



## Entergy Files Motion in New York Requesting Action on Nuclear Spin-Off

New Orleans, La. - Entergy Corporation (NYSE: ETR) and subsidiaries (Entergy Nuclear FitzPatrick, LLC, Entergy Nuclear Indian Point 2, LLC, Entergy Nuclear Indian Point 3, LLC, NewCo (Enexus Energy Corporation) and Entergy Nuclear Operations, Inc. (collectively, "Entergy")) yesterday filed a motion with the New York Public Service Commission (NYPSC) in connection with the company's proposed spin-off, announced in November 2007, of its non-utility nuclear business to be named Enexus Energy Corporation. The motion requests procedures and a schedule to enable the report of the Presiding Administrative Law Judges (ALJs) to be issued in time for the NYPSC to issue a final order no later than its regularly scheduled meeting in November so that the proposed reorganization can be completed by the end of this year, with closing to take place on a month end. The details of the proposed procedures and schedule, including enhancements to the proposed reorganization, are included on pages 3 and 4 of this release.

**New York Process**

In January 2008, Entergy filed a petition requesting either a declaratory ruling that the NYPSC need not review its proposed spin-off or, in the alternative, approval of the reorganization and its associated financing. In May 2008, the NYPSC issued an order finding that because the reorganization involved nuclear facilities that play an important role in supporting reliable electric service in New York, there needed to be a limited review of its potential to harm captive New York utility ratepayers. The NYPSC emphasized that the public interest inquiry was "tightly bounded", allowed 60 days for discovery, and assigned ALJs to establish further procedures. After a series of filings and rulings by the ALJs, in October 2008 the judges notified all active parties that an adequate record had been established and no further formal proceedings were warranted.

In December 2008, based on comments and reply comments presented in the above process suggesting that a settlement might be reached, a Notice of Impending Settlement Negotiation was then filed and settlement discussions began with the trial staff of the NYPSC and the other parties. Settlement discussions, viewed by the company as productive, continued throughout the first half of 2009 until recently terminated. The primary focus of comments filed by the trial staff concerned the relative credit ratings of Entergy and Enexus for long-term unsecured bonds and the possibility that Enexus' lower rating might adversely affect its financial capability to ensure the reliable operation of the New York nuclear plants.

During the course of the settlement discussions, Entergy endeavored to address and resolve those concerns. Despite the termination of settlement discussions, Entergy has developed further enhancements to the reorganization proposal that it believes resolve any concerns. Accordingly, Entergy is proposing to file an amended petition reflecting these enhancements for the NYPSC's consideration.

Entergy believes that with these enhancements and Enexus' financial strengths described in the original petition, the reorganization proposal should fully satisfy the concerns raised by the NYPSC about the adequacy of Enexus' financial resources to operate the New York facilities as reliably as Entergy. The amended petition will also include Entergy's analysis showing how there will be adequate funding for both radiological and non-radiological decommissioning of the New York plant sites. The following table briefly outlines a few of the most salient aspects of the enhancements that will be described in more detail in the amended petition:



**Procedures and Schedule Proposed by Entergy**

Entergy has proposed the following procedures and schedule in order to permit the ALJs to issue a report in time for the NYPSC to issue a final order no later than its regularly scheduled meeting in November so that the proposed reorganization can be completed by the end of this year:



After settlement discussions ended, Entergy met with trial staff and other parties to discuss how the case should proceed going forward. Some of the parties took the position that there should be a full hearing process, including the filing of testimony, preceded by up to six months of additional discovery. They also provided lists of issues that they want to be included in testimony and a hearing. The issues raised by trial staff and other parties could delay resolution of this case by a year or more by interjecting issues far outside the scope to which the NYPSC and the ALJs have prescribed for the case. In its petition, Entergy requests that the ALJs continue to enforce the scope that the NYPSC imposed in its May 23, 2008 Order and preclude trial staff and other parties from litigating these broader issues.

**Benefits of the Transaction**

Entergy believes that the spin-off of its non-utility nuclear business is in the best interests of its stakeholders, as well as the customers of the load serving entities in the regions in which its nuclear facilities sell power. Accordingly, Entergy remains vigilant in seeking regulatory approval of the spin-off transaction.

Entergy recognizes that the financial flexibility and strength of Enexus is of paramount importance. Ensuring the

financial strength and flexibility of Enexus has been a critical area of focus for Entergy as it has prepared for Enexus to operate as a separate, independent company. Entergy believes its initially proposed terms for the spin-off afforded Enexus financial flexibility and strength that were more than adequate to meet the legal standard established for the regulatory approval of the reorganization. Nonetheless, in an effort to remove any possible basis for concern, further enhancements are being provided. Given these enhancements to the already robust financial attributes of Enexus, Entergy strongly believes that the separation of Enexus from Entergy will be good for New York and for the other states in which its facilities are located. Further, for purposes of reliably operating the New York facilities, Enexus will be positioned to be at least the financial equivalent of Entergy given Enexus' significant financial resources and its singular focus on the merchant generation business.

In particular, the strong financial position of Enexus is supported by:

- A track record of operating excellence;

- Strong credit metrics;

- A strong commitment to liquidity;

- Significant liquidity from multiple sources;

- A \$700 million support agreement between Enexus and its other facilities;

- The ability to raise secured financing on the nuclear assets that does not exist today;

- No anticipated reliance on external financing to fund Enexus' capital expenditure program in the years to come;

- A significant amount of the output of the generation facilities hedged under unit contingent hedging contracts that limit the risk of market price fluctuations in the years to come;

- No bond maturities for a number of years; and

- The ability to have access to capital even in the most challenging of financial markets.

In addition, since the beginning of the regulatory proceedings, Entergy has also enhanced the financial strength and financial flexibility of Enexus in the following ways:

- Made a commitment to reserve \$350 million of liquidity to support the reliability of the nuclear facilities;

- Took measures to increase its financial flexibility by reducing its total long-term bonds by \$1.0 billion;

- Proved its ability to raise capital in challenging financial markets evidenced by entering into a \$1.175 billion Enexus secured bank facility in December 2008 with 14 financial institutions in the most challenging financial markets in many decades;

- Increased to \$750 million the amount of unrestricted cash Entergy will leave at Enexus on the spin-off date;

- Entered into additional hedges that will not require Enexus to provide cash or letters of credit as margin if power prices increase, thus meaningfully reducing liquidity needs; and

- Finally, committed through Enexus' bank facility to retain, invest in, or reduce the indebtedness of Enexus with half of Enexus' consolidated net income.

Consequently, based on current power prices, Enexus, at the spin-off date, would have approximately \$1.875 billion of available liquidity after satisfying credit support obligations, and will also have authority to issue additional secured debt in an amount of approximately \$825 million, totaling approximately \$2.7 billion of available liquidity and secured financing authority.

Entergy feels strongly that the totality of the above-referenced actions focused on liquidity, strong credit metrics, and a wide range of options to access capital when needed will provide for the continued reliable, safe and secure operation of the nuclear facilities following the separation of the Enexus assets from Entergy.

Entergy Corporation is an integrated energy company engaged primarily in electric power production and retail distribution operations. Entergy owns and operates power plants with approximately 30,000 megawatts of electric generating capacity, and it is the second-largest nuclear generator in the United States. Entergy delivers electricity to 2.7 million utility customers in Arkansas, Louisiana, Mississippi and Texas. Entergy has annual revenues of more than \$13 billion and approximately 14,700 employees.

Additional investor information can be accessed online at

[www.entergy.com/investor\\_relations](http://www.entergy.com/investor_relations)

In this news release, and from time to time, Entergy Corporation makes certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Except to the extent required by the federal securities laws, Entergy undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Forward-looking statements involve a number of risks and uncertainties. There are factors that could cause actual results to differ materially from those expressed or implied in the forward-looking statements, including (a) those factors discussed in (i) Entergy's Form 10-K for the year ended December 31, 2008, (ii) Entergy's Form 10-Q for the quarterly period ended March 31, 2009 and (iii) Entergy's other reports and filings made under the Securities Exchange Act of 1934, (b) the uncertainties associated with efforts to remediate the effects of Hurricanes Gustav and Ike and the January 2009 Arkansas ice storm and recovery of costs associated with restoration, and (c) the following transactional factors (in addition to others described elsewhere in this news release and in subsequent securities filings): (i) risks inherent in the contemplated spin-off, joint venture and related transactions (including the level of debt to be incurred by Enexus Energy Corporation and the terms and costs related thereto), (ii) legislative and regulatory actions, and (iii) conditions of the capital markets during the periods covered by the forward-looking statements. Entergy cannot provide any assurances that the spin-off or any of the proposed transactions related thereto will be completed, nor can it give assurances as to the terms on which such transactions will be consummated. The transaction is subject to certain conditions precedent, including regulatory approvals and the final approval by the Board of Directors of Entergy.

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