

## **Item 5. Other Information**

### **Property and Other Generation Resources**

See "Part I, Item 1" in the Form 10-K for a discussion of the affiliate purchased power agreements (PPAs) filed by Entergy with the FERC. On June 30, 2005, the FERC ALJ issued an initial decision finding, among other things, that the PPAs are just and reasonable and not unduly discriminatory, except for the Entergy Arkansas retained share of Grand Gulf portion (19MW) of the Entergy Arkansas 110MW PPAs with Entergy Louisiana and Entergy New Orleans. The ALJ therefore removed the 19MW attributable to the Entergy Arkansas retained share from the PPA with Entergy Louisiana. Because the City Council desired to keep the retained share in the PPA with Entergy New Orleans, the ALJ did not remove the 19MW from that PPA. There is no deadline with respect to when a final decision will be issued by the FERC.

On June 28, 2005, a proposed recommendation was issued by an LPSC ALJ regarding the River Bend PPA between Entergy Gulf States and Entergy Louisiana and the PPA between Entergy Arkansas and Entergy Louisiana for capacity from a portion of Entergy Arkansas' coal and nuclear fueled base load resources (EAI WBL). The ALJ found that once certain transmission issues are resolved, Entergy Louisiana should be encouraged to acquire as much of the 30% share of River Bend as Entergy Gulf States receives authorization to make available. The ALJ further found that the River Bend PPA offers the lowest cost when compared to proposals submitted in response to the Entergy Fall 2002 and Spring 2003 requests for proposal for supply side resources, that it should be dispatchable by the Entergy System, and that it provides Entergy Louisiana with a diverse solid fuel resource that should offer price stability during a time of rising gas prices. Entergy believes that the transmission issues have been resolved. With respect to the EAI WBL, the LPSC ALJ found that because there are no transmission issues with respect to this contract and because the pricing of the PPA is to be at the revised MSS-4 price (except for the Grand Gulf related portion of the PPA, which would be priced at \$46) the PPA is attractive to ratepayers. The LPSC ALJ also determined that the FERC is the regulatory body with jurisdiction to determine whether a right of first refusal to the underlying EAI WBL resources exists under the System Agreement and that if the FERC were to determine that such a right of first refusal does exist, the LPSC may want to direct Entergy Louisiana to exercise that right. In a June 30, 2005 decision, the presiding FERC ALJ determined that such a right of first refusal does not exist. A final decision from the LPSC is expected in the late third quarter or fourth quarter of 2005.

### **Federal Regulation**

#### **FERC Audits**

See "FERC Audits" in **Part I, Item 1** in the Form 10-K for a discussion of audits and reviews initiated by the FERC. The FERC is currently reviewing certain wholesale sales and purchases involving EPMC that occurred during the 1998-2001 time period and similar transactions that Entergy-Koch Trading may have undertaken. EPMC was an Entergy subsidiary engaged in non-regulated wholesale marketing and trading activities prior to the formation of Entergy-Koch. Entergy is working with the FERC investigation staff to provide information regarding these transactions.

#### **Other Customer-initiated Proceedings at the FERC**

See the Form 10-K for a discussion of the complaint filed with the FERC in February 2005 by ExxonMobil Chemical Company and ExxonMobil Refining & Supply Company (ExxonMobil) against Entergy Services and the domestic utility companies. On April 18, 2005, the FERC (1) rejected as unfounded ExxonMobil's allegation concerning the netting of its station power needs; and (2) set for hearing the question of whether the facility upgrades and related charges are subject to FERC jurisdiction and, if so, when they became subject to FERC jurisdiction, whether the monthly facility charge violated FERC pricing policy, and whether any refunds are appropriate. The FERC then held the hearing in abeyance in order to provide the parties an opportunity to settle their dispute before hearing procedures commence. Settlement discussions are underway.

On January 24, 2005 Cottonwood Energy Company, L.P., an independent generator, filed with the FERC a rate schedule for reactive power that proposes to impose on Entergy Gulf States a rate for reactive supply service

allegedly supplied by Cottonwood's electric generating facility. Cottonwood has proposed a fixed monthly charge (\$3.4 million annually), which according to Cottonwood represents its revenue requirement for reactive power service. Entergy believes that independent generators should only be compensated for reactive power to the extent that they have an affirmative and continual obligation to provide reactive power support beyond their power factor range when directed to do so by the transmission provider, and is opposing Cottonwood's rate schedule. On March 23, 2005, the FERC accepted Cottonwood's proposed reactive power rate schedule for filing effective on February 1, 2005, subject to refund, and established hearing and settlement judge procedures. A hearing in this proceeding is currently scheduled to commence in January 2006, with an ALJ initial decision scheduled to be issued by April 2006. A similar filing was made by Union Power Partners in May 2005 requesting \$4.15 million annually. On July 15, 2005, the FERC accepted Union Power Partners' proposed reactive power rate schedule for filing, effective May 18, 2005, subject to refund and established hearing and settlement judge procedures. In the event that Cottonwood and UPP are successful, Entergy anticipates that other merchant plants located on Entergy's transmission system may request similar compensation.

## **Environmental Regulation**

See "**PART I, Item 1, Clean Air Act and Subsequent Amendments, Hazardous Air Pollutants**" in the Form 10-K for information related to the hazardous air pollutant emissions reduction programs. In March 2005, the EPA issued a rule to permanently cap and reduce mercury emissions from coal-fired power plants. The Clean Air Mercury Rule establishes "standards of performance" limiting mercury emissions from new and existing coal-fired power plants and creates a market-based cap-and-trade program that will reduce nationwide utility emissions of mercury in two distinct phases. The first phase cap is 38 tons beginning in 2010. The rule has been challenged in the United States Court of Appeals for the District of Columbia Circuit. Unless the rule is stayed, however, the compliance deadlines remain in effect. The rule is also being challenged by various members of the U.S. Senate through a process called the Congressional Review Act. Entergy will continue to monitor these developments.

Entergy owns units that will be subject to the mercury emissions regulations and is studying compliance options in order to determine the best control alternative. Entergy estimates that any necessary capital expenditures for its coal facilities will occur through 2009 and will be approximately \$26 million, including \$15.4 million at Entergy Arkansas, \$4.9 million at Entergy Gulf States, and \$5.3 million at Entergy Mississippi. Ongoing operating costs will increase beginning in 2010.

See "**PART I, Item 1, Clean Air Act and Subsequent Amendments, Interstate Air Transport**" in the Form 10-K for information related to SO<sub>2</sub> and NO<sub>x</sub> emissions reduction programs. In March 2005, the EPA finalized the Clean Air Interstate Rule (CAIR), which will reduce SO<sub>2</sub> and NO<sub>x</sub> emissions from electric generation plants in order to improve air quality in 29 eastern states. The rule will require a combination of capital investment to install pollution control equipment and increased operating costs. Entergy's capital investment and annual operation and maintenance allowance purchase costs will depend on the economic assessment of NO<sub>x</sub> and SO<sub>2</sub> allowance markets, the cost of control technologies, and unit usage. Entergy estimates that the capital expenditures for its Fossil generation fleet will occur through 2009 and will be approximately \$90 million, including \$2.9 million at Entergy Arkansas, \$17 million at Entergy Gulf States, \$36.1 million at Entergy Louisiana, \$6.2 million at Entergy Mississippi, and \$27.4 million at Entergy New Orleans.

The capital financial impact could be offset by emission markets which allow for purchases or use of allocated credits; however, the allocation of the emission allowances and the set up of the market will determine the ultimate cost to Entergy. Entergy believes that the allocation is unfairly skewed towards states with relatively higher emissions by the use of a fuel-adjustment factor in the final rule that was not included in the draft rule. Entergy will continue to study the final rule's impact to its generation fleet and will work to ensure that all states are treated fairly in the allocation of emission credits. Entergy has filed a Petition for Reconsideration with the EPA and a Petition for Review in the United States Court of Appeals for the District of Columbia Circuit concerning the final rule's use of fuel-adjustment factors.

## Election of Directors

On July 29, 2005, the Board elected two new members, Gary W. Edwards and Stuart L. Levenick. There is no arrangement or understanding between either of the newly-elected directors and any person pursuant to which each was selected as a director.

**Earnings Ratios** (Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

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

	<b>Ratios of Earnings to Fixed Charges</b>					
	Twelve Months Ended					
	December 31,					June 30,
	2000	2001	2002	2003	2004	2005
Entergy Arkansas	3.01	3.29	2.79	3.17	3.37	3.64
Entergy Gulf States	2.60	2.36	2.49	1.51	3.04	2.82
Entergy Louisiana	3.33	2.76	3.14	3.93	3.60	3.80
Entergy Mississippi	2.33	2.14	2.48	3.06	3.41	3.34
Entergy New Orleans	2.66	(a)	(b)	1.73	3.60	3.28
System Energy	2.41	2.12	3.25	3.66	3.95	4.25

	<b>Ratios of Earnings to Combined Fixed Charges and Preferred Dividends</b>					
	Twelve Months Ended					
	December 31,					June 30,
	2000	2001	2002	2003	2004	2005
Entergy Arkansas	2.70	2.99	2.53	2.79	2.98	3.22
Entergy Gulf States	2.39	2.21	2.40	1.45	2.90	2.69
Entergy Louisiana	2.93	2.51	2.86	3.46	3.16	3.34
Entergy Mississippi	2.09	1.96	2.27	2.77	3.07	3.00
Entergy New Orleans	2.43	(a)	(b)	1.59	3.31	2.99

- (a) Earnings for the twelve months ended December 31, 2001, for Entergy New Orleans were not adequate to cover fixed charges and combined fixed charges and preferred dividends by \$6.6 million and \$9.5 million, respectively.
- (b) Earnings for the twelve months ended December 31, 2002, for Entergy New Orleans were not adequate to cover fixed charges and combined fixed charges and preferred dividends by \$0.7 million and \$3.4 million, respectively.

## Item 6. Exhibits \*

- \*\* 4(a) Sixtieth Supplemental Indenture, dated as of May 1, 2005, to Entergy Louisiana's Mortgage and Deed of Trust, dated as of April 1, 1944 (A-3(d) to Rule 24 Certificate dated May 18, 2005 in 70-10086).
- \*\* 4(b) Seventieth Supplemental Indenture, dated as of May 1, 2005, to Entergy Gulf States' Indenture of Mortgage, dated as of September 1, 1926 (A-3(iv) to Rule 24 Certificate dated June 2, 2005 in 70-10158).

- 4(c) Sixty-fifth Supplemental Indenture, dated as of May 1, 2005, to Entergy Arkansas' Mortgage and Deed of Trust, dated as of October 1, 1944.
- 4(d) Credit Agreement, dated as of May 25, 2005, among Entergy Corporation, the Banks (Citibank, N.A., ABN AMRO Bank N.V., BNP Paribas, J. P. Morgan Chase Bank, The Royal Bank of Scotland plc, Barclays Bank PLC, Calyon New York Branch, KeyBank National Association, Morgan Stanley Bank, The Bank of New York, Wachovia Bank, N.A., Credit Suisse First Boston (Cayman Islands Branch), Lehman Brothers Bank (FSB), Regions Bank, Societe Generale, Union Bank of California, N.A., Bayerische Hypo-und Vereinsbank AG (New York Branch), Mellon Bank, N.A., KBC Bank N.V., Mizuho Corporate Bank Limited, West LB AG, New York Branch, and UFJ Bank Limited, Citibank, N.A., as Administrative Agent and LC Issuing Bank, and ABN AMRO Bank, N.V., as LC Issuing Bank.
- 4(e) Fourteenth Supplemental Indenture, dated as of June 1, 2005, to Entergy New Orleans' Mortgage and Deed of Trust, dated as of May 1, 1987.
- 4(f) Amended and Restated Credit Agreement, dated as of June 30, 2005, among Entergy Corporation, as Borrower, Bayerische Hypo- und Vereinsbank AG, New York Branch, as Bank, and Bayerische Hypo-und Vereinsbank AG, New York Branch, as Administrative Agent.
- 4(g) Amended and Restated Credit Agreement, dated as of June 30, 2005, among Entergy Corporation, as Borrower, Bayerische Hypo- und Vereinsbank AG, New York Branch, as Bank, and Bayerische Hypo-und Vereinsbank AG, New York Branch, as Administrative Agent.
- \*\* 4(h) Seventy-first Supplemental Indenture, dated as of July 1, 2005, to Entergy Gulf States' Indenture of Mortgage, dated as of September 1, 1926 (A-3(v) to Rule 24 Certificate dated July 21, 2005 in 70-10158).
- 31(a) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Corporation.
- 31(b) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Corporation.
- 31(c) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Arkansas.
- 31(d) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Gulf States.
- 31(e) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Gulf States and Entergy Louisiana.
- 31(f) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Mississippi.
- 31(g) - Rule 13a-14(a)/15d-14(a) Certification for Entergy New Orleans.
- 31(h) - Rule 13a-14(a)/15d-14(a) Certification for System Energy.
- 31(i) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans.
- 31(j) - Rule 13a-14(a)/15d-14(a) Certification for System Energy.
- 32(a) - Section 1350 Certification for Entergy Corporation.
- 32(b) - Section 1350 Certification for Entergy Corporation.
- 32(c) - Section 1350 Certification for Entergy Arkansas.
- 32(d) - Section 1350 Certification for Entergy Gulf States.

- 32(e) - Section 1350 Certification for Entergy Gulf States and Entergy Louisiana.
- 32(f) - Section 1350 Certification for Entergy Mississippi.
- 32(g) - Section 1350 Certification for Entergy New Orleans.
- 32(h) - Section 1350 Certification for System Energy.
- 32(i) - Section 1350 Certification for Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans.
- 32(j) - Section 1350 Certification for System Energy.
- 99(a) - Entergy Arkansas' Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Dividends, as defined.
- 99(b) - Entergy Gulf States' Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Dividends, as defined.
- 99(c) - Entergy Louisiana's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Dividends, as defined.
- 99(d) - Entergy Mississippi's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Dividends, as defined.
- 99(e) - Entergy New Orleans' Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Dividends, as defined.
- 99(f) - System Energy's Computation of Ratios of Earnings to Fixed Charges, as defined.

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Pursuant to Item 601(b)(4)(iii) of Regulation S-K, Entergy Corporation agrees to furnish to the Commission upon request any instrument with respect to long-term debt that is not registered or listed herein as an Exhibit because the total amount of securities authorized under such agreement does not exceed ten percent of the total assets of Entergy Corporation and its subsidiaries on a consolidated basis.

\* Reference is made to a duplicate list of exhibits being filed as a part of this report on Form 10-Q for the quarter ended June 30, 2005, which list, prepared in accordance with Item 102 of Regulation S-T of the SEC, immediately precedes the exhibits being filed with this report on Form 10-Q for the quarter ended June 30, 2005.

\*\* Incorporated herein by reference as indicated.

## SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. The signature for each undersigned company shall be deemed to relate only to matters having reference to such company or its subsidiaries.

ENTERGY CORPORATION  
ENTERGY ARKANSAS, INC.  
ENTERGY GULF STATES, INC.  
ENTERGY LOUISIANA, INC.  
ENTERGY MISSISSIPPI, INC.  
ENTERGY NEW ORLEANS, INC.  
SYSTEM ENERGY RESOURCES, INC.

/s/ Nathan E. Langston

Nathan E. Langston

Senior Vice President and Chief Accounting Officer  
(For each Registrant and for each as  
Principal Accounting Officer)

Date: August 4, 2005