SECURITIES AND EXCHANGE COMMISSION

(Release No. 35-28031; 70-9123)

Entergy Corporation, et al.

Supplemental Order Authorizing Issuance of Guarantees and other Credit Support on behalf of Nonutility Companies

September 19, 2005

Entergy Corporation ("Entergy"), a registered holding company under the Public Utility Holding Company Act of l935, as amended ("Act"), of New Orleans, Louisiana; and Entergy's current and future nonutility companies (collectively, "Applicants") have filed a post-effective amendment ("Declaration") with the Securities and Exchange Commission ("Commission") under sections 6(a), 7, and 12(b) of the Act and rules 45 and 54 under the Act. The Commission issued a notice of the Declaration on August 22, 2005 (HCAR No. 28018).

Applicants request a supplemental order from the Commission for Entergy and its existing and future nonutility subsidiary companies to issue guarantees and provide other forms of credit support, as described below (collectively, "Guarantees"). The Guarantees will be issued to or for the benefit of Entergy's nonutility subsidiaries which are: (a) "New Subsidiaries,"[1] (b) "exempt wholesale generators" ("EWGs") as defined in Section 32(a) of the Act, (c) "foreign utility companies" ("FUCOs") as defined in Section 33(a) of the Act, (EWGs

[1] New Subsidiaries are defined in the December 20, 2002 order in this file (HCAR No. 27626) as direct or indirect subsidiary companies of Entergy organized (a) to engage in development activities and/or (b) to hold, acquire and/or finance the acquisition of one or more subsidiary companies of Entergy which are (i) "exempt wholesale generators," (ii) "foreign utility companies," (iii) "exempt telecommunications companies," (iv) "energy-related companies," (v) "Authorized Subsidiary Companies," (vi) other "New Subsidiaries" and/or (vii) Rule 58 Companies, as these terms are defined in the order.

and FUCOs collectively referred to as "Exempt Projects"), (d) "exempt telecommunication companies"("ETCs") as defined in Section 34(a) of the Act, (e) other subsidiary companies of Entergy (including "operating and management companies organized for the purpose of providing operations and maintenance services, "O&M Subs") and Entergy Power, Inc. ("EPI"), a company that markets and sells its electric generating capacity and energy at wholesale, principally to non-associate customers that are or may be authorized or permitted by rule, regulation or order of the Commission under the Act to engage in other businesses ("Authorized Subsidiary Companies"),[2] and (f) "energy-related companies," as defined in Rule 58 under the Act ("Energy-related Companies"). New Subsidiaries, Exempt Projects, ETCs, Energy-related Companies and Authorized Subsidiary Companies are collectively referred to as Nonutility Companies.

In order to further facilitate the development, acquisition and ownership by Entergy of interests in Exempt Projects and other Nonutility Companies, as authorized or permitted under the Act from time to time, to the extent the transactions are not exempt from the Act or otherwise authorized or permitted by rule, regulation or order of the Commission, Entergy and the Nonutility Companies (exclusive of EPI) request authority to issue Guarantees to or for the benefit of Nonutility Companies[3] from time to time through February 8, 2006 (the

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[2] The Authorized Subsidiary Companies currently include, but are not limited to, Entergy Enterprises, Inc., EPI, Entergy Nuclear, Inc., Entergy Nuclear Operations, Inc., Entergy Operations Services, Inc., Entergy Operations Services North Carolina, Inc., Entergy Global Power Operations Corporation and Entergy Power Operations U.S., Inc.

[3] EPI holds undivided ownership interests in certain non-exempt electric generating stations and, as discussed above, is engaged in the business of generating and selling its capacity and related energy, at wholesale, principally to non-associate bulk power producers on negotiated (i.e. market based) terms and conditions. Therefore, EPI is a "public-utility company" for purposes of the Act.

"Authorization Period"), in an aggregate amount not to exceed $3 billion at any one time outstanding (including any Guarantees previously issued and outstanding under the Commission's August 21, 2000 order, (HCAR No. 27216) (the "August 2000 Order") in this filing)[4] (the "Aggregate Authorization"). The amount of a Guarantee shall not reduce the Aggregate Authorization to the extent that the provision of the Guarantee is exempt from the Act or is otherwise authorized or permitted by rule or regulation of the Commission issued under the Act.

Guarantees may take the form of Entergy or a Nonutility Company agreeing to guarantee, undertake reimbursement obligations, assume liabilities or other obligations in respect of or act as surety on bonds, letters of credit, evidences of indebtedness, equity commitments, power purchase agreements, leases, liquidated damages provisions, and other obligations undertaken by Entergy's associate Nonutility Companies. For example, the associate companies may be called upon to furnish various types of bonds as security, including bid bonds, performance bonds, and material and payment bonds. Guarantees may also be necessary or desirable to satisfy the requirements of lenders or other project participants under financing documents or other project agreements to which an associate Nonutility Company of Entergy is or will become a party (including with respect to the provision of construction, interim or permanent debt or equity financing). These forms of credit enhancements are typical in the marketplace, and will significantly benefit Entergy's investments in Nonutility Companies by, among other things,

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[4] Pursuant to the August 2000 Order, Entergy and the Nonutility Companies are currently authorized to issue Guarantees to or for the benefit of Nonutility Companies, from time to time through December 31, 2005, in an aggregate amount not to exceed $2 billion at any time outstanding (excluding any Guarantees previously issued and outstanding under the Commission's June 22, 1999 order (HCAR No. 27039). As of March 31, 2005**,** the aggregate amount of guarantees outstanding under the August 2000 Order is approximately $1.25 billion.

facilitating the making of proposals in respect of investments in Nonutility Companies, and helping to reduce the cost of necessary bonds, sureties, and other credit support. The terms and conditions of Guarantees will continue to be established at arm's length, based upon market conditions.

Any Guarantees provided by Entergy to Exempt Projects will be subject to the limitation on aggregate investment in EWGs and FUCOs set forth in Rule 53(a), as modified by the Commission's authorization in File No. 70-9049. Specifically, in the absence of further authorization, Entergy will only issue Guarantees to Exempt Projects to the extent that the amount of any the Guarantee, when added to Entergy's aggregate investment in Exempt Projects, will not exceed 100% of Entergy's consolidated retained earnings. Any Guarantees provided to Energy-related Companies will be subject to the limitation on "aggregate investment" in energy-related companies set forth in Rule 58.

Entergy and any Nonutility Company issuing Guarantees pursuant to the authorization requested in this filing may elect to charge each Nonutility Company a fee for any Guarantee provided on its behalf, provided that the fee does not exceed the cost of obtaining the liquidity necessary to perform the Guarantee (for example, bank line commitment fees or letter of credit fees) for the period of time the Guarantee remains outstanding. Guarantees may, in some cases, be provided to support obligations of Nonutility Companies that are not capable of exact quantification or are subject to varying quantification. In that event, Entergy or the Nonutility Company issuing the Guarantee will determine the exposure under the Guarantee for purposes of measuring compliance with the Aggregate Authorization limit by appropriate means, including estimation of exposure based on loss experience or projected potential payment amounts. Any

estimates will be made in accordance with generally accepted accounting principles, and will be reevaluated periodically.

Other Authorization Parameters

1. Common Equity Ratio

Entergy represents that it will at all times during the Authorization Period maintain common equity (as reflected in the most recent Quarterly Report on Form 10-Q or Annual Report on Form 10-K filed with the Commission adjusted to reflect changes in capitalization since the applicable balance sheet date) of at least 30% of its consolidated capitalization. The term "consolidated capitalization" is defined to include, where applicable, all common stock equity (comprised of common stock, additional paid in capital, retained earnings, accumulated other comprehensive income or loss, and/or treasury stock), minority interests, preferred stock, preferred securities, equity linked securities, long-term debt, short-term debt and current maturities.

2. Investment Grade Rating

With respect to the securities issuance authority proposed in this Declaration: (a) within four business days after the occurrence of a Ratings Event,[5] Entergy will notify the Commission of its occurrence (by means of a letter, via fax, e-mail or overnight mail to the Office of Public Utility Regulation); and (b) within 30 days after the occurrence of a Ratings Event, Entergy will submit a post-effective amendment to this Declaration explaining the material facts and circumstances relating to that Ratings Event (including the basis on which, taking into account

[5] A "Ratings Event" will occur if, during the Authorization Period, (a) a security issued by Entergy upon original issuance, if rated, is rated below investment grade; or (b) any outstanding security of Entergy, that is rated is downgraded below investment grade. For purposes of this provision, a security will be deemed to be rated "investment grade" if it is rated investment grade by at least one nationally recognized statistical rating organization, as that term is used in paragraphs (c)(2)(vi)(E), (F) and (H) of rule 15c3-1 under the Securities Exchange Act of 1934.

the interests of investors, consumers and the public as well as other applicable criteria under the Act, it remains appropriate for Entergy and/or the other Applicants to issue such securities, so long as Applicants continues to comply with the other applicable terms and conditions specified in the Commission's order authorizing the transactions requested in this Declaration). Furthermore, no securities authorized as a result of this Declaration will be issued by any Applicant following the 60th day after a Ratings Event if the downgraded rating(s) has or have not been upgraded to investment grade. Applicants request that the Commission reserve jurisdiction through the remainder of the Authorization Period over the issuance of any such security that Applicants are prohibited from issuing as a result of the occurrence of a Ratings Event if no revised rating reflecting an investment grade rating has been issued.

Rule 54

The request is subject to rule 54 of the Act. Rule 54 provides that in determining whether to approve the issue or sale of a security by a registered holding company for purposes other than the acquisition of an EWG or a FUCO, or other transaction by that registered holding company unrelated to EWGS or FUCOS, the Commission shall not consider the effect of the capitalization or earnings of EWG or FUCO subsidiaries on the registered holding company if paragraphs (a), (b) and (c) of rule 53 are satisfied.[6] Applicants further represent that they satisfy all of the conditions of rule 53(a) and (b).

[6] Applicants state that Entergy's aggregate investment in EWGs and FUCOs currently exceeds the "safe harbor" afforded by rule 53(a) because its "aggregate investment" (as defined in rule 53(a)(1)) exceeds 50% of its "consolidated retained earnings" (also as defined in rule 53(a)(1)). At March 31, 2005, Entergy's aggregate investment in EWGs and FUCOs was approximately $2.7 billion), which is equal to approximately 55% of Entergy's consolidated retained earnings (approximately $4.9 billion). However, the Commission by order dated June 13, 2000 (HCAR No. 27184) (the "June 2000 Order"), authorized Entergy to make investments in amounts up to 100% of its consolidated retained earnings in EWGs and FUCOs, and therefore, Entergy's

Except to the extent otherwise authorized in the June 2000 Order or any subsequent order issued by the Commission, Entergy will maintain compliance with all of the conditions of Rule 53.

Entergy will continue to provide the Commission, on a quarterly basis within 60 days after the end of each calendar quarter, a report pursuant to Rule 24, which shall include information concerning the total outstanding amount of Guarantees issued by Entergy or Nonutility Companies to or for the benefit of Nonutility Companies as of the end of such quarter, as well as all other information previously required to be filed, pursuant to Rule 24, in File No. 70-9123 under the Commission's December 2002 Order.

Applicants state that the fees, commissions and expenses incurred or to be incurred in connection with the authority sought in this filing are expected to not exceed $13,000. Applicants maintain that no state or federal regulatory agency, other than the Commission, has jurisdiction over the proposed transactions.

Due notice of the filing of this Declaration has been given in the manner prescribed in rule 23 under the Act, and no hearing has been requested of ordered by the Commission. Based on the facts in the record, the Commission finds that, except as to that matter over which

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aggregated investment in EWGs and FUCOs is within the parameters authorized in the June 2000 Order.

Applicants assert that there has been no material adverse impact on Entergy's consolidated capitalization resulting from Entergy's investment in EWGs and FUCOs. As of March 31, 2000, the most recent calendar quarter preceding the June 2000 Order, Entergy's consolidated capitalization ratio was approximately 50% debt and approximately 50% equity, consisting of approximately 5% preferred stock and approximately 45% common stock. As of March 31, 2005, Entergy's consolidated capitalization ratio was approximately 49.6 % debt and approximately 50.4% equity, consisting of approximately 2.2% preferred stock and approximately 48.2% common stock.

jurisdiction has been reserved, the applicable standards of the Act and rules are satisfied and that no adverse findings are necessary.

IT IS ORDERED, under the applicable provisions of the Act and the rules under the Act, that, except as to that matter over which jurisdiction has been reserved, the Declaration, as amended, be permitted to become effective**,** subject to the terms and conditions prescribed in rule 24 under the Act.

IT IS FURTHER ORDERED, that jurisdiction is reserved over the issuance of any securities (other than common stock, commercial paper and short-term notes) that Applicants are prohibited from issuing as a result of the occurrence of a Ratings Event, if no revised rating reflecting an investment grade rating has been issued.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Jill M. Peterson
Assistant Secretary