



Entergy Operations, Inc.
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Tel 601 368 5758

Michael A. Krupa
Director
Nuclear Safety & Licensing

April 2, 2001

U. S. Nuclear Regulatory Commission
Attn.: Document Control Desk
Mail Stop OP1-17
Washington, DC 20555-0001

Subject: Entergy Operations, Inc.
Status of Decommissioning Funding Report

Arkansas Nuclear One
Units 1 & 2
Docket Nos. 50-313 & 50-368
License Nos. DPR-51 & NPF-6

Reference: 10 CFR50 .75 (f)(1) Reporting and recordkeeping for decommissioning
planning

CNRO-2001/00016

Gentlemen:

On behalf of the reactor licensee, Entergy Operations, Inc. ("EOI"), as operator of the nuclear power reactor listed above, submits documentation in accordance with the biennial reporting requirements contained in 10 CFR Section 50.75(f)(1). EOI will provide reports on the status of its decommissioning funding in the future in accordance with the requirements of 10 CFR Section 50.75(f)(1).

Please address any comments or questions regarding this matter to Mr. Les England at (601) 368-5766.

Sincerely,

A handwritten signature in black ink that reads "M. A. Krupa".

MAK/LJS/baa
attachment: 1. ANO Report
cc: (see next page)

A001

Status of Decommissioning Funding Report

April 2, 2001

CNR0-2001/00016

Page 2 of 2

(All Below w/o Attachment - See File Copy For Attachment)

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Report on Status of Decommissioning Funding
Required by 10 CFR 50.75(f)(1)
March 31, 2001

Arkansas Nuclear One - Units 1 and 2

Minimum Reporting Requirements as per 10 CFR 50.75(f)(1):

1. Decommissioning funds estimated pursuant to 10 CFR 50.75(b) and (c) (2000\$):	
Arkansas Nuclear One - Unit 1:	\$ 510,943,808 ¹
Arkansas Nuclear One - Unit 2:	\$ 522,303,932 ¹
Total	<u>\$ 1,033,247,740</u>
2. Market value of funds accumulated as of December 31, 2000:	
Arkansas Nuclear One - Unit 1:	\$ 201,337,092 ²
Arkansas Nuclear One - Unit 2:	\$ 158,484,672 ²
Total	<u>\$ 359,821,764</u>
3. Current schedule of annual amounts remaining to be collected:	See Attachment 1-C ⁴
4. Assumed rate of decommissioning cost escalation used in funding projections (Attachment 1-C):	CPI
5. Assumed average after-tax rates of earnings used in funding projections:	See Attachment 1-C ⁴
6. Assumed rates of other factors used in funding projections:	See Attachment 1-C ⁴
7. Contracts assuring collection of decommissioning funds:	None
8. Modifications to method of providing financial assurance since March 31, 1999 filing (external sinking fund):	See Footnote 4
9. Material changes to trust agreements since March 31, 1999 filing:	See Attachment 1-D

Supplemental Information:

1. Site-Specific cost estimate escalated to 2000 (1997 Base Year Dollars):	
Arkansas Nuclear One - Unit 1:	\$ 451,358,428 ³
Arkansas Nuclear One - Unit 2:	\$ 425,823,339 ³
Total	\$ 877,181,767
2. Decommissioning method assumed for planning purposes in site-specific estimate:	DECON
3. Year site-specific estimate complete:	1998
4. Frequency of updates (approximately):	once every 5 years
5. Funding based on NRC minimum or site-specific estimate?:	Site-specific
6. Decommissioning rate regulation (approximately):	
Arkansas Public Service Commission	86%
Federal Energy Regulatory Commission	14%

¹ See Attachment 1-A calculations.

² Source: December 31, 2000 ANO Trust Fund Reports.

³ See Attachment 1-B for calculations. Also see footnotes 4 and 5 to Attachment 1-A for information on the generic baseline cost estimate using the waste vendor disposal factor (Barnwell).

⁴ On October 3, 2000, the APSC ordered Entergy Arkansas to reflect a 20 yr. life extension in its determination of the ANO1 and ANO2 decommissioning revenue requirements for rates to be effective January 1, 2001. The amount of decommissioning costs collected in rates for ANO was set to zero as a result of the APSC order. See Attachment 1-C.

ARKANSAS NUCLEAR ONE - UNITS 1 AND 2
CALCULATION OF MINIMUM AMOUNT AS PER 10CFR 50.75 (b) AND (c)

Determination of Minimum Amount

Entergy Arkansas, Inc.: 100% ownership interest
 Plant Location: Russellville, Arkansas
 Reactor Type: Pressurized Water Reactor ("PWR")
 ANO Unit 1 Power Level: <3,400 MWt. (2,568 MWt)
 ANO Unit 1 PWR Base Year 1986\$: \$97,600,000
 ANO Unit 2 Power Level: <3,400 MWt. (2,815 MWt)
 ANO Unit 2 PWR Base Year 1986\$: \$99,770,000
 Labor Region: South
 Waste Burial Facility: Barnwell, South Carolina

10CFR50.75(c)(2) Escalation Factor Formula:

$$0.65(L) + 0.13(E) + 0.22(B)$$

	<u>Factor</u>
L=Labor (South)	1.677 ¹
E=Energy (PWR)	1.205 ²
B=Waste Burial (PWR)	18.129 ³

PWR Escalation Factor:

$$0.65(L) + 0.13(E) + 0.22(B) = 5.23508$$

1986 PWR Base Year \$ Escalated:

$$\text{ANO 1: } \$97,600,000 * \text{Escalation Factor} = \$ 510,943,808 \text{ } ^4$$

$$\text{ANO 2: } \$99,770,000 * \text{Escalation Factor} = \$ 522,303,932 \text{ } ^5$$

$$\text{Total ANO Units 1 and 2: } \underline{\underline{\$ 1,033,247,740}}$$

¹ Source: Bureau of Labor Statistics: series report id ecu13202i (January 2001).

² Source: Bureau of Labor Statistics: series report id wpu0543 and wpu0573 (January 2001).

³ Source: Nuclear Regulatory Commission: Table 2.1 of "Report on Waste Burial Charges", NUREG-1307 revision 9 (August 2000).

⁴ Application of the 8.052 waste vendor disposal factor (South Carolina) from Table 2.1 of "Report on Waste Burial Charges", NUREG 1307 Revision 9 (August 2000) yields a generic baseline cost = \$ 294,570,464

⁵ Application of the 8.052 waste vendor disposal factor (South Carolina) from Table 2.1 of "Report on Waste Burial Charges", NUREG 1307 Revision 9 (August 2000) yields a generic baseline cost = \$ 301,119,828

ARKANSAS NUCLEAR ONE - UNIT 1
CALCULATION OF SITE-SPECIFIC COST ESTIMATE
ESCALATED TO 2000 DOLLARS

Site-Specific Cost Estimate (1997\$)

	<u>Unit 1</u>	<u>Unit 2</u>
<u>Site-Specific Cost Estimate (1997\$):</u>		
NRC License Termination Cost:	\$ -	\$ -
Non-NRC License Termination Cost:	\$ -	\$ -
Total Site-Specific Cost Estimate:	\$ 418,428,134 ¹	\$ 394,756,039 ¹
Annual Escalation Factor:	CPI ¹	CPI ¹
Years of Escalation (1997 Base Year to 2000):	3	3
Cumulative Factor :	1.079	1.079
<u>Site-Specific Cost Estimate (2000\$):</u>		
NRC License Termination Cost * Cumulative Factor:	\$ -	\$ -
Non-NRC License Termination Cost: * Cumulative Factor:	\$ -	\$ -
Total Site-Specific Cost Estimate:	\$ 451,358,428	\$ 425,823,339

¹ Funding amounts (Attachment 1-C) based on site-specific cost estimates in 1997\$ and escalation rates tied to projections of the Consumer Price Index-Urban ("CPI") for the period from 1997 through 2000 of 7.87%. Cost estimates do not segregate costs between NRC license termination costs and non-NRC license termination costs.

Entergy Arkansas, Inc.
 ANO Decommissioning Model
 Revenue Requirement Summary
 (\$000)

Line No	Year	Unit 1		Unit 2		Both Units	
		Total Company	Arkansas Retail	Total Company	Arkansas Retail	Total Company	Arkansas Retail
1	2001	0	0	0	0	0	0
2	2002	0	0	0	0	0	0
3	2003	0	0	0	0	0	0
4	2004	0	0	0	0	0	0
5	2005	0	0	0	0	0	0
6	2006	0	0	0	0	0	0
7	2007	0	0	0	0	0	0
8	2008	0	0	0	0	0	0
9	2009	0	0	0	0	0	0
10	2010	0	0	0	0	0	0
11	2011	0	0	0	0	0	0
12	2012	0	0	0	0	0	0
13	2013	0	0	0	0	0	0
14	2014	0	0	0	0	0	0
15	2015	0	0	0	0	0	0
16	2016	0	0	0	0	0	0
17	2017	0	0	0	0	0	0
18	2018	0	0	0	0	0	0

ANO Decommissioning Model
Unit 1 Summary
(\$000)

Line No.	Year	Revenue Rqmt.	Non-Tax Qualified Trust		Deferred Tax Bal.	Tax Qualified Trust		Decomm. Expend.	Decomm. Fund Balance
			Net Additions	Trust Balance		Net Additions	Trust Balance		
1	Beginning Balance			42,845	7,316		148,678		198,839
2	2001	0	2,935	45,780	7,316	10,853	159,531	0	212,627
3	2002	0	3,136	48,916	7,316	11,565	171,096	0	227,328
4	2003	0	3,382	52,298	7,316	12,387	183,483	0	243,097
5	2004	0	3,654	55,952	7,316	13,285	196,768	0	260,036
6	2005	0	3,909	59,861	7,316	14,249	211,017	0	278,193
7	2006	0	4,139	64,000	7,316	14,933	225,950	0	297,265
8	2007	0	4,425	68,425	7,316	15,711	241,660	0	317,401
9	2008	0	4,732	73,157	7,316	16,530	258,190	0	338,662
10	2009	0	5,059	78,216	7,316	17,395	275,585	0	361,117
11	2010	0	5,409	83,625	7,316	18,312	293,897	0	384,838
12	2011	0	5,783	89,408	7,316	19,531	313,428	0	410,152
13	2012	0	5,648	95,056	7,316	19,504	332,932	0	435,304
14	2013	0	5,047	100,103	7,316	17,980	350,912	0	458,331
15	2014	0	4,321	91,505	0	16,219	367,131	20,235	458,635
16	2015	0	3,464	58,903	0	15,544	382,674	36,065	441,578
17	2016	0	2,223	0	0	16,125	349,304	110,621	349,304
18	2017	0	0	0	0	14,717	240,542	123,479	240,542
19	2018	0	0	0	0	10,103	123,757	126,887	123,757
20	2019	0	0	0	0	5,187	74,030	54,914	74,030
21	2020	0	0	0	0	3,464	34,613	42,881	34,613
22	2021	0	0	0	0	1,608	(5,537)	41,758	(5,537)
23	2022	0	0	0	0	(265)	(47,818)	42,016	(47,818)
24	2023	0	0	0	0	(2,289)	(91,207)	41,101	(91,207)
25	2024	0	0	0	0	(4,365)	(143,209)	47,637	(143,209)
26	2025	0	0	0	0	(6,854)	(173,889)	23,826	(173,889)

Entergy Arkansas, Inc.
ANO Decommissioning Model
Tax Qualified Trust Detail — Unit 1
(\$000)

Line No	Year	Revenue Rqmt.	Tax Qualified Trust						Percent of Rev. to Cont. to TQ Trust	
			Earning Rate	Transfer To Trust	Earnings	Mgmt. Fee	Net Additions	Decomm. Expend.		Balance
1	Beginning Balance								148,678	
2	2001	0	7.26%	0	10,990	137	10,853	0	159,531	26.21%
3	2002	0	7.21%	0	11,710	145	11,565	0	171,096	25.60%
4	2003	0	7.20%	0	12,541	154	12,387	0	183,483	24.97%
5	2004	0	7.20%	0	13,449	163	13,285	0	196,768	24.34%
6	2005	0	7.20%	0	14,422	173	14,249	0	211,017	23.72%
7	2006	0	7.04%	0	15,117	184	14,933	0	225,950	23.14%
8	2007	0	6.92%	0	15,906	196	15,711	0	241,660	22.58%
9	2008	0	6.81%	0	16,737	208	16,530	0	258,190	22.03%
10	2009	0	6.71%	0	17,615	220	17,395	0	275,585	21.49%
11	2010	0	6.62%	0	18,546	233	18,312	0	293,897	20.95%
12	2011	0	6.62%	0	19,778	247	19,531	0	313,428	20.45%
13	2012	0	6.21%	0	19,766	262	19,504	0	332,932	19.95%
14	2013	0	5.41%	0	18,255	276	17,980	0	350,912	19.46%
15	2014	0	4.65%	0	16,507	288	16,219	0	367,131	18.98%
16	2015	0	4.27%	0	15,844	300	15,544	0	382,674	0.00%
17	2016	0	4.25%	0	16,436	312	16,125	49,495	349,304	0.00%
18	2017	0	4.25%	0	15,003	287	14,717	123,479	240,542	0.00%
19	2018	0	4.24%	0	10,307	204	10,103	126,887	123,757	0.00%
20	2019	0	4.24%	0	5,303	116	5,187	54,914	74,030	0.00%
21	2020	0	4.73%	0	3,543	79	3,464	42,881	34,613	0.00%
22	2021	0	4.73%	0	1,657	49	1,608	41,758	(5,537)	0.00%
23	2022	0	4.73%	0	(265)	0	(265)	42,016	(47,818)	0.00%
24	2023	0	4.73%	0	(2,289)	0	(2,289)	41,101	(91,207)	0.00%
25	2024	0	4.73%	0	(4,365)	0	(4,365)	47,637	(143,209)	0.00%
26	2025	0	4.73%	0	(6,854)	0	(6,854)	23,826	(173,889)	0.00%

Entergy Arkansas, Inc.
ANO Decommissioning Model
Unit 2 Summary
(\$000)

Line No	Year	Revenue Rqmt.	Non-Tax Qualified Trust		Deferred Tax Bal.	Tax Qualified Trust		Decomm. Expend.	Decomm. Fund Balance
			Net Additions	Trust Balance		Net Additions	Trust Balance		
1	Beginning Balance			17,452	4,010		136,906		158,368
2	2001	0	1,194	18,646	4,010	9,978	146,884	0	169,540
3	2002	0	1,276	19,921	4,010	10,631	157,515	0	181,446
4	2003	0	1,375	21,297	4,010	11,386	168,900	0	194,207
5	2004	0	1,486	22,783	4,010	12,210	181,110	0	207,903
6	2005	0	1,590	24,373	4,010	13,094	194,205	0	222,587
7	2006	0	1,683	26,056	4,010	13,721	207,926	0	237,992
8	2007	0	1,800	27,856	4,010	14,434	222,360	0	254,226
9	2008	0	1,924	29,780	4,010	15,185	237,545	0	271,335
10	2009	0	2,058	31,838	4,010	15,978	253,523	0	289,371
11	2010	0	2,200	34,038	4,010	16,845	270,367	0	308,415
12	2011	0	2,352	36,390	4,010	17,965	288,332	0	328,732
13	2012	0	2,515	38,905	4,010	19,160	307,493	0	350,408
14	2013	0	2,689	41,594	4,010	20,403	327,896	0	373,500
15	2014	0	2,875	44,469	4,010	21,759	349,655	0	398,134
16	2015	0	3,074	47,543	4,010	23,204	372,859	0	424,412
17	2016	0	2,997	50,540	4,010	23,130	395,989	0	450,539
18	2017	0	2,677	53,217	4,010	21,470	417,460	0	474,686
19	2018	0	2,279	49,433	0	19,213	436,673	10,073	486,106
20	2019	0	1,855	0	0	18,314	419,265	87,010	419,265
21	2020	0	0	0	0	19,726	335,134	103,856	335,134
22	2021	0	0	0	0	15,763	242,110	108,787	242,110
23	2022	0	0	0	0	11,381	138,535	114,957	138,535
24	2023	0	0	0	0	6,503	26,339	118,699	26,339
25	2024	0	0	0	0	1,218	(47,534)	75,091	(47,534)
26	2025	0	0	0	0	(2,275)	(100,572)	50,762	(100,572)
27	2026	0	0	0	0	(4,813)	(165,613)	60,228	(165,613)

Entergy Arkansas, Inc.
ANO Decommissioning Model
Tax Qualified Trust Detail — Unit 2
(\$000)

Line No	Year	Revenue Rqmt.	Tax Qualified Trust							Percent of Rev. to Cont. to TQ Trust
			Earning Rate	Transfer To Trust	Earnings	Mgmt. Fee	Net Additions	Decomm. Expend.	Balance	
1	Beginning Balance								136,906	
2	2001	0	7.25%	0	10,106	128	9,978	0	146,884	66.72%
3	2002	0	7.20%	0	10,766	135	10,631	0	157,515	65.16%
4	2003	0	7.19%	0	11,529	143	11,386	0	168,900	63.54%
5	2004	0	7.19%	0	12,362	152	12,210	0	181,110	61.95%
6	2005	0	7.19%	0	13,256	161	13,094	0	194,205	60.38%
7	2006	0	7.03%	0	13,893	171	13,721	0	207,926	58.89%
8	2007	0	6.91%	0	14,616	182	14,434	0	222,360	57.47%
9	2008	0	6.80%	0	15,378	193	15,185	0	237,545	56.07%
10	2009	0	6.70%	0	16,182	204	15,978	0	253,523	54.69%
11	2010	0	6.62%	0	17,061	216	16,845	0	270,367	53.33%
12	2011	0	6.62%	0	18,195	229	17,965	0	288,332	52.04%
13	2012	0	6.62%	0	19,404	243	19,160	0	307,493	50.78%
14	2013	0	6.61%	0	20,661	258	20,403	0	327,896	49.53%
15	2014	0	6.61%	0	22,032	273	21,759	0	349,655	48.31%
16	2015	0	6.61%	0	23,494	290	23,204	0	372,859	47.12%
17	2016	0	6.19%	0	23,437	307	23,130	0	395,989	45.98%
18	2017	0	5.43%	0	21,794	324	21,470	0	417,460	44.87%
19	2018	0	4.63%	0	19,552	339	19,213	0	436,673	43.78%
20	2019	0	4.23%	0	18,667	353	18,314	35,722	419,265	0.00%
21	2020	0	4.73%	0	20,066	340	19,726	103,856	335,134	0.00%
22	2021	0	4.73%	0	16,039	276	15,763	108,787	242,110	0.00%
23	2022	0	4.73%	0	11,587	206	11,381	114,957	138,535	0.00%
24	2023	0	4.73%	0	6,630	128	6,503	118,699	26,339	0.00%
25	2024	0	4.73%	0	1,261	42	1,218	75,091	(47,534)	0.00%
26	2025	0	4.73%	0	(2,275)	0	(2,275)	50,762	(100,572)	0.00%
27	2026	0	4.73%	0	(4,813)	0	(4,813)	60,228	(165,613)	0.00%

Entergy Arkansas, Inc.
ANO Decommissioning Model
CPIU and Decommissioning Expenditures
(\$000)

Line No	Year	CPIU	Cumulative CPIU	Cumulative Nuclear Cost Escalator	Decommissioning Expenditures			
					Estimate		Escalated	
					Unit 1	Unit 2	Unit 1	Unit 2
1	1997	1.0230	N/A	1.000	0	0	0	0
2	1998	1.0170	N/A	1.017	0	0	0	0
3	1999	1.0201	N/A	1.037	0	0	0	0
4	2000	1.0330	N/A	1.071	0	0	0	0
5	2001	1.0240	1.000	1.097	0	0	0	0
6	2002	1.0240	1.024	1.123	0	0	0	0
7	2003	1.0250	1.050	1.151	0	0	0	0
8	2004	1.0260	1.077	1.181	0	0	0	0
9	2005	1.0260	1.105	1.212	0	0	0	0
10	2006	1.0250	1.133	1.242	0	0	0	0
11	2007	1.0250	1.161	1.273	0	0	0	0
12	2008	1.0250	1.190	1.305	0	0	0	0
13	2009	1.0250	1.220	1.338	0	0	0	0
14	2010	1.0250	1.251	1.371	0	0	0	0
15	2011	1.0250	1.282	1.405	0	0	0	0
16	2012	1.0250	1.314	1.440	0	0	0	0
17	2013	1.0250	1.347	1.476	0	0	0	0
18	2014	1.0250	1.381	1.513	13,374	0	20,235	0
19	2015	1.0250	1.416	1.551	23,253	0	36,065	0
20	2016	1.0250	1.451	1.590	69,573	0	110,621	0
21	2017	1.0250	1.487	1.630	75,754	0	123,479	0
22	2018	1.0250	1.524	1.671	75,935	6,028	126,887	10,073
23	2019	1.0250	1.562	1.713	32,057	50,794	54,914	87,010
24	2020	1.0254	1.602	1.757	24,406	59,110	42,881	103,856
25	2021	1.0254	1.643	1.802	23,173	60,370	41,758	108,787
26	2022	1.0254	1.685	1.848	22,736	62,206	42,016	114,957
27	2023	1.0254	1.728	1.895	21,689	62,638	41,101	118,699
28	2024	1.0254	1.772	1.943	24,517	38,647	47,637	75,091
29	2025	1.0254	1.817	1.992	11,961	25,483	23,826	50,762
30	2026	1.0254	1.863	2.043	0	29,480	0	60,228
Total Decommissioning Expenditures					418,428	394,756	711,420	729,463

Entergy Arkansas, Inc.
ANO Decommissioning Model
Fees and Miscellaneous Input Data

	Breakpoints (\$000)	Basis Points	Adder (\$000)	
			Fixed [1]	Cumulative
Trustee Fees	0	5.00		
	2,778	2.00	1.389	1.389
	5,556	1.00	0.556	1.945
	16,667	0.75	1.111	3.056
TQ Investment Manager	0	20.00		
	5,333	19.00	10.666	10.666
	10,000	16.50	8.867	19.533
	10,667	15.00	1.101	20.634
	13,333	13.50	3.999	24.633
	25,000	8.50	15.750	40.383
NTQ Investment Manager	0	10.00		
	5,333	8.00	5.333	5.333
	10,667	5.00	4.267	9.600
	13,333	8.50	1.333	10.933

Miscellaneous Input Data

Arkansas Retail Bad Debt Rate [2]	0.3286%	Composite Tax Rate	39.23%
Revision Year [3]	2001	TQ Fund Federal Tax Rate	20.00%
Cost Estimate Year [4]	1997	End Date - ANO 1	5/20/2014
Retail Allocation Factor [5]	0.8613	End Date - ANO 2	7/17/2018
Wholesale Allocation Factor [6]	0.1387		
Nuclear Cost Escalator [7]	CPIU		

Notes:

[1] Fixed adder is calculated as in the following

Trustee Fee example: $1.389 = 5bp * (2,778 - 0) / 10,000$.

For balance of \$25 million: Trustee Fee = 3.681 which is $3.056 + (0.75bp * (25,000 - 16,667)) / 10,000$.

[2] Five-year (1995 through 1999) average.

[3] First year showing impact of revised decommissioning revenue requirements.

[4] Year upon which the decommissioning cost estimate is based.

[5] Production demand allocator for retail approved in Docket No. 96-360-U.

[6] Wholesale allocation factor equals 1 minus the Retail Allocation Factor.

[7] Nuclear Cost Escalator is based on CPIU.

**THIRD AMENDMENT TO ANO-1 NUCLEAR
DECOMMISSIONING TRUST FUND AGREEMENT**

This Third Amendment to ANO-1 Nuclear Decommissioning Trust Fund Agreement ("Third Amendment") made effective as of the 23rd day of September, 1999 by and between Entergy Arkansas, Inc. (formerly Arkansas Power & Light Company), (the "Grantor"), and Mellon Bank, N.A. (the "Successor Trustee"), (collectively, the "Parties").

WHEREAS, on April 14, 1988, the Grantor and Worthen Bank & Trust Company, N.A. (the "Trustee") entered into a nuclear decommissioning trust agreement (the "Agreement"), which provided for the establishment and maintenance of a nuclear decommissioning reserve fund (the "Trust Fund") to hold and invest revenues collected by the Grantor for the decommissioning of Unit No. 1 of the Arkansas Nuclear One Steam Electric Generating Station (nuclear) ("ANO-1"); and

WHEREAS, effective January 1, 1993, the Grantor and Successor Trustee entered into the First Amendment to ANO-1 Nuclear Decommissioning Trust Fund Agreement ("First Amendment"), which provided for removal of the Trustee, the continuance of the maintenance of the Trust Fund and the appointment of Mellon Bank, N.A. as the Successor Trustee; and

WHEREAS, effective December 15, 1996, the Grantor and the Successor Trustee entered into the Second Amendment to ANO-1 Nuclear Decommissioning Trust Fund Agreement ("Second Amendment"), which provided that the assets of the Trust Fund may be used only in the manner authorized by Section 468A of the Internal Revenue Code (the "Code") and

regulations thereunder, that the Agreement cannot be amended to violate Section 468A. of the Code or any regulations thereunder, and that throughout the Agreement and its amendments, any reference to "Arkansas Power & Light Company" be changed to "Entergy Arkansas, Inc."; and

WHEREAS, the Arkansas Public Service Commission ("APSC"), on October 30, 1998, by Order No. 27 in Docket No. 87-166-TF, directed the parties to that Docket, including Grantor, to report to the APSC any changes that might be needed to the Agreement should the Trust Fund become over-funded prior to the beginning of decommissioning; and

WHEREAS, the parties to Docket No. 87-166-TF, on May 28, 1999, filed Joint Recommendations with the APSC proposing that the Agreement be amended to provide that no amendments be made to certain specified sections of the Agreement without prior approval of the APSC, and that the Grantor's right to amend the Agreement under Section X.A. be subject to the limitations of Section III.A; and

WHEREAS, the APSC, on June 23, 1999, by Order No. 29 in Docket No. 87-166-TF, stated that it "accepts the Joint Recommendations as being in compliance with the requirements of Order No. 27 and directs the parties to cause the existing Trust Agreement to be amended consistent with the Joint Recommendations"; and

WHEREAS, the Parties hereby each warrant and represent to the other that it has full authority to enter into this Third Amendment upon the terms and

conditions hereof and that the individual executing this Third Agreement on its behalf has the requisite authority to bind the Parties to the Agreement.

NOW, THEREFORE, the Grantor and Mellon Bank, N.A. agree as follows:

In accordance with Section X.A. of the Trust Agreement, as amended by the First Amendment and the Second Amendment, the Grantor and the Successor Trustee agree to be bound by the terms of the Agreement, as amended by the First Amendment and the Second Amendment, with the following modifications:

a) The first sentence of Section III.A. of the Agreement should be revised to read:

"Subject to the prior approval of the APSC, the Grantor reserves the continuing right and power, by instrument executed by the Grantor and delivered to the Trustee, to revoke this Trust Agreement in whole or in part, or to alter or amend any term or provision of this Agreement in any way; provided, however, that no amendments shall be made to Section II.A, Section III.A, B and C, Section VII.B., or any section in which the APSC is named, without the prior approval of the APSC."

b) Section X.A. of the Agreement should be conformed to read:

"Subject to the limitations in Section III.A, this Agreement may be amended at any time upon request of the Grantor provided, however, that no amendment shall be inconsistent with any

applicable Internal Revenue Service Fund regulations or other applicable governmental or judicial orders or requirements."

IN WITNESS WHEREOF, the parties hereto have caused this Third Amendment to be duly executed by their respective authorized officers as of the effective date indicated on the first page hereof.

ENTERGY ARKANSAS, INC.
Grantor

MELLON BANK, N.A.
Successor Trustee

By: Steven C McNeal

By: Gerard T. McKeenath

Title: Vice President & Treasurer

Title: VICE PRESIDENT

Date: September 8, 1999

Date: SEPTEMBER 16, 1999

STATE OF LOUISIANA

PARISH OF ORLEANS

Personally came and appeared before me, the undersigned authority, in and for the jurisdiction aforesaid, Steven C. McNeal, who acknowledged to me that he is Vice President & Treasurer of Entergy Arkansas, Inc. and that he signed and delivered the foregoing instrument on the day and year therein mentioned as the act and deed of said corporation having first been duly authorized so to do.

Given under my hand and official seal on this the 8th day of SEPTEMBER, 1999.

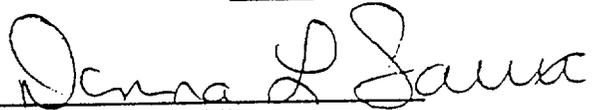
Chris Soreau
Notary Public

My Commission Expires: AT MY DEATH

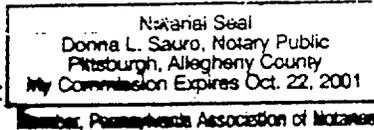
COMMONWEALTH OF PENNSYLVANIA
COUNTY OF ALLEGHENY

Personally came and appeared before me, the undersigned authority, in and for the jurisdiction aforesaid, GERARD T. MEDGANIT, who acknowledged to me that he is VICE PRESIDENT and that he signed and delivered the foregoing instrument on the day and year therein mentioned as the act and deed of said corporation, having first been duly authorized so to do.

Given under my hand and official seal on this the 16th day of September, 1999.



Notary Public



My Commission Expires:

**THIRD AMENDMENT TO ANO-2 NUCLEAR
DECOMMISSIONING TRUST FUND AGREEMENT**

This Third Amendment to ANO-2 Nuclear Decommissioning Trust Fund Agreement ("Third Amendment") made effective as of the 23rd day of September, 1999 by and between Entergy Arkansas, Inc. (formerly Arkansas Power & Light Company), (the "Grantor"), and Mellon Bank, N.A. (the "Successor Trustee"), (collectively, the "Parties").

WHEREAS, on April 14, 1988, the Grantor and Simmons First National Bank of Pine Bluff, Arkansas (the "Trustee") entered into a nuclear decommissioning trust agreement (the "Agreement"), which provided for the establishment and maintenance of a nuclear decommissioning reserve fund (the "Trust Fund") to hold and invest revenues collected by the Grantor for the decommissioning of Unit No. 2 of the Arkansas Nuclear One Steam Electric Generating Station (nuclear) ("ANO-2"); and

WHEREAS, effective January 1, 1993, the Grantor and Successor Trustee entered into the First Amendment to ANO-2 Nuclear Decommissioning Trust Fund Agreement ("First Amendment"), which provided for removal of the Trustee, the continuance of the maintenance of the Trust Fund and the appointment of Mellon Bank, N.A. as the Successor Trustee; and

WHEREAS, effective December 15, 1996, the Grantor and the Successor Trustee entered into the Second Amendment to ANO-2 Nuclear Decommissioning Trust Fund Agreement ("Second Amendment"), which provided that the assets of the Trust Fund may be used only in the manner authorized by Section 468A of the Internal Revenue Code (the "Code") and

regulations thereunder, that the Agreement cannot be amended to violate Section 468A. of the Code or any regulations thereunder, and that throughout the Agreement and its amendments, any reference to "Arkansas Power & Light Company" be changed to "Entergy Arkansas, Inc."; and

WHEREAS, the Arkansas Public Service Commission ("APSC"), on October 30, 1998, by Order No. 27 in Docket No. 87-166-TF, directed the parties to that Docket, including Grantor, to report to the APSC any changes that might be needed to the Agreement should the Trust Fund become over-funded prior to the beginning of decommissioning; and

WHEREAS, the parties to Docket No. 87-166-TF, on May 28, 1999, filed Joint Recommendations with the APSC proposing that the Agreement be amended to provide; that no amendments be made to certain specified sections of the Agreement without prior approval of the APSC, and that the Grantor's right to amend the Agreement under Section X.A. be subject to the limitations of Section III.A; and

WHEREAS, the APSC, on June 23, 1999, by Order No. 29 in Docket No. 87-166-TF, stated that it "accepts the Joint Recommendations as being in compliance with the requirements of Order No. 27 and directs the parties to cause the existing Trust Agreement to be amended consistent with the Joint Recommendations"; and

WHEREAS, the Parties hereby each represent and warrant to the other that it has full authority to enter into this Third Amendment upon the terms and

conditions hereof and that the individual executing this Third Amendment on its behalf has the requisite authority to bind the Parties to the Agreement.

NOW, THEREFORE, the Grantor and Mellon Bank, N.A. agree as follows:

In accordance with Section X.A. of the Trust Agreement, as amended by the First Amendment and the Second Amendment, the Grantor and the Successor Trustee agree to be bound by the terms of the Agreement, as amended by the First Amendment and the Second Amendment, with the following modifications:

a) The first sentence of Section III.A. of the Agreement should be revised to read:

"Subject to the prior approval of the APSC, the Grantor reserves the continuing right and power, by instrument executed by the Grantor and delivered to the Trustee, to revoke this Trust Agreement in whole or in part, or to alter or amend any term or provision of this Agreement in any way; provided, however, that no amendments shall be made to Section II.A, Section III.A, B and C, Section VII.B, or any section in which the APSC is named, without the prior approval of the APSC."

b) Section X.A. of the Agreement should be conformed to read:

"Subject to the limitations in Section III.A, this Agreement may be amended at any time upon request of the Grantor provided, however, that no amendment shall be inconsistent with any

applicable Internal Revenue Service Fund regulations or other applicable governmental or judicial orders or requirements."

IN WITNESS WHEREOF, the parties hereto have caused this Third Amendment to be duly executed by their respective authorized officers as of the effective date indicated on the first page hereof.

ENTERGY ARKANSAS, INC.
Grantor

MELLON BANK, N.A.
Successor Trustee

By: Steven C. McNeal

By: Gerard T. McDevitt

Title: Vice President & Treasurer

Title: VICE PRESIDENT

Date: September 8, 1999

Date: SEPTEMBER 16, 1999

STATE OF LOUISIANA
PARISH OF ORLEANS

Personally came and appeared before me, the undersigned authority, in and for the jurisdiction aforesaid, Steven C. McNeal, who acknowledged to me that he is Vice President & Treasurer of Entergy Arkansas, Inc. and that he signed and delivered the foregoing instrument on the day and year therein mentioned as the act and deed of said corporation having first been duly authorized so to do.

Given under my hand and official seal on this the 8th day of SEPTEMBER, 1999.

Chris Sereau
Notary Public

My Commission Expires: AT MY DEATH

COMMONWEALTH OF PENNSYLVANIA

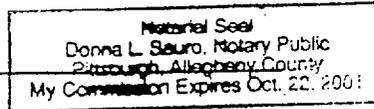
COUNTY OF ALLEGHENY

Personally came and appeared before me, the undersigned authority, in and for the jurisdiction aforesaid, GERARD T. McDELMOTT, who acknowledged to me that he is VICE PRESIDENT and that he signed and delivered the foregoing instrument on the day and year therein mentioned as the act and deed of said corporation, having first been duly authorized so to do.

Given under my hand and official seal on this the 16th day of September 1999.

Donna L. Sauro
Notary Public

My Commission Expires:



**SECOND AMENDMENT TO ANO
NUCLEAR DECOMMISSIONING
NON-TAX QUALIFIED TRUST FUND AGREEMENT**

This Second Amendment to ANO Nuclear Decommissioning Non-Tax Qualified Trust Agreement ("Second Amendment") made effective as of the 23rd day of September, 1999 by and between Entergy Arkansas, Inc. (formerly Arkansas Power & Light Company), (the "Grantor"), and Mellon Bank, N.A. (the "Successor Trustee"), (collectively, the "Parties").

WHEREAS, on May 10, 1988, the Grantor and Union National Bank (the "Trustee") entered into a nuclear decommissioning trust agreement (the "Agreement"), which provided for the establishment and maintenance of a non-tax qualified nuclear decommissioning reserve fund (the "Trust Fund") to hold and invest revenues collected by the Grantor for the decommissioning of Unit No. 1 and Unit No. 2 of the Arkansas Nuclear One Steam Electric Generating Station (nuclear) ("ANO"); and

WHEREAS, effective January 1, 1993, the Grantor and Successor Trustee entered into the First Amendment to the ANO Nuclear Decommissioning Non-Tax Qualified Trust Fund Agreement ("First Amendment"), which provided for removal of the Trustee, the continuance of the maintenance of the Trust Fund, and the appointment of Mellon Bank, N.A. as the Successor Trustee, and which made various other amendments to the Agreement; and

WHEREAS, the Arkansas Public Service Commission ("APSC"), on October 30, 1998, by Order No. 27 in Docket No. 87-166-TF, directed the parties to that Docket, including Grantor, to report to the APSC any changes that might

be needed to the Agreement should the Trust Fund become over-funded prior to the beginning of decommissioning; and

WHEREAS, the parties to Docket No. 87-166-TF, on May 28, 1999, filed Joint Recommendations with the APSC proposing that the Agreement be amended to allow interim refunds pursuant to a final, non-appealable order of the APSC, and as otherwise allowed by law; that no amendments be made to certain specified sections of the Agreement without prior approval of the APSC; and that the Grantor's right to amend the Agreement under Section X.A. be subject to the limitations of Section III.A; and

WHEREAS, the APSC, on June 23, 1999, by Order No. 29 in Docket No. 87-166-TF, stated that it "accepts the Joint Recommendations as being in compliance with the requirements of Order No. 27 and directs the parties to cause the existing Trust Agreement to be amended consistent with the Joint Recommendations"; and

WHEREAS, the Parties hereby each represent and warrant to the other that it has full authority to enter into this Second Amendment upon the terms and conditions hereof and that the individual executing this Second Amendment on its behalf has the requisite authority to bind the Parties to the Agreement.

NOW, THEREFORE, the Grantor and Mellon Bank, N.A. agree as follows:

In accordance with Section X.A. of the Trust Agreement, as amended by the First Amendment, the Grantor and the Successor Trustee agree to be bound by the terms of the Agreement, as amended by the First Amendment, with the following modifications:

a) The following sentence should be added at the end of Section II.A. of the Agreement:

"Notwithstanding the foregoing, upon the Grantor's request and certification that all other required regulatory approvals have been obtained in connection with such request, the Successor Trustee shall refund any amount in the Trust in excess of amounts projected to be necessary to provide adequate resources to pay decommissioning costs to the Grantor's customers in accordance with amounts, times, methods and procedures specified in a final, non-appealable order of the APSC."

b) The first sentence of Section III.A. of the Agreement should be revised to read:

"Subject to the prior approval of the APSC, the Grantor reserves the continuing right and power, by instrument executed by the Grantor and delivered to the Successor Trustee, to revoke this Trust Agreement in whole or in part, or to alter or amend any term or provision of this Agreement in any way; provided, however, that no amendments shall be made to Section II.A, Section III.A, B and C, Section VII.B., or any section in which the APSC is named, without the prior approval of the APSC."

c) Section X.A. of the Agreement should be conformed to read:

"Subject to the limitations in Section III A, this Agreement may be amended at any time upon request of the Grantor provided,

however, that no amendment shall be inconsistent with any applicable Internal Revenue Service Fund regulations or other applicable governmental or judicial orders or requirements."

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to be duly executed by their respective authorized officers as of the effective date indicated on the first page hereof.

ENTERGY ARKANSAS, INC.
Grantor

MELLON BANK, N.A.
Successor Trustee

By: Steven C. [Signature]

By: Edward T. McDermott [Signature]

Title: Vice President & Treasurer

Title: VICE PRESIDENT

Date: September 8, 1999

Date: SEPTEMBER 16, 1999

STATE OF LOUISIANA

PARISH OF ORLEANS

Personally came and appeared before me, the undersigned authority, in and for the jurisdiction aforesaid, Steven C. McNeal, who acknowledged to me that he is Vice President & Treasurer of Entergy Arkansas, Inc. and that he signed and delivered the foregoing instrument on the day and year therein mentioned as the act and deed of said corporation having first been duly authorized so to do.

Given under my hand and official seal on this the 8th day of SEPTEMBER, 1999.

Chris Soreen
Notary Public

My Commission Expires: AT MY DEATH

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF ALLEGHENY

Personally came and appeared before me, the undersigned authority, in and for the jurisdiction aforesaid, GERARD T. McDERMOTT, who acknowledged to me that he is VICE PRESIDENT and that he signed and delivered the foregoing instrument on the day and year therein mentioned as the act and deed of said corporation, having first been duly authorized so to do.

Given under my hand and official seal on this the 16th day of September, 1999.

Donna L. Sauro
Notary Public

Notarial Seal
Donna L. Sauro, Notary Public
Pittsburgh, Allegheny County
My Commission Expires Oct. 22, 2001

My Commission Expires:

Member, Pennsylvania Association of Notaries