



Entergy Corporation Outside Counsel Policy

Entergy Corporation and its affiliates (collectively referred to as "Entergy") highly values the contributions of both inside and outside counsel and strives for a collaborative relationship between the two. Entergy Corporation expects all outside counsel to provide Entergy and its affiliates with the highest quality legal services in the most cost-effective manner possible. This Policy sets forth the principles and requirements by which Entergy intends to meet these objectives.

I. Scope and Applicability

This policy (hereafter "Outside Counsel Policy") governs the relationship of Entergy Corporation and its affiliates (collectively referred to as "Entergy") with all outside counsel. Outside counsel performing any type of legal services for Entergy may depart from this Outside Counsel Policy only with the prior written approval of the lead inside counsel responsible for the applicable matter. Questions concerning this Outside Counsel Policy should be directed to that lead inside counsel.

II. Lead Inside Counsel

In order to strengthen the attorney-client relationship and to enable Entergy to take responsibility for making all substantive decisions about the course of the matter, Entergy will designate for each engagement a lead inside counsel to direct the representation and coordinate communications with all other Entergy personnel. The lead, either from the Office of General Counsel or, in the case of tax advice, the Office of General Tax Counsel, is responsible for ensuring that appropriate Entergy personnel are informed about and make the necessary substantive decisions about the matter and that outside counsel is kept appropriately informed both about Entergy's objectives in the matter and about pertinent business issues and developments. Lead inside counsel should be kept regularly apprised of all significant developments in the matter and consulted sufficiently in advance of the date by which any significant decision must be made. Lead inside counsel should also be given the opportunity and sufficient time to review drafts of all significant documents, including contracts, substantive pleadings, briefs, correspondence, and any other documents that will be provided to third parties on Entergy's behalf.

III. Outside Counsel Engagement and Staffing

A. Retention Decisions

Entergy inside counsel within the Office of General Counsel or, in the case of tax advice, the Office of General Tax Counsel, are responsible for the selection and supervision of outside counsel. Outside counsel may not accept an engagement directly from an Entergy businessperson unless Entergy inside counsel has authorized the specific use of their services for that engagement.

B. Engagement Letter

Every engagement (or series of engagements) of outside counsel in which the fees for the entire matter are likely to exceed \$20,000 should be memorialized by a letter setting forth the terms and conditions of the engagement. The letter should be signed by both lead inside and lead outside counsel and should indicate outside counsel's familiarity with and agreement to adhere to this Outside Counsel Policy, subject to any modifications agreed upon with lead inside counsel. Entergy will ordinarily not pay bills submitted by outside counsel who have not signed such an engagement letter. An example of an appropriate form of engagement letter is attached to this Outside Counsel Policy as Appendix A.

C. Staffing.

At the outset of the engagement, Entergy and lead outside counsel will together designate as the lead outside counsel a specific lawyer within the law firm who will be chiefly accountable for the conduct of the engagement. That lawyer should be personally and directly involved in the representation and is responsible for ensuring that Entergy's objectives are met with respect to the engagement. The lead inside counsel must approve all additional members of the team handling the matter, as well as any subsequent changes to the team. Once the team is established, Entergy expects continuity of staffing for the duration of the engagement absent extraordinary circumstances. Entergy will not pay for "learning time" required by the substitution of attorneys or paralegals working on the engagement. Matters should be staffed with the number and level of personnel that are appropriate in order to render quality service in a cost-effective manner. Entergy prefers that its legal matters be staffed with lawyers who have developed knowledge of Entergy and have appropriate subject matter expertise.

Entergy expects outside counsel to use paralegals instead of lawyers whenever a task does not require a licensed attorney. For certain activities, such as file review, compiling and digesting documents and transcripts, due diligence, and similar functions, lead outside counsel is required to consult with and obtain the approval of lead inside counsel before using law firm personnel for such activities.

D. Diversity

In the selection of counsel, as in its own employment decisions, Entergy is committed to equal opportunity and fair treatment for all lawyers and law firms without regard to their race, color, religion, national origin, sex, age, disability, veteran status, or other characteristic protected by law, and selects outside counsel based solely on merit, qualifications, and other job-related criteria. Entergy also complies with the spirit and letter of all applicable laws to make sure a diverse mix of individuals and firms apply for and are considered for Entergy engagements. We expect the law firms that represent Entergy to work actively to promote diversity within their workplace.

E. Retention of Local Counsel, Consultants, Experts and Vendors

Outside counsel are not authorized to retain any local counsel, consultant, expert or vendor without the advance approval of the Entergy lead inside lawyer. Unless lead inside counsel approves different arrangements, lead outside counsel will be responsible, in consultation with lead inside counsel, for the budgeting and billing arrangements governing the work to be performed by such local counsel, consultants, experts, or vendors that are required to conform to this Policy. Lead outside counsel will be responsible for any amount billed over budget or not in accordance with this Outside Counsel Policy that is not approved in advance by lead inside counsel.

IV. Planning and Evaluation

Whenever requested by lead inside counsel, lead outside counsel should prepare a written strategic plan for the conduct of the representation. It should be prepared early in the engagement and include an identification of Entergy's objectives and a proposal as to how best to achieve them; the major steps likely to be required as well as their timing and sequence; an estimate of the projected fees and expenses for each phase of the matter; and the staffing planned for the matter. The plan should be reviewed in draft with lead inside counsel prior to being finalized and updated from time-to-time, as appropriate, to reflect developments in the matter and evolving understanding of the relevant objectives, facts or issues.

V. Legal Research

Outside counsel should not bill Entergy for drafting documents or conducting research previously generated for Entergy or other clients. Lead outside counsel should ask the lead inside counsel, at the outset of an engagement and at appropriate times during the matter, if there are standard Entergy documents or research that may be used for this matter.

VI. Fee Arrangements/Compensation

A. Preferred Provider Status

Certain firms may be designated an Entergy "Preferred Provider" as the result of being selected to participate in a formal program in the following substantive areas: Antitrust, Environmental, Finance, Regulatory (including the Nuclear Regulatory Commission, Securities and Exchange Commission and Federal Energy Regulatory Commission), Labor, Employment, Benefits, Litigation, Mergers & Acquisitions and Tax. In the event of a conflict between the terms of a Preferred Provider agreement and this Outside Counsel Policy, the Preferred Provider agreement takes precedence for the term of the agreement.

B. Types of Fee Arrangements.

Entergy encourages outside counsel to propose, in appropriate cases, alternatives to conventional hourly-rate fee arrangements, including fixed or flat fees, productivity incentives, risk-sharing and contingent fees. Any proposal to use a different basis for billing such as "value based" or transactional billing, or to charge a premium, bonus or success fee based on the outcome of the matter must be raised at the outset of the engagement and approved in writing by the lead inside counsel. In all cases, the terms on which Entergy will be charged for the representation must be set forth in writing both at the outset of the engagement and at any point in the engagement at which those terms are modified.

C. Billing Rates.

In matters that are to be billed based on the law firm's hourly rates, outside counsel shall, upon engagement of the firm, provide lead inside counsel with a schedule showing the billing rate for each timekeeper (or class of timekeeper) assigned to the engagement. Once agreed upon at the commencement of a matter, the scheduled billing rates shall remain in effect for the duration of the engagement. An exception to this requirement will be made only if the lead inside counsel approves in writing a proposed rate change sixty (60) days in advance. Entergy expects to be billed at rates that are highly competitive with those of firms providing comparable services to Entergy or other similar clients. In addition, Entergy requires that outside counsel charge for services at net billing rates that are no higher than those charged to other clients of the firm, except for not-for-profit or pro bono clients.

D. Task-Based Budgeting and Billing

It is Entergy's policy that in engagements where professional fees are expected to exceed \$20,000 based on hourly rates, outside counsel will charge those fees and expenses that are consistent with task-based budgets approved by the lead inside counsel, and that outside counsel will render its bills in a form

corresponding to that budget. Prior to incurring unbudgeted fees for a particular task, outside counsel must obtain the advance approval of lead inside counsel. In the absence of prior approval by the lead inside counsel, Entergy will not pay bills for legal fees and expenses for a particular task that exceed the budget approved for that task.

The budget and bill formats should, to the extent practicable, employ the standard task codes promulgated by the American Bar Association and the American Corporate Counsel Association, as modified from time to time. The particular form, frequency and content of the task-based budgets and bills to be used for a specific engagement should be agreed upon in advance by lead inside and outside counsel. Outside counsel are expected to update task-based budgets whenever necessary without a reminder from inside counsel. Entergy will not pay for any time associated with preparation of the budget and staffing plan for a particular matter or for consultations regarding matter management required by this Policy.

E. Staffing/Billable Time

Entergy strongly encourages lean staffing on its matters. Consequently, Entergy will pay for no more than one attorney (or two attorneys if so determined by lead inside counsel) to attend events such as depositions, witness meetings, settlement conferences, court appearances, company internal meetings (whether in person or telephonically), negotiations and meetings with other parties' counsel without Entergy prior approval. Duplicative document review, research and drafting tasks should be avoided and will be reviewed carefully.

Entergy requires that lead inside counsel exercise good judgment with regard to the number of hours per day billed to Entergy matters by each attorney. Entergy will only pay for reasonable internal conferencing, and internal conferencing exceeding 10% of the total billings for the month will be questioned. Clerical work is not billable, irrespective of who performs it. Clerical work includes maintenance of internal databases, date stamping, filing, preparing bills, indexing pleadings, opening and closing files, scheduling meetings or making travel arrangements, participating in review or "feedback" sessions, billing audits. Likewise, time spent on "standby" when no actual work is being performed will not be chargeable without advance approval of the lead inside attorney.

F. Billing Timing and Contents.

Unless lead inside counsel approves different arrangements, bills should be rendered monthly, within 30 days after the end of the month in which the services were rendered. Bills should include a detail of fees by lawyer and paralegal, including the number of hours spent by task, a description of services, a list of reimbursable expenses by category, as well as a statement by lead outside counsel that charges for fees and expenses comply with this Outside Counsel Policy. Entergy will generally not pay for fees or expenses that are not billed on a timely basis or in the agreed-upon format. Entergy expects bills for professional services to be based on the time reasonably devoted to the matter. The number of hours for which Entergy is billed should be the subject of "billing judgment" exercised by the lead outside counsel, so that the fees charged reflect only the time appropriately and productively devoted to the matter. Entergy reserves the right to request copies of the firm's billing records and supporting documentation with respect to Entergy charges and to conduct audits of the bills. At the request of lead inside counsel, lead outside counsel will provide estimates of fees on a more current basis. At the request of lead inside counsel, lead outside counsel will provide estimates of fees on a more current basis.

VII. Expenses/Disbursements.

A. Overhead/Administrative Costs:

Entergy considers the following costs part of outside counsel's unreimbursable overhead, and will not accept charges from outside counsel for the following items: computer, word processing and e-mail charges, (excluding computer research), rent, conference room charges, supplies, library staff, library use and materials, clerks, proofreaders, meals, taxis and limousines for employees to get to and from the office (including at night), support staff salaries and overtime, and local telephone calls. As to other costs, Entergy will reimburse outside counsel for actually incurred out-of-pocket expenses with no mark-up, provided those expenses are reasonable and comply with the guidelines set forth below. Entergy expects outside counsel to use its best efforts to minimize reimbursable out-of-pocket costs both by avoiding unnecessary expenditures and by taking advantage of volume discounts and bulk arrangements that may be available either through Entergy or otherwise. A summary of Entergy's policies with respect to billing requirements, expenses and disbursements is attached hereto as Appendix B.

B. Travel:

Entergy expects outside counsel to avoid unnecessary travel through such alternatives as teleconferencing. Only coach air fare and mid-size rental cars will be reimbursed. Luxury transportation, including limousines and hire cars, will not be reimbursed unless lead inside counsel has approved the expense in advance. If outside counsel is traveling on business for more than one client, Entergy expects counsel to apportion the expenses appropriately. Outside counsel shall purchase travel services under Entergy contracts with travel service providers, such as car rental companies and hotels, whenever such rates are available to contractor personnel. Entergy will pay for 50% of travel time when outside counsel is traveling on Entergy business.

C. Meals and Accommodations:

Entergy expects its counsel to use good judgment in selecting hotels and restaurants while traveling on Entergy business. Personal incidental expenses incurred while working on Entergy matters will not be reimbursed and must be distinguished from those expenses that are appropriately charged to Entergy. Entergy will not pay for meals or other incidental expenses, including evening taxis or cars for attorneys or staff members when they are working in their normal office location.

D. Electronic Distribution of Documents:

Advances in technology, specifically transmission of information and documentation by e-mail, scanning, imaging, sharing of documents on secure web sites, etc., have made routine copying, faxing and delivery of hard copy documents less critical and, in many cases, unnecessary. Consistent with security concerns, Entergy expects outside counsel to maximize the use of state of the art technology to minimize the expenses listed below.

(i) *Photocopying:* Entergy will reimburse outside counsel for necessary photocopying at the firm's actual annualized per-copy expense or ten cents per page, whichever is lower. Entergy expects outside counsel to avoid and/or minimize unnecessary copying and to take care to control costs, bulk copying costs consistent with speed, confidentiality and reliability requirements.

(ii) *Telephone and Facsimile:* Entergy will pay for actual charges billed to the firm for toll calls including those relating to outgoing fax transmissions. No other amounts will be paid for outgoing or incoming faxes.

(iii) *Messenger Services:* Entergy will reimburse the firm only for actual charges billed to the firm for deliveries (including overnight express) that are necessary for speed and reliability.

E. Computerized Research:

Lead outside counsel shall monitor and be responsible for all research conducted on Entergy matters to assure that the research is performed in the most cost-efficient and productive manner. Entergy will pay only for actual charges billed to the firm for computerized research, without mark-up or administrative fee. In the event Entergy provides outside counsel with a unique password for electronic research to be utilized only for Entergy matters, outside counsel agree to utilize said password for all research on Entergy matters in accordance with the specified requirements.

F. Secretarial Time, Word Processing:

Entergy will not pay fees, costs or charges for word or document processing or for secretarial time, including overtime.

VIII. Public Comment

In the absence of specific authorization, Entergy does not authorize outside counsel to 1) offer media or other public comment on Entergy or matters being handled for Entergy or 2) respond to requests for comment. Any inquiries or proposed public comment about Entergy or an Entergy matter must be referred to lead inside counsel or to Entergy public affairs specialist designated by Entergy lead inside counsel. That Entergy representative will be responsible for determining what comment is appropriate and who should be designated to comment on Entergy's behalf.

IX. Other Clients

Outside counsel are required to search for and disclose to Entergy any actual or potential conflicts of interest prior to accepting an engagement. Outside counsel should identify and disclose to Entergy any existing or prospective engagement by another client that could create an actual or potential conflict of interest with counsel's representation of Entergy (or the appearance thereof). For purposes of the rules of professional conduct barring or limiting an attorney's representation adverse to the interests of existing or former clients, Entergy itself and all of Entergy's subsidiaries, and affiliates should be treated as the client of any outside counsel providing services to any one of such businesses, entities, or affiliates. See American Bar Association, Standing Committee on Ethics and Professional Responsibility, Formal Opinion 95-390 at 5 (January 25, 1995).

Requests for waivers of potential or actual conflicts of interest will be considered on a case-by-case basis; Entergy will not provide blanket or prospective waivers. Waiver requests should be directed to the lead inside counsel for the matter affected and should include a complete list of the matters currently being handled by the requesting counsel for Entergy or its subsidiaries or affiliates, the identity of each Entergy component or affiliate involved in those matters and the identity of lead inside counsel for those matters. Any waiver granted by Entergy will be conditioned on counsel's other client providing a written agreement that it will not object to counsel's continued ability to represent Entergy on existing and future matters. An illustration of a letter confirming the waiver of a potential conflict of interest is attached as Appendix C.

Entergy will generally not waive a conflict where representation of another client will involve the assertion against Entergy or any affiliate of a claim of alleged fraud, misrepresentation, or other dishonest or improper conduct. If Entergy grants a waiver subject to this limitation on the scope of the firm's proposed representation, the limitation must be clearly communicated in writing to the other client at the commencement of the adverse engagement, because the limitation could later require counsel to withdraw from that engagement. If Entergy consents to the representation of another client adverse to Entergy in a transaction, it will not consent to the firm's representation of the other client in litigation against Entergy arising out of the transaction. No waiver will ordinarily be granted if the subject of the proposed adverse representation involves or is closely related to a matter in which the firm has represented Entergy on a closely related matter. Nor will a waiver be granted if the firm's access to

confidential information, including Entergy's business and litigation strategies, would be useful to the adverse client.

If Entergy's outside counsel anticipates that representation of another client will involve counsel advancing a position on a legal issue which may be materially opposed to Entergy's interests, counsel should, to the extent reasonably practicable and consistent with that counsel's confidentiality obligations to other clients, bring the matter to Entergy's attention in advance of doing so.

X. Ownership of Material

All materials in written, graphic, electronically stored or other form, generated or prepared in the course of representing Entergy and all copyrights therein shall belong to the appropriate Entergy affiliate. Outside counsel, by representation of Entergy, agrees to assign all right, title, interest and copyrights in all such materials to Entergy and agrees to execute all documents necessary for Entergy to perfect its ownership and copyright interests. At the conclusion of the engagement, lead outside counsel should obtain direction from lead inside counsel regarding disposition of all such materials, in addition to the requirement in Section XI.

XI. Technology

The effective use of technology in legal matters and with outside law firms is critical to generating superior work product efficiently and at a significantly lower cost. Entergy expects that unless another format is required or agreed to by Entergy, outside firms will utilize software and technology compatible with Entergy's technology. Entergy will not be responsible for any costs associated with the purchase or installation of hardware or software by outside counsel for Entergy matters.

XII. Confidentiality

Entergy may provide to outside counsel on a confidential basis copies of confidential and proprietary information, including intellectual property, trade secrets, internal policies, business plans, customer information, organizational charts, standard forms or other materials relevant to the work outside counsel is performing on Entergy's behalf, including information provided to Entergy by third parties. None of these documents or other materials should be used by outside counsel directly or indirectly for any purpose other than in connection with their representation of Entergy and, in the case of information provided by third parties, should be used only in accordance with the other terms of any Confidentiality Agreement that Entergy may provide to outside counsel.

XIII. Sarbanes-Oxley – Section 307

Certain outside counsel will be called on to transact business with the Securities and Exchange Commission ("SEC") on behalf of Entergy, represent Entergy in an SEC administrative proceeding or in connection with an SEC investigation, inquiry, information request or subpoena, provide advice in respect of US securities laws or the rules and regulations of the SEC or advise Entergy whether information or a statement, opinion or other writing must be filed with or submitted to the SEC, or incorporated into any document so filed or submitted. Outside counsel representing Entergy in these matters will be subject to the requirements of section 307 of the Sarbanes-Oxley Act of 2002 and the related rules promulgated by the SEC (the "Section 307 Requirements"). If such outside counsel encounters evidence of a material violation of securities law, material breach of fiduciary duty or similar material violation of law (as those terms are defined in the Section 307 Requirements) during this representation, he or she should report it promptly to Robert D. Sloan, Senior Vice President and

General Counsel, Entergy's chief legal officer. Mr. Sloan will then conduct investigations and make responses to you as described under the Section 307 Requirements.

Appendices

- A. Sample Engagement Letter*
- B. Entergy Billing Requirements, Disbursements and Expenses Summary*
- C. Sample Conflict Waiver*

APPENDIX A



Entergy Corporation Sample Outside Counsel Engagement Letter

Date

Lead Outside Counsel Name
Law Firm Name
Address

Re: [Matter Name]

Dear _____:

This letter will confirm that Entergy Corporation [or other Entergy entity] has asked you to represent us in the above matter. In connection with your representation we have asked you to [describe scope of the engagement].

With this letter I am sending a copy of Entergy Corporation's Outside Counsel Policy. Except as set forth in this letter, or specifically agreed to by me, the Policy will govern your representation of Entergy Corporation [or other Entergy entity] in this matter and all subsequent matters in which you are retained. We have agreed that you will be the lead outside counsel on this matter and will be responsible for ensuring adherence to the Policy. I [or name of appropriate inside counsel] will be lead inside counsel on this matter. We believe that providing you with a clear statement of the principles which apply to your representation of Entergy Corporation [or other Entergy entity] will assist us both in providing effective, high quality legal representation responsive to the needs of the Company. I urge you to raise any questions you may have about the Outside Counsel Policy with me or [other lead inside counsel] at the outset.

We have agreed that you will be compensated for your work on this matter [insert fee arrangement]. [If task-based billing and budgeting. We have agreed that you will prepare [a] task-based budget[s] (monthly, quarterly, for all the work necessary to complete this assignment, for each phase of this matter) for my approval.] We have agreed that you will submit your bills [monthly, quarterly, or at the completion of this matter]. We have agreed that the attorneys and staff who will work on this matter are:

Name	Billing rate
Name	Billing rate

I look forward to working with you on this matter. Please confirm that you have received and agree to abide by the Policy by returning a signed copy of this letter to me at your earliest convenience.

Very truly yours,

Entergy Attorney

We have received Entergy Corporation's Outside Counsel Policy and agree to be governed by that document's terms in our representation of Entergy Corporation [or other Entergy entity] and its affiliates.

Law Firm Name

By _____
Lead Outside Counsel

APPENDIX B

Entergy Corporation Outside Counsel Policy-Billing Requirements and Disbursement/Expenses Summary

I. General Requirements

- A. **Engagement Letter** (III.B) Required for all matters where fees likely to exceed \$20,000.
- B. **Entergy Lead Inside Counsel** (II.) Responsible for all substantive decisions; outside counsel to keep informed and provide all documents to inside counsel for review.
- C. **Retention of Local Counsel, Consultants, Vendors** (III.E) Entergy pre-approval required for all retentions; Entergy outside counsel policy terms apply.

II. Billing Requirements

- A. **Billing Rates** (VI.C). In effect for entire matter unless Entergy written approval 60 days in advance.
- B. **Staffing/Billable Time** (VI.E)
 - 1. No more than 1 attorney at meetings, negotiations unless Entergy pre-approval.
 - 2. Use firm paralegals rather than attorneys where possible unless Entergy pre-approval (III.C).
 - 3. More than 12 hours per day by one member outside counsel staff closely reviewed.
 - 4. Internal conferences more than 10% total monthly billings closely reviewed.
 - 5. No billing for clerical work (filing, date stamping, indexing, making arrangements).

III. Budgeting/Billing Requirements

- A. **Task Based Budgeting and Billing** (VI.D) Required for all matters where fees will be greater than \$20,000.
- B. **Billing Timing/Contents** (VI F)
 - 1. Bills to be rendered monthly within 30 days after end of month.
 - 2. Detail of fees by lawyer, paralegal, number of hours by task, description.
 - 3. Expenses/disbursements detail and charges by category

IV. Expenses/Disbursements

A. **Non-Reimbursable Overhead** (VII.A)

- 1. Computer, e-mail, word processing charges
- 2. Conference room charges, rent
- 3. Supplies
- 4. Library use, staff
- 5. Clerks
- 6. Proofreaders charges
- 7. Meals (except during business travel)
- 8. Taxis and limousines to and from firm office (even at night)
- 9. Support salaries, overtime
- 10. Local telephone calls
- 11. Fax charges

B. **Travel** (VII.B)

- 1. **Airfare**: Coach only fare in U.S., within Europe, Asia, Latin America; business airfare may be reimbursed U.S. to/from Europe, with Entergy pre-approval.
- 2. **Rental cars**: Mid-size cars only, no limousines, hired cars unless Entergy pre-approval.
- 3. **Travel time**: Billed at 50%

C. **Meals/Accommodations** (VII.C)

- 1. **Hotels and Restaurants**: Use reasonable judgment.
- 2. **Personal Expenses**: No personal/incidental expenses reimbursed.

D. **Telephone/Facsimile/Photocopying** (VII.D)

- 1. **Photocopying**: \$.10 per page or firm's actual annualized per page if lower.
- 2. **Telephone/facsimile**: No local call charges, toll charges only for outgoing transmissions, no charges for incoming faxes.
- 3. **Messenger services**: Only actual charges.

E. **Computerized Research** (VII.E) Actual charges only without firm mark-up, admin charges; use Entergy password when provided.

- F. Secretarial time, Word processing (VII.F) No charges for secretarial, word processing charges, including overtime.

APPENDIX C



Entergy Corporation Sample Conflict Waiver Letter

[Date]

[Name of Lawyer Requesting Waiver]
[Outside Law Firm Name]
[Address]

Re: [name of case or transaction for which waiver is requested]

Dear [outside lawyer]:

This letter is in response to your request for a waiver of a [potential or actual] conflict of interest in connection with [law firm]'s representation of [other client's name] in the above referenced matter. We have no objection to such representation subject to the following conditions:

- 1.[Other client name] agrees not to object to [law firm]'s continued ability to represent Entergy its affiliates on existing and future matters; [and]
- 2.[Law firm]'s representation of [other client] will not involve the assertion against Entergy or any of its affiliates of a claim of fraud, misrepresentation, or other dishonest conduct .[; and]
- 3.[Law firm]'s representation of [other client] will not involve advancing a portion of a legal issue that may be materially opposed to Entergy's interests.
- 4.[Law firm] is representing [other client] for the sole purpose of [describe limited engagement to which Entergy is consenting] and it is understood that Entergy reserves the right to claim a potential or actual conflict of interest and take appropriate action regarding any other matters including broader representation of [other client] with reference to this matter. [; and]
- 5.([Law firm] personnel providing services to (other client) in connection with this matter will not be among those concurrently providing services to Entergy or an Entergy affiliate. ;and]
- 6.([Other client) has been informed of the conditions set forth in this letter and has agreed to these conditions.]

[Please sign this letter and have it signed by a representative of [other client] and return it to me if it is acceptable to you.]

Very truly yours,

Entergy Attorney

Received and agreed to:

[Attorney at law firm]

[Other client representative]

RESULTS OF INDUSTRY-BASED LAW DEPARTMENT BENCHMARKING SURVEY OF UTILITY COMPANIES

January 2010

Conducted by
Altman Weil, Inc.
Consultants to the Legal Profession
Two Campus Boulevard
Newtown Square, PA 19073
610-886-2000
<http://www.altmanweil.com>

Questions regarding this survey should be addressed to
Daniel J. DiLucchio at 610-886-2012 or
djdiucchio@altmanweil.com

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Introduction

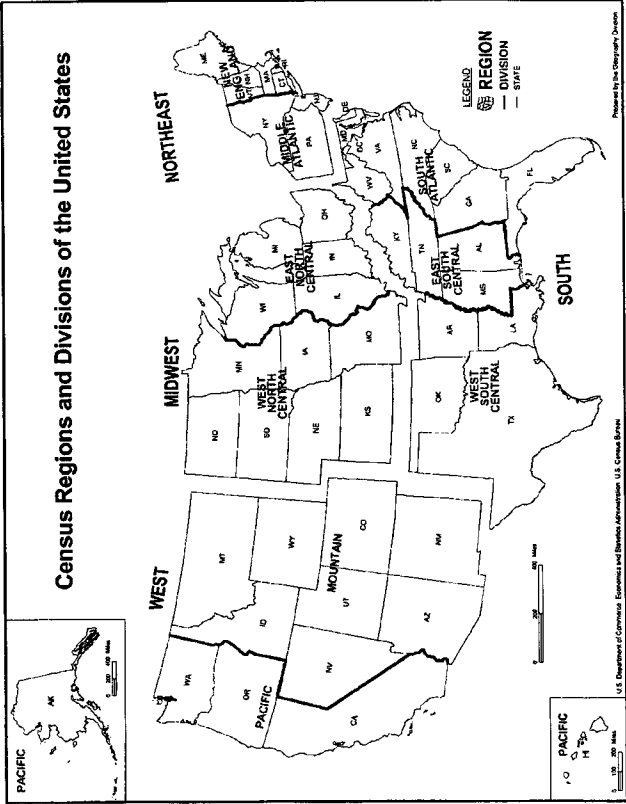
DTE Energy, Inc. engaged Altman Weil, Inc., management consultants to the legal profession, to conduct a benchmarking study of the in-house legal functions of selected utility companies. Twenty six companies were invited to participate. Five companies responded to the survey.

Contact: Daniel J. DiLucchio, Consultant
Altman Weil, Inc.
Two Campus Boulevard
Newtown Square, PA 19073
Phone: 610-886-2012
djdlucchio@altmanweil.com

DEMOGRAPHICS

LOCATION OF RESPONDENT COMPANIES

Region	Number
West South Central	1
East North Central	2
New England	1
South Atlantic	1
Total	5



RESPONSE RATE

Number of Questionnaires Distributed	Number of Responses	Percent
26	5	19.2%

ORGANIZATION

TOTAL REVENUE AS OF YEAR-END 2008

	Number of Companies	Average \$ (000,000)
Revenue in Billions	5	10,703

WHICH OF THE FOLLOWING BEST DESCRIBES HOW YOUR COMPANY'S LAW DEPARTMENT IS ORGANIZED?

	Number of Companies	Percent
Centralized	2	40.0%
Mixed	3	60.0%
All Companies	5	100.0%

DESCRIBE THE REGULATORY ENVIRONMENT IN WHICH YOUR COMPANY OPERATES*

	Number of Companies	Percent
Own/operate nuclear plants	1	16.7%
Operate in one or more states with retail competition (residential)	2	33.3%
Operate in one or more ISO/RTO arrangements	3	50.0%

*Multiple response question. Percentage is of total responses.

NUMBER OF RETAIL JURISDICTIONS IN WHICH COMPANY OPERATES

	Number of Companies	Average
Number of Jurisdictions	4	5

INDICATE THE NATURE OF THE REGULATORY ENVIRONMENT (WITHIN LAST TWO YEARS) OF EACH RETAIL JURISDICTION IDENTIFIED PREVIOUSLY*

	Number of Responses	Percent
Highly Collaborative	1	6.7%
Somewhat Collaborative	5	33.3%
Mixed	7	46.7%
Somewhat Adversarial	2	13.3%

*Multiple response question. Percentage is of total responses.

NUMBER OF PUBLIC FERC DOCKET ITEMS OR PROCEEDINGS YOUR COMPANY HAS HAD WITHIN THE LAST FIVE YEARS

	Number of Companies	Average
Docket Items	4	633

STAFFING

TOTAL LAWYERS, PARALEGALS AND ADMINISTRATIVE STAFF IN LAW DEPARTMENT

	Number of Companies	Average
Lawyers	5	42.6
Paralegals	5	8.2
Administrative	5	32.7

TOTAL LAWYERS, PARALEGALS AND ADMINISTRATIVE STAFF IN HOLDING/SERVICE COMPANY

	Number of Companies	Average
Lawyers	4	37.2
Paralegals	4	7.8
Administrative	4	36.2

TOTAL LAWYERS, PARALEGALS AND ADMINISTRATIVE STAFF IN SUBSIDIARIES

	Number of Companies	Average
Lawyers	3	9.1
Paralegals	3	1.7
Administrative	3	3.0

FTE STAFFING BY POSITION

	Number of Companies	Average
Chief Legal Officer/General Counsel	1	1.00
Deputy Chief Legal Officer	3	3.33
Associate General Counsel	2	2.50
Assistant General Counsel	4	10.43
Division General Counsel	1	10.50
Managing Attorney	3	4.33
High Level Specialist	1	1.00
Senior Attorney	5	21.35
Attorney	5	2.86
Staff Attorney	2	2.50
Recent Graduate	1	1.00
Paralegal Supervisor	1	1.00
Senior Paralegal	4	4.35
Paralegal	4	5.93
Legal Administrator	4	0.90
Information Systems	1	1.00
Library	1	1.00
Finance/Accounting	2	10.00
Secretarial/Word Processing	5	16.26
Records/File Room/Messenger	2	2.10
Other Staff*	5	6.45
Total Law Department	5	83.61

*Other Staff: Clerk (1); Compliance (4); Compliance Manager (1); Security (34); Regulatory Litigation Manager (1); Ethics Program Project Manager (1); Manager (1); Corporate Secretarial Specialists (2); Claims Specialist (1); Part-time Interns; Other (2).

WITHIN THE NEXT TWO YEARS, PLEASE INDICATE YOUR EXPECTATIONS REGARDING THE STAFFING LEVELS OF THE FOLLOWING POSITIONS

		Number of Companies	Percent
Lawyers	Increase	3	60.0%
	No change	2	40.0%
Total		5	100.0%
Paralegals	Increase	2	40.0%
	No change	3	60.0%
Total		5	100.0%
Administrative	Increase	1	20.0%
	Decrease	1	20.0%
	No change	3	60.0%
Total		5	100.0%

PERCENT OF FTE LAWYERS BY PRACTICE AREA

	Number of Companies	Average %
Anti-trust	2	0.7
Benefits/ERISA	4	1.3
Commercial	4	3.1
Compliance	5	1.4
Environmental	5	1.8
General Corporate	4	4.7
Intellectual Property	3	0.6
International	0	--
Labor/Employment	5	3.6
Litigation	5	5.7
Mergers/Acquisitions	3	1.8
Patents	0	--
Real Estate	3	1.3
Regulatory	5	14.8
Securities	5	2.9
Tax	1	1.0
Trademark	1	0.2
Other*	5	2.6
Total Number of FTE Lawyers	5	42.6

*Other Staff: General Counsel (1); Chief Legal Officer (1); Trading (1); VP & GC (1); Oil and Gas (1);
FERC Attorneys (5); Bankruptcy Attorney (1).

HOW MANY LAWYERS (FOR LEGAL POSITIONS) DID YOU HIRE IN 2008?

	Number of Companies	Average
Number of Hires	5	3.4

INDICATE THE NUMBER OF NEW LAWYERS RECRUITED FROM EACH OF THE FOLLOWING SOURCES

	Number of Companies	Average
Law Firms	3	4.0
Law Departments	1	2.0
Regulatory/Government	1	1.0
Within Company	1	1.00
Other**	1	1.00

*Multiple response question.
**Other: Recruiting firm.

DO YOU PARTICIPATE IN LAW SCHOOL RECRUITING PROGRAM?

		Number of Companies	Percent
Recruiting Program	Yes	2	40.0%
	No	3	60.0%
Total		5	100.0%

DO YOU OFFER SUMMER ASSOCIATE OR LEGAL INTERN PROGRAMS?

		Number of Companies	Percent
Intern Program	Yes	4	80.0%
	No	1	20.0%
Total		5	100.0%

EXPENSES / LEGAL SPEND

OUTSIDE COUNSEL FEES FOR LAW DEPARTMENT PER LAWYER

	Number of Companies	Average \$
Outside Counsel Fees per Lawyer	5	605,328

OUTSIDE COUNSEL FEES FOR TAX COUNSEL PER LAWYER

	Number of Companies	Average \$
Outside Counsel Fees for Tax per Lawyer	1	28,593

OUTSIDE EXPENSES

	Number of Companies	Average
Total Outside Expense per Lawyer	5	653,407
Other Outside Expense per Lawyer	3	70,601
Total Outside Expense as % of Revenue	5	.2588
Total Outside Expense as % of Total Expenses	5	59.0%

INSIDE EXPENSES

	Number of Companies	Average
Total Inside Expenses per Lawyer	5	417,037
Compensation and Benefits Expense per Lawyer	5	286,986
Contract Expense per Lawyer	0	--
Other Temporary Staff Expense per Lawyer	5	36,001
Other Operating Expenses per Lawyer	5	94,050
Total Inside Expense as % of Revenue	5	.1680
Total Inside Expense as % of Total Expenses	5	41.0%

LAW DEPARTMENT EXPENSES (INSIDE AND OUTSIDE) PER LAWYER

	Number of Companies	Average \$
Total Law Department Expense per Lawyer	5	1,070,444

TOTAL LAW DEPARTMENT EXPENSES (INSIDE AND OUTSIDE) AS A PERCENT OF REVENUES

	Number of Companies	Average %
Total Law Department Expense as % of Revenue	5	.4268

LEGAL SERVICE PROVIDER

	Number of Companies	Average \$
Outside Counsel Fees per Legal Service Provider	5	548,699
Total Law Department Expenses (Inside & Outside) per Legal Service Provider	5	970,223
Total Inside Expenses per Legal Service Provider	5	377,621
Compensation and Benefits Expense per Legal Service Provider	5	260,637
Contract Attorney Expense per Legal Service Provider*	0	--
Other Temporary Staff Expense per Legal Service Provider*	5	31,930
Other Operating Expenses per Legal Service Provider	5	85,053
Total Outside Expenses per Legal Service Provider	5	592,603
Other Outside Expenses per Legal Service Provider	3	64,657

OUTSIDE COUNSEL FEES FOR TAX COUNSEL PER LEGAL SERVICE PROVIDER

	Number of Companies	Average \$
Outside Counsel Fees for Tax per Legal Service Provider	1	25,548

ARE SETTLEMENT COSTS INCLUDED IN THE LAW DEPARTMENT BUDGET?

	Number of Companies	Percent
Yes	0	0.0%
No	5	100.0%
All Companies	5	100.0%

WHAT IS THE TOTAL SETTLEMENT EXPENDITURE FOR 2008?

	Number of Companies	Average \$
Settlement Expenditure	0	--

TOTAL LEGAL SPEND BY PRACTICE AREA FOR 2008

	Number of Companies	Average \$
Anti-trust	2	41,098
Benefits/ERISA	2	647,747
Commercial	2	2,565,804
Compliance	3	1,523,665
Environmental	2	2,208,889
General Corporate	2	4,331,657
Intellectual Property	1	61,654
International	0	--
Labor/Employment	2	3,745,344
Litigation	3	5,358,596
Mergers/Acquisitions	1	12,728,726
Patents	0	--
Real Estate	2	512,753
Regulatory	3	7,267,358
Securities	3	1,676,473
Tax	1	57,504
Trademark	1	118,618
Other*	2	9,283,213

*Other: FERC and Bankruptcy; Project Development; Legislative; Lobbying; Bankruptcy (2); Health and Safety; Credit and Collection; Generation; Purchasing; Transactional.

IN-HOUSE LEGAL SPEND BY PRACTICE AREA FOR 2008

	Number of Companies	Average \$
Anti-trust	1	73,753
Benefits/ERISA	3	281,980
Commercial	2	965,057
Compliance	3	1,184,241
Environmental	3	587,167
General Corporate	3	2,479,382
Intellectual Property	2	35,466
International	0	--
Labor/Employment	3	1,494,809
Litigation	3	2,318,561
Mergers/Acquisitions	2	515,185
Patents	0	--
Real Estate	3	332,426
Regulatory	3	4,149,076
Securities	3	668,218
Tax	1	1,688
Trademark	1	53,153
Other	3	2,449,589

OUTSIDE COUNSEL LEGAL SPEND BY PRACTICE AREA FOR 2008

	Number of Companies	Average \$
Anti-trust	2	4,222
Benefits/ERISA	2	398,168
Commercial	2	1,952,120
Compliance	2	100,761
Environmental	4	3,221,404
General Corporate	4	1,368,951
Intellectual Property	3	89,525
International	0	--
Labor/Employment	4	1,927,760
Litigation	4	3,632,525
Mergers/Acquisitions	3	5,781,878
Patents	1	142,789
Real Estate	4	1,406,824
Regulatory	4	7,438,075
Securities	4	882,526
Tax	3	497,465
Trademark	1	65,465
Other	4	4,366,450

PERCENT OF FEES PAID TO OUTSIDE COUNSEL BASED ON BILLING ARRANGEMENTS OTHER THAN STANDARD HOURLY RATES, IN 2008

	Number of Companies	Percent
Percent of Fees	1 to 10%	2.2%
	21 to 30%	13.5%
	51 to 60%	23.3%
	61 to 70%	28.7%
	71 to 90%	32.3%
All Companies		100.0%

FOR 2009, ESTIMATED PERCENT OF FEES TO BE PAID TO OUTSIDE COUNSEL BASED ON BILLING ARRANGEMENTS OTHER THAN STANDARD HOURLY RATES

	Number of Companies	Percent
Percent of Fees	1 to 10%	2.4%
	31 to 50%	19.5%
	71 to 90%	78.0%
All Companies		100.0%

INDICATE THE OUTSIDE COUNSEL BILLING ARRANGEMENTS USED WITHIN YOUR LAW DEPARTMENT*

	Number of Companies	Percent
Standard hourly rate	5	100.0%
Reduced hourly rate	3	60.0%
Fixed fee	3	60.0%
Negotiated fee	4	80.0%
Results oriented	1	20.0%
Blended rates	3	60.0%
Other	0	0.0%

*Multiple response question. Percentage is of total responses.

OPERATIONS / FUNCTIONS

INDICATE THE DUTIES/RESPONSIBILITIES OF IN-HOUSE LAW DEPARTMENT STAFF*

	Number of Companies	Percent
Actively appear as counsel	3	60.0%
Actively appear as counsel in litigation matters	3	60.0%
Actively appear as counsel in regulatory proceedings	5	100.0%
Client business meetings	5	100.0%
Conduct legal or business research for client/issue	5	100.0%
Draft pleadings	5	100.0%
Document drafting	5	100.0%
Document review	5	100.0%
Due diligence	5	100.0%
Interpretation of policies/language	5	100.0%
Prepare legal opinions/recommendations	5	100.0%
Preventive advice to clients	5	100.0%
Review work product of outside counsel	5	100.0%
Sign pleadings	5	100.0%
Supervision of outside counsel	5	100.0%
Other	0	0.0%

*Multiple response question. Percentage is of total responses.

USE OF EBILLING SYSTEM ALLOWING OUTSIDE COUNSEL TO SUBMIT BILLS ELECTRONICALLY

	Number of Companies	Percent
Yes	3	60.0%
No	2	40.0%
All Companies	5	100.0%

WHICH ELECTRONIC BILLING VENDOR DO YOU UTILIZE?

	Number of Companies	Percent
DataCert	1	33.3%
Examen	1	33.3%
Other*	1	33.3%
All Companies	3	100.0%

*Other: LexisNexis (CounselLink).

DO YOU TRACK ATTORNEY AND PARALEGAL TIME IN THE LAW DEPARTMENT?

	Number of Companies	Percent
Yes	5	100.0%
No	0	0.0%
All Companies	5	100.0%

INDICIATE METHOD OF TRACKING TIME IN LAW DEPARTMENT

	Number of Companies	Percent
Track in detail by specific matter	3	60.0%
Track in general, not for each specific matter	2	40.0%
All Companies	5	100.0%

DOES YOUR LAW DEPARTMENT CHARGE CLIENTS FOR INSIDE ATTORNEY TIME?

	Number of Companies	Percent
Yes	4	80.0%
No	1	20.0%
All Companies	5	100.0%

INDICATE THE PERCENT OF OUTSIDE COUNSEL COSTS INCURRED BY THE FOLLOWING AREAS

	Number of Companies	Average %
Regulated operating units/companies	5	57.2
Corporate services	5	19.4
Unregulated subsidiary/company	5	20.4
Other*	2	7.5

*Other: Allocated shares; Holding company.

INDICATE THE TOOLS PROVIDED TO LAWYERS*

	Number of Companies	Percent
Document sharing software	4	80.0%
Document management software	5	100.0%
Fee-based online legal research	5	100.0%
Litigation support staff, etc.	5	100.0%
Cell or wireless phones	5	100.0%
Handheld computers (PDAs, etc.)	4	80.0%
Pagers	0	0.0%
Remote access	5	100.0%
CD-Rom drives	5	100.0%
DVD drives	5	100.0%
Intranet access	5	100.0%
Internet access	5	100.0%
E-filing	5	100.0%
E-billing	3	60.0%
E-mail	5	100.0%
Laptops	5	100.0%
Other	0	0.0%

*Multiple response question. Percentage is of total responses.

INDICATE THE PERCENT OF LAWYERS WITH ACCESS TO THE TOOLS PROVIDED*

	Number of Companies	Average
Document sharing software	4	94.3%
Document management software	5	87.5%
Fee-based online legal research	5	95.2%
Litigation support staff, etc.	5	88.2%
Cell or wireless phones	5	80.4%
Handheld computers (PDAs, etc.)	4	71.5%
Pagers	0	0.0%
Remote access	5	100.0%
CD-Rom drives	5	88.0%
DVD drives	5	100.0%
Intranet access	5	100.0%
Internet access	5	100.0%
E-filing	5	73.4%
E-billing	3	59.0%
E-mail	5	100.0%
Laptops	5	100.0%
Other	0	0.0%

*Multiple response question.

OUTSIDE COUNSEL

PERCENT OF TOTAL FEES PAID TO TOP FOUR LAW FIRMS*

	Number of Companies	Average %
Firm #1	5	27.00
Firm #2	5	11.20
Firm #3	5	8.60
Firm #4	5	6.80

*Rank determined by % of total fees paid in 2008.

AVERAGE PARTNER BILLING RATE PAID TO TOP FOUR LAW FIRMS*

	Number of Companies	Average \$
Firm #1	5	471.80
Firm #2	5	509.60
Firm #3	5	368.40
Firm #4	5	461.00

*Rank determined by % of total fees paid in 2008.

AVERAGE ASSOCIATE BILLING RATE PAID TO TOP FOUR LAW FIRMS*

	Number of Companies	Average \$
Firm #1	5	296.00
Firm #2	5	311.80
Firm #3	5	238.80
Firm #4	5	273.80

*Rank determined by % of total fees paid in 2008.

AVERAGE PARALEGAL BILLING RATE PAID TO TOP FOUR LAW FIRMS*

	Number of Companies	Average \$
Firm #1	4	160.25
Firm #2	5	172.20
Firm #3	5	127.40
Firm #4	5	149.60

*Rank determined by % of total fees paid in 2008.

NUMBER OF YEARS USING TOP FOUR LAW FIRMS*

	Number of Companies	Average
Firm #1	5	18.40
Firm #2	5	14.00
Firm #3	5	12.80
Firm #4	5	12.00

*Rank determined by % of total fees paid in 2008.

SIZE OF TOP FOUR LAW FIRMS*

		Number	Percent
Firm #1	50 to 99 Lawyers	1	20.0%
	>250 Lawyers	4	80.0%
Total		5	100.0%
Firm #2	100 to 250 Lawyers	1	20.0%
	>250 Lawyers	4	80.0%
Total		5	100.0%
Firm #3	< 50 Lawyers	1	25.0%
	>250 Lawyers	3	75.0%
Total		4	100.0%
Firm #4	100 to 250 Lawyers	2	40.0%
	>250 Lawyers	3	60.0%
Total		5	100.0%

*Rank determined by % of total fees paid in 2008.