly benefits which the Participant is or becomes eligible to receive from the Trusteed Retirement Plan, computed on a 50% Joint and Survivor Annuity basis if he or she is married or on a Life Income Annuity basis if he or she is not married, minus

(d) his or her monthly Previous Employer Provided Retirement Benefits and his or her distributions which are made from the Trust Agreement for Deferred Payments created by the Company and which are attributable to payments made with reference to this Plan.

4.2 Calculation of the amounts described in Section 4.1(b) through (d) above shall be made at the time of a Participant's termination without Cause or resignation for Good Reason, and any subsequent increases or decreases In such amounts that result from cost- of-living or similar periodic adjustments shall not affect the income supplement initially calculated to be payable to the Participant.

4.3 If, subsequent to the initial calculation of the termination supplement, a benefit payable to the Participant as described in Section 4.1(b) through (d) is terminated or initiated, or is eligible to be initiated with or without reduction in the case of Section 4.1(b), or is eligible to be initiated without reduction in the case of Section 4.1(c) or (d), then the supplement payable hereunder shall be adjusted to give effect to such termination, initiation or eligibility on the date thereof.

4.4 The Participant shall provide to the Committee in the manner it prescribes full and accurate information about benefits received under Section 4.1(b) through (d) above and shall promptly report to the Committee any subsequent initiation, termination or eligibility for initiation of such benefits. The Committee at its sole discretion may cancel a Participant's participation in this Plan if it determines that complete, accurate and timely disclosure of such benefits and their subsequent initiation, termination or eligibility for initiation is not made by the Participant.

4.5 The income supplements as described in Section 4.1 above shall be paid monthly and shall commence on the first day of the month following the month in which the Participant is terminated without Cause or resigns from the Company's employment for Good Reason. Payment shall continue during the lifetime of the Participant with the last payment being payable on the first day of the month following the Participant's death.

ARTICLE 5

DISABILITY SUPPLEMENT

5.1 The Committee in its sole discretion shall determine after review of appropriate medical evidence whether a Participant has become totally and permanently disabled. A Participant shall be considered totally and permanently disabled for purposes of this Plan if he or she is so declared by the Committee.

5.2 If the Committee shall determine that a Participant has become totally and permanently disabled at a time when he or she is actively employed by the Company and meets all other conditions for participation hereunder, then the Company shall pay to the Participant a monthly income supplement which is equal to (a) minus (b) minus (c) minus (d) minus (e) and which shall be computed as follows:

(a) for one year following the date of the Participant's retirement for disability, 100% of the Participant's monthly rate of base compensation in effect on the date that the Participant was declared permanently and totally disabled, and for the nine (9) succeeding years or until the Participant attains the age of 65 years, whichever occurs last, 50% of the rate of such base compensation, minus

(b) his or her monthly Primary Social Security Benefit, minus

(c) the monthly retirement benefits which the Participant is eligible to receive from the Trusteed Retirement Plan, computed on a 50% Joint and Survivor Annuity basis if he or she is married or on a Life Income Annuity basis if he or she is not married, minus

(d) his or her monthly benefits received from disability insurance plans sponsored by the Company or any Previous Employer, minus

(e) his or her monthly Previous Employer Provided Retirement Benefits and his or her distributions which are made from the Trust Agreement

for Deferred Payments created by the Company and which are attributable to payments made with reference to -this Plan.

5.3 Calculation of the amounts described in Section 5.2(b) through (e) above shall be made at the time of the Participant's retirement for disability and any subsequent increases or decreases in such amounts that result from cost-of-living or similar periodic adjustments shall not affect the income supplement initially calculated to be payable to the Participant.

5.4 If, subsequent to the initial calculation of the supplement, a benefit payable to the Participant as described in Section 5.2(b) through (e) above is initiated or terminated, then the supplement payable hereunder shall be adjusted to give effect to such initiation or termination.

5.5 The Participant shall provide to the Committee in the manner it prescribes full and accurate information about benefits received under Section 5.2(b) through
(e) above and shall promptly report to the Committee any subsequent initiation or termination of such benefits. The Committee at its sole discretion may cancel the Participant's participation in this Plan if it determines that complete, accurate and timely disclosure of such benefits and their subsequent initiation or termination is not made by the Participant.

5.6 If the Committee determines that a disabled Participant has recovered from being totally and permanently disabled and is able to return to work with the Company, the Committee shall declare that his or her participation in this Plan will cease unless such person resumes employment with the Company and executes and returns to the Committee or its Representative a new Participation Agreement and complies with such further conditions as may be established by and in the sole discretion of the Committee. Upon cessation of Plan participation or resumption of employment with the Company, all supplements to the Participant under this Article shall cease and the Participant shall not receive any further supplements unless and until he or she shall again be entitled to receive supplements under the provisions of this Plan.

5.7 The income supplements described in Section 5.2 shall be paid monthly and shall commence on the first day of the month following the month in which the Participant is placed on disability retirement and shall continue until (i) the 10-year period certain described in Section 5.2(a) ends, or (ii) the disabled Participant attains the age of 65 years, whichever occurs last.

5.8 If the Participant dies before the occurrence of an event that causes income supplements under this Article to cease, then until (i) the end of the 10-year period certain described in Section 5.2(a) or (ii) the date that the Participant would have attained the age of 65 years, whichever occurs last, the Participant's. Surviving Spouse will receive a monthly income supplement under this Plan which is equal to the supplement that the Spouse would have been entitled to receive under Article 7 hereof had the Participant died before retiring and while actively employed by the Company. If the deceased Participant has no Surviving Spouse or if the Surviving Spouse dies before the end of the period in which he or she is entitled to receive the supplements, then the supplements will continue to be paid to the Participant's Dependent Children, with payments divided equally among such Dependent Children who are then living. Such payments will continue until the youngest Dependent Child attains (or dies prior to) the age specified in Section 1.6 or until the end of the 10-year period certain described in Section 5.2(a), whichever occurs first. If there is no Surviving Spouse or Dependent Children at the time of the Participant's death or if there are no Dependent Children at the subsequent death of the Surviving Spouse, then no supplements will continue to be made under this Article.

5.9 If the disabled Participant so elects within one year following the date of disability retirement, the Company will provide to the Participant, in lieu of 10-year period certain payments described in Section
5.2(a) above, a Life Income Annuity based on the present value of the remaining supplemental payments and the expected mortality of the Participant. Payment of the Life Income Annuity will discharge all obligations of this Plan, the Company, and the Committee to the disabled Participant, his or her Surviving Spouse and Dependent Children hereunder.

ARTICLE 6

SURVIVOR'S SUPPLEMENT: DEATH AFTER SEPARATION

6.1 If a Participant who (i) has retired under Section 3.1 or (ii) - has been terminated without Cause or has separated from employment with the Company for Good Reason under Section 4.1, is in either case receiving a supplement under those provisions at the time of his death, then his or her Surviving Spouse will receive a monthly income supplement under this Plan equal to 50% of the supplemental payments which are described in
Section 3.1 or Section 4.1, as appropriate, and which the Participant was actually receiving or was eligible to receive under this Plan at the time of his or her death

6.2 If a Participant dies after attaining the age of 65 years and while actively employed by the Company, then his other Surviving Spouse will receive a monthly income supplement under this Plan equal to 50% of the supplemental payments described in Section 3.1 that the Participant would have been entitled to receive under this Plan had he or she retired on the day preceding his or her death.

6.3 The income supplements under this Article will be paid monthly and will commence on the first day of the month following the month in which Participant's death occurs and will continue until Surviving Spouse's death.

ARTICLE 7

SURVIVOR'S SUPPLEMENT: PRIOR TO SEPARATION

7.1 If a Participant who is less than the age of 65 years dies before retiring and is actively employed by the Company at the time of his or her death, then his or her Surviving Spouse shall be entitled to receive a monthly income supplement which is equal to (a) minus (b) minus Cc) minus (d) and which shall be computed as follows:

(a) for one year following the date of the Participant's death, 100% of his or her monthly rate of base compensation in effect on such date, and for the 9 succeeding years or until the date that deceased Participant would have attained the age 65 years, whichever occurs last, 50% of the rate of such base compensation, minus

(b) his or her monthly Surviving Spouse's Social Security Benefit, minus

(c) the monthly survivor's benefit which the Surviving Spouse is eligible to receive from the Trusteed Retirement Plan, minus

(d) the monthly Previous Employer Provided Retirement Benefits which the Surviving Spouse is eligible to receive plus distributions to which he or she may be entitled to receive from the Trust Agreement for Deferred Payments created by the Company and that are attributable to payments that are made with reference to this Plan.

7.2 Calculation of the amounts described in Section 7.1(b) through (d). shall be made at the time of the Participant's death and any subsequent increases or decreases in such amounts that result from cost-of-living or similar periodic adjustments shall not affect the income supplement initially calculated to be payable to the Participant's Surviving Spouse.

7.3 If, subsequent to the initial calculation of the supplement, a benefit payable to the Participant's Surviving Spouse as described in Section 7.1(b) through (d) is initiated or terminated, or is eligible to be initiated with or without reduction in the case of Section 7.1(b), or is eligible to be initiated without reduction in the case of Section 7.1(c) or (d), then the supplement payable hereunder shall be adjusted to give effect to such initiation, termination or eligibility on the date thereof.

7.4 The Surviving Spouse shall provide to the Committee in the manner it prescribes full and accurate information about benefits received under Section 7.1(b) through (d) above and shall promptly report to the Committee any subsequent initiation or termination of such benefits. The Committee at its sole discretion may cancel a Surviving Spouse's participation in this Plan if it determines that complete, accurate and timely disclosure of such benefits and their subsequent initiation or termination is not made by the Surviving Spouse.

7.5 The income supplements described in Section 7.1 shall be paid monthly and shall commence on the first day of the month following the month in which the Participant dies and shall continue until (i) the end of the 10-year period certain described in Section 7.1(a) or (ii) the date that the deceased Participant would have been 65 years of age, whichever occurs last. If the deceased. Participant has no Surviving Spouse or if the Surviving Spouse dies before the end of the period in which he or she is entitled to receive benefits, then the supplemental payments will continue to be paid to the Participant's Dependent Children, with payments divided equally among such Dependent Children who are then living. Such payments shall continue until the youngest Dependent Child attains (or dies prior to) the age specified in Section 1.6 or until the end of the 10-year period certain described in Section 7.1(a),. whichever occurs first. If there is no Surviving Spouse or Dependent Children at the time of the Participant's death or if there are no Dependent Children at the subsequent death of the Surviving Spouse, then no supplemental payments will be made under this Plan.

7.6 If the Surviving Spouse of a deceased Participant so elects within one year following the death of the Participant, the Company will provide the Surviving Spouse, in lieu of 10-year period certain payments described in Section 7.1(a) above, a Life Income Annuity based on the present value of the remaining supplemental payments and the expected mortality of the Surviving Spouse. Payment of the Life Income Annuity will discharge all obligations of this Plan, the Company and the Committee to the Surviving Spouse and the Participant's Dependent Children hereunder.

ARTICLE 8

TERMINATION, AMENDMENT, MODIFICATION OR SUPPLEMENTATION OF PLAN

8.1 Subject to the provisions of Section 8.2 below, the Committee reserves the right to terminate this Plan and to totally or partially amend, modify, or supplement this Plan at any time.

8.2 Except as provided in Sections 3.4, 4.4, 5.5 and 7.4, any action by the Committee to terminate, amend, modify, or supplement this Plan as

set forth in this amendment, continuation and restatement shall not eliminate, reduce or in any way modify the Company's obligation to a person who is then a Participant in this Plan to pay supplements to the Participant, his or her Surviving Spouse, or his or her Dependent Children at the same times and in the same amounts as those supplements would have been payable under the Plan as set forth in this amendment, continuation and restatement had the Plan not been so terminated, amended, modified or supplemented. The provisions of this Section shall apply even if a supplement for a Participant, his Surviving Spouse or Dependent Children is not in pay status for any person who is a Participant as of the date of the termination, amendment, modification or supplement.

8.3 Upon cancellation of Plan participation of a Participant., Surviving Spouse or Dependent Child as permitted hereby, neither the Plan nor the Participation Agreement shall be of any force and effect with respect to the cancelled Participant, Surviving Spouse or Dependent Child and no person (including the Company) shall have any obligation to the cancelled Participant, Surviving Spouse or Dependent Child under this Plan or the Participation Agreement.

ARTICLE 9

ADMINISTRATION OF THE PLAN

This Plan shall be administered by the Committee. The Committee has the sole authority to interpret this Plan, to prescribe, amend and rescind rules and regulations relating to this Plan, and to make all other determinations expressly provided herein or necessary or advisable in connection with the administration of this Plan. The Representative of the Committee will be responsible for implementation of this Plan on the Committee's behalf.

ARTICLE 10

EFFECT OF PLAN

The establishment and continuance of this Plan shall not constitute a contract of employment between the Company and any Participant, and shall not be deemed to be consideration for, inducement to, or a condition of employment of any person. Nothing contained herein shall be construed to give any Participant the right to be retained in the employ of the Company or to interfere with the unqualified right of the Company to terminate such employment at any time for any reason.

ARTICLE 11

SOURCE OF BENEFITS

11.1 Amounts payable to a Participant, his or her Surviving Spouse, and his or her Dependent Children under this Plan shall be paid exclusively from the general assets:
of the Company other than for amounts which are made available and distributed from the Trust Agreement for Deferred Payments created by the Company.

11.2 It is expressly stipulated that notwithstanding the purchase by the Company of insurance, annuities or other investments in contemplation of payments to be made under this Plan, (a) any such assets are a part of the general assets of the Company subject to its general creditors, (b) this Plan is only a general corporate commitment, and Cc) the Participants, the Surviving Spouses and Dependent Children must rely solely on the general credit of the Company for fulfillment of its obligations under this Plan.

ARTICLE 12

FACILITY OF PAYMENTS

If any person entitled to payment under this Plan shall, in the sole opinion of the Committee, be physically or mentally incapacitated to receive or properly receipt for the payments, then the Committee may make payments to any member of the family of the person then entitled to payment, or for the use and benefit of the person, or to any individual or institution providing care for the person, and all payments so made by the Committee shall discharge and release the Company, this Plan, and the Committee with respect to those payments.

ARTICLE 13

CLAIMS PROCEDURE

13.1 A Participant, or any other person claiming under him or her, shall make a claim for supplemental payments under this Plan by delivering a written request to the Committee or the Committee's Representative.

13.2 If a claim is wholly or partially denied, notice of the decision, meeting the requirements of Section 13.3, shall be furnished to the claimant

within a reasonable period of time after receipt of the claim by the Committee or the Committee's Representative.

13.3 The Committee or the Committee's Representative shall provide to every claimant who is denied a claim for supplemental payments written notice setting forth in a manner calculated to be understood by the claimant, the following: (i) specific reason or reasons for the denial; (ii) specific reference to pertinent Plan provisions on which the denial is based; (iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and (iv) an explanation of the Plan's claim review procedure, as set forth in Section 13.4 and 13.5.

13.4 The purpose of the review procedure set forth in this
Section and in Section 13.5 is to provide a procedure by which a claimant under this Plan may have a reasonable opportunity to appeal a denial of a claim to the Committee for a full and fair review. To accomplish that purpose, the claimant or his or her duly authorized representative (i) may request a review upon written application to the Committee, (ii) may review pertinent Plan documents, and (iii) may submit issues and comments in writing. A claimant or his or her duly authorized representative shall request a review by filing a written application for review with the Committee at any time within 60 days after receipt by the claimant of the denial of his or her claim.

13.5 The decision on review of appeal of a denied claim shall be made in the following manner. The decision on review shall be made by the Committee which may in its discretion hold a hearing on the denied claim, and the Committee shall make its decision not later than 60 days after receipt of the request for review, unless special circumstances (such as the need to hold a hearing) require an extension of time for processing, in which case the decision shall be rendered as soon as possible, but no later than 120 days after receipt of the request for review. The decision on review shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, and specific references to the pertinent Plan provisions on which the decision is based.

ARTICLE 14

MISCELLANEOUS

14.1 The right of any Participant, his or her Surviving Spouse or Dependent Children to receive any payment under this Plan shall not be subject in any manner to attachment or other legal process or proceedings for discharge of the debts of those persons, and any such payment shall not be subject to anticipation, alienation, sale, transfer, assignment, pledge, mortgage or encumbrance by those persons.

14.2 Except to the extent preempted or superseded by the federal laws of the United States of America, the laws of the State of Texas will govern this Plan.

14.3 All notices, reports, statements, distributions or payments given, made, delivered or transmitted to a Participant, his or her Surviving Spouse or Dependent Children shall be deemed to be duly given, made, delivered or transmitted when mailed by first class mail, postage prepaid, addressed to the person entitled thereto at the address appearing on the books of the Committee. Written directions, notices, and other communications to the Company, the Committee, or its Representative shall be deemed to be duly given, made or delivered when received by the Representative at such location as the Committee may from time to time specify.

14.4 Wherever appropriate in this Plan, the masculine gender shall be construed to include the feminine, and the feminine gender shall be construed to include the masculine. Words used in the singular shall be construed to include the plural, and the plural to include the singular.

14.5 The headings of the Articles and Sections of this Plan are included solely for convenience of reference, and if there is any conflict between the headings and the text of this Plan, the text shall control.

EXECUTED effective as of March 1, 1991.

ATTEST:
THE

COMPENSATION COMMITTEE OF

BOARD OF DIRECTORS OF GULF
STATES UT)LITIES COMPANY

By:
Its:Chairman

EXHIBIT 10(a)87

SYSTEM EXECUTIVE RETIREMENT PLAN OF ENTERGY CORPORATION AND SUBSIDIARIES

(As Amended and Restated Effective January 1, 2000)

Entergy Corporation previously established the System Executive Retirement Plan of Entergy Corporation and Subsidiaries, which was restated on March 25, 1998 and then again on December 4, 1998. On October 29, 1999, the Board of Directors of Entergy Corporation approved, authorized, and adopted certain changes to the Plan that are incorporated into this amendment and restatement of the Plan, which is effective January 1, 2000.

PURPOSES

The System Executive Retirement Plan of Entergy Corporation and Subsidiaries has as its purposes attracting, retaining and motivating certain highly competent eligible employees; and encouraging personal growth and improvement of personal productivity. The Plan is designed primarily to aid eligible employees in providing supplemental post-retirement income for themselves and their families and after death benefits for their beneficiaries. The Plan is also designed to make available to the Employer, subsequent to the Employee's retirement and subject to the Employee's post-retirement time constraints, the Employee's knowledge of, and experience with respect to, the business and operations of the Employer.

ARTICLE I

DEFINITIONS

The following terms shall have the meaning hereinafter indicated unless expressly provided herein to the contrary:

1.01 "Actuarial Equivalent" shall mean an equivalent amount that is determined in accordance with the adjustment factors set forth in Appendix A to the Entergy Retirement Plan, as in effect at the time of such determination.

1.02 "Administrator" shall mean the Personnel Committee established by the Board of Directors, or such other individuals or committee (not fewer than three in number) as shall from time to time be designated in writing by the Chairman of the Board of Directors as the administrator of the Plan. The Administrator shall be the "plan administrator" for the Plan within the meaning of ERISA. Notwithstanding the foregoing, from and after the date immediately preceding the commencement of a Change in Control Period, the "Administrator" shall mean (a) the individuals (not fewer than three in number) who, on the date six months before the commencement of the Change in Control Period, constitute the Administrator, plus (b) in the event that fewer than three individuals are available from the group specified in clause (a) above for any reason, such individuals as may be appointed by the individual or individuals so available (including for this purpose any individual or individuals previously so appointed under this clause (b)); provided, however, that the maximum number of individuals constituting the Administrator shall not exceed six.

1.03 "Beneficiary" shall mean the Surviving Spouse of the Participant or, if the Participant does not have a Surviving Spouse, the Beneficiary shall mean any individual or entity so designated by the Participant, or, if the Participant does not have a Surviving Spouse and does not designate a beneficiary hereunder, or if the designated beneficiary predeceases the Participant, the Beneficiary shall mean the Participant's estate.

1.04 "Benefit Base" shall mean that amount defined in Section 2.01, as modified by Section 2.08 in the case of an inactive Participant, which is payable at or after a Participant's Normal Retirement Date.

1.05 "Board of Directors" shall mean the Board of Directors of Entergy Corporation.

1.06 "Change in Control" shall mean:

(a) the purchase or other acquisition by any person, entity or group of persons, acting in concert within the meaning of Sections 13(d) or 14(d) of the Securities Exchange Act of 1934 ("Act"), or any comparable successor provisions, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Act) of twenty-five percent (25%) or more of either the shares of common stock outstanding immediately following such acquisition or the combined voting power of Entergy Corporation's voting securities entitled to vote generally and outstanding immediately following such acquisition, other than any such purchase or acquisition in connection with a Non-CIC Merger (defined in subsection (b) below);

(b) the consummation of a merger or consolidation of Entergy Corporation, or any direct or indirect subsidiary of Entergy Corporation with any other corporation, other than a Non-CIC Merger, which shall mean a merger or consolidation immediately following which the individuals who comprise the Board of Directors immediately prior thereto constitute at least a majority of the Board of Directors, or the board of directors of

the entity surviving such merger or consolidation, or the board of directors of any parent thereof (unless the failure of such individuals to comprise at least such a majority is unrelated to such merger or consolidation);

(c) the stockholders of Entergy Corporation approve a plan of complete liquidation or dissolution of Entergy Corporation or there is consummated an agreement for the sale or disposition by Entergy Corporation of all or substantially all of Entergy Corporation's assets; or

(d) any change in the composition of the Board of Directors such that during any period of two consecutive years, individuals who at the beginning of such period constitute the Board of Directors and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of Entergy Corporation) whose appointment or election by the Board of Directors or nomination for election by Entergy Corporation's stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on January 1, 2000 or whose appointment, election or nomination for election was previously so approved or recommended, cease for any reason to constitute at least a majority thereof.

Provided, however, that no Change in Control shall be deemed to occur solely by virtue of (1) the insolvency or bankruptcy of Entergy Corporation; or (2) the transfer of assets of Entergy Corporation to an affiliate of Entergy Corporation, provided such affiliate assumes the obligations of the Plan and agrees to continue uninterrupted the rights of the Participants under the Plan; or (3) the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of Entergy Corporation immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of Entergy Corporation immediately following such transaction or series of transactions.

1.07 "Change in Control Period" shall mean the period commencing

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     ninety (90) days prior to and ending twenty-four (24) calendar
     months following a Change in Control.

1.08  "Claims Administrator" shall mean the Administrator or its
     designee responsible for administering claims for benefits
under
     the Plan.
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1.09 "Claims Appeal Administrator" shall mean the Administrator or its delegee responsible for administering appeals from the denial or partial denial of claims for benefits under the Plan.

1.10 "Code" shall mean the Internal Revenue Code of 1986, as amended.

1.11 "Deferred Retirement Date" shall mean the date on which the Participant elects to Retire from Service but which occurs after the Normal Retirement Date for such Participant. Notwithstanding this definition, such date shall constitute the "Deferred Retirement Date" for purposes of this Plan only to the extent that the Employer has given its prior written consent for the Participant to continue his employment beyond the Normal Retirement Date of such Participant. Such consent may be freely withheld. Any continuation of employment by the Employee beyond his Normal Retirement Date without such prior written consent of the Employer shall be governed by the terms of Section 6.01.

1.12 "Early Retirement Date" shall mean the date on which the Participant, who has attained the requisite age and number of years of service required for early retirement under the Entergy Retirement Plan (as in effect as of the date of any such election), elects to Retire from Service with the prior written consent of the Employer (which consent may be freely withheld) provided that such date precedes the Normal Retirement Date for any such Participant. Any election by the Participant to Retire from Service on or after his Normal Retirement Date shall not be deemed an Early Retirement Date, but shall be governed, to the extent applicable, by Sections 1.11 and 1.23, respectively.

1.13 "Early Retirement Reduction Factor" shall mean the factor or percentage under Section 6.3 of the Entergy Retirement Plan, as from time to time amended, by which the Benefit Base of a participant under the Entergy Retirement Plan shall be reduced for each month the Participant's Early Retirement Income Commencement Date precedes his Normal Retirement Date.

1.14 "Employee" shall mean an employee of a System Company who is selected by the Administrator to participate in the Plan as a member of a System Company employer's select group of management or highly compensated employees.

1.15 "Employer" shall mean the System Company with which the Employee is last employed on or before the Employee's Retirement or Separation from Service.

1.16 "Entergy Retirement Plan" shall mean the Entergy Corporation Retirement Plan for Non-Bargaining Employees or any successor to such

plan as may from time to time be established by Entergy Corporation for the benefit of non-bargaining employees of Entergy Corporation and other System Companies. In the event that any such Entergy Retirement Plan is terminated as to the non- bargaining employees of Entergy Corporation and System Companies and no successor plan is established with respect thereto, the term "Entergy Retirement Plan" shall mean the qualified defined benefit plan in the form last sponsored by Entergy Corporation on or before the date of any such termination.

1.17 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

1.18 "Final Monthly Compensation" shall mean 1/12th of the amount equal to the Participant's Final Three-Year Average Annual Compensation.

1.19 "Final Three-Year Average Annual Compensation" shall mean one-third (1/3) of the sum of (a) and (b) for the three (3) separate annual determination dates (which dates shall be the respective dates on which the annual Incentive Award is payable to the Participant) within the ten (10) years immediately preceding the Participant's date of death, Retirement or Separation from Service in which the sum of (a) and (b) is the greatest, where (a) is the annual Incentive Award payable to the Participant on the applicable annual determination date (regardless of whether the annual Incentive Award is paid to, or deferred by, the Participant), and (b) is the Participant's annual base salary in effect on such annual determination date from the Employer, or from any other System Company, including the amount of base salary, if any, such Participant defers under any non-qualified arrangement, a cash or deferred arrangement qualified under Section 401(k) of the Code, or under any cafeteria plan under Section 125 of the Code. An inactive Participant's "Final Three-Year Average Annual Compensation" shall be determined in accordance with this Section 1.19, as modified by Section 2.08. If a Participant becomes permanently disabled and qualifies for monthly benefits under any long-term disability plan sponsored by a System Company, for any Year preceding the date on which the Participant elects to Retire under this Plan and for which the Participant received monthly disability payments under such long-term disability plan, for purposes of this Section 1.19 his annual base salary for each such Year shall be the Participant's annual base salary in effect on the date immediately preceding the disabling event, and his annual Incentive Award for each such Year shall be the amount that would have been payable to Participant for each such Year based on his Target Award percentage and rate of annual base salary in effect on the date immediately preceding the disabling event.

1.20 "Good Reason" shall mean the occurrence, without the Participant's express written consent, of any of the following events during the Change in Control Period:

(a) the substantial reduction or alteration in the nature or status of the Participant's duties or responsibilities from those in effect on the date immediately preceding the first day of the Change in Control Period, other than an insubstantial and inadvertent act that is remedied by the System Company employer promptly after receipt of notice thereof given by the Participant and other than any such alteration primarily attributable to the fact that Entergy Corporation may no longer be a public company;

(b) a reduction of 5% or more in Participant's annual rate of base salary as in effect immediately prior to commencement of a Change in Control Period, which shall be calculated exclusive of any bonuses, overtime, or other special payments, but including the amount, if any, the Participant elects to defer under: (1) a cash or deferred arrangement qualified under Code Section 401(k);
(2) a cafeteria plan under Code Section 125; (3) the Executive Deferred Compensation Plan of Entergy Corporation and Subsidiaries, or any successor or replacement plan; and (4) any other nonqualified deferred compensation plan, agreement, or arrangement in which the Participant may hereafter participate or be a party;

(c) requiring Participant to be based at a location outside of the continental United States and other than his primary work location as it existed on the date immediately preceding the first day of the Change in Control Period, except for required travel on business of any System Company to an extent substantially consistent with the Participant's present business obligations;

(d) failure by System Company employer to continue in effect any compensation plan in which Participant participates immediately prior to the commencement of the Change in Control Period which is material to Participant's total compensation, including but not limited to compensation plans in effect, including stock option, restricted stock, stock appreciation right, incentive compensation, bonus and other plans or any substitute plans adopted prior to the Change in Control Period, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or the failure by System Company employer to continue Participant's participation therein (or in such substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount or timing of payment of benefits provided and the level of the Participant's participation relative to other participants, as existed immediately prior to the Change in Control; or

(e) failure by System Company employer to continue to provide Participant with benefits substantially similar to those enjoyed by Participant under any of the System Company's pension, savings, life insurance, medical, health and accident, or disability plans in which Participant was participating immediately prior to the Change in Control Period, the taking of any other action by System Company employer which would directly or indirectly materially reduce any of such benefits or deprive Participant of any material fringe benefit enjoyed by Participant immediately prior to commencement of the Change in Control Period, or the failure by System Company employer to provide Participant with the number of paid vacation days to which Participant is entitled on the basis of years of service with the System in accordance with the System Company's normal vacation policy in effect at the time of the Change in Control.

Participant's right to terminate his employment for Good Reason shall not be affected by Participant's incapacity due to physical or mental

illness. Participant's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason.

1.21 "Income Commencement Date" shall mean the first day of the first month next following the Participant's date of death, Normal Retirement Date, Deferred Retirement Date, or Early Retirement Date in accordance with Sections 2.02, 2.03, and 2.04 respectively. The "Income Commencement Date" of a Participant who Separates from Service shall mean the applicable date set forth in Section 2.05.

1.22 "Incentive Award" shall mean the incentive award that a Participant may become eligible to receive under the terms of the Executive Annual Incentive Plan of Entergy Corporation and Subsidiaries or other comparable incentive plan that the Administrator may from time to time recognize as an "Incentive Award" for purposes of this Plan.

1.23 "Normal Retirement Date" shall mean the Employee's 65th birthday, or such earlier date as may be established from time to time under the Entergy Retirement Plan as the earliest date on which an unreduced benefit shall become payable under such plan.

1.24 "Other Employer Plans" shall mean all other non-qualified defined benefit retirement income or pension plans, trusts, or other arrangements sponsored by any System Company (including, but not limited to, any benefits under Supplemental Credited Service Agreements, the Pension Equalization Plan, the Supplemental Retirement Plan, and the Post-Retirement Plan) under which the Participant may have an earned or accrued benefit in effect at the time of his Retirement or Separation from Service. Such term shall not include: any tax-qualified employee pension plans; any profit-sharing, stock bonus or other defined contribution plans; the Gulf States Utilities Company Executive Income Security Plan; the Gulf States Utilities Company Executive Continuity Plan; and the Gulf States Utilities Company Nonqualified Deferred Compensation Plan for Officers, Nonemployee Directors and Designated Key Employees.

1.25 "Participant" shall mean an Employee who (1) is eligible for a Target Award at a level at or above 40% of base salary as from time to time defined in the Executive Annual Incentive Plan of Entergy Corporation and Subsidiaries; (2) has executed a written Participant Application that has been accepted by the Administrator, if the Employee was not a Participant immediately prior to March 25, 1998; and (3) remains eligible for participation in accordance with the applicable provisions of the Plan including, without limitation, Section 6.01. Subject to the terms and conditions set forth in Section 2.08 and elsewhere in the Plan, the term "Participant" shall include an inactive Participant, as described in Section 2.08.

1.26 "Participant Application" shall mean the written application between an Employee and the Administrator evidencing Employee's participation in this Plan, and, if applicable, evidencing any additional Years of Service imputed to Employee under the Plan, which application shall be part of the Plan. Participant Applications executed after January 1, 2000 shall be in substantially the same form as those attached as Appendix B, as may be amended from time to time by the Administrator.

1.27 "Personnel Committee" shall mean the Personnel Committee of the Board of Directors.

1.28 "Plan" shall mean this System Executive Retirement Plan of Entergy Corporation and Subsidiaries and any amendments, supplements, or modifications from time to time made hereto. Any Participant Applications entered into pursuant to this Plan shall be deemed part of the Plan.

1.29 "Potential Change in Control" shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

(a) Entergy Corporation or any affiliate or subsidiary company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control; or

(b) the Board of Directors adopts a resolution to the effect that, for purposes of this Plan, a Potential Change in Control has occurred; or

(c) any System Company or any person or entity publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control; or

(d) any person or entity becomes the beneficial owner (as that term is defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended from time to time), either directly or indirectly, of securities of Entergy Corporation representing 20% or more of either the then outstanding shares of common stock of Entergy Corporation or the combined voting power of Entergy Corporation's then outstanding securities (not including in the calculation of the securities beneficially owned by such person or entity any securities acquired directly from Entergy Corporation or its affiliates).

1.30 "Prior Plan" shall mean the System Executive Retirement Plan of Entergy Corporation and Subsidiaries, as amended and restated effective December 4, 1998, and any prior amendments or amendments and restatements to such Prior Plan, and any agreements, contracts, or other arrangements with respect to such Prior Plan.

1.31 "Qualifying Event" shall mean the occurrence of one of the following within the Change in Control Period:

(a) Participant's employment is terminated by Employer other than for Cause, as defined in Section 7.01(a); or

(b) Participant terminates his System employment for Good Reason.

For purposes of this Plan, the following shall not constitute Qualifying Events:
(1) Participant's death; or (2) Participant becoming disabled under the terms of the Entergy Corporation Companies' Benefits Plus Long Term Disability ("LTD") Plan.

1.32 "Retirement", "Retires", "Retire," or "Retired from Service" shall mean the retirement of a Participant from employment with the Employer in accordance with Article II.

1.33 "Retirement Income" shall mean the monthly benefit payable to a Participant under the Plan in accordance with Article II.

1.34 "Separation from Service," "Separates from Service," or "Separated from Service" shall mean the separation of a Participant from employment with the Employer before attaining his Normal Retirement Date or Early Retirement Date with the prior written consent of the Employer.

1.35 "Separation from Service Date" shall mean the date on which a Participant Separates from Service as defined in Section 1.34.

1.36 "Separation Reduction Factor" shall mean the factor or percentage under Section 10.1 of the Entergy Retirement Plan, as from time to time amended, by which the Benefit Base of a participant under the Entergy Retirement Plan shall be reduced for each month the Participant's Separation from Service Income Commencement Date precedes his Normal Retirement Date.

1.37 "Surviving Spouse" shall mean the person to whom the Participant was legally married as of the date of such Participant's death.

1.38 "Survivor's Pre-retirement Death Benefit" shall mean that monthly benefit described under Article IV which is payable to the Participant's Surviving Spouse in the event the Participant's death occurs before his Income Commencement Date.

1.39 "System" shall mean Entergy Corporation and all System Companies, and, except in determining whether a Change in Control has occurred, shall include any successor thereto as contemplated in Section 9.03 of this Plan.

1.40 "System Company" shall mean Entergy Corporation and any corporation 80% or more of whose stock (based on voting power or value) is owned, directly or indirectly, by Entergy Corporation and any partnership or trade or business which is 80% or more controlled, directly or indirectly, by Entergy Corporation, and, except in determining whether a Change in Control has occurred, shall include any successor thereto as contemplated in Section
9.03 of this Plan.

1.41 "System Management Level" shall mean the applicable management level set forth below:

(a) System Management Level 1 (Chief Executive Officer and Chairman of the Board of Entergy Corporation);

(b) System Management Level 2 (Presidents and Executive Vice Presidents within the System);

(c) System Management Level 3 (Senior Vice Presidents within the System); and

(d) System Management Level 4 (Vice Presidents within the System).

1.42 "Target Award" shall mean the target percentage established by the Personnel Committee under the Executive Annual Incentive Plan of Entergy Corporation and Subsidiaries with respect to the Participant.

1.43 "Year" shall mean any period of twelve consecutive months.

1.44 "Year of Service" shall mean each Year of employment within the System. Except as provided in Section 2.08, if a Participant becomes permanently disabled and qualifies for monthly benefits under any long term disability plan sponsored by a System Company, the term "Year of Service" shall include any Year (but not beyond the Participant's Normal Retirement Date) preceding the date on which such Participant elects Retirement under this Plan and for which the Participant received monthly disability benefit payments under such long term disability plan. Additionally, the term "Year of Service" shall include any Years of imputed service or employment that the Employer may, in its discretion, grant to a given Participant, as evidenced by the Participant Application.

ARTICLE II

BENEFITS

2.01 Benefit Base. A Participant's Retirement Income shall be payable in a form described in Article III below. Except as otherwise provided in the Plan, such Retirement Income shall be determined based on a Participant's Benefit Base which shall be in the form of equal monthly installments payable for the life of the Participant only, as described in Section 3.01, commencing at the Participant's Normal Retirement Income Commencement Date. Except as otherwise provided in Section 2.08, such monthly Benefit Base shall be equal to:

(a) a percentage of his Final Monthly Compensation, based on the percentages described in Appendix A attached hereto and made a part hereof, which percentages, as determined from Appendix A, shall vary depending on (1) the number of Years of Service the Participant has completed through the date of Retirement or Separation from Service, as applicable, and (2) the Target Award established with respect to the position held by such Participant as of the date of his Retirement or Separation from Service; less

(b) the amount of any benefit (in the form described below) which such Participant earned (1) under any other qualified or non-qualified defined benefit retirement income or pension plan, trust, or other arrangement sponsored by any System Company (including, without limitation, the Gulf States Utilities Company Employees' Trusteed Retirement Plan and the Gulf States Utilities Company Executive Income Security Plan) or (2) under any qualified or non-qualified defined benefit retirement income or pension plans, trusts, or other arrangements sponsored by any previous employer or any other person, persons or entities for whom the Participant may have been employed on or before the date of his Retirement or Separation from Service, regardless of whether the Participant received a paid up benefit or a cash payment under such plans in lieu thereof. The benefits described in this Subsection (b) shall exclude any and all benefits earned under the following plans: any stock bonus plans, profit sharing plans, employee stock ownership plans, or other defined contribution plans; and, except as provided in Section 2.06(b), any Other Employer Plans as to which the Participant has completely waived all rights. In addition, the benefits described in Subsection (b) shall exclude any and all benefits earned under any qualified or non-qualified defined benefit retirement income or pension plans, trusts, or other arrangements sponsored by any previous employer or any other person, persons or entities for whom the Participant may have been employed on or before he became a Participant under this Plan to the extent the Participant was not granted service credit under this Plan for his employment service (with such prior employer) that went into the computation of the benefits that otherwise would be an offset amount. For purposes of this Subsection (b), such benefits shall be expressed as a single life annuity commencing at the Participant's Normal Retirement Income Commencement Date.

2.02 Normal Retirement Benefit. A Participant who elects to Retire from the Employer as of his Normal Retirement Date shall be entitled to a monthly Retirement Income in a form described under Article III of the Plan, commencing on his Normal Retirement Income Commencement Date. Except as otherwise provided in Section 2.08, such Participant's Benefit Base shall be computed as described in Section 2.01, and, unless the Participant is eligible and elects an optional form of benefit under Section 3.02, 3.03, or 3.04, his Retirement Income shall be equal to that amount. If the Participant is eligible and elects an optional form of benefit under Section 3.02, 3.03, or 3.04, such Benefit Base shall be subject to adjustment in accordance with the terms of the applicable Section.

2.03 Deferred Retirement Benefit. A Participant who elects to Retire from the Employer as of his Deferred Retirement Date shall be entitled to a monthly Retirement Income in a form described under Article III of the Plan, commencing on his Deferred Retirement Income Commencement Date. Except as otherwise provided in Section 2.08, such Participant's Benefit Base shall be computed as described in Section 2.01, and, unless the Participant is eligible and elects an optional form of benefit under Section 3.02, 3.03, or 3.04, his Retirement Income shall be equal to that amount. If the Participant is eligible and elects an optional form of benefit under Section 3.02, 3.03, or 3.04, such Benefit Base shall be subject to adjustment in accordance with the terms of the applicable Section.

2.04 Early Retirement Benefit. A Participant who elects to Retire as of his Early Retirement Date shall be entitled to a monthly Retirement Income in a form described under Article III of the Plan, commencing on his Early Retirement Income Commencement Date. Except as otherwise provided in
Section 2.08, such Participant's Benefit Base shall be computed as described in Section 2.01, but such Benefit Base shall be reduced by the Early Retirement Reduction Factor and, unless the Participant is eligible and elects an optional form of benefit under Section 3.02, 3.03, or 3.04, his Retirement Income shall be equal to that reduced amount. If the Participant is eligible and elects an optional form of benefit under Section 3.02, 3.03, or 3.04, such Benefit Base shall be subject to further adjustment in accordance with the terms of the applicable Section.

2.05 Separation Retirement Benefit.

(a) Except as provided in Subsection (b) below, a Participant who Separates from Service prior to becoming eligible for an Early Retirement Benefit under Section 2.04 shall be entitled to a monthly Retirement Income in a form described under Article III of the Plan, commencing on the first day of the first month coincident with or next following his Normal Retirement Date (which shall be his Income Commencement Date). Except as otherwise provided in
Section 2.08. such Participant's Benefit Base shall be computed as described in Section 2.01, and, unless the Participant is eligible and elects an optional form of benefit under Section 3.02 or 3.03, his Retirement Income shall be equal to that amount. If the Participant is eligible and elects an optional form of benefit under
Section 3.02 or 3.03, such Benefit Base shall be subject to adjustment in accordance with the terms of the applicable provision.

(b) Early Commencement. Subject to consent from the Employer, any Participant who Separates from Service prior to becoming eligible for an Early Retirement Benefit under Section 2.04 may elect to commence such monthly Retirement Income on the first day of any month within the ten (10) years immediately preceding his Normal Retirement Date (which commencement date shall be his Income Commencement Date). Any such election must be made in accordance with rules and regulations as established from time to time by the Administrator, and shall be made no later than his Normal Retirement Date; provided that, if such Participant elects to receive such monthly benefit prior to his Normal Retirement Date with the consent of his Employer, his Benefit Base shall be reduced by the Separation Reduction Factor.

2.06 Election of Benefits on Other Employer Sponsored Benefits.

(a) Waiver Required. Notwithstanding any provision stated herein to the contrary, in order for a Participant, joint annuitant, or Beneficiary to receive any benefit under this Plan, such Participant must expressly waive, revoke, forgive or otherwise relinquish any and all rights to any benefits under all Other Employer Plans. As a condition for any benefits under this Plan, the Participant must further provide the Administrator with written evidence of any such waiver, revocation, forgiveness or otherwise relinquishment of any and all such other rights or benefits under such Other Employer Plans in such form as the Administrator may require.

(b) Effect if No Waiver Possible. Subject to the prior written consent from the Employer, but only to the extent that any such other rights or benefits under any such Other Employer Plans cannot be effectively waived, revoked, forgiven or relinquished by the Participant, the Employer may, in its sole and complete discretion, allow any and all benefits payable hereunder nonetheless to be payable at such times and in such amounts as described above except that any such monthly Retirement Income hereunder shall be reduced or offset by the amount of any such other rights or benefits that the Participant may otherwise receive on a monthly basis from such Other Employer Plans.

(c) Actions Inconsistent with Waiver. If, for any reason, the Participant makes any claim for benefits under both this Plan and any of such Other Employer Plans as to which such Participant has executed a waiver, revocation, forgiveness or relinquishment of rights and benefits, any and all benefits hereunder shall thereupon immediately terminate except to the extent agreed to in writing by the Employer, and the Employer shall thereafter have the full and complete right to recover from the Participant any and all benefits paid under the terms of this Plan through the date of any such forfeiture together with interest and reasonable attorneys fees.

2.07 Grandfathered Minimum Benefit. Notwithstanding any Plan provision to the contrary, a Participant who was participating in the Plan as of March 25, 1998 (and who thereafter satisfies all requirements of the Plan necessary for Plan benefits to be payable to, or on behalf of such Participant), shall be entitled to have his Plan benefit determined and payable pursuant to the provisions of the Prior Plan as in effect immediately prior to March 25, 1998, but based on the Participant's Final Monthly Compensation and Years of Service determined as of the earlier of January 1, 2002, or the Participant's date of Retirement or Separation from Service. Any minimum benefit payable to the Participant, his joint annuitant, or Beneficiary in accordance with the immediately preceding sentence shall be in lieu of, and replace in its entirety, any benefit to which such Participant, joint annuitant, or Beneficiary otherwise might be entitled under the terms of the Plan as herein restated.

2.08 Inactive Participant . If an individual remains employed by his Employer, but is demoted to a position whereby he no longer satisfies the Participant eligibility criteria set forth in Section 1.25, such individual shall be considered an inactive Participant for as long as he remains employed by a System Company and does not reattain the status of an active Participant. An individual shall not be credited with Years of Service under the Plan for those years in which he fails to satisfy the criteria set forth in Section 1.25 to be an active Participant. Notwithstanding an provision to the contrary, if an active Participant becomes an inactive Participant and subsequently Retires or Separates from Service, in accordance with the terms and conditions of the Plan, and has not otherwise forfeited his Plan benefits under Section 6.01, his Benefit Base under Section 2.01 shall be computed based on: (a) only his Years of Service as an active Participant; (b) his Final Monthly Compensation using the ten (10) years immediately preceding the date he became an inactive Participant to determine his "Final Three-Year Average Annual Compensation"; and (c) the benefit offset amount described in Section 2.01(b) that the individual earned (including while an inactive Participant) as of the date of his Retirement or Separation from Service. With the written consent of the Employer, an inactive Participant shall be eligible to commence receiving his Plan benefit, as computed above, as of his Early Retirement Date or Separation from Service Date, provided, however, that such benefit shall be further reduced by the Early Retirement Reduction Factor or the Separation Reduction Factor, whichever is applicable, for early commencement of benefit payments.

2.09 Vesting. Notwithstanding the foregoing, and except as provided in Article VII and in Article IX, a Participant or an inactive Participant shall not vest in any benefits under the Plan any earlier than the date immediately preceding the Participant's Retirement or Separation from Service, subject to the other terms and conditions of this Plan.

2.10 Prior Plan Benefits. The benefits under this Plan supercede and replace entirely any benefits provided under the Prior Plan. If a Participant in the Prior Plan fails to execute the Participant Application, then such individual shall be subject to the terms and conditions of the Prior Plan, including any forfeiture provisions thereof, and shall not receive any benefits under the terms of this restated Plan.

ARTICLE III

AMOUNT AND FORM OF BENEFITS

3.01 Normal Form of Retirement Income. Unless the Participant makes an election under Section 3.02, 3.03, or 3.04 below, his Retirement Income shall be payable in the form of a life only annuity benefit (or an Actuarial Equivalent 50% joint and survivor annuity if the Participant is legally married as of his Retirement or Separation from Service). Except as otherwise provided in Section 2.08 and subject to any reduction required under Section 2.04 (or Section 2.05(b), as applicable) for early Retirement or Separation, the amount of such monthly payments payable as a life only annuity shall be equal to the Participant's Benefit Base as determined under Section 2.01.

3.02 Optional Joint and Survivor Annuity.

(a) In lieu of the normal 50% joint and survivor annuity form of benefit described in Section 3.01 above, a Participant who is legally married as of his Income Commencement Date may elect, subject to the terms and conditions set forth in this Section 3.02 and Section 3.05, an optional joint and survivor annuity which, except as otherwise provided in Section 2.08 and subject to any reduction required under Section 2.04 (or Section 2.05(b), as applicable) for early Retirement or Separation, is equal to the Actuarial Equivalent of the Participant's Benefit Base determined under Section 2.01. The amount of the monthly annuity payment to a Surviving Spouse shall be a percentage, designated by the Participant, of the monthly benefit payment to the Participant. The designated percentage to be paid to the Surviving Spouse shall not exceed 100% of the monthly benefit payment to Participant and shall be subject to the following:

(1) under this optional form of benefit, the benefit payable to the Participant's Surviving Spouse shall be a percentage designated by the Participant in an amount equal to 66 2/3%, 75%, 90%, or 100% of the amount of the Participant's monthly payment (as adjusted for early retirement, as applicable);

(2) at the time the Participant elects this optional form of benefit, he shall furnish to the Administrator satisfactory proof of the age of the spouse; and

(3) the Surviving Spouse's benefit under any such optional form of benefit elected under this Section 3.02 shall terminate on the death of the Surviving Spouse at any time after the Income Commencement Date and all rights to a survivor's benefit hereunder shall thereafter cease.

3.03 Optional Life Annuity 10 Years Certain Option.

(a) In lieu of the normal life only form of benefit (or an Actuarial Equivalent 50% joint and survivor annuity form of benefit, if the Participant is legally married) described in Section 3.01 above, a Participant may elect, subject to the terms and conditions set forth in this Section 3.03 and Section 3.05, an optional life annuity 10 year certain option which, except as otherwise provided in Section 2.08 and subject to any reduction required under Section 2.04 (or Section 2.05(b), as applicable) for early Retirement or Separation, is equal to the Actuarial Equivalent of the Participant's Benefit Base determined under Section 2.01. Under the optional life annuity 10 year certain option, the Participant's Retirement Income shall be paid in equal monthly installments in the form of an annuity for the life of the Participant with a minimum of 120 monthly payments to the Participant or, in the event of his death, the Participant's joint annuitant, determined under Section 3.03(b).

(b) In the event a Participant's legal spouse should survive the Participant, the unpaid guaranteed monthly payments remaining payable after the Participant's death during the ten year certain period shall be paid to such Surviving Spouse. If, at the time of the Participant's death, there is no Surviving Spouse (e.g., the Participant was not legally married as of his Retirement or Separation from Service) or if the Participant's legal spouse predeceases the Participant, the remaining unpaid guaranteed monthly payments payable during the ten year certain period shall be paid to the Participant's Beneficiary. If the Participant's Surviving Spouse (or the Participant's Beneficiary who is eligible in the absence of a Surviving Spouse to receive the remaining unpaid guaranteed monthly payments payable during the ten year certain period, as applicable) should die before the end of the ten year certain period, the remaining unpaid guaranteed monthly payments payable during the ten year certain period shall be paid to such person or persons as the Participant's Surviving Spouse (or, if there was no legal spouse or in the instance where the legal spouse predeceased the Participant, the Beneficiary) may have designated in writing to the Administrator prior to the legal spouse's (or, as applicable, the Beneficiary's) death or, in the absence of any such beneficiary designation, to the legal spouse's (or, as applicable, the Beneficiary's) estate. No such beneficiary designation shall be binding or valid unless filed with and received by the Administrator on or before the legal spouse's (or, as applicable, Beneficiary's) death.

(c) Except as provided in Article IV, no benefits shall be paid under the Plan if the Participant dies before his Income Commencement Date

3.04 Optional Single-Sum Payment Election for Certain Participants.

In lieu of the normal life only form of benefit (or an Actuarial Equivalent 50% joint and survivor annuity form of benefit, if the Participant is legally married) described in Section 3.01 above, a Participant who, at the time of his Retirement, is a full officer of a System Company and is eligible for a Target Award at a level at or above 40% of base salary as from time to time defined in the Executive Annual Incentive Plan of Entergy Corporation and Subsidiaries, and who retires on or after his Early Retirement Date may elect, subject to the terms and conditions set forth in this Section 3.04

and Section 3.05, an optional single-sum payment which is equal to the present value of the Participant's Benefit Base determined under Section 2.01 (and subject to any reduction required under Section 2.04 for early retirement) as of the date of his Retirement. Present value shall be computed using the same interest and mortality assumptions used in the Entergy Retirement Plan for computing the present value of benefits (for purposes of the involuntary cash-out rules) as of the time such single-sum amount is to be computed. Under this optional form of benefit payment, no further benefit payments of any kind shall be made under the Plan to the Participant, the Participant's legal spouse, or any other person on behalf of the Participant.

3.05 Restrictions and Limitations on Forms of Benefit.

(a) In addition to the restrictions and limitations set forth in the preceding sections of this Article III, a Participant's election of any optional form of benefit available to the Participant under the Plan shall be subject to the following:

(1) Such election must be made on or before the earlier of (i) the date that is ninety (90) days prior to his Normal Retirement Date, or (ii) the date the Participant makes written request to the Employer to Retire or Separate from Service;

(2) any failure by the Participant to make an affirmative written election hereunder on or before the deadline established in Subsection (1) above shall constitute a waiver of any right to elect an optional form of benefit, in which case the terms of Section 3.01 shall govern to the extent applicable;

(3) The Participant may cancel his election for such optional form of benefit at any time prior to the deadline for making such elections as described in Subsection (1), after which date any such election(s) shall become irrevocable; and

(4) An eligible Participant's election shall be subject to the written consent of the Employer.

(b) Under the 50% joint and survivor annuity form of payment, as well as any optional joint and survivor annuity form of payment, if the Participant's spouse should predecease the Participant on or after the Income Commencement Date, there shall be no survivor's benefit and the Participant shall not thereafter be entitled to any readjustment to his Retirement Income.

(c) Any survivor's benefit payable under the 50% joint and survivor annuity form of payment, as well as any optional joint and survivor annuity form of payment, shall be a monthly benefit payable over the life of the joint annuitant commencing as of the first day of the first month next following the date on which the Participant dies. Except as provided in Article IV, no benefits shall be paid under the Plan if the Participant dies before his Income Commencement Date.

ARTICLE IV

PRE-RETIREMENT DEATH BENEFITS

4.01 Pre-Retirement Spouse's Death Benefit.

(a) Upon the death of a married Participant who has been credited with at least five (5) Years of Service and who dies before his Income Commencement Date, his surviving legal spouse, if any, shall be entitled to monthly payments under the Plan for her lifetime, commencing as of the first day of the month next following the date on which the deceased Participant would have attained age 65 had he lived. The amount of each such monthly benefit shall be in the same amount as the spouse would have received after the Participant's subsequent death if he had not died on his actual date of death but instead had:

(1) separated from service on the earlier of the date of his death or his actual Retirement or Separation from Service;

(2) survived to his Normal Retirement Date;

(3) Retired on his Normal Retirement Date, with the same Final Monthly Earnings and Years of Service as of his date of death;

(4) elected the 50% joint and survivor annuity form of payment under the Plan; and

(5) then died immediately thereafter.

(b) The surviving spouse may elect, subject to the written consent of the Administrator, to have such payments commence at an earlier date, provided that payments shall not commence before the date the surviving spouse would be eligible to commence receiving a pre-retirement spouse's death benefit under the Entergy Retirement Plan, based on the Participant's years of vesting service at the date of his death ("Earliest Retirement Age"). Such payments shall be in the same amount as the surviving spouse would have received after the Participant's subsequent death if he had not died on his actual date of death but instead had:

(1) separated from service on the earlier of his date of death or his actual Retirement or Separation from Service;

(2) survived to his Earliest Retirement Age;

(3) Retired at his Earliest Retirement Age, with the same Final Monthly Earnings and Years of Service as of his date of death;

(4) elected the 50% joint and survivor annuity form of payment under the Plan; and

(5) then died immediately thereafter.

If the deceased Participant was not credited with at least 10 years of vesting service under the Entergy Retirement Plan at the time of his death, the Separation Reduction Factor for early commencement of Retirement Income shall apply in determining the amount of the pre- retirement spouse's death benefit described in this
Section 4.01(b). If the deceased Participant was credited with at least 10 years of vesting service under the Entergy Retirement Plan at the time of his death, then except as otherwise provided in Section 4.01(c), the Early Retirement Reduction Factor for early commencement of Retirement Income shall apply in determining the amount of the pre-retirement spouse's death benefit described in this Section 4.01(b).

(c) Notwithstanding the foregoing provisions of
Section 4.01(b), if a married Participant dies prior to his Income Commencement Date, but on or after his Early Retirement Date under the Entergy Retirement Plan, and his surviving spouse elects to receive the pre-retirement spouse's death benefit before the Participant would have attained age 65, the Early Retirement Reduction Factor for early commencement of Retirement Income shall not apply in the case of such surviving spouse.

ARTICLE V

SOURCE OF PAYMENTS

5.01 Unfunded Plan. It is a condition of the Plan that neither a Participant nor any other person or entity shall look to any other person or entity other than the Employer for the payment of benefits under the Plan. The Participant or any other person or entity having or claiming a right to payments hereunder shall rely solely on the unsecured obligation of the Employer set forth herein. Nothing in this Plan shall be construed to give the Participant or any such person or entity any right, title, interest, or claim in or to any specific asset, fund, reserve, account or property of any kind whatsoever, owned by any Employer or in which the Employer may have any right, title or interest now or in the future. However, Participant or any such person or entity shall have the right to enforce his claim against the Employer in the same manner as any other unsecured creditor of such entity. Neither a Participant nor his Beneficiary or contingent annuitant shall have any rights in or against any specific assets of any System Company.

5.02 Employer Liability. At its own discretion, a System Company employer may purchase such insurance or annuity contracts or other types of investments as it deems desirable in order to accumulate the necessary funds to provide for the future benefit payments under the Plan. However, (a) a System Company employer shall be under no obligation to fund the benefits provided under this Plan; (b) the investment of System Company employer funds credited to a special account established hereunder shall not be restricted in any way; and (c) such funds may be available for any purpose the System Company may choose. Nothing stated herein shall prohibit a System Company employer from adopting or establishing a trust or other means as a source for paying any obligations created hereunder provided, however, any and all rights that any such Participants shall have with respect to any such trust or other fund shall be governed by the terms thereof.

5.03 Establishment of Trust. Notwithstanding any provisions of this Article V to the contrary, within thirty (30) days following the date of a Change in Control, each System Company shall make a single irrevocable lump sum contribution to the Trust for Deferred Payments of Entergy Corporation and Subsidiaries ("Trust") pursuant to the terms and conditions described in such Trust. Each System Company's contribution shall be in an amount actuarially equivalent to the total benefits accrued by such System Company's Plan Participants (including a Participant's Beneficiary or contingent annuitant) under the Plan through the date of any such Change in Control. Actuarial equivalence shall be determined using the mortality factors set forth in the Entergy Corporation Retirement Plan for Non-Bargaining Employees and using the interest rates used by the Pension Benefit Guaranty Corporation for purposes of determining the present value of a lump sum distribution on plan termination (Appendix B to ERISA Regulation Section 2619 or its successor). If one or more of a System Company's Participants shall continue to be employed by a System Company after such a Change in Control, each calendar year the System Company shall, as soon as possible, but in no event longer than thirty (30) days following the end of such calendar year, make an irrevocable contribution to the Trust in an amount that is necessary in order to maintain a lump sum amount credited to the System Company's Plan account under the Trust that is actuarially equivalent to the total unpaid benefits accrued by the System Company's Participants as of the end of each applicable calendar year. Notwithstanding the foregoing in this
Section to the contrary, a System Company may make contributions to the Trust prior to a Change in Control in such amounts as it shall determine in its complete discretion. The Trust is intended as a "grantor" trust under the Internal Revenue Code and the establishment and funding of such Trust is not intended to cause Participants to realize current income on amounts contributed thereto, and the Trust shall be so interpreted.

ARTICLE VI

FORFEITURES AND BENEFIT REPAYMENTS

6.01 Forfeitures. Except as otherwise provided in Section 7.02 of this Plan, Participant shall cease to be a Participant hereunder, no benefits under the Plan shall be payable hereunder, and Participant shall repay all amounts that he may have previously received hereunder, on and after any of the following events:

(a) if the Participant continues his employment with the Employer after his Normal Retirement Date without the prior written consent of the Employer, which consent may be freely withheld;

(b) if the Participant voluntarily terminates his employment with the Employer prior to his Normal Retirement Date without the prior written consent of his Employer, which consent may be freely withheld;

(c) if the Participant is involuntarily terminated by the Employer for cause, which for purposes of this Section 6.01 shall mean:

(1) a material violation by Participant of any agreement between Participant and any System Company; or

(2) a material violation of the employer-employee relationship existing between Participant and a System Company employer at the time, including, without limitation, breach of confidentiality or moral turpitude; or

(3) a material failure by Participant to perform the services required by him pursuant to any agreement between Participant and any System Company, or, if there is no such agreement, a material failure by the Participant to perform the reasonable, customary services of an employee holding the type of position he holds at the time; or

(4) an act of embezzlement, theft, defalcation, larceny, material fraud, or other acts of dishonesty by the Participant; or

(5) a conviction of Participant or Participant's entrance of a plea of guilty or nolo contendere to a felony or other crime which has or may have a material adverse affect on his ability to carry out his duties or upon the reputation of any System Company.

(d) except as otherwise provided in Section 2.06, if the Participant (i) fails to expressly waive, revoke, forgive or otherwise relinquish any and all rights to any benefits under all Other Employer Plans in such form and in accordance with such procedures as the Administrator may from time to time establish, or
(ii) files a claim under such Other Employer Plans inconsistent with the waiver filed with the Administrator;

(e) if the Participant engages in any employment (without the prior written consent of his Employer) either individually or with any person, corporation, governmental agency or body, or other entity in competition with, or similar in nature to, any business conducted by any System Company (or its successor) at any time within the two-year period commencing at Retirement, Separation from Service, or other termination of employment, as applicable, where such competing employer is located in, or servicing in any way customers located in, those parishes and counties in which any System Company services customers during the two-year period;

(f) if during the Participant's employment and for two years thereafter, other than as authorized by a System Company, or as required by law, or as necessary for the Participant to perform his duties for a System Company employer, the Participant shall divulge, communicate or use to the detriment of the Employer or the System, or use for the benefit of any other person or entity, or misuse in any way, any confidential or proprietary information or trade secrets of the Employer or the System, including without limitation non-public financial information, know-how, formulas, or other technical data. Disclosure of information pursuant to subpoena, judicial process, or request of a governmental authority shall not be deemed a violation of this provision, provided that the Participant gives the System Company immediate notice of any such subpoena or request and fully cooperates with any action by System Company to object to, quash, or limit such request; or

(g) if the Participant voluntarily terminates his employment or his employment is terminated with the Employer prior to his completion of five (5) actual Years of Service or employment with the System.

6.02 Advisory Services. As a condition for benefits under this Plan, the Participant must hold himself available to render advisory services, with his consent, if so requested by Employer or any System employer with which he was employed while a Participant in the Plan, during the period beginning with his Retirement or Separation from Service, as applicable, and continuing for a period of ten years thereafter. If the Participant agrees to render such advisory services, he will make himself available to the requesting employer with respect to matters related to his area or areas of expertise, as considered appropriate by the requesting employer, and will consult thereof with the directors and officers of the requesting employer and with such other person or persons as the chief executive officer of the requesting employer may designate and will perform such special assignments within his area of expertise and capability as may be mutually agreed upon with the chief executive officer of the requesting employer. The Participant shall control the manner in which he renders services hereunder and may, at his discretion, decline to

render any such services requested by the requesting employer if the Participant's time constraints are such that the rendering of such services would result in an undue burden upon the Participant. Rendering such advisory services shall in no way constitute or be construed as creating an employer/employee relationship, partnership, joint venture, or other business group or concerted activity between any requesting employer and Participant, and a Participant rendering services pursuant to this Section 6.02 shall not on account thereof be entitled to any of the fringe or supplemental benefits of the requesting employer or any other System Company, including employee benefit plan participation.

ARTICLE VII

CHANGE IN CONTROL

7.01 Definitions. The following additional definitions shall be applicable to this Article VIII:

(a) "Cause" shall mean:

(1) willful and continuing failure by Participant to substantially perform Participant's duties (other than such failure resulting from the Participant's incapacity due to physical or mental illness or any such actual or anticipated failure after the issuance of a Notice of Termination for Good Reason by Participant) that has not been cured within thirty (30) days after a written demand for substantial performance is delivered to Participant by the board of directors of Employer, which demand specifically identifies the manner in which the board believes that Participant has not substantially performed Participant's duties; or

(2) the willful engaging by the Participant in conduct which is demonstrably and materially injurious to any System Company, monetarily or otherwise; or

(3) conviction of or entrance of a plea of guilty or nolo contendere to a felony or other crime which has or may have a material adverse affect on Participant's ability to carry out Participant's duties or upon the reputation of any System Company; or

(4) a material violation by Participant of any agreement Participant has with a System Company; or

(5) unauthorized disclosure by Participant of the confidences of any System Company.

For purposes of clauses (1) and (2) of this definition, no act, or failure to act, on the Participant's part shall be deemed "willful" unless done, or omitted to be done, by the Participant not in good faith and without reasonable belief that the Participant's act, or failure to act, was in the best interest of the Employer.

(b) "Notice of Termination" shall mean a notice that shall indicate the specific termination provision in this Plan relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Participant's employment under the provision so indicated. Further, a Notice of Termination for Cause is required to include a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters (3/4) of the entire membership of the terminating employer's board of directors at a meeting of such board of directors which was called and held for the purpose of considering such termination (after reasonable notice to Participant and an opportunity for Participant, together with Participant's counsel, to be heard before that board) finding that, in the good faith opinion of the board, Participant was guilty of conduct set forth in the definition of Cause herein, and specifying the particulars thereof in detail.

7.02 Accelerated Vesting. Notwithstanding any Plan provision to the contrary, if during a Change in Control Period there should occur a Qualifying Event with respect to a Participant, the Participant shall not cease to be a Participant and shall be fully vested in and shall have a non-forfeitable right to all benefits accrued under this Plan as of the date of such Qualifying Event, except that all such benefits shall be subject to forfeiture upon the occurrence of any event described in
Section 6.01(d) or as follows:

(a) without Employer permission, Employee removes, copies, or fails to return if he or she has already removed, any property belonging to one or all of the System Companies, including, but not limited to, the original or any copies of any records, computer files or disks, reports, notes, documents, files, audio or video tapes, papers of any kind, or equipment provided by any one or all of the System Companies or created using property of or for the benefit of one or all of the System Companies;

(b) during Participant's employment and for 2 years thereafter, other than as authorized by a System Company or as required by law or as necessary for the Participant to perform his duties for a System Company employer, Participant shall disclose to any person or entity any non-public data or information concerning any System Company, in which case Participant shall be required to repay any Plan benefits previously received by him. Disclosure of information pursuant to subpoena, judicial process, or request of a governmental authority shall not be deemed a violation of this provision, provided that Participant gives the System Company immediate notice of any such subpoena or request and fully cooperates with any action by System Company to object to, quash, or limit such request; or

(c) Participant engages in any employment (without the prior written consent of his last System Company employer) either individually or with

any person, corporation, governmental agency or body, or other entity in competition with, or similar in nature to, any business conducted by any System Company at any time within the Applicable Period (defined below) and commencing upon termination of employment, where such competing employer is located in, or servicing in any way customers located in, those parishes and counties in which any System Company services customers during such Applicable Period, in which case Participant shall be required to repay any Plan benefits previously received by him. For purposes of this section, Applicable Period shall mean:

(1) two (2) years for Participants at System Management Levels 1 and 2 at the commencement of the Change in Control Period, provided, however, that the two-year Applicable Period shall be extended to three (3) years if otherwise permissible under applicable law;

(2) two (2) years for Participants at System Management Level 3 at the commencement of the Change in Control Period; and

(3) one (1) year for Participants at System Management Level 4 at the commencement of the Change in Control Period.

However, if the stated Applicable Periods described herein shall be impermissible under applicable law, then the Applicable Period for purposes of this Plan shall be the maximum time period allowed under applicable law for a covenant not to compete.

7.03 Benefit Amount and Income Commencement Date. Notwithstanding any Plan provision to the contrary, if during a Change in Control Period there should occur a Qualifying Event with respect to a Participant and if there does not occur a forfeiture event referenced in Section 7.02, the Participant's benefit amount and Income Commencement Date shall be determined pursuant to the provisions of this Plan as modified by the following:

(a) If such Participant has attained age 55 upon the occurrence of the Qualifying Event, then his benefit amount shall be determined according to Section 2.04 (subject to Section 2.08 in the case of an inactive Participant) without regard to that Section's eligibility requirements and, notwithstanding Section
2.04 or 2.05 to the contrary, such Participant may elect his Income Commencement Date without the consent of the Employer which shall be on the first day of any month following the Participant's termination.

(b) If such Participant has not attained age 55 upon the occurrence of the Qualifying Event, then his benefit amount shall be determined according to Section 2.04 (subject to Section 2.08 in the case of an inactive Participant) without regard to the eligibility requirements of Section 2.04 and, notwithstanding
Section 2.05 to the contrary, such Participant may elect his Income Commencement Date without the consent of the Employer which shall be on the first day of any month following the Participant's attainment of age 55.

(c) In determining the death benefit provided under Article IV, the Participant will be deemed to have met the ten (10) Years of Service requirement regardless of his actual Years of Service.

7.04 No Benefit Reduction. Notwithstanding anything stated above to the contrary, an amendment to, or termination of, the Plan following a Change in Control shall not reduce the level of benefits accrued under this Plan through the date of any such amendment or termination. In no event shall a Participant's Benefit Base accrued under this Plan following a Change in Control be less than such Participant's Benefit Base accrued under this Plan immediately prior to the Change in Control Period, subject, however, to the forfeiture provisions referenced in Section 7.02 as in existence on the date immediately preceding the commencement date of the Change in Control Period.

7.05 Provisions of Referenced Plans. To the extent this Plan references or incorporates provisions of any other System Company plan, including, but not limited to, the Entergy Retirement Plan, and (a) such other plan is amended, supplemented, modified or terminated during the two-year period commencing on the date of a Potential Change in Control and (b) such amendment, supplementation, modification or termination adversely affects any benefit under this Plan, whether it be in the method of calculation or otherwise, then for purposes of determining benefits under this Plan, the Administrator shall rely upon the version of such other plan in existence immediately prior to any such amendment, supplementation, modification or termination, unless such change is agreed to in writing and signed by the affected Participant and by the Administrator, or by their legal representatives or successors.

ARTICLE VIII

PLAN ADMINISTRATION

8.01 Administration of Plan. The Administrator shall operate and administer the Plan and, as such, shall have the authority as Administrator to exercise the powers and discretion conferred on it by the Plan, including the right to delegate any function to a specified person or persons. The Administrator shall discharge its duties for the exclusive benefit of the Participants and their beneficiaries.

8.02 Powers of the Administrator. The Administrator and any of its delegees shall administer the Plan in accordance with its terms and shall have all powers, authority, and discretion necessary or proper for such purpose. In furtherance of this duty, the Administrator shall have the sole and exclusive power and discretion to make factual determinations, construe and interpret the Plan, including the intent of the Plan and any

ambiguous, disputed or doubtful provisions of the Plan. All findings, decisions, or determinations of any type made by the Administrator, including factual determinations and any interpretation or construction of the Plan, shall be final and binding on all parties and shall not be disturbed unless the Administrator's decisions are arbitrary and capricious. The Administrator shall be the sole judge of the standard of proof required in any claim for benefits and/or in any question of eligibility for a benefit. By way of example, the Administrator shall have the sole and exclusive power and discretion:

(a) to adopt such rules and regulations as it shall deem desirable or necessary for the administration of the Plan on a consistent and uniform basis;

(b) to interpret the Plan including, without limitation, the power to use Administrator's sole and exclusive discretion to construe and interpret (1) the Plan, (2) the intent of the Plan, and (3) any ambiguous, disputed or doubtful provisions of the Plan;

(c) to determine all questions arising in the administration of the Plan including, but not limited to, the power and discretion to determine the rights or eligibility of any Employee, Participant, Beneficiary or other claimant to receive under the Plan;

(d) to require such information as the Administrator may reasonably request from any Employee, Participant, Beneficiary or other claimant as a condition for receiving any benefit under the Plan;

(e) to grant and/or deny any and all claims for benefits, and construe any and all issues of Plan interpretation and/or fact issues relating to eligibility for benefits;

(f) to compute the amount and determine the manner and timing of any benefits payable under the Plan;

(g) to execute or deliver any instrument or make any payment on behalf of the Plan;

(h) to employ one or more persons to render advice with respect to any of the Administrator's responsibilities under the Plan;

(i) to direct the Employer concerning all payments that shall be made pursuant to the terms of the Plan; and

(j) to make findings of fact, to resolve disputed fact issues, and to make determinations based on the facts and evidence contained in the administrative record developed during the claims review procedure.

For any acts not specifically enumerated above, when applying, construing, or interpreting any and all Plan provisions and/or fact questions presented in claims for benefits, the Administrator shall have the same discretionary powers as enumerated above.

8.03 Reliance on Reports and Certificates. The Administrator may rely conclusively upon all tables, valuations, certificates, opinions and reports furnished by an actuary, accountant, counsel or other person who may from time to time be employed or engaged for such purposes.

8.04 Claims Administration. The Administrator may appoint and, in its sole discretion, remove a Claims Administrator and/or Claims Appeal Administrator to administer claims for benefits under the Plan in accordance with its terms, and, pursuant to Section 8.02, such delegees shall have all powers, authority, and discretion necessary or proper for such purpose. In the absence of such appointment, the Administrator shall be the Claims Administrator and Claims Appeal Administrator.

8.05 Filing Benefit Claims. Any claim asserting entitlement to a benefit under the Plan must be asserted within ninety (90) days after the event giving rise to the claim by sending written notice of the claim to the Claims Administrator. The written notice of the claim must be accompanied by any and all documents, materials, or other evidence allegedly supporting the claim for benefits. If the claim is granted, the claimant will be so notified in writing by the Claims Administrator.

8.06 Claims of Good Reason/Cause During Change in Control Period. Solely for purposes of any determination regarding the existence of Good Reason or Cause (as defined in Section 7.01(a)) during a Change in Control Period, any position taken by the Participant shall be presumed to be correct unless Employer establishes to the Plan Administrator by clear and convincing evidence that such position is not correct.

8.07 Denial or Partial Denial of Benefit Claims. If the Claims Administrator denies a claim for benefits in whole or part, the Claims Administrator shall notify the claimant in writing of the decision within ninety (90) days after the claim has been received by the Claims Administrator. In the Claim Administrator's sole discretion, the Claims Administrator may extend the time to decide the claim for an additional ninety (90) days, by giving written notice of the need for such an extension any time prior to the expiration of the initial ninety-day period. The Claims Administrator, in its sole discretion, reserves the right to request specific information from the claimant, and reserves the right to have the claimant examined or tested by person(s) employed or compensated by the Plan. If the claim is denied or partially denied, the Claims Administrator shall provide the claimant with written notice stating:

(a) the specific reasons for the denial of the claim (including the facts upon which the denial was based) and reference to any pertinent plan

provisions on which the denial is based;

(b) if applicable, a description of any additional material or information necessary for claimant to perfect the claim and an explanation of why such material or information is necessary; and

(c) an explanation of the claims review appeal procedure including the name and address of the person or committee to whom any appeal should be directed.

8.08 Appeal of Claims That Are Denied or Partially Denied. The claimant may request review of the Claims Administrator's denial or partial denial of a claim for Plan benefits. Such request must be made in writing within sixty (60) days after claimant has received notice of the Claims Administrator's decision and shall include with the written request for an appeal any and all documents, materials, or other evidence which claimant believes supports his or her claim for benefits. The written request for an appeal, together with all documents, materials, or other evidence which claimant believes supports his or her claim for benefits should be addressed to the Claims Administrator, who will be responsible for submitting the appeal for review to the Claims Appeal Administrator.

8.09 The Appeal Process. The Claims Administrator will submit the appeal to the Claims Appeal Administrator for review of the denial or partial denial of the claim. Within sixty
(60) days after the receipt of claimant's appeal, the claimant will be notified of the final decision of the Claims Appeal Administrator, unless, in the Claims Appeal Administrator's sole discretion, circumstances require an extension of this period for up to an additional sixty (60) days. If such an extension is required, the Claims Appeal Administrator shall notify claimant of this extension in writing before the expiration of the initial sixty-day period. During the appeal, the Claims Appeal Administrator, in its sole discretion, reserves the right to request specific information from the claimant, and reserves the right to have the claimant examined or tested by person(s) employed or compensated by the Plan. The final decision of the Claims Appeal Administrator shall set forth in writing the facts and plan provisions upon which the decision is based. All decisions of the Claims Appeal Administrator are final and binding on all employees, Participants, their Beneficiaries, or other claimants.

8.10 Judicial Proceedings for Benefits. No claimant may file suit in court to obtain benefits under the Plan without first completely exhausting all stages of this claims review process. In any event, no legal action seeking Plan benefits may be commenced or maintained against the Plan more than ninety (90) days after the Claims Appeal Administrator's decision on appeal.

ARTICLE IX

AMENDMENT AND TERMINATION

9.01 General. The Board of Directors shall have the right, in its absolute discretion, at any time and from time to time, to modify or amend, in whole or in part, any or all of the provisions of this Plan, or suspend or terminate it entirely, subject to the provisions of Section 9.02 hereof. The provisions of this Article IX shall survive a termination of the Plan unless such termination is agreed to by the Participants.

9.02 Restrictions on Amendment or Termination. Any amendment, supplement or modification to, or the termination of, the Plan shall be subject to the following restrictions:

(a) Employer shall continue, subject to the provisions of Article II and Section 6.01, to make payments to any retired or separated Participant or Beneficiary then entitled to payments as if the Plan had not been amended, supplemented, modified or terminated;

(b) as to any Participant who has not yet begun receiving monthly benefits under the Plan, the Employer, subject to any provisions of Article II and Section 6.01 to the contrary, shall remain obligated to provide a benefit upon the earlier of the Participant's Early Retirement Date or death that is Actuarially Equivalent to (and payable for the term of) the accrued benefit under Article II earned by the Participant at the time the Plan is amended, supplemented, modified or terminated; and

(c) no amendment, modification, suspension or termination of the Plan may reduce the amount of benefits or adversely affect the manner of payment of benefits of any Participant or Beneficiary then receiving benefits in accordance with the terms of Article III or IV, unless such modification is agreed to in writing and signed by the affected Participant or Beneficiary and by the Plan Administrator, or by their legal representatives or successors; and

(d) no provision of this Plan may be modified, waived, or discharged during the two-year period commencing on the date of a Potential Change in Control, unless such modification, waiver, or discharge is agreed to in writing and signed by the affected Participant and by the Plan Administrator, or by their legal representatives or successors.

9.03 Successors. A System employer shall require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) of all or substantially all of its business and/or assets to expressly assume and agree to perform this Plan in the same manner and to the same extent that the System employer would be required to perform it if no such succession had taken place. Failure of the System employer to obtain

such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Plan and shall entitle each Participant to Plan benefits from the System Company employer in the same amount and on the same terms as he would be entitled hereunder if terminated voluntarily for Good Reason, except for the purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the effective date of termination. Any successor or surviving entity that assumes or otherwise adopts this Plan as contemplated in this Section
9.03 shall succeed to all the rights, powers and duties of the System employer and the Board of Directors hereunder, subject to the restrictions on amendment or termination of the Plan as set forth in Section 9.02. The employment of the Participant who has continued in the employ of such successor or surviving entity shall not be deemed to have been terminated or severed for any purpose hereunder; however, such continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason.

9.04 Dissolution of the Employer. In the event that a System employer with which Participant was employed while a Participant in the Plan is dissolved or liquidated by reason of bankruptcy, insolvency or otherwise prior to Employee's death or Retirement from Service, without any provision being made for the continuance of the Plan by a successor to the business of such System employer or unless another System Company shall have assumed the obligations of such System employer under the Plan, the date on which such dissolution or liquidation occurs shall be deemed to be the non-retired Participant's Early Retirement Date and the Participant's Retirement from Service shall be deemed to have occurred on his Early Retirement Date. At the option of the person entitled thereto, the Actuarial Equivalent of such benefits shall be paid immediately in one lump sum. Upon the date of such liquidation or dissolution, in the case of a Beneficiary or retired Participant who is receiving benefit payments under the Plan, the Actuarial Equivalent of the benefits then remaining to be paid under the Plan to the Participant, joint annuitant, or Beneficiary, as applicable, shall be paid immediately in one lump sum at the option of the person entitled thereto.

ARTICLE X

MISCELLANEOUS

10.01 Gender and Number. The masculine pronoun whenever used in the Plan shall include the feminine. Similarly, the feminine pronoun whenever used in the Plan shall include the masculine as the context or facts may require. Whenever any words are used herein in the singular, they shall be construed as if they were also used in the plural in all cases where the context so applies.

10.02 Captions. The captions of this Plan are not part of the provisions of the Plan and shall have no force and effect.

10.03 Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

10.04 Controlling Law. The administration of the Plan, and any Trust established thereunder, shall be governed by applicable federal law, including the ERISA and, to the extent federal law is inapplicable, the laws of the State of Delaware, without regard to the conflict of law principles of any state. Any persons or corporations who now are or shall subsequently become parties to the Plan shall be deemed to consent to this provision.

10.05 No Right to Employment. The Plan confers no right upon any Employee to continue his employment with any employer, whether or not a System Company.

10.06 Indemnification. To the extent not covered by insurance, or if there is a failure to provide full insurance coverage for any reason, and to the extent permissible under applicable laws and regulations, the System employers agree to hold harmless and indemnify the Administrator and its members against any and all claims and causes of action by or on behalf of any and all parties whomsoever, and all losses therefrom, including, without limitation, costs of defense and attorneys' fees, based upon or arising out of any act or omission relating to or in connection with the Plan and Trust other than losses resulting from any such person's fraud or willful misconduct.

10.07 No Alienation. The benefits provided hereunder shall not be subject to alienation, assignment, pledge, anticipation, attachment, garnishment, receivership, execution or levy of any kind, including liability for alimony or support payments, and any attempt to cause such benefits to be so subjected shall not be recognized, except to the extent as may be required by law.

IN WITNESS WHEREOF, Entergy Corporation has caused this amendment and restatement to be executed by its duly authorized officer on this __ day of _____, 2000, but effective as of January 1, 2000.

ENTERGY CORPORATION
through the undersigned duly authorized representative

C. GARY CLARY
Senior Vice-President,

Human Resources and Administration
for Entergy Services, Inc.

APPENDIX A

TARGET AWARD REPLACEMENT RATIOS

Years Of Service*	Chairman and/or CEO	All Other Executives with Target Award of 50% or Above	Executives with Target Award Between 40% & 49%
1	3.3%	3.0%	2.7%
2	6.6%	6.0%	5.4%
3	9.9%	9.0%	8.1%
4	13.2%	12.0%	10.8%
5	16.5%	15.0%	13.5%
6	19.8%	18.0%	16.2%
7	23.1%	21.0%	18.9%
8	26.4%	24.0%	21.6%
9	29.7%	27.0%	24.3%
10	33.0%	30.0%	27.0%
11	36.3%	33.0%	29.7%
12	39.6%	36.0%	32.4%
13	42.9%	39.0%	35.1%
14	46.2%	42.0%	37.8%
15	49.5%	45.0%	40.5%
16	50.6%	46.0%	41.4%
17	51.7%	47.0%	42.3%
18	52.8%	48.0%	43.2%
19	53.9%	49.0%	44.1%
20	55.0%	50.0%	45.0%
21	56.0%	51.0%	46.0%
22	57.0%	52.0%	47.0%
23	58.0%	53.0%	48.0%
24	59.0%	54.0%	49.0%
25	60.0%	55.0%	50.0%
26	61.0%	56.0%	51.0%
27	62.0%	57.0%	52.0%
28	63.0%	58.0%	53.0%
29	64.0%	59.0%	54.0%
30	65.0%	60.0%	55.0%

*Replacement Ratio for fractional years will be determined by interpolating the difference between the ratio corresponding to completed years of service and the ratio corresponding to the next higher year of service.

APPENDIX B

PROTOTYPE PARTICIPANT APPLICATIONS

Exhibit 10(a)88

SYSTEM EXECUTIVE RETIREMENT PLAN OF
ENTERGY CORPORATION AND SUBSIDIARIES
(As Amended and Restated Effective January 1, 2000)

Certificate of Amendment

Amendment No. 1

THIS INSTRUMENT, executed and made effective this 28th day of December, 2001, ("Effective Date") constitutes the First Amendment of the System Executive Retirement Plan of Entergy Corporation and Subsidiaries, as amended and restated effective January 1, 2000 (the "Plan").

All capitalized terms used in this document shall have the meanings assigned to them in the Plan unless otherwise defined in this document.

Pursuant to Section 9.01 of the Plan, the Personnel Committee, as authorized by the Board of Directors, does hereby amend the Plan as follows:

1. Section 1.25 of the Plan is amended in its entirety to read as follows:

1.25 "Participant" shall mean an Employee who (1) is a System Management Participant; (2) has executed a written Participant Application that has been accepted by the Administrator; and (3) remains eligible for participation in accordance with the applicable provisions of the Plan including, without limitation, Section 6.01. Notwithstanding the foregoing requirements of this Section 1.25, an individual who is a Participant in the Plan immediately prior to the Effective Date, shall remain a Participant for as long as he remains eligible for participation in accordance with all other applicable provisions of the Plan. Subject to the terms and conditions set forth in Section 2.08 and elsewhere in the Plan, the term "Participant" shall include an inactive Participant, as described in Section 2.08.

2. Current Sections 1.42, 1.43 and 1.44 are renumbered 1.43, 1.44 and 1.45, respectively, and a new Section 1.42 is added to the Plan to read as follows:

1.42 "System Management Participant" shall mean a Participant who is currently, or was immediately prior to the commencement of a Change in Control Period, at one of the System Management Levels set forth in Section 1.41.

3. Section 3.04 of the Plan is amended in its entirety to read as follows:

3.04 Optional Single-Sum Payment Election; Conversion Election for System Management Participants.

(a) In lieu of the normal life only form of benefit (or an Actuarial Equivalent 50% joint and survivor annuity form of benefit, if the Participant is legally married) described in Section 3.01 above, a Participant who, at the time of his Retirement or Qualifying Event, is a System Management Participant (or is treated as a System Management Participant in accordance with Section 1.42), may elect, subject to the terms and conditions set forth in this Section 3.04(a) and Section 3.05, an optional single-sum payment. The optional single-sum payment amount shall be equal to the present value of the System Management Participant's (1) Benefit Base determined under Section 2.01, and subject to reduction by the Early Retirement Reduction Factor for each month (up to 120 months) by which the single-sum payment date precedes the System Management Participant's Normal Retirement Date, or (2) Plan benefit determined under Section 7.03 in the event of a Qualifying Event, if applicable. Present value shall be computed using the same interest and mortality assumptions used in the Entergy Retirement Plan for computing the present value of benefits (for purposes of the involuntary cash-out rules) as of the time such single-sum amount is to be computed. Under this optional form of benefit payment, no further benefit payments of any kind shall be made under the Plan to the Participant, the Participant's legal spouse, or any other person on behalf of the Participant.

(b) A System Management Participant who is eligible for an optional single-sum payment in accordance with Section 3.04(a), and who is eligible to participate in and has elected to participate in the Executive Deferred Compensation Plan of Entergy Corporation and Subsidiaries ("EDCP") may elect, in accordance with Section 3.05, to convert the entire amount of the present value of the Participant's Benefit Base, determined in accordance with Section 3.04(a), to an equivalent credited balance under the EDCP, in which case no further benefit payments of any kind shall be due, or made under the Plan, to the Participant, the Participant's legal spouse, or any other person on behalf of the Participant. Any election to convert Plan benefits under this Section 3.04(b) shall be effective as to the entire value of such Plan benefits at the time of conversion.

4. Section 3.05 of the Plan is amended in its entirety to read as follows:

3.05 Restrictions and Limitations on Forms of Benefit.

(a) In addition to the restrictions and limitations set forth in the preceding sections of this Article III, a Participant's election of any optional form of benefit available to the Participant under the Plan and a System Management Participant's conversion election in accordance with Section 3.04(b), if applicable, shall be subject to the following:

(1) Each such election must be made at least 6 months prior to the earlier of (i) Retirement or (ii) the earliest Income Commencement Date under Section 7.03(a) or (b), as applicable, following a Qualifying Event, and in such form as the Administrator (or its delegate) may require;

(2) Any failure by the Participant to make an affirmative written election hereunder on or before the deadline established in subsection (1) above shall constitute a waiver both of any right to elect an optional form of benefit and the right to convert Plan benefits in accordance with Section 3.04(b), in which case the terms of Section
3.01 shall govern to the extent applicable;

(3) The Participant may cancel his election for such optional form of benefit or conversion of Plan benefits, if applicable, at any time prior to the deadline for making such elections as described in subsection (1), after which date any such election(s) shall become irrevocable; and

(4) An eligible Participant's election shall be subject to the written consent of the Employer.

(b) Under the 50% joint and survivor annuity form of payment, as well as any optional joint and survivor annuity form of payment, if the Participant's spouse should predecease the Participant on or after the Income Commencement Date, there shall be no survivor's benefit and the Participant shall not thereafter be entitled to any readjustment to his Retirement Income.

(c) Any survivor's benefit payable under the 50% joint and survivor annuity form of payment, as well as any optional joint and survivor annuity form of payment, shall be a monthly benefit payable over the life of the joint annuitant commencing as of the first day of the first month next following the date on which the Participant dies. Except as provided in Article IV, no benefits shall be paid under the Plan if the Participant dies before his Income Commencement Date.

5. Section 7.03 of the Plan is amended by adding the following new subsection (d) at the end of that
Section to read as follows:

(d) If a Participant described in subsection 7.03(a) or (b) is a System Management Participant (or is treated as a System Management Participant in accordance with Section 1.42) at the time of such Qualifying Event, then at the System Management Participant's earliest Income Commencement Date, as described in subsection 7.03(a) and (b), respectively, the entire amount of the present value (as computed in accordance with Section 3.04(a)) of the System Management Participant's Plan benefit, determined in accordance with this Section 7.03, shall be converted to an equivalent credited balance under the EDCP if the System Management Participant has a conversion election in effect that satisfies the requirements of Section 3.05, in which case no further benefit payments of any kind shall be due, or made under the Plan, to the Participant, the Participant's legal spouse, or any other person on behalf of the Participant.

6. Section 9.01 of the Plan is hereby restated in its entirety to read as follows:

9.01 General. The Personnel Committee of the Board of Directors shall have the right, in its absolute discretion, at any time and from time to time, to modify or amend, in whole or in part, any or all of the provisions of this Plan, or suspend or terminate it entirely, subject to the provisions of Section 9.02 hereof. The provisions of this Article IX shall survive a termination of the Plan unless such termination is agreed to by the Participants.

7. Section 9.02(d) of the Plan is amended and restated as follows:

(d) Unless agreed to in writing and signed by the affected System Management Participant and by the Plan Administrator, no provision of this Plan may be modified, waived or discharged before the earlier of: (i) the expiration of the two-year period commencing on the date of a Potential Change in Control, or (ii) the date on which the Change in Control event contemplated by the Potential Change in Control is terminated.

IN WITNESS WHEREOF, the Personnel Committee has caused this First Amendment to the System Executive Retirement Plan of Entergy Corporation and Subsidiaries to be executed by its duly authorized representative on the day, month, and year above set forth.

PERSONNEL COMMITTEE
through the undersigned duly
authorized representative

WILLIAM E. MADISON

Senior Vice-President,
Human Resources and Administration
for Entergy Services, Inc.

Exhibit 10(a)91

CONFIDENTIAL MEMORANDUM

To: Jerry D. Jackson

From: J. Wayne Leonard

Subject: Your Early Retirement

Based upon discussions regarding your request for early retirement, it is agreed that Entergy Corporation (the "Company") shall accommodate your request for early retirement pursuant to the terms of the Company's plans and programs in which you participate (including, but not limited to, your participation in the System Executive Retirement Plan of Entergy Corporation and Subsidiaries ("SERP"), the Pension Equalization Plan of Entergy Corporation and its Subsidiaries ("PEP"), and the Post-Retirement Plan of Entergy Corporation and Subsidiaries ("PRP"), in accordance with the terms of such plans and with all applicable added years of service as detailed in your Participant Application for each plan) ("Early Retirement"), subject to the terms and conditions set forth in this letter agreement:

1. Acceptance of Early Retirement Request. Except as otherwise provided in paragraph 7 herein, the Company irrevocably accepts your signature below as your formal irrevocable request for Early Retirement effective April 1, 2003, and unless you die, become disabled within the meaning of the Company sponsored Long Term Disability Plan ("Disabled"), your last day of active employment with the Company and its affiliates and subsidiaries ("Entergy System") shall be March 31, 2003 ("Final Employment Date"), and your Early Retirement shall be effective April 1, 2003.

2. Compensation until Final Employment Date. Except as otherwise provided in paragraphs 6 or 7 herein, unless you die or become Disabled, from the date on which you accept in writing and return to me this agreement ("Effective Date"), you shall:

(a) retain your System Management Level 2 status until your Final Employment Date;
(b) retain your current title until such time as a successor assumes your title or is assigned all or part of the duties and functions of your title as the Company in its sole discretion may determine ("Successor Placement Date"), which event is anticipated to occur effective January 1, 2002;
(c) be entitled to continue to receive your current rate of annual base salary until your Final Employment Date in accordance with your Entergy System employer's regular payroll schedule; and
(d) except as otherwise provided in this letter agreement, continue to be eligible until your Final Employment Date for the compensation and benefits being provided to you by your Entergy System employer under the plans, programs and policies in existence on the Effective Date, in accordance with the terms and conditions of the applicable plans, programs and policies (including accrual of vacation time), as may be amended.

3. System Service until Final Employment Date. Except as otherwise provided in paragraphs 6 or 7 herein, unless you die or become Disabled, from the Successor Placement Date until your Final Employment Date (the "Transition Period"):

(a) your Entergy System employer shall provide you with an office and secretarial support; and
(b) you shall report to work at such location as you and the Chief Executive Officer may agree, use your best efforts to perform such services for the benefit of the Entergy System as the Chief Executive Officer or your successor may request, and continue to comply with the Code of Entegrity and all Entergy System policies applicable to regular Entergy System employees.

4. Early Retirement. Except as otherwise provided in paragraphs 6 or 7 herein, unless you die or become Disabled, on April 1, 2003 when you commence your Early Retirement, you shall be entitled to all normal post-retirement compensation and benefits for which you are eligible in accordance with the Company's plans, policies and programs as in effect immediately prior to such Early Retirement. In addition, the Company shall supplement the nonqualified retirement benefit you elect to receive under the terms and conditions of the SERP, PEP, or PRP ("Applicable Plan") so that the total benefit you receive from the Applicable Plan and the supplemental benefit provided under this paragraph 4 will be equal to the benefit you have accrued under the Applicable Plan as of your Early Retirement, with the discount rate applicable to such Early Retirement benefit calculated as if you commenced Applicable Plan benefit payments as of March 31, 2005 ("Subsidized Retirement Benefit").

5. Consulting Services after Final Employment Date. Except as otherwise provided in paragraphs 6 or 7 herein, unless you die or become Disabled, effective from April 1, 2003 until March 31, 2005 ("Consulting Period"), you shall become a consultant to the Company subject to (a) your execution on or within 21 days following the Final Employment Date of a release in substantially the form of Exhibit A, attached hereto and made a part hereof, (which release you will have at least twenty-one (21) calendar days to consider, although you may sign it sooner than the expiration of such 21-day period) and delivery of same to Company and (b) the expiration of any period during which you are permitted to revoke such release in accordance with its terms, so long as you have not revoked the release during such period. As a consultant hereunder, you shall perform services for the Entergy System within your area of expertise and capability on an "as needed" basis (but with a work load much reduced from your current work load), with your responsibilities to be assigned by the Company's Chief Executive Officer and

with an annual cash consulting fee equal to the highest rate of annual base salary payable to you by the Entergy System prior to the Final Employment Date. You shall control the manner in which you render consulting services hereunder and rendering such services shall in no way constitute or be construed as creating an employer/employee relationship, partnership, joint venture, or other business group or concerted activity between any Entergy System company and you. You shall not be an active employee of the Entergy System, and after your Final Employment Date, you shall not be eligible for participation in any Entergy System incentive plans or programs or continued accruals under any Entergy System qualified or nonqualified plans. You shall be responsible for any applicable federal or state taxes associated with consulting fees paid during the Consultant Period.

6. Change in Control. The capitalized terms "Qualifying Event," "Change in Control," "Change in Control Period," "Potential Change in Control," "Eligible Employee," and "Plan Administrator" used in this paragraph 6, unless otherwise specified, shall have the respective meanings set forth in the System Executive Continuity Plan of Entergy Corporation and Subsidiaries ("Continuity Plan") as may be amended. To the extent this letter agreement references or incorporates provisions of any other System Company plan and (a) such other plan is amended, supplemented, modified or terminated during the two-year period commencing on the date of a Potential Change in Control and (b) such amendment, supplementation, modification or termination adversely affects any benefit under this letter agreement, whether it be in the method of calculation or otherwise, then for purposes of determining benefits under this letter agreement, the parties shall rely upon the version of such other plan in existence immediately prior to any such amendment, supplementation, modification or termination, unless such change is agreed to in writing and signed by you and the Company, or by your or its legal representatives or successors. The provisions of paragraph 6(a), 6(b) or 6(c), as applicable, shall control any and all benefits that may be payable to you as a result of a Qualifying Event, and payment under this paragraph 6 shall preclude entitlement to any other compensation and benefit available under this letter agreement.

(a) Until Commencement of the Transition Period. You shall become a participant in the Continuity Plan as of the date on or after the Effective Date you execute and return to the Plan Administrator a Restated Participant Application in a form substantially similar to that attached to this letter agreement as Exhibit B. You acknowledge that your participation in the Continuity Plan shall be at System Management Level 2 and in accordance with the terms of the Plan and the Restated Participant Application. As detailed in the Restated Participant Application, you acknowledge that you will continue to be an Eligible Employee for Continuity Plan purposes in accordance with its terms and only until the Successor Placement Date. In addition to any benefits to which you may be entitled under the Continuity Plan, in the event of a Qualifying Event you shall be entitled to the Subsidized Retirement Benefit.

(b) From Commencement of Transition Period Until Final Employment Date. On and after the Successor Placement Date, you shall no longer be eligible to participate in the Continuity Plan, but rather, subject to the same forfeiture provisions set forth in Section 6.01 of the Continuity Plan, you will be entitled to the following benefits if you should experience a Qualifying Event prior to your Final Employment Date, although for purposes of determining whether a Qualifying Event has occurred under this paragraph 6(b), the definition of Good Reason as set forth in the Continuity Plan shall be redefined to mean the breach, without your express written consent, of any obligations owed to you under this letter agreement during the Change in Control Period:

(i) an immediate lump sum cash payment equal to the remaining unpaid base salary that would have been paid to you had your employment under this agreement continued until your Final Employment Date; and

(ii) the Subsidized Retirement Benefit; and

(iii) all legal fees and expenses incurred by you in disputing in good faith any issue hereunder relating to whether you have experienced a Qualifying Event or in seeking in good faith to obtain or enforce any benefit or right provided by this Agreement or in connection with any tax audit or proceeding to the extent attributable to the application of section 4999 of the Code to any payment or benefit provided hereunder. Any such payments shall be made within thirty (30) business days after delivery of your written request for payment accompanied with such evidence of fees and expenses incurred as Employer reasonably may require.

(iv) As a condition to receiving the change in control benefits, if any, payable under this paragraph 6(b), you agree to the following:

(a) For a period of two years following the date of the Qualifying Event, you shall not engage in any employment or other activity (without the prior written consent of Company) either in your individual capacity or together with any other person, corporation, governmental agency or body, or other entity, that is (I) listed in the Standard & Poor's Electric Index or the Dow Jones Utilities Index; or (II) in competition with, or similar in nature to, any business conducted by any Entergy System Company at any time during such period, where such competing employer is located in, or servicing in any way customers located in, those parishes and counties in which any Entergy System Company services customers during such period. In the event you violate any provision of this paragraph 6(b)(iv)(a), you shall repay to Company, within 30 (thirty) business days of Company's written request therefor, any amounts previously paid to you pursuant to paragraph 6, and you shall have no further entitlement to receive any additional payments or benefits under this agreement.

(b) For a period of two years following the date of a Qualifying Event, you agree not to take any action or make any statement, written or oral, to any current or former employee of any Entergy System Company, or to any other person, which disparages any Entergy System Company, its management, directors or shareholders, or its practices, or which disrupts or impairs their normal operations, including actions or statements (I) that would harm the reputation of any Entergy System Company with its clients, suppliers, employees or the public; or (II) that would interfere

with existing or prospective contractual or employment relationships with any Entergy System Company or its clients, suppliers or employees. In the event you violate any provision of this paragraph
6(b)(iv)(b), you shall repay to Company, within 30 (thirty) business days of Company's written request therefor, any amounts previously paid to you pursuant to paragraph 6, and you shall have no further entitlement to receive any additional payments or benefits under this agreement.

(c) During Consulting Period. Except as provided in paragraph 7, in the event there occurs a Change in Control on or after commencement of the Consulting Period and the Company or its successor refuses to honor the consulting arrangement outlined in paragraph 5 of this letter agreement, you shall be entitled to demand and receive an immediate lump sum cash payment equal to any unpaid consulting fee you would otherwise have received for the remainder of the Consulting Period. You shall also be entitled to reimbursement for all legal fees and expenses incurred by you in enforcement of the payment provided by this
Section 6(c). Any such payments shall be made within thirty (30) business days after delivery of your written request for payment to Company or its successor accompanied with such evidence of fees and expenses incurred as Company or its successor reasonably may require.

7. You shall cease to be entitled to any benefits under this letter agreement, including, but not limited to, Company permission for Early Retirement as applicable, if (a) you terminate employment other than because of Good Reason (as defined in the Continuity Plan) prior to the Final Employment Date; or (b) you terminate your consulting arrangement outlined in paragraph 5 of this letter agreement other than because Company or its successor refuses to honor the consulting arrangement; or (c) Company terminates your System Company employment or your consulting arrangement under this letter agreement, as applicable, because you (i) willfully and continually fail to substantially perform your duties (other than such failure resulting from your incapacity due to physical or mental illness); or (ii) are convicted of or enter a plea of guilty or nolo contendere to a felony or other crime that has or may have a material adverse affect on your ability to carry out your duties or upon the reputation of any System Company; or
(iii) materially violate any agreement with a System Company, including, without limitation, violation of this letter agreement; or (iv) disclose confidences of any System Company.

8. The Company and you shall keep the terms and conditions of this letter agreement confidential, although disclosure of information to your spouse, attorney or financial consultant, or pursuant to subpoena, judicial process, request of a governmental authority, or as otherwise required by law shall not be deemed a violation of this provision. Further, you agree that you shall not disclose to any person or entity any non-public data or information concerning the Entergy System (including, without limitation, all information concerning the business transactions and the financial arrangements of any one or all of the companies in the Entergy System), although disclosure of information pursuant to subpoena, judicial process, or request of a governmental authority shall not be deemed a violation of this provision, provided that you provide Company immediate notice of any such subpoena or request and fully cooperate with any action by the Entergy System to judicially protect information from disclosure or otherwise object to, quash, or limit such request. In the event of any breach or threatened breach by you of this section of this agreement, any company in the Entergy System shall be entitled to an injunction, without bond, restraining you from violating the provisions, in addition to any other relief that may be recoverable.

9. The validity, interpretation, construction and performance of this letter agreement shall be governed by the law of the State of Delaware, without reference to its choice of law rules. Notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested, postage prepaid, to the following address shown below or thereafter to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon actual receipt:

If to Company or its successor: If to Executive:
Care of: Jerry D. Jackson General Counsel, Entergy Corporation 1505 Nashville Avenue 639 Loyola Avenue New Orleans, LA 70115 New Orleans, LA 70113-3125

10. This letter agreement constitutes the entire understanding and agreement of the parties with respect to the matters discussed herein and supersedes all other prior agreements and understandings, written or oral, between the parties with respect to such matters. Without limiting the generality of the foregoing, upon the Effective Date, and in consideration of the benefits provided herein, the retention agreement between you and the Company, dated as of October 11, 2000 and effective as of July 29, 2000 (the "Retention Agreement") is hereby terminated, and you shall not be entitled to receive any amounts thereunder, including, but not limited to, any amounts payable under Section 3 thereof. You acknowledge and agree that this letter agreement meets all requirements contained in the Retention Agreement or otherwise necessary to discharge the Company from its obligations under the Retention Agreement. You further acknowledge that upon execution of this letter agreement and in consideration of the benefits provided herein, notwithstanding any other provision of this letter agreement to the contrary, you will not be entitled to any retention, severance, termination or similar benefit otherwise payable to you under any plan, program, arrangement or agreement of or with the Entergy System (except as otherwise specifically provided for in this letter agreement), although this provision shall not effect your entitlement (if any) to Company retirement plans and programs in accordance with their terms and conditions.

11. The Company may withhold from any amounts payable under this letter agreement all federal, state and other taxes as shall be legally required.

12. This letter agreement may not be modified, amended or waived except in a writing signed by both parties. The waiver by either party of a

breach of any provision of this letter agreement shall not operate to waive any subsequent breach of the letter agreement.

13. Neither this letter agreement nor the right to receive benefits hereunder may not be assigned, encumbered or alienated by you in any manner. Any attempt to so assign, encumber or alienate shall constitute a material violation of this letter agreement.

Please indicate your acceptance of the terms of this letter agreement by signing and dating both copies and returning one to me at your earliest convenience.

/s/ J. Wayne Leonard
J. Wayne Leonard
Chief Executive Officer
Entergy Corporation

Agreed to and accepted this 25th day of July, 2001

/s/ Jerry D. Jackson
Jerry D. Jackson

Exhibit 10(a)97

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is entered into between Entergy Services, Inc. ("Employer"), a Delaware corporation, and Curt L. Hebert, Jr. ("Executive"). The earliest date upon which both Executive and Employer have executed this Agreement shall be its effective date ("Effective Date"), although the Agreement shall be wholly voidable by Employer if Employer obtains unsatisfactory pre-employment reference and security background checks on Executive, Executive fails to provide suitable documentation of Executive's identity and employment eligibility (I-9 INS certification), or Executive fails to successfully complete a pre-employment drug screening. The details of employment under this Agreement are set forth below and supercede any other oral or written employment offers, representations, agreements or contracts Executive may have received from, or entered into with, Employer, Entergy Corporation, or any other affiliate or subsidiary of Entergy Corporation (each, an "Entergy System Company," and collectively, the "Entergy System") prior to the execution of this Agreement, which prior offers, agreements or contracts Executive acknowledges are without effect.

In consideration of the premises and the mutual agreements set forth below, the parties hereby agree as follows:

I. EMPLOYMENT AND DUTIES:

A. Employment. Employer agrees to employ Executive, and Executive accepts such employment, on the terms and conditions set forth in this Agreement. The employment contemplated by this Agreement refers to employment by Employer or any other Entergy System Company. Entergy System Companies other than Executive's immediate employer shall be third party beneficiaries of Executive's obligations under this Agreement. Moreover, Employer may assign this Agreement, and Executive's employment, to any successor company or business. Executive shall at all times comply with and be subject to such policies and procedures as the Entergy System or Employer may establish from time to time, including, but not limited to, the Code of Entegrity and all policies or practices referenced therein, as may be amended from time to time.

B. Employment Period. The period during which Executive is employed under this Agreement (the "Employment Period") shall commence on September 1, 2001 (the "Employment Date") and, subject to earlier termination in accordance with this Agreement, the term of Executive's employment under this Agreement shall end three calendar years thereafter on September 1, 2004 (the "Term"). Executive and Employer agree that Executive's first day actively at work for Employer shall be the Employment Date.

C. Duties. During the Employment Period, Executive shall serve as Executive Vice President, External Affairs on behalf of the Entergy System. Executive shall report to the Chief Executive Officer of Entergy Corporation (the "CEO") and shall have those powers and duties consistent with his position and as may be established by the CEO. Executive agrees to devote all of his full working time, attention, and energy to the performance of his duties or such other activities as the CEO may approve and shall faithfully render his best efforts to promote, advance, and conduct the business of the Entergy System. Executive agrees that he may not engage, directly or indirectly, in any other business, investment, or activity that interferes with Executive's performance of his duties hereunder, is contrary to the interests of Employer or any other Entergy System Company, or requires any significant portion of Executive's business time. Executive further acknowledges and agrees that Executive owes a fiduciary duty of loyalty, fidelity and allegiance to the Entergy System to act at all times in the best interests of the Entergy System Companies and to do no act which would injure the business, interests, or reputation of any Entergy System Company. The principal place of employment of the Executive shall be at the Entergy System's principal corporate offices in New Orleans, Louisiana.

II. COMPENSATION AND RELATED MATTERS:

A. Base Salary. Following the Employment Date and until the termination of Executive's employment under this Agreement, as compensation for the performance by the Executive of his duties hereunder, Employer shall pay Executive a base salary at an annual rate of THREE HUNDRED TWENTY FIVE THOUSAND ($325,000) DOLLARS, or such greater rate as may be approved from time to time by Executive's Entergy System employer, in its sole discretion (the "Base Salary"). The Base Salary shall be payable in accordance with the normal payroll practice of Executive's Entergy System Company employer while Executive is employed by such Entergy System Company in accordance with this Agreement. The Base Salary shall be subject to all appropriate withholdings or other deductions required by law or by the Entergy System Company's established policies, and an Entergy System Company employer shall have the right to require Executive to remit to it, or to withhold from other amounts payable to Executive, as compensation or otherwise, an amount sufficient to satisfy all federal, state and local withholding tax requirements. If Executive should die while still employed in accordance with the terms of this Agreement, the amount of any monthly base salary that was earned by Executive prior to his death but not yet paid to Executive shall be paid to his estate.

B. Signing Bonus. Within 60 days after the Employment Date, but subject to the repayment provisions set forth herein, Executive shall receive a one-time signing bonus of ONE HUNDRED FIFTY THOUSAND AND NO/100 ($150,000.00) DOLLARS (the "Signing Bonus"); provided that Executive may elect to defer receipt (using various investment options available through T. Rowe Price) of such Signing Bonus until Executive leaves Entergy System Company employment. Such deferral will be in accordance with all of the terms and conditions of the Executive Deferred Compensation Plan of Entergy Corporation and its Subsidiaries. If Executive wishes to defer all or part of the Signing Bonus, Executive must elect such deferral prior to Executive's Employment Date and may specify the deferral amount at the bottom of this Agreement. Executive agrees that Employer shall not have received adequate consideration for the Signing Bonus if Executive voluntarily

resigns or if Executive's employment with Employer or any other Entergy System Company is involuntarily terminated for Cause (as defined in Section III of this Agreement) prior to September 1, 2004. Accordingly, if prior to September 1, 2004, Executive voluntarily resigns or his employment with Employer or any other Entergy System Company is involuntarily terminated for Cause (as defined in Section III of this Agreement), Executive will repay to Employer within seven calendar days following written demand by Employer (or, to the extent payment of the Signing Bonus was deferred in accordance with this Section, Executive's deferred compensation account under the Executive Deferred Compensation Plan of Entergy Corporation shall immediately be automatically reduced without further action of Executive) a share of the Signing Bonus according to the following schedule:

Before September 1, 2002: Entire Signing Bonus repayment required

After September 1, 2002 but before September 1, 2003:	$100,000 repayment required
After September 1, 2003 but before September 1, 2004:	$ 50,000 repayment required
On or after September 1, 2004:	No repayment required

C. Up-front Stock Option Grant. Following Executive's Employment Date and upon approval by the Personnel Committee of the Entergy Corporation Board of Directors ("Personnel Committee"), Executive will be granted 58,500 stock options of Entergy Corporation common stock (at an option price equal to the fair market value of Entergy Corporation common stock on the date of grant) under the terms and conditions of the 1998 Equity Ownership Plan of Entergy Corporation and Subsidiaries ("EOP") if Executive is deemed an "insider" under Rule 16 of the Securities Exchange Act of 1934, or otherwise under the terms and conditions of the Entergy Corporation and Subsidiaries Equity Awards Plan (the "EAP"). It is anticipated that the Personnel Committee will grant such options to vest at the rate of one-third on each of the first three anniversaries of the date of grant if Executive is an Entergy System Company employee on each such anniversary date, in accordance with the terms and conditions of the EOP or EAP, as applicable.

D. Up-front Restricted Unit Grant. Following Executive's Employment Date and upon approval by the Personnel Committee and subject to the terms and conditions of the EOP or EAP, as applicable, Executive will be granted 10,000 restricted units ("Restricted Units"), where each of the Restricted Units represents the dollar value equivalent of one share of Entergy Corporation common stock. Restrictions on the Restricted Units (without dividends) will be lifted at the rate of one-third on September 1, 2002; one-third on September 1, 2003; and the final one-third on September 1, 2004, provided Executive is an Entergy System Company employee on each such date, in accordance with the terms and conditions of the EOP or EAP, as applicable.

E. Executive Annual Incentive Plan. Beginning with the remainder of calendar year 2001, Executive will be eligible to participate in the Executive Annual Incentive Plan ("EAIP") in accordance with its terms and conditions, with a target value of 60% of Executive's annual base salary. Because the EAIP is on a calendar year basis, Executive will be eligible for a pro-rated pay out for calendar year 2001 based on Executive's actual Employment Date. Individual EAIP awards are discretionary.

F. Long Term Incentive Program. The Long Term Incentive Program ("LTIP") of the EOP or the EAP, as applicable, provides participants with performance units ("Performance Units"). Each of the Performance Units represents the cash equivalent of one share of Entergy Corporation common stock. The Personnel Committee determines the grant of Performance Units at the end of the applicable three-calendar year performance period ("Performance Period") based on the Entergy System's attained achievement level for such Performance Period. Subject to Personnel Committee approval and the terms and conditions of the EOP or EAP, as applicable, Executive will be eligible for a Target LTIP award of 8,500 Performance Units for each Performance Period during which Executive is a System Company employee, although Executive's Performance Units shall be pro-rated based on the number of full months Executive is employed with Employer or any other Entergy System Company during each applicable Performance Period.

G. Annual Stock Option Plan. During Executive's Entergy System Company employment, Executive will be eligible to receive such stock option grants, if any, as may be determined in the discretion of the Personnel Committee. Subject to approval by the Personnel Committee, in the calendar year 2002, it is anticipated that Executive will be eligible to receive 58,500 stock options at target level under the terms and conditions of the EOP or EAP, as applicable. Although it is anticipated that one-third of all options granted will vest at the first, second and third anniversaries of the date of grant, provided Executive is an active System Company employee on each such date, the vesting schedule and other grant terms will be established in accordance with the terms of the EOP or EAP, as applicable, and as specified in the grant letter.

H. Vacation and Other Absences. Executive shall be entitled to paid vacation and other paid absences, whether for holidays, illness, personal time or any similar purposes during the Employment Period, in accordance with policies applicable generally to senior executives within the

Entergy System. Notwithstanding the generality of the foregoing, Executive shall be entitled to a minimum of four weeks of paid vacation per calendar year during the Employment Period, with such vacation grant being pro-rated for calendar year 2001 based on Executive's actual Employment Date.

I. Relocation Allowance. Executive will be eligible for benefits under the Entergy System's relocation program, including a lump sum cash payment of one month's base salary paid at the time Executive relocates, for miscellaneous relocation expenses.

J. Pension Equalization Plan. Executive will be eligible to participate in the Pension Equalization Plan of Entergy Corporation and Subsidiaries ("PEP") under the terms and conditions of the PEP, including, but not limited to, the participation eligibility provisions thereunder. Solely for purposes of calculating the amount of Executive's PEP benefit, an additional 13 years of Benefit Service will be added to Executive's actual Entergy System service. However, in accordance with the terms of the PEP, the resulting benefit amount will be offset by any qualified retirement benefits payable to Executive by the Entergy System and by Executive's former employer(s). The added Benefit Service is contingent upon Executive's execution of a Participant Application under the PEP, which document will be finalized once Executive provides detailed information concerning his former employer(s) and the amounts of all accrued qualified retirement benefits available from such employer(s).

K. Supplemental Retirement Benefit. Executive will be eligible to participate in the System Executive Retirement Plan of Entergy Corporation and Subsidiaries (the "SERP") under the terms and conditions of the SERP, including, but not limited to, the participation eligibility provisions thereunder.

L. Other Benefits. While employed by an Entergy System Company employer under this Agreement, Executive may participate in all other Entergy Corporation sponsored qualified employee benefit plans, welfare benefit plans, and programs for which Executive is eligible to participate, in accordance with the terms and conditions of such plans and programs as in effect and as may be amended from time to time. As of the date hereof, such plans and programs include, but not by way of limitation, the Executive Deferred Compensation Plan, qualified Savings Plan, qualified Retirement Plan, Benefits Plus family of welfare plans, Defined Contribution Restoration Plan, Pension Equalization Plan, Executive Disability Plan, Executive Financial Counseling Program, and Executive Continuity Plan. Executive's participation in some or all of these plans will be contingent upon his execution, and the plan administrator's acceptance, of a participant application, and upon satisfaction of other terms and conditions. Except as specifically set forth herein, the benefits provided under this Agreement shall in no way alter or affect the terms and conditions of any Entergy System Company sponsored qualified employee benefit plans, non-qualified employee benefits plans, programs, and welfare benefit plans in which Executive may otherwise be eligible to participate, and his eligibility to participate in any such plans or programs shall continue to be determined in accordance with the terms and conditions of such plans or programs, as may be amended from time to time. Unless specifically provided for in a written plan document properly adopted pursuant to such plan, none of the benefits or arrangements described in this Section shall be secured or funded in any way, and each shall instead constitute an unfunded and unsecured promise to pay money in the future exclusively from the general assets of Executive's Entergy System Company employer.

III. TERMINATION PRIOR TO EXPIRATION OF TERM:

A. Early Termination. Upon the occurrence of any one of the following termination events prior to the expiration of the Term, and except as otherwise provided in this Section III, Executive shall no longer be an employee of any Entergy System Company employer and shall forfeit all remaining unpaid compensation and all benefits otherwise granted or due Executive under this Agreement and any and all future compensation and benefits for which Executive is eligible, including individual bonuses or incentive compensation not yet paid to Executive at the date of such event, unless the terms and conditions of an applicable Entergy System plan or program specifically provide otherwise:

1. if there should occur a Change in Control, as defined in the System Executive Continuity Plan of Entergy Corporation and Subsidiaries (the "Continuity Plan"), and Executive should become eligible for benefits under the Continuity Plan;

2. if there should occur any of the following events that do not result in eligibility for benefits as described in IIIA1:

(a) Good Reason by Executive. Executive terminates his Entergy System employment for Good Reason, which for purposes of this Agreement shall mean any material breach of this Agreement by his Entergy System Company employer, the occurrence of which is not remedied by a System Company within ten business days following receipt of the Executive's written notice (in accordance with this Agreement) thereof, in which case Executive shall be entitled to the following severance benefits: (i) a total severance payment equal to two (2) years Base Salary (subject to all appropriate withholdings or other deductions required by law) payable over the twenty-four consecutive month period following the date of termination, in accordance with the normal payroll practice of Executive's last Entergy System Company employer and (ii) retention of the Signing Bonus described in Section IIB of this Agreement without any repayment obligations thereunder;

(b) Resignation. Executive resigns his employment, other than for the purpose of transferring employment to another Entergy System Company and other than for Good Reason as defined in this Section IIIA2(a), in which case Executive shall be entitled only to any monthly base salary that was earned by Executive prior to his resignation but not yet paid to Executive;

(c) Cause. Executive is terminated by his Entergy System Company employer for Cause, which termination shall be immediately effective upon

the giving of written notice thereof to Executive, or at such later time as the notice may specify. Cause for termination shall mean (a) Executive's engagement in embezzlement, theft, material fraud, or other acts of dishonesty;
(b) Executive's material violation of any agreement between Executive and any Entergy System Company; (c) Executive's neglect or intentional disregard of the duties and services required of Executive under this Agreement; (d) Executive's material violation of the Code of Entegrity or any policies therein referenced; (e) Executive's conviction of or entrance of a plea of guilty or nolo contendere to a felony; (f) Executive's absence from work for five consecutive days for any reason other than vacation, approved leave of absence (such approval not to be unreasonably withheld) or disability or illness pursuant to System Company policy or law; (g) Executive's gross or repeated insubordination; or (h) Executive's unauthorized disclosure of the confidences of any Entergy System Company as defined in
Section V of this Agreement. No act or failure to act by the Executive shall be considered Cause unless the Entergy System Company employer has given detailed written notice thereof to the Executive and, where remedial action is feasible, he has failed to remedy the act or omission within twenty business days after Executive's Entergy System Company employer has forwarded such notice to Executive in accordance with the notice procedures of this Agreement.

(d) Termination without Cause. Executive is terminated by his Entergy System Company employer without Cause (as defined in subparagraph IIIA2(c) above), which termination shall be immediately effective upon the giving of written notice thereof to Executive, or at such later time as the notice may specify, in which case Executive shall be entitled to the following severance benefits: (i) a total severance payment equal to two (2) years Base Salary (subject to all appropriate withholdings or other deductions required by law) payable over the twenty-four consecutive month period following the date of termination, in accordance with the normal payroll practice of Executive's last Entergy System Company employer and (ii) retention of the Signing Bonus described in Section IIB of this Agreement without any repayment obligations thereunder;

(e) Death. Executive dies, in which case only any monthly base salary that was earned by Executive prior to his death but not yet paid to Executive shall be paid to Executive's estate and any repayment obligations with regard to the Signing Bonus described in Section IIB of this Agreement shall not apply; or

(f) Disability. Executive becomes disabled so as to entitle Executive to benefits under his Entergy System Company employer's long-term disability plan and any repayment obligations with regard to the Signing Bonus described in Section IIB of this Agreement shall not apply.

3. In no event shall Executive or his beneficiaries be entitled to payments and benefits under both IIIA1 and IIIA2 of this Agreement, nor shall Executive or his beneficiaries be entitled to payments and benefits under more than one subsection of IIIA2.

B. Offset. In all cases, the compensation and benefits payable to Executive under this Agreement upon termination of the employment relationship shall be offset against any amounts to which Executive may otherwise be entitled under any and all severance plans, or programs or policies of his terminating Entergy System Company employer.

C. Sole Remedy. In the event Executive's employment is terminated in accordance with Section III.A prior to expiration of the Term, Executive's rights as outlined in this Section III are (1) Executive's sole and exclusive rights against his Entergy System Company employer or any other Entergy System Company and
(2) the sole and exclusive liability to Executive by any Entergy System Company employer under this Agreement, in contract, tort, or otherwise, for any termination of the employment relationship. Executive covenants not to lodge against any Entergy System Company any claim, demand, or cause of action based on termination of the employment relationship for any monies allegedly due under this Agreement other than those specified in this Section III.

D. Continuing Obligations. Termination of the employment relationship shall not terminate those obligations imposed by this Agreement which are continuing in nature, including, without limitation, Executive's continuing obligations of confidence, Executive's continuing obligations with respect to business opportunities that were entrusted to Executive during the employment relationship, and specifically Executive's obligations under Sections V and VI of this Agreement.

IV. CONTINUATION OF EMPLOYMENT BEYOND TERM:

Should Executive remain employed by Employer or any other Entergy System Company employer beyond the expiration of the Term, such employment shall convert to an at will employment relationship, terminable at any time by either the Entergy System Company employer or Executive for any reason whatsoever, with or without Cause. Section III of this Agreement shall not apply if Executive's termination should occur after expiration of the Term.

V. PROTECTION OF INFORMATION:

A. Position of Confidence. Executive acknowledges that his employment with Employer or any other Entergy System Company has placed him in a position to have access to or develop trade secrets or confidential information of any one or all of the Entergy System Companies and has placed Executive in a position to develop business good will on behalf of any one or all of the Entergy System Companies.

B. Information Obtained During Employment. All information, ideas, concepts, improvements, discoveries, and inventions, whether patentable

or not, which were or are conceived, made, developed, or acquired by Executive, individually or in conjunction with others, during Executive's employment with any Entergy System Company employer, whether during business hours or otherwise and whether at the work site or otherwise, which relate to Entergy System Company business, products, or services (including, without limitation, all such information relating to corporate opportunities, research, financial and sales data, pricing and trading terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within the customer's organizations or within the organization of acquisition prospects, or marketing and merchandising techniques, prospective names, and marks) shall be disclosed to Executive's Entergy System Company employer and are and shall be such employer's sole and exclusive property. All documents, drawings, memoranda, notes, records, files, correspondence, manuals, models, specifications, computer programs, e-mail, voice mail, electronic databases, maps and all other writings or materials of any type embodying any of such information, ideas, concepts, improvements, discoveries, and inventions are and shall be the sole and exclusive property of the Executive's Entergy System Company employer. Upon termination of Executive's employment with his Entergy System Company employer, for any reason, Executive shall promptly deliver the items referenced in this
Section V(B), and all copies thereof, to his last Entergy System Company employer.

C. Confidentiality. Executive will not, at any time during or after Executive's employment with any Entergy System Company employer, make any unauthorized disclosure of any confidential business information or trade secrets of any Entergy System Company, or make any use thereof, except in the carrying out of Executive's employment responsibilities under this Agreement. As a result of Executive's employment under this Agreement, Executive may, from time to time, have access to, or knowledge of, confidential business information or trade secrets of third parties, such as customers, suppliers, partners, or joint venturers of Employer or other Entergy System Companies, and Executive agrees to preserve and protect the confidentiality of such third party confidential information and trade secrets to the same extent, and on the same basis, as Employer's confidential business information and trade secrets.

D. Terms of the Agreement. Executive understands and acknowledges that the terms and conditions of this Agreement constitute confidential information. Executive shall keep confidential the terms of this Agreement and shall not disclose this confidential information to anyone other than Executive's attorneys, tax advisors, or as required by law.

E. Assignment of Rights. Executive agrees to and hereby does assign to Executive's Entergy System Company employer all rights in and to all inventions, business plans, work models or procedures, whether patentable or not, which are made or conceived solely or jointly by Executive at any time during Executive's Entergy System Company employment or with the use of any Entergy System Company time and materials. Executive will disclose to such Entergy System Company all facts known to Executive concerning such matters and, at the Entergy System Company's expense, do everything reasonably practicable to aid it in obtaining and enforcing proper legal protection for, and vesting the Entergy System Company in title to, such matters. Both during Executive's employment and thereafter, Executive shall assist his Entergy System Company employer and its nominee, at any time, in the protection of his employer's worldwide right, title, and interest in and to information, ideas, concepts, improvements, discoveries, and inventions, and its copyrighted works, including, without limitation, the execution of all formal assignment documents requested by employer or its nominee and the execution of all lawful oaths and applications for patents and registration of copyright in the United States or foreign countries.

F. Breach. Executive acknowledges and understands that Executive's breach of any provision of this Section V would constitute a material breach of this Agreement and could subject Executive to disciplinary action, including, without limitation, termination of employment for Cause under Section III. Executive acknowledges that money damages would be an insufficient remedy for any breach of this Section V by Executive, and Employer or any other Entergy System Company employer shall be entitled to enforce the provisions of this Section V by terminating any payments (including severance payments) then owing to Executive under this Agreement and/or to seek specific performance and injunctive relief as remedies for a breach or threatened breach of this Section. Such remedies shall not be deemed the exclusive remedies for a breach of this Section, but shall be in addition to all remedies available at law or in equity.

VI. NON-COMPETE OBLIGATIONS:

A. Fiduciary Obligations. As part of the consideration for the compensation and benefits to be paid to Executive hereunder, in keeping with Executive's duties as a fiduciary, and in order to protect Employer's interest in the trade secrets of Employer, and as an additional incentive for Employer to enter into this Agreement, Employer and Executive agree to the non-competition provisions of this Section. Executive agrees that he will not engage in any employment or other activity (without the prior written consent of his last Entergy System Company employer) either in his individual capacity or together with any other person, corporation, governmental agency or body, or other entity, that is (1) listed in the Standard & Poor's Electric Index or the Dow Jones Utilities Index; or (2) in competition with, or similar in nature to, any business conducted by any System Company at any time during such period, where such competing employer is located in, or servicing in any way customers located in, those parishes and counties in which any System Company services customers during such period. Executive further agrees not to take any action or make any statement, written or oral, to any current or former employee of any Entergy System Company, or to any other person, which disparages any Entergy System Company, its management, directors or shareholders, or its practices, or which disrupts or impairs their normal operations, including actions or statements (i) that would harm the reputation of any Entergy System Company with its clients, suppliers, employees or the public; or (ii) that would interfere with existing or prospective contractual or employment relationships with any Entergy System Company or its clients, suppliers or employees. The non-competition and non-disparagement obligations in this Section shall extend throughout the Term of this Agreement and, to the greatest extent allowed by law, shall extend for the longer of a period of one (1) year after

Executive's employment has ended or the severance payment period described in Section IIIA2(a) and (d) if applicable.

B. Breach of Covenant. Executive acknowledges that Executive's breach of any provision of this Section VI would constitute a material breach of this Agreement and could subject Executive to disciplinary action, including, without limitation, termination of employment for Cause. Executive understands that the foregoing restrictions may limit Executive's ability to engage in certain businesses anywhere in the world during the period provided for above, but acknowledges that Executive will receive sufficiently high remuneration and other benefits to justify such restriction. Executive acknowledges that money damages would not be a sufficient remedy for any breach of this Section VI by Executive, and Employer shall be entitled to enforce the provisions of this Section VI by terminating any payments (including severance payments) then owing to Executive under this Agreement and/or to specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this Section, but shall be in addition to all remedies available at law or in equity to Employer, including, without limitation, the recovery of damages from Executive and his or her agents involved in such breach.

C. Modification by Court. It is expressly understood and agreed that Employer and Executive consider the restrictions contained in this Section VI to be reasonable and necessary to protect the proprietary information of the Entergy System. Nevertheless, if any of the aforesaid restrictions are found by a court having jurisdiction to be unreasonable, or overly broad as to geographic area or time, or otherwise unenforceable, the parties intend for the restrictions therein set forth to be modified by such courts so as to be reasonable and enforceable and, as so modified by the court, to be fully enforced.

VII. ADDITIONAL PROVISIONS

A. Representations and Warranties. Executive and Employer represent and warrant that neither is under a restriction or obligation inconsistent with the execution of this Agreement or the performance of either party's obligations hereunder and neither knows of any reason why the performance due under this Agreement should be hindered in any way.

B. Notices. Any notice required under this Agreement shall be in writing and deemed received (a) on the date delivered if hand- delivered, or (b) on the fifth business day after being deposited in the mail, first class, registered or certified, return receipt requested, with proper postage prepaid, and shall be addressed as follows, unless changed otherwise by any party in accordance with the notice provisions of this Section:

If to an Entergy System Company, addressed in care of:

General Counsel
Entergy Services, Inc.
639 Loyola Avenue, 26th Floor
New Orleans, LA 70113

If to Executive, addressed as follows:

Curt L. Hebert, Jr.
309 Songwood Court
Millersville, Maryland 21108

C. Binding Agreement. Upon its effective date, this Agreement is binding upon Executive and his heirs and upon Employer and its successors, agents, heirs or assigns. Executive expressly acknowledges the right of Employer to assign this Agreement to any Entergy System Company successor.

D. Nonassignability. This Agreement or the right to receive benefits hereunder may not be assigned, encumbered or alienated by Executive in any manner.

E. Applicable Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Delaware without regard to its conflicts of law principles.

F. Headings. Section headings contained in this Agreement are for reference only and shall not affect in any way the meaning or interpretation of this Agreement.

G. No Inducements. Each party to this Agreement acknowledges that no representation, inducement, promise, or agreement, oral or written, has been made by either party with respect to such subject matters, which is not embodied herein, and that no agreement, statement, or promise relating to the Entergy System Company employment of Executive that is not contained in this Agreement shall be valid or binding.

H. Modifications and Waivers. This Agreement contains the entire understanding between Executive and Employer relating to Entergy System Company employment, unless otherwise specifically provided as in the case of written company policies promulgated by, and in the applicable written benefit plans and programs of, Employer or any other Entergy System Company. No provision of this Agreement may be modified,

amended or waived except in a writing signed by both parties. The waiver by either party of a breach of any provision of this Agreement shall not operate to waive any subsequent breach of the Agreement.

I. Severability. Should any part of this Agreement be found to be invalid or in violation of law, such part shall be of no force and effect and the rest of this Agreement shall survive as valid and enforceable to the fullest extent permitted by law.

IN WITNESS WHEREOF, Employer and Executive have duly executed this Agreement, which may be executed in multiple originals, to be effective on the Effective Date herein provided.

ACCEPTED BY EMPLOYER: ACCEPTED BY EXECUTIVE:
Entergy Services, Inc.
By its Duly Authorized Agent:

/s/ William Madison	*/s/ Curt L. Hebert, Jr.*
William Madison	*Curt L. Hebert, Jr.*
Sr. Vice-President,	*Social Security No.*
587-25-2811	
Human Resources and Administration	*Executed this 7th day of*
Executed this 7th day of	*August, 2001.*
August 2001.	

Signing Bonus amount Executive wishes to defer: _____ Signature: _____ Date: _____

Exhibit 10(c)81

Refunding Agreement

between

Pope County, Arkansas

and

Entergy Arkansas, Inc.

Dated as of December 1, 2001

$47,000,000
Pope County, Arkansas
Revenue Refunding Bonds
(Entergy Arkansas, Inc. Project)
Series 2001

Refunding Agreement

This Refunding Agreement dated as of December 1, 2001 by and between Pope County, Arkansas, a political subdivision of the State of Arkansas (the "Issuer"), and Entergy Arkansas, Inc., a corporation organized under the laws of the State of Arkansas (the "Company");

W i t n e s s e t h:

WHEREAS, the Issuer is a political subdivision of the State of Arkansas, authorized and empowered by law, including particularly the provisions of Title 14, Chapter 267 of the Arkansas Code of 1987 Annotated (the "Act"), to issue its revenue bonds and to expend the proceeds thereof to finance and refinance the acquisition, construction, reconstruction, extension, equipment or improvement of pollution control facilities for the disposal or control of sewage, solid waste, water pollution, air pollution, or any combination thereof; and

WHEREAS, pursuant to the provisions of the Act and a Trust Indenture dated as of November 1, 1990 (the "Series 1990 Indenture") by and between the Issuer and Simmons First National Bank of Pine Bluff, Pine Bluff, Arkansas, as trustee (the "Prior Trustee"), the Issuer issued its Solid Waste Disposal Revenue Bonds, Series 1990 (Arkansas Power & Light Company Project) (the "Series 1990 Bonds") in the aggregate principal amount of $20,000,000 for the purpose of providing funds to finance the cost of acquiring, constructing and equipping certain sewage and solid waste disposal facilities (the "Facilities") at the nuclear electric generating station of the Company (as defined herein) known as Arkansas Nuclear One (the "Plant"), in the geographic limits of the Issuer; and

WHEREAS, pursuant to the provisions of the Act and a Trust Indenture dated as of January 1, 1991 (the "Series 1991 Indenture") by and between the Issuer and the Prior Trustee, the Issuer issued its Solid Waste Disposal Revenue Bonds, Series 1991 (Arkansas Power & Light Company Project) (the "Series 1991 Bonds") in the aggregate principal amount of $27,000,000 for the purpose of providing additional funds to finance the cost of acquiring, constructing and equipping the Facilities at the Plant; and

WHEREAS, the Series 1990 Indenture and the Series 1991 Indenture are herein collectively referred to as the "Prior Indentures," and the Series 1990 Bonds and the Series 1991 Bonds are herein collectively referred to as the "Prior Bonds"; and

WHEREAS, in furtherance of the statutory purposes of the Act, the Issuer entered into separate Installment Sale Agreements pertaining to the Prior Bonds, dated as of November 1, 1990 and January 1, 1991, respectively, with the Company, pursuant to which the Issuer acquired the Facilities from the Company and resold the Facilities to the Company, as more fully described therein; and

WHEREAS, $47,000,000 of the Prior Bonds are outstanding, and the Company has requested that the Issuer refund such Prior Bonds in order to achieve interest cost savings through the issuance and sale by the Issuer of $47,000,000 aggregate principal amount of its Revenue Refunding Bonds (Entergy Arkansas, Inc. Project) Series 2001 (the "Bonds"); and

WHEREAS, pursuant to and in accordance with the provisions of the Act, the Issuer has agreed to issue and sell the Bonds for the purpose of refunding the Prior Bonds; and

WHEREAS, in consideration of the issuance of the Bonds by the Issuer, the Company will agree to make payments in an amount sufficient to pay the principal of, premium, if any, Purchase Price and interest on the Bonds pursuant to this Refunding Agreement, said Bonds to be paid solely from the revenues derived by the Issuer from said payments by the Company pursuant to this Refunding Agreement and any moneys held

under the hereinafter defined Indenture, and said Bonds shall not constitute an indebtedness or pledge of the general credit of the Issuer or the State of Arkansas, within the meaning of any constitutional or statutory limitation of indebtedness or otherwise; and

WHEREAS, the execution and delivery of this Refunding Agreement under the Act have been in all respects duly and validly authorized by order of the County Court of the Issuer, duly entered;

NOW, THEREFORE, in consideration of the premises and of the covenants and undertakings herein expressed, the parties hereto agree as follows:

ARTICLE

DEFINITIONS

1.1. SECTION Definitions. In addition to the words and terms elsewhere defined in this Refunding Agreement or in the Indenture, the following words and terms as used in this Refunding Agreement shall have the following meanings unless the context or use indicates another or different meaning:

"Act" means Title 14, Chapter 267 of the Arkansas Code of 1987 Annotated, as amended and enacted from time to time.

"Administration Expenses" means the reasonable and necessary expenses incurred by the Issuer with respect to this Refunding Agreement, the Indenture and any transaction or event contemplated by this Refunding Agreement or the Indenture including the compensation and reimbursement of expenses and advances payable to the Trustee, any Paying Agent, any Co-Paying Agent, any Authenticating Agent, the Remarketing Agent and the Bond Registrar under the Indenture or the Remarketing Agreement.

"Bonds" means the $47,000,000 aggregate principal amount of Revenue Refunding Bonds (Entergy Arkansas, Inc. Project) Series 2001 authorized to be issued under the Indenture. "Bond" means any one of such Bonds.

"Business Day" or "business day" means any day other than
(i) a Saturday or Sunday or legal holiday or a day on which banking institutions in the city of New York, New York or in the city in which the Principal Offices of the Trustee or the Paying Agent are located are authorized or required by law to close or
(ii) a day on which the New York Stock Exchange is closed.

"Code" means the Internal Revenue Code of 1986, as heretofore or hereafter amended.

"Company" means Entergy Arkansas, Inc., a Arkansas corporation, and its permitted successors and assigns.

"Costs of Issuance" means all fees, charges and expenses incurred in connection with the authorization, preparation, sale, issuance and delivery of the Bonds, including, without limitation, financial, legal and accounting fees, expenses and disbursements, rating agency fees, the Issuer's expenses attributable to the issuance of the Bonds, the cost of printing, engraving and reproduction services and the initial or acceptance fee of the Trustee.

"Disclosure Documents" means the Official Statement with respect to the Bonds, together with all documents incorporated therein by reference.

"Event of Default" means any event of default specified in
Section 8.1 hereof to be an Event of Default.

"Facilities" means, collectively, the Company's sewage and solid waste disposal facilities at the Plant, financed in part with the proceeds of the Prior Bonds.

"Government Securities" means (a) direct or fully guaranteed obligations of the United States of America (including any such securities issued or held in book-entry form), and (b) certificates, depositary receipts or other instruments which evidence a direct ownership interest in obligations described in clause (a) above or in any specific interest or principal payments due in respect thereof; provided, however, that the custodian of such obligations or, the custodian of such specific interest or principal payments, shall be a bank or trust company organized under the laws of the United States of America or of any state or territory thereof or of the District of Columbia, with a combined capital stock, surplus and undivided profits of at least $50,000,000; and provided, further, that except as may be otherwise required by law, such custodian shall be obligated to pay to the holders of such certificates, depositary receipts or other instruments the full amount received by such custodian in respect of such obligations or specific payments and shall not be permitted to make any deduction therefrom.

"Indenture" means the Trust Indenture dated as of December 1, 2001 between the Issuer and the Trustee securing the Bonds, and any amendments and supplements thereto.

"Issue Date" means, for each Bond, the actual date of first authentication and delivery of the Bonds under the Indenture.

"Issuer" means Pope County, Arkansas, a political subdivision under the Constitution and laws of the State of Arkansas.

"Outstanding" or "outstanding", in connection with Bonds means, as of the time in question, all Bonds authenticated and delivered under the Indenture, except:

(a) Bonds theretofore cancelled or required to be cancelled under Section 2.11 of the Indenture;

(b) Bonds which are deemed to have been paid in accordance with Article XV of the Indenture;

(c) Bonds in lieu of or in exchange or in substitution for which other Bonds have been authenticated and delivered pursuant to Article II of the Indenture;

(d) Bonds registered in the name of the Issuer; and

(e) On or after any Purchase Date for Bonds pursuant to Article IV of the Indenture, all Bonds (or portions of Bonds) which are tendered or deemed to have been tendered for purchase on such date, provided that funds sufficient for such purchase are on deposit with the Paying Agent.

In determining whether the owners of a requisite aggregate principal amount of Bonds outstanding have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of the Indenture, Bonds which are held by or on behalf of the Company or any affiliates thereof (unless all of the outstanding Bonds are then owned by said parties) shall be disregarded for the purpose of any such determination. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee has established to the satisfaction of the Bond Registrar the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Company or an affiliate thereof.

"Paying Agent", "paying agent", "Co-Paying Agent" or "co- paying agent" means any national banking association, bank or trust company appointed pursuant to Section 9.1 of the Indenture. The Trustee shall be the original Paying Agent.

"Plant" means the Company's nuclear electric generating station located within the boundaries of the Issuer near Russellville, Arkansas and known as Arkansas Nuclear One.

"Prior Bonds" has the meaning set forth in the fourth Whereas clause hereof.

"Prior Indentures" has the meaning set forth in the fourth Whereas clause hereof.

"Prior Trustee" has the meaning set forth in the second Whereas clause hereof.

"Purchase Price" for any Bond shall equal 100% of the principal amount of such Bond plus accrued interest, if any, to the Purchase Date, plus in the case of a Bond converted from a Multiannual Rate Period on a date when such Bond is also subject to optional redemption at a premium, an amount equal to the premium that would be payable on such Bond if redeemed on such date.

"Refunding Agreement" means this Refunding Agreement and any amendments and supplements hereto.

"Refunding Date" means January 17, 2002, or such later date as may be established by the Company; provided, however, that the Refunding Date shall not be later than ninety (90) days following the date of delivery of the Bonds to the Underwriters.

"Regulations" means all final and proposed United States Income Tax Regulations.

"Trust Estate" means the property conveyed to the Trustee pursuant to the Granting Clauses of the Indenture.

"Trustee" means The Bank of New York, as trustee under the Indenture, and its successors as trustee.

1.2. SECTION Use of Words and Phrases. The words "herein", "hereby", "hereunder", "hereto", "hereof", "hereinabove", "hereinafter", and other equivalent words and phrases refer to this Refunding Agreement and not solely to the particular portion thereof in which any such word is used. The definitions set forth in Section 1.1 hereof include both singular and plural. Whenever used herein, any pronoun shall be deemed to include both singular and plural and to cover all genders.

1.3. SECTION Nontaxability. It is intended by the parties hereto that this Refunding Agreement and all action taken hereunder be consistent with and pursuant to the orders of the County Court of the Issuer relating to the Bonds, and that the interest on the Bonds be excluded from the

gross income of the recipients thereof other than a person who is a "substantial user" of the Facilities or a "related person" of a "substantial user" within the meaning of the Code for federal income tax purposes by reason of the provisions of the Code. The Company will not use any of the funds provided by the Issuer hereunder in such a manner as to impair the exclusion of interest on any of the Bonds from the gross income of the recipient thereof for federal income tax purposes nor will it take any action that would impair such exclusion or fail to take any action if such failure would impair such exclusion.

ARTICLE

REPRESENTATIONS

2.1. SECTION Representations and Warranties of the Issuer. The Issuer makes the following representations and warranties as the basis for the undertakings on the part of the Company herein contained:

(a) The Issuer is a political subdivision of the State of Arkansas, created and existing pursuant to the constitution and laws of such State and is authorized and empowered by the provisions of the Act and other constitutional and statutory authority supplemental thereto, to issue the Bonds.

(b) The Issuer has full power and authority to enter into this Refunding Agreement and the Indenture and to carry out its obligations under this Refunding Agreement and the Indenture and the transactions contemplated hereby and thereby.

(c) The Issuer has duly authorized the execution and delivery of this Refunding Agreement and the Indenture and the issuance and sale of the Bonds.

(d) The Bonds are issued under and secured by the Indenture, pursuant to which the interest of the Issuer in this Refunding Agreement and the amounts payable under this Refunding Agreement (other than indemnification and expense reimbursement rights) are assigned to the Trustee as security for the payment of the principal of, premium, if any, Purchase Price and interest on the Bonds.

(e) Neither the execution and delivery of this Refunding Agreement or the Indenture, nor the assignment of this Refunding Agreement to the Trustee, nor the consummation of the transactions contemplated by this Refunding Agreement or the Indenture, nor the fulfillment of or compliance with the terms and conditions of this Refunding Agreement or the Indenture, results or will result in the violation of any governmental order applicable to the Issuer, or conflicts or will conflict with or results or will result in a breach of any of the terms, conditions or provisions of any agreement or instrument to which the Issuer is now a party or by which it is bound, or constitutes or will constitute a default under any of the foregoing.

2.2. SECTION Representations and Warranties of the Company. The Company hereby makes the following representations and warranties as the basis for the undertakings on the part of the Issuer herein undertaken for the benefit and reliance of the Issuer, the Trustee and the holders of the Bonds:

(a) The Company is a corporation duly incorporated and in good standing under the laws of the State of Arkansas, is not in violation of any provision of its Restated Articles of Incorporation or its Bylaws, has power to enter into this Refunding Agreement and to perform and observe the agreements and covenants on its part contained herein and has duly authorized the execution and delivery of this Refunding Agreement by proper corporate action.

(b) Neither the execution and delivery of this Refunding Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Refunding Agreement conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Company is now a party or by which the Company is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Company except any interests created therein under the Indenture.

(c) This Refunding Agreement has been duly authorized, executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company enforceable in accordance with its terms, subject to laws relating to bankruptcy, moratorium, insolvency or reorganization and similar laws affecting creditors' rights generally.

(d) Except as shall have been disclosed in the Disclosure Documents, there are no actions, suits or proceedings pending or, to the knowledge of the Company, threatened against or affecting the Company or the assets, properties or operations of the Company which, if determined adversely to the Company or its interests, (1) would materially adversely affect the consummation of the transactions contemplated by this Refunding Agreement, (2) would adversely affect the validity of this Refunding Agreement or (3) could have a material adverse effect upon the financial condition, assets, properties or operations of the Company.

(e) No event has occurred and no condition exists with respect to the Company that would constitute an Event of Default under this Refunding

Agreement or which, with the lapse of time or with the giving of notice or both, could reasonably be expected to become an Event of Default hereunder.

(f) The Arkansas Public Service Commission and the Tennessee Regulatory Authority have approved all matters relating to the Company's participation in the transactions contemplated by this Refunding Agreement which require said approval, and no other consent, approval, authorization or other order of any regulatory body or administrative agency or other governmental body is legally required for the Company's participation therein, except such as may have been obtained or may be required under the securities laws of any state.

3 ARTICLE

THE BONDS AND THE PROCEEDS THEREOF

3.1. SECTION Agreement to Issue Bonds. The Issuer has authorized the issuance and sale of the Bonds in the principal amount of $47,000,000. Upon issuance and delivery thereof, the proceeds of the Bonds shall be deposited with the Trustee in the Refunding Fund in accordance with the Indenture.

3.2. SECTION Investment of Funds; Non-Arbitrage Covenant. Any moneys held as part of the Bond Fund shall be invested, reinvested or applied by the Trustee in accordance with and subject to the conditions of Article VII of the Indenture. The Company and the Issuer shall make no use of the proceeds of the Bonds, or any funds which may be deemed to be proceeds of the Bonds pursuant to Section 148 of the Code and the applicable regulations thereunder, which would cause the Bonds to be "arbitrage bonds" within the meaning of such Section and such regulations, and the Company shall comply with and the Issuer shall take no action to violate the requirements of such Section and such regulations while any Bonds remain outstanding.

3.3. SECTION Agreement to Redeem Prior Bonds. The Company agrees to pay to the Prior Trustee, in funds available to the Prior Trustee on or prior to the Refunding Date, for deposit into the bond funds created under the Prior Indentures securing the Prior Bonds and in accordance with the terms of the Prior Indentures, any amount necessary to pay the Prior Bonds, together with the premium, if any, and accrued interest due thereon on the Refunding Date, to the extent that the amount delivered by the Issuer pursuant to Section 3.1 hereof is insufficient for such purpose.

4 ARTICLE

DEPOSIT OF BOND PROCEEDS; PAYMENTS

4.1. SECTION Deposit of Bond Proceeds. Concurrently with the delivery of the Bonds, the Issuer will, upon the terms and subject to the conditions of this Refunding Agreement, deposit all of the proceeds thereof with the Trustee for deposit into the Refunding Fund in accordance with the Indenture for application as provided in Article V hereof and Section 5.2 of the Indenture to refund on the Refunding Date a like principal amount of the Prior Bonds. The Company shall pay out of its own money and not out of proceeds of the Bonds all reasonable Costs of Issuance with respect to the Bonds.

(a) SECTION Payments. The Company shall pay to the Trustee or the Paying Agent for the account of the Issuer on each date on which the principal of, premium, if any, Purchase Price or interest on the Bonds comes due, whether at the maturity thereof or upon acceleration, redemption, tender for purchase or otherwise in accordance with the provisions of the Indenture, amounts equal to the sum of (i) all interest due and payable on the Bonds on such date, (ii) the principal amount of Bonds, if any, due and payable on such date, (iii) amounts, if any, required to effect the redemption of the Bonds upon unconditional call thereof on such date pursuant to the Indenture, together with accrued interest and any applicable redemption premium, (iv) amounts necessary to pay the Purchase Price of the Bonds which is due and payable on such date, and (v) all amounts due on such date to the Trustee or the Issuer under this Refunding Agreement, the Indenture or any other agreements entered into in connection with the issuance of the Bonds and any other Administration Expenses. The Company directs the Trustee and the Paying Agent to apply such amounts to the purpose for which they are paid. The payments required under this Section 4.2(a)(i), (ii), (iii) and (iv) shall be paid by check, draft, wire transfer or other means acceptable to the Trustee directly to the Trustee or the Paying Agent in funds immediately available to the Trustee or the Paying Agent on the payment date, and shall be immediately deposited in accordance with the provisions of the Indenture. In any event, the Company agrees to make payments to the Trustee or the Paying Agent at such times and in such amounts and manner so as to enable the Trustee or the Paying Agent to make payment of the principal of, redemption premium, if any, Purchase Price and accrued interest on the Bonds as the same shall become due and payable whether by acceleration, redemption or otherwise in accordance with the terms of the Indenture; provided, however, that the obligation of the Company to make any payments hereunder shall be reduced by the amount of any reduction under the Indenture of the amount of the corresponding payment required to be made by the Issuer thereunder in respect of the principal of or interest on the Bonds or by the amount derived from remarketing proceeds available to pay the Purchase Price of the Bonds in accordance with the provisions of Section 4.3(b) of the Indenture.

(b) If the Company should fail to make any of the payments required in subsection (a) above, the item or installment which the Company has failed to make shall continue as an obligation of the Company until the same shall have been fully paid.

(c) Anything herein, in the Indenture or in the Bonds to the contrary notwithstanding, the obligations of the Issuer and the Company hereunder shall be subject to the limitation that payments constituting interest under this Section or the Bonds shall not be required to the extent that the receipt of such payment by any owner of any Bonds would be contrary to the provisions of law applicable to such owner which limit the maximum rate of interest that may be charged or collected by such owner.

(d) In addition to the options and obligations of the Company under Article IX hereof, the Company shall have the option to make from time to time prepayments of part or all of the amounts due hereunder. The making of any prepayments by the Company shall not require the Company to make any further prepayments. The Issuer shall direct the Trustee to apply such prepayments in such manner, consistent with the provisions of the Indenture, as may be directed by the Company.

In the event that (i) such partial prepayments shall be applied by the Trustee pursuant to the Indenture to the purchase, defeasance or redemption of the Bonds or (ii) the Bonds are presented by the Company or the Issuer to the Trustee for cancellation pursuant to the Indenture, the Company shall be entitled to a credit for the Bonds so purchased, defeased, redeemed or cancelled against payments required to be made under the provisions of this Article.

4.2. SECTION Payments Assigned; Obligation Absolute. It is understood and agreed that all payments under Section 4.2(a)(i), (ii), (iii) and (iv) hereof to be made by the Company are pledged by the Issuer to the Trustee pursuant to the Indenture, and that all rights and interest of the Issuer hereunder (except for the Issuer's rights under Sections 4.4, 4.5, 4.6 and 8.5 hereof and any rights of the Issuer to receive notices, certificates, requests, requisitions, directions and other communications hereunder) are pledged and assigned to the Trustee. The Company assents to such pledge and assignment and agrees that the obligation of the Company to make payments under Section 4.2(a)(i), (ii), (iii) and (iv) shall be absolute, irrevocable and unconditional and shall not be subject to cancellation, termination or abatement, or to any defense other than payment or to any right of set-off, counterclaim or recoupment arising out of any breach under this Refunding Agreement, the Indenture or otherwise by the Issuer or the Trustee or any other party, or out of any obligation or liability at any time owing to the Company by the Issuer, the Trustee or any other party, and, further, that the payments under Section 4.2(a)(i), (ii), (iii) and (iv) and the other payments due hereunder shall continue to be payable at the times and in the amounts specified herein, whether or not the Facilities, or any portion thereof, shall have been destroyed by fire or other casualty, or title thereto, or the use thereof, shall have been taken by the exercise of the power of eminent domain, and that there shall be no abatement of or diminution in any such payments by reason thereof, whether or not the Facilities shall be used or useful, and whether or not any applicable laws, regulations or standards shall prevent or prohibit the use of the Facilities, or for any other reason.

4.3. SECTION Payment of Administration Expenses. The Company shall pay or cause to be paid all Administration Expenses, including those of the Issuer, the Trustee, any Paying Agent, any Co-Paying Agent, any Authenticating Agent, the Remarketing Agent and the Bond Registrar under the Indenture or the Remarketing Agreement, such payments to be made directly to such entities.

4.4. SECTION Indemnification. The Company releases the Issuer, the Trustee and the Remarketing Agent from, agrees that the Issuer, the Trustee and the Remarketing Agent shall not be liable for, and agrees to indemnify and hold the Issuer, the Trustee and the Remarketing Agent free and harmless from, any liability for any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Facilities, including, without limitation, the financing or refinancing of the Facilities and the Prior Bonds or Bonds issued with respect thereto, except in any case as a result of the gross negligence, willful misconduct or bad faith of the party otherwise to be indemnified.

The Company will indemnify and hold the Issuer, the Trustee and the Remarketing Agent free and harmless from any loss, claim, damage, tax, penalty, liability (including but not limited to liability for any patent infringement), disbursement, litigation expenses, attorneys' fees and expenses or court costs arising out of, or in any way relating to, the execution or performance of this Refunding Agreement, the issuance or sale of the Prior Bonds or the Bonds, actions taken under the Indenture, or any other cause whatsoever pertaining to the Facilities, including without limitation, recovery costs arising from the presence of hazardous substances, except in any case as a result of the negligence, willful misconduct or bad faith of the Trustee or the Remarketing Agent, or as a result of the gross negligence, willful misconduct or bad faith of the Issuer.

Under this Section, the Company shall also be deemed to release, indemnify and agree to hold harmless each employee, official or officer of the Issuer, the Trustee and the Remarketing Agent to the same extent as such entities.

4.5. SECTION Payment of Taxes. The Company agrees that it will pay, as the same become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against the Company or the Issuer with respect to the Facilities or any portion thereof or with respect to the Prior Bonds, including, without limiting the generality of the foregoing, any taxes lawfully levied against the Company or the Issuer upon or with respect to the income or profits of the Issuer from the Facilities or any charge on the payments made pursuant to Section 4.2(a)(i), (ii), (iii) or (iv) hereof prior to or on a parity with the charge under the Indenture thereon and the pledge or assignment thereof to be created and made in the Indenture, and including all ad valorem taxes lawfully assessed upon the Facilities, all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Facilities, all assessments and charges lawfully made by any governmental body against the Company or the Issuer for or on account of the Facilities and in addition any excise tax levied against the Company or the Issuer on the payments made pursuant to Section 4.2(a)(i), (ii), (iii) and (iv) hereof; provided, however, that nothing

herein shall require the payment of any such tax or charge or the making of provision for the payment thereof, so long as the validity thereof shall be contested in good faith by the Company by appropriate legal proceedings; further provided, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Company shall be obligated to pay only such installments as are required to be paid during the term of this Refunding Agreement.

5 ARTICLE

REFUNDING OF PRIOR BONDS

5.1. SECTION Refunding Fund - Disbursement of Bond Proceeds. The Trustee, as authorized by the Issuer in the Indenture, shall transfer out of the Refunding Fund the proceeds of the Bonds on the date of issuance thereof to the Prior Trustee for disbursement and investment in accordance with the Prior Indentures in order to redeem, together with moneys of the Company deposited therein, if necessary, the Prior Bonds on the Refunding Date.

5.2. SECTION Compliance with Prior Indentures. The Issuer shall, at the request of the Company, take all steps as may be necessary under the Prior Indentures to effect the redemption of the Prior Bonds on the Refunding Date as provided in the Prior Indentures and as contemplated herein.

6
ARTICLE

SPECIAL COVENANTS AND AGREEMENTS

6.1. SECTION Maintenance of Existence. Except as permitted in this Section 6.1, the Company shall maintain its existence, shall not dissolve or otherwise dispose of all or substantially all of its assets, and shall not consolidate with or merge with or into another Person (as defined in the Indenture) or permit one or more other such Persons to consolidate with or merge into it; provided, however, that the Company may, without violating the agreements herein, consolidate with or merge into another domestic Person (i.e., a Person organized and existing under the laws of one of the states of the United States of America or the District of Columbia or under the laws of the United States of America) or permit one or more such domestic Persons to consolidate with or merge into it, or sell or otherwise transfer to another domestic Person all or substantially all of its assets as an entirety and thereafter dissolve; provided that (i) both immediately prior to such consolidation, merger, sale or transfer and after giving effect thereto, no Event of Default (or event which, with the giving of notice or passage of time, or both, would become an Event of Default) shall have occurred and be continuing, and (ii) in the event the Company is not the surviving, resulting or transferee Person, as the case may be, such surviving, resulting or transferee Person assumes in writing all of the obligations of the Company under this Agreement.

If a consolidation, merger, sale or transfer is made as permitted by this Section 6.1, the provisions of this Section 6.1 shall continue in full force and effect and no further consolidation, merger, sale or transfer shall be made except in compliance with the provisions of this Section 6.1.

6.2. SECTION Limited Obligation Bonds. The Bonds shall be limited obligations of the Issuer and shall be payable solely out of the revenues of the Issuer from this Refunding Agreement as provided in the Indenture (including all sums deposited in the Bond Fund from time to time pursuant to this Refunding Agreement and the Indenture, and in certain events, amounts obtained through the exercise of certain remedies provided in the Indenture). The Bonds shall never be general obligations of the Issuer nor constitute an indebtedness or pledge of the general credit of the Issuer within the meaning of any constitutional or statutory provision or limitation of indebtedness, and shall never be paid in whole or in part out of any funds raised or to be raised by taxation or any other funds of the Issuer.

6.3. SECTION Arbitrage and Tax Compliance. The Issuer and the Company hereby covenant with each other, the Trustee and each of the holders of any Bonds that neither of them will cause or permit the proceeds of the Bonds to be used in a manner that will cause the interest on the Bonds to be includable in gross income of the recipients thereof other than a person who is a "substantial user" of the Facilities or a "related person" to such "substantial user" within the meaning of the Code for federal income tax purposes. In addition, the Company covenants that to the extent permitted by law, it shall take all actions within its control necessary to maintain, and shall refrain from taking any action that impairs, the exclusion of the interest on the Bonds from gross income for federal income tax purposes under federal tax law (other than a person who is a "substantial user" of the Facilities or a "related person" to such "substantial user" within the meaning of the Code) existing on the date of delivery of the Bonds. In furtherance of the foregoing, the Company also agrees on behalf of the Issuer to comply with all rebate requirements and procedures as may become applicable to the Bonds under the Code.

Without limiting the generality of the foregoing, the Company further covenants and agrees, as follows:

(a) The Facilities are located within the jurisdiction of the Issuer.

(b) Not less than 95% of the net proceeds (within the meaning of Section 142(a) of the Code and regulations thereunder) from the sale of the Prior Bonds have been expended (within three years of the date of issue of the Prior Bonds) (i) for proper costs of land or property of a character subject to the allowance for depreciation under Section 167 of the Code, or which were, for federal income tax purposes, chargeable to capital account or would have been so chargeable either with a proper election by the Company (for example under Section 266 of the Code) or but for a proper election by the Company to deduct such amounts, and
(ii) to provide sewage or solid waste disposal facilities within the meaning of Section 142(a)(5) and (6) of the Code and regulations thereunder.

(c) The average maturity of the Bonds (within the meaning of Section 147(b) of the Code and regulations thereunder) does not exceed 120% of the average reasonably expected economic life of the Facilities financed with the proceeds of the Prior Bonds (within the meaning of Section 147(b) of the Code and regulations thereunder), determined with respect to any facility as of the later of the date on which the Prior Bonds were issued or the date on which such facilities are or were placed in service (or expected to be placed in service).

(d) Not more than 50% of the proceeds of the Prior Bonds were invested in "nonpurpose investments" (within the meaning of Section 148(f)(6)(A) of the Code) having a substantially guaranteed yield for four years or more.

(e) The principal amount of the Bonds shall not exceed the outstanding principal amount of the Prior Bonds being refunded from the proceeds of the Bonds.

(f) The Bonds are not and will not be "federally guaranteed" (as defined in Section 149(b) of the Code).

(g) No portion of the proceeds of the Prior Bonds was used to provide or acquire any of the following: (i) any private or commercial golf course, country club, massage parlor, tennis club, skating facility (including roller skating, skateboard and ice skating), racquet sports facility (including any handball or racquetball court), hot tub facility, suntan facility, racetrack, airplane, skybox or other private luxury box, health club facility, facility primarily used for gambling, store the principal business of which is the sale of alcoholic beverages for consumption off premises; (ii) land to be used for farming purposes; or (iii) residential real property for family units.

(h) The information furnished by the Company and used by the Issuer in preparing its Arbitrage Certificate dated the Issue Date is accurate and complete as of the date of the issuance of the Bonds.

(i) None of the proceeds of the Bonds will be used to finance Costs of Issuance of the Bonds. None of the proceeds of the Prior Bonds in excess of 2% of the proceeds thereof (within the meaning of Section 147(g) of the Code and regulations thereunder) was used to finance costs of issuance of such Prior Bonds.

(j) The Company will take no action that would cause any funds constituting gross proceeds of the Bonds to be used in a manner as to constitute a prohibited payment under the applicable regulations pertaining to, or in any other fashion as would constitute failure of compliance with, Section 148 of the Code.

(j) No use has been or will be made of the Facilities which in any way impairs the exclusion of interest on any of the Bonds from gross income for purposes of federal income taxation.

(k) No portion of the proceeds of the Prior Bonds was used for the acquisition of any property (or an interest therein) unless the first use of such property was pursuant to such acquisition, except for property with respect to which qualified rehabilitation expenditures were made pursuant to and in the amounts specified in Section 147(d) of the Code.

(l) No more than 25% of the proceeds of the Prior Bonds was used to provide land or a facility the primary purpose of which is one of the following: retail, food and beverage services, automobile sales or service, or the provision of recreation or entertainment.

(m) Within fifteen (15) days of the date of sale of the Bonds, there neither have been nor will be any tax-exempt bonds (within the meaning of Section 1.150-1(b) of the Treasury Department Regulations) sold pursuant to the same plan of financing and reasonably expected to be paid from the same source of funds as the Bonds (determined without regard to guaranties from parties unrelated to the Company).

The covenants and agreements contained in this Section 6.3 shall survive any termination of this Refunding Agreement.

6.4. SECTION Maintenance of Facilities. The Company covenants that while any of the Bonds are outstanding it will, at its own expense, maintain the Facilities in good repair and make all required replacements and renewals thereof. However, the Company shall have no obligation to replace or renew any portion of the Facilities, if in the Company's opinion, it is unnecessary or undesirable to do so.

The Company agrees that the Facilities will be insured against loss or damage of such kinds and in such amounts, including without limitation, fire and extended coverage risks (including property insurance) in such amounts and covering such risks as are customarily insured against by companies operating similar properties. Any provisions of this Refunding Agreement to the contrary notwithstanding, the Company shall be entitled to the proceeds of any insurance or condemnation award or portion thereof with respect to the Facilities and such proceeds shall be paid directly to the Company.

6.5. SECTION Permits. The Company shall, at its sole cost and expense, procure or cause to be procured any and all necessary building permits, other permits, licenses and other authorizations required for the lawful and proper use, occupation, operation and management of the Facilities and which, if not obtained, would materially adversely affect or impair the obligations of the Company under this Refunding Agreement or the ability of the Company to discharge such obligations.

6.6. SECTION Compliance with Law. The Company shall, throughout the term of this Refunding Agreement and at no expense to the Issuer, promptly comply or cause compliance with all laws, ordinances, orders, rules, regulations and requirements of duly constituted public authorities that are applicable to the Facilities or to the repair and alteration thereof, or to the use or manner of use of the Facilities and which, if there is non- compliance, would materially adversely affect or impair the obligations of the Company under this Refunding Agreement or the ability of the Company to discharge such obligations. Notwithstanding the foregoing, the Company shall have the right to contest the legality of any such law, ordinance, order, rule, regulation or requirement as applied to the Facilities provided that in the opinion of counsel to the Company such contest shall not in any way materially adversely affect or impair the obligations of the Company under this Refunding Agreement or the ability of the Company to discharge such obligations.

6.7. SECTION No Warranty. The Issuer makes no warranty, either express or implied, as to the Facilities, including, without limitation, title to the Facilities or the actual or designed capacity of the Facilities, as to the suitability or operation of the Facilities for the purposes specified in this Refunding Agreement, as to the condition of the Facilities or as to the suitability thereof for the Company's purposes or needs or as to compliance of the Facilities with applicable laws and regulations or the ability of the Company to discharge the Bonds. The Company covenants with the Issuer that it will make no claim against the Issuer for any deficiency which may at any time exist in the Facilities, nor will it assert against the Issuer any other claim for breach of warranty with respect to the Facilities. The obligations of the Company under this Section shall survive any assignment or termination of this Refunding Agreement.

7 ARTICLE

ASSIGNMENT, LEASING AND SELLING

7.1. SECTION By the Company. The Company's interest in this Refunding Agreement may be assigned as a whole or in part, and its interest in the Facilities may be leased, sold, transferred or otherwise disposed of by the Company as a whole or in part (whether an interest in a specific element or unit or an undivided interest), to any Person; provided, however, that no such assignment, lease, sale, transfer or other disposition (a) shall relieve the Company from its primary liability for its obligations under Section 4.2 hereof or (b) shall be made unless the assignee, lessee, purchaser or other transferee, as the case may be, prior to or simultaneously with such assignment, lease, sale, transfer or other disposition, assumes, by delivery to the Trustee and the Issuer of an instrument in writing satisfactory in form to the Trustee, all other obligations of the Company hereunder to the extent of the interest assigned, leased, sold, transferred or otherwise disposed of, and the Company shall be released of and discharged of all liability in respect of such obligations to the extent so assumed. Notwithstanding the foregoing, (a) if (i) the Company's interest in this Refunding Agreement shall be assigned as a whole or in undivided part, (ii) the Company's interest in the Facilities shall be leased as a whole or in undivided part and the term of such leasehold or the term of any extension or extensions thereof at the option of the Company shall extend beyond the maturity date of the Bonds or
(iii) the Company's interest in the Facilities shall be sold, transferred or otherwise disposed of as a whole or in undivided part, and (b) if the assignee, lessee, purchaser or other transferee shall assume the obligations of the Company under
Section 4.2 hereof for the remaining term of this Refunding Agreement, to the extent of such assignment, lease, sale, transfer or other disposition, the Company shall be released from and discharged of all liability in respect of such obligations to the extent so assumed (but only to such extent); provided, however, that the release and discharge of the Company pursuant to clause (b) shall (i) only occur and be effective on and as of (A) the date of the assumption of obligations pursuant to clause
(b) if the date of such assumption shall be a date on which the Bonds are subject to mandatory tender for purchase pursuant to
Section 4.2 of the Indenture or (B) the next date on which the Bonds are subject to mandatory tender for purchase pursuant to
Section 4.2 of the Indenture following the date of the assumption of obligations pursuant to clause (b) if the date of such assumption shall not be a date on which the Bonds are subject to mandatory tender for purchase pursuant to Section 4.2 of the Indenture and (ii) be conditioned upon (A) the satisfaction by the Company of its obligations under Section 4.2 of the Refunding Agreement as of the date such release and discharge is to occur, including the obligation of the Company under Section 4.3 of the Indenture to pay the Purchase Price of Bonds that are tendered in accordance with Section 4.2 of the Indenture and not remarketed by the Remarketing Agent pursuant thereto, and (B) the absence of any Event of Default (or event which, with the giving of notice or the passage of time, or both, would become an Event of Default), both immediately

prior to such release and discharge of the Company and after giving effect to such release and discharge of the Company; and provided, further, that after any such assumption, release and discharge as aforesaid, the Company may again assume such obligations under Section 4.2 hereof, in whole or in part, at any time and from time to time, and, to the extent of any such assumption by the Company (but only to such extent), the aforesaid assignee, lessee, purchaser or other transferee shall be released from and discharged of all liability in respect of such obligations.

Anything herein to the contrary notwithstanding, the Company shall not make any assignment, lease, sale, transfer or other disposition as provided in the immediately preceding paragraph unless it shall have furnished to the Issuer and the Trustee (a) a Favorable Opinion of Bond Counsel with respect to the proposed assignment, lease, sale, transfer or other disposition and the proposed release and discharge of the Company, if applicable, (b) an opinion of counsel to the proposed assignee, lessee, purchaser or other transferee reasonably acceptable to the Issuer and the Trustee to the effect that the written instrument of assumption referred to in the immediately preceding paragraph has been duly authorized, executed and delivered by such assignee, lessee, purchaser or other transferee and constitutes the legal, valid and binding obligation of such assignee, lessee, purchaser or other transferee enforceable against such assignee, lessee, purchaser or other transferee in accordance with its terms, subject to customary exceptions, and (c) a certificate of an officer of the Company and an opinion of counsel to the Company reasonably acceptable to the Issuer and the Trustee, each stating that such transaction complies with this Section 7.01 and that all conditions precedent herein and in the Indenture relating to such transaction have been complied with.

The Company shall, contemporaneously with the proposed assignment, lease, sale, transfer or other disposition, furnish to the Issuer and the Trustee a true and complete copy of the agreements or other documents effectuating any such assignment, lease, sale, transfer or other disposition. After any assignment, lease, sale, transfer or other disposition of any element or unit of the Facilities, or any interest therein, the Company may, at its option, cause such element or unit, or interest therein, to no longer be deemed to be part of the Facilities for the purposes of this Agreement by delivering to the Issuer and the Trustee the agreements or other documents required pursuant to the preceding sentence together with an instrument signed by an Authorized Company Representative stating that such element or unit, or interest therein, shall no longer be deemed to be part of the Facilities for the purposes of this Agreement.

7.2. SECTION Limitation. This Refunding Agreement shall not be assigned nor shall the Facilities be leased or sold, in whole or in part, except as provided in this Article VII, Sections 4.3 or 6.1 hereof.

8 ARTICLE

EVENTS OF DEFAULT AND REMEDIES

8.1. SECTION Events of Default. Each of the following events shall constitute and is referred to as an "Event of Default" under this Refunding Agreement:

(a) a failure by the Company to make when due any payment required to be made pursuant to Section 4.2 hereof, which failure shall have resulted in an "Event of Default" under clauses (a), (b) or (e) of Section 10.1 of the Indenture;

(b) a failure by the Company to pay when due any other amount required to be paid under this Refunding Agreement or to observe and perform any covenant, condition or agreement on its part to be observed or performed, which failure shall continue for a period of ninety (90) days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Company by the Issuer or the Trustee, unless the Issuer and the Trustee shall agree in writing to an extension of such period prior to its expiration; provided, however, that the Issuer and the Trustee shall be deemed to have agreed to an extension of such period if corrective action is initiated by the Company within such period and is being diligently pursued;

(c) the expiration of a period of ninety (90) days following:

(i) the adjudication of the Company as a bankrupt

by any court of competent jurisdiction;

(ii) the entry of an order approving a petition seeking reorganization or arrangement of the Company under the federal bankruptcy laws or any other applicable law or statute of the United States of America, or of any state thereof; or

(iii) the appointment of a trustee or a receiver of all or substantially all of the property of the Company, unless during such period such adjudication, order or appointment of a trustee or receiver shall be vacated or shall be stayed on appeal or otherwise or shall have otherwise ceased to continue in effect; or

(d) the filing by the Company of a voluntary petition in bankruptcy or the making of an assignment for the benefit of creditors; the consenting by the Company to the appointment of a receiver or trustee of all or any part of its property; the filing by the Company of a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws, or any other applicable law or statute of the United States of America, or of any state thereof; or the filing by the Company of a petition to take advantage of any insolvency act.

8.2. SECTION Force Majeure. The provisions of Section 8.1 hereof are subject to the following limitations: if by reason of acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or other acts of any kind of the government of the United States or of the State of Arkansas, or any other sovereign entity or body politic, or any department, agency, political subdivision, court or official of any of them, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; volcanoes; fires; hurricanes; tornados; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage of, or accident to, machinery; partial or entire failure of utilities; or any cause or event not reasonably within the control of the Company, the Company is unable in whole or in part to carry out any one or more of its covenants and agreements contained herein, other than its payment obligations under Section 4.2(i), (ii), (iii) or (iv) hereof and its obligations under Sections 4.6, 6.1, 7.1 and 9.1 hereof, the Company shall not be deemed in default by reason of not carrying out said agreement or agreements or performing said obligation or obligations during the continuance of such inability. The Company agrees, however, to use its best efforts to remedy with all reasonable dispatch the cause or causes preventing it from carrying out its agreements; provided, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Company, and the Company shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is, in the judgment of the Company, unfavorable to the Company.

(a) SECTION Remedies on Default. Upon the occurrence and continuance of any Event of Default described in Section 8.1 hereof, and further upon the condition that, in accordance with the terms of the Indenture, the Bonds shall have become immediately due and payable pursuant to any provision of the Indenture, the payments required to be paid pursuant to Section
4.2 hereof shall, without further action, become and be immediately due and payable.

(b) Upon the occurrence and continuance of any Event of Default, the Issuer, with the prior consent of the Trustee, or the Trustee, may take any action at law or in equity to collect the payments then due and thereafter to become due hereunder, or to enforce performance and observance of any obligation, agreement or covenant of the Company under this Refunding Agreement.

(c) Any amounts collected pursuant to action taken under this Section shall be applied in accordance with the Indenture.

(d) In case any proceeding taken by the Issuer or the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Issuer or the Trustee, then and in every such case, the Issuer and the Trustee shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Issuer and the Trustee shall continue as though no such proceeding had been taken.

8.3. SECTION No Remedy Exclusive. No remedy conferred upon or reserved to the Issuer by this Refunding Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Refunding Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required, or as may be required by applicable law.

8.4. SECTION Payment of Attorneys' Fees and Other Expenses. If the Company shall be in default under any of the provisions of this Refunding Agreement, and the Issuer or the Trustee shall employ attorneys or incur other expenses for the collection of sums due and payable under this Refunding Agreement, or for the enforcement of performance or observance of any obligation or agreement on the part of the Company contained in this Refunding Agreement, the Company agrees that it will on demand therefor reimburse the reasonable fees of such attorneys and such other reasonable expenses so incurred.

8.5. SECTION Waiver of Breach. In the event that any agreement contained herein shall be breached by either the Company or the Issuer and such breach shall thereafter be waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. In view of the assignment of the Issuer's rights in and under this Refunding Agreement to the Trustee under the Indenture, the Issuer shall have no power to waive any default hereunder by the Company without the consent of the Trustee. Any waiver of any "Event of Default" under the Indenture and a rescission and annulment of its consequences shall constitute a waiver of the corresponding Event of Default hereunder and a rescission and annulment of the consequences thereof.

9 ARTICLE

OPTIONS AND OBLIGATIONS TO ACCELERATE PAYMENT

9.1. SECTION Redemption of Bonds. The Issuer shall take the actions required by the Indenture to discharge the lien thereof through the

redemption, or provision for payment or redemption, of all Bonds then outstanding, or to effect the redemption, or provision for payment or redemption, of less than all the Bonds then outstanding, upon receipt by the Issuer and the Trustee from the Company of a notice designating the principal amounts of the Bonds to be redeemed, or for the payment or redemption of which provision is to be made, and, in the case of redemption of Bonds, or provision therefor, specifying the date of redemption, whether such notice shall be unconditional, and the applicable redemption provision of the Indenture. Unless otherwise stated therein or otherwise required by the Indenture, such notice shall be revocable by the Company at any time prior to the time at which the Trustee shall have given notice to the holders of the Bonds to be redeemed. The Company shall furnish, as a prepayment of the sums due hereunder, any moneys or Government Securities required by the Indenture to be deposited with the Trustee or otherwise paid by the Issuer in connection with a defeasance of Bonds pursuant to Article XV of the Indenture or in connection with an unconditional call for redemption of Bonds.

SECTION 9.2. Purchase of Bonds. The Company may at any time, and from time to time, furnish moneys to the Trustee accompanied by a notice directing the Trustee to apply such moneys to the purchase in the open market of Bonds in the principal amounts specified in such notice, and any Bonds so purchased shall thereupon be canceled by the Trustee.

10 ARTICLE

MISCELLANEOUS

10.1. SECTION Term of the Agreement. This Refunding Agreement shall be in full force and effect from the Issue Date until the right, title and interest of the Trustee in and to the Trust Estate (as defined in the Indenture) shall have ceased, terminated and become void in accordance with Article XV of the Indenture and until all payments required under this Refunding Agreement shall have been made.

10.2. SECTION Notices. Except as otherwise provided in this Refunding Agreement, all notices, certificates or other communications shall be sufficiently given and shall be deemed given when given in accordance with the provisions of Section 16.6 of the Indenture.

10.3. SECTION Successors. This Refunding Agreement shall inure to the benefit of the Issuer, the governing authority of the Issuer, its members, officers or employees, the Company, the Trustee and the holders from time to time of the Bonds, and shall be binding upon the Issuer, the Company and their respective successors and assigns.

10.4. SECTION Amendments to Refunding Agreement. This Refunding Agreement may not be effectively amended, changed, modified, altered or terminated except in accordance with the provisions of the Indenture, and no amendment to this Refunding Agreement shall be binding upon either party hereto until such amendment is reduced to writing and executed by both parties hereto.

10.5. SECTION Counterparts. This Refunding Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Agreement.

10.6. SECTION Severability. If any clause, provision or section of this Refunding Agreement shall be held illegal or invalid by any court, the invalidity of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections hereof and this Refunding Agreement shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained herein. In case any agreement or obligation contained in this Refunding Agreement shall be held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Issuer or the Company, as the case may be, to the full extent permitted by law.

10.7. SECTION Applicable Law. The laws of the State of Arkansas shall govern the construction of this Refunding Agreement.

10.8. SECTION Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Indenture, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Refunding Agreement, and no interest on the amount so payable shall accrue for the period after such nominal date.

10.9. SECTION Amounts Remaining in Bond Fund. Any amounts remaining in the Bond Fund upon expiration or earlier termination of this Refunding Agreement as herein provided, after payment in full of the Bonds (or provision therefor) in accordance with the Indenture, all other costs and expenses to be paid by the Company hereunder, all Administration Expenses, and all amounts owing the Issuer and the Trustee under this Refunding Agreement and the Indenture, shall belong to and be paid to the Company, as an overpayment of the payments.

10.10. SECTION Company Approval of Indenture. The Indenture has been submitted to the Company for examination, and the Company, by execution of this Refunding Agreement, acknowledges and agrees that it has participated in the drafting of the Indenture and agrees that it has approved the Indenture and agrees that it is bound by and shall have the rights set forth by the terms and conditions thereof and covenants and agrees to perform all obligations required of the Company pursuant to the terms of the Indenture.

10.11. SECTION Binding Effect. This Refunding Agreement shall be binding upon the parties hereto and upon their respective successors and assigns, and the words "Issuer" and "Company" shall include the parties hereto and their respective successors and assigns and include any

gender, singular and plural, and individuals, partnerships or corporations.

10.12. SECTION Captions and Headings. The captions or headings in this Refunding Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions of this Refunding Agreement.

10.13. SECTION No Personal Liability. No covenant or agreement contained in this Refunding Agreement shall be deemed to be the covenant or agreement of any official, officer, agent, or employee of the Issuer in his individual capacity, and no such person shall be subject to any personal liability or accountability by reason of the issuance thereof.

10.14. SECTION Parties in Interest. This Refunding Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Company, the Trustee and the Paying Agent and their respective successors and assigns, and no other person, firm or corporation shall have any right, remedy or claim under or by reason of this Refunding Agreement; provided, however, that any monetary obligation of the Issuer created by or arising out of this Refunding Agreement shall be payable solely out of the revenues derived from this Refunding Agreement or the sale of the Bonds or income earned on invested funds as provided in the Indenture and shall not constitute, and no breach of this Refunding Agreement by the Issuer shall impose, a pecuniary liability upon the Issuer or a charge upon the Issuer's general credit or against its taxing powers.

IN WITNESS WHEREOF, the Issuer and the Company have caused this Refunding Agreement to be executed in their respective corporate names and their respective corporate seals to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written.

POPE COUNTY, ARKANSAS

By:_____ County Judge
ATTEST:

By:_____ [SEAL] County Clerk

ENTERGY ARKANSAS, INC.

By:_____
Vice President and Treasurer

ATTEST:

By:_____ [SEAL] Assistant Secretary

Exhibit 12(a)

Entergy Arkansas, Inc.
Computation of Ratios of Earnings to Fixed Charges and Ratios of Earnings to Combined Fixed Charges and Preferred Dividends

	1997	1998	1999	2000	2001
Fixed charges, as defined:					
Total Interest Charges	$104,165	$96,685	$97,023	$101,600	$109,523
Interest applicable to rentals	17,529	15,511	17,289	16,449	14,563
Total fixed charges, as defined	121,694	112,196	114,312	118,049	124,086
Preferred dividends, as defined (a)	16,073	16,763	17,836	13,479	12,348
Combined fixed charges and preferred dividends, as defined	$137,767	$128,959	$132,148	$131,528	$136,434
Earnings as defined:					
Net Income	$127,977	$110,951	$69,313	$137,047	$178,185
Add:					
Provision for income taxes:					
Total	59,220	71,374	54,012	100,512	105,933
Fixed charges as above	121,694	112,196	114,312	118,049	124,086
Total earnings, as defined	$308,891	$294,521	$237,637	$355,608	$408,204
Ratio of earnings to fixed charges, as defined	2.54	2.63	2.08	3.01	3.29
Ratio of earnings to combined fixed charges and preferred dividends, as defined	2.24	2.28	1.80	2.70	2.99

(a) "Preferred dividends," as defined by SEC regulation S-K, are computed by dividing the preferred dividend requirement by one hundred percent (100%) minus the income tax rate.

Exhibit 12(b)

Entergy Gulf States, Inc. Computation of Ratios of Earnings to Fixed Charges and Ratios of Earnings to Combined Fixed Charges and Preferred Dividends

	1997	1998	1999	2000	2001
Fixed charges, as defined:					
Total Interest charges	$180,073	$178,220	$153,034	$158,949	$174,368
Interest applicable to rentals	15,747	16,927	16,451	18,307	18,520
Total fixed charges, as defined	195,820	195,147	169,485	177,256	192,888
Preferred dividends, as defined (a)	30,028	32,031	29,355	15,742	13,017
Combined fixed charges and preferred dividends, as defined	$225,848	$227,178	$198,840	$192,998	$205,905
Earnings as defined:					
Income (loss) from continuing operations before extraordinary items and the cumulative effect of accounting changes	$59,976	$46,393	$125,000	$180,343	$179,444
Add:					
Income Taxes	22,402	31,773	75,165	103,603	82,038
Fixed charges as above	195,820	195,147	169,485	177,256	192,888
Total earnings, as defined (b)	$278,198	$273,313	$369,650	$461,202	$454,370
Ratio of earnings to fixed charges, as defined	1.42	1.40	2.18	2.60	2.36
Ratio of earnings to combined fixed charges and preferred dividends, as defined	1.23	1.20	1.86	2.39	2.21

(a) "Preferred dividends," as defined by SEC regulation S-K are computed by dividing the preferred dividend requirement by one hundred percent (100%) minus the income tax rate.

Exhibit 12(c)

Entergy Louisiana, Inc.
Computation of Ratios of Earnings to Fixed Charges and Ratios of Earnings to Combined Fixed Charges and Preferred Dividends

	1997	1998	1999	2000	2001
Fixed charges, as defined:					
Total Interest	$128,900	$122,890	$117,247	$111,743	$116,076
Interest applicable to rentals	9,203	9,564	9,221	6,458	7,951
Total fixed charges, as defined	138,103	132,454	126,468	118,201	124,027
Preferred dividends, as defined (a)	22,103	20,925	16,006	16,102	12,374
Combined fixed charges and preferred dividends, as defined	$160,206	$153,379	$142,474	$134,303	$136,401
Earnings as defined:					
Net Income	$141,757	$179,487	$191,770	$162,679	$132,550
Add:					
Provision for income taxes:					
Total Taxes	98,965	109,104	122,368	112,645	86,287
Fixed charges as above	138,103	132,454	126,468	118,201	124,027
Total earnings, as defined	$378,825	$421,045	$440,606	$393,525	$342,864
Ratio of earnings to fixed charges, as defined	2.74	3.18	3.48	3.33	2.76
Ratio of earnings to combined fixed charges and preferred dividends, as defined	2.36	2.75	3.09	2.93	2.51

(a) "Preferred dividends," as defined by SEC regulation S-K, are computed by dividing the preferred dividend requirement by one hundred percent (100%) minus the income tax rate.

Exhibit 12(d)

Entergy Mississippi, Inc.
Computation of Ratios of Earnings to Fixed Charges and Ratios of Earnings to Combined Fixed Charges and Preferred Dividends

	1997	1998	1999	2000	2001
Fixed charges, as defined:					
Total Interest	$45,274	$40,927	$38,840	$44,877	$50,991
Interest applicable to rentals	1,947	1,864	2,261	1,596	1,849
Total fixed charges, as defined	47,221	42,791	41,101	46,473	52,840
Preferred dividends, as defined (a)	5,123	4,878	4,878	5,347	4,674
Combined fixed charges and preferred dividends, as defined	$52,344	$47,669	$45,979	$51,820	$57,514
Earnings as defined:					
Net Income	$66,661	$62,638	$41,588	$38,973	$39,620
Add:					
Provision for income taxes:					
Total income taxes	26,744	28,031	17,537	22,868	20,464
Fixed charges as above	47,221	42,791	41,101	46,473	52,840
Total earnings, as defined	$140,626	$133,460	$100,226	$108,314	$112,924
Ratio of earnings to fixed charges, as defined	2.98	3.12	2.44	2.33	2.14
Ratio of earnings to combined fixed charges and preferred dividends, as defined	2.69	2.80	2.18	2.09	1.96

(a) "Preferred dividends," as defined by SEC regulation S- K, are computed by dividing the preferred dividend requirement by one hundred percent (100%) minus the income tax rate.

Exhibit 12(e)

Entergy New Orleans, Inc.
Computation of Ratios of Earnings to Fixed Charges and Ratios of Earnings to Combined Fixed Charges and Preferred Dividends

	1997	1998	1999	2000	2001
Fixed charges, as defined:					
Total Interest	$15,287	$14,792	$14,680	$15,891	$19,661
Interest applicable to rentals	911	1,045	1,281	1,008	977
Total fixed charges, as defined	16,198	15,837	15,961	16,899	20,638
Preferred dividends, as defined (a)	1,723	1,566	1,566	1,643	2,898
Combined fixed charges and preferred dividends, as defined	$17,921	$17,403	$17,527	$18,542	$23,536
Earnings as defined:					
Net Income	$15,451	$16,137	$18,961	$16,518	($2,195)
Add:					
Provision for income taxes:					
Total	12,142	10,042	13,030	11,597	(4,396)
Fixed charges as above	16,198	15,837	15,961	16,899	20,638
Total earnings, as defined	$43,791	$42,016	$47,952	$45,014	$14,047
Ratio of earnings to fixed charges, as defined	2.70	2.65	3.00	2.66	(b)
Ratio of earnings to combined fixed charges and preferred dividends, as defined	2.44	2.41	2.74	2.43	(b)

(a) "Preferred dividends," as defined by SEC regulation S- K, are computed by dividing the preferred dividend requirement by one hundred percent (100%) minus the income tax rate.

(b) For Entergy New Orleans, earnings for the twelve months ended December 31, 2001 were not adequate to cover fixed charges and combined fixed charges and preferred dividends by $6.6 million and $9.5 million, respectively.

Exhibit 12(f)

System Energy Resources, Inc. Computation of Ratios of Earnings to Fixed Charges and Ratios of Earnings to Fixed Charges

	1997	1998	1999	2000	2001
Fixed charges, as defined:					
Total Interest	$128,653	$116,060	$147,982	$118,519	$138,018
Interest applicable to rentals	6,065	5,189	3,871	5,753	4,458
Total fixed charges, as defined	$134,718	$121,249	$151,853	$124,272	$142,476
Earnings as defined:					
Net Income	$102,295	$106,476	$82,375	$93,745	$116,355
Add:					
Provision for income taxes:					
Total	74,654	77,263	53,851	81,263	43,761
Fixed charges as above	134,718	121,249	151,853	124,272	142,476
Total earnings, as defined	$311,667	$304,988	$288,079	$299,280	$302,592
Ratio of earnings to fixed charges, as defined	2.31	2.52	1.90	2.41	2.12

Exhibit 21

The seven registrants, Entergy Corporation, System Energy Resources, Inc., Entergy Arkansas, Inc., Entergy Gulf States, Inc., Entergy Louisiana, Inc., Entergy Mississippi, Inc., and Entergy New Orleans, Inc., are listed below:

	State or Other Jurisdiction of Incorporation
Entergy Corporation	Delaware
System Energy Resources, Inc. (a)	Arkansas
Entergy Arkansas, Inc. (a)	Arkansas
Entergy Gulf States, Inc. (a)	Texas
Entergy Louisiana, Inc. (a)	Louisiana
Entergy Mississippi, Inc. (a)	Mississippi
Entergy New Orleans, Inc. (a)	Louisiana

(a)Entergy Corporation owns all of the Common Stock of System Energy Resources, Inc., Entergy Arkansas Inc., Entergy Gulf States, Inc., Entergy Louisiana, Inc., Entergy Mississippi, Inc., Entergy New Orleans, Inc.

Exhibit 24

February 27, 2002

TO: Nathan E. Langston
John M. Adams, Jr.

Re: Power of Attorney; 2001 Form 10-K

Entergy Corporation, referred to herein as the Company, will file with the Securities and Exchange Commission its Annual Report on Form 10-K for the year ended December 31, 2001 pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

The Company and the undersigned persons, in their respective capacities as directors and/or officers of the Company, as specified in Attachment I, do each hereby make, constitute and appoint Nathan Langston and John M. Adams, Jr. and each of them, their true and lawful Attorneys (with full power of substitution) for each of the undersigned and in his or her name, place and stead to sign and cause to be filed with the Securities and Exchange Commission the aforementioned Annual Report on Form 10-K and any amendments thereto.

Yours very truly,

ENTERGY CORPORATION

By: /s/ J. Wayne Leonard
J. Wayne Leonard
Chief Executive Officer
and Director

/s/ Maureen S. Bateman
Maureen S. Bateman
Director

/s/ George W. Davis
George W. Davis
Director

/s/ Claiborne P. Deming
Claiborne P. Deming
Director

/s/ J. Wayne Leonard
J. Wayne Leonard
Chief Executive Officer
Director

/s/ Kathleen A. Murphy
Kathleen A. Murphy
Director

/s/ James R. Nichols
II
James R. Nichols
Director

/s/ Dennis H. Reilley
Dennis H. Reilley
Director

/s/ Bismark A. Steinhagen
Bismark A. Steinhagen
Director

/s/ C. John Wilder
C. John Wilder
Executive Vice President
and Chief Financial Officer

/s/W. Frank Blount
W. Frank Blount
Director

/s/ Simon deBree
Simon deBree
Director

/s/ Norman C. Francis
Norman C. Francis
Director

/s/ Robert v.d. Luft
Robert v. d. Luft
Chairman of the Board
Director

/s/ Paul W. Murrill
Paul W. Murrill
Director

/s/ William A. Percy,

William A. Percy, II
Director

/s/ Wm. Clifford Smith
Wm. Clifford Smith
Director

ATTACHMENT I

Entergy Corporation

Chief Executive Officer and Director - J. Wayne Leonard (principal executive officer)
Executive Vice President and Chief Financial Officer - C. John Wilder
(principal financial officer)

Directors - Maureen S. Bateman, W. Frank Blount, George W. Davis, Simon deBree, Claiborne P. Deming, Norman C. Francis, J. Wayne Leonard, Robert v.d. Luft, Kathleen A. Murphy, Paul W. Murrill, James R. Nichols, William A. Percy, II, Dennis H. Reilley, Wm. Clifford Smith, Bismark A. Steinhagen.

February 27, 2002

TO: Nathan E. Langston
John M. Adams, Jr.

Re: Power of Attorney; 2001 Form 10-K

Entergy Arkansas, Inc., Entergy Gulf States, Inc., Entergy Louisiana, Inc., Entergy Mississippi, Inc., Entergy New Orleans, Inc., and System Energy Resources, Inc. (collectively referred to herein as the Companies) will each file with the Securities and Exchange Commission its Annual Report on Form 10-K for the year ended December 31, 2001 pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

The Companies and the undersigned person, in their respective capacities as directors and/or officers of the Companies, as specified in Attachment I, do each hereby make, constitute and appoint Nathan Langston and John M. Adams, Jr. and each of them, their true and lawful Attorneys (with full power of substitution) for each of the undersigned and in his or her name, place and stead to sign and cause to be filed with the Securities and Exchange Commission the aforementioned Annual Report on Form 10-K and any amendments thereto.

Yours very truly,

ENTERGY ARKANSAS, INC. (hereinafter "EAI") ENTERGY GULF STATES, INC. (hereinafter "EGSI") ENTERGY LOUISIANA, INC. (hereinafter "ELI") ENTERGY MISSISSIPPI, INC. (hereinafter "EMI") ENTERGY NEW ORLEANS, INC. (hereinafter "ENOI") SYSTEM ENERGY RESOURCES, INC. (hereinafter "SERI")

/s/ Hugh T. McDonald
HUGH T. McDONALD
Chairman, President, and Chief Executive Officer of Entergy Arkansas, Inc.

and

of

/s/ E. Renae Conley
E. RENAE CONLEY
President and Chief Executive Officer - Louisiana of Entergy Gulf States, Inc. and Chairman, President Chief Executive Officer Entergy Louisiana, Inc.

/s/ Joseph F. Domino
JOSEPH F. DOMINO
Chairman, President and Chief Executive Officer - Texas of Entergy Gulf States, Inc.

/s/ Carolyn C. Shanks
CAROLYN C. SHANKS
Chairman, President, and Chief Executive Officer of Entergy Mississippi, Inc.

/s/ Daniel F. Packer
DANIEL F. PACKER
Chairman, President, and Chief Executive Officer of Entergy New Orleans, Inc.

/s/ Jerry W. Yelverton
JERRY W. YELVERTON
Chairman, President, and Chief Executive Officer of System Energy Resources, Inc.

/s/ Joseph F. Domino
Joseph F. Domino
Director, Chairman of the Board, President and Chief Executive Officer-Texas of EGSI

/a/ Carolyn C. Shanks
Carolyn C. Shanks
Director, Chairman of the Board, President and Chief Executive Officer of EMI

/s/ Donald C. Hintz
Donald C. Hintz
Director of EAI, EGSI, ELI, EMI, ENOI and SERI

/s/ Hugh T. McDonald
Hugh T. McDonald
Director, Chairman of the Board, President and Chief Executive Officer of EAI

/s/ Richard J. Smith
Richard J. Smith
Director, of EAI, EGSI, ELI, EMI & ENOI

/s/ Jerry W. Yelverton
Jerry W. Yelverton
Director, Chairman of the Board, President and Chief Executive Officer of SERI

/s/ Daniel F. Packer
Daniel F. Packer
Director, Chairman of the Board, President and Chief Executive Officer of ENOI

/s/ C. John Wilder___
C. John Wilder
Director, Executive Vice President and Chief Financial Officer of EAI, EGSI, ELI, EMI, ENOI and SERI

/s/ E. Renae Conley
E. Renae Conley
Director of ELI and EGSI, Chairman of the Board, President and Chief Executive Officer of ELI, President and Chief Executive Officer - Louisiana of EGSI

ATTACHMENT I

Entergy Arkansas, Inc.

Chairman of the Board, President and Chief Executive Officer - Hugh T. McDonald (principal executive officer); Executive Vice President and Chief Financial Officer - C. John Wilder (principal financial officer).

Directors - Hugh T. McDonald, Donald C. Hintz and C. John Wilder and Richard J. Smith

Entergy Gulf States, Inc.

Chairman of the Board, President and Chief Executive Officer- Texas - Joseph F. Domino (principal executive officer); President and Chief Executive Officer-Louisiana - E. Renae Conley, (principal executive officer), Executive Vice President and Chief Financial Officer - C. John Wilder (principal financial officer).

Directors - Richard J. Smith, Joseph F. Domino, Donald C. Hintz, C. John Wilder and E. Renae Conley

Entergy Louisiana, Inc.

Chairman of the Board, President and Chief Executive Officer - E. Renae Conley (principal executive officer); Executive Vice President and Chief Financial Officer - C. John Wilder (principal financial officer).

Directors - Donald C. Hintz, Richard J. Smith, C. John Wilder and E. Renae Conley

Entergy Mississippi, Inc.

Chairman of the Board, President and Chief Executive Officer - Carolyn C. Shanks (principal executive officer); Executive Vice President and Chief Financial Officer - C. John Wilder (principal financial officer).

Directors - Donald C. Hintz, Carolyn C. Shanks, C. John Wilder and Richard J. Smith

Entergy New Orleans, Inc.

Chairman of the Board, President and Chief Executive Officer - Daniel F. Packer (principal executive officer); Executive Vice President and Chief Financial Officer - C. John Wilder (principal financial officer).

Directors - Donald C. Hintz, Daniel F. Packer, C. John Wilder and Richard J. Smith

System Energy Resources, Inc.

Chairman of the Board, President and Chief Executive Officer - Jerry W. Yelverton (principal executive officer); Executive Vice President and Chief Financial Officer - C. John Wilder (principal financial officer).

Directors - Donald C. Hintz, C. John Wilder and Jerry W. Yelverton

End of Filing