



Entergy Files Compliance Plan for FERC System Agreement Order

New Orleans, La. - Entergy's utility companies made a filing with the Federal Energy Regulatory Commission (FERC) today that contains the first payments and receipts necessary to comply with a FERC order to bring production costs of the utility companies into "rough equalization." In its 2005 order, the FERC found the System Agreement no longer roughly equalizes total production costs among the operating companies and ordered the first equalization payments to be made in June 2007 based on calendar year 2006 production costs.

Today's filing includes the dollar amounts of payments and receipts for each of the operating companies for 2007, as indicated in the following chart:

	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans
2007 payment/(receipt) in millions	\$251.7	(\$120.1)	(\$91.0)	(\$40.6)	\$0

The following chart indicates the portion of the payments and receipts currently allocated to the retail customers and shows the impact on typical residential bills with an average monthly usage of 1,000 kilowatt-hours.

	Entergy Arkansas	Entergy Gulf States (Louisiana)	Entergy Gulf States (Texas)	Entergy Louisiana (LPSC)	Entergy Louisiana (Algiers)	Entergy Mississippi	Entergy New Orleans
2007 payment/(receipt) in millions	\$230.7	(\$75.4)	(\$36.0)	(\$89.9)	(\$1.1)	(\$40.6)	\$0
Estimated effect on 1,000 kwh residential bill by percentage	12.6%	(6.6%)	(3.6%)	(5.7%)	(4.1%)	(5.8%)	--

The precise mechanism for recovery of payments and crediting of receipts on customer bills will vary for each utility company, as will the timing of collections and credits. Entergy Arkansas has requested that payments be recovered through a Production Cost Allocation Rider that is a component of EAI's current rate proceeding before the Arkansas Public Service Commission.

Credits to the other utility companies will be reflected as reductions in fuel expense, with the credits for Entergy Louisiana and Entergy Gulf States LPSC jurisdictional customers appearing as a separate line item on the bill.

In 2001, the Louisiana Public Service Commission and Council for the City of New Orleans initiated the System Agreement litigation, challenging the allocation of costs. The FERC issued a decision in June 2005, and essentially affirmed it in December 2005. In its decision, FERC concluded that, based on current conditions, the System Agreement no longer roughly equalizes total production costs among the utility companies.

In order to reach rough production cost equalization, the FERC imposed a bandwidth remedy by which each utility company's total annual production costs would have to be within plus/minus 11 percent of the Entergy system's average total annual production costs.

Rough production cost equalization payments/receipts will be recalculated each year and will continue to occur as long as there are participating operating companies whose production costs are outside the FERC-established bandwidth. Entergy Arkansas notified the other utility companies in December 2005 that it will no longer participate in the System Agreement at the end of the required notice period, which ends in December 2013. Entergy Louisiana, Entergy Gulf States (in Louisiana and Texas), Entergy Mississippi and Entergy New Orleans are more dependent upon gas-fired generation sources than Entergy Arkansas. Therefore, changes in natural gas prices will change the amount by which Entergy Arkansas' total production costs are below the Entergy system's average total production costs. Currently, Entergy New Orleans is neither a recipient nor a payer because, in large measure, solid fuel contracts the company secured in 2003 have lowered its total production costs to a point near the system average.

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 2.6 million utility customers in Arkansas, Louisiana, Mississippi, and Texas. Entergy has annual revenues of more than \$10 billion and approximately 14,500 employees.

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