BEFORE THE
COUNCIL OF THE CITY OF NEW ORLEANS

IN RE: RESOLUTION REGARDING	**)**	
PROPOSED RULEMAKING TO	**)**	
ESTABLISH INTEGRATED RESOURCE	**)**	**DOCKET NO. UD-08-02**
PLANNING COMPONENTS AND	**)**	
REPORTING REQUIREMENTS FOR	**)**	
ENTERGY NEW ORLEANS, INC.	**)**	

Entergy New Orleans, Inc.

Integrated Resource Plan Status Report

Prepared for Public Review in Response to Resolution R-08-295 of the Council of the City of New Orleans

Submitted for Public Comment on September 30, 2008

Chapter I

The Entergy System Strategic Supply Resource Plan 2008 – 2017

Process and Results

Overview and Summary

Introduction

The Entergy System's[1] Strategic Supply Resource Plan ("SSRP") is the current version of the System's integrated resource plan that has been developed to ensure that the Operating Companies are capable of reliably meeting future customer needs at the lowest reasonable cost. The SSRP is developed from a System wide perspective, but the planning process also includes an area planning activity that specifically addresses regional supply issues and an assessment of the needs of each individual Operating Company. This report presents both the System's SSRP as well as an assessment of the unique needs of Entergy New Orleans, Inc. ("ENO").

The SSRP process includes two major phases: portfolio development and portfolio execution. The portfolio development process begins with a set of planning objectives, which are discussed more fully below and also in Chapter II of this Integrated Resource Plan Status Report. Next, the factors that drive potential future outcomes (such as, for example, load and fuel cost forecasts) are identified, and projections regarding those factors are prepared. Following the development of forecasts of future needs and costs, the planners identify

[1] The Entergy System includes the generation and transmission facilities of the six Entergy Operating Companies (Entergy Mississippi, Inc. ("EMI"), Entergy Arkansas, Inc. ("EAI"), Entergy Gulf States Louisiana L.L.C. ("EGSL"), Entergy Louisiana, LLC ("ELL"), Entergy New Orleans, Inc. ("ENO"), and Entergy Texas, Inc. ("ETI")), which are operated as a single integrated electric system pursuant to the Entergy System Agreement. EAI provided notice on December 19, 2005 pursuant to Section 1.01 of the System Agreement that it will withdraw from the System Agreement. EMI provided similar notice to the Operating Companies on November 8, 2007. Resource planning decisions will reflect EAI's and EMI's notice to terminate participation in the current System Agreement by December 18, 2013 and November 7, 2015, respectively.

alternatives that are available to address those needs and to achieve the plan's objectives, including traditional generating technologies, as well as the consideration of renewable generation, and demand-side management / energy efficiency opportunities ("DSM"). The final step in the portfolio development process is the development of a portfolio of resources (taking into account the fuel and supply role mix and the timing of resource additions) that draws from the available alternatives to meet the System's planning objectives. The development of this strawman portfolio demands the use of a long-term view and the balancing of strategic objectives, including the provision of reliable service at a reasonable cost, the financial integrity of the utility, the mitigation of risk, and complying with regulatory requirements and policies.

Once a long-term planning portfolio has been established, the portfolio execution phase of the planning process begins. The first step in the portfolio execution process is to identify specific projects, including self-build projects such as new nuclear, new coal, or new gas-fired generation, and/or define targeted market-based procurements. This step requires preliminary engineering and detailed cost estimates. Once specific projects are identified, a market solicitation / market testing is conducted, relying on an open market solicitation or other approach for testing the proposed alternative against other alternatives, which may include economically or operationally attractive purchase opportunities offered outside of a formal competitive solicitation. Concurrently with the development of supply-side resources, initial identification and development activities associated with DSM are conducted to prepare viable DSM alternatives. Finally, the least-cost portfolio of alternatives that meet the planning objective is selected. At this step, additional evaluations may be conducted to consider potential transmission alternatives that might meet planning objectives with a lower total cost.

The planning scenarios resulting from the SSRP planning process provide guidance regarding long-term resource additions, but are not intended as static plans or schedules for resource additions. In addition to the analyses of future resource needs and costs that are inherent in the SSRP, the ultimate resource plan also needs to consider the ability of the System and each Operating Company (including ENO) to finance the acquisition or implementation programs associated with the SSRP without inflicting undue harm on either customer rates or the Operating Company.

Objectives

The Entergy System's long-term SSRP process is a principle-based process that applies a set of planning objectives to the facts at hand to arrive at a plan. The objectives that underlie the SSRP first address reliability, providing that the SSRP should provide adequate resources to meet customer peak demands with adequate reliability. The SSRP's objectives then address issues related to production costs, suggesting that the SSRP should provide an appropriate match between the type of resources (*e.g.*, base load, load-following, or peaking) and the load that those resources will be used to serve, and that the System should possess a portfolio of resources that mitigates the exposure to price volatility associated with uncertainties in fuel and purchased power costs. Finally, the SSRP contemplates the enhancement of the current portfolio of generating resources to provide a generation portfolio that provides the flexible capability that the System needs to operate reliably, improves efficiency, avoids an over-reliance on aging resources, and mitigates the exposure to major supply disruptions that could occur from specific risks such as outages at a single generation facility.

Key Drivers

Any long-term resource plan is predicated upon forecasts of the key drivers of future resource needs – especially future loads, future fuel and purchased power costs, and the status of the System's existing generation fleet. The SSRP process addresses each of these key drivers. The SSRP presumes that reliability requirements are met largely from long-term resources, whether owned assets or long-term power purchase agreements. The emphasis on long-term resources mitigates exposure to price volatility and ensures the availability of resources sufficient to meet long-term reliability needs. Excessive reliance on limited-term purchased power exposes customers to risk associated with market price volatility and power availability.

Load Forecasts

First, the SSRP includes a detailed process for forecasting future loads. This process begins with the preparation of a monthly retail energy sales forecast for each revenue class for each Operating Company, the "Retail Sales Forecast." This Retail Sales Forecast is developed using econometric forecasting techniques. Simultaneously, the Wholesale Marketing group prepares a Wholesale Energy Sales Forecast, based on detailed knowledge about the future needs of those wholesale customers. These monthly energy sales forecasts are turned into a 10-year, hourly load forecast through a process that allocates retail and wholesale energy forecasts to each hour based on historical load shapes. Each jurisdiction is modeled using a "bottom-up" approach, which starts with an hourly forecast for each retail class and wholesale customer.

Since 2000, the Entergy System's peak load, as measured by weather adjusted peaks, has grown at a rate of 0.01% per year. Several factors have accounted for the relatively low growth rate:

- Cogeneration load losses have reduced regional load by nearly 3 GWs since 2000.
- Several ammonia manufacturers shut down permanently in the face of unfavorable economic conditions including high natural gas prices.
- Hurricanes Katrina and Rita struck the region in 2005.
- Energy efficiency in residential and commercial HVAC equipment has improved.

Most recently the Entergy System 2007 peak grew by 0.2% from 2006. Prior to Hurricane Katrina, the Entergy System peak grew by 0.4% from 2000 to 2005.

One of the key issues influencing load trends within the region is a greater interest in energy efficiency. A number of factors including environmental concerns and energy prices are stimulating greater interest in energy efficiency measures in the U.S. At the same time customer usage is changing in ways that may increase demand for electricity.

- Lighting, HVAC, and more efficient appliances present downside risk to energy sales and peak load projections as these efficiencies result in less use of electricity per customer.
- New consumer electronics, such as flat panel TVs, computers and video games boost total energy use. In the case of TVs, new units often use more electricity than smaller tube televisions and do not necessarily result in the retirement of the old unit.
- In general, the real estate stock is becoming larger but more efficient. New homes tend to be more energy efficient but larger in size, which increases energy use.

Utility-sponsored DSM programs have also reemerged as programs of interest, and the effect of these programs on load is potentially significant. ENO, in conjunction with the other Entergy Operating Companies, is developing a DSM strategy that is intended to identify and implement cost-effective DSM measures to reduce future resource needs. ENO and the other Operating Companies are focusing on programs that are determined, through a detailed

evaluation process, to have the potential to provide benefits in excess of their costs. These programs are being developed independently of the Energy Smart New Orleans programs currently authorized by the Council of the City of New Orleans ("CNO"), but may address some of the same market segments, technologies, and measures. Examples of these cost-effective DSM programs include: efficient new home construction program, central air conditioning tune-up program, window unit air conditioning efficiency upgrade program, domestic water heater program (setpoint, insulation, low flow), residential and commercial efficient lighting program along with time-of-use, and in-home displays and demand response programs as advanced metering infrastructure becomes available.

The load forecast underlying the 2008 SSRP projects the System's firm peak load growth to average about 1.4% per year from 2008 to 2017. The System's projected 2008 firm peak load (that is, the expected load excluding the loads of customers that can be contractually interrupted) is 20,732 MW and grows to 23,395 MW by 2017. ENO's firm peak load growth rate for the same period is 1.2%, growing from 964 MW in 2008 to 1,070 MW in 2017. Over the same period, both the System's and ENO's average growth rate for energy sales is expected to be 1.4% per year.

Fuel and Purchased Power Cost Forecasts

The Entergy System's planners develop long-term forecasts for fuel prices, including commodity and delivery components, as inputs to the planning process. The System updates its fuel price forecasts at least annually and more often if circumstances require. The specifics of the forecasting methodology and the underlying data sources differ somewhat by fuel. However, in general, the forecasting methodology includes the following elements.

- A reliance on information regarding actual traded markets (*e.g.*, New York Mercantile Exchange ("NYMEX") futures contracts) especially in the near-term in which such traded markets may be most liquid;
- Consideration of third-party forecasts (including those of leading consulting firms) for long-term periods; and
- Development of multiple forecast sensitivities to recognize the uncertainties in long-term fuel pricing.

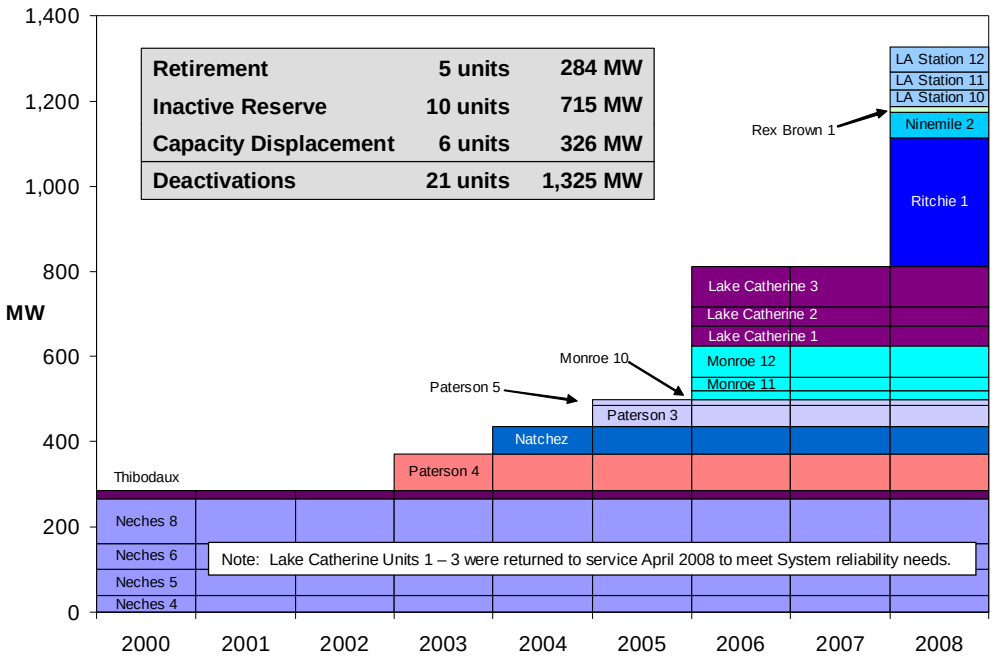
The SSRP seeks to mitigate the exposure to price volatility associated with uncertainties in fossil fuel and purchased power costs. Fossil fuel price forecasts, and the price differentials between fuels, are major drivers of the alternatives for meeting future generating capacity needs. Future fossil fuel prices are inherently uncertain due to unpredictable and uncontrollable global events that influence the short- and long-term price of oil, natural gas, coal, and petroleum coke. The inherent uncertainty and unpredictability in these factors underscores the need to develop a set of plausible price scenarios that bound a reasonable set of long-term price outcomes.

Status of Existing Generating Fleet

A final key driver that must be considered in the development of a long-term resource plan is the status of the existing generating fleet. The Entergy Operating Companies own almost 80 generating units, located at 35 stations. The System's capacity includes 5 units representing 5,082 MW of nuclear-fueled generation, 6 units representing 4,110 MW of coal-fired generation, and 58 gas-fired units representing 14,772 MW of capacity.

The current portfolio includes a number of aging resources. Generating units do not have fixed, definite lives. The System is constantly comparing the cost of maintaining older units in service versus the cost of replacing that capability with new generating units – obtained from the market when possible – that can provide comparable functionality. In many cases, the System has kept older units in service because they represent the lowest reasonable cost alternative. However, the System has deactivated a substantial amount of capacity since 2000, as shown in the following chart:

Cumulative Deactivations Since 2000



In addition, the System has identified approximately 4,000 MW of older gas- and oil-fired units that are likely candidates for deactivation within the ten year SSRP planning horizon. Assuming that the candidate units are deactivated, by 2017, the portfolio will be nearly 10,000 MW short of its reliability requirement if no additional resources were added.

ENO's owned or controlled generation is presented in the following table. That figure indicates that ENO owns or controls a substantial amount of relatively new baseload solid fueled generation, and that, among the Entergy Operating Companies, ENO is expected to have the smallest amount of long-term generation needs, both on an absolute and a relative basis.

		ENOI Share					
Name	Average Age	SSRP Rating (MW)[1]	2008 Summer Rating (MW)	Primary Fuel	Capacity Factor (2005-2007)	City	State
AB Patterson Unit 3	58	IR[2]	IR[2]	Gas	0%	New Orleans	LA
AB Patterson Unit 5	41	IR[2]	IR[2]	Petro	0%	New Orleans	LA
Michoud Unit 1	51	IR[2]	IR[2]	Gas	3%	New Orleans	LA
Michoud Unit 2	45	230	230	Gas	14%	New Orleans	LA
Michoud Unit 3	41	530	515	Gas	23%	New Orleans	LA
Grand Gulf[3]	23	194	193	Nuclear	92%	Port Gibson	MS
Riverbend[3]	23	97	97	Nuclear	88%	St Francisville	LA
EAI Wholesale Baseload[3][4]	28	110	110	Nuclear & Coal	87%	Various	AR & MS
EPI Independence Two[3]	24	50	50	Coal	75%	Newark	AR
Total		**1,211**	**1,195**				

[1] During the preparation of the 2008 SSRP, 2008 summer ratings were not finalized so 2007 summer ratings were used except for IR units

[2] Inactive Reserve Status (rating of zero)

[3] Long-term purchase interest

[4] Age and Capacity Factor is weighted by the MWs in each resource (ANO Unit 1: 23 MW, ANO Unit 2: 27 MW, Grand Gulf: 27 MW, White Bluff Unit 1: 12 MW, White Bluff Unit 2: 14 MW, Independence Unit 1: 7 MW)

Development of Future Resource Needs

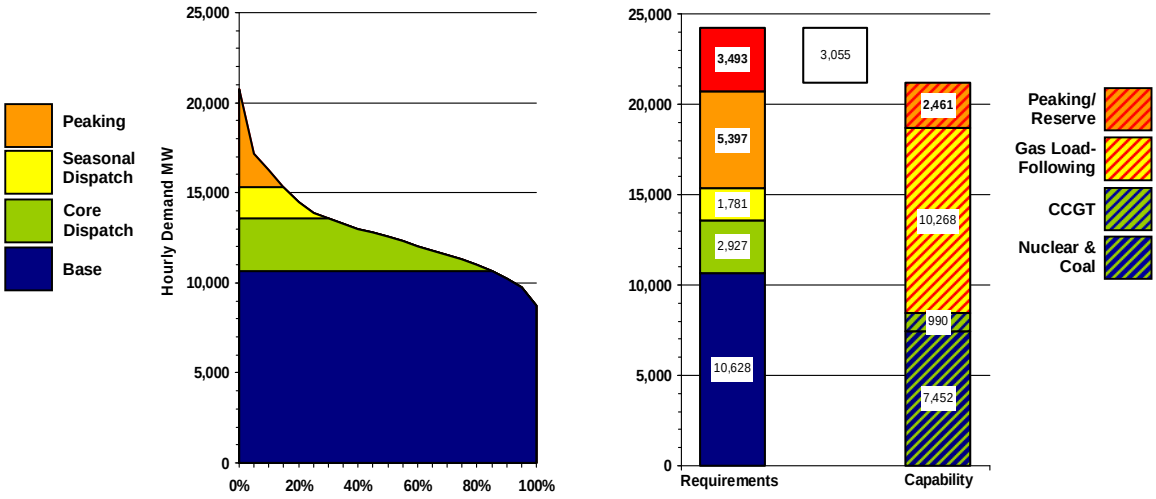
Future resource needs can be evaluated by comparing the load forecast, including an appropriate level of reserves, with the System's resource portfolio, including anticipated additions or deactivations. The difference between the load (plus reserves) and available resources indicates the amount of additional resources that need to be acquired.

The nature of these resource needs can be determined by first developing a depiction of hourly loads known as a "load duration curve," which arrays loads from highest to lowest over

the course of the 8,760 hours of the year. This load duration curve can then be compared to the portfolio of resources available to serve that load. In general, it is appropriate to have baseload resources sufficient to meet the level of load that is achieved in 80 percent of all hours, and to have load following and peaking resources that also fit the load shape. As shown in the subsequent tables the System has substantial deficits in baseload and peaking capacity types.

Current Resource Portfolio

Entergy System Long-term Resource Requirements and Capability for 2008



	Base Load	Core Dispatch	Seasonal Dispatch	Peaking Plus Reserve	Total
Resources (MW)	7,452	990	10,268	2,461	21,171
Requirement (MW)	10,628	2,927	1,781	8,890	24,225
Excess / (Deficit) (MW)	(3,176)	(1,937)	8,487	(6,429)	(3,055)

The current portfolio, as shown above, indicates that the System has a clear need for resources that can fill certain specific supply roles. Thus, the SSRP seeks to acquire additional resources to fill a specific role in the portfolio that can be used to serve customers' load shape requirements at a reasonable cost. The System is approximately 3,000 MW short of base-load resources, which has led to a reliance on existing gas-fired units and gas-correlated purchased

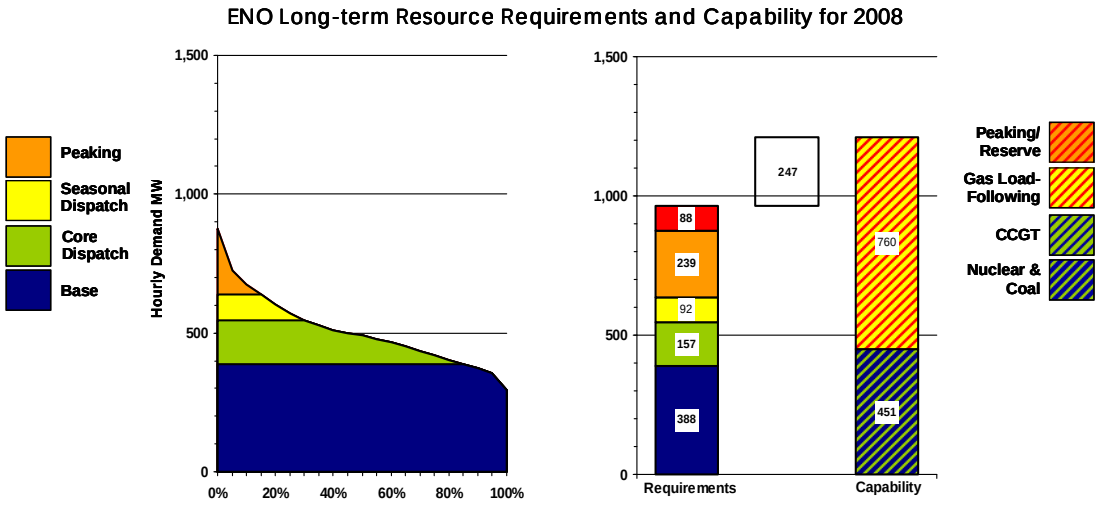
power to meet base load energy needs. Similarly, the System needs 2 to 4 additional strategically-located combined cycle gas turbine ("CCGT") resources to meet present core load-following needs. Currently, core load-following needs are met by relying on existing gas-fired steam generation.

In addition to the collective needs of the Entergy System, each Operating Company needs specific types of resources. Both System and Operating Company needs are addressed in the SSRP's portfolio transformation strategy. The extent and nature of these portfolio transformation needs vary by Operating Company. ENO's future resource needs are fairly unique among the Entergy Operating Companies. First, the System has allocated to ENO, on a proportional basis, a substantial amount of the incremental baseload generation that has been added to the System, including a life-of-unit power purchase agreement ("PPA") for one-third of the River Bend 30% formerly owned by Cajun Electric Power Cooperative, Inc. which provides ENO approximately 98 MW of baseload capacity, a life-of-unit PPA for approximately 110 MW of a mix of coal and nuclear baseload capacity acquired from Entergy Arkansas, Inc. (which is often referred to as the EAI Wholesale Baseload, or "EAI WBL" capacity), and a long-term PPA with an option to buy half of the 101 MW (approximately 50 MW) of Independence Steam Electric Station Unit 2 ("ISES 2") coal-fired capacity purchased from Entergy Power Inc. ("EPI").

In addition, Hurricane Katrina has resulted in a persistent reduction in ENO's load. On August 23, 2005, ENO had a peak load of 1,248 MW. Following Hurricane Katrina on August 29, 2005, ENO experienced a significant load reduction. In 2008 ENO's owned or controlled resources exceeded its projected need of 964 MW (which is based on expected firm load plus a 10% reserve margin) by 247 MW (to understand the extent of this excess capacity,

it is helpful to consider that 1 MW is sufficient capacity to serve approximately 800 residential households). By 2017 the resource surplus is expected to shrink to 141 MW. If New Orleans load growth exceeds current expectations, ENO could need new resources before the end of the ten-year planning period.

Current Resource Portfolio



	Base Load	Core Dispatch	Seasonal Dispatch	Peaking Plus Reserve	Total
Resources (MW)	451	0	760	0	1,211
Requirement (MW)	388	157	92	327	964
Excess / (Deficit) (MW)	63	(157)	668	(327)	247

Operating Company requirements assume a ten percent reserve margin planning guideline.

Supply role requirements are intended as general guidelines for portfolio planning purposes without consideration of practical operational requirements. In assessing the portfolio relative to these guidelines, each unit has been assigned within a specific supply role. In actuality, the distinction between supply roles is neither sharp nor static.

Although ENO does not have an immediate need for capacity to meet its reliability objectives, the capacity upon which ENO relies to provide flexibility is aging. Thus, ENO will consider the addition of some amount of new load-following capacity, most likely CCGT capacity, either through a self-supply option standing alone, partnering with another Operating Company, or as a long-term purchase.

Potential Resource Alternatives

The SSRP envisions that specific technology and site selections will be made as generation projects are implemented over the planning horizon. The System will choose technologies, select sites, and determine resource timing based on the best information available at the time. The relative economics of technology alternatives, and thus the optimal portfolio mix, depend on the outcome of a number of key uncertainties including, but not limited to, future natural gas price levels and potential CO_2 legislation. By deferring technology and site selection to the time of project development, the System is able to recalibrate the resource plan over time to ensure a better portfolio mix as better information becomes available and as uncertainties are resolved.

The System will continue to pursue a long-term strategy of a diversified portfolio mix. However, given the uncertainties associated with generation economics, priority will be placed on relatively lower risk CCGT and combustion turbine ("CT") resources during the current planning cycle. In the early part of the planning horizon, solid fuel additions will be limited to ELL's Little Gypsy Repowering Project and a small amount of additional capacity associated with the EPI ISES 2 contract that will become available upon the expiration of sales agreements between EPI and other third-parties. The System will continue to evaluate generation alternatives including solid fuels, nuclear, and renewable generation, and will take appropriate steps to ensure that these alternatives remain viable.

A number of recent developments and trends affect relative economics of technology alternatives. Gas prices have remained high relative to historic levels. Many consultants continue to revise upward their long-term reference case forecasts. The August 2008 natural gas forecast now contemplates long-term sustained gas prices levels above $8.00/mmBtu

(2008$), with near-term prices around $9.00/mmBtu on an annual basis. All things equal, sustained high gas prices affect the relative economics of gas-fired technology.

The prospect for CO_2 regulation in the future continues to increase. Nevertheless, at this time, it is not possible to predict with any degree of certainty whether CO_2 legislation will eventually be enacted, and, if it is enacted, when it would become effective, or what form it would take. All else equal, the implementation of CO_2 regulation would be expected to change the relative economics of technologies. Solid carbon-based technologies would be negatively affected relative to nuclear and gas. However, the implication of CO_2 regulation for long-term gas prices is unknown. On the one hand, it is conceivable that CO_2 regulation could stimulate demand for natural gas and as a result push natural gas prices higher. On the other, it is likely that long-term natural gas forecasts already contemplate this effect at least to some extent.

Costs of power plant components have increased markedly. Both commodity and labor costs have risen. This condition reflects current market demand world-wide. Power plant component escalations have a more significant effect on capital intensive technologies such as nuclear and solid fuel resources, which are relatively more capital intensive than gas resources.

A number of factors, including recent escalations in capital costs for power plant components, the growing prospects for CO_2 regulation, risks associated with fuel security, fuel prices, and a renewed interest by customers have stimulated interest in DSM initiatives among regulators and policy makers. Similar concerns are driving growing interest in renewable generation technology, particularly wind. Some of these emerging factors have increased the potential benefits of some DSM initiatives to a point at which those potential benefits exceed the cost of these initiatives to customers, prompting the above mentioned renewed interest.

A summary of the technologies considered in the SSRP, and an evaluation of the deployability of each, are presented in the following discussion, as are other key considerations in the planning process.

Longer-term Solid Fuel and New Nuclear

Other than the Little Gypsy Repowering Project, which is a project that will replace the existing natural gas boiler at ELL's Little Gypsy Unit 3 with twin petroleum coke-fired circulating fluidized bed boilers, all alternatives for addressing reliance on natural gas in the longer-term are subject to greater uncertainties. The relative economics of solid fuel and nuclear alternatives depend heavily on future natural gas price levels and CO_2 regulation. The capital investment and long-lead times associated with these technologies are substantial, and must be considered in the face of uncertainties associated with CO_2 and natural gas prices. All technologies have experienced increasing construction costs, but capital intensive solid fuel and nuclear technologies are most affected.

New Nuclear

The time required to deploy new nuclear technology is expected to extend beyond the ten-year planning horizon. Because of its capital intensity, this technology is affected significantly by recent cost escalations in power plant components. Moreover, given the state of reactor development and continuing component and labor cost escalations, final cost estimates are uncertain. Counter balancing these concerns, however, are the increasing prospect of CO_2 regulation, which would favor new nuclear given its zero emissions profile.

At this time, the best available information continues to suggest that new nuclear offers the potential for attractive economics, especially in high natural gas and CO_2 cost outcomes. However, the economics of new nuclear generation versus the other competing central station alternatives are uncertain and depend on a number of factors including, but not limited to:

- The ultimate construction cost of a new nuclear facility;
- Natural gas price levels; and
- CO_2 cost.

The long lead times and high capital cost associated with developing and constructing a new nuclear project involve risks that are substantially different from those affecting other traditional generation technologies. For several years, the Entergy System has been planning for and pursuing the regulatory approvals required to build the next generation of nuclear generating facilities.

The current SSRP recognizes that it is unlikely that a new nuclear unit can be constructed by any Entergy Operating Company(s) within the ten-year planning horizon. The Entergy Operating Companies continue to evaluate the economics of new nuclear technology. The System has not yet made a final decision to build a new nuclear plant but is moving forward to preserve the option if nuclear generation is determined to be the best choice.

Carbon-Based Solid Fuel

The Little Gypsy Repowering Project continues to offer reasonable economics and is the only alternative available within the next five-to-seven years to provide meaningful levels of capacity to reduce reliance on natural gas.

The economics of longer-term solid fuel alternatives are less certain. By the end of this planning horizon, a wider range of solid fuel alternatives may be deployable (for example, integrated gasification combined cycle ("IGCC")). Moreover, evaluations of solid fuel technologies deployable at the end of the ten-year planning horizon should consider that new nuclear may also be deployable by that time or shortly thereafter. The System continues to assess solid fuel and nuclear economics. Both pulverized coal ("PC") and circulating fluidized bed ("CFB") technologies are deployable within this time frame with relatively known cost and performance parameters. IGCC technology is less mature and continues to price at a premium (at least 20%) above other near-term carbon fuel alternatives. However, IGCC costs are less certain than more established technology alternatives and could see reduction through learning curve effects as the technology continues to mature. Moreover, deployment at tactically selected locations (*e.g.*, refineries) may offer significant process synergies that may improve economics. Given the technology's perceived potential for carbon capture, IGCC merits consideration for solid fuel deployment in the near-term, but only in the event that a specific site opportunity is identified.

Gas-fired Technologies

Gas-fired technologies continue to provide attractive economics for intermediate and peaking roles despite the potential for sustained high gas-price levels above $8.00/mmBtu (2008$). F-class CCGT machines continue as the technology of choice for large scale load-following installations. F-class simple cycle combustion turbines provide the technology of choice for general peaking applications.

New smaller scale gas-fired machines (*e.g.*, LMS100) offer some unique operating and size advantages that merit consideration for some peaking applications. These machines may be suited for circumstances in which local area reliability concerns require the addition of generating capacity or voltage support but where the higher cost of larger scale F-class installations may be unwarranted or where siting considerations present particular challenges. The ability to deploy these machines more quickly may also represent an advantage in some circumstances. However, based on best available information, these machines presently are priced on a $/kW basis above F-class machines. The current pricing differential does not justify strategic selection as the technology of choice for general load-following or peaking applications.

Demand-Side Management

DSM is a set of actions, activities, or measures that impacts energy usage, energy usage patterns, or customer behavior as it relates to energy consumption. DSM includes:

- Conservation: Activities or actions that reduce energy use through changes in lifestyle and the reduction in energy consumption through activities such as increasing thermostat settings on air conditioning equipment in the summer, lower thermostat settings on water heaters, turning off lights when not in use, etc. Conservation activities typically require little to no investment by the customer to reduce energy usage.

- Energy Efficiency: Activities or actions that typically require an investment to achieve lower energy usage, such as improving insulation levels, sealing heating and cooling ducts, weather stripping, caulking, the purchase of more efficient appliances etc.

- Demand Response: Activities or actions that result in changes to energy use patterns that may or may not reduce overall energy usage. Demand response programs are utilized to lessen customer usage or demand during peak periods or those times when the cost to supply energy is more expensive. Programs in

this area include interruptible rates,[2] Time of Use (TOU) rates, load control programs such as AC or pool pump switches, etc.

A summary of the history of policy on DSM is helpful to understand the Entergy System's current consideration of such initiatives in the SSRP. Policy fostering DSM was last at the forefront in the Entergy region during the early and mid-1990s when most jurisdictions were considering integrated resource planning policies applicable to that time period. Subsequently, due to shifts in policy and the economics of alternative sources of energy, the focus of electric utility resource planning shifted away from DSM programs to supply side resources, wholesale market structure, and retail competition.

The System, including ENO, has in the past and continues to encourage energy conservation through customer education and awareness through the use of bill inserts, bill messaging and other media. Recently, a number of factors including environmental concerns, fuel prices, fuel security, and increased capital cost associated with new construction of generation have reinvigorated interest in DSM. Thus, the Entergy System deemed it appropriate to initiate a comprehensive study to determine the cost effective potential of DSM programs for each of its Operating Companies. In 2007, the System engaged ICF International, a recognized consulting firm with experience in designing and implementing DSM strategies, to assess the current market achievable potential for DSM. That "bottoms-up" study includes identification of viable DSM measures, estimated demand and energy savings, program cost associated with achieving those savings along with the calculation of cost effectiveness tests for each of the proposed DSM measures. The Entergy Operating

[2] The Operating Companies offer interruptible service under various rate schedules, and there is approximately 542 MW of interruptible load on the System. At the time of System peak there is approximately 489 MW of interruptible load. The latter number is lower than the total interruptible load due various interruptible tariff restrictions. The Entergy System does not plan to acquire resources to serve interruptible load.

Companies are now evaluating the preliminary results of the ICF study to assess the potential for energy efficiency DSM within the System at the residential, commercial, and industrial levels. Final results of that study are not available at this time. However, the preliminary results have been incorporated into the SSRP's Reference Planning Scenario. Preliminary results indicate that approximately 1,100 MW of peak demand reduction is achievable over a 10-year period. The Reference Planning Scenario assumes that peak reliability requirements are reduced by these amounts.

The current SSRP does not propose any particular new DSM programs. Rather, the SSRP assumes that individual Operating Companies will use the results of the ICF study to begin a dialogue with their respective regulators to determine the appropriate regulatory framework for development and implementation of new DSM programs. For purposes of planning, however, the SSRP assumes that DSM programs that are deemed to be cost effective (based on analysis consistent with the ICF study) will be funded and approved for implementation by the respective regulator during the 10-year planning period, after appropriate review and scrutiny. It is recognized that regulators may adopt DSM programs that target measures under cost/benefit criteria different from that presented in the ICF study (*e.g.*, Energy Smart New Orleans), which may lead to implementation of measures different than contemplated by the ICF study that may yield a different level of savings and cost. As programs are better defined and developed, the SSRP will need to be adjusted to reflect the actual implementation dates and scope of new DSM programs as they become known.

Distributed Generation

Distributed Generation (DG) refers to use of small-scale power generation technologies, including renewable applications, located close to the load being served. Customer-owned DG can be used to lower a customer's consumption from the grid or serve as back-up power. The current amount of DG in the Entergy System is not material (with the exception of seldom-used back-up power supply systems (*e.g.*, diesel-fired generators) and is not expected to increase to any degree that would offer the potential for meaningful levels of power on the Entergy System during the SSRP planning horizon. The relative higher cost of DG appears to be the primary factor limiting the market penetration of customer-owned DG on the Entergy System. To the extent future improvements in technology make customer-owned DG more cost-effective compared to central station generation, any reductions in load due to DG installation could serve to reduce the amount of generation capacity required to be added over the planning horizon. The Entergy System continues to monitor the development of DG to determine if utilizing DG as part of an overall Demand Response Program could be a cost-effective and reliable resource to help meet short term peak load.

Renewable Generation

The Entergy System is evaluating the cost-effectiveness of renewable generation alternatives, which includes third-party assessment of renewable generation technologies. The evaluation relies on a recent study developed by the Electric Power Research Institute ("EPRI") and a second study prepared by the Entergy System in conjunction with EPRI. These comprehensive, objective studies analyze the viability of renewable generation

technologies.[3] The first study analyzes how different policies and prices may affect the expansion and integration of renewable generation technologies, including solar, wind, biomass, geothermal, and hydro applications. The first study compares the cost of renewable generation to that of fossil generation under different policy scenarios (*e.g.*, new emissions costs and mandated renewable portfolio standards). The second study also assesses (1) the potential for economic deployment of renewable generation within the United States, particularly within the Entergy region, and (2) how the introduction of a national renewable portfolio standard might affect total supply cost for the System.

The Entergy System will evaluate renewable generation projects on a comparable footing with other supply-side alternatives. That means that the Entergy System will pursue renewable generation projects that are cost effective and reasonable in light of other options. At this time, it does not appear that renewable generation alternatives offer the potential for meaningful levels of economic power within the Entergy region. The referenced studies indicate that the Southeast U.S. in general, and the Entergy region in particular, are disadvantaged relative to most regions within the U.S. in terms of renewable generation potential. The opportunity for economic deployment of renewable generation within the Southeast is far less than the national average, due to physical and geographic constraints related to a lack of sustained wind currents and direct sunlight. Biomass generation may be more environmentally attractive than coal; however, as with other solid fuels the capital cost associated with developing new plant dedicated to burning biomass is high, and there are high transportation and storage costs for biomass due to its low heat content relative to coal.

[3] *Role of Renewable Energy in Sustainable Generation Portfolio*, Electric Power Research Institute (2008); *Regional Portfolio Standards — A Study of Implications for the Entergy Utility System*, Electric Power Research Institute and Entergy Services, Inc. (2008).

To put this in perspective, a change in law or policy to impose renewable portfolio standards mandating the construction or use of renewable technology within the Entergy region can be expected to increase generation supply cost by 30% or more over the next two decades. Absent such a mandate or technology advancements that affect the cost of renewable generation, it is questionable whether the marginal benefits to Entergy System customers of a System-wide renewable generation portfolio currently justify such an increase in costs. However, the Entergy System allows the individual Operating Companies flexibility to develop pilot programs or tailored rate schedules designed to give customers options related to renewable energy.

Emissions

The Entergy System takes seriously its commitment to emissions reductions. The Entergy Operating Companies, collectively, were the first utility to voluntarily cap greenhouse gas emissions – and did so at the calendar year 2000 levels through 2005. The Entergy System established the Environmental Initiative Fund (EIF) as part of that same commitment. The EIF earmarks funds for capital improvements and operation and maintenance improvements at the Entergy Operating Companies' fossil fueled plants and other projects aimed at reducing greenhouse gas emissions. At its inception, approximately 80% of the EIF was used to fund projects that reduce emissions directly, have energy efficiency improvements resulting in reduced fuel consumption or improved heat rates, or other indirect emissions reductions and efficiency improvements. The remaining 20% of the EIF targeted external projects to capture carbon dioxide through measures such as reforestation and enhanced oil recovery.

More recently, the Entergy System made its second five-year commitment to voluntarily stabilize its greenhouse gas emissions at 20% below year 2000 levels from 2006 through 2010. For the second commitment, the EIF is focused exclusively on external projects, such as purchasing verified CO_2 offsets from third-parties.

Finally, the current DSM study under consideration by the Entergy System, discussed above, includes the evaluation of emissions reductions that result from certain measures.

Transmission Planning

All electric utility resource planning must be done in the context of functional separation of transmission and generation required by the FERC. The FERC has established standards of conduct that place limitations on the sharing of information between the transmission function (including transmission planning) and the wholesale merchant function (*e.g.*, SPO). These rules and regulations limit the utility's ability to develop a fully integrated resource plan that incorporates both generation planning and transmission planning. For example, while it might be proper for an independent third-party such as the Independent Coordinator of Transmission to screen transmission projects for economic benefits, it would not be appropriate for the utility to incorporate the results into its resource plan or competitive bid process until detailed utility-specific analyses are completed consistent with governing rules and regulations. In addition, information developed by the utility's transmission function related to its future transmission system expansion plans must be posted via the transmission provider's Open Access Same Time Information System ("OASIS") in order to ensure that it is provided to all market participants at the same time. The transmission planning conducted

by the Entergy Transmission Business Unit is discussed separately from the SSRP in light of the FERC requirement of functional separation.

The SSRP processes do consider certain elements of transmission as part of resource planning. In the case of long-term resources – whether bricks and mortar acquisitions or power purchase agreements – SPO considers the cost associated with obtaining long-term network transmission service and assesses the potential benefits associated with required transmission upgrades. The Entergy Operating Companies consider funding such transmission upgrades if the results of the assessment indicate that doing so represents an economic alternative for meeting customers' needs. In the case of shorter-term transactions, funding transmission upgrades is typically not in the best interest of customers because the output of the generating resource is not committed to the benefit of customers for a sufficiently long period of time to justify the investment in transmission. However, the cost of transmission for shorter-term transactions is considered as part of the all-in cost of any bid, and available transmission capacity is evaluated to assess the deliverability of power. Finally, information available on Entergy's OASIS and available to all market participants is utilized, among other purposes, to periodically update production cost modeling tools, so that approved transmission projects identified in the Entergy TBU Construction Plan are properly considered in the planning process.

Distribution Planning

Distribution projects that affect resources used to serve customer load are largely limited to DSM and DG, which are discussed separately above.

Portfolio Transformation Execution

The System generally acquires the longer-term resources necessary to satisfy the forecasted load requirements of the System through formal Request for Proposal ("RFP") processes, either to identify appropriate opportunities to procure resources from the market or to market-test self-build options. This process is also used to acquire the limited-term (1 to 3 year) resources used to meet needs identified in the tactical planning process.

As a brief overview, the formal RFP process begins with the identification of the resource needs for the System, which results in the determination of which products the RFP will request. To ensure a fair and impartial process, one group within the Entergy System oversees the design, development, and implementation of the RFPs, and a separate group evaluates the proposals under strict confidentiality protocols, and recommends to the Operating Committee which proposals should be placed on the short list for further negotiation. After the Operating Committee approves the proposals to be included on the short list, Commercial Operations manages the negotiations with the short-listed bidders.

For each RFP, the evaluation process considers the ability of each of the proposals to mitigate production costs of the System relative to what they would have been but for the addition of the resource embodied in the proposal. The evaluation process uses both fundamental screening models and the PROSYM production cost simulation model to evaluate the proposals, taking into account the fact that each of the proposed resources has different characteristics, such as cost, availability, and duration. The objective of the evaluation process is to identify the resources that produce the lowest reasonable total System production cost for each incremental kilowatt added.

The System has used the RFP process to acquire, for example, the 718 MW Perryville facility, located near Monroe, Louisiana and is working to close an acquisition of the Ouachita facility, a 789 MW facility located near Sterlington, Louisiana. In addition, outside of the RFP process, the System has acquired the 480 MW Attala facility located near Kosciusko, Mississippi and has also acquired the 322 MW Calcasieu facility located near Sulphur, Louisiana. Although these resources were acquired outside a formal RFP, the System was able to compare the benefits of these resources against the resources offered to the System in a recent, previous RFP. Each of these transactions added new, fully controllable, highly efficient gas-fired CT or CCGT generation to the System. The System expects to continue to use periodic RFPs to identify cost-effective resource options and will continue to evaluate opportunities outside of a formal solicitation process if the offer presents compelling benefits to customers.

The System is currently conducting its Summer 2008 RFP. In the Summer 2008 RFP, ESI is soliciting proposals for limited-term and long-term capacity provided by solid fuel, CCGT and/or simple-cycle CT generation resources currently in commercial operation. The total requirements of the Entergy Operating Companies reflect the need for up to approximately 750 MW of one-year proposals to contribute to the satisfaction of anticipated peak period reliability requirements for 2009, and up to approximately 1,500 MW of proposals for three years or greater to contribute to the satisfaction of anticipated peak period reliability requirements for 2010 and beyond. After a period of time for the consideration of stakeholder comments, the final Summer 2008 RFP was issued on July 28, 2008, with a proposal

submission deadline of August 21, 2008. Evaluation of the proposals that have been received will proceed under the method and schedule set forth in the RFP documents.[4]

The Entergy System's Participation in the Merchant Market

Over the past several years, Entergy System used the large presence of merchant generation on its System for the benefit of its native load customers by displacing generation from its older gas-fired generating units with purchases of energy from merchant generators. For example, the System's 2006 system production costs totaled $6.6 billion, of which $4.7 billion were fuel and purchased power. Purchase power costs alone were $2.6 billion, or almost half of total production costs. The fact that purchased power costs constitute a large share of the System's production costs is proof that the System has made extensive use of the substantial amounts of merchant capacity located within the region.

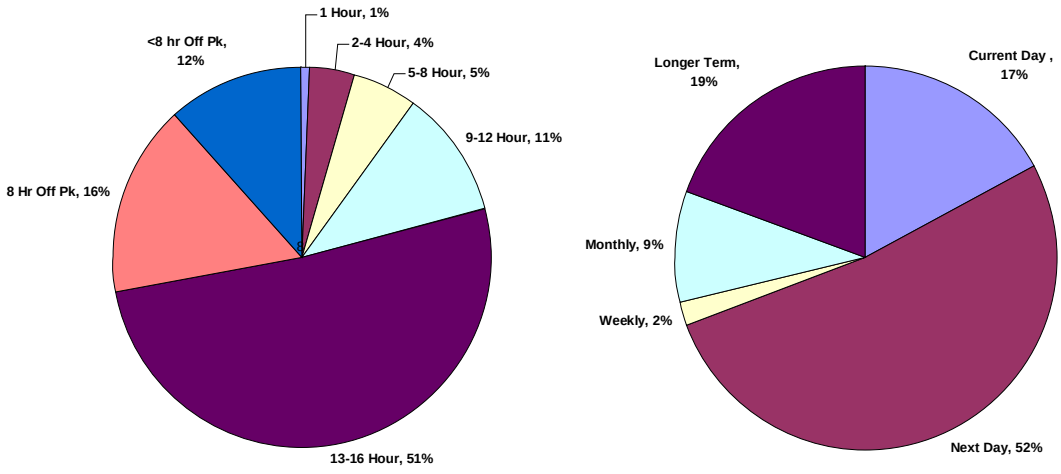
As discussed above, the Entergy System's longer-term planning process allows merchant generators the opportunity to bid resources identified in a formal RFP. In addition, the Entergy System's longer-term planning and resource acquisition processes are designed to afford flexibility that will allow the System to respond to shorter-term opportunities to use merchant generation to displace energy from more expensive existing resources. The System has in place several routine shorter-term processes that offer the opportunity for merchants to sell power to the System. These processes include the Monthly RFP process, the weekly RFP process, the Next Day process and the Current Day process.

Under the Monthly RFP process, the System solicits monthly offers from wholesale market participants, evaluates the offers against the expected cost of the System's own

[4] The procedures applicable to the Summer 2008 RFP are described in more detail in the RFP documents, which can be accessed through the RFP website at https://emo-web.no.entergy.com/ENTRFP/index.htm.

resources over the next month, and makes monthly purchases that are expected to save money versus running the System's own resources. The weekly RFP process follows the same format and results in weekly power purchases. In addition, the System has a Next Day process that results in power purchases in the day-ahead wholesale power market, and a Current Day process that results in power purchases in the hourly wholesale power market. Within each of these processes, the System enters into agreements to purchase energy on- and off-peak, and into agreements to purchase energy for periods of a single hour, blocks of 4, 8 or 16 hours, or longer. The diversity of the types of purchases that the System makes is illustrated in the chart below, which demonstrates that the System buys both a wide variety of types of power through a variety of processes.

2007 Purchases by Duration and by Process



However, quite reasonably, the System cannot use merchant power to displace 100% of its owned generation. The System does still generate significant amounts of power from its own facilities, but this remaining use of the older Operating Company-owned generating units is not due to the Entergy System favoring its own generation. It is due largely to the fact that the flexibility provided by the older generators is needed in order to run the System reliably and in compliance with the requirements imposed by the national reliability authority. The Entergy System Dispatcher requires a substantial amount of flexible generation capability to be used for load following, operating reserves, and other essential purposes, in order to operate reliably. To date, these services have not been widely available from merchant generators. Many of the merchant generators that have located on the Entergy System typically offer to sell the System power in fixed volume for a defined period of time – so called "block products" – which do not provide the System with flexible capability. The System has encouraged merchant generators to provide more "flexible" products so that even more of its older generation might be displaced. However, the System has reached the practical limit on its ability to purchase from merchants absent their offering more flexible supplies. Even if the merchant generators were to offer block products at prices that are much lower than the cost of energy from the Operating Companies' older gas-fired units, the System is limited in its ability to further reduce the output of these units with purchased power and at the same time continue to run its System reliably.

There are several reasons that the System has such a large need for flexible capability. One in particular is the presence of a large amount of Qualifying Facilities ("QF") generation on the System, which have the right, but not the obligation, to deliver power to an Operating Company, in any hour. Compared to other U.S. systems, the Entergy System has an unusually

large amount of QFs on its System. Instead of entering into contracts with one or more of the Operating Companies that would define both the price paid and the obligation to deliver energy, these QFs rely on their entitlement under the Public Utility Regulatory Policies Act of 1978 ("PURPA") to deliver their energy to an Operating Company at any time, without notice, and to receive a payment based on System avoided costs in that hour. The large presence of QFs has had a direct effect on the operation of the System. In short, the fact that the QFs can change their output with no notice means that the System must have substantial flexible capability in its generating mix in order to operate reliably. This in turn has affected the System's ability to buy from *other* merchant generators.

In 1999, the System's older gas-fired units provided 46 million MWh of energy, accounting for 40% of the System's requirements. By 2007, output from these older gas units had fallen by 60%, to 17% of the System's requirements, or 19 million MWh. The output was replaced by (1) purchases from merchant units (including QFs); (2) output from CCGT units – efficient new generators that were built as merchant units and which the System purchased outright; and (3) increased output from the System's baseload coal/nuclear facilities. During this time, purchases from non-affiliated merchants grew from 18% of the System's MWh in 1999 to 30% in 2007. In 2007, ENO purchased over 6% of its total energy needs from nonaffiliated wholesale market suppliers**.**

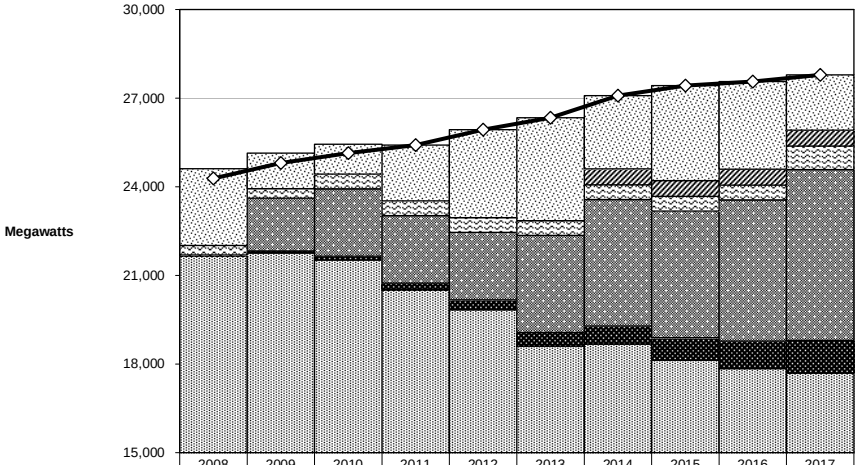
The System was not able to displace more of the older gas-fired generation because of the System's need for flexible capability. The necessary types of flexible capability are rarely offered to the System by merchant suppliers in the short term energy markets. The System has repeatedly told the suppliers that it needs more flexible offers in order to increase its use of merchant generation, but it generally receives offers only for block products, which involve a

fixed volume of power for a specified time, with limited or no ability for the System to adjust the output of the generator. The System is continuing to seek better ways to address the procurement issues.

The SSRP

The long-term resource plan that has resulted from the application of the objectives and analyses discussed above is shown below:

Reference Planning Scenario



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Limited-term Purchases	2,598	1,204	1,008	1,893	2,980	3,480	2,477	3,214	2,967	1,869
LG3 (Baseload)	0	0	0	0	0	0	538	538	538	538
Load-following and Peaking	322	322	497	497	497	497	497	497	497	797
Baseload and Load-following	0	1,784	2,284	2,284	2,284	3,284	4,284	4,284	4,784	5,784
DSM	37	69	127	219	338	468	608	761	925	1,102
Existing Resources	21,657	21,761	21,523	20,521	19,836	18,606	18,679	18,132	17,849	17,696
Reference Reliability Need	24,283	24,805	25,142	25,414	25,936	26,335	27,084	27,426	27,561	27,787

CHAPTER II
Summary of
The Entergy Electric System Strategic Supply Resource Plan
Update for the Planning Period 2008 – 2017

(An Integrated Resource Plan for the Entergy Electric System)

June 2008

Table of Contents

Glossary of Acronyms

- **CAGR** – Compound Annual Growth Rate
- **CCGT** – Combined Cycle Gas Turbine
- **CCS** – Carbon Capture and Sequestration
- **CFB** – Circulating Fluidized Bed
- **COLA** – Combined Construction and Operating License Application
- **CT** – Combustion Turbine
- **DSG** – Down Stream of Gypsy
- **DSM** – Demand Side Management
- **EAI** – Entergy Arkansas, Inc.
- **EGSL** – Entergy Gulf States Louisiana, L.L.C
- **ELL** – Entergy Louisiana, LLC
- **EMI** – Entergy Mississippi, Inc.
- **ENO** – Entergy New Orleans, Inc.
- **ETI** – Entergy Texas, Inc.
- **IGCC** – Integrated Gasification Combined Cycle
- **IRP** – Integrated Resource Plan
- **NYMEX** – New York Mercantile Exchange
- **PC** – Pulverized Coal
- **QF** – Qualified Facility
- **RFP** – Request for Proposal
- **RPS** – Renewable Portfolio Standard
- **RRS** – Renewable Resource Strategy
- **SPO** – System Planning and Operations
- **SSRP** – Strategic Supply Resource Plan
- **WOTAB** – West of the Atchafalaya Basin

Executive Summary

Executive Summary

- This document summarizes the Entergy System's current Strategic Supply Resource Plan ("SSRP") assumptions and the resulting Reference Planning Scenario for the planning horizon beginning in 2008.
- In designing a portfolio of resources to meet customer needs, the Entergy System seeks to balance a set of supply objectives including reliability, cost, and risk mitigation. The overall objective is to meet customer needs reliably at the lowest reasonable cost. However, determining what is reasonable necessitates consideration of risk.
- The current environment for resource planning is a dynamic one in which a number of uncertainties may alter supply needs and the long-term economics of resource alternatives. Key uncertainties include, but are not limited to:
  - Price and Availability of Natural Gas – In recent years the price of natural gas has risen and become more volatile. Long-term forecasts for natural gas prices continue to indicate prices above historical levels. Other fuels also have experienced price increases. However, the implication of price increases for natural gas are more significant because of the System's reliance on natural gas and because fuel represents a relatively greater portion of total supply cost for gas-fired technologies.
  - Power Plant Construction Cost – In recent years the cost of constructing new power plants has risen rapidly. Although effects differ by technology and location, in general, the costs associated with constructing a power plant more than doubled since 2000. The increases in power plant construction cost have affected all technologies. However, capital intensive technologies such as coal and nuclear are most affected.

  - Market Conditions – Since 1999 the Entergy region has experienced a build out of merchant generating capacity. More recently, market conditions have begun to tighten and this trend is expected to continue. As a consequence, market prices generally are expected to rise and become more volatile. Further, the availability of merchant capacity to meet customer needs is expected to decline.

  - Environmental Concerns – The issue of potential climate change associated with atmospheric greenhouse gases has received growing attention in the media and with governmental policy makers. Emissions from power plants are a major source of CO2, which is a greenhouse gas. It is not possible to predict with any degree of certainty whether CO2 legislation will eventually be enacted, and if so, when it would become effective, or what form it would take. However, any form of CO2 legislation would likely result in higher cost for electric generation. Because alternative technologies emit different levels of CO2 per MWh of generation, CO2 legislation would likely change the relative economics of supply alternatives.

- Such uncertainties represent risks that affect how resource alternatives can support the achievement of planning objectives. Resource alternatives that are economic under one set of assumptions, may be less economic under different assumptions.

- The SSRP incorporates strategies to mitigate these risks, including but not limited to:

  - The Entergy Operating Companies continue to pursue a long-term strategy of a diversified resource portfolio that includes a mix of technologies and fuel sources. Supply diversity mitigates risk by protecting customers from changes in the cost and availability of production cost inputs such as fuel.

- The Entergy Operating Companies seek to identify economical demand-side management and energy efficiency measures that can reduce long-term supply needs, lower long-term customer costs, and mitigate risks associated with uncertainties such as load, environmental regulation, and fuel cost and availability.
- The SSRP calls for the development of self-supply options that would enable the System to construct new generating capacity when it is needed and economically justified.
- The SSRP assumes that reliability requirements are met largely from long-term resources, whether owned assets or long-term power purchase agreements. The emphasis on long-term resources mitigates exposure to price volatility and ensures the availability of resources sufficient to meet long-term reliability needs.

Executive Summary

Reference Planning Scenario

- Key assumptions in the Reference Planning Scenario include:
  - Completion of the Little Gypsy Repowering Project to add a source of stable-priced base load energy and reduce reliance on natural gas-fired resources.
  - Increased reliance on demand-side management and energy efficiency initiatives.
  - Continued evaluation of new nuclear as an alternative for economically meeting long-term base load needs. New nuclear offers the potential for an economic source of stable-priced power with zero carbon emissions.
  - Continued evaluation of other stable-priced base load technologies, including advanced coal technologies.
  - The addition in the near-term, of modern efficient gas-fired combined cycle gas turbines ("CCGT") and combustion turbines ("CT") to provide capacity to meet reliability needs over the next several years as the System continues to evaluate new nuclear and other long-term base load alternatives. Despite reliance on gas as a fuel, CCGT and CT resources represent a relatively low risk alternative to meet System load-following needs because they are suited operationally and economically to provide flexible capability.
- The SSRP is a dynamic process for long-range planning that provides for a flexible approach to resource selection. The planning scenarios resulting from the SSRP planning process provide guidance regarding long-term resource additions, but are not intended as static plans or pre-determined schedules for resources additions. Actual portfolio decisions are made at the time of execution.

Executive Summary

On-going Planning Efforts

- The System's SSRP is a dynamic and on-going planning process. This update incorporates the best available information at the time of its development. The System anticipates continuing to update the SSRP planning assumptions and scenarios periodically.
- The System Planning and Operations Department ("SPO") acts on behalf of the Entergy Operating Companies and, at the direction of the Entergy Operating Committee plans for and procures supply-side resources to meet customers' needs. At any time the System has a number of planning initiatives underway that when completed would be expected to inform future plan updates. Planning efforts over the coming year are expected to include the following
  - New Nuclear Development – In the coming year the System expects to file a combined construction and operating license application ("COLA") for the River Bend site, make appropriate regulatory filings related to new nuclear development spending, apply for Department of Energy loan guarantees for potential projects at the Grand Gulf and River Bend sites, and receive feedback on whether either project receives the loan guarantee. As a result, a better understanding of the appropriate path forward for new nuclear development is expected.
  - Other Base Load Opportunities – The System does not foresee new development activities for solid fuel resources in the near term. However, the System continues to monitor market conditions and will evaluate potential opportunities to participate in solid fuel projects if and when presented. In addition, the System will monitor development of advanced coal technologies such as Integrated Gasification Combined Cycle ("IGCC,") and Carbon Capture and Sequestration ("CCS") and other advanced solid fuel technologies for economic and commercial viability.

- Jurisdictional IRP Initiatives – The System continues to monitor evolving jurisdictional Integrated Resource Plan ("IRP") requirements and will adapt its planning processes and methods, as appropriate, to respond to jurisdictional IRP requirements.

- Renewable Resource Strategy – SPO is developing a Renewable Generation Strategy for inclusion in future plans. The strategy will take into consideration the implication of potential federal and state Renewable Portfolio Standards ("RPS"), the availability of renewable resources within the Entergy region, the commercial status of renewable technologies, the economic impact of renewable resources on customers, and operational considerations in the context of the strategic resource portfolio.

- Opportunities for Existing Resources – The current generating portfolio will continue to age and require increased budget to maintain. However, these resources also represent potential alternatives for economically meeting customers' needs through repowering, refurbishment and/or upgrades. Over the coming year the System plans to evaluate such opportunities.

- New Self-build Options – The System is in the process of developing executable self-supply CCGT projects at two sites, one in the Western WOTAB region and one in the Amite South planning region. The System anticipates market testing these projects within the next year. The System also expects to determine next steps and timing in the potential development of a CCGT self-supply option in Arkansas. Also during the next year, the System will consider development of a WOTAB CCGT option depending on the outcome of the Summer 2008 RFP.

Executive Summary

- The exhibit on the following page provides a general overview of the planning process. The remainder of this this Update is organized around the major portfolio design activities shown on that diagram:
  - Part 1, Defining Planning Objective, describes the SSRP Planning Framework including Planning Objectives.
  - Part 2, Identifying Drivers, discusses factors that influence resources needs including the existing portfolio and load growth.
  - Part 3, Identifying Alternatives, discusses alternatives for meeting System needs including opportunities in the Wholesale Market and other long-term resources additions.
  - Part 4, Developing Target Portfolio Plan, discusses the System's resource strategy and describes the Reference Planning Scenario.

Planning Framework

GENERALIZED VIEW OF RESOURCE PLANNING PROCESS

Portfolio Design

Define Objectives

What does the plan seek to achieve?

- Reliability
- Cost minimization
- Cost stabilization

Identify Drivers

What factors influence resource needs and outcomes?

- Existing Resources
- Flexible Capability Needs
- Load
- Fuel Prices

Identify Alternatives

What alternatives are available to address needs / achieve objectives?

- Wholesale Power Market
- Traditional generating technologies
- Renewable Generation and Energy Efficiency

Develop Target Portfolio Plan

Determine a set of resources (mix and timing of resource additions) that meet objectives. This requires a strategic choice about balancing objectives.

Requires a long-term view.

Portfolio Execution

Initial Project Development

Identify specific projects including self-build projects and / or define targeted procurements. Conduct preliminary engineering, and develop detailed cost estimates.

Market Test / Solicitation

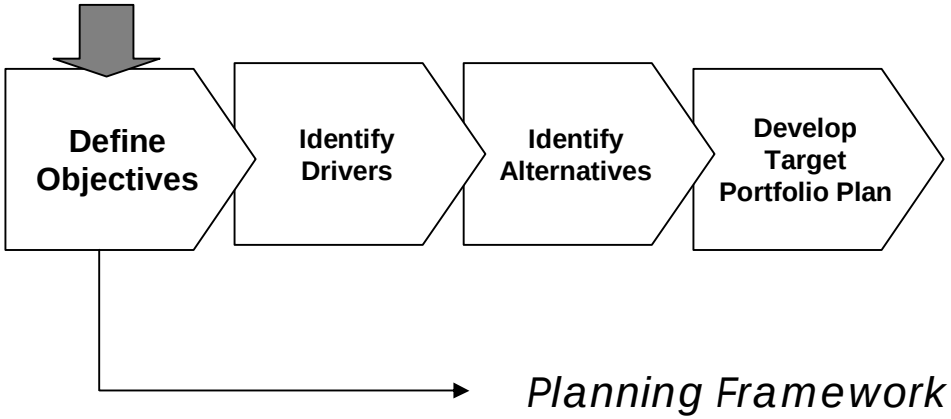
Solicitation or other approach for testing proposed alternative against other alternatives.

Construct or Purchase

Execute the project.

The process is an iterative one in which project development efforts may provide feedback about supply alternatives that result in refinements to the portfolio design.

PART 1 – Defining Objectives



This section describes the SSRP planning framework including the SSRP planning objectives.

Planning Framework

Background

- In 2003 the Entergy Operating Companies adopted the Strategic Supply Resource Plan ("SSRP"). The SSRP is a framework for long-term generation supply planning, including a set of principles and objectives that result in a targeted portfolio mix for the System. The SSRP planning process results in planning scenarios regarding potential future portfolio resource decisions including resource timing, location and technology.
- The SSRP is a dynamic process for long-range planning that provides for a flexible approach to resource selection. The planning scenarios resulting from the SSRP planning process provide guidance regarding long-term resource additions, but are not intended as static plans or pre-determined schedules for resources additions. Actual portfolio decisions are made at the time of execution.
- The SSRP planning process periodically updates planning assumptions and scenarios in light of the best information available. This document summarizes the SSRP update for the planning period 2008 – 2017. Although the SSRP Summary Document is a key output of the SSRP planning process, it does not represent "The SSRP" in that the later term refers to the planning process.
- Consistent with the SSRP, the System is pursuing a long-term supply strategy, sometimes referred to as the "Portfolio Transformation Strategy," that seeks to upgrade the generation supply and power supply resources of the Entergy Operating Companies to develop a more diverse, modern, and efficient portfolio of generation supply resources to meet customer needs. The resulting portfolio will achieve the planning objectives in a balanced manner by providing reliable, cost effective, and more stable-priced power, while providing flexible capability needed to respond to operating constraints, supply contingencies, and uncertainties caused by such factors as load changes including intra-hour load changes), OATT Generator Imbalance Provisions, merchant generator outages, and QF puts.

Planning Framework

Overview of System Planning Process

- The Entergy Operating Companies are planned and operated as a single, integrated electric system, pursuant to the Entergy System Agreement. The six Entergy Operating Companies are Entergy Arkansas, Inc. ("EAI"), Entergy Gulf States Louisiana, L.L.C. ("EGSL"), Entergy Louisiana, LLC ("ELL"), Entergy Mississippi, Inc. ("EMI"), Entergy New Orleans, Inc. ("ENO"), and Entergy Texas, Inc ("ETI"). The electric generation and bulk transmission facilities of these Operating Companies are planned and operated on an integrated, coordinated basis as a single electric system pursuant to the terms and conditions of the Entergy System Agreement and are referred to collectively as the "Entergy System" or the "System".
- The SSRP envisions that the System will maintain sufficient generating capacity to meet its reliability requirement, expressed as peak load plus an adequate provision for planning reserves. Presently, the System plans for a 16.8% reserve margin. Over time, each operating company is expected to move toward a portfolio of generating resources matched to its customers' load shape requirements.
- The SSRP presumes that reliability requirements are met largely from long-term resources, whether owned assets or long-term power purchase agreements. The emphasis on long-term resources mitigates exposure to price volatility and ensures the availability of resources sufficient to meet long-term reliability needs. Over reliance on limited-term purchased power exposes customers to risk associated with market price volatility and power availability. The SSRP attempts to manage this risk by seeking to limit the amounts of limited term purchased power used to meet reliability requirements. The Reference Planning Scenario assumes that limited-term purchased power will range from about 1,000 to 3,000 MW over the planning horizon.

Planning Framework

Objectives

- The overarching objective of the planning process is to provide a portfolio of generation supply resources that will enable the System to meet the needs of the Operating Companies' customers at the lowest reasonable cost. Toward that end, the SSRP comprehends a set of planning objectives and principles for long-term generation supply resource planning. Over time, implementation of the SSRP will result in a portfolio of generation resources that are better matched to customer load shape requirements at the System and individual Operating Company levels.
- The supply needs of the Operating Companies are described by the following six basic resource supply objectives:
  - Reliability – The SSRP should provide adequate resources to meet customer peak demands with adequate reliability.
  - Base Load Production Costs – The SSRP should provide low-cost base load resources to serve base load requirements, which are defined as the firm load level that is expected to be exceeded for at least 85% of all hours per year.
  - Flexible Capability and Load-Following Production Costs – The SSRP should provide efficient, dispatchable, load-following resources to serve the time-varying load shape levels that are above the base load supply requirement. Further the SSRP should provide sufficient flexible capability to respond to factors such as load volatility caused by changes in weather or by inherent characteristics of industrial operations, the need for meeting energy imbalances caused by independent power producers interconnected to the System, and the need to absorb energy that may be put to the System by cogenerators.

Planning Framework

- Generation Portfolio Enhancement – The SSRP should provide a generation portfolio that is more efficient than the current fleet and avoids an over-reliance on aging resources.
- Price Stability Risk Mitigation – The SSRP should mitigate the exposure to price volatility associated with uncertainties in fuel and purchased power costs.
- Supply Diversity Risk Mitigation – The SSRP should mitigate the exposure to major supply disruptions that could occur from specific risks such as outages at a single generation facility.

Planning Framework

Operating Company Portfolio Planning

- The SSRP envisions that over time each Operating Company will move toward a portfolio of resources matched to its customer load-shape needs.
- SSRP planning objectives and principles are appropriate for both Operating Company and System resource planning.
- Operating Company Portfolio Planning is consistent with and supports overall System Planning objectives.
- EAI provided notice on December 19, 2005 pursuant to Section 1.01 of the System Agreement that it will withdraw from the System Agreement. EMI provided similar notice to the Operating Companies on November 8, 2007. Resource planning decisions will reflect EAI's and EMI's notice to terminate participation in the current System Agreement by 12/18/2013 and 11/7/2015, respectively

Planning Framework

Area Planning Process

- Although the Entergy System performs resource planning on a System-wide basis, with the goal of meeting the planning objectives at the overall lowest reasonable cost, physical and operational practicalities dictate that regional reliability issues must be considered when planning for the reliable operation of the Entergy System. Thus, one aspect of the planning process is the development of planning studies to identify supply needs within areas of the Entergy System, evaluate supply options to meet those needs, and establish targeted regional supply portfolios.
- Area Planning analysis influences siting decisions and priorities.
- Area Planning is consistent with and supports overall System Planning objectives.

Planning Framework

Planning Areas

- For planning purposes, the region served by the Entergy Operating Companies is divided into four major planning areas and two sub-areas which are determined based on characteristics of the Entergy System including the ability to transfer power between areas as defined by the available transfer capability, the location and amount of load, and the location and amount of generation.
- The four major planning areas and two sub-areas are described generally as follows:
  - North Arkansas – the northern portion of Arkansas generally north of Sheridan, Arkansas.
  - WOTAB – west of the Atchafalaya Basin, the area generally west of the Baton Rouge, Louisiana metropolitan area, to the westernmost portion of Entergy's service territory in Texas. The westernmost portion of WOTAB is the Western area, which encompasses the westernmost part of ETI's service territory, generally west of the Trinity River.
  - Amite South – the area generally from east of the Baton Rouge, Louisiana metropolitan area to the Mississippi state line and south to the Gulf of Mexico. The Southeast portion of the Amite South area is known as the Downstream of Gypsy ("DSG") area and generally encompasses down river of the Little Gypsy plant including metropolitan New Orleans east to the Mississippi state line and south to the Gulf of Mexico.
  - Central – the area generally south of the North Arkansas area and north of the WOTAB and Amite South areas, but includes the Baton Rouge, Louisiana metropolitan area.

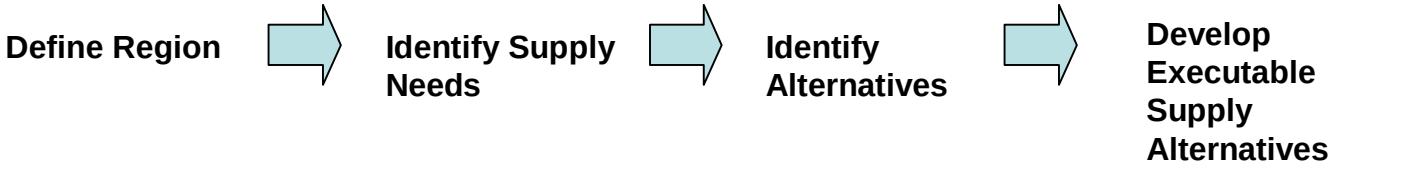
Planning Framework

Planning Regions

Resource planning decisions will reflect EAI's and EMI's notice to terminate participation in the current System Agreement by 12/18/2013 and 11/7/2015, respectively.

Planning Framework

Overview of Area Planning Process



- Develop load forecast
- Identify existing supply resources
- Assess import capability and other transmission constraints

- Perform reliability assessments
- Identify reliability needs
- Identify other constraints that may affect unit commitments and dispatch
- Evaluate regional economics
- Identify supply needs

- Identify reasonable supply alternatives
- Assess alternatives and identify leading self-supply options

- Conduct preliminary engineering and develop cost estimates.

Entergy

Planning Framework

Long-term Planning Involves Multiple Dimensions

Operating Company Portfolio Planning and Area Planning are consistent with and support overall System Planning Objectives

SYSTEM

- The Entergy System is planned and operated as a single integrated electric system pursuant to the terms and conditions of the Entergy System Agreement.
- The SSRP and Portfolio Transformation Strategy seek to develop a generation portfolio that meets System needs at the lowest reasonable cost.
- System self-supply project development and procurement activities seek to provide the Operating Companies with scale and efficiency benefits of coordinated planning.

OPERATING COMPANY PORTFOLIO PLANNING

- The SSRP envisions that over time each Operating Company will move toward a portfolio of resources matched to its customer load-shape needs.
- SSRP planning objectives and principles are appropriate for both Operating Company and System resource planning.
- SPO planning support provides perspective to the Operating Committee members on both System and Operating Company portfolio needs and supply alternatives.

AREA PLANNING

- Regional conditions affect total supply cost and reliability.
- Over the long-run, total supply cost is reduced and risk mitigated if generation is located close to load.
- Regional analysis influences siting decisions and priorities.

Area Planning resource additions generally are expected to be consistent with Operating Company portfolio needs.

Resource planning decisions will reflect EAI's and EMI's notice to terminate participation in the current System Agreement by 12/18/2013 and 11/7/2015, respectively.

Planning Framework

Portfolio Transformation Strategy

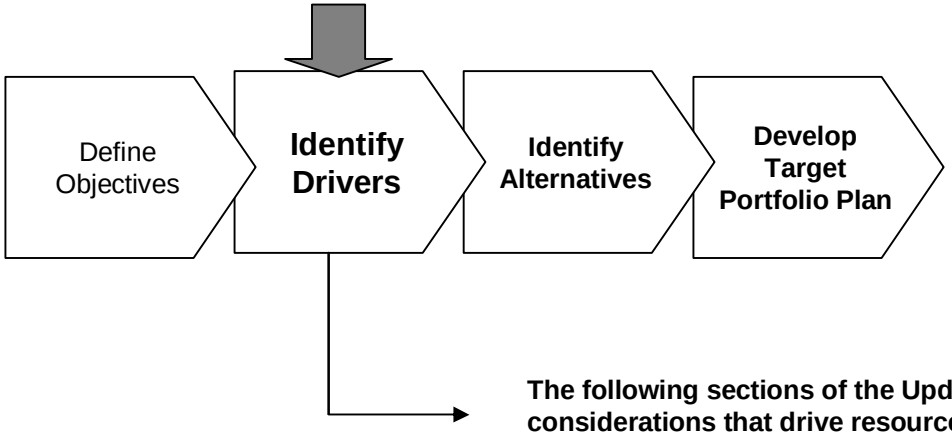
- Consistent with the SSRP, the System is pursuing a long-term supply strategy, sometimes referred to as the "Portfolio Transformation Strategy," that seeks to upgrade the generation supply and power supply resources of the Entergy Operating Companies to develop a more diverse, modern, and efficient portfolio of generation supply resources to meet customer needs. The resulting portfolio will achieve the planning objectives in a balanced manner by providing reliable, cost effective, and more stable-priced power, while providing the operational flexibility to follow load and to respond to operating constraints and supply contingencies.

- The desired portfolio will provide reliable and cost effective power and reduce price volatility, while providing the operational flexibility to follow load and meet operating constraints and supply contingencies.

- The desired portfolio will provide a variety of generation resources matched to the base load and flexible capability requirements of our customers.

- The desired portfolio should offer a variety of generation types that will provide the opportunity to minimize production costs through economic dispatch of generation and the purchase of economy power.

PART 2 – IDENTIFYING DRIVERS



The following sections of the Update describe considerations that drive resource needs including:

- *The Current Resource Portfolio*
- *Flexible Capability Requirement*
- *Load Forecast*
- *Fuel Forecast*

Current Resource Portfolio

Current Resource Portfolio

Supply Issues

The Entergy System faces a number of issues with respect to generation supply.

CAPACITY SHORTAGE

- Long-term generation portfolio is about 2.6 GW short of reliability requirement.
- Requirements are expected to grow by almost 400 MW/year on average over the next ten years.
- Results in increased exposure to market.

AGING FLEET

- More than 85% of the existing oil and gas-fired MW are greater than 30 years old.

PORTFOLIO MIX

- Existing generation portfolio is not functionally matched to projected load requirements.
- Load shape analysis indicates that the optimal portfolio mix would include additional stable-priced resources for base load needs and modern efficient CCGT and CT resources for load-following and flexible capability needs.

EXPOSURE TO GAS PRICES

- Existing generation fleet is highly correlated to natural gas resulting in high and volatile fuel costs in recent years.
- The addition of solid fuel carbon-based alternatives to the System's generation portfolio would serve to reduce the System' exposre to natural gas price fluctuations.

Flexible Capability

- The System must, at all times, have a sufficient amount of flexible capability committed and operating to ensure reliable service.
- Typically this amount is on the order of 4,000 to 6,000 MWs of committed available capacity, and is occasionally as much as 9,000 MWs.

Current Resource Portfolio

Summary of Capacity Position by Supply Role
2008 MW

Surplus (Deficit)

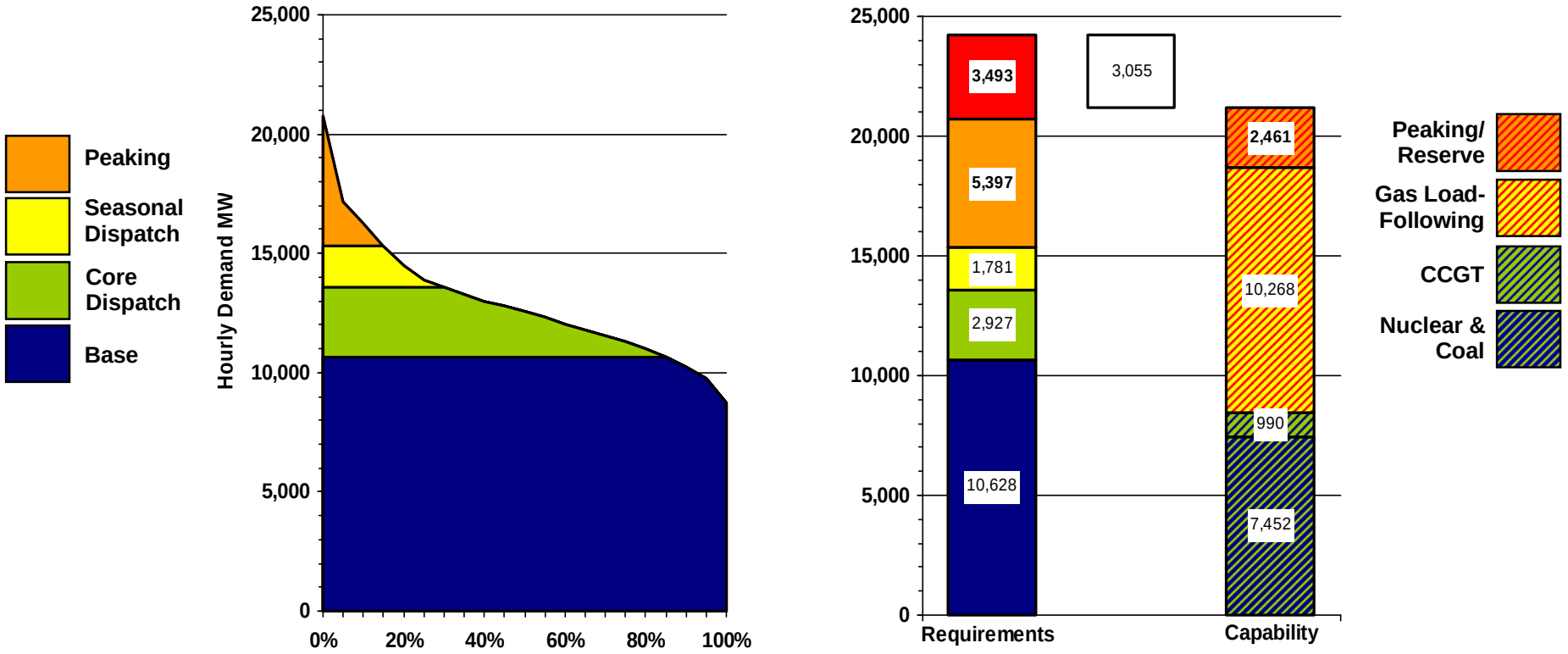
	Base Load	Core Dispatch	Seasonal Dispatch	Peaking Plus Reserves	Total
EAI	653	(712)	204	(1,557)	(1,412)
EGS-LA	(1,461)	(302)	1,391	(247)	(619)
ETI	(1,031)	(237)	993	(464)	(740)
ELL	(1,972)	(485)	1,234	(761)	(1,984)
EMI	(484)	(85)	1,867	(1,248)	51
ENOI	63	(157)	668	(327)	247
System	(3,176)	(1,937)	8,487	(6,429)	(3,055)

Supply role requirements are intended as general guidelines for portfolio planning purposes without consideration of practical operational requirements. In assessing the portfolio relative to these guidelines, each unit has been assigned within a specific supply role. In actuality, the distinction between supply roles is neither sharp nor static.

Entergy

Current Resource Portfolio

Entergy System Long-term Resource Requirements and Capability for 2008



	Base Load	Core Dispatch	Seasonal Dispatch	Peaking Plus Reserve	Total
Resources (MW)	7,452	990	10,268	2,461	21,171
Requirement (MW)	10,628	2,927	1,781	8,890	24,225
Excess / (Deficit) (MW)	(3,176)	(1,937)	8,487	(6,429)	(3,055)

Supply role requirements are intended as general guidelines for portfolio planning purposes without consideration of practical operational requirements. In assessing the portfolio relative to these guidelines, each unit has been assigned within a specific supply role. In actuality, the distinction between supply roles is neither sharp nor static.

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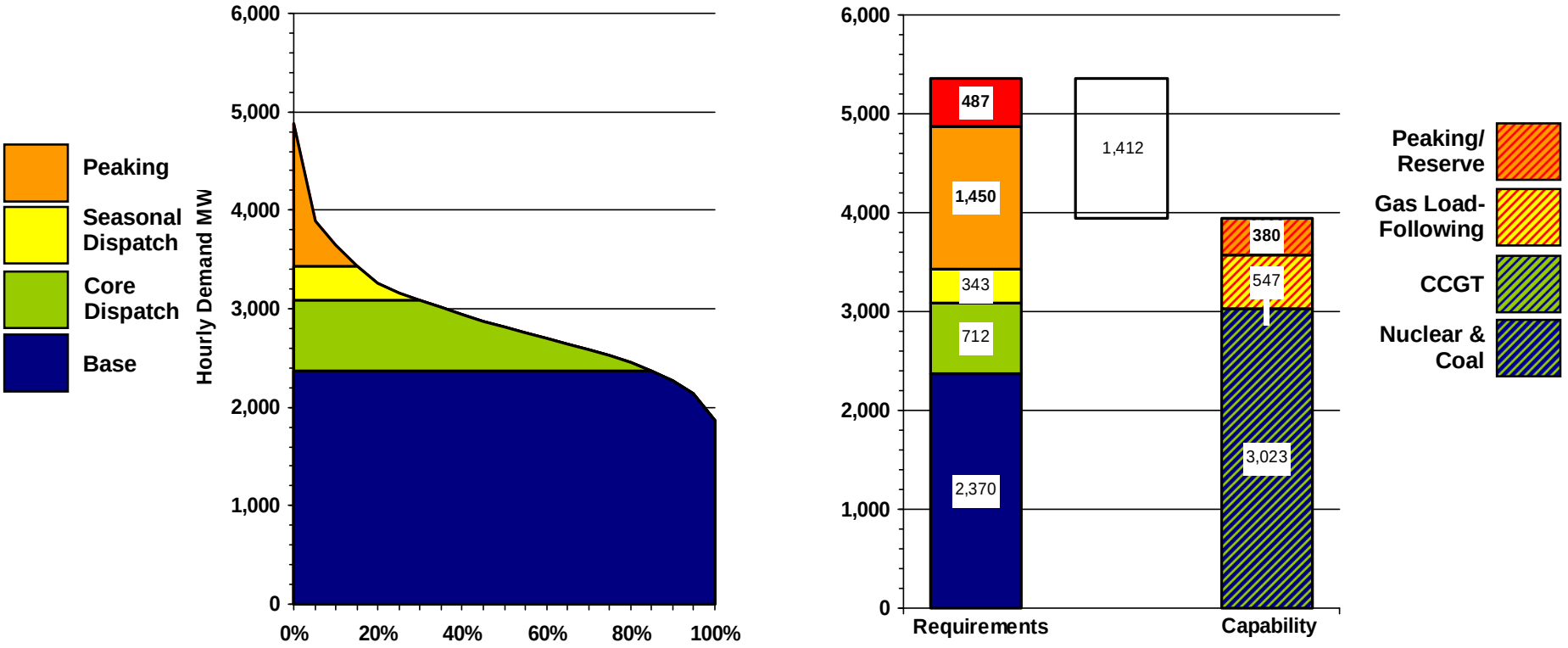
Current Resource Portfolio

EAI Long-term Resource Requirements and Capability for 2008



	Base Load	Core Dispatch	Seasonal Dispatch	Peaking Plus Reserve	Total
Resources (MW)	3,023	0	547	380	3,950
Requirement (MW)	2,370	712	343	1,937	5,362
Excess / (Deficit) (MW)	653	(712)	204	(1,557)	(1,412)

Operating Company requirements assume a ten percent reserve margin planning guideline.

Supply role requirements are intended as general guidelines for portfolio planning purposes without consideration of practical operational requirements. In assessing the portfolio relative to these guidelines, each unit has been assigned within a specific supply role. In actuality, the distinction between supply roles is neither sharp nor static.

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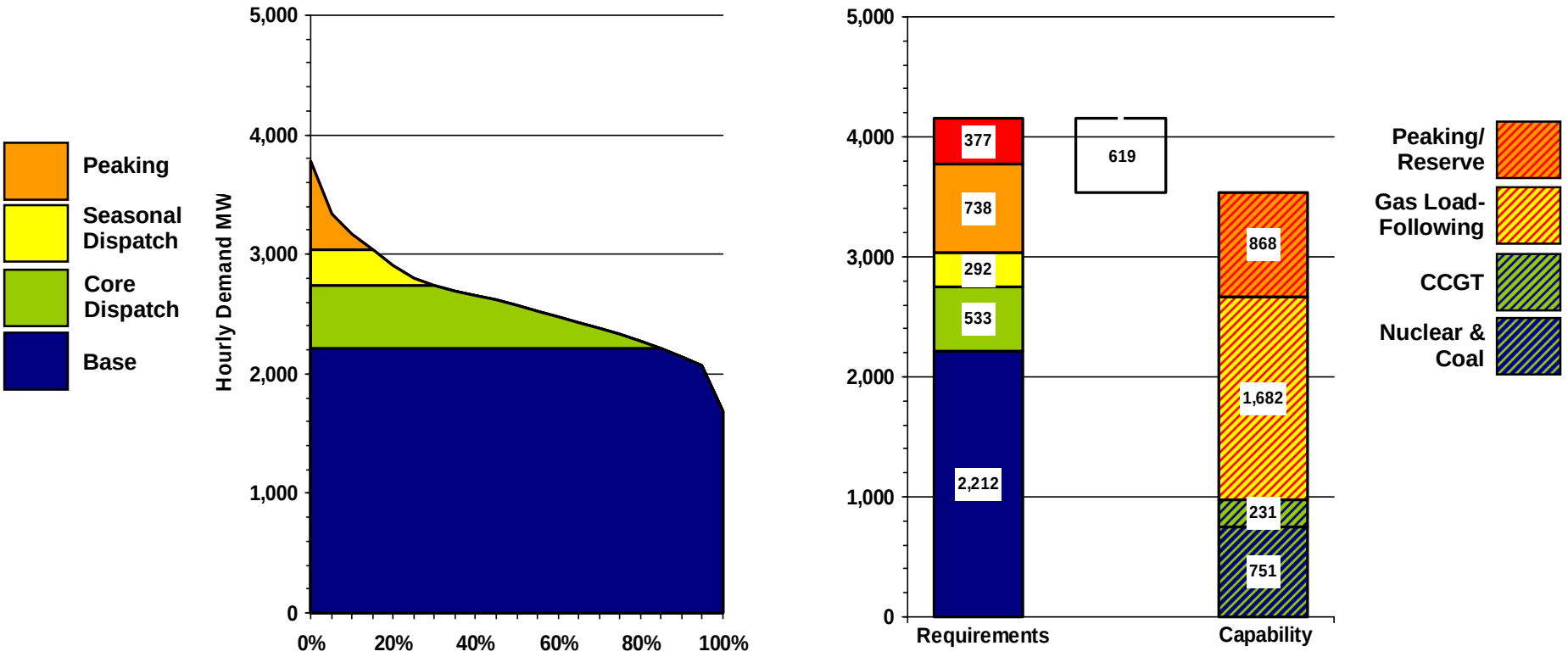
Current Resource Portfolio

EGS-LA Long-term Resource Requirements and Capability for 2008



	Base Load	Core Dispatch	Seasonal Dispatch	Peaking Plus Reserve	Total
Resources (MW)	751	231	1,682	868	3,532
Requirement (MW)	2,212	533	292	1,115	4,151
Excess / (Deficit) (MW)	(1,461)	(302)	1,391	(247)	(619)

Operating Company requirements assume a ten percent reserve margin planning guideline.

Supply role requirements are intended as general guidelines for portfolio planning purposes without consideration of practical operational requirements. In assessing the portfolio relative to these guidelines, each unit has been assigned within a specific supply role. In actuality, the distinction between supply roles is neither sharp nor static.

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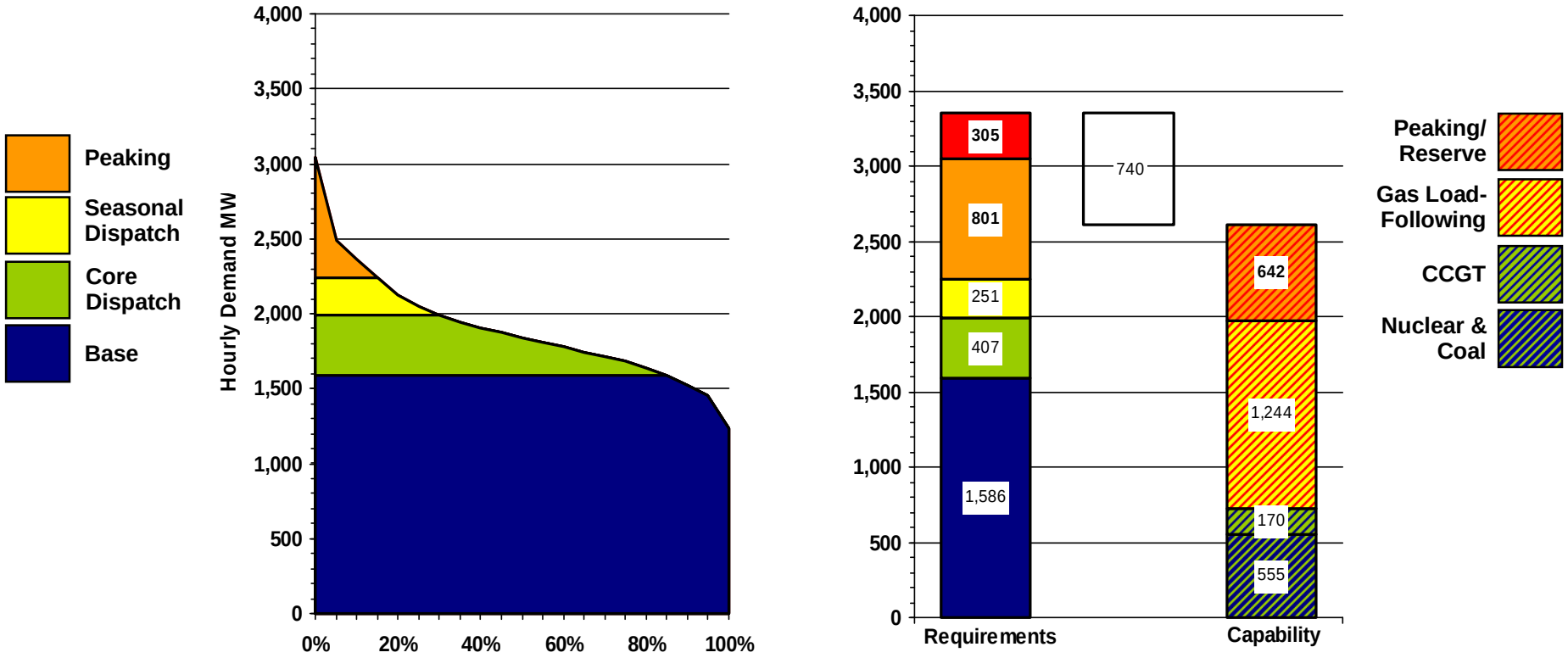
Current Resource Portfolio

ETI Long-term Resource Requirements and Capability for 2008



	Base Load	Core Dispatch	Seasonal Dispatch	Peaking Plus Reserve	Total
Resources (MW)	555	170	1,244	642	2,611
Requirement (MW)	1,586	407	251	1,106	3,350
Excess / (Deficit) (MW)	(1,031)	(237)	993	(464)	(740)

Operating Company requirements assume a ten percent reserve margin planning guideline.

Supply role requirements are intended as general guidelines for portfolio planning purposes without consideration of practical operational requirements. In assessing the portfolio relative to these guidelines, each unit has been assigned within a specific supply role. In actuality, the distinction between supply roles is neither sharp nor static.

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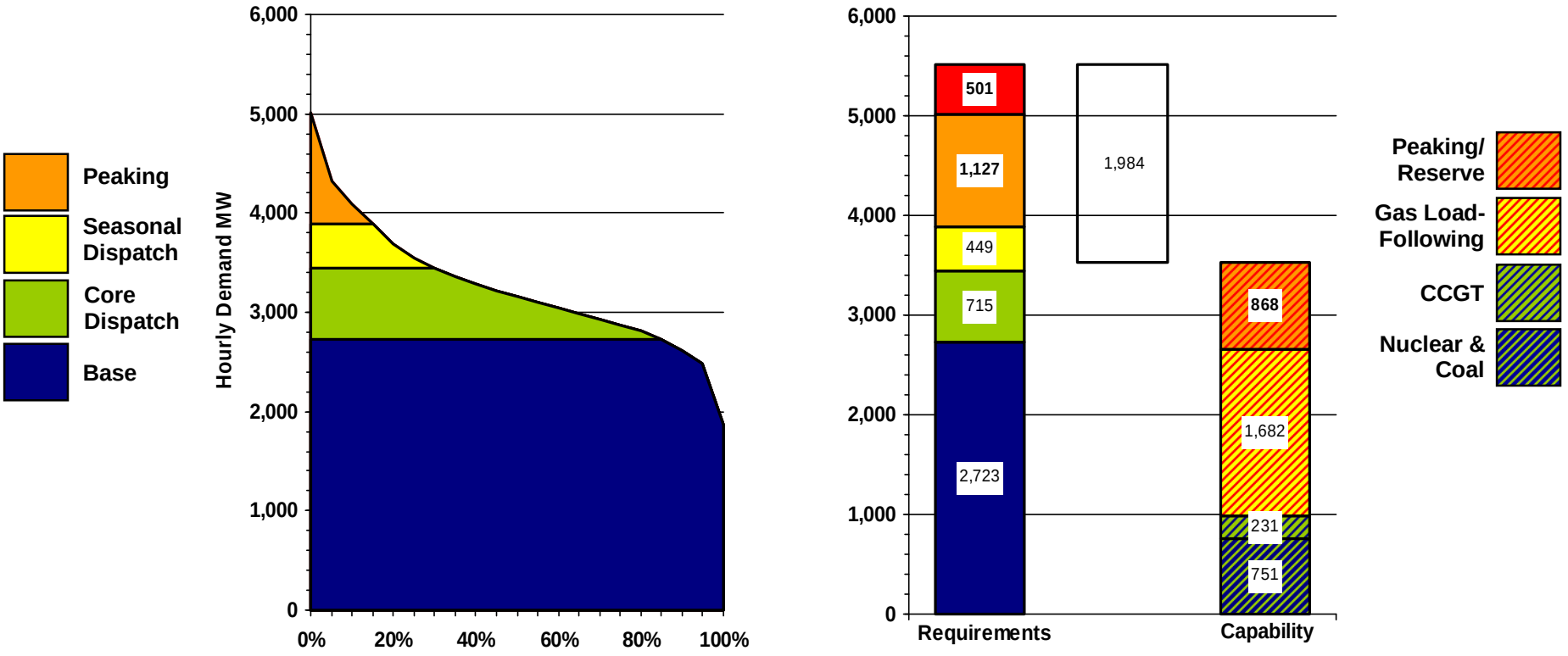
Current Resource Portfolio

ELL Long-term Resource Requirements and Capability for 2008



	Base Load	Core Dispatch	Seasonal Dispatch	Peaking Plus Reserve	Total
Resources (MW)	751	231	1,682	868	3,532
Requirement (MW)	2,723	715	449	1,629	5,516
Excess / (Deficit) (MW)	(1,972)	(485)	1,234	(761)	(1,984)

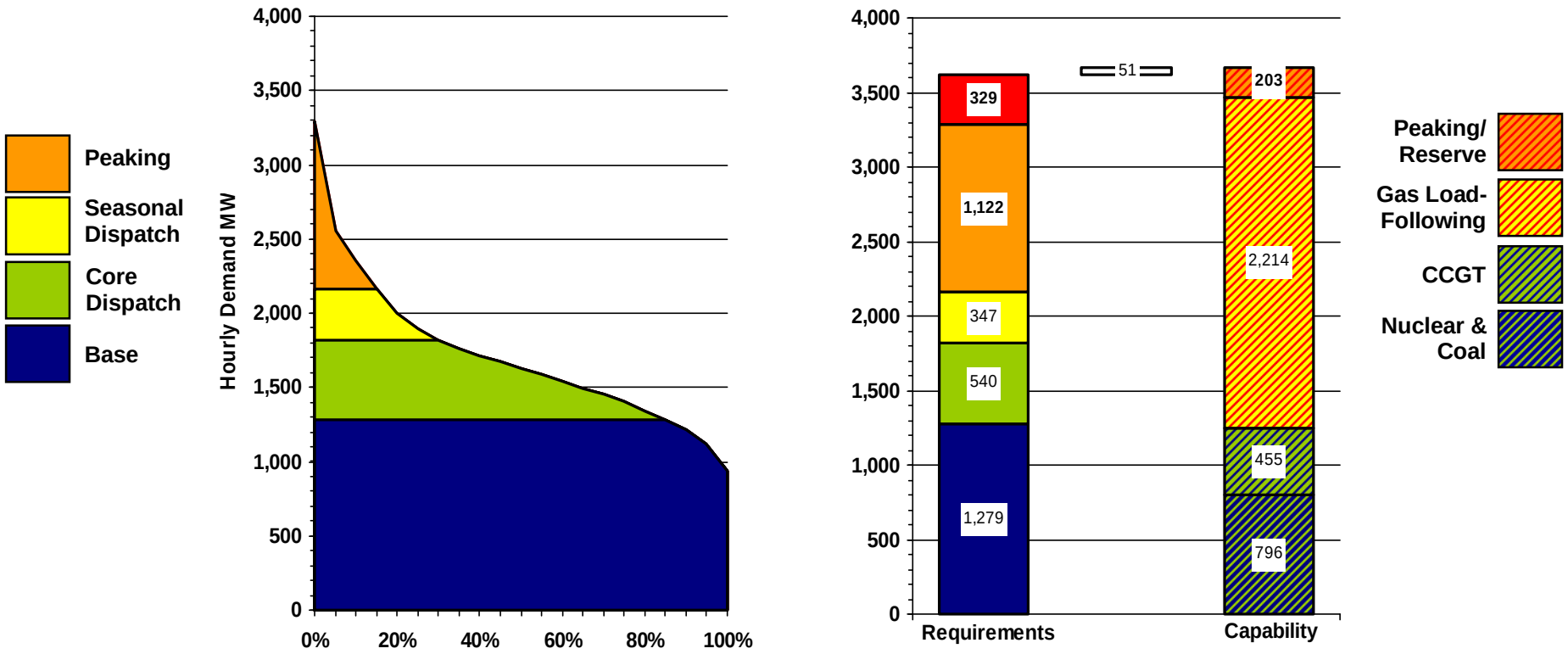
Operating Company requirements assume a ten percent reserve margin planning guideline.

Supply role requirements are intended as general guidelines for portfolio planning purposes without consideration of practical operational requirements. In assessing the portfolio relative to these guidelines, each unit has been assigned within a specific supply role. In actuality, the distinction between supply roles is neither sharp nor static.

Entergy

Current Resource Portfolio

EMI Long-term Resource Requirements and Capability for 2008



	Base Load	Core Dispatch	Seasonal Dispatch	Peaking Plus Reserve	Total
Resources (MW)	796	455	2,214	203	3,668
Requirement (MW)	1,279	540	347	1,451	3,617
Excess / (Deficit) (MW)	(484)	(85)	1,867	(1,248)	51

Operating Company requirements assume a ten percent reserve margin planning guideline.

Supply role requirements are intended as general guidelines for portfolio planning purposes without consideration of practical operational requirements. In assessing the portfolio relative to these guidelines, each unit has been assigned within a specific supply role. In actuality, the distinction between supply roles is neither sharp nor static.

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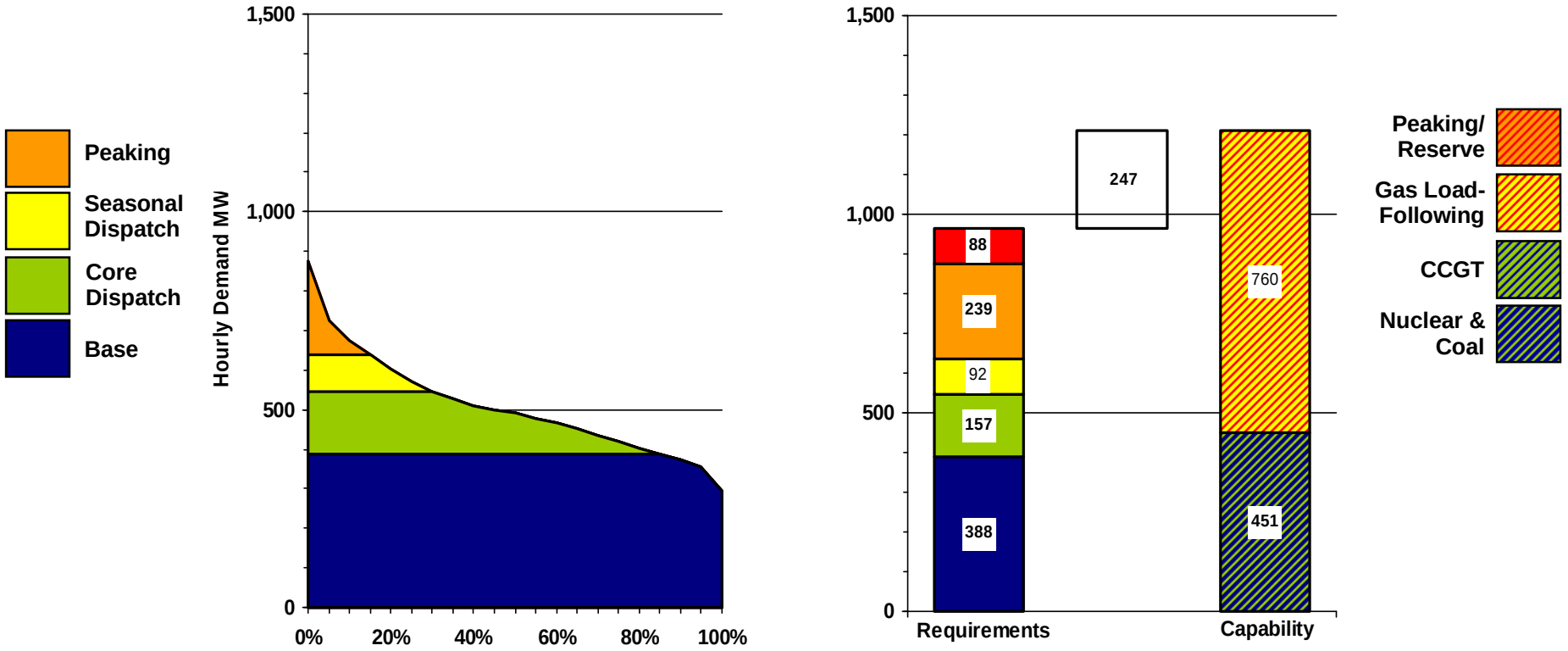
Current Resource Portfolio

ENO Long-term Resource Requirements and Capability for 2008



	Base Load	Core Dispatch	Seasonal Dispatch	Peaking Plus Reserve	Total
Resources (MW)	451	0	760	0	1,211
Requirement (MW)	388	157	92	327	964
Excess / (Deficit) (MW)	63	(157)	668	(327)	247

Operating Company requirements assume a ten percent reserve margin planning guideline.

Supply role requirements are intended as general guidelines for portfolio planning purposes without consideration of practical operational requirements. In assessing the portfolio relative to these guidelines, each unit has been assigned within a specific supply role. In actuality, the distinction between supply roles is neither sharp nor static.

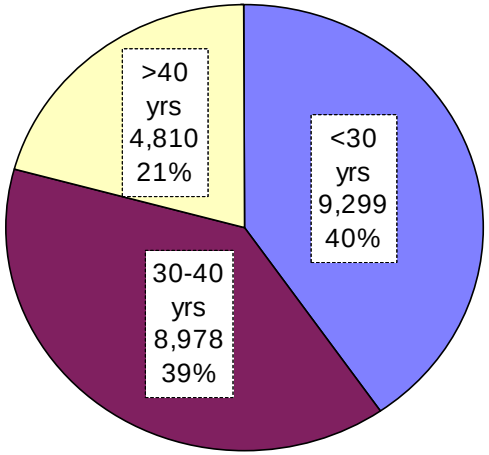
Current Resource Portfolio

PORTFOLIO DESCRIPTION – CAPACITY

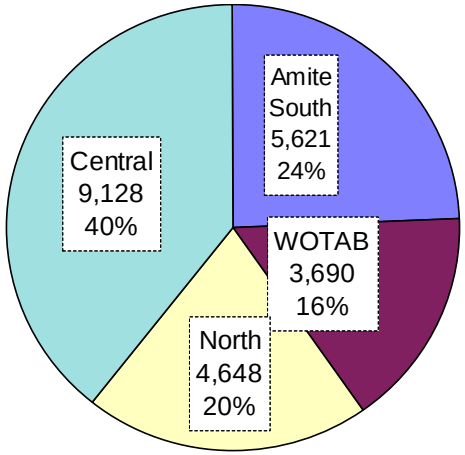
Current supply resources can be characterized by their age, fuel type, location in the System and role that they serve in the portfolio. System capacity is predominantly older gas-fired generation. Over 20% of the existing resource base (about 5,800 MW) is over 40 years old. Over two thirds of the resources (over 15,500 MW) are gas fired. Despite the predominance of gas-fired capacity in the portfolio, baseload energy is produced by newer, lower cost nuclear, coal and combined-cycle gas generators. Approximately 40% (over 9,000 MW) of the supply portfolio is comprised of these newer generators.

Existing generating capacity generally benefits from a well established and redundant infrastructure. Most of the System's gas-fired generators have multiple fuel sources available to them and a number of these units are also capable of running on fuel oil in the event of gas supply disruptions. In addition, most units have redundant transmission outlet capacity and are qualified as Network Resources for the purpose of delivering power to network customers.

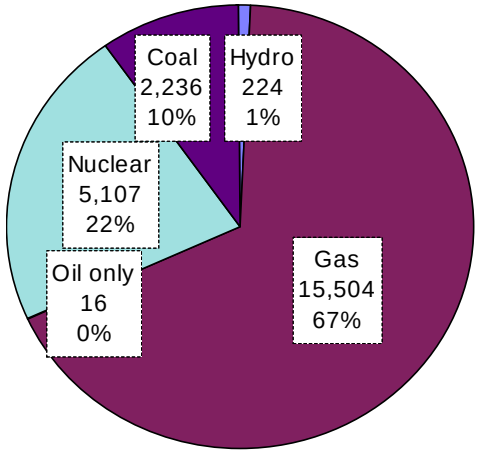
System Portfolio by Age



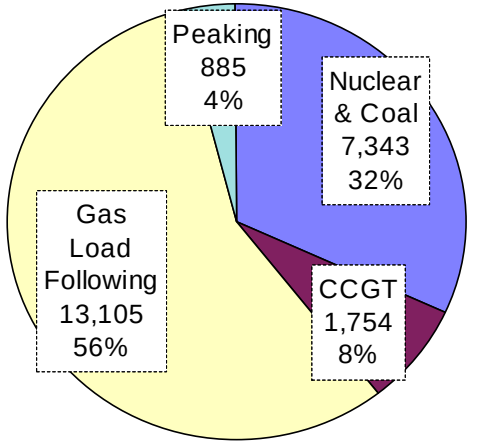
System Portfolio by Region



System Portfolio by Fuel



System Portfolio by Role



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Current Resource Portfolio

PORTFOLIO DESCRIPTION – ENERGY

Nuclear & Coal assets, while comprising only 32% of capacity, account for 70% of the generation produced by the System's owned resources.

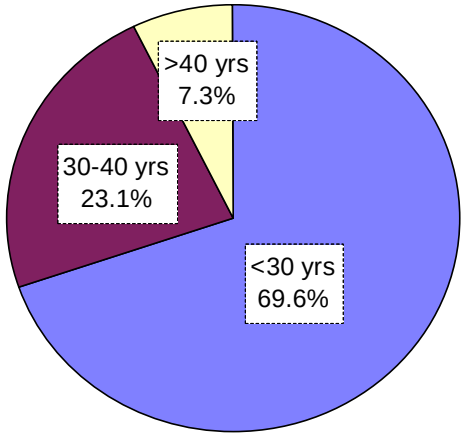
Plants over 40 years old are used primarily for peaking and seasonal load following purposes. These units account for less than 10% of the energy produced by the System's owned resources.

Generation produced by the System's owned resources account for about 70% of the System energy requirements. About 30% of energy needs have been served by purchased power in recent years.

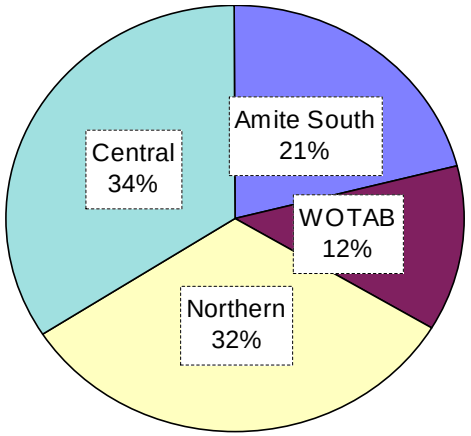
Notes & Assumptions:

- These charts do not include energy purchased from the wholesale market.
- Generation measured is the average at each unit between 2005-2007.
- Average yearly system generation, 2005-2007 = 79.8 million MW-hr

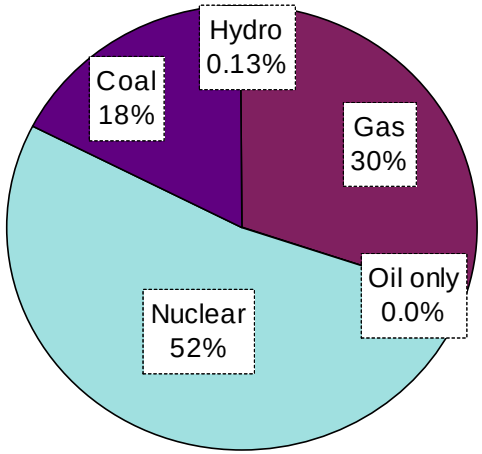
System Portfolio by Age



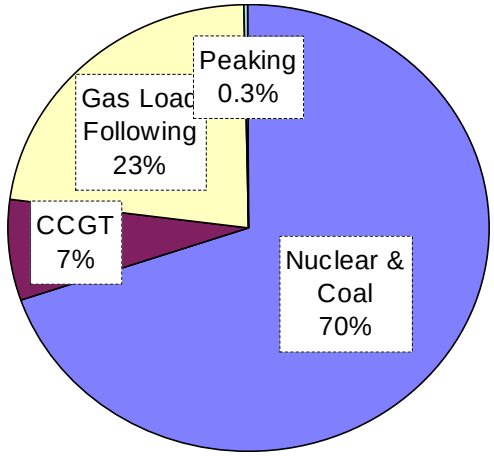
System Portfolio by Region



System Portfolio by Fuel



System Portfolio by Role



Flexible Capability Requirements

Flexible Capability Requirements

Need for Flexible Capability

- The System must, at all times, maintain a balance between the amount of electricity produced by its resources and the amount of energy that customers interconnected to the System are using. Maintaining this balancing must take into account the dynamics of an ever changing, unpredictable load and multiple challenges presented by the physical and mechanical capabilities of the units that are used to generate electricity.
- Factors such as load volatility caused by changes in weather or by inherent characteristics of industrial operations, the need for meeting energy imbalances caused by independent power producers interconnected to the System, and the need to absorb energy that may be put to the System by cogenerators are outside of the control of the System. These are factors that must be managed, but cannot be controlled.
- To make certain that the System can address these uncertainties, the System must have a sufficient amount of flexible capability committed and operating to ensure reliable service. This amount is typically on the order of 4,000 to 6,000 MWs of committed available capacity, and is occasionally as much as 9,000 MW.

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Flexible Capability Requirements

Illustrative

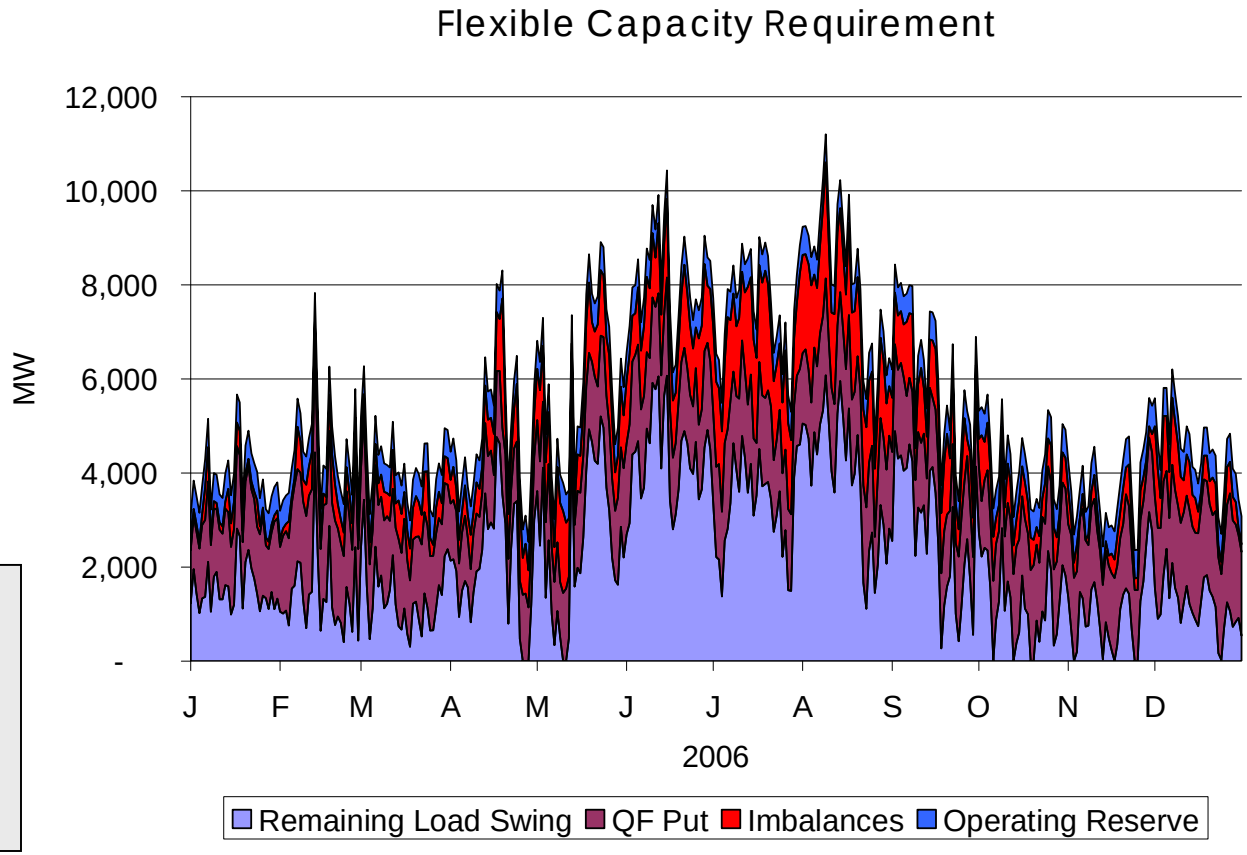
The System must commit sufficient dispatchable capacity with adequate fuel supply to ensure ability to respond to changing load levels and System conditions.

Key Drivers of Flexible Capacity Need

1. **Load Swing**
2. **QF Put**
3. **Generator Imbalances**
4. **Operating Reserves**

Note

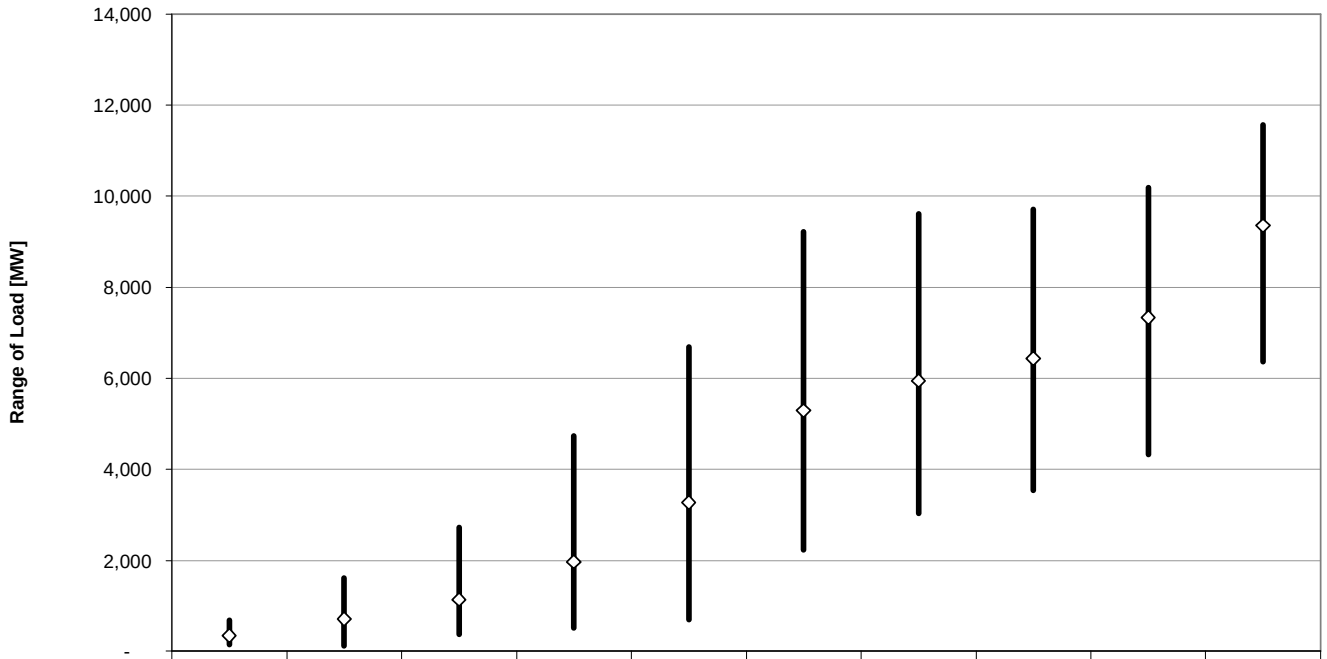
- Remaining Load Swing represents load levels after consideration of block energy purchases that were used to meet System load swing requirements.



Flexible Resource Requirements – Load Related

System load varies significantly from minute-to-minute and hour-to-hour. In order to meet the changes in load, the System requires a substantial amount of flexible load following capacity ready and available to the System Dispatcher to generate electricity. In 2006, within a 15-minute period of time, load changed an average of 341 MW. One percent of the time, the load changed by 693 MW or more during a 15-minute period. During the same year, load changed an average of 5,292 MW in a 24-hour period. One percent of the time, the load changed by 9,216 MW or more during a 24-hour period.

2006 Load Distribution, 98% Interval - 1st and 99th Percentiles



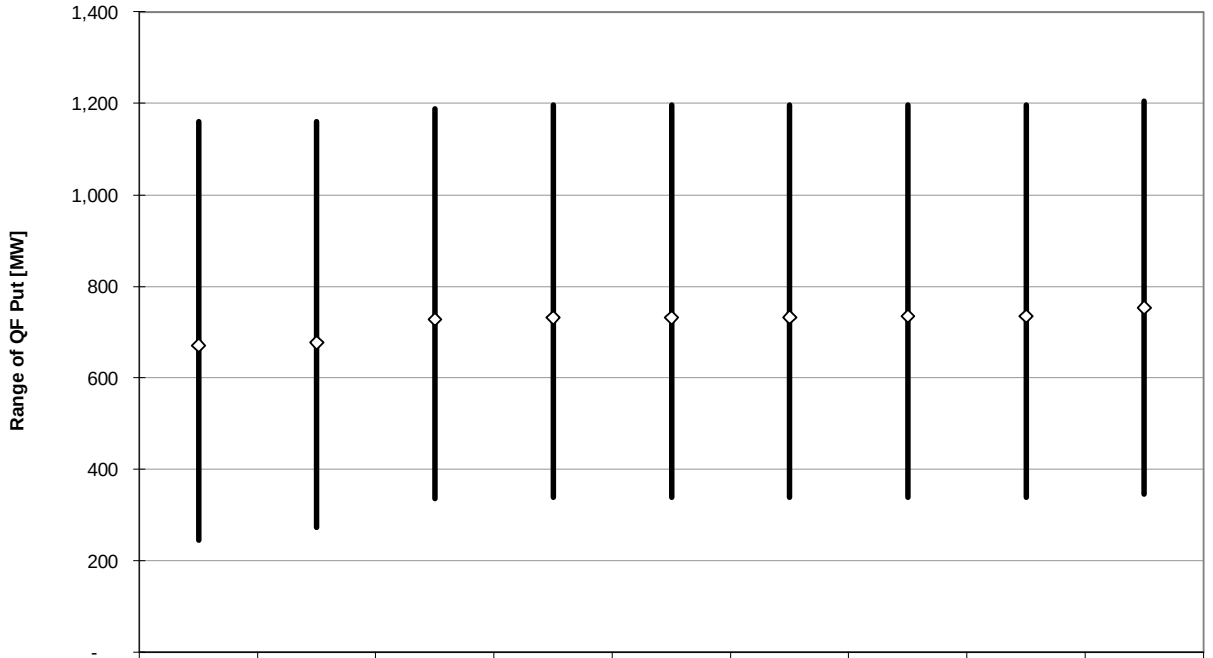
	15 Min	Hourly	2 Hour	4 Hour	8 Hour	1 Day	2 Days	3 Days	7 Days	Month
1st Percentile	147	129	380	524	698	2,243	3,041	3,529	4,328	6,365
99th Percentile	693	1,610	2,724	4,743	6,683	9,216	9,612	9,721	10,190	11,562
Average	341	712	1,142	1,971	3,273	5,292	5,952	6,430	7,331	9,357

Time Interval

Flexible Resource Requirements – QF Put Related

The amount of energy put to the System by Qualifying Facilities varies significantly from minute-to-minute and hour-to-hour. Changes in the injection or retraction of QF Put energy requires the System to have a substantial amount of flexible load following capacity ready and available to the System Dispatcher to generate electricity. In 2006, within a 1-hour period of time, load changed an average of 671 MW. One percent of the time, the QF Put changed by 1,160 MW or more during a 1-hour period. During the same year, QF Put changed an average of 753 MW in a 24-hour period. One percent of the time, the QF Put changed by 1,204 MW or more during a 24-hour period.

2006 Distribution of QF Put Range by Interval Length in Hours



Time Interval [Hours]	1	2	4	8	10	12	14	16	24
99th Percentile	1,160	1,160	1,188	1,197	1,197	1,197	1,197	1,197	1,204
1st Percentile	245	273	337	339	339	339	339	339	346
◇ Average	671	677	728	732	732	732	735	735	753

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Flexible Capability Requirement

Existing Portfolio

- The Entergy system currently uses its existing gas and oil generating units to provide load following capacity and operational flexibility. The almost 14,000 MW of gas and oil-fired capacity on the System can provide almost 10,000 MW of load following capability.
- The availability of flexible fuel supplies is critical to ensuring that generating units can actually operate in a flexible, load-following role. Many of the System's gas and oil units have access to multiple pipelines which enables the System to operate the units in a more flexible manner. In addition, a subset of units also have dual-fuel capability and can burn fuel oil from storage on-site for added flexibility. In addition to fuel oil storage, the Sabine and Lewis Creek plant have access to gas storage facilities to provide flexible fuel supply and ensure fuel supply security.

System Gas & Oil	Max Cap MW	Min Cap MW	Room to Follow Load	Turndown Ratio
EAI	1,498	248	1,250	6.0
EGSI	4,835	1,245	3,590	3.9
ELL	3,721	1,000	2,721	3.7
EMI	2,519	684	1,835	3.7
ENO	805	210	595	3.8
	13,378	3,387	9,991	3.9

* Max Cap Source: 2007 Summer Ratings Reported in FERC Form 1
** Min Cap Source: Current Business Plan

Flexible Capability Requirement

Existing units provide wide operating range to meet flexible capability requirements.

Representative Units Providing Flexible Capability

Plant	Maximum Capacity MW	Minimum Capacity MW	Room to Follow Load	Turndown Ratio
Little Gypsy	1,198	255	943	4.7
Baxter Wilson	1,200	355	845	3.4
Nelson	653	215	438	3.0
Gerald Andrus	741	205	536	3.6
Michoud	760	210	550	3.6
Ninemile	1,705	490	1,215	3.5
Sabine	1,814	410	1,404	4.4
Lewis Creek	459	140	319	3.3
	8,530	**2,280**	**6,250**	**3.7**

Note: A typical 2x1 CCGT configuration operates at a minimum load of approximately 300 MW with the ability to ramp to 500 to 600 MW depending on design, resulting in a maximum turn down ratio of 2.0.

Load Forecast

Load Forecast

Process

- The SSRP includes a detailed process for forecasting future loads. This process begins with the preparation of a monthly retail energy sales forecast for each revenue class for each Operating Company, the "Retail Sales Forecast." This Retail Sales Forecast is developed using econometric forecasting techniques. Simultaneously, the Wholesale Marketing group prepares a Wholesale Energy Sales Forecast, based on detailed knowledge about the future needs of those wholesale customers. The Energy Sales Forecast is used to develop a 10-year, hourly load forecast through a process that allocates retail and wholesale energy forecasts to each hour based on historical load shapes. Each jurisdiction is modeled using a bottom-up approach, which starts with an hourly forecast for each retail class and wholesale customer.
- Peak loads are projected on both a peak and firm-peak basis. The later reflects the removal of load served under interruptible service tariffs.

Historical Patterns

- Since 2000, the Entergy System's peak load, as measured by weather adjusted peaks, has grown at a rate of 0.01% per year. Several factors have accounted for the relatively low growth rate:
  - Cogeneration load losses have reduced regional load by nearly 3 GWs since 2000.
  - Several ammonia manufactures shut down permanently in the face of unfavorable economic conditions including high natural gas prices.
  - Hurricanes Katrina and Rita struck the region in 2005.
  - Energy efficiency in residential and commercial HVAC equipment has improved.
- Most recently the Entergy 2007 peak grew by 0.2% from 2006. Prior to Hurricane Katrina, the Entergy peak grew by 0.4% from 2000 to 2005.

Load Forecast

Projected Load Growth

- The load forecast underlying the 2008 SSRP projects the System's firm peak load growth to average about 1.4% per year from 2007 to 2017. The System's projected 2008 firm peak is 20,732 MW and grows to 23,395 MW by 2017.

Emerging Trends

- One of the key issues influencing load trends within the region is a greater interest in energy efficiency. A number of factors including environmental concerns and energy prices are stimulating greater interest in energy efficiency measures in the U.S. At the same time customer usage is changing in ways that may increase demand for electricity.
  - Lighting, HVAC, and more efficient appliances present downside risk to energy sales and peak load projections as these efficiencies result in less use of electricity per customer.
  - New consumer electronics, such as flat panel TVs, computers and video games boost total energy use. In the case of TVs new units often use more electricity than smaller tube televisions and do not necessarily result in the retirement of the old unit.
  - In general, the real estate stock is becoming larger but more efficient. New homes tend to be more energy efficient but larger in size with which increase energy use.
- Utility sponsored DSM programs have reemerged as programs of interest, and the effect of these programs on load is potentially significant.

Entergy

Load Forecast

Energy Forecast Process

- **Prepared by: Sales & Marketing Department**
- **Primary Purpose: Sales Forecast for Utility Planning**
- **Outputs:**
  - Monthly sales by revenue class for each Jurisdiction
    - MWh sales
    - Sales revenue

Input

Load Forecast Process

- **Prepared by: SPO**
- **Primary Purpose: Capacity Planning and input to Fuel Forecast**
- **Outputs:**
  - Annual peak load forecast
  - 10-year load by hour for production cost modeling by:
    - Jurisdiction
    - Region
    - Total System

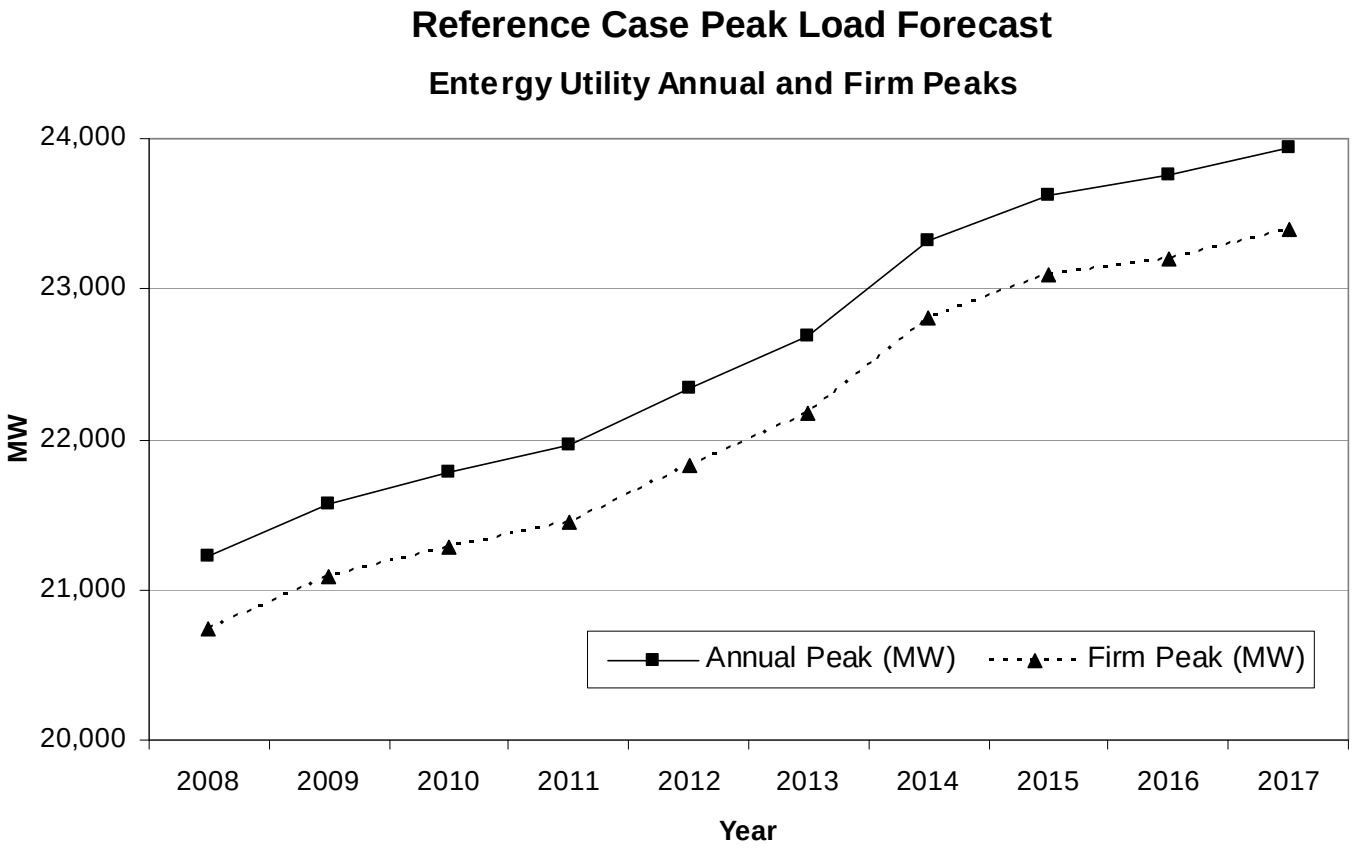
- **The Energy Forecast is a critical input to the Load Forecast.**

Load Forecast

In recent years the peak load forecasting process has resulted in improved forecast accuracy.

Peak Year	Forecast (Prepared)	Forecast Peak (MW)	Peak Day	Weather-Adjusted Peak (MW)	Forecast Error	
2007	2008 Business Plan (Jul 2007)	21,079	August 14, 2007	20,970	109 MW	0.5%
2006	2007 Business Plan (Aug 2006)	20,778	August 15, 2006	20,922	-144 MW	-0.7%
2005	2006 Business Plan (Aug 2005)	21,605	July 25, 2005	21,391	214 MW	1.0%
2004	2005 Business Plan (Aug 2004)	21,323	July 15, 2004	21,652	-329 MW	-1.5%

Load Forecast



Forecast Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Annual Peak (MW)	21,221	21,570	21,786	21,956	22,336	22,686	23,323	23,629	23,756	23,944
Firm Peak (MW)	20,732	21,092	21,290	21,444	21,830	22,168	22,803	23,092	23,205	23,395

- Firm Peak reflects the removal of load served under interruptible service tariffs.

Load Forecast

System Peak Load Forecast for 2008 – 2017 SSRP Update

Forecast Year	Annual Peak	Annual Peak Growth	Firm Peak	Firm Peak Growth
2008	21,221		20,732	
2009	21,570	1.6%	21,092	1.7%
2010	21,786	1.0%	21,290	0.9%
2011	21,956	0.8%	21,444	0.7%
2012	22,336	1.7%	21,830	1.8%
2013	22,686	1.6%	22,168	1.5%
2014	23,323	2.8%	22,803	2.9%
2015	23,629	1.3%	23,092	1.3%
2016	23,756	0.5%	23,205	0.5%
2017	23,944	0.8%	23,395	0.8%
CAGR 2008 - 2017		1.4%		1.4%

Entergy

Load Forecast

Peak Load Forecast for 2008 – 2017 SSRP Update
(Non-Firm Coincident Peak By Jurisdictions)

Forecast Year	EAI		ELL		EMI		ENO		EGS-LA		ETI		Entergy System	
	Peak	Growth	Peak	Growth	Peak	Growth	Peak	Growth	Peak	Growth	Peak	Growth	Peak	Growth
2008	4,820		5,322		3,301		910		3,788		3,081		21,221	
2009	4,898	1.6%	5,336	0.3%	3,372	2.2%	926	1.8%	3,856	1.8%	3,182	3.3%	21,570	1.6%
2010	4,894	-0.1%	5,484	2.8%	3,383	0.3%	935	1.0%	3,828	-0.7%	3,262	2.5%	21,786	1.0%
2011	4,864	-0.6%	5,592	2.0%	3,402	0.6%	943	0.8%	3,877	1.3%	3,278	0.5%	21,956	0.8%
2012	4,959	2.0%	5,722	2.3%	3,430	0.8%	949	0.6%	3,927	1.3%	3,349	2.2%	22,336	1.7%
2013	4,970	0.2%	5,799	1.4%	3,549	3.5%	962	1.3%	4,011	2.1%	3,394	1.3%	22,686	1.6%
2014	5,316	7.0%	5,872	1.3%	3,592	1.2%	967	0.6%	4,095	2.1%	3,480	2.5%	23,323	2.8%
2015	5,391	1.4%	5,905	0.6%	3,673	2.3%	992	2.6%	4,125	0.7%	3,542	1.8%	23,629	1.3%
2016	5,418	0.5%	5,896	-0.2%	3,659	-0.4%	1,001	0.9%	4,171	1.1%	3,610	1.9%	23,756	0.5%
2017	5,357	-1.1%	5,979	1.4%	3,696	1.0%	1,015	1.3%	4,214	1.0%	3,684	2.1%	23,944	0.8%
CAGR 2008 - 2017	1.2%		1.3%		1.3%		1.2%		1.2%		2.0%		1.4%	

Entergy

Load Forecast

Peak Load Forecast for 2008 – 2017 SSRP Update
(Non-Firm Non-Coincident Peak By Jurisdictions)

Forecast Year	EAI		ELL		EMI		ENO		EGS-LA		ETI		Entergy System	
	Peak	Growth	Peak	Growth	Peak	Growth	Peak	Growth	Peak	Growth	Peak	Growth	Peak	Growth
2008	4,939		5,322		3,316		910		3,798		3,081		21,221	
2009	4,928	-0.2%	5,477	2.9%	3,428	3.4%	926	1.8%	3,886	2.3%	3,182	3.3%	21,570	1.6%
2010	4,925	-0.1%	5,614	2.5%	3,457	0.8%	935	1.0%	3,950	1.6%	3,262	2.5%	21,786	1.0%
2011	4,947	0.4%	5,694	1.4%	3,486	0.9%	943	0.8%	4,019	1.8%	3,278	0.5%	21,956	0.8%
2012	4,982	0.7%	5,722	0.5%	3,501	0.4%	949	0.6%	4,024	0.1%	3,349	2.2%	22,336	1.7%
2013	5,044	1.2%	5,801	1.4%	3,549	1.4%	962	1.3%	4,068	1.1%	3,394	1.3%	22,686	1.6%
2014	5,322	5.5%	5,872	1.2%	3,614	1.8%	974	1.3%	4,148	2.0%	3,480	2.5%	23,323	2.8%
2015	5,391	1.3%	5,906	0.6%	3,723	3.0%	992	1.8%	4,227	1.9%	3,542	1.8%	23,629	1.3%
2016	5,505	2.1%	5,950	0.7%	3,742	0.5%	1,001	0.9%	4,318	2.1%	3,610	1.9%	23,756	0.5%
2017	5,676	3.1%	6,011	1.0%	3,779	1.0%	1,015	1.3%	4,363	1.0%	3,684	2.1%	23,944	0.8%
CAGR 2008 - 2017	1.6%		1.4%		1.5%		1.2%		1.6%		2.0%		1.4%	

Load Forecast

Peak Load Forecast for 2008 – 2017 SSRP Update
(Firm Coincident Peak By Jurisdictions)

Forecast Year	EAI		ELL		EMI		ENO		EGS-LA		ETI		Entergy System	
	Peak	Growth	Peak	Growth	Peak	Growth	Peak	Growth	Peak	Growth	Peak	Growth	Peak	Growth
2008	4,759		5,015		3,272		877		3,764		3,046		20,732	
2009	4,836	1.6%	5,008	-0.1%	3,344	2.2%	891	1.7%	3,831	1.8%	3,182	4.5%	21,092	1.7%
2010	4,832	-0.1%	5,140	2.6%	3,354	0.3%	899	0.9%	3,803	-0.7%	3,262	2.5%	21,290	0.9%
2011	4,802	-0.6%	5,237	1.9%	3,373	0.6%	905	0.7%	3,849	1.2%	3,278	0.5%	21,444	0.7%
2012	4,897	2.0%	5,372	2.6%	3,401	0.8%	911	0.6%	3,901	1.3%	3,349	2.2%	21,830	1.8%
2013	4,906	0.2%	5,439	1.3%	3,520	3.5%	923	1.3%	3,985	2.2%	3,394	1.3%	22,168	1.5%
2014	5,252	7.0%	5,511	1.3%	3,563	1.2%	928	0.6%	4,069	2.1%	3,480	2.5%	22,803	2.9%
2015	5,326	1.4%	5,530	0.3%	3,643	2.3%	952	2.6%	4,098	0.7%	3,542	1.8%	23,092	1.3%
2016	5,353	0.5%	5,510	-0.4%	3,630	-0.4%	961	0.9%	4,141	1.0%	3,610	1.9%	23,205	0.5%
2017	5,291	-1.2%	5,594	1.5%	3,666	1.0%	973	1.3%	4,186	1.1%	3,684	2.1%	23,395	0.8%
CAGR 2008 - 2017	1.2%		1.2%		1.3%		1.2%		1.2%		2.1%		1.4%	

Load Forecast

Peak Load Forecast for 2008 – 2017 SSRP Update
(Firm Non-Coincident Peak By Jurisdictions)

Forecast Year	EAI		ELL		EMI		ENO		EGS-LA		ETI		Entergy System	
	Peak	Growth	Peak	Growth	Peak	Growth	Peak	Growth	Peak	Growth	Peak	Growth	Peak	Growth
2008	4,874		5,015		3,288		877		3,774		3,046		20,732	
2009	4,863	-0.2%	5,145	2.6%	3,400	3.4%	891	1.7%	3,862	2.3%	3,182	4.5%	21,092	1.7%
2010	4,859	-0.1%	5,253	2.1%	3,429	0.9%	899	0.9%	3,925	1.6%	3,262	2.5%	21,290	0.9%
2011	4,881	0.4%	5,326	1.4%	3,458	0.9%	905	0.7%	3,992	1.7%	3,278	0.5%	21,444	0.7%
2012	4,917	0.7%	5,372	0.9%	3,473	0.4%	911	0.6%	3,999	0.2%	3,349	2.2%	21,830	1.8%
2013	4,978	1.2%	5,440	1.3%	3,520	1.4%	923	1.3%	4,040	1.0%	3,394	1.3%	22,168	1.5%
2014	5,260	5.7%	5,511	1.3%	3,585	1.8%	935	1.3%	4,121	2.0%	3,480	2.5%	22,803	2.9%
2015	5,326	1.3%	5,530	0.3%	3,694	3.0%	952	1.8%	4,201	1.9%	3,542	1.8%	23,092	1.3%
2016	5,437	2.1%	5,550	0.4%	3,713	0.5%	961	0.9%	4,288	2.1%	3,610	1.9%	23,205	0.5%
2017	5,607	3.1%	5,616	1.2%	3,749	1.0%	973	1.3%	4,336	1.1%	3,684	2.1%	23,395	0.8%
CAGR 2008 - 2017	1.6%		1.3%		1.5%		1.2%		1.6%		2.1%		1.4%	

Load Forecast

Load Uncertainties

- The SSRP Update recognizes that projected peak load is subject to a number of uncertainties. SPO develops load forecast sensitivity cases to assess the affect that load uncertainty outcomes could have on resource needs.
- The current forecast incorporates internally developed assumptions regarding business strategies that could change over time. Changes in assumptions such as the evolution of each Operating Company's wholesale strategy or the level of Operating Company sponsored demand-side management efforts could affect projected load and the resulting resource requirements.
- External events in the global or national economy could present upside or downside risks to the forecast.
- Several alternatives are available to the System to balance the generation portfolio over the planning horizon in response to changing capacity needs resulting from load levels, including:
  - Accelerate or delay the timing of long-term resource additions;
  - Decelerate the timing of unit deactivations;
  - Adjust the level of reliance on limited-term purchase power.

Fuel Forecast

Fuel Forecast

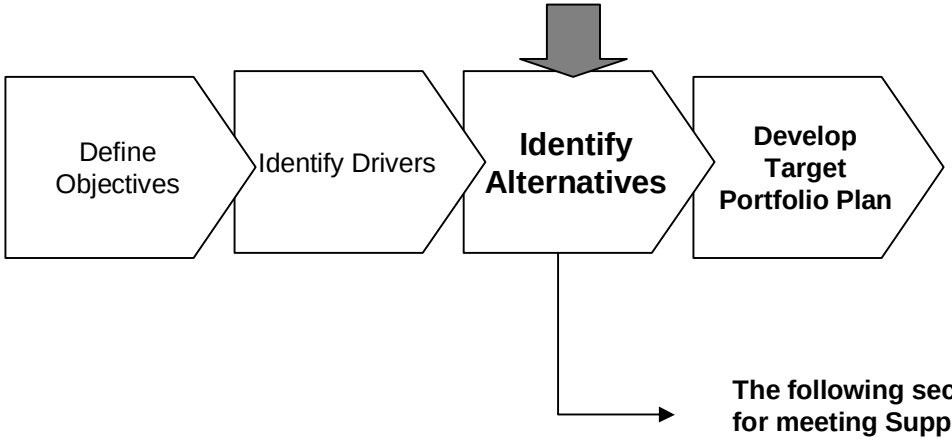
Process

- SPO develops long-term forecasts for fuel price, including commodity and delivery components, as inputs to the planning process. SPO updates its fuel price forecasts at least annually and more often if circumstances require. The specifics of the forecasting methodology and the underlying data sources differ somewhat by fuel. However, in general, the forecasting methodology includes the following elements.
  - Reliance on information regarding actual traded markets (e.g. New York Mercantile Exchange ("NYMEX") futures contracts) especially in the near-term in which such traded markets may be most liquid;
  - Consideration of third party forecasts (including those of leading consulting firms) for long-term periods;
  - Development of multiple forecast sensitivities to recognize the uncertainties in long-term fuel pricing.

Fuel Forecast

Natural Gas Price Forecast

- Prices for natural gas in the future are highly uncertain. An indication of future prices, at least in the near term, is provided by New York Mercantile Exchange ("NYMEX") futures contracts for gas. However, the farther out into the future the NYMEX futures contracts extend, the less reliable they become as indications of gas price levels in future periods because the market appears to be less liquid. SPO relies on NYMEX futures gas prices to develop the near-term portion of its Reference Case Long-term Natural Gas Price Forecast. These prices are then assumed to trend toward a longer-term price level that is determined largely based on information provided by leading consulting firms. SPO's Reference Case Long-term Natural Gas Price Forecast assumes that long-term gas prices will trend toward levels between $6 and $8/mmBtu (2007 real$) and then rise in real terms. However, SPO prepares and considers sensitivities above and below the Reference Case.



The following sections of the Update describe alternatives for meeting Supply Objectives:

- *The Wholesale Power Market*
- *Resource Alternatives*

Wholesale Power Market

Wholesale Power Market

Merchant Capacity

- Since 1999, a very large quantity of new gas-fired merchant generation has been constructed and interconnected to the Entergy System. Merchant capacity (including QFs and IPPs in service) went from a base of 1,260 MW in 2000 to the current level of over 17,000 MW.
- Early on the System recognized that this unprecedented influx of new gas-fired generation could present an opportunity to reduce cost for native load customers in two ways: (a) an opportunity to displace the fuel costs associated with operating Entergy's own generation and replacing it with potentially less expensive power purchased from merchant plants; and (b) an opportunity to avoid the need to build new plants by acquiring long term commitments from merchant plants, either through long-term contracts or through plant acquisitions.
- The Entergy System frequently is still portrayed by merchants and others as dispatching its own gas-fired generation and foregoing the opportunity to purchase lower-cost energy from merchant generators. The reality is that a significant portion of Entergy System gas-fired generation (both capacity and energy) has been displaced with purchases from the wholesale market.
  - Since 2000, the Entergy System has deactivated 21 generating units with a combined capacity of > 1,300 MW.
  - The output of older, gas-fired units has declined by approximately 58% while purchase power energy has increased by 45% from 1999 to 2007.
  - The portion of total Entergy System energy requirements provided by older, gas fired units has decreased from 35% to 15% between 1999 and 2007 due to the System's procurement efforts.

Wholesale Power Market

Procurement Activities

- The System is not limited to using resources that it actually owns to meet the needs of its customers. At all times, the System is looking for viable, cost effective power purchase options that could be used to meet customers' needs at lower cost than would be the case if owned resources were used – so long, of course, as reliability is maintained. The System purchases power instead of running its own facilities when it is economic to do so and is consistent with operational and reliability requirements. Such purchases may be as long as "life of unit" or as short as one hour. The System uses a series of procurement processes corresponding to varying terms of the purchases.
- The System generally acquires longer-term resources necessary to satisfy forecasted load requirements of the System through formal Request for Proposal ("RFP") processes, either to surface appropriate opportunities to execute, or to market-test self-build options. The RFP process is also used to acquire limited-term (1 – 5-year) resources.
- Since 1999 the System's planning and procurement efforts have resulted in a reduction in the output of the System's gas-fired generation and an increase in the use of purchased power.
- The evaluation of supply options will consider the overall System requirements as well as the needs of each individual Operating Company including the possible withdrawal of certain Operating Companies from the System Agreement. As previously indicated, EAI provided notice on December 19, 2005 pursuant to Section 1.01 of the System Agreement that it will withdraw from the System Agreement. EMI provided similar notice to the Operating Companies on November 8, 2007. Resource planning decisions will reflect EAI's and EMI's notice to terminate participation in the current System Agreement by 12/18/2013 and 11/7/2015, respectively.

Wholesale Power Market

RFP Results

RFP	Short- term 3rd Party	Limited- term Affiliate	Limited-term 3rd Party	Long-term Affiliate	Long-term 3rd Party	Total
Fall 2002	0 MW	185-206 MW Note 1	231 MW	101-121 MW Note 2	718 MW	1,235-1,276 MW
January 2003 Supplemental	222 MW	n/a	n/a	n/a	n/a	222 MW
Spring 2003	n/a	0 MW	381 MW	Note 3	0 MW	381 MW
Fall 2003	n/a	0 MW	390 MW	n/a	n/a	390 MW
Fall 2004	n/a	n/a	1,250 MW	n/a	n/a	1,250 MW
2006 Long-Term	n/a	n/a	n/a	538 MW Note 4	789 MW	1,327 MW
Fall 2006	n/a	0 MW	780 MW	n/a	n/a	780 MW
January 2008 RFP (Note 5)	n/a	n/a	TBD	n/a	n/a	TBD
2008 Western Region RFP	n/a	n/a	TBD	n/a	n/a	TBD
Total	222 MW	185-206 MW	3,032 MW	639 - 659 MW	1,507 MW	5,585-5,626 MW

Note 1: Includes a conditional option to increase the Capacity up to the upper bound of the range.

Note 2: The contracted Capacity will increase from 101 MW to 121 MW in 2010.

Note 3: It should be noted that this table does not reflect the River Bend 30% life-of-unit power purchase agreements totaling approximately 300 MW between Entergy Gulf States, Inc. ("EGS") and Entergy Louisiana, Inc. ("ELI") and between EGS and Entergy New Orleans, Inc. ("ENO") related to EGS's unregulated portion of the River Bend nuclear station which portion was formerly owned by Cajun Electric Power Cooperative, Inc. or the Entergy Arkansas Inc. ("EAI") wholesale baseload capacity life-of-unit power purchase agreements totaling approximately 220 MW between EAI and ELI and between EAI and ENO related to a portion of EAI's coal and nuclear baseload resources (which were not included in retail rates) executed in 2003. That capacity was identified and selected outside of the RFP process, but was market-tested in the Spring 2003 RFP, as a result of which the propriety of the selection of those resources was confirmed.

Note 4: Little Gypsy 3

Note 5: At the direction of the Louisiana Public Service Commission ("LPSC"), but with full reservation of all legal rights, ESI issued the January 2008 RFP for Supply-Side Resources seeking fixed price unit contingent products. Although the LPSC request was directed to Entergy Gulf States Louisiana, L.L.C. and Entergy Louisiana, LLC, ESI issued the RFP on behalf of all Entergy Operating Companies.

Wholesale Power Market

Reduced Reliance On Natural Gas-fired Generation

- The older gas-fired plants owned and operated by the System operating companies are producing significantly less energy than they did in 1999.

EAI Gas & Oil	1999 MWh	2007 MWh	% Change
Blytheville	22,222	0	-100%
Cecil Lynch	143	32,966	22953%
Hamilton Moses	72,111	0	-100%
Harvey Couch	169,720	25,113	-85%
Lake Catherine	1,818,820	25,877	-99%
Mabelvale	7,811	5,852	-25%
Robert E Ritchie	293,027	0	-100%
	2,383,854	89,808	-96%

EGSI Gas & Oil	1999 MWh	2007 MWh	% Change
Lewis Creek	2,952,703	1,884,337	-36%
Roy S Nelson	2,454,438	1,077,058	-56%
Sabine	9,556,589	4,501,097	-53%
Willow Glen	4,296,373	207,084	-95%
	19,260,103	7,669,576	-60%

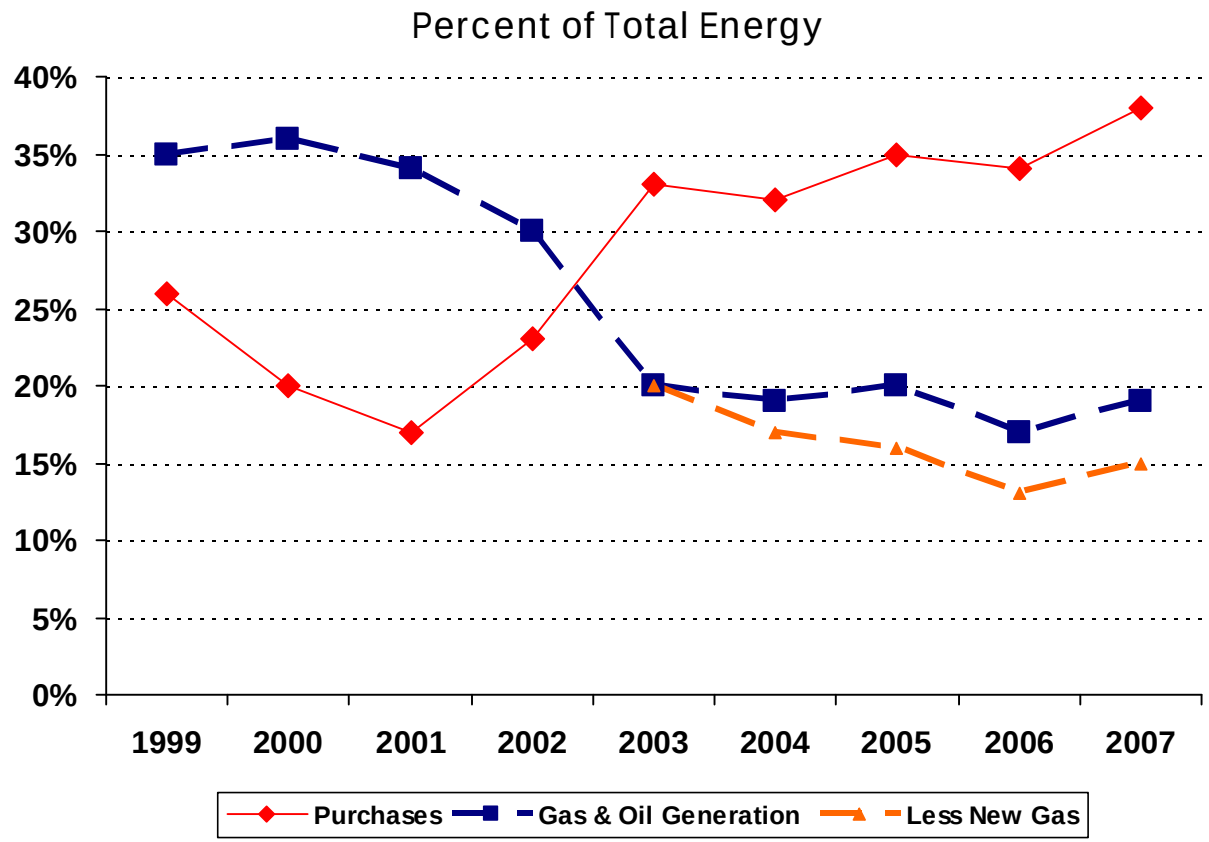
ELL Gas & Oil	1999 MWh	2007 MWh	% Change
Buras	2,506	635	-75%
Little Gypsy	2,989,080	1,294,874	-57%
Monroe (LA)	14,883	0	-100%
Nine Mile Point LA	7,252,460	4,443,032	-39%
Sterlington	1,046,468	47,692	-95%
Waterford (LA)	2,274,507	545,332	-76%
	13,579,904	6,331,565	-53%

EMI Gas & Oil	1999 MWh	2007 MWh	% Change
Baxter Wilson	4,481,301	1,699,990	-62%
Delta (MS)	290,617	0	-100%
Gerald Andrus	2,465,453	1,349,389	-45%
Rex Brown	497,102	158,998	-68%
	7,734,473	3,208,377	-59%

ENO Gas & Oil	1999 MWh	2007 MWh	% Change
A B Paterson	98,725	0	-100%
Michoud	3,422,196	1,854,800	-46%
	3,520,921	1,854,800	-47%

Source: *FERC Form 1 Reports; Entergy annual net generation. For plants with no net positive generation, 0 MWh is shown.*

Wholesale Power Market

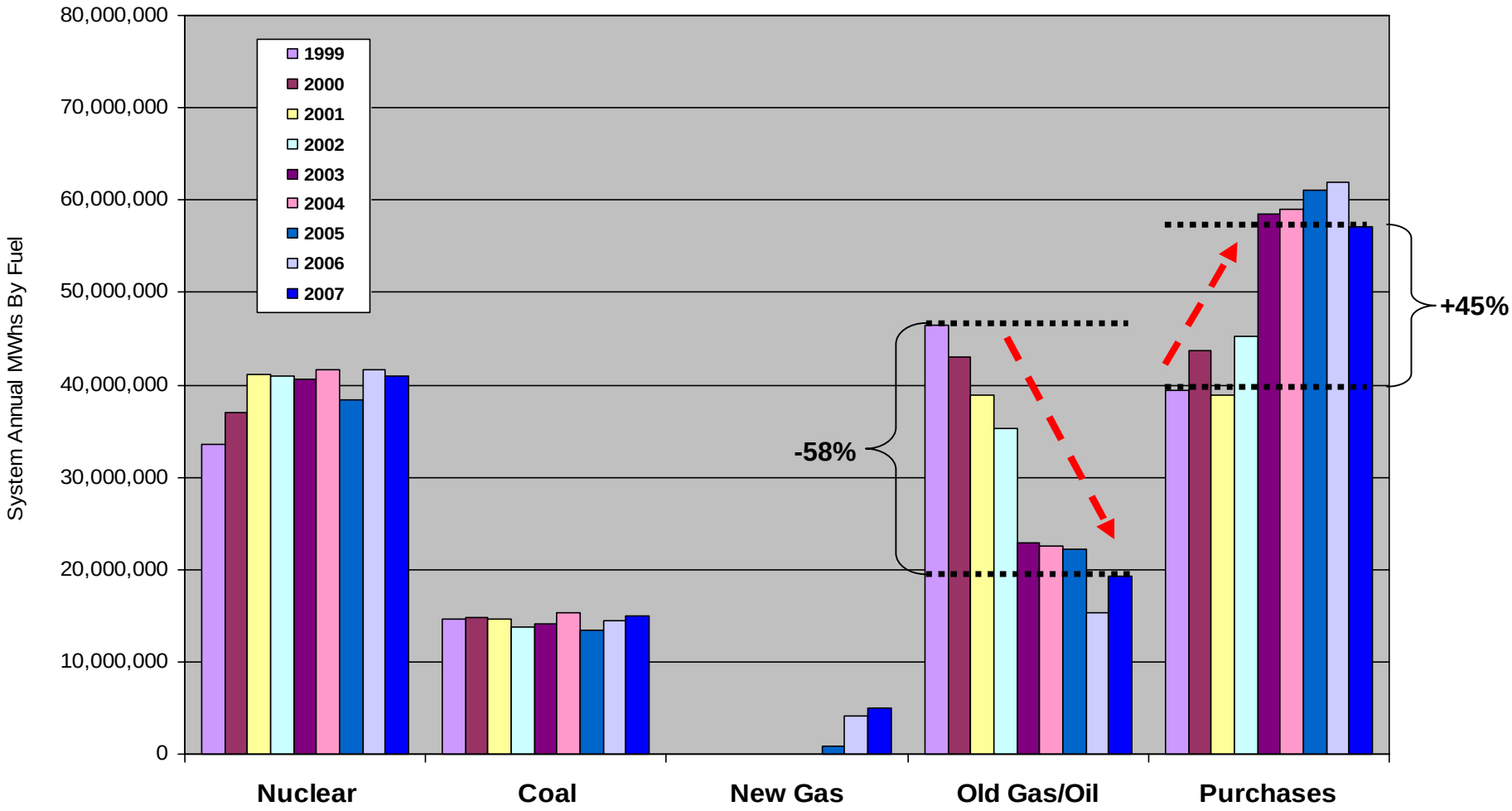


Gas & Oil Generation includes the output of Perryville and Attala. "Less New Gas" excludes the output of Perryville and Attala.

Source: Entergy Statistical Report and Investor Guides 2004 through 2006

Wholesale Power Market

Entergy System Supply Mix – 1999-2007 Trend



Note: Output from older, gas-fired units increased slightly in 2007 over 2006 due to hotter year-over-year weather, load growth, and unit availability.

Source: *FERC Form 1 Reports. Entergy annual net generation.*

Wholesale Power Market

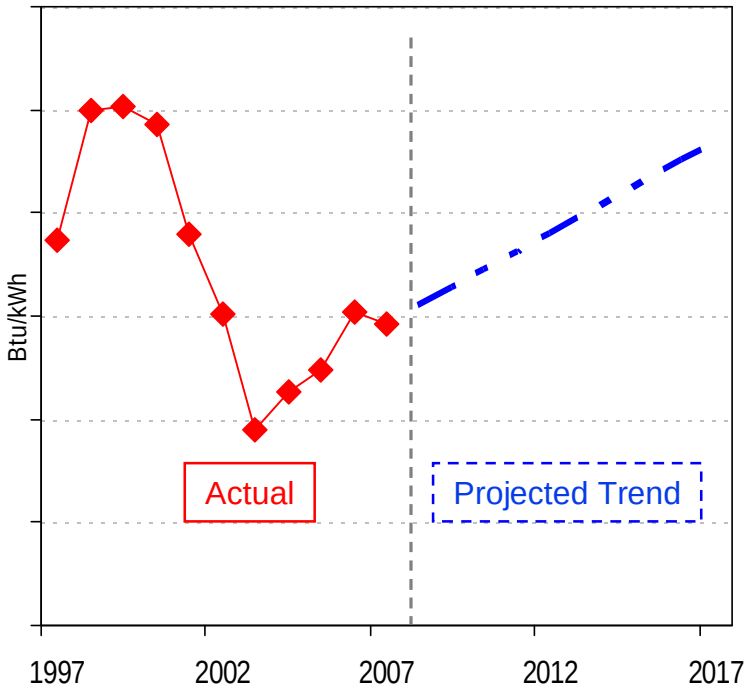
Anticipated Future Market Conditions

- In the coming years the wholesale power market within the Entergy region is expected to tighten as load grows. The tightening wholesale power market is expected to result in higher and more volatile wholesale power prices.
- The changing conditions imply increasing risk related to over-reliance on the wholesale market.
- SSRP planning principles mitigate this risk by avoiding an over-reliance on limited term purchase power used to meet reliability requirements and an emphasis on long-term resources whether owned or contracted.

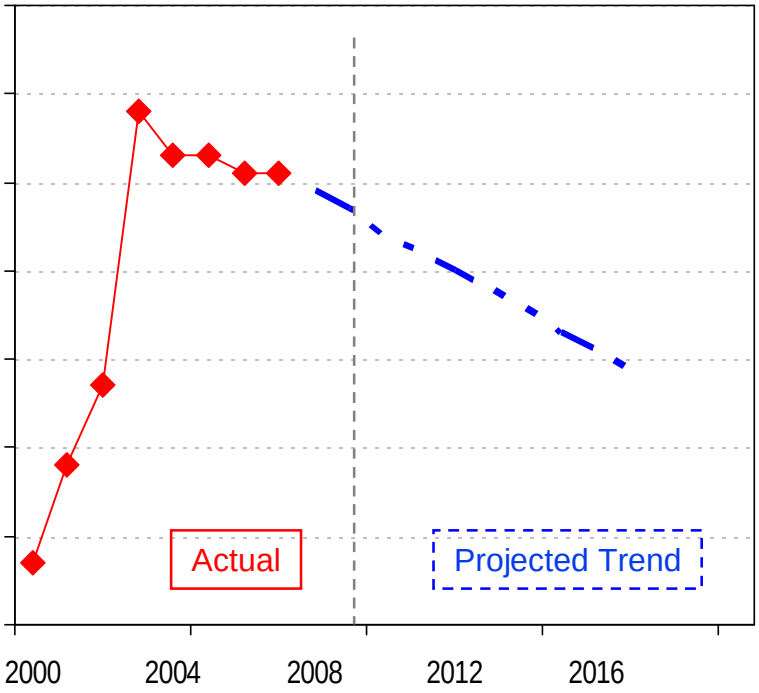
Wholesale Power Market

Wholesale market conditions in the Entergy Region are expected to tighten in the coming years resulting in higher prices and reduced availability of wholesale power.

Regional Implied Heat Rate (7X24)



Regional Capacity



Resource Alternatives

Resource Alternatives

Renewable Generation Alternatives

- A number of factors including recent escalations in capital cost for power plant components, growing concerns regarding greenhouse gas emissions, and risk associated with fuel price and fuel availability have stimulated interest in renewable generation alternatives among utility planners, regulators, and policy makers.
- The Southeastern U.S. in general, and the Entergy region in particular, are disadvantaged relative to most regions in the U.S. in terms of renewable generation potential. Geographical and climatic conditions in the region are not favorable for most renewable technology alternatives. As a result, the potential for economic deployment of renewable generation in this region is less than the national average.
- The economics of renewable generation technologies are improving but generally remain less attractive than traditional generation alternatives. Moreover, many renewable alternatives involve significant operational limitations. The intermittent nature of renewable alternatives such as wind or solar create particular challenges for the Entergy System given the System's requirements for flexible capacity.
- The Entergy Operating Companies are continuing to evaluate renewable generation alternatives to identify economically attractive alternatives that may be deployable within the 2008 – 2017 planning horizon or beyond. The addition of renewable generation alternatives, if identified, could reduce the amount of traditional generation additions assumed in the Reference Planning Scenario.
- SPO is developing a Renewable Generation Strategy. The strategy will consider the implication of potential federal and state Renewable Portfolio Standards ("RPS"), the availability of renewable resources within the Entergy region, the commercial status of renewable technologies, the economic impact of renewable resources on customers, and operational considerations in the context of the strategic resource portfolio.

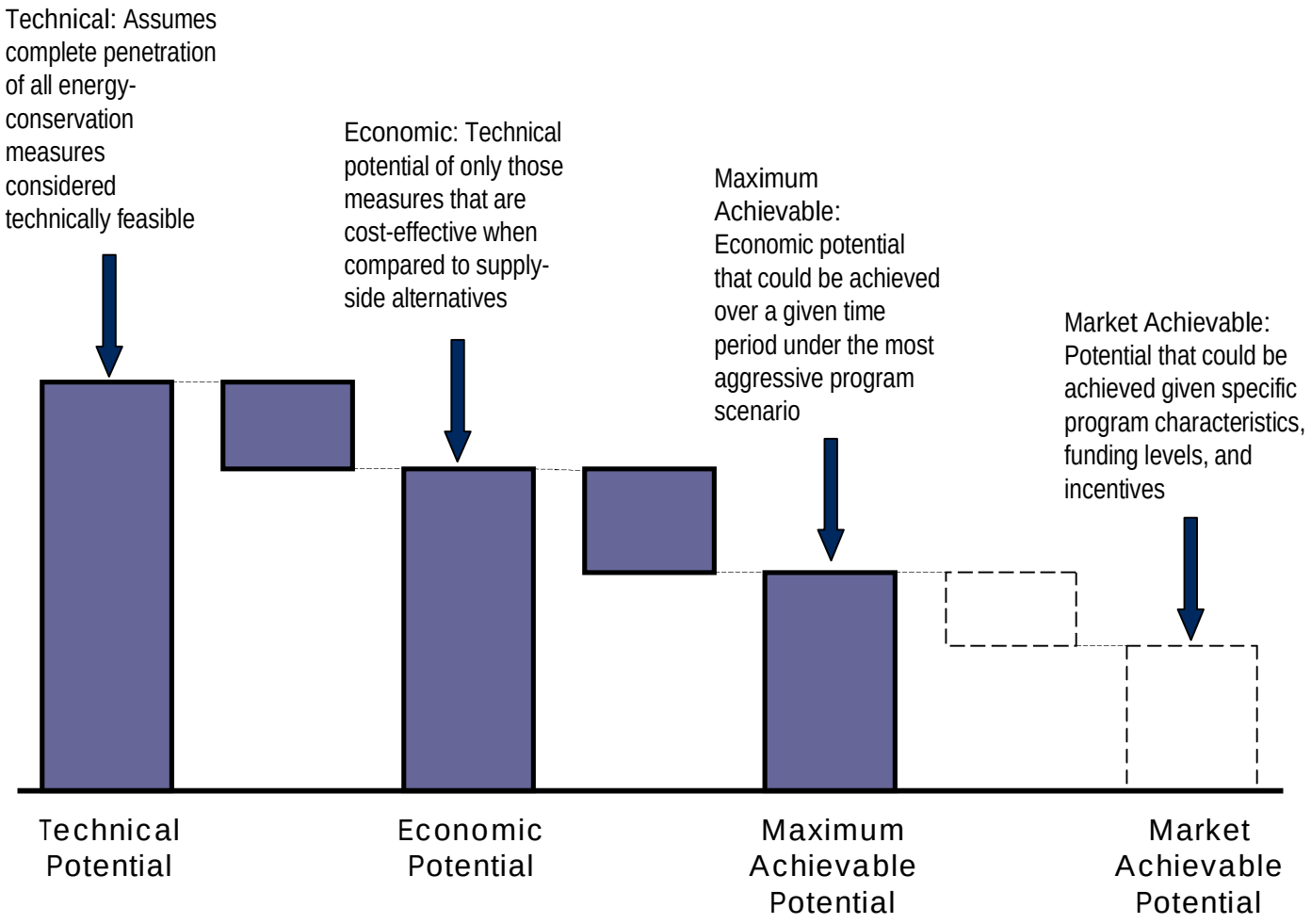
Resource Alternatives

Demand-side Management

- Factors similar to those driving interest in renewable generation are stimulating interest in demand-side management and energy efficiency initiatives.
- The Entergy Operating Companies are concluding a study to assess the potential for demand-side management and energy efficiency within the area. Final results of that study are not available at this time. However, preliminary results have been incorporated into the Reference Planning Scenario. Preliminary results indicate that approximately 1,100 MW of peak demand reduction is achievable over a 10 year period. The Reference Planning Scenario assumes that peak reliability requirements are reduced by these amounts.
- It is possible that the final results from the study could support DSM levels more or less than this. DSM initiatives in excess of the planning assumption could serve to reduce the amount of generation capacity required to be added over the planning horizon. If DSM initiatives fall below 1,100 MWs additional generation capacity would be needed to meet System reliability requirements.

Resource Alternatives

Overview of DSM Potential Study



Resource Alternatives

DSM Assumptions in Reference Planning Scenario

- Additions of traditional generation capacity assumed in the Reference Planning Scenario would be increased or decreased depending on the levels of demand-side management and energy efficiency that is implemented.
- The amount of demand-side management and energy efficiency ultimately deployed will depend on a number of factors including the existence of enabling regulatory mechanisms.

Reference Planning Scenario DSM Assumption

Net Co-incident Peak MW Saved by Cumulative DSM Measures Installed

Year	1	2	3	4	5	6	7	8	9	10
EAI	8.3	15.2	25.9	43.7	67.1	89.1	113.0	138.9	166.7	196.4
ENO	1.0	2.1	4.2	8.2	13.5	18.5	23.9	29.7	36.0	42.8
EMI	3.7	6.8	11.7	20.0	30.9	40.4	50.8	62.1	74.3	87.5
EGS	7.5	13.7	22.6	36.2	53.9	74.1	96.7	121.7	149.2	179.3
ETI	5.6	11.3	26.4	49.6	79.3	119.4	162.8	209.3	259.1	312.3
ELL	10.8	19.4	35.7	61.0	93.6	126.0	161.3	199.2	240.0	283.8
Total	36.8	68.5	126.5	218.6	338.2	467.5	608.4	760.9	925.4	1,102.0

Resource Alternatives

Traditional Generation Technologies

Existing Resources

- Considering the cost of self-build projects, the uncertain availability and cost of modern merchant capacity, and the overall System capacity need, strategic long-term planning decisions should recognize the value of existing resources.
- Many of the System's older gas-fired units, while operated at low capacity factors, provide economic sources of flexible capability to meet System reliability requirements.
- Investments to repower or extend the life of existing facilities could represent a potential source of economic generating capacity to meet long-term needs of the System.

Gas-fired Combustion Turbine (CT) Technology

- F-Class CT technology is the System's technology of choice for general peaking applications. However, as the cost of constructing new power plants has increased and the price of natural gas has remained high relative to historical levels, the operation range over which a CT is economic relative to the higher efficiency CCGT alternative has narrowed.

Resource Alternatives

Traditional Generation Technologies

Combined Cycle Gas Turbine (CCGT) Technology

- CCGTs are the System's technology of choice for load-following purposes. For load-following applications, CCGTs provide attractive economics relative to other alternatives across a wide range of natural gas price and CO2 cost assumptions.
- Despite reliance on gas as a fuel, CCGT and CT resources represent a relatively low risk alternative to meet near term System needs because they are suited operationally and economically to provide flexible capability. Moreover, reliance on natural gas can be partially offset by improved system efficiency.
- In the near-term, the addition of modern efficient gas-fired CCGTs and CTs can provide a relatively low risk alternative to meet reliability needs over the next several years as the System continues to evaluate new nuclear and other long-term base load alternatives.

Resource Alternatives

Traditional Generation Technologies

New Nuclear

- Although the cost estimates for new nuclear technology remain uncertain, new nuclear capacity continues to offer the potential for an economic source of stable-priced power with zero carbon emissions to meet long-term base load needs.
- However, nuclear capacity cannot be deployed before 2017.
- The System continues to assess new nuclear as an alternative to meet long-term base load needs and is taking steps to maintain the option to develop new nuclear on a path consistent with its availability near the end of this planning period or shortly thereafter. The System has filed a Combined Construction and Operating License Application ("COLA") for a new nuclear facility at the Grand Gulf site. In the coming year the System expects to take the following actions:
  - File a COLA at the River Bend site;
  - Make appropriate regulatory filings related to New Nuclear development spending; and
  - Apply for Department of Energy loan guarantees and receive feedback on whether either the Grand Gulf or River Bend projects receive the loan guarantee.
- The COLA for Grand Gulf indicated that EMI, ELL, and EGSL would own a new unit if constructed at Grand Gulf. However, the ownership shares among these three companies has not been determined. The COLA for River Bend is anticipated to be filed on a similar basis.
- The System anticipates assessing the results of these efforts to develop a better understanding of the best path forward for new nuclear development.

Resource Alternatives

Traditional Generation Technologies

Solid Fuel Technology

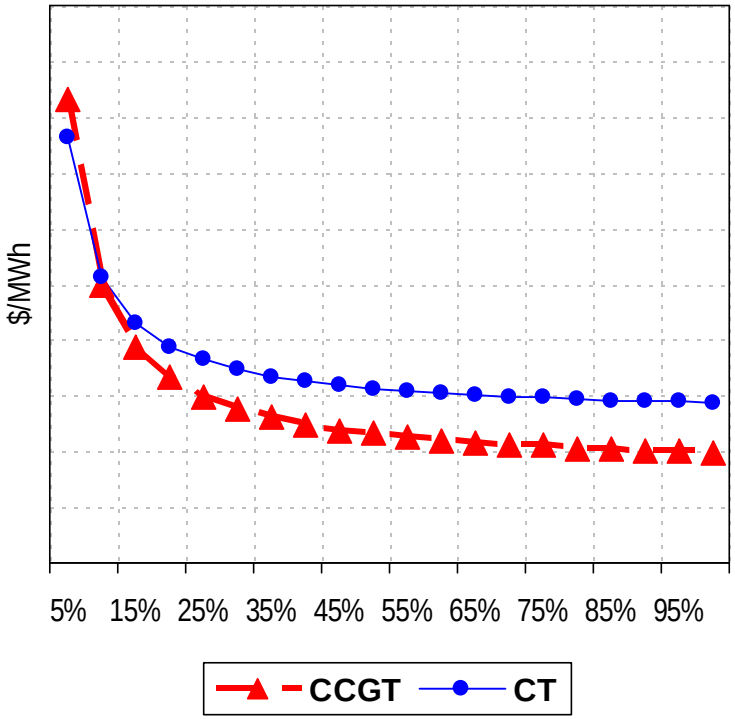
- The Little Gypsy Repowering Project continues to offer reasonable economics and is the only alternative available within the next five to seven years to provide meaningful levels of stable-price energy to reduce reliance on natural gas.
- The economics of longer-term solid fuel alternatives are less certain. By the end of this planning horizon a wider range of solid fuel alternatives may be deployable. Moreover, evaluations of solid fuel technologies deployable by the end of the ten-year planning horizon should consider that new nuclear may also be deployable. The System continues to assess solid fuel and nuclear economics.
- All solid fuel technologies involve higher relative capital cost and significant uncertainties particularly relating to potential emissions cost.

Resource Alternatives

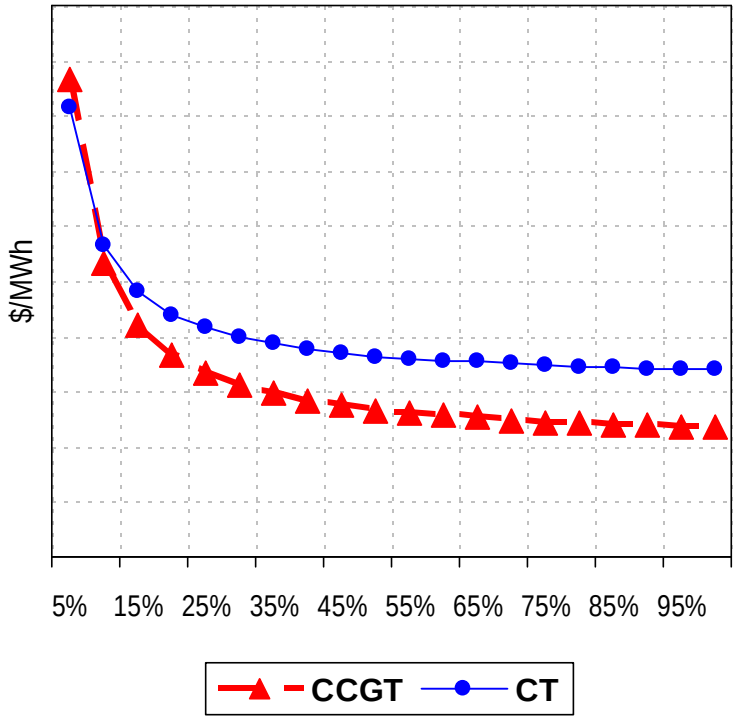
Gas-fired CTs represent a low cost source of capacity. However, gas-fired CCGTs are more economic except at very low capacity factors.

CCGT v. CT Screening Curves
(Based on Levelized 30-yr cost)

Gas Price is $8/MMBtu (Real$)



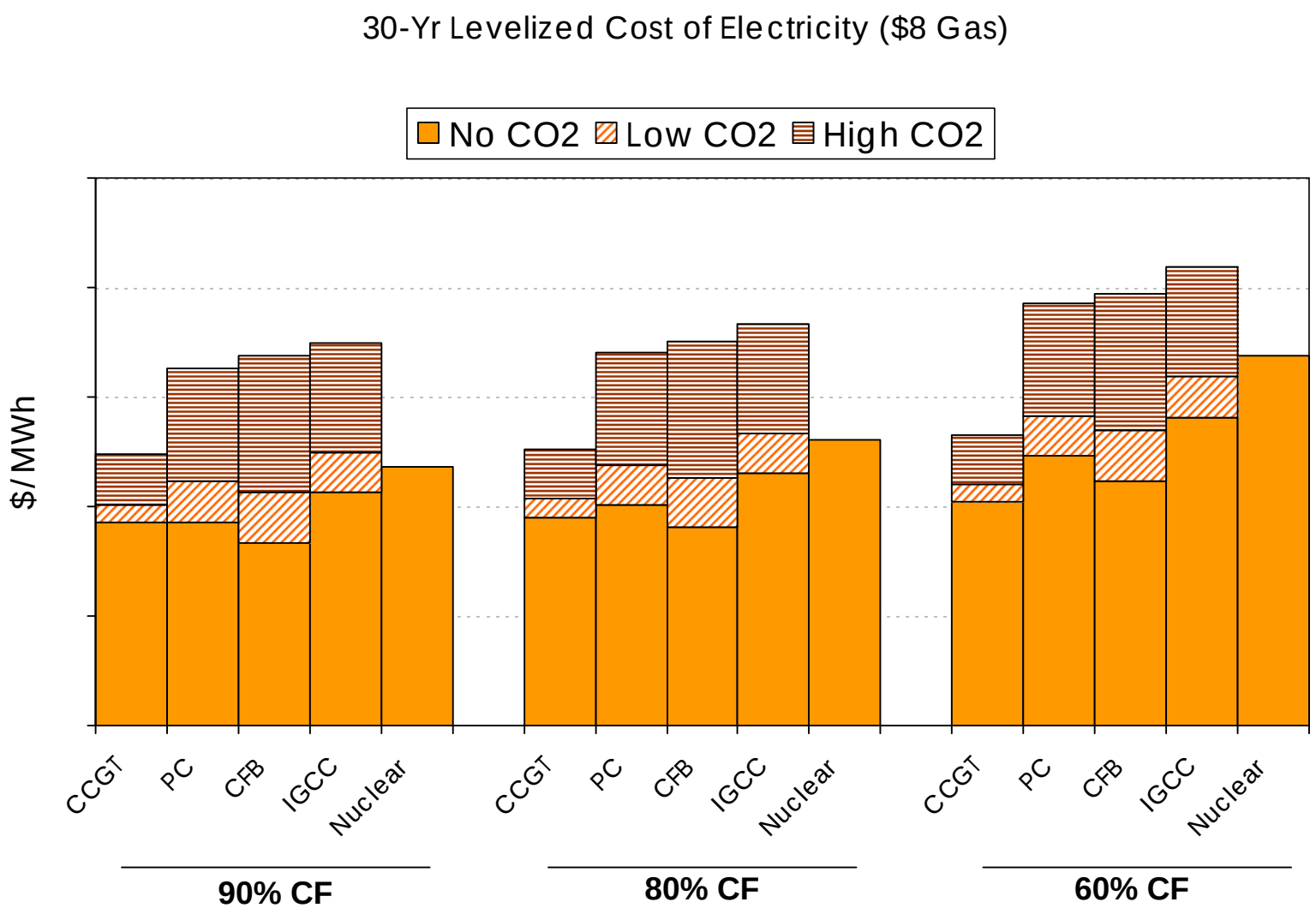
Gas Price is $10/MMBtu (Real$)



CCGT (Combined Cycle Gas Turbine); CT (Combustion Turbine)

Entergy

Resource Alternatives



CCGT (Combined Cycle Gas Turbine); PC (Pulverized Coal); CFB (Circulating Fluidized Bed); IGCC (Integrated Gasification Combined Cycle

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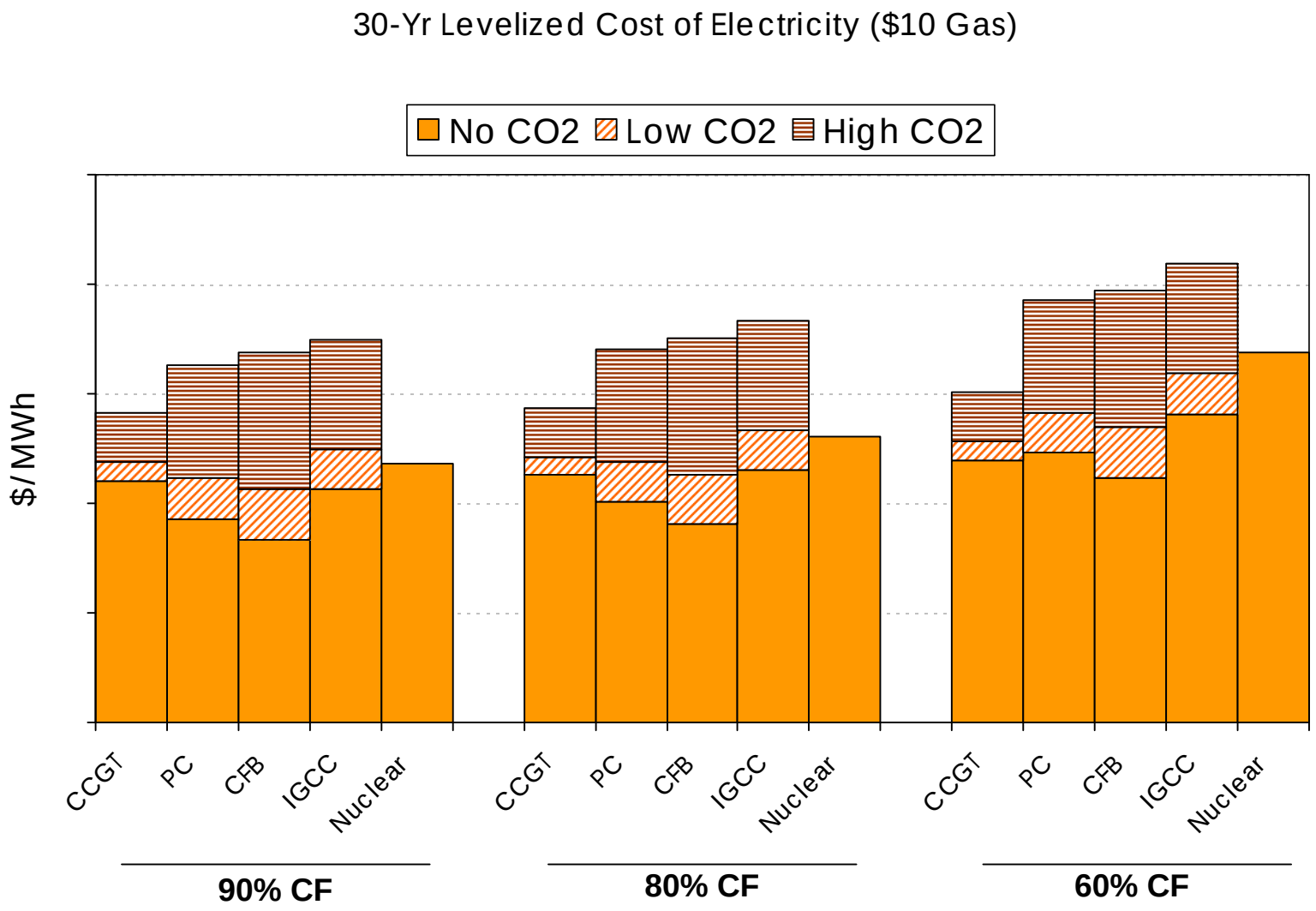
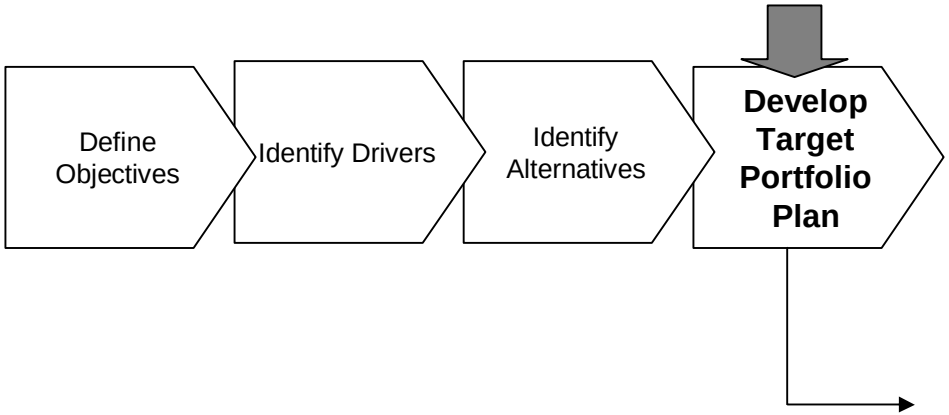
Resource Alternatives



CCGT (Combined Cycle Gas Turbine); PC (Pulverized Coal); CFB (Circulating Fluidized Bed); IGCC (Integrated Gasification Combined Cycle



The following sections of the Update describe alternatives for meeting Supply Objectives:

- *Overview of Supply Strategy*
- *Reference Planning Scenario*

Overview of Resource Supply Strategy

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Overview of Supply Strategy

Purchase Power Strategy

- The System will seek to meet the bulk of its reliability requirements with long-term capacity whether owned or contracted. The emphasis on long-term capacity serves to protect customers from risks associated with fluctuations in the market price of power and disruptions the availability of power.
- The SSRP assumes a reasonable reliance on limited-term purchases to meet System reliability requirements. However, the amount of limited-term capacity will be restricted to levels that do not expose customers to unreasonable risks associated with market price and availability. Consistent with this strategy, the 2008 – 2017 Reference Case Planning Scenario assumes that limited-term purchases will provide roughly 1,000 MW to 3,500 MW of capacity over the planning horizon.
- The System expects to maintain a portfolio of limited-term purchase power products with varying contract durations resulting in a laddering of contract expiration dates (multi-year contracts expiring at various times.)
- The portfolio of purchase power products will include:
  - Long-term resources (ten year to life-of-unit duration)
  - Limited-term products (one to five years)
  - Seasonal products
  - Monthly RFP purchases
  - Weekly RFP purchases
  - Daily purchases

Overview of Supply Strategy

Portfolio Mix for Long-term Controlled Resource Additions

- The Entergy Operating Companies continue to pursue a long-term strategy of a diversified portfolio mix. However, the current portfolio mix includes a large amount of gas-fired capacity. The economics of alternatives for addressing the System's reliance on natural gas depend on a number of uncertainties including fuel prices, environmental compliance, and capital cost. Given these uncertainties, near term priority will be placed on relatively lower risk CCGT and CT resources for near-term additions.
- CCGT resources are relatively low risk because they represent an economic alternative to meet System flexible capability needs across a range of uncertainty outcomes.
- The Little Gypsy Repowering Project continues to offer reasonable economics and is the only alternative available within the next five to seven years to provide meaningful levels of stable-priced energy to reduce reliance on natural gas.
- All longer-term alternatives for reducing the reliance on natural gas involve high capital costs and additional uncertainties. In light of the uncertainties associated with longer-term solid fuel and new nuclear generation alternatives, the System plans to continue to evaluate alternatives and defer commitment to any particular technology. The System will:
  - Continue to develop new nuclear options as more detailed and certain information becomes available.
  - Investigate potential emerging solid-fuel technologies.
  - Assess promising solid fuel alternatives in light of emerging environmental legislation.

Overview of Supply Strategy

Portfolio Mix for Long-term Controlled Resource Additions

- The Entergy Operating Companies are continuing to evaluate renewable generation alternatives to identify economically attractive alternatives that may be deployable within the 2008 – 2017 planning horizon. The addition of economically attractive renewable generation alternatives, if identified, could reduce the amount of traditional generation additions assumed in the Reference Planning Scenario. However, renewable technologies, at least at this time, are not likely to displace the need for all traditional capacity.
- The Entergy Operating Companies are continuing to evaluate demand-side management and energy efficiency initiatives. The SSRP Update anticipates increasing levels of demand-side management and energy efficiency initiatives.

Overview of Supply Strategy

Self-supply Options

- The SSRP calls for the System to identify self-supply options that would enable the System to construct new generating capacity if, and when, it is needed and economically justified. The availability of identified self-supply options mitigates the exposure of the Operating Companies to purchase power supply risks including availability and price volatility by providing real options that can be executed in a timely manner.
- The availability and price of market alternatives are matters of uncertainty. In contrast, self-supply options can be executed with a relative degree of certainty. Consequently, the SSRP generally adopts the default assumption that long-term resource additions are in the form of executed self-supply options. This is especially so with respect to resource additions intended to address supply needs in which location or technology are critical. For example, the Area Planning process identifies the most attractive self-supply options within each Planning Area. These self-supply alternatives provide the basis for assumptions regarding resource additions where needed to address specific issues within the Planning Areas.
- The assumption that a resource addition is accomplished in the form of self-supply alternative does not imply that other resource alternatives would not be considered. The overarching objective in resource selection is to identify resources that meet planning objectives at the lowest reasonable cost. Self-supply alternatives are expected to be replaced by market alternatives if the latter are determined to be more economic and provide the same level of reliability.

Overview of Supply Strategy

Approach to Project Selection and Development

The addition of resources to the portfolio occurs through a process in which initial planning assumptions are continually refined in light of best available information.

① Planning Scenarios

- SSRP planning scenarios include assumptions about the timing, cost, and regional location of generating capacity additions.
- Assumptions initially represent placeholders based on best information available.
- Specific site and technology alternatives are not made until time of final decision to execute.

② Self-supply Options

- The SSRP calls for the System to identify self-supply options that would enable the System to construct new generating capacity if and when it is needed and economically justified.
- Placeholder assumptions are refined into executable self-supply projects based on additional analysis / information.
- During this time initial assumptions regarding technology and site may change.

③ Alternatives

- Proposed self-supply projects are compared with other market alternatives if applicable.
- May require market testing.

④ Execute

- Final resource selection represents best identified alternative to address applicable planning objectives.
- Site and technology choice is finalized at this time.

Reference Planning Scenario

Reference Planning Scenario

Overview

- SSRP planning scenarios include assumptions regarding the timing, cost, and regional location of long-term generating capacity additions. These assumptions are meant to represent "placeholders" and do not prescribe definitive technology choices or site selections. The SSRP envisions that decisions about technology and location of resources additions will be made as generation projects are implemented over the planning horizon. The System will choose technologies, select sites, and determine resource timing based on the best information available at the time. The relative economics of technology alternatives, and thus the optimal portfolio mix, depend on the outcome of a number of key uncertainties including, but not limited to, future natural gas price levels and potential CO2 legislation. By deferring technology and site selection to the time of project development, the System is able to recalibrate the resource plan over time to ensure a better portfolio mix as better information becomes available and as uncertainties are resolved.
- Reference Case planning assumptions provide guidance regarding future capacity needs and resource additions given the best information available at this time. Sensitivity cases provide information about how resource needs and additions might change under High and Low load growth scenarios.

Reference Planning Scenario

Overview of Key Resource Assumptions

- The Reference Planning Scenario assumes the addition of a CCGT identified through the 2008 Summer RFP. Given current market conditions there is a reasonable expectation that the 2008 Summer RFP could identify economically attractive CCGT alternatives. However, the result of the 2008 Summer RFP is uncertain. It is not possible to predict whether the RFP will result in the selection of capacity, if so how much would be selected, or in which Planning Region such capacity would be located. In the event that the outcome of the 2008 Summer RFP differs from the assumption used in the SSRP, subsequent resource additions would be adjusted accordingly to address System and Planning Area needs.
- Any self-supply projects assumed in the plan might be replaced with long-term power purchase contracts or acquisitions based on the results of market testing.
- The System has identified a self-supply alternative in the Amite South planning region. The project is intended to meet long-term System reliability needs, provide flexible capacity for the System, and support regional reliability. The System anticipates market testing this project within the coming year.
- The System has identified a self-supply alternative in the Western division of the WOTAB planning region. The project is intended to meet long-term System reliability needs, provide flexible capacity for the System, and support regional reliability. The System anticipates market testing this project within the coming year.
- The System expects to determine next steps and timing in the potential development of a CCGT self-supply option in Arkansas.
- Also during the next year, the System will consider development of a WOTAB CCGT option depending on the outcome of the Summer 2008 RFP.

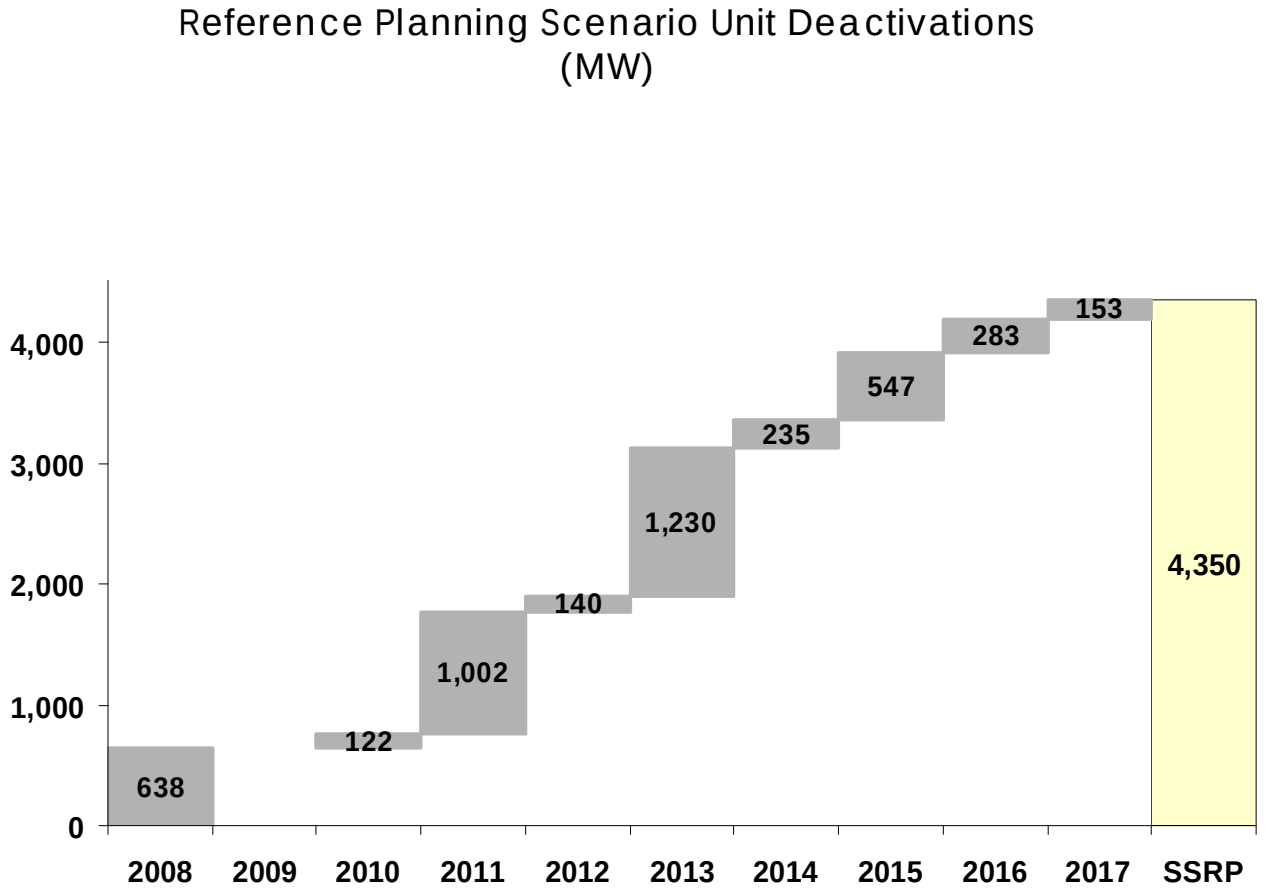
Entergy

Reference Planning Scenario

- Since additional resources are currently needed to meet reliability requirements, any deactivation assumption results in the planned addition of replacement resources
- The Reference Planning Scenario assumes a need for replacement capacity equal to 4,350 MW over the ten-year planning horizon
- Replacement capacity estimates are distributed over the planning period to support a gradual transformation of the portfolio

Note:

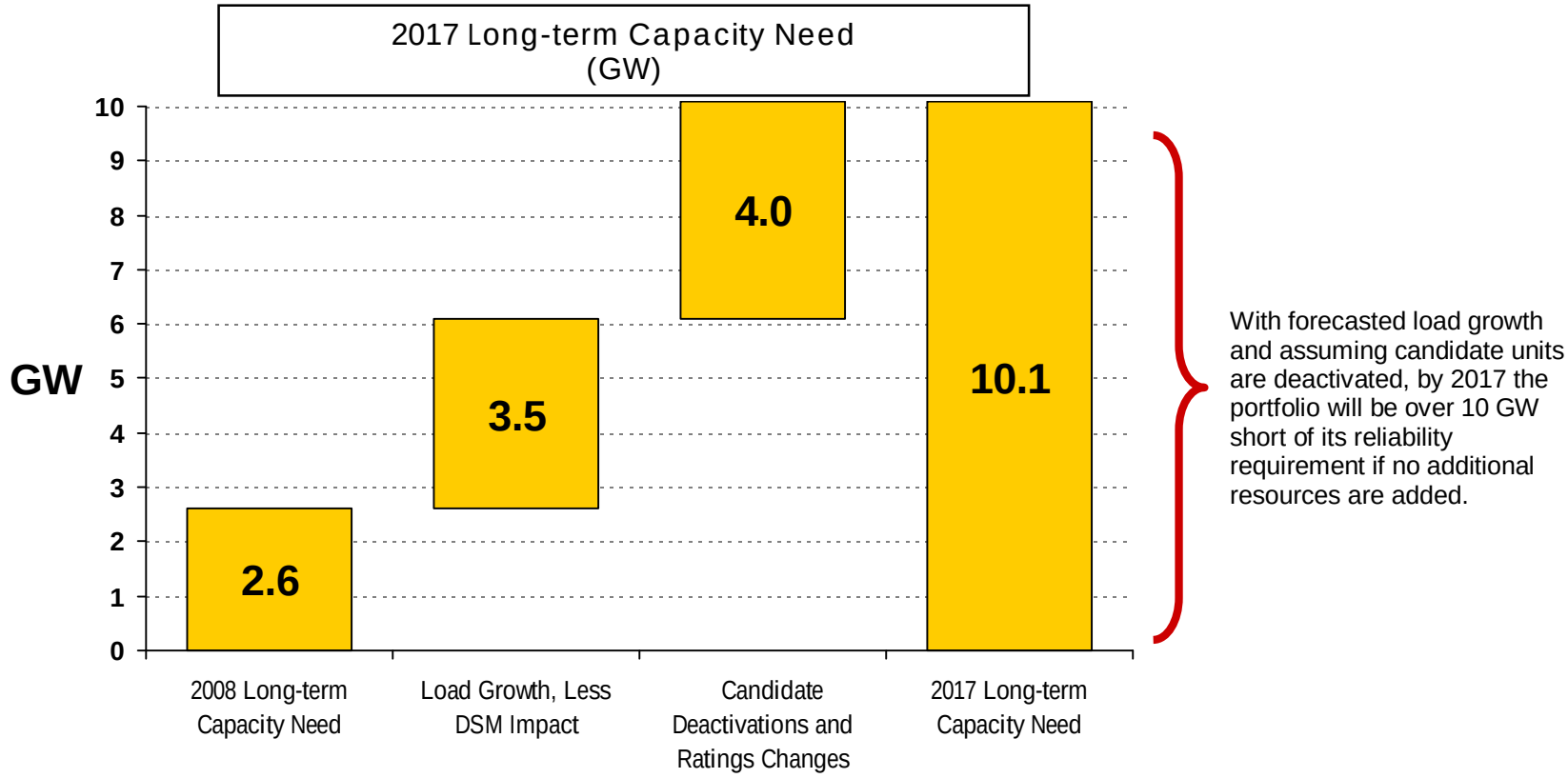
This timeline is for long-term capacity deactivations represents an assumption for long-term capacity planning purposes only and should **not** be interpreted as a retirement schedule for existing generating units



Reference Planning Scenario

Sources of Incremental Capacity Need Over Planning Horizon

The System must add capacity to address reliability and operational flexibility needs. A reserve margin target of 16.8% is used for long-term reliability planning.



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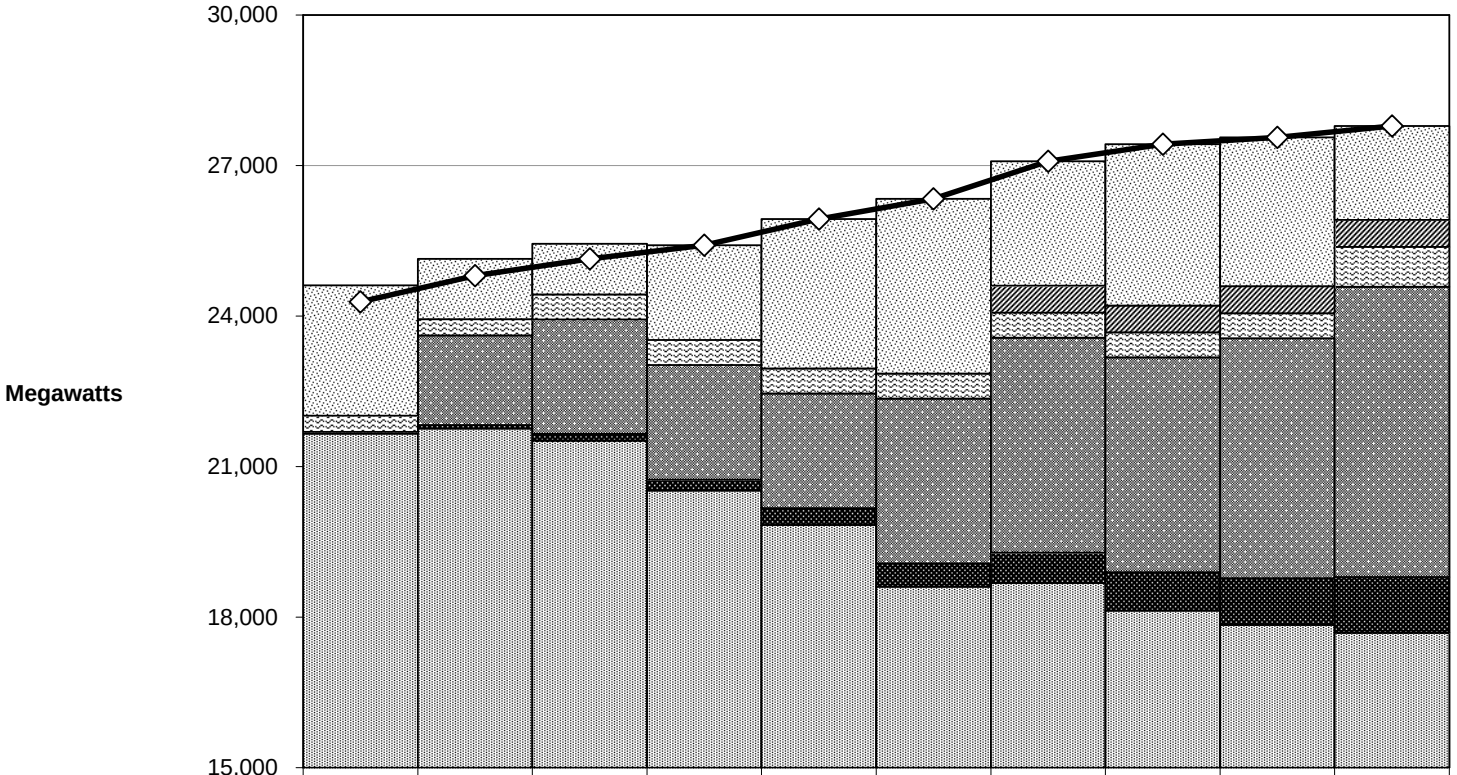
Reference Planning Scenario



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Limited-term Purchases	2,598	1,204	1,008	1,893	2,980	3,480	2,477	3,214	2,967	1,869
LG3 (Baseload)	0	0	0	0	0	0	538	538	538	538
Load-following and Peaking	322	322	497	497	497	497	497	497	497	797
Baseload and Load-following	0	1,784	2,284	2,284	2,284	3,284	4,284	4,284	4,784	5,784
DSM	37	69	127	219	338	468	608	761	925	1,102
Existing Resources	21,657	21,761	21,523	20,521	19,836	18,606	18,679	18,132	17,849	17,696
Reference Reliability Need	24,283	24,805	25,142	25,414	25,936	26,335	27,084	27,426	27,561	27,787

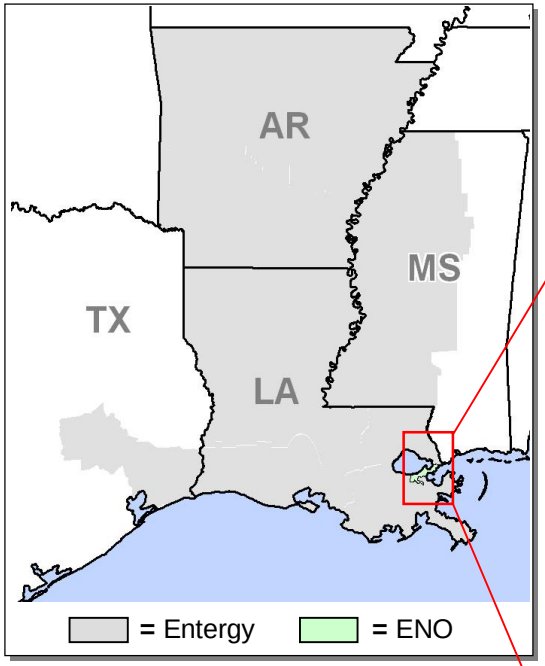
CHAPTER III
Summary of
The Entergy Electric System Strategic Supply Resource Plan
Update for the Planning Period 2008 – 2017

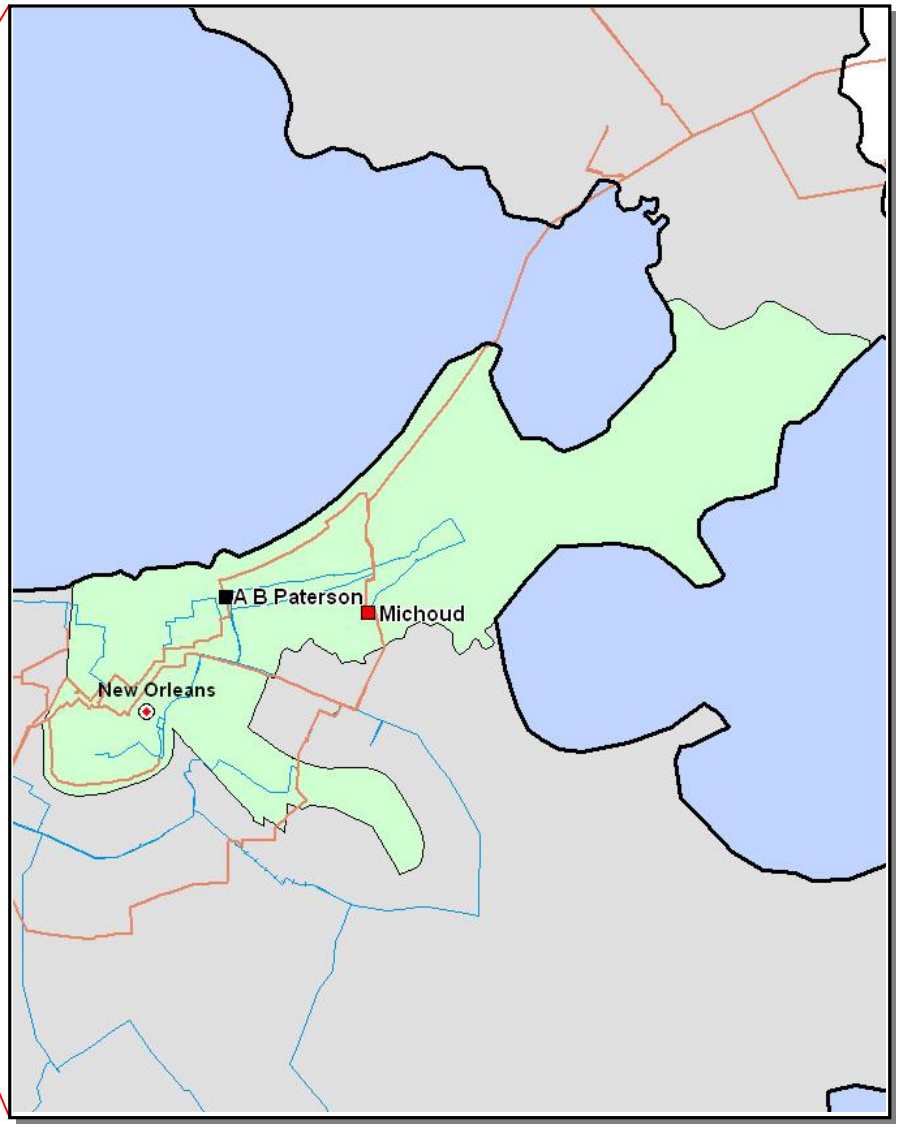
Supplemental Information Regarding Entergy New Orleans, Inc.

August 2008

Entergy

ENO Service Territory





ENO plant (active status)
ENO plant (IR status)
230kV transmission system
115kV transmission system
3 miles

Note: ENO also has long-term supply contracts with other System resources (not shown on map since located outside ENO's immediate service territory)

ENO Resources

ENO is well positioned with a fuel diversified set of resources

		ENOI Share					
Name	Average Age	SSRP Rating (MW)[1]	2008 Summer Rating (MW)	Primary Fuel	Capacity Factor (2005-2007)	City	State
AB Patterson Unit 3	58	IR[2]	IR[2]	Gas	0%	New Orleans	LA
AB Patterson Unit 5	41	IR[2]	IR[2]	Petro	0%	New Orleans	LA
Michoud Unit 1	51	IR[2]	IR[2]	Gas	3%	New Orleans	LA
Michoud Unit 2	45	230	230	Gas	14%	New Orleans	LA
Michoud Unit 3	41	530	515	Gas	23%	New Orleans	LA
Grand Gulf[3]	23	194	193	Nuclear	92%	Port Gibson	MS
Riverbend[3]	23	97	97	Nuclear	88%	St Francisville	LA
EAI Wholesale Baseload[3][4]	28	110	110	Nuclear & Coal	87%	Various	AR & MS
EPI Independence Two[3]	24	50	50	Coal	75%	Newark	AR
Total		**1,211**	**1,195**				

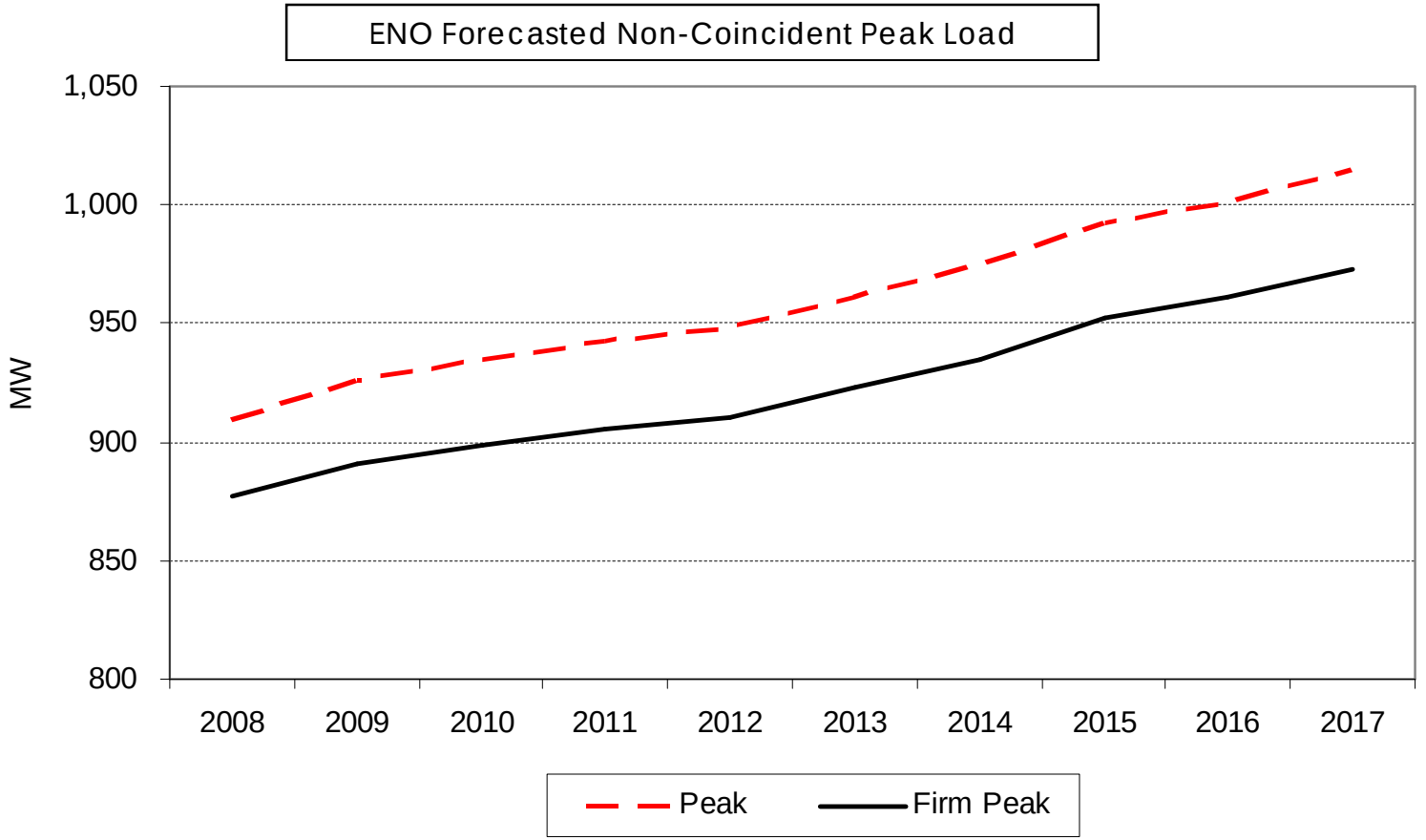
[1] During the preparation of the 2008 SSRP, 2008 summer ratings were not finalized so 2007 summer ratings were used except for IR units

[2] Inactive Reserve Status (rating of zero)

[3] Long-term purchase interest

[4] Age and Capacity Factor is weighted by the MWs in each resource (ANO Unit 1: 23 MW, ANO Unit 2: 27 MW, Grand Gulf: 27 MW, White Bluff Unit 1: 12 MW, White Bluff Unit 2: 14 MW, Independence Unit 1: 7 MW)

ENO Load Forecast Data



Forecast Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Annual Peak (MW)	910	926	935	943	949	962	974	992	1,001	1,015
Firm Peak (MW)	877	891	899	905	911	923	935	952	961	973

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ENO Peak and Energy by Revenue Class

ENOI Total Annual Peak by Revenue Class (MW)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Residential	331	333	345	347	355	353	360	364	373	381	389
Commercial	351	359	362	364	364	369	369	373	378	379	387
Industrial	94	96	97	99	98	99	102	105	107	105	102
Governmental	119	121	122	125	126	128	129	132	134	136	136
Company Use	0	0	0	0	0	0	0	0	0	0	0
	895	910	926	935	943	949	962	974	992	1,001	1,015

ENOI Total Annual Energy by Revenue Class (GWH)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Residential	1,303	1,334	1,352	1,377	1,396	1,424	1,455	1,485	1,516	1,549	1,583
Commercial	1,906	1,960	1,968	1,983	2,000	2,020	2,042	2,064	2,086	2,114	2,145
Industrial	591	595	605	615	625	633	642	652	661	670	679
Governmental	793	798	813	827	841	856	871	886	900	914	927
Company Use	2	2	2	2	2	2	2	2	2	2	2
	4,595	4,688	4,740	4,804	4,864	4,935	5,013	5,089	5,165	5,248	5,336

ENOI Total Annual Energy as a Percent of Entergy System

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Residential	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Commercial	6%	7%	6%	6%	6%	6%	6%	6%	6%	6%	6%
Industrial	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Governmental	32%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%
Company Use	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%

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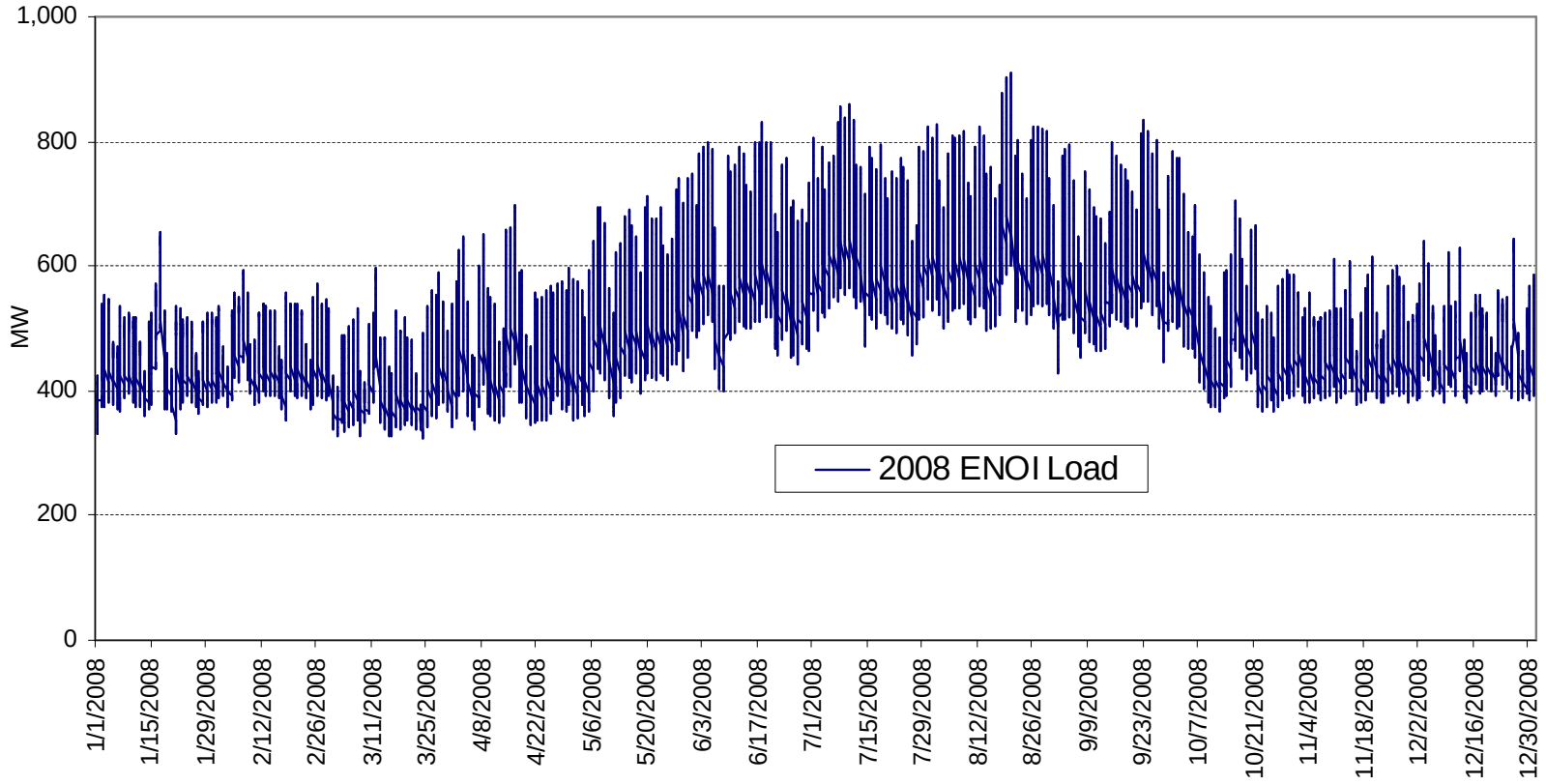
ENO Hourly Load Forecast Data

2008 Load Statistics (MW)

Max: 910 Minimum: 325

Mean: 543 Standard Deviation: 113



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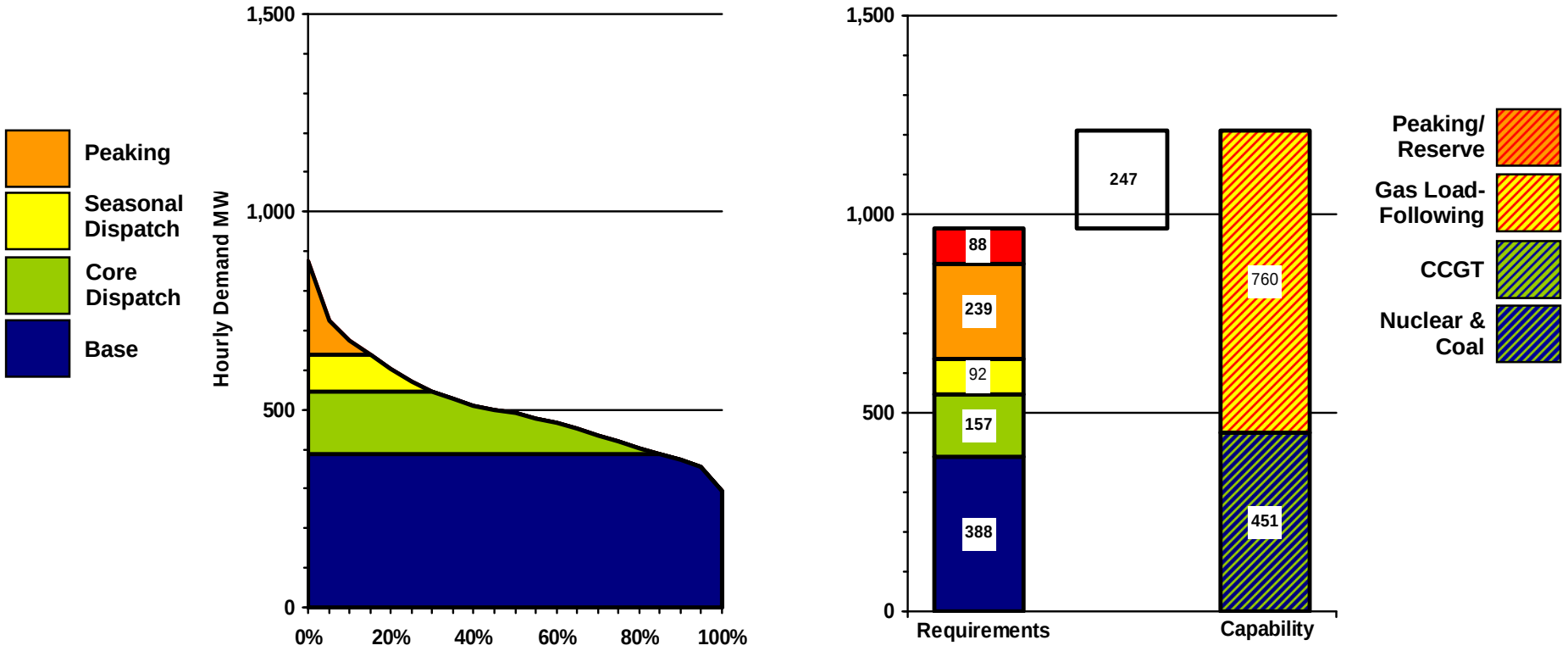
Current Resource Portfolio

ENO Long-term Resource Requirements and Capability for 2008



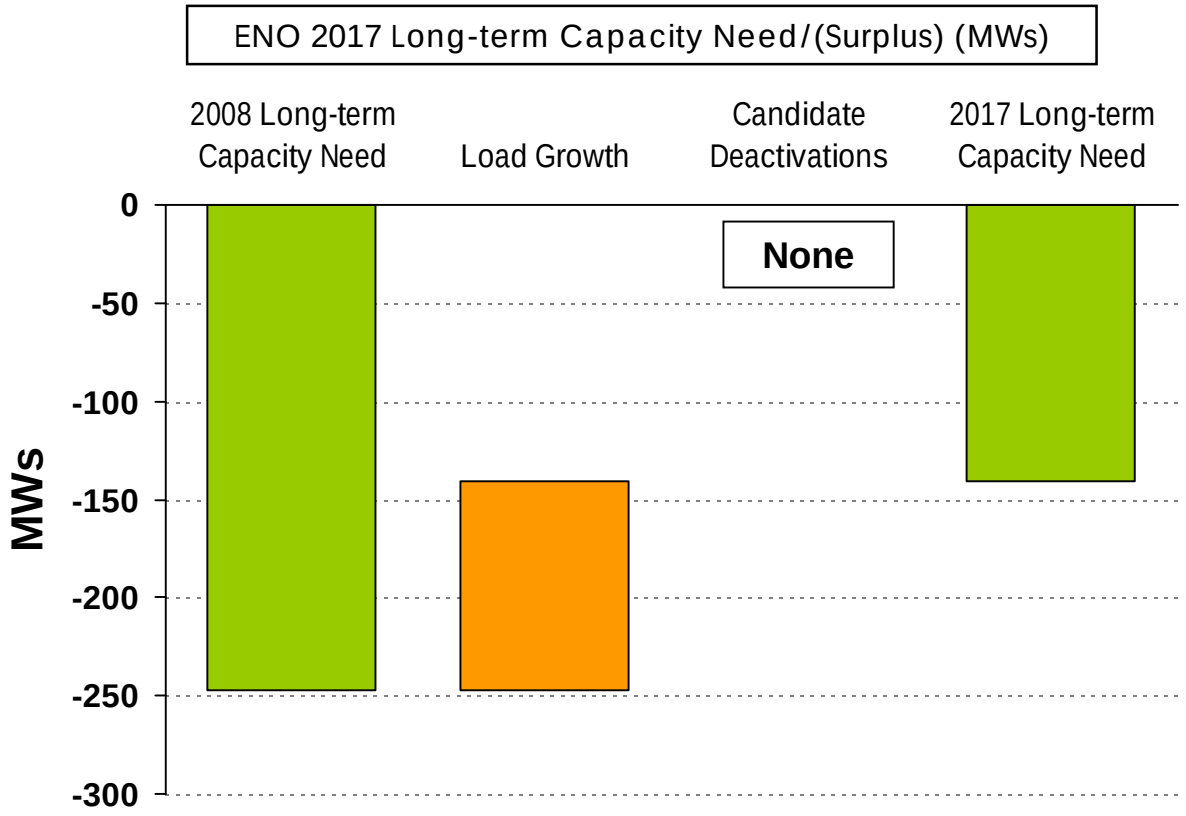
	Base Load	Core Dispatch	Seasonal Dispatch	Peaking Plus Reserve	Total
Resources (MW)	451	0	760	0	1,211
Requirement (MW)	388	157	92	327	964
Excess / (Deficit) (MW)	63	(157)	668	(327)	247

Operating Company requirements assume a ten percent reserve margin planning guideline.

Supply role requirements are intended as general guidelines for portfolio planning purposes without consideration of practical operational requirements. In assessing the portfolio relative to these guidelines, each unit has been assigned within a specific supply role. In actuality, the distinction between supply roles is neither sharp nor static.

ENO Resource Needs

On August 23, 2005, ENO had a peak load of 1,248 MW. Following Hurricane Katrina on August 29, 2005, ENO experienced a significant load reduction. In 2008 ENO's owned or controlled resources exceeded its projected need of 964 MW (which is based on expected firm load plus a 10% reserve margin) by 247 MW (to understand the extent of this excess capacity, it is helpful to consider that 1 MW is sufficient capacity to serve approximately 800 residential households). By 2017 the resource surplus is expected to shrink to 141 MW. If New Orleans load growth exceeds current expectations, ENO could need new resources before the end of the ten year planning period.



Estimated Demand and Energy Savings Resulting from DSM Potential Study for ENO

	MWHs saved in year 10	% of Total	Co-incident peak MW Reduction in year 10	% of Total
Residential	73900	58%	27.6	64%
Commercial	43600	34%	12.7	30%
Industrial	10500	8%	2.5	6%
ENO TOTAL	128000	100%	42.8	100%

BEFORE THE
COUNCIL OF THE CITY OF NEW ORLEANS

IN RE: RESOLUTION REGARDING	**)**	
PROPOSED RULEMAKING TO	**)**	
ESTABLISH INTEGRATED RESOURCE	**)**	**DOCKET NO. UD-08-02**
PLANNING COMPONENTS AND	**)**	
REPORTING REQUIREMENTS FOR	**)**	
ENTERGY NEW ORLEANS, INC.	**)**	

Entergy New Orleans, Inc.

Integrated Resource Plan Status Report

Report on Transmission Planning

Prepared for Public Review in Response to Resolution R-08-295 of the Council of the City of New Orleans

Submitted for Public Comment on September 30, 2008

Background

The transmission systems of Entergy's Operating Companies,[1] which serve a combined area of approximately 112,000 square miles in Louisiana, Arkansas, Mississippi, and Texas, are planned and operated as a single integrated transmission system.[2] This integrated transmission system has approximately 1,450 substations and over 15,700 miles of transmission lines. These lines operate at voltages ranging from 69,000 Volts

[1] The six Entergy Operating Companies are Entergy Mississippi, Inc. ("EMI"), Entergy Arkansas, Inc. ("EAI"), Entergy Gulf States Louisiana L.L.C. ("EGSL"), Entergy Louisiana, LLC ("ELL"), Entergy New Orleans, Inc. ("ENO"), and Entergy Texas, Inc. ("ETI"). The electric generation and transmission facilities of these Entergy Operating Companies are operated as a single integrated electric system (the "Entergy System," or the "System") pursuant to the Entergy System Agreement. EAI provided notice on December 19, 2005 pursuant to Section 1.01 of the System Agreement that it will withdraw from the System Agreement. EMI provided similar notice to the Operating Companies on November 8, 2007.

[2] ENO's transmission system is interconnected with Entergy Louisiana, LLC and Cleco Corporation primarily to promote transmission system reliability. In addition, the interconnection of facilities enables the procurement of potentially economic sources of power by providing access to other power suppliers.

(69 kV) up to 500,000 Volts (500 kV). The System is linked with 20 adjacent systems through 187 transmission interconnections. There are 33 load serving entities interconnected to the Entergy System transmission system. ENO's electric transmission system includes 204 miles of transmission lines operating at 230 kV and 115 kV and 21 substations.

On November 17, 2006, the Southwest Power Pool ("SPP"), as the Independent Coordinator of Transmission ("ICT"), took over the responsibility of administering Entergy's Open-Access Transmission Tariff ("OATT")[3] and developing the ICT base plan for the purpose of allocating costs of upgrades associated with transmission service requests.

In the role of ICT, SPP provides oversight over the operations of the Entergy transmission system, produces regional planning assessments, and will oversee Entergy's operation of an enhanced weekly procurement process for obtaining competitive energy supply. More specifically, as the ICT, SPP performs each of the following:

- acts as Reliability Coordinator for Entergy's transmission system[4];
- calculates Available Flowgate Capacity and grants and denies requests for transmission service under Entergy's OATT;
- evaluates requests for interconnection service under FERC's pro forma Large Generator Interconnection Procedures and Large Generator Interconnection Agreement;
- maintains Entergy's Open-Access Same-Time Information System ("OASIS");
- evaluates a regional optimization of proposed reliability projects;
- evaluates potential economic transmission projects;

[3] The OATT is the FERC-approved Open-Access Transmission Tariff under which wholesale customers obtain transmission service on the Entergy Transmission system.

[4] In 1997, in conjunction with the development of a competitive wholesale power market, the NERC developed the Reliability Coordinator role. The purpose of the Reliability Coordinator is to ensure that the operation of a transmission system does not negatively affect the operation of neighboring and connected transmission service and systems. Entergy personnel located at Entergy's Systems Operations Center ("SOC"), in Pine Bluff, Arkansas, initially performed functions required to accomplish this purpose. On November 1, 2006, the responsibility for reliability coordination for Entergy's transmission system was transferred from the SOC to the SPP acting as the ICT for the Entergy transmission system.

- implements Entergy's transmission expansion pricing proposal, including preparation of the base plan;
- oversees the planning and operation of Entergy's transmission system, and it will oversee Entergy's weekly procurement process;
- files reports as required by the ICT Agreement, Attachment S to Entergy's OATT, or as otherwise required by the FERC or Entergy's retail regulators; and,
- conducts stakeholder meetings.

Legal Requirements

Integration of transmission planning into overall resource planning was once a routine practice within the electric utility industry, but now FERC Standards of Conduct place limitations on the sharing of information between the transmission function (including transmission planning) and the wholesale merchant function. These standards require that any planning processes developed be in conformance with those requirements, meaning that the participants within the processes adhere to FERC rules and guidelines with respect to the separation of the wholesale merchant function and the utility's transmission planning function.[5]

Transmission Planning

The Entergy Transmission Business Unit ("TBU"), in coordination with the ICT in certain areas, is responsible for the planning, operation, maintenance management, and construction management of the electric transmission systems of all of Entergy's Operating Companies. Furthermore, the Entergy System is planned to ensure its continued reliable operation, and to meet all firm load requirements, including serving the loads of the Operating Companies' retail customers. As such, the Entergy System is

[5] In order to promote competition in wholesale power and energy markets, the FERC published Order Nos. 888, 889, 890, 2000, 2003, 2004, as well as related sub-orders. These Orders implemented transmission system open access requirements by requiring that the unbundled transmission system be operated in a manner that allows non-discriminatory open access by all eligible customers under a uniform set of rules. Order No. 890, Promoting Undue Discrimination and Preference in Transmission Service, reformed the open access regulatory framework by ensuring that transmission service is provided on a non-discriminatory basis to all eligible entities, and helps provide the foundation for a competitive electric market.

planned to take into consideration expected load growth and long-term firm transmission service.

Transmission system planning occurs for a variety of reasons. First, the Entergy System's transmission planning group annually develops transmission plans that ensure existing transmission obligations will continue to be provided reliably, *i.e.*, consistent with all applicable reliability standards. Second, the ICT evaluates the system whenever an eligible customer makes a request (a) to interconnect a new generator to the Entergy System transmission system or (b) to obtain firm transmission service under the Entergy System's OATT. Third, the ICT studies the transmission system to identify potential economic transmission upgrades to reduce production costs on the Entergy System, *i.e.*, whether the costs of transmission upgrades are less than any expected production cost savings that could be attained as a result of the upgrades.

Economic studies are also performed by Entergy's TBU and System Planning & Operations ("SPO") organization personnel when deemed appropriate. These studies are coordinated between TBU and SPO, and are conducted according to, and guided by, rules set forth in the FERC Standards of Conduct.

While the ICT and Entergy's TBU may identify and analyze potential economic transmission upgrades, this analysis should be regarded only as a screening analysis. Once the potential economic transmission projects have been identified, it is the responsibility of the resource planning group for each respective load serving entity or other market participant desiring to fund the potential transmission projects to evaluate the production cost savings or potential increased revenue associated with the potential transmission upgrades. For instance, a load serving entity may have its own proprietary software to run the production cost analyses and built-in logic to address utility-specific needs.

A critical element of the transmission planning process is that Entergy's TBU has the obligation and authority to determine (1) which transmission projects are necessary to

ensure the continued reliability of the transmission grid, and (2) which transmission projects are economic and likely to produce benefits that exceed the costs for native load customers.

Transmission investments identified by Entergy's TBU are divided into two categories by the ICT: (1) "base plan" transmission projects, which are those projects necessary to ensure the continued reliability of the transmission grid; and, (2) "supplemental" transmission upgrades, which are those transmission upgrades not part of the base plan, including economic transmission projects. Base plan transmission projects include those projects that are necessary to ensure transmission reliability in accordance with TBU's transmission planning criteria, which include the North American Electric Reliability Corporation ("NERC")[6] Reliability standards, the companion SERC Reliability Corporation ("SERC")[7] Supplements to the NERC Reliability Standards, and the Entergy Transmission Local Planning Criteria.

Economic transmission upgrades designed to reduce congestion on the transmission grid, however, are properly categorized as supplemental upgrades, not base plan upgrades (at least for purposes of cost allocation as described in Attachment T to the Entergy OATT).[8] In general, reducing or eliminating congestion on the transmission grid is not necessary to ensure reliability, but instead is undertaken to improve the economic position of a market participant or group of market participants – either (1) to allow a generator to supply

[6] NERC is a not-for-profit organization formed by the electric utility industry in 1968 to promote the reliability of the electricity supply in North America. On July 20, 2006, FERC certified NERC as the Electric Reliability Organization ("ERO") for the United States. In March of 2007, FERC approved 83 NERC Reliability Standards as the first set of legally enforceable standards for the U.S. bulk power system. The standards became effective on June 18, 2007. FERC has subsequently approved additional NERC Reliability Standards that are also legally enforceable.

[7] SERC is a Regional Reliability Organization under NERC. It sets power coordination and planning criteria for its member utilities operating within the states of Alabama, Arkansas, Florida, Georgia, Illinois, Iowa, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, and Virginia.

[8] Attachment T to the OATT allows for cost recovery of transmission facility construction costs when upgrades to the system are for economic reasons rather than reliability reasons. The FERC has authorized transmission pricing, through Attachment T, by which the costs of base plan transmission investments will be borne by all users of the transmission grid and the costs of supplemental upgrades will be borne by the entity causing or requesting that the upgrade be made.

additional energy to the market, (2) to allow a generator to access another more lucrative market, (3) to allow a load serving entity to access more economic generating resources, or (4) to allow a load serving entity to minimize the need to operate its less efficient generating resources. The decision to construct and fund economic transmission upgrades properly resides with the market participant. Therefore, upgrades intended to reduce or eliminate congestion on the transmission grid are not considered part of the base plan.

Entergy System transmission planning is proactive, not reactive. The Entergy System's transmission planners study the transmission system to determine whether future upgrades or other measures will be needed to continue providing reliable service, so that the measures can be undertaken and completed by the time they are needed. The transmission planning group evaluates the transmission system at least annually for (a) the near-term planning horizon, covering years one through five and (b) the longer-term planning horizon, covering years six through ten. Consistent with planning criteria and requirements contained in Entergy's OATT, the transmission planning group studies the transmission system to determine whether transmission upgrades, or other mitigation measures, are needed in order to continue to reliably serve the System's native load customers, including SPO's native load and forecasted native load; network customers' network loads and forecasted network loads; and other existing firm transmission services. As part of this planning process, the transmission planning group considers the SPO's and network customers' existing and forecasted firm network resources.

FERC rules also require that entities that use the transmission system have an opportunity to participate to a degree in the transmission planning process. The Entergy System therefore conducts annual Transmission Planning Summits, the purpose of which is to involve all interested stakeholders in an organized planning process that provides those stakeholders with a formalized opportunity to provide input to the process. Among other things, the Entergy System (a) solicits feedback on the transmission reliability projects and economic projects it has identified, (b) solicits alternatives to those projects, (c) explains the planning process and desired customer input (e.g., load and resource data,

proposed solutions, any reliability concerns), and (d) explains how and where to obtain information about the transmission system.

In addition to the Transmission Planning Summits, the ICT conducts various open stakeholder meetings throughout the year to discuss potential transmission upgrades on the Entergy transmission system. These open, transparent, and participatory events are intended to provide stakeholders with information on potential reliability and economic transmission projects and other information regarding the reliability and operation of the Entergy transmission system.

Capital Projects

As explained earlier, the transmission planning group evaluates the transmission system at least annually for (a) the near-term planning horizon, covering years one through five and (b) the longer-term planning horizon, covering years six through ten. The results of this evaluation determine whether transmission upgrades, or other mitigation measures, are needed in order to continue to reliably serve the System's native load customers; network customers' network loads and forecasted network loads; and other existing firm transmission services. Projects that are deemed by Entergy's TBU as necessary and for which construction is to be initiated within the next three years are included in Entergy's Construction Plan. Entergy Transmission also identifies projects to address potential target reliability areas beyond the three-year horizon but does not include these in the Construction Plan.

To fully understand the nature of the proposed transmission projects for ENO, a brief history of the ENO transmission system post-Hurricane Katrina is required. Prior to Hurricane Katrina, the ENO transmission system was a very robust system. Immediately following the storm, two major factors were evident. The first was that significant damage had occurred to the system, much more than had ever been experienced previously. The second was that service would need to be restored in a manner that was both safe and expedient. This required some changes in configuration and use of two of the major substations in New Orleans. The first, Midtown Substation, was completely removed from service. Current plans are to leave the Midtown Substation out-of-service.

The second was Paterson Substation. Prior to Hurricane Katrina, Paterson substation interconnected four 115 kV transmission lines and operated as a hub for the transmission system in the New Orleans area. Today, the Paterson substation still has four lines entering it, but they are not interconnected. This is due to the substation having been so damaged that it will take a major rebuild to restore it to the condition and configuration it was in pre-Hurricane Katrina. The Paterson substation 115 kV bus has been temporarily restored to operate in a split, east/west bus configuration.

The transmission reliability project that is included in ENO's current 2008-2010 Construction Plan is the Paterson Substation project. The Paterson Substation is currently being re-configured in such a manner as to reconnect the four 115 kV lines that previously were interconnected at Paterson substation – Pontchartrain Park, Sherwood Forest, Chalmette, and Claiborne. In order to achieve this, substation equipment, including circuit breakers, are being installed and are expected to be completed by the end of 2008.

To accommodate load growth and reliability needs in the future, the Paterson Substation bus configuration will allow for substation expansion, including power transformer additions and potentially the addition of a 230/115 kV autotransformer as system conditions require. This autotransformer installation project is not included in ENO's 2008-2010 Construction Plan, but it has been identified as a potential reliability project in the longer-term horizon. Once completed, this project will ensure system reliability for the existing and returning loads to the metropolitan New Orleans area.

With the conditions currently modeled, including ENO's current resource plan, there are no other major capital projects planned for ENO's transmission system. The Paterson Substation projects described above will restore the transmission system to a sufficiently robust operating level, barring an unanticipated surge of load growth to New Orleans. No additional capital projects have been identified at this time; however, ENO will annually assess the reliability needs of its system and adjust the long-term expansion plans as necessary. Thus, if future load growth patterns warrant additional investment in order to

maintain reliability, the Entergy transmission planning group will be in a position to respond appropriately.

Entergy New Orleans, Inc.
Data From FERC Form 1 - 1997 through 2007

Page 402 and 403 FERC Form 1	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Description	**Michoud**	**Michoud**	**Michoud**	**Michoud**	**Michoud**	**Michoud**	**Michoud**	**Michoud**	**Michoud**	**Michoud**	**Michoud**
Production Expenses: Oper, Supv, & Engr	3,593,046	2,743,241	1,599,775	2,094,318	1,607,247	1,367,856	1,325,932	1,187,550	1,299,406	1,188,805	1,472,284
Fuel	157,216,528	69,063,287	144,759,561	150,715,459	132,551,350	98,865,276	101,353,913	163,334,490	85,580,772	79,243,504	77,395,488
Coolants and Water (Nuclear Plants Only)	0	0	0	0	0	0	0	0	0	0	0
Steam Expenses	152,106	116,888	729,090	965,826	1,049,244	915,383	918,743	861,173	792,082	757,284	552,638
Steam From Other Sources	0	0	0	0	0	0	0	0	0	0	0
Steam Transferred	0	0	0	0	0	0	0	0	0	0	0
Electric Expenses	173,777	234,967	606,291	841,736	840,287	650,973	660,605	637,943	493,310	633,273	486,851
Mis Steam (or Nuclear) Power Expenses	1,181,394	1,110,481	1,744,702	1,336,417	1,421,704	884,515	813,470	983,282	770,601	1,015,866	1,337,023
Rents	8,788	50,683	18,409	117,771	212,578	198,236	165,729	16,686	34,756	40,529	41,650
Allowances	0	0	0	24,436	140	24,924	736,905	0	222,876	0	0
Maintenance Supervision and Engineering	613,021	337,969	278,741	426,454	459,119	440,131	410,238	289,948	323,378	210,566	256,657
Maintenance of Structures	699,102	244,922	484,229	696,888	381,472	555,145	295,317	206,704	1,858,075	228,001	224,087
Maintenance of Boiler (or reactor) Plant	3,687,196	854,305	1,855,300	3,943,890	2,755,530	2,360,006	3,049,812	2,724,631	1,056,760	1,279,366	2,898,372
Maintenance of Electric Plant	1,335,521	1,392,175	1,825,014	5,337,279	7,703,173	3,635,406	3,557,812	997,442	105,881	519,430	801,025
Maintenance of Misc Steam (or Nuclear) Plant	349,199	102,089	193,874	360,622	(645,357)	180,663	184,801	145,490	0	149,267	250,855
Total Production Expenses	169,009,678	76,251,007	154,094,986	166,861,096	148,336,487	110,078,514	113,473,277	171,385,339	92,537,897	85,265,891	85,716,930

	A.B. Patterson	A.B. Patterson	A.B. Patterson	A.B. Patterson	A.B. Patterson	A.B. Patterson	A.B. Patterson	A.B. Patterson	A.B. Patterson	A.B. Patterson	A.B. Patterson
Description	**3&4**	**3&4**	**3&4**	**3&4**	**3&4**	**3&4**	**3&4**	**3&4**	**3&4**	**3&4**	**3&4**
Production Expenses: Oper, Supv, & Engr	64,040	64,656	75,243	86,605	74,504	155,046	136,286	148,778	35,271	86,075	15,784
Fuel	0	0	0	910,040	0	4,406,518	10,061,104	9,946,158	4,433,873	0	0
Coolants and Water (Nuclear Plants Only)	0	0	0	0	0	0	0	0	0	0	0
Steam Expenses	1,930	5,025	9,554	49,756	6,901	178,416	195,275	16,668	19,730	6,745	4,003
Steam From Other Sources	0	0	0	0	0	0	0	0	0	0	0
Steam Transferred	0	0	0	0	0	0	0	0	0	0	0
Electric Expenses	5,119	24,576	13,437	51,324	66,072	384,922	373,101	471,716	261,987	0	718
Mis Steam (or Nuclear) Power Expenses	75,673	73,186	72,355	122,729	99,684	133,632	125,402	341,429	132,115	105,391	42,579
Rents	254	76	(12,511)	119,162	9,183	18,042	28,619	2,461	10,477	2,664	548
Allowances	0	0	0	0	0	0	145	0	2,388	0	0
Maintenance Supervision and Engineering	8,293	6,625	4,874	5,870	5,581	17,197	14,054	4,820	10,215	11,078	646
Maintenance of Structures	87,059	30,581	22,096	161,156	22,715	62,249	30,436	23,277	(56,112)	23,132	10,742
Maintenance of Boiler (or reactor) Plant	(779)	892	550	545,259	(1,804)	187,662	278,808	172,722	(154,557)	122,933	56
Maintenance of Electric Plant	0	(2,567)	14,380	369,295	19,888	357,464	232,972	348,718	58,005	168,832	56
Maintenance of Misc Steam (or Nuclear) Plant	179	2,048	26,125	30,638	27,981	39,437	45,177	108,304	0	300,859	142,210
Total Production Expenses	241,768	205,098	226,103	2,451,834	330,705	5,940,585	11,521,379	11,585,051	4,753,392	827,709	217,342

	A.B. Patterson	A.B. Patterson	A.B. Patterson	A.B. Patterson	A.B. Patterson	A.B. Patterson	A.B. Patterson	A.B. Patterson	A.B. Patterson	A.B. Patterson	A.B. Patterson
Description	**5**	**5**	**5**	**5**	**5**	**5**	**5**	**5**	**5**	**5**	**5**
Production Expenses: Oper, Supv, & Engr	0	0	0	0	16,542	16,661	14,914	10,962	15,179	13,461	0
Fuel	113,274	101,877	84,681	155,721	115,287	22,296	59,102	168,684	131,398	172,284	126,377
Coolants and Water (Nuclear Plants Only)	0	0	0	0	0	0	0	0	0	0	0
Steam Expenses	0	0	0	0	(75)	19,963	21,849	280	0	1	0
Steam From Other Sources	0	0	0	0	0	0	0	0	0	0	0
Steam Transferred	0	0	0	0	0	0	0	0	0	0	0
Electric Expenses	0	0	0	0	0	43,068	41,746	234	9,189	0	600
Mis Steam (or Nuclear) Power Expenses	0	0	0	0	15,187	14,952	14,013	7,085	1,744	11,912	0
Rents	0	0	0	0	2,066	1,561	2,669	4	0	1,613	0
Allowances	0	0	0	0	0	0	0	0	0	0	0
Maintenance Supervision and Engineering	0	0	0	0	1,595	1,768	571	5	27	21	0
Maintenance of Structures	0	0	0	0	273	6,965	3,746	250	3,115	6	0

Maintenance of Boiler (or reactor) Plant	0	0	0	0	0	253	(336)	660	9,798	259	0
Maintenance of Electric Plant	0	31	230,554	15,093	14,699	26,119	11,268	90,045	109,675	29,862	107
Maintenance of Misc Steam (or Nuclear) Plant	0	(2,239)	1,662	3,786	2,830	5,428	11,383	4,624	16,510	47,679	3,608
Total Production Expenses	113,274	99,669	316,897	174,600	168,404	159,034	180,925	282,833	296,635	277,098	130,692

Description	Market Street	Market Street	Market Street	Market Street	Market Street	Market Street	Market Street	Market Street	Market Street	Market Street	Market Street
Production Expenses: Oper, Supv, & Engr	0	0	0	0	0	0	0	0	0	0	1,058
Fuel	0	0	0	0	0	0	0	0	0	0	0
Coolants and Water (Nuclear Plants Only)	0	0	0	0	0	0	0	0	0	0	0
Steam Expenses	0	0	0	0	0	0	0	0	0	0	0
Steam From Other Sources	0	0	0	0	0	0	0	0	0	0	0
Steam Transferred	0	0	0	0	0	0	0	0	0	0	0
Electric Expenses	0	0	0	0	0	0	0	0	0	0	0
Mis Steam (or Nuclear) Power Expenses	0	0	0	0	0	0	0	0	0	0	4,355
Rents	0	0	0	0	0	0	0	0	0	0	160
Allowances	0	0	0	0	0	0	0	0	0	0	0
Maintenance Supervision and Engineering	0	0	0	0	0	0	0	0	0	0	0
Maintenance of Structures	0	0	0	0	0	0	0	0	0	0	74,428
Maintenance of Boiler (or reactor) Plant	0	0	0	0	0	0	0	0	0	0	0
Maintenance of Electric Plant	0	0	0	0	0	0	0	0	0	0	0
Maintenance of Misc Steam (or Nuclear) Plant	0	0	0	0	0	0	0	0	0	0	0
Total Production Expenses	0	0	0	0	0	0	0	0	0	0	80,001

Description	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
Production Expenses: Oper, Supv, & Engr	3,657,086	2,807,897	1,675,018	2,180,923	1,698,293	1,539,563	1,477,132	1,347,290	1,349,856	1,288,341	1,489,126
Fuel	157,329,802	69,165,164	144,844,242	151,781,220	132,666,637	103,294,090	111,474,119	173,449,332	90,146,043	79,415,788	77,521,865
Coolants and Water (Nuclear Plants Only)	0	0	0	0	0	0	0	0	0	0	0
Steam Expenses	154,036	121,913	738,644	1,015,582	1,056,070	1,113,762	1,135,867	878,121	811,812	764,030	556,641
Steam From Other Sources	0	0	0	0	0	0	0	0	0	0	0
Steam Transferred	0	0	0	0	0	0	0	0	0	0	0
Electric Expenses	178,896	259,543	619,728	893,060	906,359	1,078,963	1,075,452	1,109,893	764,486	633,273	488,169
Mis Steam (or Nuclear) Power Expenses	1,257,067	1,183,667	1,817,057	1,459,146	1,536,575	1,033,099	952,885	1,331,796	904,460	1,133,169	1,383,957
Rents	9,042	50,759	5,898	236,933	223,827	217,839	197,017	19,151	45,233	44,806	42,358
Allowances	0	0	0	24,436	140	24,924	737,050	0	225,264	0	0
Maintenance Supervision and Engineering	621,314	344,594	283,615	432,324	466,295	459,096	424,863	294,773	333,620	221,665	257,303
Maintenance of Structures	786,161	275,503	506,325	858,044	404,460	624,359	329,499	230,231	1,805,078	251,139	309,257
Maintenance of Boiler (or reactor) Plant	3,686,417	855,197	1,855,850	4,489,149	2,753,726	2,547,921	3,328,284	2,898,013	912,001	1,402,558	2,898,428
Maintenance of Electric Plant	1,335,521	1,389,639	2,069,948	5,721,667	7,737,760	4,018,989	3,802,052	1,436,205	273,561	718,124	801,188
Maintenance of Misc Steam (or Nuclear) Plant	349,378	101,898	221,661	395,046	(614,546)	225,528	241,361	258,418	16,510	497,805	396,673
Total Production Expenses	169,364,720	76,555,774	154,637,986	169,487,530	148,835,596	116,178,133	125,175,581	183,253,223	97,587,924	86,370,698	86,144,965

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FERC Account	Description	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
500	Steam - Oper Supv and Eng	3,657,077	2,805,987	1,675,018	2,180,923	1,698,264	1,539,506	1,477,023	1,347,265	1,349,842	1,291,138	1,489,126
501	Steam - Fuel	157,304,276	69,142,206	144,818,560	151,661,017	132,598,562	103,271,794	111,415,017	173,318,014	90,055,169	79,291,234	77,459,008
502	Steam - Expenses	154,036	121,913	738,644	1,015,582	1,056,070	1,113,762	1,135,867	878,120	811,812	764,030	556,641
503	Steam From Other Sources	0	0	0	0	0	0	0	0	0	0	0
504	Steam Transferred-CR.	0	0	0	0	0	0	0	0	0	0	0
505	Steam - Electric Expenses	178,002	259,543	619,728	893,060	906,359	1,078,963	1,075,452	1,109,893	755,297	633,273	488,169
506	Steam - Miscellaneous	1,260,007	1,179,860	1,816,611	1,459,146	1,536,575	1,033,099	952,606	1,331,389	918,703	1,144,404	1,383,957
507	Steam - Rents	9,042	50,435	5,898	230,742	215,282	217,786	196,658	19,152	46,934	44,801	42,358
509	Steam - Allowances	0	0	0	24,439	140	24,924	737,050	0	0	0	0
510	Steam - Maint Supv and Eng	621,314	344,594	283,615	432,324	466,295	459,068	424,598	294,774	225,291	246,219	257,304

511	Steam -Maint of Stru	786,161	275,503	506,325	858,044	404,460	624,359	329,499	230,232	346,252	265,997	309,257
512	Steam - Maint of Boiler Plant	3,686,417	855,195	1,855,850	4,489,149	2,753,726	2,547,921	3,328,284	2,898,013	1,811,761	1,402,559	2,898,428
513	Steam - Maint Electric Plant	1,335,521	1,389,608	1,854,859	5,721,667	7,737,760	4,018,989	3,802,018	1,436,205	1,011,879	718,125	801,188
514	Steam - Maint Misc	349,378	104,137	219,472	395,046	(614,546)	225,528	240,887	258,418	180,396	497,809	396,673
546	Other - Oper Supv and Eng	9	1,909	0	0	29	57	109	26	13	0	0
547	Other - Fuel	25,526	22,958	25,682	120,203	68,075	22,296	59,102	131,318	90,874	124,561	62,857
548	Other - Generation Expenses	894	110	0	0	0	0	0	0	0	0	0
549	Other - Misc	(2,940)	3,697	446	0	0	0	279	408	37	0	0
550	Other - Rents	0	327	0	6,191	8,545	53	359	0	43	0	0
551	Other - Maint Supv & Eng	0	0	0	0	0	28	265	0	0	0	0
552	Other - Maint of Stru	0	0	0	0	0	0	0	0	0	0	0
553	Other - Maint of Electric Plant	0	33	215,089	0	0	0	34	0	0	0	0
554	Other - Maint Misc	2	(2,239)	2,189	0	0	0	474	0	0	0	0
		169,364,722	76,555,776	154,637,986	169,487,533	148,835,596	116,178,133	125,175,581	183,253,227	97,604,303	86,424,150	86,144,966

Purchased Power - Pages 326 - 327	**Demand**	**Demand**	**Demand**	**Demand**	**Demand**	**Demand**	**Demand**	**Demand**	**Demand**	**Demand**	**Demand**
SERI - Demand	92,257,780	92,619,914	90,222,378	90,255,219	88,982,378	88,325,767	98,728,409	96,796,497	99,534,387	103,788,615	104,914,780
SERI - Energy	7,275,696	7,490,576	6,402,149	6,517,280	7,332,428	6,197,590	6,291,691	7,205,303	6,332,977	6,896,646	8,188,369
SERI - Other	0	0	0	0	0	0	0	0	0	0	0
All Other - Demand	75,537,823	42,628,740	43,766,755	44,907,216	26,511,737	455,060	4,339,823	339,678	104,074	288,902	239,365
All Other - Energy	23,257,877	74,472,984	133,185,183	114,510,593	108,960,194	63,090,644	109,338,176	68,763,545	60,607,495	53,460,978	43,199,518
All Other - Other	0	0	0	0	0	122,165	1,569,873	265,827	0	0	0
Total	198,329,176	217,212,214	273,576,465	256,190,308	231,786,737	158,191,226	220,267,972	173,370,850	166,578,933	164,435,141	156,542,032
Total - Demand	167,795,603	135,248,654	133,989,133	135,162,435	115,494,115	88,780,827	103,068,232	97,136,175	99,638,461	104,077,517	105,154,145
Total - Energy	30,533,573	81,963,560	139,587,332	121,027,873	116,292,622	69,288,234	115,629,867	75,968,848	66,940,472	60,357,624	51,387,887
Total - Other	0	0	0	0	0	122,165	1,569,873	265,827	0	0	0
	198,329,176	217,212,214	273,576,465	256,190,308	231,786,737	158,191,226	220,267,972	173,370,850	166,578,933	164,435,141	156,542,032
	0	0	0	0	0	0	0	0	0	0	0

Sales For Resale - Pages 310 - 311	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**
System Sales to Others - Demand	53,197	47,516	0	245,366	294,347	322,168	207,410	2,547,359	4,172,403	4,158,957	4,017,830
System Sales to Others - Energy	869,848	558,629	2,496,756	1,258,486	1,307,289	1,248,780	2,982,537	5,743,488	6,136,858	6,094,116	4,674,343
System Sales to Others - Other	65,815	41,172	59,630	34,078	60,960	101,101	101,674	212,924	235,864	337,420	304,186
Entergy System Power Pool - Demand	0	0	0	0	0	0	0	0	0	0	0
Entergy System Power Pool - Energy	100,882,493	41,318,748	107,055,452	117,835,357	84,776,653	7,075,494	9,864,023	31,629,266	14,206,653	10,450,703	10,342,454
Entergy System Power Pool - Other	0	0	0	0	0	0	0	0	0	0	0
All Other - Demand	2,900,222	2,604,380	0	0	0	0	0	0	0	0	0
All Other - Energy	(928,244)	46,712,807	21,528,630	33,622	734,195	26,164	174,590	0	0	0	0
All Other - Other	0	0	7,387,442	0	0	0	0	0	0	0	0
	103,843,331	91,283,252	138,527,910	119,406,909	87,173,444	8,773,707	13,330,234	40,133,037	24,751,778	21,041,196	19,338,813
Total - Demand	2,953,419	2,651,896	0	245,366	294,347	322,168	207,410	2,547,359	4,172,403	4,158,957	4,017,830
Total - Energy	100,824,097	88,590,184	131,080,838	119,127,465	86,818,137	8,350,438	13,021,150	37,372,754	20,343,511	16,544,819	15,016,797
Total - Other	65,815	41,172	7,447,072	34,078	60,960	101,101	101,674	212,924	235,864	337,420	304,186
Total	103,843,331	91,283,252	138,527,910	119,406,909	87,173,444	8,773,707	13,330,234	40,133,037	24,751,778	21,041,196	19,338,813
Difference	0	0	0	0	0	0	0	0	0	0	0

ENO Environmental Supply
Cost Projections -- 2008 and 2009
ENO IRP Filing
Prepared August 2008

2008 - 2009 O&M Environmental Costs (Michoud)*			
		Year	
Source Summ Resource	**Source Summ Resource Desc**	**2008**	**2009**
CTC_SUMMARY	CONTRACT WORK	113,150	25,000
MTL_SUMMARY	MATERIALS & SUPPLIES LOADER	8,764	6,613
MTS_SUMMARY	MATERIALS & SUPPLIES	30,600	25,000
Grand Total		**152,514**	**56,613**

***** The 2008 present estimate (PE) for environmental projects is $30K. The CAIR projects were canceled due to Federal rule changes. The $56K currently budgeteed for 2009 will likely not be spent (PE $0).

***** No Environmental O&M for Patterson

2008 - 2009 Capital Environmental Costs*			
		Budget Year	
Source Summ Resource	Source Summ Resource Desc	2008	2009
AFC_SUMMARY	AFUDC	353	0
CSC_SUMMARY	CAPITAL OVERHEAD CLEARING	0	0
CTC_SUMMARY	CONTRACT WORK	9,791	0
Total Baseline Capital		**10,145**	**0**
Strategic Capital	**CAIR Compliance**	**540,000**	**0**
Total Capital		**559,936**	**0**

***** No strategic capital costs are in the above numbers.

***** The present estimate (PE) for the Michoud environmental capital projects (classified as strategic capital) is $135K in 2008. This represents a reduction from the original budget of about $540K due to the elimination of projects to comply with the recently vacated CAIR rule. There is no Strategic Capital budgeted for 2009 Environmental projects.

***** No Environmental Capital for Patterson