

ENERGY GULF STATES, INC.
MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS
RESULTS OF OPERATIONS

Electric operating revenues increased in 1995 primarily due to increased sales volume/weather and higher sales for resale. These increases were partially offset by lower fuel adjustment revenues, which do not affect net income. Base revenues also increased in 1995 as a result of rate refund reserves established in 1994, which were subsequently reduced as a result of an amended PUCT order. The increase in base revenues was partially offset by rate reductions in effect for Texas and Louisiana. Sales volume/weather increased because of warmer than normal summer weather and an increase in usage by all customer classes. Sales for resale increased as a result of changes in generation availability and requirements among the domestic utility companies.

Gas operating revenues and steam operating revenues increased for 1996 primarily due to higher fuel prices and increased usage.

Expenses

Operating expenses increased in 1996 as a result of higher fuel expenses, including purchased power, partially offset by lower other operation and maintenance expenses. Fuel and purchase power expenses, taken together, increased because of higher gas prices and increased energy requirements resulting from higher energy sales. Other operation and maintenance expenses decreased primarily due to lower payroll-related expenses associated with restructuring programs accrued for in 1995.

Operating expenses decreased in 1995 as a result of lower other operation and maintenance expenses and purchased power expenses. Other operation and maintenance expenses decreased primarily due to changes made in 1994 for Merger-related costs, restructuring costs, and certain pre-acquisition contingencies including unfunded Cajun-River Bend cost and environmental clean-up cost. Purchased power expenses decreased because of the availability of less expensive gas and nuclear fuel for use in electric generation as well as changes in the generation requirements among the domestic utility companies. Another reason for the decrease in purchased power expenses in 1995 was the recording of a provision for refund of disallowed purchase power expenses in 1994.

Other

Other income decreased in 1996 due to the write-off of River Bend rate deferrals pursuant to the adoption of SFAS 121 (see Note 2 for additional information). This decrease was partially offset by the Cajun-River Bend litigation accrual reversal. Income taxes increased primarily due to higher taxable income, which excludes the net effect of the write-off of River Bend rate deferrals and the Cajun-River Bend accrual reversal.

Other miscellaneous income increased in 1995 as the result of certain adjustments made in 1994 related to pre-acquisition contingencies including Cajun-River Bend litigation (see Note 9 for additional information), the write-off of previously disallowed rate deferrals, and plant held for future use. As a result of these charges, income taxes on other income were significantly higher in 1995 compared to 1994.

ENTERGY GULF STATES, INC.
STATEMENTS OF INCOME (LOSS)

	For the Years Ended December 31,		
	1996	1995	1994
	(In Thousands)		
Operating Revenues:			
Electric	\$1,925,988	\$1,788,964	\$1,719,201
Natural gas	34,050	23,715	31,605
Steam products	59,143	49,295	46,559
Total	<u>2,019,181</u>	<u>1,861,974</u>	<u>1,797,365</u>
Operating Expenses:			
Operation and maintenance:			
Fuel, fuel-related expenses, and gas purchased for resale	520,065	516,812	517,177
Purchased power	295,960	169,767	192,937
Nuclear refueling outage expenses	8,660	10,607	12,684
Other operation and maintenance	402,719	432,647	505,701
Depreciation, amortization, and decommissioning	206,070	202,224	197,151
Taxes other than income taxes	102,170	102,228	98,096
Amortization of rate deferrals	71,639	66,025	66,416
Total	<u>1,607,283</u>	<u>1,500,310</u>	<u>1,590,162</u>
Operating Income	<u>411,898</u>	<u>361,664</u>	<u>207,203</u>
Other Income (Deductions):			
Allowance for equity funds used during construction	2,618	1,125	1,334
Write-off of plant held for future use	-	-	(85,476)
Write-off of River Bend rate deferrals	(194,498)	-	-
Miscellaneous - net	69,841	22,573	(64,843)
Total	<u>(122,039)</u>	<u>23,698</u>	<u>(148,985)</u>
Interest Charges:			
Interest on long-term debt	181,071	191,341	195,414
Other interest - net	12,819	8,884	8,720
Allowance for borrowed funds used during construction	(2,235)	(1,026)	(1,075)
Total	<u>191,655</u>	<u>199,199</u>	<u>203,059</u>
Income (Loss) Before Income Taxes	98,204	186,163	(144,841)
Income Taxes	<u>102,091</u>	<u>63,244</u>	<u>(62,086)</u>
Net Income (Loss)	(3,887)	122,919	(82,755)
Preferred Stock Dividend Requirements and Other	<u>28,505</u>	<u>29,643</u>	<u>29,919</u>
Earnings (Loss) Applicable to Common Stock	<u>(\$32,392)</u>	<u>\$93,276</u>	<u>(\$112,674)</u>

See Notes to Financial Statements.

ENTERGY GULF STATES, INC.
STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,		
	1996	1995	1994
	(In Thousands)		
Operating Activities:			
Net income (loss)	(\$3,887)	\$122,919	(\$82,755)
Noncash items included in net income (loss):			
Write-off of River Bend rate deferrals	194,498	-	-
Change in rate deferrals	72,597	66,025	96,979
Depreciation, amortization, and decommissioning	206,070	202,224	197,151
Deferred income taxes and investment tax credits	101,380	63,231	(62,171)
Allowance for equity funds used during construction	(2,618)	(1,125)	(1,334)
Write-off of plant held for future use	-	-	85,476
Changes in working capital:			
Receivables	3,691	40,193	(72,341)
Fuel inventory	(12,868)	(6,357)	(2,336)
Accounts payable	(26,706)	(4,820)	60,112
Taxes accrued	(1,266)	24,935	(10,378)
Interest accrued	(7,186)	1,510	(4,189)
Reserve for rate refund	-	(56,972)	56,972
Deferred fuel	(68,349)	(24,840)	(431)
Other working capital accounts	(70,775)	(16,079)	34,212
Change in other regulatory assets	(17,303)	7,332	5,522
Decommissioning trust contributions	(5,922)	(8,147)	(3,202)
Provision for estimated losses and reserves	(1,885)	10,119	4,181
Other	(37,116)	(19,394)	24,891
Net cash flow provided by operating activities	<u>322,355</u>	<u>400,754</u>	<u>326,359</u>
Investing Activities:			
Construction expenditures	(154,993)	(185,944)	(155,989)
Allowance for equity funds used during construction	2,618	1,125	1,334
Nuclear fuel purchases	(25,124)	(1,425)	(31,178)
Proceeds from sale/leaseback of nuclear fuel	26,523	542	29,386
Net cash flow used in investing activities	<u>(150,976)</u>	<u>(185,702)</u>	<u>(156,447)</u>
Financing Activities:			
Proceeds from the issuance of long-term debt	780	2,277	101,109
Retirement of:			
First mortgage bonds	(195,417)	-	-
Other long-term debt	(50,425)	(50,425)	(102,425)
Redemption of preferred and preference stock	(10,179)	(7,283)	(6,070)
Dividends paid:			
Common stock	-	-	(289,100)
Preferred and preference stock	(28,336)	(29,661)	(30,131)
Net cash flow used in financing activities	<u>(283,577)</u>	<u>(85,092)</u>	<u>(326,617)</u>
Net increase (decrease) in cash and cash equivalents	(112,198)	129,960	(156,705)
Cash and cash equivalents at beginning of period	<u>234,604</u>	<u>104,644</u>	<u>261,349</u>
Cash and cash equivalents at end of period	<u>\$122,406</u>	<u>\$234,604</u>	<u>\$104,644</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the period for:			
Interest - net of amount capitalized	\$189,962	\$187,918	\$191,850
Income taxes	\$285	\$208	\$251
Noncash investing and financing activities:			
Capital lease obligations incurred	-	-	\$31,178
Change in unrealized appreciation (depreciation) of decommissioning trust assets	\$1,604	\$2,121	(\$915)

See Notes to Financial Statements.

ENTERGY GULF STATES, INC.
BALANCE SHEETS
ASSETS

	December 31,	
	1996	1995
	(In Thousands)	
Current Assets:		
Cash and cash equivalents:		
Cash	\$6,573	\$13,751
Temporary cash investments - at cost, which approximates market:		
Associated companies	45,234	46,336
Other	70,599	174,517
Total cash and cash equivalents	122,406	234,604
Accounts receivable:		
Customer (less allowance for doubtful accounts of \$2.0 million in 1996 and \$1.6 million in 1995)	87,883	110,187
Associated companies	2,777	1,395
Other	30,758	15,497
Accrued unbilled revenues	75,351	73,381
Deferred fuel costs	99,503	31,154
Accumulated deferred income taxes	56,714	43,465
Fuel inventory - at average cost	45,009	32,141
Materials and supplies - at average cost	86,157	91,288
Rate deferrals	105,456	97,164
Prepayments and other	16,321	15,566
Total	728,335	745,842
Other Property and Investments:		
Decommissioning trust fund	41,983	32,943
Other - at cost (less accumulated depreciation)	38,358	28,626
Total	80,341	61,569
Utility Plant:		
Electric	7,112,021	6,942,983
Natural Gas	45,443	45,789
Steam products	81,743	77,551
Property under capital leases	72,800	77,918
Construction work in progress	112,137	148,043
Nuclear fuel under capital lease	49,833	69,853
Total	7,473,977	7,362,137
Less - accumulated depreciation and amortization	2,846,083	2,664,943
Utility plant - net	4,627,894	4,697,194
Deferred Debits and Other Assets:		
Regulatory assets:		
Rate deferrals	120,158	419,904
SFAS 109 regulatory asset - net	372,817	453,628
Unamortized loss on reacquired debt	54,761	61,233
Other regulatory assets	45,139	27,836
Long-term receivables	216,082	224,727
Other	185,921	169,125
Total	994,878	1,356,453
TOTAL	\$6,431,448	\$6,861,058

See Notes to Financial Statements.

ENTERGY GULF STATES, INC.
BALANCE SHEETS
LIABILITIES AND SHAREHOLDER'S EQUITY

	December 31,	
	1996	1995
	(In Thousands)	
Current Liabilities:		
Currently maturing long-term debt	\$160,865	\$145,425
Accounts payable:		
Associated companies	55,630	31,349
Other	85,541	136,528
Customer deposits	25,572	21,983
Taxes accrued	36,147	37,413
Interest accrued	49,651	56,837
Nuclear refueling reserve	12,354	22,627
Obligations under capital leases	39,110	37,773
Other	18,186	86,653
Total	483,056	576,588
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes	1,200,935	1,177,144
Accumulated deferred investment tax credits	219,188	208,618
Obligations under capital leases	83,524	108,078
Deferred River Bend finance charges	33,688	58,047
Other	539,752	558,750
Total	2,077,087	2,110,637
Long-term debt	1,915,346	2,175,471
Preferred stock with sinking fund	77,459	87,654
Preference stock	150,000	150,000
Shareholder's Equity:		
Preferred stock without sinking fund	136,444	136,444
Common stock, no par value, authorized 200,000,000 shares; issued and outstanding 100 shares in 1996 and 1995	114,055	114,055
Paid-in capital	1,152,689	1,152,505
Retained earnings	325,312	357,704
Total	1,728,500	1,760,708
Commitments and Contingencies (Note 2, 9, and 10)		
TOTAL	\$6,431,448	\$6,861,058

See Notes to Financial Statements.

ENERGY GULF STATES, INC
STATEMENTS OF RETAINED EARNINGS

	For the Years Ended December 31,		
	1996	1995	1994
	(In Thousands)		
Retained Earnings, January 1	\$357,704	\$264,626	\$666,401
Add:			
Net income (loss)	(3,887)	122,919	(82,755)
Total	<u>353,817</u>	<u>387,545</u>	<u>583,646</u>
Deduct:			
Dividends declared:			
Preferred and preference stock	28,336	29,482	29,831
Common stock	-	-	289,100
Preferred and preference stock redemption and other	169	359	89
Total	<u>28,505</u>	<u>29,841</u>	<u>319,020</u>
Retained Earnings, December 31 (Note 8)	<u>\$325,312</u>	<u>\$357,704</u>	<u>\$264,626</u>

See Notes to Financial Statements.

ENTERGY GULF STATES, INC.

SELECTED FINANCIAL DATA - FIVE-YEAR COMPARISON

	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
	(In Thousands)				
Operating revenues	\$2,019,181	\$ 1,861,974	\$1,797,365	\$1,827,620	\$1,773,374
Income (loss) before extraordinary items and the cumulative effect of accounting changes	\$ (3,887)	\$ 122,919	\$ (82,755)	\$ 69,461	\$ 139,413
Total assets	\$6,431,448	\$ 6,861,058	\$6,843,461	\$7,137,351	\$7,164,447
Long-term obligations (1)	\$2,226,329	\$ 2,521,203	\$2,689,042	\$2,772,002	\$2,798,768

(1) Includes long-term debt (excluding currently maturing debt), preferred and preference stock with sinking fund, and noncurrent capital lease obligations.

	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
	(In Thousands)				
Electric Operating Revenues:					
Residential	\$612,398	\$573,566	\$569,997	\$585,799	\$560,552
Commercial	444,133	412,601	414,929	415,267	400,803
Industrial	685,178	604,688	626,047	650,230	642,298
Governmental	31,023	25,042	25,242	26,118	26,195
Total retail	<u>1,772,732</u>	<u>1,615,897</u>	<u>1,636,215</u>	<u>1,677,414</u>	<u>1,629,848</u>
Sales for resale					
Associated companies	20,783	62,431	45,263	-	-
Non-associated companies	76,173	67,103	52,967	31,898	24,485
Other (1)	56,300	43,533	(15,244)	38,649	40,203
Total	<u>\$1,925,988</u>	<u>\$1,788,964</u>	<u>\$1,719,201</u>	<u>\$1,747,961</u>	<u>\$1,694,536</u>
Billed Electric Energy					
Sales (Millions of kWh):					
Residential	8,035	7,699	7,351	7,192	6,825
Commercial	6,417	6,219	6,089	5,711	5,474
Industrial	16,661	15,393	15,026	14,294	14,413
Governmental	438	311	297	296	302
Total retail	<u>31,551</u>	<u>29,622</u>	<u>28,763</u>	<u>27,493</u>	<u>27,014</u>
Sales for resale					
Associated companies	656	2,935	1,866	-	-
Non-associated companies	2,148	2,212	1,650	666	540
Total Electric Department	<u>34,355</u>	<u>34,769</u>	<u>32,279</u>	<u>28,159</u>	<u>27,554</u>
Steam Department	1,826	1,742	1,659	1,597	1,722
Total	<u>36,181</u>	<u>36,511</u>	<u>33,938</u>	<u>29,756</u>	<u>29,276</u>

(1) 1994 includes the effects of an Entergy Gulf States reserve for rate refund.

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of
Entergy Louisiana, Inc.

We have audited the accompanying balance sheets of Entergy Louisiana, Inc. (formerly Louisiana Power & Light Company) as of December 31, 1996 and 1995, and the related statements of income, retained earnings and cash flows for each of the three years in the period ended December 31, 1996. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 1996 and 1995, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1996 in conformity with generally accepted accounting principles.

COOPERS & LYBRAND L.L.P.

New Orleans, Louisiana
February 13, 1997

ENTERGY LOUISIANA, INC.
MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS
RESULTS OF OPERATIONS

Net Income

Net income decreased in 1996 due principally to a decrease in base rate revenues, partially offset by decreases in other operation and maintenance expense and lower interest on long-term debt.

Net income decreased in 1995 due to an April 1995 rate reduction and higher income taxes, partially offset by lower other operation and maintenance expenses.

Significant factors affecting the results of operations and causing variances between the years 1996 and 1995, and between the years 1995 and 1994, are discussed under "Revenues and Sales" and "Expenses" and "Other" below.

Revenues and Sales

See "SELECTED FINANCIAL DATA - FIVE-YEAR COMPARISON," following the financial statements, for information on operating revenues by source and kWh sales.

The changes in operating revenues for the twelve months ended December 31, 1996 and 1995 are as follows:

<u>Description</u>	<u>Increase/ (Decrease)</u>	
	<u>1996</u>	<u>1995</u>
(In Millions)		
Change in base revenues	(\$36.4)	(\$29.9)
Fuel cost recovery	160.2	(35.9)
Sales volume/weather	19.7	40.7
Other revenue (including unbilled)	3.9	(23.3)
Sales for resale	6.6	12.9
Total	\$154.0	(\$35.5)

Operating revenues were higher in 1996 due primarily to higher fuel adjustment revenues, which do not affect net income, and to increased sales of energy, principally caused by modest growth in the number of customers. These increases were partially offset by the impact of base rate reductions ordered in the second quarters of 1995 and 1996, and by a settlement of related rate issues during the fourth quarter of 1995.

Operating revenues were lower in 1995, due primarily to the base rate reduction mentioned above and to lower fuel adjustment revenues, which do not affect net income. This decrease was partially offset by increased customer usage, principally caused by warmer than usual summer weather. The completion of the amortization of proceeds from litigation with a gas supplier in the second quarter of 1994 also contributed to the decrease in other revenue, partially offset by higher sales to non-associated utilities.

ENTERGY LOUISIANA, INC.
MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS
RESULTS OF OPERATIONS

Expenses

Operating expenses increased in 1996 due primarily to increases in fuel and purchased power expenses, higher depreciation, and higher taxes other than income taxes. These increases were partially offset by a decrease in other operation and maintenance expense as a result of restructuring charges recorded in 1995 and by the recording of rate deferrals in 1996, as discussed below. The increase in fuel and purchased power expenses is due to both higher gas costs and increased energy sales. Depreciation expense increased due to capital improvements to transmission lines and substations and due to an increase in the depreciation rate associated with Waterford 3. Taxes other than income taxes increased largely as a result of the expiration of Waterford 3's local property tax exemption in December 1995. This increase was offset for the first six months of 1996 by the recording of the LPSC-approved rate deferral for these taxes as discussed in Note 2.

Operating expenses decreased in 1995 due to decreases in fuel and purchased power expenses, and other operation and maintenance expenses, partially offset by an increase in depreciation. The decrease in fuel expenses is due to lower fuel prices partially offset by an increase in generation. Other operation and maintenance expenses decreased because of lower payroll-related expenses as a result of the restructuring program discussed in Note 12, power plant waste water site closures in 1994, and a court settlement reducing legal expense. Depreciation expense increased due to capital improvements to distribution lines and substations and to an increase in the depreciation rate associated with Waterford 3.

Other

Interest charges on long-term debt decreased for 1996, due to the retirement and refinancing of higher-cost long-term debt.

For 1995, income taxes increased due to the write-off in 1994 of deferred investment tax credits in accordance with the 1994 FERC Settlement, a decrease in tax depreciation associated with Waterford 3, and higher pre-tax income.

ENTERGY LOUISIANA, INC.
STATEMENTS OF INCOME

	For the Years Ended December 31,		
	1996	1995	1994
	(In Thousands)		
Operating Revenues	<u>\$1,828,867</u>	<u>\$1,674,875</u>	<u>\$1,710,415</u>
Operating Expenses:			
Operation and maintenance:			
Fuel, fuel-related expenses, and gas purchased for resale	419,331	300,015	331,422
Purchased power	403,322	351,583	366,564
Nuclear refueling outage expenses	15,885	17,675	18,187
Other operation and maintenance	297,667	311,535	350,854
Depreciation, amortization, and decommissioning	167,779	161,023	151,994
Taxes other than income taxes	72,329	55,867	56,101
Rate deferrals	(10,767)	-	-
Amortization of rate deferrals	26,875	28,422	28,422
Total	<u>1,392,421</u>	<u>1,226,120</u>	<u>1,303,544</u>
Operating Income	<u>436,446</u>	<u>448,755</u>	<u>406,871</u>
Other Income:			
Allowance for equity funds used during construction	862	1,950	3,486
Miscellaneous - net	2,933	2,831	747
Total	<u>3,795</u>	<u>4,781</u>	<u>4,233</u>
Interest Charges:			
Interest on long-term debt	122,604	129,691	129,952
Other interest - net	6,938	7,210	6,494
Distributions on preferred securities of subsidiary	2,870	-	-
Allowance for borrowed funds used during construction	(1,493)	(2,016)	(2,469)
Total	<u>130,919</u>	<u>134,885</u>	<u>133,977</u>
Income Before Income Taxes	309,322	318,651	277,127
Income Taxes	<u>118,560</u>	<u>117,114</u>	<u>63,288</u>
Net Income	190,762	201,537	213,839
Preferred Stock Dividend Requirements and Other	<u>19,947</u>	<u>21,307</u>	<u>23,319</u>
Earnings Applicable to Common Stock	<u>\$170,815</u>	<u>\$180,230</u>	<u>\$190,520</u>

See Notes to Financial Statements.

ENTERGY LOUISIANA, INC.
STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,		
	1996	1995	1994
	(In Thousands)		
Operating Activities:			
Net income	\$190,762	\$201,537	\$213,839
Noncash items included in net income:			
Change in rate deferrals	19,860	28,422	28,422
Depreciation, amortization, and decommissioning	167,779	161,023	151,994
Deferred income taxes and investment tax credits	18,809	2,450	(15,972)
Allowance for equity funds used during construction	(862)	(1,950)	(3,486)
Amortization of deferred revenues	-	-	(14,632)
Changes in working capital:			
Receivables	(4,889)	(8,069)	1,094
Accounts payable	22,838	4,420	(6,811)
Taxes accrued	(11,222)	20,472	(16,970)
Interest accrued	5,047	1,215	846
Other working capital accounts	(26,831)	(16,993)	31,064
Decommissioning trust contributions	(8,790)	(7,493)	(4,815)
Change in other regulatory assets	(6,385)	1,801	1,101
Provision for estimated losses and reserves	3,240	(1,996)	26,780
Other	(17,685)	(182)	(24,833)
Net cash flow provided by operating activities	<u>351,671</u>	<u>384,657</u>	<u>367,621</u>
Investing Activities:			
Construction expenditures	(103,187)	(120,244)	(140,669)
Allowance for equity funds used during construction	862	1,950	3,486
Nuclear fuel purchases	-	(44,707)	-
Proceeds from sale/leaseback of nuclear fuel	-	47,293	-
Net cash flow used in investing activities	<u>(102,325)</u>	<u>(115,708)</u>	<u>(137,183)</u>
Financing Activities:			
Proceeds from the issuance of:			
First mortgage bonds	113,994	-	-
Other long-term debt	-	16,577	19,946
Preferred securities of subsidiary trust	67,795	-	-
Retirement of:			
First mortgage bonds	(130,000)	(75,000)	(25,000)
Other long-term debt	(270)	(308)	(322)
Redemption of preferred stock	(67,824)	(11,256)	(15,038)
Changes in short-term borrowings - net	(45,393)	49,305	(24,887)
Dividends paid:			
Common stock	(179,200)	(221,500)	(167,100)
Preferred stock	(19,072)	(21,115)	(22,808)
Net cash flow used in financing activities	<u>(259,970)</u>	<u>(263,297)</u>	<u>(235,209)</u>
Net increase (decrease) in cash and cash equivalents	(10,624)	5,652	(4,771)
Cash and cash equivalents at beginning of period	<u>34,370</u>	<u>28,718</u>	<u>33,489</u>
Cash and cash equivalents at end of period	<u>\$23,746</u>	<u>\$34,370</u>	<u>\$28,718</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the period for:			
Interest - net of amount capitalized	\$118,007	\$128,485	\$128,000
Income taxes	\$125,924	\$96,066	\$96,422
Noncash investing and financing activities:			
Capital lease obligations incurred	-	-	\$9,677
Acquisition of nuclear fuel	\$32,685	-	-
Change in unrealized appreciation (depreciation) of decommissioning trust assets	\$301	\$2,304	(\$1,129)

See Notes to Financial Statements.

ENTERGY LOUISIANA, INC.
BALANCE SHEETS
ASSETS

	December 31,	
	1996	1995
	(In Thousands)	
Current Assets:		
Cash and cash equivalents:		
Cash	\$1,804	\$3,952
Temporary cash investments - at cost, which approximates market	21,942	30,418
Total cash and cash equivalents	23,746	34,370
Accounts receivable:		
Customer (less allowance for doubtful accounts of \$1.4 million in 1996 and 1995)	73,823	72,328
Associated companies	11,606	8,033
Other	7,053	8,979
Accrued unbilled revenues	63,879	62,132
Deferred fuel costs	18,347	10,200
Accumulated deferred income taxes	1,465	-
Materials and supplies - at average cost	78,449	79,799
Rate deferrals	5,749	25,609
Deferred nuclear refueling outage costs	5,300	21,344
Prepaid income tax	24,651	-
Prepayments and other	10,234	9,118
Total	324,302	331,912
Other Property and Investments:		
Nonutility property	20,060	20,060
Decommissioning trust fund	50,481	38,560
Investment in subsidiary companies - at equity	14,230	14,230
Other - at cost (less accumulated depreciation)	2,465	1,113
Total	87,236	73,963
Utility Plant:		
Electric	4,997,456	4,886,898
Property under capital leases	232,582	231,121
Construction work in progress	56,180	87,567
Nuclear fuel under capital lease	38,157	72,864
Nuclear fuel	34,191	1,506
Total	5,358,566	5,279,956
Less - accumulated depreciation and amortization	1,881,847	1,742,306
Utility plant - net	3,476,719	3,537,650
Deferred Debits and Other Assets:		
Regulatory assets:		
SFAS 109 regulatory asset - net	295,836	301,520
Unamortized loss on reacquired debt	37,552	39,474
Other regulatory assets	30,320	23,935
Other	27,313	23,069
Total	391,021	387,998
TOTAL	\$4,279,278	\$4,331,523

See Notes to Financial Statements.

ENTERGY LOUISIANA, INC.
BALANCE SHEETS
LIABILITIES AND SHAREHOLDER'S EQUITY

	December 31,	
	1996	1995
	(In Thousands)	
Current Liabilities:		
Currently maturing long-term debt	\$34,275	\$35,260
Notes payable:		
Associated companies	31,066	61,459
Other	-	15,000
Accounts payable:		
Associated companies	73,389	37,494
Other	89,550	69,922
Customer deposits	59,070	56,924
Taxes accrued	7,390	18,612
Accumulated deferred income taxes	-	3,366
Interest accrued	49,249	44,202
Dividends declared	3,489	5,149
Obligations under capital leases	28,000	28,000
Other	4,940	17,397
Total	380,418	392,785
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes	831,093	807,278
Accumulated deferred investment tax credits	139,899	145,561
Obligations under capital leases	10,156	43,362
Deferred interest - Waterford 3 lease obligation	16,809	23,947
Other	114,665	116,696
Total	1,112,622	1,136,844
Long-term debt	1,373,233	1,385,171
Preferred stock with sinking fund	92,500	100,009
Company-obligated mandatorily redeemable preferred securities of subsidiary trust holding solely junior subordinated deferrable debentures	70,000	-
Shareholder's Equity:		
Preferred stock without sinking fund	100,500	160,500
Common stock, \$0.01 par value, authorized 250,000,000 shares; issued and outstanding 165,173,180 shares in 1996 and 1995	1,088,900	1,088,900
Capital stock expense and other	(2,659)	(4,836)
Retained earnings	63,764	72,150
Total	1,250,505	1,316,714
Commitments and Contingencies (Note 2, 9, and 10)		
TOTAL	\$4,279,278	\$4,331,523

See Notes to Financial Statements.

ENTERGY LOUISIANA, INC.
STATEMENTS OF RETAINED EARNINGS

	For the Years Ended December 31,		
	1996	1995	1994
	(In Thousands)		
Retained Earnings, January 1	\$72,150	\$113,420	\$89,849
Add:			
Net income	190,762	201,537	213,839
Total	262,912	314,957	303,688
Deduct:			
Dividends declared:			
Preferred stock	17,412	20,775	22,359
Common stock	179,200	221,500	167,100
Capital stock expenses	2,536	532	809
Total	199,148	242,807	190,268
Retained Earnings, December 31 (Note 8)	\$63,764	\$72,150	\$113,420

See Notes to Financial Statements.

ENTERGY LOUISIANA, INC.
SELECTED FINANCIAL DATA - FIVE-YEAR COMPARISON

	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
	(In Thousands)				
Operating revenues	\$1,828,867	\$1,674,875	\$1,710,415	\$1,731,541	\$1,553,745
Net income	\$ 190,762	\$ 201,537	\$ 213,839	\$ 188,808	\$ 182,989
Total assets	\$4,279,278	\$4,331,523	\$4,435,439	\$4,463,998	\$4,109,148
Long-term obligations (1)	\$1,545,889	\$1,528,542	\$1,530,558	\$1,611,436	\$1,622,909

(1) Includes long-term debt (excluding currently maturing debt), preferred stock with sinking fund, preferred securities of subsidiary trust, and noncurrent capital lease obligations.

	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
	(In Thousands)				
Electric Operating Revenues:					
Residential	\$609,308	\$583,373	\$577,084	\$572,738	\$518,255
Commercial	374,515	353,582	358,672	345,254	320,688
Industrial	727,505	641,196	659,061	652,574	578,741
Governmental	33,621	31,616	31,679	29,723	27,780
Total retail	<u>1,744,949</u>	<u>1,609,767</u>	<u>1,626,496</u>	<u>1,600,289</u>	<u>1,445,464</u>
Sales for resale					
Associated companies	5,065	1,178	352	4,849	5,454
Non-associated companies	58,685	48,987	36,928	46,414	33,178
Other	20,168	14,943	46,639	79,989	69,649
Total	<u>\$1,828,867</u>	<u>\$1,674,875</u>	<u>\$1,710,415</u>	<u>\$1,731,541</u>	<u>\$1,553,745</u>
Billed Electric Energy					
Sales (Millions of kWh):					
Residential	7,893	7,855	7,449	7,368	6,996
Commercial	4,846	4,786	4,631	4,435	4,307
Industrial	17,647	16,971	16,561	15,914	15,013
Governmental	457	439	423	398	385
Total retail	<u>30,843</u>	<u>30,051</u>	<u>29,064</u>	<u>28,115</u>	<u>26,701</u>
Sales for resale					
Associated companies	143	44	10	112	204
Non-associated companies	982	1,293	776	1,213	1,101
Total	<u>31,968</u>	<u>31,388</u>	<u>29,850</u>	<u>29,440</u>	<u>28,006</u>

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of
Entergy Mississippi, Inc.

We have audited the accompanying balance sheets of Entergy Mississippi, Inc. (formerly Mississippi Power & Light Company) as of December 31, 1996 and 1995, and the related statements of income, retained earnings and cash flows for each of the three years in the period ended December 31, 1996. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 1996 and 1995, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1996 in conformity with generally accepted accounting principles.

COOPERS & LYBRAND L.L.P.

New Orleans, Louisiana
February 13, 1997

ENTERGY MISSISSIPPI, INC.
MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS
RESULTS OF OPERATIONS

Net Income

Net income increased in 1996 primarily due to reduced other operation and maintenance expenses, partially offset by an increase in income tax expense.

Net income increased in 1995 primarily due to increased revenues and a decrease in other operation and maintenance expenses partially offset by an increase in income tax expense.

Significant factors affecting the results of operations and causing variances between the years 1996 and 1995, and between the years 1995 and 1994, are discussed under "Revenues and Sales," "Expenses," and "Other" below.

Revenues and Sales

See "SELECTED FINANCIAL DATA - FIVE-YEAR COMPARISON," following the financial statements, for information on operating revenues by source and kWh sales.

The changes in electric operating revenues for the twelve months ended December 31, 1996 and 1995, are as follows:

<u>Description</u>	<u>Increase/ (Decrease)</u>	
	<u>1996</u>	<u>1995</u>
	<u>(In Millions)</u>	
Change in base revenues	(\$2.2)	(\$6.1)
Grand Gulf Rate Rider	7.1	(0.6)
Fuel cost recovery	33.6	12.8
Sales volume/weather	8.5	14.9
Other revenue (including unbilled)	(2.1)	5.6
Sales for resale	23.7	3.4
Total	\$68.6	\$30.0

Electric operating revenues increased in 1996 primarily due to increases in fuel adjustment revenues, the Grand Gulf 1 rate rider, sales for resale, and retail energy sales. Fuel adjustment revenues increased in response to higher fuel costs. In connection with an annual MPSC review, in October 1995, Entergy Mississippi's Grand Gulf 1 rate rider was adjusted upward as a result of its undercollection of Grand Gulf 1 costs. The fuel adjustment clause and the Grand Gulf 1 rate rider do not affect net income. Sales for resale, specifically sales to associated companies, increased primarily due to changes in the generation requirements and availability among the domestic utility companies. The increase in retail sales volume is primarily due to increased customer usage.

Electric operating revenues increased in 1995 primarily due to an increase in retail and wholesale energy sales and higher fuel adjustment revenues, partially offset by rate reductions. Retail energy sales increased primarily due to the impact of weather and increased customer usage. Fuel adjustment revenues increased in response to higher fuel costs and do not impact net income.

ENTERGY MISSISSIPPI, INC.
MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS
RESULTS OF OPERATIONS

Expenses

Operating expenses increased in 1996 due to an increase in fuel, and purchased power expenses, partially offset by a decrease in other operation and maintenance expenses. Fuel and purchased power expenses increased as a result of higher fuel costs and an increase in energy sales. Other operation and maintenance expenses decreased as a result of lower payroll, contract work, and materials and supplies expenses. Payroll expenses decreased due to restructuring costs recorded in 1995 and the resulting decrease in employees. Contract work and materials and supplies expenses decreased because of the turbine repairs at some of Entergy Mississippi's generating plants in 1995.

Operating expenses decreased in 1995 due primarily to a decrease in other operation and maintenance expenses. Other operation and maintenance expense decreased in 1995 due to 1994 Merger-related costs allocated to Entergy Mississippi and payroll expenses. No significant Merger-related costs were allocated to Entergy Mississippi during 1995. Payroll expenses decreased as a result of the restructuring program announced and accrued for during 1994. In addition, maintenance expenses decreased at various power plants.

Other

Income tax expense increased in 1996 as a result of higher pretax income. Income tax expense increased in 1995 due primarily to the 1994 write-off of unamortized deferred investment tax credits and higher pretax income in 1995.

ENTERGY MISSISSIPPI, INC.
STATEMENTS OF INCOME

	For the Years Ended December 31,		
	1996	1995	1994
	(In Thousands)		
Operating Revenues	<u>\$958,430</u>	<u>\$889,843</u>	<u>\$859,845</u>
Operating Expenses:			
Operation and maintenance:			
Fuel, fuel-related expenses, and gas purchased for resale	207,116	163,198	164,428
Purchased power	272,812	240,519	235,019
Other operation and maintenance	122,628	144,183	156,954
Depreciation, amortization, and decommissioning	40,313	38,197	36,592
Taxes other than income taxes	43,389	46,019	43,963
Amortization of rate deferrals	107,576	107,339	110,481
Total	<u>793,834</u>	<u>739,455</u>	<u>747,437</u>
Operating Income	<u>164,596</u>	<u>150,388</u>	<u>112,408</u>
Other Income (Deductions):			
Allowance for equity funds used during construction	1,143	950	1,660
Miscellaneous - net	1,662	3,036	(1,117)
Total	<u>2,805</u>	<u>3,986</u>	<u>543</u>
Interest Charges:			
Interest on long-term debt	44,137	46,998	47,835
Other interest - net	3,870	4,638	4,929
Allowance for borrowed funds used during construction	(923)	(806)	(1,067)
Total	<u>47,084</u>	<u>50,830</u>	<u>51,697</u>
Income Before Income Taxes	120,317	103,544	61,254
Income Taxes	<u>41,106</u>	<u>34,877</u>	<u>12,475</u>
Net Income	79,211	68,667	48,779
Preferred Stock Dividend Requirements and Other	<u>5,010</u>	<u>7,515</u>	<u>7,624</u>
Earnings Applicable to Common Stock	<u>\$74,201</u>	<u>\$61,152</u>	<u>\$41,155</u>

See Notes to Financial Statements.

ENTERGY MISSISSIPPI, INC.
STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,		
	1996	1995	1994
	(In Thousands)		
Operating Activities:			
Net income	\$79,211	\$68,667	\$48,779
Noncash items included in net income:			
Change in rate deferrals	130,602	114,304	109,105
Depreciation and amortization	40,313	38,197	36,592
Deferred income taxes and investment tax credits	(32,887)	(36,774)	(34,409)
Allowance for equity funds used during construction	(1,143)	(950)	(1,660)
Changes in working capital:			
Receivables	(4,123)	(5,277)	33,154
Fuel inventory	20	(1,901)	3,872
Accounts payable	88	15,553	(8,783)
Taxes accrued	(2,157)	7,818	(3,431)
Interest accrued	(925)	1,457	(2,794)
Other working capital accounts	4,074	(21,108)	13,480
Change in other regulatory assets	(28,573)	1,075	(7,219)
Other	(2,534)	3,882	8,428
Net cash flow provided by operating activities	<u>181,966</u>	<u>184,943</u>	<u>195,114</u>
Investing Activities:			
Construction expenditures	(85,018)	(79,146)	(121,386)
Allowance for equity funds used during construction	1,143	950	1,660
Net cash flow used in investing activities	<u>(83,875)</u>	<u>(78,196)</u>	<u>(119,726)</u>
Financing Activities:			
Proceeds from the issuance of:			
General and refunding mortgage bonds	-	79,480	24,534
Other long-term debt	-	-	15,652
Retirement of:			
General and refunding mortgage bonds	(26,000)	(45,000)	(30,000)
First mortgage bonds	(35,000)	(20,000)	(18,000)
Other long-term debt	(15)	(965)	(16,045)
Redemption of preferred stock	(9,876)	(15,000)	(15,000)
Changes in short-term borrowings - net	50,253	(30,000)	18,432
Dividends paid:			
Common stock	(79,900)	(61,700)	(45,600)
Preferred stock	(5,000)	(6,215)	(7,762)
Net cash flow used in financing activities	<u>(105,538)</u>	<u>(99,400)</u>	<u>(73,789)</u>
Net increase (decrease) in cash and cash equivalents	(7,447)	7,347	1,599
Cash and cash equivalents at beginning of period	<u>16,945</u>	<u>9,598</u>	<u>7,999</u>
Cash and cash equivalents at end of period	<u>\$9,498</u>	<u>\$16,945</u>	<u>\$9,598</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the period for:			
Interest - net of amount capitalized	\$46,769	\$48,617	\$52,737
Income taxes	\$73,687	\$67,746	\$39,000

See Notes to Financial Statements.

ENTERGY MISSISSIPPI, INC.
BALANCE SHEETS
ASSETS

	December 31,	
	1996	1995
	(In Thousands)	
Current Assets:		
Cash and cash equivalents:		
Cash	\$2,384	\$2,574
Temporary cash investments - at cost, which approximates market:		
Associated companies	-	3,248
Other	-	11,123
Special deposits	7,114	-
Total cash and cash equivalents	9,498	16,945
Accounts receivable:		
Customer (less allowance for doubtful accounts of \$1.4 million in 1996 and \$1.6 million in 1995)	44,809	46,214
Associated companies	4,382	1,134
Other	2,014	1,967
Accrued unbilled revenues	49,383	47,150
Fuel inventory - at average cost	6,661	6,681
Materials and supplies - at average cost	17,567	19,233
Rate deferrals	142,504	130,622
Prepayments and other	7,434	11,536
Total	284,252	281,482
Other Property and Investments:		
Investment in subsidiary companies - at equity	5,531	5,531
Other - at cost (less accumulated depreciation)	7,923	5,615
Total	13,454	11,146
Utility Plant:		
Electric	1,633,484	1,559,955
Construction work in progress	47,373	55,443
Total	1,680,857	1,615,398
Less - accumulated depreciation and amortization	635,754	613,712
Utility plant - net	1,045,103	1,001,686
Deferred Debits and Other Assets:		
Regulatory assets:		
Rate deferrals	104,588	247,072
SFAS 109 regulatory asset - net	11,813	6,445
Unamortized loss on reacquired debt	9,254	10,105
Other regulatory assets	46,309	17,736
Other	6,693	6,311
Total	178,657	287,669
TOTAL	\$1,521,466	\$1,581,983

See Notes to Financial Statements.

ENTERGY MISSISSIPPI, INC.
BALANCE SHEETS
LIABILITIES AND SHAREHOLDER'S EQUITY

	December 31,	
	1996	1995
	(In Thousands)	
Current Liabilities:		
Currently maturing long-term debt	\$96,015	\$61,015
Notes payable - associated companies	50,253	-
Accounts payable:		
Associated companies	32,878	24,391
Other	23,701	32,100
Customer deposits	26,258	24,339
Taxes accrued	26,482	28,639
Accumulated deferred income taxes	58,634	54,090
Interest accrued	20,909	21,834
Other	3,065	6,875
Total	338,195	253,283
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes	249,522	278,581
Accumulated deferred investment tax credits	25,422	27,978
Other	19,445	22,515
Total	294,389	329,074
Long-term debt	399,054	494,404
Preferred stock with sinking fund	7,000	16,770
Shareholder's Equity:		
Preferred stock without sinking fund	57,881	57,881
Common stock, no par value, authorized 15,000,000 shares; issued and outstanding 8,666,357 shares in 1996 and 1995	199,326	199,326
Capital stock expense and other	(143)	(218)
Retained earnings	225,764	231,463
Total	482,828	488,452
Commitments and Contingencies (Note 2 and 9)		
TOTAL	\$1,521,466	\$1,581,983

See Notes to Financial Statements.

ENTERGY MISSISSIPPI, INC.
STATEMENTS OF RETAINED EARNINGS

	For the Years Ended December 31,		
	1996	1995	1994
	(In Thousands)		
Retained Earnings, January 1	\$231,463	\$232,011	\$236,337
Add:			
Net income	79,211	68,667	48,779
Total	310,674	300,678	285,116
Deduct:			
Dividends declared:			
Preferred stock	4,803	5,971	7,404
Common stock	79,900	61,700	45,600
Preferred stock expenses	207	1,544	101
Total	84,910	69,215	53,105
Retained Earnings, December 31 (Note 8)	\$225,764	\$231,463	\$232,011

See Notes to Financial Statements.

ENTERGY MISSISSIPPI, INC.
SELECTED FINANCIAL DATA - FIVE-YEAR COMPARISON

	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
	(In Thousands)				
Operating revenues	\$ 958,430	\$ 889,843	\$ 859,845	\$ 883,818	\$ 799,483
Net Income	\$ 79,211	\$ 68,667	\$ 48,779	\$ 69,037	\$ 65,036
Total assets	\$1,521,466	\$1,581,983	\$1,637,828	\$1,681,992	\$1,665,480
Long-term obligations (1)	\$ 406,421	\$ 511,613	\$ 507,555	\$ 563,612	\$ 576,787

(1) Includes long-term debt (excluding currently maturing debt), and preferred stock with sinking fund, and noncurrent capital lease obligations.

	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
	(In Thousands)				
Electric Operating Revenues:					
Residential	\$358,264	\$336,194	\$332,567	\$341,620	\$309,614
Commercial	281,626	262,786	257,154	251,285	236,191
Industrial	185,351	178,466	184,637	182,060	169,977
Governmental	29,093	27,410	27,495	28,530	26,377
Total retail	<u>854,334</u>	<u>804,856</u>	<u>801,853</u>	<u>803,495</u>	<u>742,159</u>
Sales for resale					
Associated companies	58,749	35,928	37,747	34,640	17,988
Non-associated companies	22,814	21,906	16,728	21,100	19,995
Other	22,533	27,153	3,517	24,583	19,341
Total	<u>\$958,430</u>	<u>\$889,843</u>	<u>\$859,845</u>	<u>\$883,818</u>	<u>\$799,483</u>
Billed Electric Energy					
Sales (Millions of kWh):					
Residential	4,355	4,233	4,014	3,983	3,644
Commercial	3,508	3,368	3,151	2,928	2,804
Industrial	3,063	3,044	2,985	2,787	2,631
Governmental	346	336	330	336	318
Total retail	<u>11,272</u>	<u>10,981</u>	<u>10,480</u>	<u>10,034</u>	<u>9,397</u>
Sales for resale					
Associated companies	1,368	959	1,079	758	253
Non-associated companies	521	692	512	670	937
Total	<u>13,161</u>	<u>12,632</u>	<u>12,071</u>	<u>11,462</u>	<u>10,587</u>

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of
Entergy New Orleans, Inc.

We have audited the accompanying balance sheets of Entergy New Orleans, Inc. (formerly New Orleans Public Service Inc.) as of December 31, 1996 and 1995, and the related statements of income, retained earnings and cash flows for each of the three years in the period ended December 31, 1996. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 1996 and 1995, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1996 in conformity with generally accepted accounting principles.

COOPERS & LYBRAND L.L.P.

New Orleans, Louisiana
February 13, 1997

ENTERGY NEW ORLEANS, INC.
MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS
RESULTS OF OPERATIONS

Net Income

Net income decreased in 1996 primarily due to the rate refund recorded in December 1996, based on the Council's review of Entergy New Orleans' 1996 earnings. The decrease in net income was partially offset by reduced other operating and maintenance expenses.

Net income increased in 1995 principally due to 1994 refunds associated with the 1994 NOPSI Settlement and a decrease in other operation and maintenance expense, partially offset by a permanent rate reduction that took place January 1, 1995.

Significant factors affecting the results of operations and causing variances between the years 1996 and 1995, and between the years 1995 and 1994, are discussed under "Revenues and Sales", "Expenses", and "Other" below.

Revenues and Sales

See "SELECTED FINANCIAL DATA-FIVE-YEAR COMPARISON," following the financial statements, for information on electric operating revenues by source and kWh sales.

The changes in electric operating revenues for the twelve months ended December 31, 1996 and 1995 are as follows:

<u>Description</u>	<u>Increase/ (Decrease)</u>	
	<u>1996</u>	<u>1995</u>
	(In Millions)	
Change in base revenues	(\$8.5)	\$7.8
Fuel cost recovery	28.5	(0.3)
Sales volume/weather	(4.8)	12.5
Other revenue (including unbilled)	(1.4)	6.1
Sales for resale	(0.5)	3.5
Total	\$13.3	\$29.6

In 1996, electric operating revenues increased primarily due to higher fuel adjustment revenues, caused by elevated fuel prices, which do not affect net income. The increase was offset by a rate refund recorded in 1996, as discussed in "Net Income" above, and lower industrial sales attributable to a significant reduction in electricity usage by a large customer. Electric operating revenues increased in 1995 as a result of refunds in 1994 associated with the 1994 NOPSI Settlement and an increase in energy sales. The increase in energy sales in 1995 was primarily due to weather effects on retail sales and an increase in sales for resale.

Gas operating revenues in 1996 increased primarily due to higher gas prices. This increase was offset by the rate refund recorded in 1996, as discussed in "Net Income" above. Gas operating revenues decreased in 1995 primarily due to the rate reduction agreed to in the NOPSI Settlement effective January 1, 1995, and a lower unit purchase price for gas purchased for resale.

ENTERGY NEW ORLEANS, INC.
MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS
RESULTS OF OPERATIONS

Expenses

In 1996, operating expenses increased due to higher fuel expenses, including purchased power, and gas purchased for resale. This increase was offset by reduced amortization of previous rate deferrals, the recording of rate deferrals, and lower other operation and maintenance expenses. Fuel expenses, including gas purchased for resale, increased as a result of significantly higher unit prices. Purchased power increased due to changes in generation availability and requirements among the domestic utility companies. Rate deferrals increased due to the deferral of a portion of the System Energy rate increase being billed to Entergy New Orleans, as discussed in Note 2. Other operation and maintenance expenses decreased primarily due to lower payroll expenses due to restructuring and reduced regulatory commission expenses.

Operating expenses increased in 1995 due primarily to increased amortization of rate deferrals, partially offset by a decrease in fuel and other operation and maintenance expenses. Fuel expenses decreased in 1995 primarily due to a decrease in fuel prices. Other operation and maintenance expenses decreased primarily due to a decrease in maintenance activity and lower payroll expenses. In 1995, the increase in the amortization of rate deferrals is primarily a result of the collection of larger amounts of previously deferred costs under the 1991 NOPSI Settlement, which allowed Entergy New Orleans to record an additional \$90 million of previously incurred Grand Gulf 1-related costs.

Other

Income taxes decreased in 1996 due to lower pretax income. Income taxes increased in 1995 as a result of lower pretax income in 1994 due to the 1994 NOPSI Settlement and the write-off of the unamortized balances of deferred investment tax credits pursuant to the FERC Settlement in 1994.

ENTERGY NEW ORLEANS, INC.
STATEMENTS OF INCOME

	For the Years Ended December 31,		
	1996	1995	1994
	(In Thousands)		
Operating Revenues:			
Electric	\$403,254	\$390,002	\$360,430
Natural gas	101,023	80,276	87,357
Total	<u>504,277</u>	<u>470,278</u>	<u>447,787</u>
Operating Expenses:			
Operation and maintenance:			
Fuel, fuel-related expenses, and gas purchased for resale	129,059	102,314	113,735
Purchased power	176,450	145,920	145,935
Other operation and maintenance	71,421	76,510	80,656
Depreciation, amortization, and decommissioning	20,007	19,420	19,275
Taxes other than income taxes	27,388	27,805	27,814
Rate deferrals	(4,866)	(4,392)	-
Amortization of rate deferrals	27,240	31,971	27,009
Total	<u>446,699</u>	<u>399,548</u>	<u>414,424</u>
Operating Income	<u>57,578</u>	<u>70,730</u>	<u>33,363</u>
Other Income:			
Allowance for equity funds used during construction	321	158	331
Miscellaneous - net	1,146	1,639	2,141
Total	<u>1,467</u>	<u>1,797</u>	<u>2,472</u>
Interest Charges:			
Interest on long-term debt	15,268	15,948	17,092
Other interest - net	1,036	1,853	1,179
Allowance for borrowed funds used during construction	(252)	(127)	(247)
Total	<u>16,052</u>	<u>17,674</u>	<u>18,024</u>
Income Before Income Taxes	42,993	54,853	17,811
Income Taxes	<u>16,217</u>	<u>20,467</u>	<u>4,600</u>
Net Income	26,776	34,386	13,211
Preferred Stock Dividend Requirements and Other	<u>965</u>	<u>1,411</u>	<u>1,581</u>
Earnings Applicable to Common Stock	<u>\$25,811</u>	<u>\$32,975</u>	<u>\$11,630</u>

See Notes to Financial Statements.

ENTERGY NEW ORLEANS, INC.
STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,		
	1996	1995	1994
	(In Thousands)		
Operating Activities:			
Net income	\$26,776	\$34,386	\$13,211
Noncash items included in net income:			
Change in rate deferrals	35,917	31,564	24,106
Depreciation and amortization	20,007	19,420	19,275
Deferred income taxes and investment tax credits	(12,274)	(1,998)	(18,006)
Allowance for equity funds used during construction	(321)	(158)	(331)
Changes in working capital:			
Receivables	832	(5,468)	15,362
Accounts payable	(5,638)	12,566	(19,132)
Taxes accrued	(4,350)	3,225	(2,832)
Interest accrued	214	(131)	(230)
Income tax refund	-	20,172	(20,172)
Other working capital accounts	(5,216)	(4,803)	18,454
Other	(11,941)	(9,500)	8,851
Net cash flow provided by operating activities	44,006	99,275	38,556
Investing Activities:			
Construction expenditures	(27,956)	(27,836)	(22,777)
Allowance for equity funds used during construction	321	158	331
Net cash flow used in investing activities	(27,635)	(27,678)	(22,446)
Financing Activities:			
Proceeds from the issuance of general and refunding mortgage bonds	39,608	29,805	-
Retirement of:			
First mortgage bonds	(23,250)	-	-
General and refunding mortgage bonds	(30,000)	(24,200)	(15,000)
Redemption of preferred stock	-	(3,525)	(1,500)
Dividends paid:			
Common stock	(34,000)	(30,600)	(33,300)
Preferred stock	(965)	(1,362)	(1,596)
Net cash flow used in financing activities	(48,607)	(29,882)	(51,396)
Net increase (decrease) in cash and cash equivalents	(32,236)	41,715	(35,286)
Cash and cash equivalents at beginning of period	49,746	8,031	43,317
Cash and cash equivalents at end of period	\$17,510	\$49,746	\$8,031
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the period for:			
Interest - net of amount capitalized	\$15,357	\$17,187	\$17,707
Income taxes (refund) - net	\$31,870	(\$941)	\$45,984

See Notes to Financial Statements.

ENTERGY NEW ORLEANS, INC.
BALANCE SHEETS
ASSETS

	December 31,	
	1996	1995
	(In Thousands)	
Current Assets:		
Cash and cash equivalents:		
Cash	\$1,015	\$1,693
Temporary cash investments - at cost, which approximates market:		
Associated companies	7,435	10,860
Other	9,060	37,193
Total cash and cash equivalents	17,510	49,746
Accounts receivable:		
Customer (less allowance for doubtful accounts of \$0.7 million in 1996 and \$0.5 million in 1995)	27,430	29,168
Associated companies	714	551
Other	1,764	843
Accrued unbilled revenues	17,064	17,242
Deferred electric fuel and resale gas costs	7,290	2,647
Materials and supplies - at average cost	9,904	8,950
Rate deferrals	37,692	35,191
Prepayments and other	7,157	4,529
Total	126,525	148,867
Other Property and Investments:		
Investment in subsidiary companies - at equity	3,259	3,259
Utility Plant:		
Electric	503,061	483,581
Natural gas	122,700	121,083
Construction work in progress	18,247	17,525
Total	644,008	622,189
Less - accumulated depreciation and amortization	347,790	335,021
Utility plant - net	296,218	287,168
Deferred Debits and Other Assets:		
Regulatory assets:		
Rate deferrals	99,498	137,916
SFAS 109 regulatory asset - net	6,051	6,813
Unamortized loss on reacquired debt	1,647	1,932
Other regulatory assets	15,908	9,204
Other	890	1,047
Total	123,994	156,912
TOTAL	\$549,996	\$596,206

See Notes to Financial Statements.

ENTERGY NEW ORLEANS, INC.
BALANCE SHEETS
LIABILITIES AND SHAREHOLDER'S EQUITY

	December 31,	
	1996	1995
	(In Thousands)	
Current Liabilities:		
Currently maturing long-term debt	\$12,000	\$38,250
Accounts payable:		
Associated companies	18,757	13,851
Other	14,130	24,674
Customer deposits	18,974	18,214
Taxes accrued	1,204	5,554
Accumulated deferred income taxes	5,584	9,174
Interest accrued	5,325	5,111
Provision for rate refund	19,465	11,870
Other	1,521	6,867
Total	96,960	133,565
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes	72,895	81,654
Accumulated deferred investment tax credits	7,984	8,618
Accumulated provision for property insurance	15,666	15,666
Other	24,713	29,654
Total	121,258	135,592
Long-term debt	168,888	155,958
Shareholders' Equity:		
Preferred stock without sinking fund	19,780	19,780
Common Shareholder's Equity:		
Common stock, \$0.01 par value, authorized 10,000,000 shares; issued and outstanding 8,435,900 shares in 1996 and 1995	33,744	33,744
Paid-in capital	36,294	36,306
Retained earnings subsequent to the elimination of the accumulated deficit on November 30, 1988	73,072	81,261
Total	162,890	171,091
Commitments and Contingencies (Note 2 and 9)		
TOTAL	\$549,996	\$596,206

See Notes to Financial Statements.

**ENTERGY NEW ORLEANS
STATEMENTS OF RETAINED EARNINGS**

	For the Years Ended December 31,		
	1996	1995	1994
	(In Thousands)		
Retained Earnings, January 1	\$81,261	\$78,886	\$100,556
Add:			
Net income	26,776	34,386	13,211
Total	108,037	113,272	113,767
Deduct:			
Dividends declared:			
Preferred stock	965	1,231	1,536
Common stock	34,000	30,600	33,300
Capital stock expenses	-	180	45
Total	34,965	32,011	34,881
Retained Earnings, December 31 (Note 8)	\$73,072	\$81,261	\$78,886

See Notes to Financial Statements.

ENTERGY NEW ORLEANS, INC.
SELECTED FINANCIAL DATA - FIVE-YEAR COMPARISON

	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
	(In Thousands)				
Operating revenues	\$ 504,277	\$ 470,278	\$ 447,787	\$ 514,822	\$ 464,879
Net Income	\$ 26,776	\$ 34,386	\$ 13,211	\$ 36,761	\$ 26,424
Total assets	\$ 549,996	\$ 596,206	\$ 592,894	\$ 647,605	\$ 621,691
Long-term obligations (1)	\$ 168,888	\$ 155,958	\$ 167,610	\$ 193,262	\$ 165,917

(1) Includes long-term debt (excluding currently maturing debt).

	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
	(In Thousands)				
Electric Operating Revenues:					
Residential	\$151,577	\$141,353	\$142,013	\$151,423	\$137,668
Commercial	149,649	144,374	162,410	167,788	160,229
Industrial	24,663	22,842	25,422	26,205	23,860
Governmental	58,561	52,880	58,726	61,548	56,023
Total retail	<u>384,450</u>	<u>361,449</u>	<u>388,571</u>	<u>406,964</u>	<u>377,780</u>
Sales for resale					
Associated companies	2,649	3,217	2,061	2,487	3,086
Non-associated companies	9,882	9,864	7,512	9,291	7,234
Other (1)	6,273	15,472	(37,714)	5,088	3,836
Total	<u>\$403,254</u>	<u>\$390,002</u>	<u>\$360,430</u>	<u>\$423,830</u>	<u>\$391,936</u>
Billed Electric Energy					
Sales (Millions of kWh):					
Residential	1,998	2,049	1,896	1,914	1,806
Commercial	2,073	2,079	2,031	1,989	1,977
Industrial	481	537	518	499	457
Governmental	974	983	951	924	888
Total retail	<u>5,526</u>	<u>5,648</u>	<u>5,396</u>	<u>5,326</u>	<u>5,128</u>
Sales for resale					
Associated companies	66	149	92	89	155
Non-associated companies	212	297	202	262	250
Total	<u>5,804</u>	<u>6,094</u>	<u>5,690</u>	<u>5,677</u>	<u>5,533</u>

(1) 1994 includes the effects of the 1994 NOPSI Settlement.

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholder of
System Energy Resources, Inc.

We have audited the accompanying balance sheets of System Energy Resources, Inc. as of December 31, 1996 and 1995, and the related statements of income, retained earnings and cash flows for each of the three years in the period ended December 31, 1996. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 1996 and 1995, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1996 in conformity with generally accepted accounting principles.

As discussed in Note 1 to the financial statements, in 1996 the Company changed its method of accounting for incremental nuclear plant outage maintenance costs.

COOPERS & LYBRAND L.L.P.

New Orleans, Louisiana
February 13, 1997

SYSTEM ENERGY RESOURCES, INC.
MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS
RESULTS OF OPERATIONS

Net Income

Net income increased slightly in 1996 primarily due to lower interest charges attributed to the refinancing of higher-cost debt.

Net income increased in 1995 primarily due to the effect of the FERC Settlement which reduced 1994 net income by \$80.2 million (see Note 2). This was partially offset by revenues being adversely impacted by a lower return on System Energy's decreasing investment in Grand Gulf 1.

Significant factors affecting the results of operations and causing variances between the years 1996 and 1995, and between the years 1995 and 1994, are discussed under "Revenues," "Expenses," and "Other" below.

Revenues

Operating revenues recover operating expenses, depreciation, and capital costs attributable to Grand Gulf 1. Capital costs are computed by allowing a return on System Energy's common equity funds allocable to its net investment in Grand Gulf 1 and adding to such amount System Energy's effective interest cost for its debt allocable to its investment in Grand Gulf 1.

Operating revenues increased in 1996 due to an increase in other operation and maintenance expenses, and increased depreciation, amortization, and decommissioning expenses offset by a decrease in nuclear refueling outage expenses as discussed in "Expenses" below.

Operating revenues increased in 1995 due primarily to the effect of the FERC Settlement on 1994 revenues as discussed in "Net Income" above and the recovery of increased expenses in connection with a Grand Gulf 1 refueling outage offset by a lower return on System Energy's decreasing investment in Grand Gulf 1. Revenues attributable to the return on investment are expected to continue to decline each year as a result of the depreciation of System Energy's investment in Grand Gulf 1.

Expenses

Operating expenses increased in 1996 due primarily to increases in other operation and maintenance expenses, and depreciation, amortization, and decommissioning expenses. Other operation and maintenance expenses increased primarily because of higher waste disposal costs and medical benefit charges for the year. The increase in decommissioning costs and depreciation rates is reflected in the 1995 System Energy FERC rate increase filing, subject to refund (see Note 2). These increases were partially offset by a decrease in nuclear refueling outage expenses. The decrease in nuclear outage expenses was primarily due to the effect of deferring the nuclear refueling outage expenses in the fourth quarter of 1996 rather than recognizing those expenses as incurred (see Note 1). Grand Gulf 1 was on-line for 322 days in 1996 as compared with 285 days in 1995. The increase in the on-line days was primarily due to the unit's shorter eighth refueling outage that lasted from October 19, 1996 to November 30, 1996 (41 days), compared to a 68-day outage in 1995, and to a lesser extent, unplanned outages in 1996 totaling 3 days, compared to 12 days for 1995.

SYSTEM ENERGY RESOURCES, INC.
MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS
RESULTS OF OPERATIONS

Operating expenses increased in 1995 due to higher nuclear refueling outage expenses and higher depreciation, amortization, and decommissioning costs, partially offset by lower fuel expenses as a result of the refueling outage. Grand Gulf 1 was on-line for 285 days in 1995 as compared with 345 days in 1994. The difference in the on-line days was primarily due to the unit's seventh refueling outage that lasted from April 15, 1995, to June 21, 1995 (68 days), and, to a lesser extent, unplanned outages in 1995 totaling 12 days, compared to 20 days in 1994. Depreciation, amortization, and decommissioning costs increased due to a \$4 million increase in amortization (as a result of the reclassification of \$81 million of Grand Gulf 1 costs and the accelerated amortization of the reclassified costs over a ten-year period in accordance with the 1994 FERC Settlement) and \$1 million in decommissioning.

Other

Interest expenses decreased in both 1996 and in 1995 due primarily to the retirement and refinancing of higher-cost long-term debt. In 1995, the decrease in interest expense was partially offset by interest associated with the FERC Settlements refunds (See Note 2). Income taxes increased in both 1996 and 1995 due to higher pretax income.

SYSTEM ENERGY RESOURCES, INC.
STATEMENTS OF INCOME

	For the Years Ended December 31,		
	1996	1995	1994
	(In Thousands)		
Operating Revenues	\$623,620	\$605,639	\$474,963
Operating Expenses:			
Operation and maintenance:			
Fuel, fuel-related expenses, and gas purchased for resale	43,761	40,262	48,107
Nuclear refueling outage expenses	1,239	24,935	-
Other operation and maintenance	105,453	98,441	96,504
Depreciation, amortization, and decommissioning	128,474	100,747	93,861
Taxes other than income taxes	27,654	27,549	26,637
Total	306,581	291,934	265,109
Operating Income	317,039	313,705	209,854
Other Income:			
Allowance for equity funds used during construction	1,122	1,878	1,090
Miscellaneous - net	5,234	2,492	6,402
Total	6,356	4,370	7,492
Interest Charges:			
Interest on long-term debt	135,376	143,020	169,248
Other interest - net	8,344	8,491	7,257
Allowance for borrowed funds used during construction	(1,114)	(1,968)	(1,403)
Total	142,606	149,543	175,102
Income Before Income Taxes	180,789	168,532	42,244
Income Taxes	82,121	75,493	36,837
Net Income	\$98,668	\$93,039	\$5,407

See Notes to Financial Statements.

SYSTEM ENERGY RESOURCES, INC.
STATEMENTS OF CASH FLOWS

	<u>For the Years Ended December 31,</u>		
	<u>1996</u>	<u>1995</u>	<u>1994</u>
	(In Thousands)		
Operating Activities:			
Net income	\$98,668	\$93,039	\$5,407
Noncash items included in net income:			
Depreciation, amortization, and decommissioning	128,474	100,747	93,861
Deferred income taxes and investment tax credits	48,975	(45,337)	(30,640)
Allowance for equity funds used during construction	(1,122)	(1,878)	(1,090)
Changes in working capital:			
Receivables	3,436	(66,433)	48,411
Accounts payable	560	(18,955)	35,469
Taxes accrued	(4,825)	37,266	14,430
Interest accrued	(2,548)	(4,053)	(8,133)
Other working capital accounts	(13,430)	(21,874)	14,024
Recoverable income taxes	-	-	92,689
Decommissioning trust contributions	(18,531)	(5,414)	(5,157)
FERC Settlement - refund obligation	(4,009)	(3,540)	60,388
Provision for estimated losses and reserves	46,919	3,167	(2,371)
Other	4,290	29,725	19,699
Net cash flow provided by operating activities	<u>286,857</u>	<u>96,460</u>	<u>336,987</u>
Investing Activities:			
Construction expenditures	(29,469)	(21,747)	(20,766)
Allowance for equity funds used during construction	1,122	1,878	1,090
Nuclear fuel purchases	(44,704)	(51,455)	(26,414)
Proceeds from sale/leaseback of nuclear fuel	43,971	52,188	-
Net cash flow used in investing activities	<u>(29,080)</u>	<u>(19,136)</u>	<u>(46,090)</u>
Financing Activities:			
Proceeds from the issuance of:			
First mortgage bonds	233,656	-	59,410
Other long-term debt	133,933	73,343	-
Retirement of:			
First mortgage bonds	(325,101)	(105,000)	(260,000)
Other long-term debt	(92,700)	(45,320)	-
Premium and expenses paid on refinancing sale/leaseback bonds	-	-	(48,436)
Changes in short-term borrowings - net	(2,990)	2,990	-
Common stock dividends paid	(112,500)	(92,800)	(148,300)
Net cash flow used in financing activities	<u>(165,702)</u>	<u>(166,787)</u>	<u>(397,326)</u>
Net increase (decrease) in cash and cash equivalents	92,075	(89,463)	(106,429)
Cash and cash equivalents at beginning of period	240	89,703	196,132
Cash and cash equivalents at end of period	<u>\$92,315</u>	<u>\$240</u>	<u>\$89,703</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the period for:			
Interest - net of amount capitalized	\$138,483	\$147,492	\$176,503
Income taxes (refund)	\$36,397	\$87,016	(\$39,586)
Noncash investing and financing activities:			
Change in unrealized appreciation (depreciation) of decommissioning trust assets	(\$70)	\$3,061	(\$1,515)

See Notes to Financial Statements.

SYSTEM ENERGY RESOURCES, INC.
BALANCE SHEETS
ASSETS

	December 31,	
	1996	1995
	(In Thousands)	
Current Assets:		
Cash and cash equivalents:		
Cash	\$26	\$240
Temporary cash investments - at cost, which approximates market:		
Associated companies	41,600	-
Other	50,689	-
Total cash and cash equivalents	92,315	240
Accounts receivable:		
Associated companies	71,337	72,458
Other	2,522	4,837
Materials and supplies - at average cost	66,302	67,661
Deferred nuclear refueling outage costs	24,005	-
Prepayments and other	4,929	16,050
Total	261,410	161,246
Other Property and Investments:		
Decommissioning trust fund	62,223	40,927
Utility Plant:		
Electric	2,994,445	2,977,303
Electric plant under leases	447,409	444,305
Construction work in progress	41,362	35,946
Nuclear fuel under capital lease	83,558	71,374
Total	3,566,774	3,528,928
Less - accumulated depreciation and amortization	974,472	861,752
Utility plant - net	2,592,302	2,667,176
Deferred Debits and Other Assets:		
Regulatory assets:		
SFAS 109 regulatory asset - net	264,758	291,181
Unamortized loss on reacquired debt	57,785	52,702
Other regulatory assets	207,214	203,731
Other	15,601	14,049
Total	545,358	561,663
TOTAL	\$3,461,293	\$3,431,012

See Notes to Financial Statements.

SYSTEM ENERGY RESOURCES, INC.
BALANCE SHEETS
LIABILITIES AND SHAREHOLDER'S EQUITY

	December 31,	
	1996	1995
	(In Thousands)	
Current Liabilities:		
Currently maturing long-term debt	\$10,000	\$250,000
Notes payable - associated companies	-	2,990
Accounts payable:		
Associated companies	18,245	17,458
Other	18,836	19,063
Taxes accrued	67,823	72,648
Interest accrued	34,195	36,743
Obligations under capital leases	28,000	28,000
Other	2,306	4,211
Total	179,405	431,113
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes	624,020	602,182
Accumulated deferred investment tax credits	103,647	107,119
Obligations under capital leases	55,558	44,107
FERC Settlement - refund obligation	52,839	56,848
Other	165,517	94,449
Total	1,001,581	904,705
Long-term debt	1,418,869	1,219,917
Common Shareholder's Equity:		
Common stock, no par value, authorized 1,000,000 shares; issued and outstanding 789,350 shares in 1996 and 1995	789,350	789,350
Paid-in capital	-	7
Retained earnings	72,088	85,920
Total	861,438	875,277
Commitments and Contingencies (Note 2, 9, and 10)		
TOTAL	\$3,461,293	\$3,431,012

See Notes to Financial Statements.

**SYSTEM ENERGY RESOURCES, INC.
STATEMENTS OF RETAINED EARNINGS**

	For the Years Ended December 31,		
	1996	1995	1994
	(In Thousands)		
Retained Earnings, January 1	\$85,920	\$85,681	\$228,574
Add:			
Net income	98,668	93,039	5,407
Total	184,588	178,720	233,981
Deduct:			
Dividends declared	112,500	92,800	148,300
Retained Earnings, December 31 (Note 8)	\$72,088	\$85,920	\$85,681

See Notes to Financial Statements.

SYSTEM ENERGY RESOURCES, INC.
SELECTED FINANCIAL DATA - FIVE-YEAR COMPARISON

	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
			(In Thousands)		
Operating revenues	\$ 623,620	\$ 605,639	\$ 474,963	\$ 650,768	\$ 723,410
Net income	\$ 98,668	\$ 93,039	\$ 5,407	\$ 93,927	\$ 130,141
Total assets	\$3,461,293	\$3,431,012	\$3,613,359	\$3,891,066	\$3,672,441
Long-term obligations (1)	\$1,474,427	\$1,264,024	\$1,456,993	\$1,536,593	\$1,768,299
Electric energy sales (Millions of kWh)	8,302	7,212	8,653	7,113	7,354

(1) Includes long-term debt (excluding current maturities) and noncurrent capital lease obligations.

ENTERGY CORPORATION AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

The accompanying consolidated financial statements include the accounts of Entergy Corporation and its direct subsidiaries: Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, System Energy, Entergy Services, Entergy Operations, Entergy Power, Entergy Enterprises, Entergy Power Operations Corporation, Entergy S.A., Entergy Power Marketing Corporation, Entergy Power Development Corporation, Entergy Technology Holding Company, Entergy Power Edesur Holding LTD, Entergy Transener S.A., and Entergy Power Development International Corporation. A number of these subsidiaries have additional subsidiaries. CitiPower is a subsidiary of Entergy Power Development International Corporation.

All significant intercompany transactions have been eliminated. Entergy Corporation's utility subsidiaries maintain accounts in accordance with FERC and other regulatory guidelines. Certain previously reported amounts have been reclassified to conform to current classifications with no effect on net income or shareholders' equity.

Use of Estimates in the Preparation of Financial Statements

The preparation of Entergy Corporation and its subsidiaries' financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of December 31, 1996 and 1995, and the reported amounts of revenues and expenses during fiscal years 1996, 1995, and 1994. Adjustments to the reported amounts of assets and liabilities may be necessary in the future to the extent that future estimates or actual results are different from the estimates used in 1996 financial statements.

Revenues and Fuel Costs

Entergy Arkansas, Entergy Louisiana, and Entergy Mississippi generate, transmit, and distribute electricity (primarily to retail customers) in the states of Arkansas, Louisiana, and Mississippi, respectively. Entergy Gulf States generates, transmits, and distributes electricity primarily to retail customers in the States of Texas and Louisiana; distributes gas at retail in the City of Baton Rouge, Louisiana, and vicinity; and also sells steam to a large refinery complex in Baton Rouge. Entergy New Orleans sells both electricity and gas to retail customers in the City of New Orleans (except for Algiers, where Entergy Louisiana is the electricity supplier).

System Energy's operating revenues recover operating expenses, depreciation, and capital costs attributable to Grand Gulf 1 from Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans. Capital costs are computed by allowing a return on System Energy's common equity funds allocable to its net investment in Grand Gulf 1, plus System Energy's effective interest cost for its debt allocable to its investment in Grand Gulf 1. See Note 2 for a discussion of System Energy's proposed rate increase.

A portion of Entergy Arkansas' and Entergy Louisiana's purchase of power from Grand Gulf has not been included in the determination of the cost of service to retail customers by the APSC and LPSC, respectively, as described in Note 2.

The domestic utility companies accrue estimated revenues for energy delivered since the latest billings.

The domestic utility companies' rate schedules (except Entergy Gulf States' Texas retail rate schedules) include fuel adjustment clauses that allow either current recovery or deferrals of fuel costs until such costs are reflected in the related revenues. Entergy Gulf States' Texas retail rate schedules include a fixed fuel factor approved by the PUCT, which remains in effect until changed as part of a general rate case, fuel reconciliation, or fixed fuel factor filing.

Utility Plant

Utility plant is stated at original cost. The original cost of utility plant retired or removed, plus the applicable removal costs, less salvage, is charged to accumulated depreciation. Maintenance, repairs, and minor replacement costs are charged to operating expenses. Substantially all of the utility plant is subject to liens of the subsidiaries' mortgage bond indentures.

Utility plant includes the portions of Grand Gulf 1 and Waterford 3 that were sold and currently are leased back. For financial reporting purposes, these sale and leaseback transactions are reflected as financing transactions.

Net electric utility plant in service, by company and functional category, as of December 31, 1996 (excluding owned and leased nuclear fuel, the accumulated provision for decommissioning, and the plant acquisition adjustment related to the Merger), is shown below:

	<u>Production</u>		<u>Transmission</u>	<u>Distribution</u>	<u>Other</u>	<u>Total</u>
	<u>Nuclear</u>	<u>Other</u>				
	(In Millions)					
Entergy Arkansas	\$ 987	\$ 390	\$ 454	\$ 909	\$ 121	\$ 2,861
Entergy Gulf States	2,357	678	449	764	224	4,472
Entergy Louisiana	2,048	239	331	717	62	3,397
Entergy Mississippi	-	221	289	427	61	998
Entergy New Orleans	-	17	18	161	18	214
System Energy	2,438	-	16	-	14	2,468
Entergy	7,830	1,632	1,703	3,440	611	15,216

Depreciation is computed on the straight-line basis at rates based on the estimated service lives and costs of removal of the various classes of property. Depreciation rates on average depreciable property are shown below:

	<u>Entergy</u>	<u>Entergy Arkansas</u>	<u>Entergy Gulf States</u>	<u>Entergy Louisiana</u>	<u>Entergy Mississippi</u>	<u>Entergy New Orleans</u>	<u>System Energy</u>
1996	3.0%	3.2%	2.7%	3.0%	2.4%	3.1%	3.3%
1995	2.9%	3.3%	2.7%	3.0%	2.4%	3.1%	2.9%
1994	3.0%	3.4%	2.7%	3.0%	2.4%	3.1%	3.0%

AFUDC represents the approximate net composite interest cost of borrowed funds and a reasonable return on the equity funds used for construction. Although AFUDC increases both utility plant and earnings, it is only realized in cash through depreciation provisions included in rates.

Jointly-Owned Generating Stations

Certain Entergy Corporation subsidiaries own undivided interests in several jointly-owned electric generating facilities and record the investments and expenses associated with these generating stations to the extent of their

respective ownership interests. As of December 31, 1996, the subsidiaries' investment and accumulated depreciation in each of these generating stations were as follows:

<u>Generating Stations</u>		<u>Fuel Type</u>	<u>Total Megawatt Capability</u>	<u>Ownership</u>	<u>Investment</u> (In Thousands)	<u>Accumulated Depreciation</u>
Entergy Arkansas						
Independence	Unit 1	Coal	836	31.50%	\$ 117,515	\$ 43,646
	Common Facilities	Coal		15.75%	29,568	9,921
White Bluff	Units 1 and 2	Coal	1,660	57.00%	396,403	166,809
Entergy Gulf States						
River Bend	Unit 1	Nuclear	936	70.00%	3,103,974	746,440
Roy S. Nelson	Unit 6	Coal	550	70.00%	400,221	166,820
Big Cajun 2	Unit 3	Coal	540	42.00%	222,957	86,699
Entergy Mississippi -						
Independence	Units 1 and 2	Coal	1,678	25.00%	224,814	79,934
System Energy -						
Grand Gulf	Unit 1	Nuclear	1,179	90.00%(1)	3,429,562	974,472
Entergy Power -						
Independence	Unit 2	Coal	842	21.50%	121,666	40,585

(1) Includes an 11.5% leasehold interest - See Note 10

Income Taxes

Entergy Corporation and its subsidiaries file a consolidated federal income tax return. Income taxes are allocated to the subsidiaries in proportion to their contribution to consolidated taxable income. SEC regulations require that no Entergy Corporation subsidiary pay more taxes than it would have paid if a separate income tax return had been filed. In accordance with SFAS 109, "Accounting for Income Taxes", deferred income taxes are recorded for all temporary differences between the book and tax basis of assets and liabilities, and for certain credits available for carryforward.

Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Investment tax credits are deferred and amortized based upon the average useful life of the related property in accordance with rate treatment.

Acquisition Adjustment

Entergy Corporation, upon completion of the Merger in December 1993, recorded an acquisition adjustment in utility plant in the amount of \$380 million, representing the excess of the purchase price over the historical cost of the Entergy Gulf States net assets acquired. During 1994, Entergy recorded an additional \$124 million of acquisition adjustment related to the resolution of certain preacquisition contingencies and appropriate allocation of purchase price.

The acquisition adjustment is being amortized on a straight-line basis over a 31-year period beginning January 1, 1994, which approximates the remaining average book life of the plant acquired as a result of the Merger. As of December 31, 1996, the unamortized balance of the acquisition adjustment was \$455 million.

Entergy's future net cash flows are expected to be sufficient to recover the amortization of both the Merger acquisition adjustment and the cost of the CitiPower license discussed in Note 13.

Reacquired Debt

The premiums and costs associated with reacquired debt are being amortized over the life of the related new issuances, in accordance with ratemaking treatment.

Cash and Cash Equivalents

Entergy considers all unrestricted highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Stock Options - SFAS 123

The FASB issued SFAS 123, "Accounting for Stock-Based Compensation," in October 1995, to be effective for 1996 financial statements. The provisions of this statement require either (a) adoption for financial reporting purposes; or (b) disclosure of the impact the provisions would have had on financial statements had they been adopted. Entergy has elected the disclosure option. See Note 5 for the disclosures required by SFAS 123.

Continued Application of SFAS 71

The domestic utility companies and System Energy currently account for the effects of regulation pursuant to SFAS 71, "Accounting for the Effects of Certain Types of Regulation." This statement applies to the financial statements of a rate-regulated enterprise that meets three criteria. The enterprise must have rates that (i) are approved by the regulator; (ii) are cost-based; and (iii) can be charged to and collected from customers. These criteria may also be applied to separable portions of a utility's business, such as the generation or transmission functions, or to specific classes of customers. If an enterprise meets these criteria, it may capitalize costs that would otherwise be charged to expense if the rate actions of its regulator make it probable that those costs will be recovered in future revenue. The amount capitalized is a "regulatory asset." SFAS 71 requires that rate-regulated enterprises assess the probability of recovering their regulatory assets at each balance sheet date. When an enterprise concludes that recovery of a regulatory asset is no longer probable, the regulatory asset must be removed from the entity's balance sheet.

SFAS 101, "Accounting for the Discontinuation of Application of FASB Statement No. 71", specifies how an enterprise that ceases to meet the criteria for application of SFAS 71 for all or part of its operations should report that event in its financial statements. In general, SFAS 101 requires that the enterprise report the discontinuation of SFAS 71 by eliminating from its balance sheet all regulatory assets and liabilities related to the applicable segment. Additionally, if it is determined that a regulated enterprise is no longer recovering all of its costs and therefore no longer qualifies for SFAS 71 accounting, it is possible that a SFAS 121 impairment (see further discussion below) may exist which could require further write-offs of plant assets.

As of December 31, 1996, the majority of the domestic utility companies' and System Energy's operations continue to meet each of the criteria required for the use of SFAS 71 and the companies have recorded significant regulatory assets.

As described in Note 2, during 1996, FERC issued Orders No. 888 and 889 which require utilities to provide open access to their transmission system to promote a more competitive market for wholesale power sales. As also described in Note 2, Entergy Arkansas, Entergy Gulf States, and Entergy Mississippi have filed transition to competition proposals with their regulators which provide, among other things, for accelerated recovery of certain capitalized costs to provide for an orderly transition to a competitive retail power market. In response to these

filings, certain regulatory commissions have begun general proceedings to consider retail competition in their jurisdictions.

As the plans have only recently been filed with the regulators, and those regulators have generally deferred action on the plans in lieu of their general proceedings on competition, Entergy cannot, at this time, predict the ultimate outcome of these proceedings. Accordingly, the domestic utility companies and System Energy anticipate that they will continue to meet the criteria for the application of SFAS 71 for the foreseeable future.

Deregulated Operations

Entergy Gulf States discontinued regulatory accounting principles for its wholesale jurisdiction and its steam department during 1989 and for the Louisiana retail deregulated portion of River Bend in 1991. The results of these deregulated operations (before interest charges) for the years ended December 31, 1996, 1995, and 1994 are as follows:

	<u>1996</u>	<u>1995</u>	<u>1994</u>
	(In Thousands)		
Operating Revenues	\$174,751	\$141,171	\$138,822
Operating Expenses:			
Fuel, operating, and maintenance	119,784	115,799	116,386
Depreciation	31,455	31,129	27,890
Total Operating Expenses	<u>151,239</u>	<u>146,928</u>	<u>144,276</u>
Income taxes	9,598	(6,979)	(249)
Net Income (Loss) From Deregulated Utility Operations	<u>\$13,914</u>	<u>\$1,222</u>	<u>(\$5,205)</u>

SFAS 121

In March 1995, the FASB issued SFAS 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" (SFAS 121), which became effective January 1, 1996. This statement describes circumstances that may result in assets (including goodwill such as the Merger acquisition adjustment, discussed above) being impaired. The statement also provides criteria for recognition and measurement of asset impairment. Note 2 describes regulatory assets of \$169 million (net of tax) related to Texas retail deferred River Bend operating and carrying costs which were written off upon the adoption of SFAS 121 in the first quarter of 1996.

Assets which are regulated under traditional cost-of-service ratemaking, and thereby subject to SFAS 71 accounting, are generally not subject to impairment pursuant to SFAS 121, as this form of regulation assures that all allowed costs are subject to recovery. However, certain deregulated assets and other operations of the domestic utility companies totaling approximately \$1.6 billion (pre-tax) could be affected by SFAS 121 in the future. Those assets include Entergy Arkansas' and Entergy Louisiana's retained shares of Grand Gulf 1, Entergy Gulf States' Louisiana deregulated asset plan, the Texas jurisdiction abeyed portion of the River Bend plant, and wholesale jurisdiction and steam department operations. Additionally, all of Entergy's investment in other nonregulated businesses is subject to possible impairment pursuant to SFAS 121.

Entergy periodically reviews these assets and operations whenever events or changes in circumstances indicate that recoverability of these assets is uncertain. Generally, the determination of recoverability is based on the net cash flows expected to result from such operations and assets. Projected net cash flows depend on the future operating costs associated with the assets, the efficiency and availability of the assets and generating units, and the future market and price for energy over the remaining life of the assets. Based on current estimates of future cash

flows as prescribed under SFAS 121, management anticipates that future revenues from such assets and operations of Entergy will fully recover all related costs.

Change in Accounting for Nuclear Refueling Outage Costs (Entergy Corporation, Entergy Arkansas, and System Energy)

In December 1995, at the recommendation of FERC, Entergy Arkansas changed its method of accounting for nuclear refueling outage costs. The change, effective January 1, 1995, results in Entergy Arkansas deferring incremental maintenance costs incurred during an outage and amortizing those costs over the operating period immediately following the nuclear refueling outage, which is the period that the charges are billed to customers. Previously, estimated costs of refueling outages were accrued over the period (generally 18 months) preceding each scheduled outage. The effect of the change for the year ended December 31, 1995, was to decrease net income by \$5.1 million (net of income taxes of \$3.3 million) or \$.02 per share. The cumulative effect of the change was to increase net income \$35.4 million (net of income taxes of \$22.9 million) or \$.15 per share. The pro forma effects of the change in accounting for nuclear refueling outages in 1994, assuming the new method was applied retroactively to that year, would have been to decrease net income \$3.2 million (net of income taxes of \$2.1 million), or \$.01 per share.

System Energy filed a rate increase request with FERC in May 1995 (see Note 2), which, among other things, proposed a change in the accounting recognition of nuclear refueling outage costs from that of expensing those costs as incurred to the deferral and amortization method described above with respect to Entergy Arkansas. As described in Note 2, the FERC ALJ issued an initial decision in this proceeding in July 1996, agreeing to the change in recognition of outage costs proposed by System Energy. Accordingly, System Energy deferred the refueling outage costs incurred in the fourth quarter of 1996. As of December 31, 1996, System Energy's current assets included \$24.0 million in deferred nuclear refueling outage costs which will be amortized over the next fuel cycle (approximately 18 months). Amortization of these costs in the fourth quarter of 1996 amounted to \$1.2 million.

This change will have no impact on the net income of either Entergy or System Energy since System Energy will recover the refueling outage costs from Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans, and these companies will, in turn, recover these costs from their ratepayers.

Financial Instruments

Derivative instruments have been used by Entergy on a limited basis. Entergy has a policy that financial derivatives are to be used only to mitigate business risks and not for speculative purposes. See Notes 7 and 9 for additional information concerning Entergy's derivative instruments outstanding as of December 31, 1996.

Fair Value Disclosures

The estimated fair value of financial instruments was determined using bid prices reported by dealer markets and by nationally recognized investment banking firms. Considerable judgment is required in developing the estimates of fair value. Therefore, estimates are not necessarily indicative of the amounts that Entergy could realize in a current market exchange. In addition, gains or losses realized on financial instruments may be reflected in future rates and not accrue to the benefit of stockholders.

Entergy considers the carrying amounts of financial instruments classified as current assets and liabilities to be a reasonable estimate of their fair value because of the short maturity of these instruments. In addition, Entergy does not expect that performance of its obligations will be required in connection with certain off-balance sheet commitments and guarantees considered financial instruments. Due to this factor, and because of the related-party nature of these commitments and guarantees, determination of fair value is not considered practicable. See Notes 5, 7, and 9 for additional disclosure concerning fair value methodologies.

NOTE 2. RATE AND REGULATORY MATTERS

Merger-Related Rate Agreements (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans)

In November 1993, Entergy Corporation, Entergy Arkansas, Entergy Mississippi, and Entergy New Orleans entered into separate settlement agreements whereby the APSC, MPSC, and Council agreed to withdraw from the SEC proceeding related to the Merger. In return, Entergy Arkansas, Entergy Mississippi, and Entergy New Orleans agreed, among other things, that their retail ratepayers would be protected from (i) increases in the cost of capital resulting from risks associated with the Merger, (ii) recovery of any portion of the acquisition premium or transactional costs associated with the Merger, (iii) certain direct allocations of costs associated with Entergy Gulf States' River Bend nuclear unit, and (iv) any losses of Entergy Gulf States resulting from resolution of litigation in connection with its ownership of River Bend. Entergy Arkansas and Entergy Mississippi agreed not to request any general retail rate increase that would take effect before November 1998, except for, among other things, increases associated with the recovery of certain Grand Gulf 1-related costs, recovery of certain taxes, and catastrophic events, and in the case of Entergy Arkansas, excess capacity costs and costs related to the adoption of SFAS 106 that were previously deferred. Entergy Mississippi agreed that retail base rates under the formula rate plan would not be increased above November 1, 1993 levels for a period of five years beginning November 9, 1993.

In 1993, the LPSC and the PUCT approved separate regulatory proposals for Entergy Gulf States that include the following elements: (i) a five-year Rate Cap on Entergy Gulf States' retail electric base rates in the respective states, except for force majeure (defined to include, among other things, war, natural catastrophes, and high inflation); (ii) a provision for passing through to retail customers the jurisdictional portion of the fuel savings created by the Merger; and (iii) a mechanism for tracking nonfuel operation and maintenance savings created by the Merger. The LPSC regulatory plan provides that such nonfuel savings will be shared 60% by shareholders and 40% by ratepayers during the eight years following the Merger. The LPSC plan requires annual regulatory filings by the end of each May through the year 2001. The PUCT regulatory plan provides that such savings will be shared equally by shareholders and ratepayers, except that the shareholders' portion will be reduced by \$2.6 million per year on a total company basis in years four through eight. The PUCT plan also requires a series of regulatory filings to ensure that the ratepayers' share of such savings be reflected in rates on a timely basis, the first of which was made in November 1996, as discussed below in Filings with the PUCT and Texas Cities. Subsequent filings are required in November 1998 and in November 2001. In addition, the plan requires Entergy Corporation to hold Entergy Gulf States' Texas retail customers harmless from the effects of the removal by FERC of a 40% cap on the amount of fuel savings Entergy Gulf States may be required to transfer to other domestic utility companies under the FERC tracking mechanism (see below). On January 14, 1994, Entergy Corporation filed a petition for review before the D.C. Circuit seeking review of FERC's deletion of the 40% cap provision in the fuel cost protection mechanism. The matter is currently being held in abeyance.

FERC approved Entergy Gulf States' inclusion in the System Agreement. Commitments were adopted to provide reasonable assurance that the ratepayers of Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans will not be allocated higher costs.

River Bend (Entergy Corporation and Entergy Gulf States)

In 1988, the PUCT granted Entergy Gulf States a permanent increase in annual revenues of \$59.9 million resulting from the inclusion in rate base of approximately \$1.6 billion of company-wide River Bend plant investment and approximately \$182 million of related Texas retail jurisdiction deferred River Bend costs (Allowed Deferrals). At the same time, the PUCT disallowed as imprudent \$63.5 million of company-wide River Bend plant costs and placed in abeyance, with no finding as to prudence, approximately \$1.4 billion of company-wide River Bend plant

investment and approximately \$157 million of Texas retail jurisdiction deferred River Bend operating and carrying costs (Abeyed Deferrals).

The PUCT's order has been the subject of several appellate proceedings, culminating in an appeal to the Texas Supreme Court (Supreme Court). On January 31, 1997, the Supreme Court issued an opinion reversing the PUCT's order and remanding the case to the PUCT for further proceedings. The Supreme Court found that the PUCT had prejudiced Gulf States' rights by attempting to defer a ruling on the abeyed plant costs and incorrectly determined the amount of federal income tax expense that should have been allowed in rates. The Supreme Court ruled that the PUCT could choose either to conduct hearings and take further evidence or to decide the case on the original evidence. On February 18, 1997, the Texas Office of Public Utility Counsel filed a motion for rehearing of the Supreme Court's decision, arguing that the Supreme Court's remand should have instructed the PUCT as to how the case should be dealt with on remand. Entergy Gulf States filed a brief in opposition to the motion for rehearing on February 25, 1997. Entergy Gulf States believes that it is unlikely that the Supreme Court will grant the motion for rehearing. No procedural schedule has yet been issued by the PUCT concerning the case on remand.

As of December 31, 1996, the River Bend plant costs disallowed for retail ratemaking purposes in Texas and the River Bend plant costs held in abeyance totaled (net of taxes and depreciation) approximately \$12 million and \$266 million, respectively. The Allowed Deferrals were approximately \$77 million, net of taxes and amortization, as of December 31, 1996. Entergy Gulf States estimates it has collected approximately \$204 million of revenues as of December 31, 1996, as a result of the originally ordered rate treatment by the PUCT of these deferred costs. If recovery of the Allowed Deferrals is not upheld, future refunds could be required and future revenues based upon the Allowed Deferrals could also be lost. However, management believes that it is probable that the Allowed Deferrals will continue to be recovered in rates.

As a result of the application of SFAS 121, Entergy Gulf States wrote off Abeyed Deferrals of \$169 million, net of tax, effective January 1, 1996. In light of the continuing proceedings before the PUCT and the courts (including the January 31, 1997 decision of the Texas Supreme Court), Entergy Gulf States has made no write-offs or reserves for the River Bend plant-related costs. At this time, management and legal counsel are unable to predict the amount of the abeyed and previously disallowed River Bend plant costs that may ultimately be allowed in Entergy Gulf States' Texas retail rates.

In prior proceedings involving other utilities, the PUCT has held that the original cost of nuclear power plants will be recoverable in electric rates to the extent those costs were prudently incurred. Entergy Gulf States has previously filed with the PUCT a cost reconciliation study prepared by Sandlin Associates, management consultants with expertise in the cost analysis of nuclear power plants, which supports the reasonableness of the River Bend costs held in abeyance by the PUCT. This reconciliation study determined that approximately 82% of the River Bend cost increase above the amount included by the PUCT in rate base was a result of changes in federal nuclear safety requirements, and provided other support for the remainder of the abeyed amounts. In particular, there have been four other rate proceedings in Texas involving nuclear power plants. Disallowed investment in the plants ranged from 0% to 15%. Each case was unique, and the disallowances in each were made for different reasons. Appeals of two of these PUCT decisions are currently pending. Based upon the PUCT's prior decisions, management believes that River Bend construction costs were prudently incurred and that it is reasonably possible that it will recover through rates, or otherwise through means such as a deregulated asset plan, all or substantially all of the abeyed River Bend plant costs. In the event of an adverse ruling in this case, a net of tax write-off, as of December 31, 1996, of up to \$278 million could be required.

Retail Rate Proceedings

Filings with the APSC (Entergy Corporation and Entergy Arkansas)

In October 1996, Entergy Arkansas filed a proposal with the APSC designed to achieve an orderly transition to retail electric competition in Arkansas. The proposal includes a rate decrease totaling \$123 million over a three year period beginning in mid-1997 and provides for a universal service charge for customers that remain connected to Entergy Arkansas' electric facilities but choose to purchase their electricity from another source. Although these proposals allow for the complete recovery of the remaining plant investment associated with ANO 1, ANO 2, and Entergy Arkansas' portion of Grand Gulf 1 (excluding the portion retained - see below) as of December 31, 1996, over a seven year period, the NRC operating licenses for these plants permit continued operation until the years 2014, 2018, and 2022, respectively.

Filings with the PUCT and Texas Cities (Entergy Corporation and Entergy Gulf States)

In March 1994, the Texas Office of Public Utility Counsel and certain cities served by Entergy Gulf States instituted an investigation of the reasonableness of Entergy Gulf States' rates. On March 20, 1995, the PUCT ordered a retroactive rate reduction, which was amended, reducing the \$52.9 million annual base rate reduction to an annual level of \$36.5 million. The PUCT's action was based, in part, upon a Texas Supreme Court decision not to require a utility to use the prospective tax benefits generated by disallowed expenses to reduce rates. The May 26, 1995 amended order no longer required Entergy Gulf States to pass such prospective tax benefits on to its customers. The rate refund ordered by the PUCT in its March 20, 1995 order, retroactive to March 31, 1994, was approximately \$61.8 million (including interest) and was refunded to customers in September, October, and November 1995. Entergy Gulf States and other parties have appealed the PUCT order, but no assurance can be given as to the timing or outcome of the appeal.

In December 1995, Entergy Gulf States filed a petition with the PUCT for reconciliation of fuel and purchased power expenses for the period January 1, 1994, through June 30, 1995. Entergy Gulf States believes that there was an under-recovered fuel balance, including interest, of \$22.4 million as of June 1995. Hearings were concluded in October 1996, and on December 18, 1996, the ALJ issued his recommendation which included recovery of approximately \$20 million of the under-recovered fuel balance. A final decision by the PUCT is expected in March 1997.

In accordance with the Merger agreement, Entergy Gulf States filed a rate proceeding with the PUCT in November 1996. In April 1996, certain cities served by Entergy Gulf States (Cities) instituted investigations of the reasonableness of Entergy Gulf States' rates. In May 1996, the Cities agreed to forego their investigation based on the assurance that any rate decrease ordered in the November 1996 filing will be retroactive to June 1, 1996, and will accrue interest until refunded. The agreement further provides that no base rate increase will be retroactive. Included in the November 1996 filing was a proposal to achieve an orderly transition to retail electric competition in Texas, similar to the filing described below that Entergy Gulf States made with the LPSC. This filing with the PUCT will be litigated in four phases as follows: (i) fuel factor/fuel reconciliation phase, of which Entergy Gulf States believes there was an under-recovered fuel balance of \$41.4 million, including interest, for the period July 1, 1995 through June 30, 1996; (ii) revenue requirement phase; (iii) cost allocation/rate design phase; and (iv) competitive issues phase. Hearings on these matters are scheduled to begin in April 1997. No assurance can be given as to the outcome of these hearings.

Filings with the LPSC

(Entergy Corporation and Entergy Gulf States)

Annual Earnings Reviews

In May 1994, Entergy Gulf States filed a required earnings analysis with the LPSC for the test year preceding the Merger (1993). On December 14, 1994, the LPSC ordered a \$12.7 million annual rate reduction for Entergy Gulf States, effective January 1995. Entergy Gulf States received a preliminary injunction from the District Court regarding \$8.3 million of the reduction relating to the earnings effect of a 1994 change in accounting for unbilled revenues. On January 1, 1995, Entergy Gulf States reduced rates by \$4.4 million. Entergy Gulf States filed an appeal of the entire \$12.7 million rate reduction with the District Court, which denied the appeal in July 1995. Entergy Gulf States appealed the order to the Louisiana Supreme Court. The preliminary injunction relating to \$8.3 million of the reduction remained in effect during the appeal. On July 2, 1996, the Louisiana Supreme Court ruled on the appeal. The Court found that the LPSC ruled incorrectly on the treatment of the initial balance of unbilled revenues and the revenue annualization adjustment. As a result, Entergy Gulf States will not be required to refund the \$8.3 million. The case was remanded to the LPSC for further proceedings related to the revenue annualization adjustment, but as a result of a subsequent rate adjustment pursuant to the third required post-Merger earnings analysis discussed below, the remand was moot.

On May 31, 1995, Entergy Gulf States filed its second required post-Merger earnings analysis with the LPSC. Hearings on this review were held in December 1995. On October 4, 1996, the LPSC issued an order requiring a \$33.3 million annual base rate reduction and a \$9.6 million refund. One component of the rate reduction removes from base rates approximately \$13.4 million annually of costs that will be recovered in the future through the fuel adjustment clause. On October 23, 1996, Entergy Gulf States appealed and obtained an injunction to stay this order, except insofar as the order requires the \$13.4 million reduction, which Entergy Gulf States implemented in November 1996. In addition, the LPSC order provides for the recovery of \$6.8 million annually related to certain gas transportation and storage facilities costs. Pursuant to the October 1996 LPSC Settlement, this amount was brought forward to \$8.1 million (see "LPSC Fuel Cost Review" below). This amount will be applied as an offset against whatever refund, if any, may be required by a final judgment in Entergy Gulf States' appeal of the second post-Merger earnings review order.

On May 31, 1996, Entergy Gulf States filed its third required post-Merger earnings analysis with the LPSC. Based on this earnings filing, on June 1, 1996, Entergy Gulf States implemented a \$5.3 million annual rate reduction. Hearings on this filing concluded in February 1997. An additional rate reduction may be required upon the issuance by the LPSC of a final rate order.

LPSC Fuel Cost Review

In November 1993, the LPSC ordered a review of Entergy Gulf States' fuel costs for the period October 1988 through September 1991 (Phase 1) based on the number of outages at River Bend and the findings in the June 1993 PUCT fuel reconciliation case. In July 1994, the LPSC ruled in the Phase 1 fuel review case and ordered Entergy Gulf States to refund approximately \$27.5 million to its customers. Under the order, a refund of \$13.1 million was made through a billing credit on August 1994 bills. In August 1994, Entergy Gulf States appealed the remaining \$14.4 million of the LPSC-ordered refund to the District Court and obtained an injunction with respect to that portion of the refund. On April 15, 1996, the appropriate state District Court affirmed the LPSC decision. Entergy Gulf States has appealed this decision to the Louisiana Supreme Court. In October 1996, Entergy Gulf States reached a settlement with the LPSC on one of the issues presented in this appeal, resulting in a refund to ratepayers of \$5.7 million plus interest. See "October 1996 LPSC Settlement" below. In February 1997, the Louisiana Supreme Court rendered a decision on the remaining \$8.7 million, affirming the LPSC's order insofar as it requires a refund of \$8.2 million plus interest, which Entergy Gulf States will record in 1997, and reversing the LPSC's order insofar as it would have required an additional \$0.5 million refund.

In September 1996, the LPSC completed the second phase of its review of Entergy Gulf States' fuel costs, which covered the period October 1991 through December 1994 (Phase II). On October 7, 1996, the LPSC issued an order requiring a \$34.2 million refund. The ordered refund includes a disallowance of \$14.3 million of capital costs (including interest) related to certain gas transportation and storage facilities, which were recovered through the fuel clause, and which have been refunded pursuant to the October 1996 LPSC Settlement. Entergy Gulf States will be permitted to recover these costs in the future through base rates. On October 23, 1996, Entergy Gulf States appealed and received an injunction to stay this order, except insofar as the order requires the \$14.3 million refund. See "October 1996 LPSC Settlement" below.

October 1996 LPSC Settlement

In October 1996, Entergy Gulf States and the LPSC reached an agreement whereby Entergy Gulf States agreed to (i) refund certain capital costs related to gas transportation and storage facilities that were at issue in the Phase I and Phase II fuel cost reviews and (ii) refund similar costs recovered subsequent to the Phase II fuel cost review. This resulted in a total refund to customers of approximately \$32.1 million, including interest. In the future, Entergy Gulf States will be permitted to recover through base rates the capital costs related to such gas transportation and storage facilities. As a part of the settlement, which covered post-Phase II costs of such facilities in addition to the costs addressed by the LPSC's order for the second post-Merger earnings analysis, Entergy Gulf States will be permitted to recover through base rates \$1.3 million annually in addition to the \$6.8 million annual recovery provided in the order, for a total annual base rate recovery of \$8.1 million. The settlement provides that this amount will be applied as an offset against whatever refund, if any, may be required by a final judgment in Entergy Gulf States' appeal of the second post-Merger earnings review order.

(Entergy Corporation, Entergy Gulf States, and Entergy Louisiana)

In October 1996, Entergy Gulf States and Entergy Louisiana filed proposals with the LPSC designed to achieve an orderly transition to retail electric competition in Louisiana, while protecting certain classes of ratepayers from possibly unfairly bearing the burden of cost shifting. The proposals do not increase rates for any customer class. However, these proposals do provide for a universal service charge for customers that remain connected to Entergy Gulf States' or Entergy Louisiana's electric facilities but choose to purchase their electricity from another source. In addition, the proposals include a base rate freeze, which would be put into effect for seven years in the Louisiana areas serviced by Entergy Gulf States and Entergy Louisiana. Although these proposals allow for the complete recovery of the remaining plant investment associated with River Bend, Waterford 3, and Entergy Louisiana's portion of Grand Gulf 1 (excluding the portion retained - see below) as of December 31, 1996, over a seven year period, the NRC operating licenses for these plants permit continued operation until the years 2025, 2024, and 2022, respectively.

In February 1997, the LPSC identified certain issues embodied in the Entergy Gulf States and Entergy Louisiana proposals that will be included in those companies' annual rate filings expected to be made on May 31, 1997 and April 15, 1997, respectively, and other issues that now will be included in an ongoing generic regulatory proceeding examining electric industry restructuring.

(Entergy Corporation and Entergy Louisiana)

On June 2, 1995, as a result of a review of the earnings of Entergy Louisiana, a \$49.4 million reduction in base rates was ordered. In the same order, the LPSC adopted for Entergy Louisiana a performance-based formula rate plan. The formula rate plan provides a financial incentive to reduce costs while maintaining high levels of customer satisfaction and system reliability. The plan allows Entergy Louisiana the opportunity to earn a higher rate of return if it improves performance over time. Conversely, if performance declines, the rate of return Entergy Louisiana could earn is lowered. On June 9, 1995, Entergy Louisiana appealed the rate reduction and sought injunctive relief from implementation of \$14.7 million of the reduction. The \$14.7 million portion of the rate

reduction represents revenue imputed to Entergy Louisiana as a result of the LPSC's conclusion that the rates charged to three industrial customers were unreasonably low. Subsequently, a request for a \$14.7 million rate increase was filed by Entergy Louisiana. On July 13, 1995, Entergy Louisiana was granted a preliminary injunction by the District Court enjoining \$14.7 million of the rate reduction pending a final decision on appeal. In an order issued on January 31, 1996, the LPSC approved a settlement reducing the \$14.7 million portion of the rate reduction to \$12.35 million. Refunds issued pursuant to this settlement had the effect of implementing the rate reduction effective April 27, 1995, and were made in the months of January and February 1996. The refunds and related interest resulting from the settlement amounted to \$8.9 million. The District Court case discussed above was dismissed as part of the settlement.

On April 15, 1996, Entergy Louisiana made its first annual performance-based formula rate plan filing based on the 1995 test year. On June 19, 1996, the LPSC approved a \$12 million annual reduction in base rates effective July 1, 1996. This reduction was based upon the 1995 test year results under the formula rate plan and reflected the expiration of the Waterford 3 phase-in plan discussed below, which was partially offset by the recovery of the property taxes on Waterford 3 and the related deferral discussed below. Subsequently, additional issues were resolved by means of a settlement conference, increasing the base rate reduction from \$12 million to \$16.5 million. Hearings have been conducted to review Entergy Louisiana's allowed return on equity and to address certain other disputed issues. This may result in an additional rate reduction which would be prospective only. The LPSC's ruling is expected in the second quarter of 1997.

The property tax exemption for Waterford 3 ended in December 1995 and Entergy Louisiana was required to pay \$19.3 million in property taxes to St. Charles Parish for the 1996 tax year. In a March 1996 LPSC order, Entergy Louisiana was permitted to defer the rate recovery of these taxes for the period January 1996 through June 1996. The order allowed for the recovery of the property tax beginning in July 1996, and also for the recovery, from July 1996 through June 1997, of the related deferral. In addition, Entergy Louisiana's phase-in plan for Waterford 3 will expire in June 1997. Entergy Louisiana is recovering deferred costs annually of approximately \$28.4 million.

Filings with the MPSC (Entergy Corporation and Entergy Mississippi)

On March 15, 1996, Entergy Mississippi filed its annual earnings review with the MPSC under its formula rate plan for the 1995 test year. On April 18, 1996, the MPSC issued an order approving and adopting a joint stipulation and placing the prospective rate reduction of \$5.9 million into effect on May 1, 1996.

Entergy Mississippi has initiated discussions with the MPSC regarding an orderly transition to a more competitive market for electricity. In August 1996, Entergy Mississippi filed a proposal with the MPSC for a rate rider to assure recovery of all Grand Gulf costs incurred to serve customers. The rider would maintain current rates for electric service provided by Entergy Mississippi and would apply to customers within Entergy Mississippi's service area who obtain electricity in the future from a source other than Entergy Mississippi. Entergy Mississippi designed this rider to assure that commitments made under the current system of regulation are honored and that cost burdens are not unfairly transferred from departing customers to those who remain on the Entergy Mississippi system. On August 22, 1996, the MPSC remanded this proposal and established a generic docket to consider competition for retail electric service.

Filings with the Council (Entergy Corporation and Entergy New Orleans)

Pursuant to the 1991 NOPSI Settlement, Entergy New Orleans is required to make earnings filings with the Council for the 1995 and 1996 rate years. A review of Entergy New Orleans' earnings for the test year ending September 30, 1995, required Entergy New Orleans to credit customers \$6.2 million over a 12-month period which began in March 1996.

On October 31, 1996, Entergy New Orleans filed with the Council an analysis of its earnings for the test year ended September 30, 1996. Based upon this earnings review, the Council ordered a refund of \$18.4 million which is being credited to customers over a 12 month period which began in February 1997.

On December 19, 1996, the Council ordered an increase in Entergy New Orleans' franchise fee from 2.5% to 5% of gross revenues. The increase in the 1997 franchise fee is estimated to be \$12 million. The franchise fee is collected by Entergy New Orleans as a separate line item on customer bills and is not a component of base rates.

In January 1997, Entergy New Orleans unilaterally proposed to the Council to reduce rates by annual amounts of \$15 million. This offer was accepted by the Council and, effective February 1, 1997, Entergy New Orleans implemented this base rate reduction.

The Council issued a resolution in February 1997 indicating that it will conduct an investigation of the justness and reasonableness of Entergy New Orleans' allowed rate of return, base rates, and adjustment clauses. The Council contemplates a bifurcated review and has established hearing dates in April 1997 on the issue of rate of return. The Council also directed Entergy New Orleans to make a cost of service and revenue requirement filing on May 1, 1997. A procedural schedule has not been set with respect to these other issues.

Pursuant to a settlement reached in February 1997 with the Council as to Entergy New Orleans' deferred integrated resource planning expenses, the Council has conditionally allowed Entergy New Orleans to begin recovering \$5 million, subject to a hearing to determine the prudence of such expenses. Entergy New Orleans has agreed not to seek recovery of the remaining \$6.8 million of expenses incurred.

Deregulated Asset Plan (Entergy Corporation and Entergy Gulf States)

A deregulated asset plan representing an unregulated portion (approximately 25%) of River Bend (plant costs, generation, revenues, and expenses) was established pursuant to a January 1992 LPSC order. The plan allows Entergy Gulf States to sell such generation to Louisiana retail customers at 4.6 cents per kWh or off-system at higher prices, with certain provisions for sharing such incremental revenue above 4.6 cents per kWh between ratepayers and shareholders.

River Bend Cost Deferrals (Entergy Corporation and Entergy Gulf States)

Entergy Gulf States deferred approximately \$369 million of River Bend operating and purchased power costs, depreciation, and accrued carrying charges, pursuant to a 1986 PUCT accounting order. Approximately \$182 million of these costs are being amortized over a 20-year period, and the remaining \$187 million was written off in the first quarter of 1996 in accordance with SFAS 121, as discussed above. As of December 31, 1996, the unamortized balance of the remaining costs was \$117 million. Entergy Gulf States deferred approximately \$400.4 million of similar costs pursuant to a 1986 LPSC accounting order, of which approximately \$40 million was unamortized as of December 31, 1996, and is being amortized over a 10-year period ending in February 1998.

In accordance with a phase-in plan approved by the LPSC, Entergy Gulf States deferred \$294 million of its River Bend costs related to the period February 1988 through February 1991. Entergy Gulf States has amortized \$225 million through December 31, 1996. The remainder of \$69 million will be recovered in 1997 and early 1998.

Grand Gulf 1 and Waterford 3 Deferrals

(Entergy Corporation and Entergy Arkansas)

Under the settlement agreement entered into with the APSC in 1985 and amended in 1988, Entergy Arkansas agreed to retain a portion of its Grand Gulf 1-related costs, recover a portion of such costs currently, and defer a portion of such costs for future recovery. In 1996 and subsequent years, Entergy Arkansas retains 22% of its 36%

interest in Grand Gulf 1 costs and recovers the remaining 78%. The deferrals ceased in 1990, and Entergy Arkansas is recovering a portion of the previously deferred costs each year through 1998. As of December 31, 1996, the balance of deferred costs was \$228 million. Entergy Arkansas is permitted to recover on a current basis the incremental costs of financing the unrecovered deferrals. In the event Entergy Arkansas is not able to sell its retained share to third parties, it may sell such energy to its retail customers at a price equal to its avoided energy cost, which is currently less than Entergy Arkansas' cost of energy from its retained share.

(Entergy Corporation and Entergy Louisiana)

In a series of LPSC orders, court decisions, and agreements from late 1985 to mid-1988, Entergy Louisiana was granted rate relief with respect to costs associated with Waterford 3 and Entergy Louisiana's share of capacity and energy from Grand Gulf 1, subject to certain terms and conditions. With respect to Waterford 3, Entergy Louisiana was granted an increase aggregating \$170.9 million over the period 1985-1988, and agreed to permanently absorb, and not recover from retail ratepayers, \$284 million of its investment in the unit and to defer \$266 million of its costs related to the years 1985-1988 to be recovered from April 1988 through June 1997.

With respect to Grand Gulf 1, in November 1988, Entergy Louisiana agreed to retain and not recover from retail ratepayers, 18% of its 14% share (approximately 2.52%) of the costs of Grand Gulf 1 capacity and energy. Entergy Louisiana is allowed to recover through the fuel adjustment clause 4.6 cents per kWh for the energy related to its retained portion of these costs. Alternatively, Entergy Louisiana may sell such energy to nonaffiliated parties at prices above the fuel adjustment clause recovery amount, subject to the LPSC's approval.

(Entergy Corporation and Entergy Mississippi)

Entergy Mississippi entered into a plan with the MPSC that provides, among other things, for the recovery by Entergy Mississippi, in equal annual installments over ten years beginning October 1, 1988, of all Grand Gulf 1-related costs deferred through September 30, 1988, pursuant to a final order by the MPSC. Additionally, the plan provides that Entergy Mississippi defer, in decreasing amounts, a portion of its Grand Gulf 1-related costs over four years beginning October 1, 1988. These deferrals are being recovered by Entergy Mississippi over a six-year period beginning in October 1992 and ending in September 1998. As of December 31, 1996, the uncollected balance of Entergy Mississippi's deferred costs was approximately \$247 million. The plan also allows for the current recovery of carrying charges on all deferred amounts.

(Entergy Corporation and Entergy New Orleans)

Under Entergy New Orleans' various rate settlements with the Council in 1986, 1988, and 1991, Entergy New Orleans agreed to absorb and not recover from ratepayers a total of \$96.2 million of its Grand Gulf 1 costs. Entergy New Orleans was permitted to implement annual rate increases in decreasing amounts each year through 1995, and to defer certain costs and related carrying charges for recovery on a schedule extending from 1991 through 2001. As of December 31, 1996, the uncollected balance of Entergy New Orleans' deferred costs was \$136 million.

February 1994 Ice Storm/Rate Rider (Entergy Corporation and Entergy Mississippi)

A February 1994 ice storm left more than 80,000 Entergy Mississippi customers without electric power across the service area. Damage to transmission and distribution lines, equipment, poles, and facilities totaled approximately \$77.2 million, with \$64.6 million of these amounts capitalized as plant-related costs. The remaining balances were recorded as a deferred debit.

Subsequent to a request by Entergy Mississippi for rate recovery, the MPSC approved a stipulation in September 1994 with respect to the recovery of ice storm costs recorded through April 30, 1994. Under the stipulation, Entergy Mississippi implemented an ice storm rate rider, which increased rates approximately \$8 million for a period of five years beginning on September 29, 1994. At the end of the five-year period, the revenue

requirement associated with the undepreciated ice storm capitalized costs will be included in Entergy Mississippi's base rates to the extent that this revenue requirement does not result in Entergy Mississippi's rate of return on rate base being above the benchmark rate of return under Entergy Mississippi's formula rate plan. The MPSC approved a second stipulation in September 1995 which allows for a \$2.5 million rate increase for a period of four years beginning September 28, 1995, to recover costs related to the ice storm that were recorded after April 30, 1994. The stipulation also allows for undepreciated ice storm capital costs recorded after April 30, 1994, to be treated as described above.

Proposed Rate Increase

(System Energy)

System Energy filed an application with FERC on May 12, 1995, for a \$65.5 million rate increase. The request seeks changes to System Energy's rate schedule, including increases in the revenue requirement associated with decommissioning costs, the depreciation rate, and the rate of return on common equity. The request also includes a proposed change in the accounting recognition of nuclear refueling outage costs from that of expensing those costs as incurred to the deferral and amortization method described in Note 1 with respect to Entergy Arkansas. On December 12, 1995, System Energy implemented a \$65.5 million rate increase, subject to refund. Management has decided to record a reserve for a portion of the rate increase. Hearings on System Energy's request began in January 1996 and were completed in February 1996. On July 11, 1996, the ALJ issued an initial decision in this proceeding that agreed with certain of System Energy's proposals, including the change in accounting for nuclear refueling outage costs, while rejecting a proposed increase in return on common equity and recommending a slight decrease. The ALJ also rejected the proposed change in the decommissioning cost methodology. The decision of the ALJ is preliminary and may be modified in the final decision from FERC which is expected in the first quarter of 1997. Management is unable to predict the final outcome of the rate increase request or the amount of any refunds in excess of reserves that may be required.

(Entergy Mississippi)

Entergy Mississippi's allocation of the proposed System Energy wholesale rate increase is \$21.6 million. In July 1995, Entergy Mississippi filed a schedule with the MPSC that will defer the ultimate amount of the System Energy rate increase. The deferral plan, which was approved by the MPSC, began in December 1995, the effective date of the System Energy rate increase, and will end after the issuance of a final order by FERC. The deferred rate increase is to be amortized over 48 months beginning October 1998.

(Entergy New Orleans)

Entergy New Orleans' allocation of the proposed System Energy wholesale rate increase is \$9.6 million. In February 1996, Entergy New Orleans filed a plan with the City to defer 50% of the amount of the System Energy rate increase. The deferral began in February 1996 and will end after the issuance of a final order by FERC.

FERC Settlement (Entergy Corporation and System Energy)

In November 1994, FERC approved an agreement settling a long-standing dispute involving income tax allocation procedures of System Energy. In accordance with the agreement, System Energy refunded approximately \$61.7 million to Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans, each of which in turn has made refunds or credits to its customers (except for those portions attributable to Entergy Arkansas' and Entergy Louisiana's retained share of Grand Gulf 1 costs). Additionally, System Energy will refund a total of approximately \$62 million, plus interest, to Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans over the period through June 2004. The settlement also required the write-off of certain related unamortized balances of deferred investment tax credits by Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans. The settlement reduced Entergy Corporation's consolidated net income for

the year ended December 31, 1994, by approximately \$68.2 million, offset by the write-off of the unamortized balances of related deferred investment tax credits of approximately \$69.4 million (\$2.9 million for Entergy Corporation; \$27.3 million for Entergy Arkansas; \$31.5 million for Entergy Louisiana; \$6 million for Entergy Mississippi; and \$1.7 million for Entergy New Orleans). System Energy also reclassified from utility plant to other deferred debits approximately \$81 million of other Grand Gulf 1 costs. Although such costs are excluded from rate base, System Energy is recovering them over a 10-year period. Interest on the \$62 million refund and the loss of the return on the \$81 million of other Grand Gulf 1 costs will reduce Entergy's and System Energy's net income by approximately \$10 million annually over the next 8 years.

NOTE 3. INCOME TAXES

Entergy Corporation's and its subsidiaries' income tax expenses for 1996, 1995, and 1994 consist of the following (in thousands):

<u>1996</u>	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Current:							
Federal	\$ 272,036	\$ 108,583	\$ 510	\$ 78,629	\$ 64,358	\$ 23,860	\$ 19,637
State	72,204	21,888	201	21,122	9,635	4,631	13,508
Total	344,240	130,471	711	99,751	73,993	28,491	33,145
Deferred - net	100,572	(41,261)	106,715	24,656	(29,390)	(11,587)	52,447
Investment tax credit adjustments - net	(23,653)	(4,766)	(5,335)	(5,847)	(3,497)	(687)	(3,471)
Recorded income tax expense	\$ 421,159	\$ 84,444	\$ 102,091	\$ 118,560	\$ 41,106	\$ 16,217	\$ 82,121

<u>1995</u>	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Current:							
Federal	\$ 306,910	\$ 87,937	\$ 13	\$ 93,670	\$ 62,436	\$ 19,071	\$ 108,920
State	60,278	18,027	-	20,994	9,215	3,394	11,910
Total	367,188	105,964	13	114,664	71,651	22,465	120,830
Deferred - net	13,333	(5,363)	67,703	8,148	(35,224)	(1,364)	(41,871)
Investment tax credit adjustments - net	(21,478)	(5,658)	(4,472)	(5,698)	(1,550)	(634)	(3,466)
Recorded income tax expense	\$ 359,043	\$ 94,943	\$ 63,244	\$ 117,114	\$ 34,877	\$ 20,467	\$ 75,493
Charged to cumulative effect	\$ 22,861	\$ 22,861	\$ -	\$ -	\$ -	\$ -	\$ -

<u>1994</u>	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Current:							
Federal	\$ 227,046	\$ 64,238	\$ 71	\$ 68,891	\$ 39,505	\$ 19,557	\$ 54,295
State	50,300	19,062	14	10,369	7,379	3,049	13,182
Total	277,346	83,300	85	79,260	46,884	22,606	67,477
Deferred - net	(54,429)	(17,939)	(57,911)	21,580	(26,763)	(15,674)	(27,375)
Investment tax credit adjustments - net	(24,739)	(8,814)	(4,260)	(6,048)	(1,673)	(681)	(3,265)
Investment tax credit amortization - FERC Settlement	(66,454)	(27,327)	-	(31,504)	(5,973)	(1,651)	-
Recorded income tax expense	\$ 131,724	\$ 29,220	\$ (62,086)	\$ 63,288	\$ 12,475	\$ 4,600	\$ 36,837

Entergy Corporation's and its subsidiaries' total income taxes differ from the amounts computed by applying the statutory federal income tax rate to income before taxes. The reasons for the differences for the years 1996, 1995, and 1994 are (amounts in thousands):

	1996						System Energy
	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	
Computed at statutory rate (35%)	\$ 319,103	\$ 84,785	\$ 34,371	\$ 108,262	\$ 42,111	\$ 15,048	\$ 63,626
Increases (reductions) in tax resulting from:							
State income taxes net of federal income tax effect	54,801	10,796	19,389	11,535	4,188	1,449	7,444
Depreciation	15,829	(2,102)	(6,305)	6,722	1,604	402	15,508
Rate deferrals - net	1,973	1,115	5,537	(1,829)	(3,430)	580	-
Amortization of investment tax credits	(20,349)	(4,608)	(4,380)	(5,664)	(1,582)	(635)	(3,480)
Flow-through/permanent differences	1,059	(845)	2,792	(449)	(275)	(164)	-
SFAS 121 write-off	48,265	-	48,265	-	-	-	-
Other - net	478	(4,697)	2,422	(17)	(1,510)	(463)	(977)
Total income taxes	\$ 421,159	\$ 84,444	\$ 102,091	\$ 118,560	\$ 41,106	\$ 16,217	\$ 82,121
Effective Income Tax Rate	46.2%	34.4%	105.5%	37.6%	34.2%	37.7%	45.4%

	1995						System Energy
	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	
Computed at statutory rate (35%)	\$ 334,944	\$ 93,458	\$ 65,157	\$ 111,528	\$ 36,240	\$ 19,198	\$ 58,986
Increases (reductions) in tax resulting from:							
State income taxes net of federal income tax effect	42,599	11,551	8,375	11,532	3,344	1,971	7,036
Depreciation	1,670	(1,510)	(13,073)	2,693	739	(661)	13,482
Rate deferrals - net	1,699	975	6,240	(2,626)	(3,465)	575	-
Amortization of investment tax credits	(20,549)	(5,658)	(4,475)	(5,711)	(1,548)	(634)	(3,480)
Other - net	(1,320)	(3,873)	1,020	(302)	(433)	18	(531)
Total income taxes	\$ 359,043	\$ 94,943	\$ 63,244	\$ 117,114	\$ 34,877	\$ 20,467	\$ 75,493
Effective Income Tax Rate	37.5%	35.5%	34.0%	36.7%	33.7%	37.3%	44.8%

	1994						System Energy
	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	
Computed at statutory rate (35%)	\$ 194,448	\$ 60,017	\$ (50,694)	\$ 96,994	\$ 21,438	\$ 6,234	\$ 14,785
Increases (reductions) in tax resulting from							
State income taxes net of federal income tax effect	13,766	7,821	(6,571)	5,147	2,465	456	7,565
Depreciation	9,995	(921)	(8,188)	3,219	1,930	(586)	14,541
Rate deferrals - net	1,435	729	6,551	(2,749)	(3,810)	714	-
Amortization of investment tax credits	(27,337)	(10,220)	(4,472)	(6,305)	(1,674)	(681)	(3,476)
Amortization of investment tax credits - FERC Settlement	(66,454)	(27,327)	-	(31,504)	(5,973)	(1,651)	-
Adjustment of prior year taxes	9,425	(208)	(2,460)	-	(1,954)	(423)	2,947
Other - net	(3,554)	(671)	3,748	(1,514)	53	537	475
Total income taxes	\$ 131,724	\$ 29,220	\$ (62,086)	\$ 63,288	\$ 12,475	\$ 4,600	\$ 36,837

Effective Income Tax Rate	23.7%	17.1%	42.9%	22.9%	20.4%	25.9%	87.2%
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Significant components of Entergy Corporation's and its subsidiaries' net deferred tax liabilities as of December 31, 1996 and 1995, are as follows (in thousands):

	1996						System Energy
	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	
Deferred Tax Liabilities:							
Net regulatory assets/(liabilities)	\$ (1,406,921)	\$ (287,217)	\$ (434,380)	\$ (349,667)	\$ (21,537)	\$ (9,717)	\$ (304,403)
Plant-related basis differences	(2,986,993)	(476,364)	(1,016,616)	(716,974)	(185,038)	(50,435)	(512,519)
Rate deferrals	(322,530)	(84,826)	(68,282)	(2,839)	(113,669)	(52,914)	-
Other	(143,792)	(59,592)	(9,243)	(31,433)	(7,604)	(6,193)	(24,917)
Total	\$ (4,860,236)	\$ (907,999)	\$ (1,528,521)	\$ (1,100,913)	\$ (327,848)	\$ (119,259)	\$ (841,839)
Deferred Tax Assets:							
Accumulated deferred investment tax credit	210,879	42,450	61,563	53,831	9,724	3,666	39,645
Investment tax credit carryforwards	138,779	-	138,779	-	-	-	-
NOL carryforwards	24,990	-	24,990	-	-	-	-
Alternative minimum tax credit	40,658	-	40,658	-	-	-	-
Sale and leaseback	233,823	-	-	108,390	-	-	125,433
Removal cost	102,268	-	27,391	61,716	2,454	10,707	-
Unbilled revenues	37,692	-	17,824	14,965	(343)	5,246	-
Pension-related items	30,869	-	11,291	8,838	2,008	5,987	2,745
Rate refund	25,409	-	-	-	-	7,077	18,332
FERC Settlement	19,079	-	-	-	-	-	19,079
Other	147,020	9,049	61,804	23,545	5,849	8,097	12,585
Total	\$ 1,011,466	\$ 51,499	\$ 384,300	\$ 271,285	\$ 19,692	\$ 40,780	\$ 217,819
Net deferred tax liability	\$ (3,848,770)	\$ (856,500)	\$ (1,144,221)	\$ (829,628)	\$ (308,156)	\$ (78,479)	\$ (624,020)

1995

	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Deferred Tax Liabilities:							
Net regulatory assets/(liabilities)	\$ (1,494,000)	\$ (264,166)	\$ (512,281)	\$ (357,528)	\$ (17,147)	\$ (10,723)	\$ (332,154)
Plant-related basis differences	(3,071,519)	(480,465)	(1,060,241)	(722,680)	(181,792)	(90,820)	(538,215)
Rate deferrals	(467,691)	(131,261)	(104,695)	(12,652)	(157,168)	(61,915)	-
Other	(117,510)	(69,475)	(1,814)	(35,272)	(9,339)	(3,134)	(10,365)
Total	\$ (5,150,720)	\$ (945,367)	\$ (1,679,031)	\$ (1,128,132)	\$ (365,446)	\$ (126,592)	\$ (880,734)
Deferred Tax Assets:							
Accumulated deferred investment tax credit	214,505	44,260	58,653	56,008	10,702	3,910	40,973
Investment tax credit carryforwards	167,713	-	167,713	-	-	-	-
Valuation allowance	(44,597)	-	(44,597)	-	-	-	-
NOL carryforwards	151,141	-	151,141	-	-	-	-
Alternative minimum tax credit	130,760	-	39,709	27,409	-	-	63,642
Sale and leaseback	225,620	-	-	105,788	-	-	119,832
Removal cost	97,184	-	25,701	59,148	2,316	10,019	-
Unbilled revenues	42,923	-	22,384	16,850	-	3,689	-
Pension-related items	21,003	-	14,472	-	2,342	4,189	-
Operating provisions	6,795	-	-	-	-	6,795	-
Provision - FASB 5 contingencies	7,250	7,250	-	-	-	-	-
FERC Settlement	19,978	-	-	-	-	459	19,519
Other	259,954	21,394	110,176	52,285	17,415	6,703	34,586
Total	\$ 1,300,229	\$ 72,904	\$ 545,352	\$ 317,488	\$ 32,775	\$ 35,764	\$ 278,552
Net deferred tax liability	\$ (3,850,491)	\$ (872,463)	\$ (1,133,679)	\$ (810,644)	\$ (332,671)	\$ (90,828)	\$ (602,182)

As of December 31, 1996, Entergy has investment tax credit (ITC) carryforwards of \$138.8 million, federal net operating loss (NOL) carryforwards of \$50.8 million, and state NOL carryforwards of \$105.2 million, all related to Entergy Gulf States operations. The ITC carryforwards include the 35% reduction required by the Tax Reform Act of 1986 and may be applied solely against federal income tax liability of Entergy Gulf States and, if not utilized, will expire between 1997 and 2002. At December 31, 1995, the projected amount of ITC carryforwards which would expire unutilized was estimated to be \$44.6 million, which was based upon projections of estimated taxable income of Entergy Gulf States and, accordingly, a valuation reserve was recorded for this amount. At December 31, 1996, management estimated that none of the remaining ITC carryforwards would expire unutilized, and the valuation reserve was eliminated. The alternative minimum tax (AMT) credit carryforwards as of December 31, 1996 were \$40.7 million, all related to Entergy Gulf States operations. This AMT credit can be carried forward indefinitely and may be applied solely against the federal income tax liability of Entergy Gulf States.

In accordance with the System Energy FERC Settlement, the domestic utility companies wrote off \$66.6 million of unamortized deferred investment tax credits in 1994, including \$27.3 million at Entergy Arkansas, \$31.5 million at Entergy Louisiana, \$6.0 million at Entergy Mississippi, and \$1.7 million at Entergy New Orleans.

In August 1994, Entergy received an IRS report covering the federal income tax audit of Entergy Corporation and subsidiaries for the years 1988-90. The report asserted an \$80 million tax deficiency for the 1990 tax return related primarily to the utilization of accelerated investment tax credits associated with the Waterford 3 and Grand Gulf nuclear plants. Changes to the initial report, made in the IRS Appeal process, have reduced the assessment related to the issue by \$22 million to \$58 million. Entergy Corporation and the Appeals Officer agreed to pursue a "Technical Advice" ruling from the IRS National Office to address the remainder of the issue. Entergy Corporation believes there is no material tax deficiency and is confident that a satisfactory resolution of the matter will be achieved.

NOTE 4. LINES OF CREDIT AND RELATED SHORT-TERM BORROWINGS (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

In November 1996, SEC authorization was received by Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy increasing short-term borrowing limits to \$235 million, \$340 million, \$225 million, \$103 million, \$35 million, and \$140 million, respectively (for a total of \$1.078 billion). These authorizations are effective through November 30, 2001. Of these companies, Entergy Louisiana and Entergy Mississippi had borrowings outstanding as of December 31, 1996. Entergy Louisiana and Entergy Mississippi had \$31.1 million and \$50.3 million, respectively, of borrowings outstanding under the money pool, an intra-system borrowing arrangement designed to reduce the domestic utility companies' dependence on external short-term borrowings. Entergy Arkansas, Entergy Louisiana, and Entergy Mississippi had undrawn lines of credit as of December 31, 1996, of \$25 million, \$64.2 million, and \$30 million, respectively.

In July 1995, Entergy Corporation received SEC authorization for a \$300 million bank credit facility. Thereafter, a three-year credit agreement was signed with a group of banks in October 1995 to provide up to \$300 million of loans to Entergy Corporation. \$230 million was drawn on this facility for the acquisition of CitiPower in January 1996 and was subsequently repaid throughout the course of the year. See Note 13 for a discussion of the acquisition. As of December 31, 1996, no amounts were outstanding against the facility. In January 1997, Entergy Corporation filed an amendment with the SEC to increase the authorization from \$300 million to \$500 million.

On September 13, 1996, Entergy Corporation and ETHC obtained a three-year \$100 million bank line of credit that may be increased up to \$300 million and can be drawn by either Entergy Corporation or ETHC (with a guarantee from Entergy Corporation). The proceeds are to be used exclusively for exempt telecommunication investments. As of December 31, 1996, \$20 million borrowed by Entergy Corporation was outstanding under this facility.

Other Entergy companies have SEC authorization to borrow through the money pool, from Entergy Corporation, and from commercial banks in the aggregate principal amounts up to \$265 million, of which \$88.4 million was outstanding as of December 31, 1996. Some of these borrowings are restricted as to use, and are secured by certain assets.

In total, Entergy had short-term commitments in the amount of \$607.6 million as of December 31, 1996, of which \$575.2 million was unused. The weighted-average interest rate on the outstanding borrowings as of December 31, 1996, and December 31, 1995, was 6.10% and 6.35%, respectively. Commitment fees on the lines of credit for Entergy Arkansas, Entergy Louisiana, and Entergy Mississippi are 0.125% of the undrawn amounts. The commitment fees for Entergy Corporation's \$300 million credit facility and ETHC's \$100 million credit facility are currently 0.17%, but can fluctuate depending on the senior debt ratings of the domestic utility companies. See Note 7 for a discussion of commitments for long-term financing arrangements.

NOTE 5. PREFERRED, PREFERENCE, AND COMMON STOCK (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans)

The number of shares, authorized and outstanding, and dollar value of preferred and preference stock for Entergy, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans as of December 31, 1996, and 1995 were:

	Shares		Total		Call Price Per Share as of December 31, 1996
	Authorized and Outstanding		Dollar Value		
	1996	1995	1996	1995	
			(Dollars in Thousands)		
Entergy Arkansas Preferred Stock					
Without sinking fund:					
Cumulative, \$100 par value:					
4.32% Series	70,000	70,000	\$7,000	\$7,000	\$103.647
4.72% Series	93,500	93,500	9,350	9,350	\$107.000
4.56% Series	75,000	75,000	7,500	7,500	\$102.830
4.56% 1965 Series	75,000	75,000	7,500	7,500	\$102.500
6.08% Series	100,000	100,000	10,000	10,000	\$102.830
7.32% Series	100,000	100,000	10,000	10,000	\$103.170
7.80% Series	150,000	150,000	15,000	15,000	\$103.250
7.40% Series	200,000	200,000	20,000	20,000	\$102.800
7.88% Series	150,000	150,000	15,000	15,000	\$103.000
Cumulative, \$25 par value:					
8.84% Series	-	400,000	-	10,000	
Cumulative, \$0.01 par value:					
\$2.40 Series (a)	-	2,000,000	-	50,000	-
\$1.96 Series (a)(b)	600,000	600,000	15,000	15,000	-
Total without sinking fund	<u>1,613,500</u>	<u>4,013,500</u>	<u>\$116,350</u>	<u>\$176,350</u>	
With sinking fund:					
Cumulative, \$100 par value:					
8.52% Series	300,000	350,000	\$30,000	\$35,000	\$104.260
Cumulative, \$25 par value:					
9.92% Series	401,085	561,085	10,027	14,027	\$26.320
Total with sinking fund	<u>701,085</u>	<u>911,085</u>	<u>\$40,027</u>	<u>\$49,027</u>	
Fair Value of Preferred Stock with sinking fund (d)			<u>\$41,835</u>	<u>\$51,476</u>	

	Shares		Total		Call Price Per Share as of December 31, 1996
	Authorized and Outstanding		Dollar Value		
	1996	1995	1996	1995	
Enterprise Gulf States Preferred and Preference Stock					
Preference Stock					
Cumulative, without par value					
7% Series (a) (b)	<u>6,000,000</u>	<u>6,000,000</u>	<u>\$150,000</u>	<u>\$150,000</u>	
Preferred Stock					
Authorized 6,000,000, \$100 par value, cumulative					
Without sinking fund:					
4.40% Series	51,173	51,173	\$5,117	\$5,117	\$108.00
4.50% Series	5,830	5,830	583	583	\$105.00
4.40% - 1949 Series	1,655	1,655	166	166	\$103.00
4.20% Series	9,745	9,745	975	975	\$102.82
4.44% Series	14,804	14,804	1,480	1,480	\$103.75
5.00% Series	10,993	10,993	1,099	1,099	\$104.25
5.08% Series	26,845	26,845	2,685	2,685	\$104.63
4.52% Series	10,564	10,564	1,056	1,056	\$103.57
6.08% Series	32,829	32,829	3,283	3,283	\$103.34
7.56% Series	350,000	350,000	35,000	35,000	\$101.80
8.52% Series	500,000	500,000	50,000	50,000	\$102.43
9.96% Series	350,000	350,000	35,000	35,000	\$102.64
Total without sinking fund	<u>1,364,438</u>	<u>1,364,438</u>	<u>\$136,444</u>	<u>\$136,444</u>	
With sinking fund:					
8.80% Series	184,595	204,495	\$18,459	\$20,450	\$100.00
9.75% Series	-	19,543	-	1,954	\$100.00
8.64% Series	140,000	168,000	14,000	16,800	\$101.00
Adjustable Rate - A, 7.39% (c)	180,000	192,000	18,000	19,200	\$100.00
Adjustable Rate - B, 7.44% (c)	270,000	292,500	27,000	29,250	\$100.00
Total with sinking fund	<u>774,595</u>	<u>876,538</u>	<u>\$77,459</u>	<u>\$87,654</u>	
Fair Value of Preference Stock and Preferred Stock with sinking fund (d)			<u>\$214,475</u>	<u>\$219,191</u>	

	Shares		Total		Call Price Per Share as of December 31, 1996
	Authorized and Outstanding		Dollar Value		
	1996	1995	1996	1995	
Energy Louisiana Preferred Stock					
Without sinking fund:					
Cumulative, \$100 par value:					
4.96% Series	60,000	60,000	\$6,000	\$6,000	\$104.25
4.16% Series	70,000	70,000	7,000	7,000	\$104.21
4.44% Series	70,000	70,000	7,000	7,000	\$104.06
5.16% Series	75,000	75,000	7,500	7,500	\$104.18
5.40% Series	80,000	80,000	8,000	8,000	\$103.00
6.44% Series	80,000	80,000	8,000	8,000	\$102.92
7.84% Series	100,000	100,000	10,000	10,000	\$103.78
7.36% Series	100,000	100,000	10,000	10,000	\$103.36
8.56% Series	-	100,000	-	10,000	-
Cumulative, \$25 par value:					
8.00% Series (b)	1,480,000	1,480,000	37,000	37,000	-
9.68% Series	-	2,000,000	-	50,000	-
Total without sinking fund	<u>2,115,000</u>	<u>4,215,000</u>	<u>\$100,500</u>	<u>\$160,500</u>	
With sinking fund:					
Cumulative, \$100 par value:					
7.00% Series (b)	500,000	500,000	\$50,000	\$50,000	-
8.00% Series (b)	350,000	350,000	35,000	35,000	-
Cumulative, \$25 par value:					
12.64% Series	300,000	600,370	7,500	15,009	\$26.58
Total with sinking fund	<u>1,150,000</u>	<u>1,450,370</u>	<u>\$92,500</u>	<u>\$100,009</u>	
Fair Value of Preferred Stock with sinking fund (d)			<u>\$93,825</u>	<u>\$103,135</u>	
Energy Mississippi Preferred Stock					
Without sinking fund:					
Cumulative, \$100 par value:					
4.36% Series	59,920	59,920	\$5,992	\$5,992	\$103.86
4.56% Series	43,888	43,888	4,389	4,389	\$107.00
4.92% Series	100,000	100,000	10,000	10,000	\$102.88
7.44% Series	100,000	100,000	10,000	10,000	\$102.81
8.36% Series (b)	200,000	200,000	20,000	20,000	-
9.16% Series	75,000	75,000	7,500	7,500	\$104.06
Total without sinking fund	<u>578,808</u>	<u>578,808</u>	<u>\$57,881</u>	<u>\$57,881</u>	
With sinking fund:					
Cumulative, \$100 par value:					
9.76% Series	70,000	140,000	\$7,000	\$14,000	\$100.00
12.00% Series	-	27,700	-	2,770	-
Total with sinking fund	<u>70,000</u>	<u>167,700</u>	<u>\$7,000</u>	<u>\$16,770</u>	
Fair Value of Preferred Stock with sinking fund (d)			<u>\$7,000</u>	<u>\$16,936</u>	

	Shares Authorized and Outstanding		Total Dollar Value		Call Price Per Share as of December 31,
	1996	1995	1996	1995	1996
	(Dollars in Thousands)				
Entergy New Orleans Preferred Stock					
Without sinking fund:					
Cumulative, \$100 par value:					
4.75% Series	77,798	77,798	\$7,780	\$7,780	\$105.00
4.36% Series	60,000	60,000	6,000	6,000	\$104.58
5.56% Series	60,000	60,000	6,000	6,000	\$102.59
Total without sinking fund	<u>197,798</u>	<u>197,798</u>	<u>\$19,780</u>	<u>\$19,780</u>	

Entergy

Subsidiaries' Preference Stock (a)	<u>6,000,000</u>	<u>6,000,000</u>	<u>\$150,000</u>	<u>\$150,000</u>
Subsidiaries' Preferred Stock:				
Without sinking fund	<u>5,869,544</u>	<u>10,369,544</u>	<u>\$430,955</u>	<u>\$550,955</u>
With sinking fund	<u>2,695,680</u>	<u>3,405,693</u>	<u>\$216,986</u>	<u>\$253,460</u>
Fair Value of Preference Stock and Preferred Stock with sinking fund (d)			<u>\$357,135</u>	<u>\$390,738</u>

- (a) The total dollar value represents the involuntary liquidation value of \$25 per share.
(b) These series are not redeemable as of December 31, 1996.
(c) Represents weighted-average annualized rates for 1996.
(d) Fair values were determined using bid prices reported by dealer markets and by nationally recognized investment banking firms. See Note 1 for additional disclosure of fair value of financial instruments.

Changes in the preferred stock, with and without sinking fund, preference stock, and common stock of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans during the last three years were:

	Number of Shares		
	1996	1995	1994
Preferred stock retirements			
Entergy Arkansas			
\$100 par value	(50,000)	(25,000)	(45,000)
\$25 par value	(560,000)	(280,000)	(280,000)
\$0.01 par value	(2,000,000)	-	-
Entergy Gulf States			
\$100 par value	(101,943)	(72,834)	(60,667)
Entergy Louisiana			
\$100 par value	(100,000)	-	-
\$25 par value	(2,300,370)	(450,211)	(601,537)
Entergy Mississippi			
\$100 par value	(97,700)	(150,000)	(150,000)
Entergy New Orleans			
\$100 par value	-	(34,495)	(15,000)

Cash sinking fund requirements and mandatory redemptions for the next five years for preferred and preference stock, outstanding as of December 31, 1996, are:

	<u>Entergy</u>	<u>Entergy Arkansas</u>	<u>Entergy Gulf States</u> (In Thousands)	<u>Entergy Louisiana</u>	<u>Entergy Mississippi</u>
1997	\$21,216	\$4,500	\$5,966	\$3,750	\$7,000
1998	14,225	4,500	5,966	3,759	-
1999	60,466	4,500	5,966	50,000	-
2000	160,466	4,500	155,966	-	-
2001	45,466	4,500	5,966	35,000	-

Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and Entergy Mississippi have the annual noncumulative option to redeem, at par, additional amounts of certain series of their outstanding preferred stock.

Entergy Corporation repurchased and retired (returned to authorized but unissued status) 1,230,000 shares of common stock at a cost of \$30.7 million in 1994. There were no stock repurchases in 1995 or 1996.

Entergy Corporation from time to time reissues treasury shares to meet the requirements of the Stock Plan for Outside Directors (Directors' Plan), the Equity Ownership Plan of Entergy Corporation and Subsidiaries (Equity Plan), and certain other stock benefit plans. Entergy Corporation repurchased in the market 2,805,000 shares of its common stock in 1994 at a cost of \$88.8 million. The Directors' Plan awards nonemployee directors a portion of their compensation in the form of a fixed number of shares of Entergy Corporation common stock. Shares awarded under the Directors' Plan were 6,750, 9,251, and 18,757 during 1996, 1995, and 1994, respectively.

During 1996, Entergy Corporation issued 755,200 shares of its previously repurchased common stock, reducing the amount held as treasury stock by \$22.2 million. Entergy Corporation issued these shares to meet the requirements of its various stock plans. In addition, Entergy Corporation received proceeds of \$118 million from the issuance of 4,438,972 shares of common stock under its new dividend reinvestment and stock purchase plan during 1996.

The Equity Plan grants stock options, equity awards, and incentive awards to key employees of the domestic utility companies. The costs of awards are charged to income over the period of the grant or restricted period, as appropriate. Amounts charged to compensation expense in 1996 were immaterial. Stock options, which comprise 50% of the shares targeted for distribution under the Equity Plan, are granted at exercise prices not less than market value on the date of grant. The options are generally exercisable no less than six months nor more than 10 years after the date of grant.

Entergy sponsors the Employee Stock Ownership Plan of Entergy Corporation and Subsidiaries (ESOP) and the Savings Plan of Entergy Corporation and Subsidiaries (Savings Plan). Both plans are defined contribution plans covering eligible employees of Entergy and its subsidiaries who have completed certain service requirements. Entergy's subsidiaries' contributions to the ESOP and the Savings Plan, and any income thereon, are invested in shares of Entergy Corporation common stock. The allowed contributions to the ESOP are accrued based on the expected utilization of additional investment tax credits in the applicable Federal income tax return of Entergy and its subsidiaries, and on expected voluntary participant contributions. Entergy's subsidiaries contributed \$22.8 million to the ESOP for the year ended December 31, 1995. There were no contributions in the years ended December 31, 1996 and 1994.

The Savings Plan provides that the employing Entergy subsidiary may make matching contributions to the plan in an amount equal to 50 percent of the participant's basic contribution. In 1996, 1995, and 1994, Entergy's subsidiaries contributed \$13.2 million, \$13.2 million, and \$11.7 million, respectively, to the Entergy Savings Plan.

Entergy Gulf States sponsors the Gulf States Utilities Company Employee Stock Ownership Plan (GSU ESOP) and the Gulf States Utilities Company Employees' Thrift Plan (GSU Thrift Plan), which are both defined contribution plans. The GSU ESOP is available to all Entergy Gulf States employees, pre-Merger Entergy Gulf States employees and post-Merger employees of Entergy Operations, whose primary work location is River Bend, upon completion of certain eligibility requirements. All contributions to the plan are invested in shares of Entergy Corporation common stock. Entergy Gulf States makes contributions to the GSU ESOP based on expected utilization of additional investment tax credits in the Entergy Gulf States Federal tax return and on expected participants' contributions. No additional contributions were made to the GSU ESOP during 1996, 1995, and 1994. The GSU Thrift Plan is available to certain Entergy Operations employees whose primary work location is River Bend. Entergy Gulf States makes matching contributions to the GSU Thrift Plan equal to 50 percent of a participant's basic contribution which may be invested, at the participant's discretion, in shares of Entergy Corporation common stock. Entergy Gulf States' contributions to the GSU Thrift Plan for the years ended December 31, 1996, 1995, and 1994 were \$3.3 million, \$1.1 million, and \$3.9 million, respectively.

Entergy applies APB Opinion 25, "Accounting for Stock Issued to Employees," and related interpretations in accounting for stock options. Accordingly, no compensation cost is required to be recognized for the stock options described above until such options are exercised because the exercise prices are not less than market value on the date of grant. The impact on Entergy's net income and earnings per share would have been immaterial had compensation cost for the stock options been determined based on the fair value at the grant dates for awards under the option plans consistent with the method prescribed by SFAS 123.

In applying the disclosure provisions of SFAS 123, the fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with expected stock price volatility of 18%, 24%, and 19% in 1996, 1995, and 1994, respectively, and additional assumptions for each of those years as follows: risk-free interest rates of 6%, expected lives of 10 years, and dividends of \$1.80 per share.

Nonstatutory stock option transactions are summarized as follows:

	1996		1995		1994	
	Average		Average		Average	
	Number	Option	Number	Option	Number	Option
	of Options	Price	of Options	Price	of Options	Price
Beginning-of-year balance	457,909	\$ 25.98	170,409	\$ 34.86	102,909	\$ 33.46
Options granted	82,500	29.38	315,000	21.39	67,500	37.00
Options exercised	(7,500)	23.38	(12,500)	23.38	-	-
Options expiring unused	(5,000)	35.88	(15,000)	32.75	-	-
End-of-year balance	<u>527,909</u>	\$ 26.45	<u>457,909</u>	\$ 25.98	<u>170,409</u>	\$ 34.86
Options exercisable at year-end	277,909		207,909		170,409	
Weighted-average fair value of options granted	\$ 2.67		\$ 5.48		\$ 2.45	

The following table summarizes information about stock options outstanding as of December 31, 1996:

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	As of 12/31/96	Weighted-Avg Remaining Contractual Life-Yrs.	Weighted- Avg. Exercise Price	As of 12/31/96	Weighted- Avg. Exercise Price
\$20 - \$30	404,302	8.2	\$23.51	154,302	\$27.77
\$30 - \$40	123,607	6.6	\$36.09	123,607	\$36.09
\$20 - \$40	<u>527,909</u>	7.8	\$26.45	<u>277,909</u>	\$31.47

To meet the requirements of the Employee Stock Investment Plan (ESIP), Entergy Corporation is authorized to issue or acquire, through March 31, 1997, up to 2,000,000 shares of its common stock to be held as treasury shares. Under the ESIP, employees may be granted the opportunity to purchase (for up to 10% of their regular annual salary, but not more than \$25,000) common stock at 85% of the market value on the first or last business day of the plan year, whichever is lower. Through this program, employees purchased 247,122 and 329,863 shares for the 1995 and 1994 plan years, respectively. The 1996 plan year runs from April 1, 1996, to March 31, 1997. In February 1997, Entergy received authority from the SEC to extend the ESIP for an additional period of three years ending on March 31, 2000. Under the extended plan, Entergy Corporation may issue either treasury shares or previously authorized but unissued shares.

NOTE 6. COMPANY-OBLIGATED MANDATORILY REDEEMABLE PREFERRED SECURITIES

(Entergy Arkansas)

Entergy Arkansas Capital I (Trust) was established as a financing subsidiary of Entergy Arkansas for the purpose of issuing common and preferred securities. On August 14, 1996, the Trust issued \$60 million in aggregate liquidation preference amount of 8.5% Cumulative Quarterly Income Preferred Securities (Preferred Securities) in a public offering and \$1.9 million of common securities to Entergy Arkansas. The Trust used the proceeds from the sale of the Preferred Securities and the common securities to purchase from Entergy Arkansas 8.5% junior subordinated deferrable interest debentures in the amount of \$61.9 million (Debentures). The Debentures held by the Trust are its only asset and the Trust will use interest payments received on the Debentures to make cash distributions on the Preferred Securities.

The Preferred Securities of the Trust, as well as the Debentures, mature on September 30, 2045. The Preferred Securities are redeemable, however, at the option of Entergy Arkansas beginning in 2001 at 100% of their principal amount, or earlier under certain limited circumstances, including the loss of the tax deduction arising out of the interest paid on the Debentures. Entergy Arkansas has, pursuant to certain agreements taken together, fully and unconditionally guaranteed payment of distributions on the Preferred Securities. Entergy Arkansas is the owner of all of the common securities of the Trust, which constitute 3% of the Trust's total capital.

(Entergy Louisiana)

Entergy Louisiana Capital I (Trust) was established as a financing subsidiary of Entergy Louisiana for the purpose of issuing common and preferred securities. On July 16, 1996, the Trust issued \$70 million in aggregate liquidation preference amount of 9% Cumulative Quarterly Income Preferred Securities (Preferred Securities) in a public offering and \$2.2 million of common securities to Entergy Louisiana. The Trust used the proceeds from the sale of the Preferred Securities and the common securities to purchase from Entergy Louisiana 9% junior subordinated deferrable interest debentures in the amount of \$72.2 million (Debentures). The Debentures held by the Trust are its only asset and the Trust will use interest payments received on the Debentures to make cash distributions on the Preferred Securities.

The Preferred Securities of the Trust, as well as the Debentures, mature on September 30, 2045. The Preferred Securities are redeemable, however, at the option of Entergy Louisiana beginning in 2001 at 100% of their principal amount, or earlier under certain limited circumstances, including the loss of the tax deduction arising out of the interest paid on the Debentures. Entergy Louisiana has, pursuant to certain agreements taken together, fully and unconditionally guaranteed payment of distributions on the Preferred Securities. Entergy Louisiana is the owner of all of the common securities of the Trust, which constitute 3% of the Trust's total capital.

(Entergy Gulf States)

Entergy Gulf States Capital I (Trust) was established as a financing subsidiary of Entergy Gulf States for the purpose of issuing common and preferred securities. On January 28, 1997, the Trust issued \$85 million in aggregate liquidation preference amount of 8.75% Cumulative Quarterly Income Preferred Securities (Preferred Securities) in a public offering and \$2.6 million of common securities to Entergy Gulf States. The Trust used the proceeds from the sale of the Preferred Securities and the common securities to purchase from Entergy Gulf States 8.75% junior subordinated deferrable interest debentures in the amount of \$87.6 million (Debentures). The Debentures held by the Trust are its only asset and the Trust will use interest payments received on the Debentures to make cash distributions on the Preferred Securities.

The Preferred Securities of the Trust, as well as the Debentures, mature on March 31, 2046. The Preferred Securities are redeemable, however, at the option of Entergy Gulf States beginning in 2002 at 100% of their principal amount, or earlier under certain limited circumstances, including the loss of the tax deduction arising out of the interest paid on the Debentures. Entergy Gulf States has, pursuant to certain agreements taken together, fully and

unconditionally guaranteed payment of distributions on the Preferred Securities. Entergy Gulf States is the owner of all of the common securities of the Trust, which constitute 3% of the Trust's total capital.

NOTE 7. LONG - TERM DEBT (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

The long-term debt of Entergy Corporation's subsidiaries, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy, as of December 31, 1996, was:

Maturities		Interest Rates		Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
From	To	From	To							
(In Thousands)										
First Mortgage Bonds										
1997	1999	5.375%	11.375%	\$687,000	\$45,000	\$321,000	\$69,000		\$12,000	\$240,000
2000	2004	6.000%	8.250%	1,355,270	180,000	608,750	361,520			205,000
2005	2009	6.650%	7.500%	325,000	215,000	110,000				
2010	2019	9.750%		75,000	75,000					
2020	2026	7.000%	10.000%	1,031,648	376,648	450,000	205,000			
G&R Bonds										
1997	1999	6.950%	11.2%	96,000				96,000		
2000	2023	6.625%	8.800%	525,000				355,000	170,000	
Governmental Obligations (a)										
1997	2008	5.900%	10.000%	108,267	49,655	45,875	11,837	900		
2009	2026	5.950%	9.875%	1,551,235	240,700	435,735	412,170	46,030		416,600
Debentures										
1997	2000	7.380%	9.720%	175,000		100,000				75,000
Long-Term DOE Obligation (Note 9)				117,270	117,270					
Waterford 3 Lease Obligation 8.76% (Note 10)				353,600			353,600			
Grand Gulf Lease Obligation 7.02% (Note 10)				496,480						496,480
Line of Credit, variable rate, due 1998				65,000						
CitiPower Credit Line, avg. rate 8.31% due 2000				921,553						
Other Long-Term Debt				83,411		9,938				
Unamortized Premium and Discount - Net				(30,310)	(11,420)	(5,087)	(5,619)	(2,861)	(1,112)	(4,211)
Total Long-Term Debt				7,936,424	1,287,853	2,076,211	1,407,508	495,069	180,888	1,428,869
Less Amount Due Within One Year				345,620	32,465	160,865	34,275	96,015	12,000	10,000
Long-Term Debt Excluding Amount Due Within One Year				\$7,590,804	\$1,255,388	\$1,915,346	\$1,373,233	\$399,054	\$168,888	\$1,418,869
Fair Value of Long-Term Debt (b)				\$7,087,027	\$1,160,377	\$2,142,389	\$1,104,891	\$503,461	\$175,566	\$982,423

The long-term debt of Entergy Corporation's subsidiaries, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy, as of December 31, 1995, was:

Maturities		Interest Rates		Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
From	To	From	To							
(In Thousands)										
First Mortgage Bonds										
1996	1999	5%	10.5%	\$1,064,410	\$75,160	\$445,000	\$104,000	\$35,000	\$35,250	\$370,000
2000	2004	6%	9.75%	1,282,320	180,800	670,000	361,520			70,000
2005	2009	6.25%	11.375%	355,319	215,000	120,000				20,319
2010	2014	11.375%		50,000						50,000
2015	2019	9.75%	11.375%	95,000	75,000					20,000
2020	2024	7%	10.375%	1,008,818	373,818	450,000	185,000			
G&R Bonds										
1996	1999	6.95%	11.2%	152,000				122,000	30,000	
2000	2023	6.625%	8.8%	485,000				355,000	130,000	
Governmental Obligations (a)										
1996	1998	5.9%	10%	110,868	51,495	46,300	12,158	915		
2009	2023	5.95%	12.50%	1,551,235	240,700	435,735	412,170	46,030		416,600
Debentures										
1996	1998	9.72%		150,000		150,000				
2000		7.38%		30,000						30,000
Long-Term DOE Obligation (Note 9)				111,536	111,536					
Waterford 3 Lease Obligation 8.76% (Note 10)				353,600			353,600			
Grand Gulf Lease Obligation 7.02% (Note 10)				500,000						500,000
Line of Credit, variable rate, due 1998				65,000						
Other Long-Term Debt				9,156		9,156				
Unamortized Premium and Discount - Net				(38,488)	(13,606)	(5,295)	(8,017)	(3,526)	(1,042)	(7,002)
Total Long-Term Debt				7,335,774	1,309,903	2,320,896	1,420,431	555,419	194,208	1,469,917
Less Amount Due Within One Year				558,650	28,700	145,425	35,260	61,015	38,250	250,000
Long-Term Debt Excluding Amount Due Within One Year				\$6,777,124	\$1,281,203	\$2,175,471	\$1,385,171	\$494,404	\$155,958	\$1,219,917
Fair Value of Long-Term Debt (b)				\$6,666,420	\$1,213,511	\$2,416,932	\$1,136,246	\$594,365	\$198,785	\$1,041,581

- (a) Consists of pollution control bonds, certain series of which are secured by non-interest bearing first mortgage bonds.
- (b) The fair value excludes lease obligations, long-term DOE obligations, and other long-term debt and includes debt due within one year. It is determined using bid prices reported by dealer markets and by nationally recognized investment banking firms. See Note 1 for additional information on disclosure of fair value of financial instruments.

The annual long-term debt maturities (excluding lease obligations) and annual cash sinking fund requirements for debt outstanding as of December 31, 1996, for the next five years follow:

	<u>Entergy(a)</u>	<u>Entergy Arkansas(b)</u>	<u>Entergy Gulf States(c)</u>	<u>Entergy Louisiana(d)</u>	<u>Entergy Mississippi</u>	<u>Entergy New Orleans</u>	<u>System Energy</u>
	(In Thousands)						
1997	\$345,620	\$32,465	\$160,865	\$34,275	\$96,015	\$12,000	\$10,000
1998	311,720	15,510	190,890	35,300	20	-	70,000
1999	233,198	1,025	71,915	238	20	-	160,000
2000	1,098,988	1,245	945	100,225	20	-	75,000
2001	279,210	1,535	123,725	18,925	25	-	135,000

- (a) Not included are other sinking fund requirements of approximately \$17.5 million annually which may be satisfied by cash or by certification of property additions at the rate of 167% of such requirements.
- (b) Not included are other sinking fund requirements of approximately \$0.62 million annually which may be satisfied by cash or by certification of property additions at the rate of 167% of such requirements.
- (c) Not included are other sinking fund requirements of approximately \$12.8 million annually which may be satisfied by cash or by certification of property additions at the rate of 167% of such requirements.
- (d) Not included are other sinking fund requirements of approximately \$4.15 million annually which may be satisfied by cash or by certification of property additions at the rate of 167% of such requirements.

Entergy Gulf States has two outstanding series of pollution control bonds collateralized by irrevocable letters of credit, which are scheduled to expire before the scheduled maturity of the bonds. The letter of credit collateralizing the \$28.4 million variable rate series, due December 1, 2015, expires in September 1999 and the letter of credit collateralizing the \$20 million variable rate series, due April 1, 2016, expires in February 1999.

An Entergy subsidiary signed an agreement with several banks on January 5, 1996, to obtain a revolving credit facility in the aggregate amount of 1.2 billion Australian dollars (870 million US dollars) for the acquisition of CitiPower. The facility was partially drawn down on the same date, bears interest at an average annual rate of 8.046%, and is non-recourse to Entergy. This facility is collateralized by all of CitiPower's assets. Borrowings have maturities of 30 to 180 days, and are continuously renewable for 30 to 180 day periods at the subsidiary's option until the facility matures on June 30, 2000, unless certain events occur which would cause the maturity date to be extended to a date no later than December 31, 2000. The subsidiary intends to renew obligations incurred under the agreement for a period extending beyond one year from the balance-sheet date. As part of the CitiPower acquisition, Entergy Corporation provided credit support, in the form of a bank letter of credit and other agreements, totaling approximately \$70 million, which was subsequently released in January 1997.

The subsidiary entered into several interest rate swaps to reduce the impact of interest rate changes on its debt related to the CitiPower acquisition. The interest rate swap agreements which hedge this debt involve the exchange of fixed and floating rate interest payments periodically over the life of the agreements without the exchange of the underlying principal amounts. Market risks arise from the movements in interest rates. If the counterparties to an interest rate swap agreement were to default on contractual payments, the subsidiary could be exposed to increased costs related to replacing the original agreement. However, the subsidiary does not anticipate nonperformance by any counterparty to any interest rate swap in effect at December 31, 1996. At December 31, 1996, this subsidiary was a party to a notional amount of \$900 million Australian dollars of interest rate swaps with maturity dates ranging from February 1999 to December 2000.

Entergy Power UK plc, an Entergy subsidiary, executed a credit facility with several banks on December 17, 1996, to obtain credit facilities in the aggregate amount of approximately 1.25 billion British Pounds (2.1 billion US dollars). Proceeds of this facility, which is in three tranches, have been used, together with \$392 million of cash provided by Entergy, to fund the acquisition of London Electricity plc and are available to replace London Electricity plc's currently outstanding short-term credit lines and to provide working capital for London Electricity plc. No borrowings were outstanding under this credit facility at December 31, 1996. The credit facility is non-recourse to Entergy and is collateralized by the assets of Entergy Power UK plc, consisting of all shares of London Electricity plc owned by it. The maturity dates of the various tranches of the credit facility range from December 17, 1998 to December 17, 2001. The interest rate on these facilities is the London Interbank Offered Rate plus up to 1.50% depending on the capitalization ratio of Entergy Power UK plc and its subsidiaries.

Under Entergy Mississippi's G&R Mortgage, G&R Bonds are issuable based upon 70% of bondable property additions, based upon 50% of accumulated deferred Grand Gulf 1 related costs, based upon the retirement of certain bonds previously outstanding, or based upon the deposit of cash with the trustee. Entergy Mississippi's G&R Mortgage prohibits the issuance of additional first mortgage bonds (including for refunding purposes) under Entergy Mississippi's first mortgage indenture, except such first mortgage bonds as may hereafter be issued from time to time at Entergy Mississippi's option to the corporate trustee under the G&R Mortgage to provide additional security for Entergy Mississippi's G&R Bonds.

Under Entergy New Orleans' G&R Mortgage, G&R Bonds are issuable based upon 70% of bondable property additions or based upon 50% of accumulated deferred Grand Gulf 1-related costs. The G&R Mortgage precludes the issuance of any additional bonds based upon property additions if the total amount of outstanding Rate Recovery Mortgage Bonds issued on the basis of the uncollected balance of deferred Grand Gulf 1-related costs exceeds 66 2/3% of the balance of such deferred costs. As of December 31, 1996, Entergy New Orleans had no outstanding Rate Recovery Mortgage Bonds.

NOTE 8. DIVIDEND RESTRICTIONS - (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

Provisions within the Articles of Incorporation or pertinent indentures and various other agreements related to the long-term debt and preferred stock of certain of Entergy Corporation's subsidiaries restrict the payment of cash dividends or other distributions on their common and preferred stock. Additionally, PUHCA prohibits Entergy Corporation's subsidiaries from making loans or advances to Entergy Corporation. Detailed below are the restricted retained earnings unavailable for distribution to Entergy Corporation by subsidiary.

	<u>Restricted Earnings</u> (in millions)
Entergy Arkansas	\$ 291.3
Entergy Gulf States	-
Entergy Louisiana	-
Entergy Mississippi	135.7
Entergy New Orleans	4.0
System Energy	6.7

During 1996, cash dividends paid to Entergy Corporation by its subsidiaries totaled \$554.2 million. In February 1997, Entergy Corporation received common stock dividend payments from its subsidiaries totaling \$66.9 million.

NOTE 9. COMMITMENTS AND CONTINGENCIES

Cajun - River Bend (Entergy Corporation and Entergy Gulf States)

Entergy Gulf States and Cajun, respectively, own 70% and 30% undivided interests in River Bend (operated by Entergy Gulf States), and 42% and 58% undivided interests in Big Cajun 2, Unit 3 (operated by Cajun). These relationships have spawned a number of long-standing disputes and claims between the parties. An agreement setting forth terms for the resolution of all such disputes has been reached by Entergy Gulf States, the Cajun bankruptcy trustee, and the RUS, and approved by the United States District Court for the Middle District of Louisiana (District Court) on August 26, 1996 (Cajun Settlement). On September 6, 1996, the Committee of Unsecured Creditors in the Cajun bankruptcy proceeding filed a Notice of Appeal to the United States Court of Appeals for the Fifth Circuit (Fifth Circuit), objecting that the order approving the Cajun Settlement was separate from the approval of a plan of reorganization and, therefore, improper. The Cajun Settlement is subject to this appeal and approvals by the appropriate regulatory agencies. Entergy Gulf States expects to make filings with FERC and the SEC seeking approval for the transfer of certain Cajun transmission assets to Entergy Gulf States. Management believes that it is probable that the Cajun Settlement will ultimately be approved and consummated.

The Cajun Settlement resolves Cajun's civil action against Entergy Gulf States, in which Cajun sought to rescind or terminate the Joint Ownership Participation and Operating Agreement (Operating Agreement) entered into on August 28, 1979, relating to River Bend. In that suit, Cajun also sought to recover its alleged \$1.6 billion investment in the unit plus attorneys' fees, interest, and costs. A trial on the portion of the suit by Cajun to rescind the Operating Agreement was completed in March 1995. On October 24, 1995, the District Court issued a memorandum opinion rejecting Cajun's fraud claims and denying rescission. An appeal to the Fifth Circuit by the Cajun bankruptcy trustee was stayed pending the Court's trial of the breach of contract phase of the case. The Cajun Settlement resolves both the issues on appeal and the breach of contract claims, which have not been tried.

In 1992, two member cooperatives of Cajun brought an additional independent action to declare the Operating Agreement null and void, based upon Entergy Gulf States' failure to get prior LPSC approval which was alleged to be necessary. Prior to its bankruptcy proceedings, Cajun intervened as a plaintiff in this action. Entergy Gulf States believes the suits are without merit and believes Cajun's claim is mooted by the Cajun Settlement.

The Cajun Settlement, agreed to in principle on April 26, 1996, by Entergy Gulf States, the Cajun bankruptcy trustee, and the RUS, Cajun's largest creditor, was approved by the District Court on August 26, 1996. The terms include, but are not limited to, the following: (i) Cajun's interest in River Bend will be turned over to the RUS, which will have the option to retain the interest, sell it to a third party, or transfer it to Entergy Gulf States at no cost; (ii) Cajun will set aside a total of \$125 million for its share of the decommissioning costs of River Bend; (iii) Cajun will transfer certain transmission assets to Entergy Gulf States; (iv) Cajun will settle transmission disputes and be released from claims for payment under transmission arrangements with Entergy Gulf States as discussed under "Cajun - Transmission Service" below; (v) all funds paid by Entergy Gulf States into the registry of the District Court will be returned to Entergy Gulf States; (vi) Cajun will be released from its unpaid past, present, and future liability for River Bend costs and expenses; and (vii) all litigation between Cajun and Entergy Gulf States will be dismissed. Based on the District Court's approval of the Cajun Settlement, the litigation accrual established in 1994 for possible losses associated with the Cajun-River Bend litigation was reversed in September 1996.

Cajun has not paid its full share of capital costs, operating and maintenance expenses, and other costs for repairs and improvements to River Bend since 1992. In view of Cajun's failure to fund its share of River Bend-related operating, maintenance, and capital costs, Entergy Gulf States has (i) credited Entergy Gulf States' share of expenses for Big Cajun 2, Unit 3 against amounts due from Cajun to Entergy Gulf States, and (ii) sought to market Cajun's share of power from River Bend and apply proceeds to the amounts due from Cajun to Entergy Gulf States. As a result, on November 2, 1994, Cajun discontinued supplying Entergy Gulf States with its share of power from Big Cajun 2, Unit 3. Entergy Gulf States requested an order from the District Court requiring Cajun to supply Entergy Gulf States with this energy and allowing Entergy Gulf States to credit amounts due to Cajun for Big

Cajun 2, Unit 3 energy against amounts Cajun owed to Entergy Gulf States for River Bend. In December 1994, by means of a preliminary injunction, the District Court ordered Cajun to supply Entergy Gulf States with its share of energy from Big Cajun 2, Unit 3 and ordered Entergy Gulf States to make payments for its share of Big Cajun 2, Unit 3 expenses to the registry of the District Court. In October 1995, the Fifth Circuit affirmed the District Court's preliminary injunction. As of December 31, 1996, \$70.4 million had been paid by Entergy Gulf States into the registry of the District Court. Cajun's unpaid portion of River Bend operating and maintenance expenses (including nuclear fuel) and capital costs for 1996 was approximately \$55 million. The cumulative cost to Entergy Gulf States resulting from Cajun's failure to pay its full share of River Bend-related costs, reduced by the proceeds from the sale by Entergy Gulf States of Cajun's share of River Bend power and payments into the registry of the District Court for Entergy Gulf States' portion of expenses for Big Cajun 2, Unit 3, was \$4.9 million as of December 31, 1996. Cajun's unpaid portion of the River Bend-related costs is reflected in long-term receivables with an offsetting reserve in other deferred credits. As discussed above, the Cajun Settlement will conclude all disputes regarding the non-payment by Cajun of operating and maintenance expenses. Cajun continues to pay its share of decommissioning costs for River Bend.

On December 21, 1994, Cajun filed a petition in the United States Bankruptcy Court for the Middle District of Louisiana seeking relief under Chapter 11 of the Bankruptcy Code. In its bankruptcy proceedings, Cajun filed a motion on January 10, 1995, to reject the Operating Agreement as a burdensome executory contract. Entergy Gulf States responded on January 10, 1995, with a memorandum opposing Cajun's motion. As discussed above, this matter will be ended as a result of the Cajun Settlement. Proponents of all of the plans of reorganization submitted to the Bankruptcy Court have incorporated the Cajun Settlement as an integral condition to the effectiveness of their plan. The timing and completion of the reorganization plan depends on Bankruptcy Court approval and any required regulatory approvals. The Bankruptcy Court has approved proposals by three groups seeking to acquire the non-nuclear assets of Cajun and has signed an order that establishes rules for how Cajun's creditors will vote on the three plans. On December 16, 1996, the Bankruptcy Court began hearings on the balloting and the plan that will be adopted.

Cajun - Transmission Service (Entergy Corporation and Entergy Gulf States)

Entergy Gulf States and Cajun are parties to FERC proceedings relating to transmission service charge disputes. In April 1992, FERC issued a final order in these disputes. In May 1992, Entergy Gulf States and Cajun filed motions for rehearings on certain portions of the order, which are still pending at FERC. In June 1992, Entergy Gulf States filed a petition for review in the United States Court of Appeals for the District of Columbia Circuit regarding certain of the other issues decided by FERC. In August 1993, the Court of Appeals rendered an opinion reversing FERC's order regarding the portion of such disputes relating to the calculations of certain credits and equalization charges under Entergy Gulf States' service schedules with Cajun. The opinion remanded the issues to FERC for further proceedings consistent with its opinion. In February 1995, FERC eliminated an issue from the remand that Entergy Gulf States believes the Court of Appeals directed FERC to reconsider. In orders issued on August 3, 1995, and October 2, 1995, FERC affirmed an April 1995 ruling by an ALJ in the remanded portion of Entergy Gulf States' and Cajun's ongoing transmission service charge disputes before FERC. Both Entergy Gulf States and Cajun have petitioned for appeal. The Court of Appeals has stayed the appellate proceeding pending implementation of the Cajun Settlement (see Cajun - River Bend above, for a further discussion of the Cajun Settlement).

Under Entergy Gulf States' interpretation of a 1992 FERC order, as modified by FERC's orders issued on August 3, 1995, and October 2, 1995, and as agreed to by the Cajun bankruptcy trustee, Cajun would owe Entergy Gulf States approximately \$70.2 million as of December 31, 1996. Entergy Gulf States further estimates that if it were to prevail in its May 1992 motion for rehearing and on certain other issues decided adversely to Entergy Gulf States in the February 1995, August 1995, and October 1995 FERC orders, which Entergy Gulf States has appealed, Cajun would owe Entergy Gulf States approximately \$157.3 million as of December 31, 1996. If Cajun were to prevail in its May 1992 motion for rehearing to FERC, and if Entergy Gulf States were not to prevail in its May 1992 motion for rehearing to FERC, and if Cajun were to prevail in appealing FERC's August and October 1995

orders, Entergy Gulf States estimates it would owe Cajun approximately \$110.9 million as of December 31, 1996. The above amounts are exclusive of a \$7.3 million payment by Cajun on December 31, 1990, which the parties agreed to apply to the disputed transmission service charges. Pending FERC's ruling on the May 1992 motions for rehearing, Entergy Gulf States has continued to bill Cajun utilizing the historical billing methodology and has recorded underpaid transmission charges, including interest, in the amount of \$144 million as of December 31, 1996. This amount is reflected in long-term receivables with an offsetting reserve in other deferred credits. FERC has determined that the collection of the pre-petition debt of Cajun is an issue properly decided in the bankruptcy proceeding. Refer to "Cajun - River Bend" above for a discussion of the Cajun Settlement.

Capital Requirements and Financing (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

Construction expenditures (excluding nuclear fuel) for the domestic utility companies and System Entergy for the years 1997, 1998, and 1999 are estimated to total, \$510 million, \$547 million, and \$565 million, respectively. Entergy will also require \$986 million during the period 1997-1999 to meet long-term debt and preferred stock maturities and cash sinking fund requirements. Entergy plans to meet the above requirements primarily with internally generated funds and cash on hand, supplemented by the issuance of debt and company-obligated mandatorily redeemable preferred securities and the use of outstanding credit facilities. Certain domestic utility companies and System Entergy may also continue with the acquisition or refinancing of all or a portion of certain outstanding series of preferred stock and long-term debt. See Notes 5, 6, and 7 for further information.

Grand Gulf 1-Related Agreements

Capital Funds Agreement (Entergy Corporation and System Energy)

Entergy Corporation has agreed to supply System Energy with sufficient capital to (i) maintain System Energy's equity capital at an amount equal to a minimum of 35% of its total capitalization (excluding short-term debt), and (ii) permit the continued commercial operation of Grand Gulf 1 and pay in full all indebtedness for borrowed money of System Energy when due under any circumstances. In addition, under supplements to the Capital Funds Agreement assigning System Energy's rights as security for specific debt of System Energy, Entergy Corporation has agreed to make cash capital contributions to enable System Energy to make payments on such debt when due.

System Energy has entered into various agreements with Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans whereby they are obligated to purchase their respective entitlements of capacity and energy from System Energy's 90% ownership and leasehold interest in Grand Gulf 1, and to make payments that, together with other available funds, are adequate to cover System Energy's operating expenses. System Energy would have to secure funds from other sources, including Entergy Corporation's obligations under the Capital Funds Agreement, to cover any shortfalls from payments received from Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans under these agreements.

Unit Power Sales Agreement (Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

System Energy has agreed to sell all of its 90% owned and leased share of capacity and energy from Grand Gulf 1 to Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans in accordance with specified percentages (Entergy Arkansas-36%, Entergy Louisiana-14%, Entergy Mississippi-33% and Entergy New Orleans-17%) as ordered by FERC. Charges under this agreement are paid in consideration for the purchasing companies' respective entitlement to receive capacity and energy and are payable irrespective of the quantity of energy delivered so long as the unit remains in commercial operation. The agreement will remain in effect until terminated by the parties and approved by FERC, most likely upon Grand Gulf 1's retirement from service. Monthly obligations for payments, including the rate increase which was placed into effect in December 1995, subject to

refund, under the agreement are approximately \$21 million, \$8 million, \$19 million, and \$10 million for Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans, respectively.

Availability Agreement (Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans are individually obligated to make payments or subordinated advances to System Energy in accordance with stated percentages (Entergy Arkansas-17.1%, Entergy Louisiana-26.9%, Entergy Mississippi-31.3%, and Entergy New Orleans-24.7%) in amounts that when added to amounts received under the Unit Power Sales Agreement or otherwise, are adequate to cover all of System Energy's operating expenses as defined, including an amount sufficient to amortize Grand Gulf 2 over 27 years. (See Reallocation Agreement terms below.) System Energy has assigned its rights to payments and advances to certain creditors as security for certain obligations. Since commercial operation of Grand Gulf 1, payments under the Unit Power Sales Agreement have exceeded the amounts payable under the Availability Agreement. Accordingly, no payments have ever been required. If Entergy Arkansas or Entergy Mississippi fails to make its Unit Power Sales Agreement payments, and System Energy is unable to obtain funds from other sources, Entergy Louisiana and Entergy New Orleans could become subject to claims or demands by System Energy or its creditors for payments or advances under the Availability Agreement (or the assignments thereof) equal to the difference between their required Unit Power Sales Agreement payments and their required Availability Agreement payments.

Reallocation Agreement (Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

System Energy, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans entered into the Reallocation Agreement relating to the sale of capacity and energy from Grand Gulf and the related costs, in which Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans agreed to assume all of Entergy Arkansas' responsibilities and obligations with respect to Grand Gulf under the Availability Agreement. FERC's decision allocating a portion of Grand Gulf 1 capacity and energy to Entergy Arkansas supersedes the Reallocation Agreement as it relates to Grand Gulf 1. Responsibility for any Grand Gulf 2 amortization amounts has been individually allocated (Entergy Louisiana-26.23%, Entergy Mississippi-43.97%, and Entergy New Orleans-29.80%) under the terms of the Reallocation Agreement. However, the Reallocation Agreement does not affect Entergy Arkansas' obligation to System Energy's lenders under the assignments referred to in the preceding paragraph. Entergy Arkansas would be liable for its share of such amounts if Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans were unable to meet their contractual obligations. No payments of any amortization amounts will be required as long as amounts paid to System Energy under the Unit Power Sales Agreement, including other funds available to System Energy, exceed amounts required under the Availability Agreement, which is expected to be the case for the foreseeable future.

Reimbursement Agreement (System Energy)

In December 1988, System Energy entered into two entirely separate, but identical, arrangements for the sales and leasebacks of an approximate aggregate 11.5% ownership interest in Grand Gulf 1 (see Note 10). In connection with the equity funding of the sale and leaseback arrangements, letters of credit are required to be maintained to secure certain amounts payable for the benefit of the equity investors by System Energy under the leases. The current letters of credit are effective until January 15, 2000.

Under the provisions of a bank letter of credit reimbursement agreement, System Energy has agreed to a number of covenants relating to the maintenance of certain capitalization and fixed charge coverage ratios. System Energy agreed, during the term of the reimbursement agreement, to maintain its equity at not less than 33% of its adjusted capitalization (defined in the reimbursement agreement to include certain amounts not included in capitalization for financial statement purposes). In addition, System Energy must maintain, with respect to each

fiscal quarter during the term of the reimbursement agreement, a ratio of adjusted net income to interest expense (calculated, in each case, as specified in the reimbursement agreement) of at least 1.60 times earnings. As of December 31, 1996, System Energy's equity approximated 34.79% of its adjusted capitalization, and its fixed charge coverage ratio was 2.25.

Fuel Purchase Agreements

(Entergy Arkansas and Entergy Mississippi)

Entergy Arkansas has long-term contracts with mines in the State of Wyoming for the supply of low-sulfur coal for the White Bluff Steam Electric Generating Station and Independence (which is 25% owned by Entergy Mississippi). These contracts, which expire in 2002 and 2011, provide for approximately 85% of Entergy Arkansas' expected annual coal requirements. Additional requirements are satisfied by annual spot market purchases.

(Entergy Gulf States)

Entergy Gulf States has a contract for a supply of low-sulfur Wyoming coal for Nelson Unit 6, which should be sufficient to satisfy the fuel requirements at Nelson Unit 6 through 2010. Cajun has advised Entergy Gulf States that Cajun has contracts that should provide an adequate supply of coal until 1999 for the operation of Big Cajun 2, Unit 3.

Entergy Gulf States has long-term gas contracts, which will satisfy approximately 50% of its annual requirements. Such contracts generally require Entergy Gulf States to purchase in the range of 20% of expected total gas needs. Additional gas requirements are satisfied under less expensive short-term contracts. Entergy Gulf States has a transportation service agreement with a gas supplier that provides flexible natural gas service to the Sabine and Lewis Creek generating stations. This service is provided by the supplier's pipeline and salt dome gas storage facility, which has a present capacity of 12.7 billion cubic feet of natural gas.

(Entergy Louisiana)

In June 1992, Entergy Louisiana agreed to a renegotiated 20-year natural gas supply contract. Entergy Louisiana agreed to purchase natural gas in annual amounts equal to approximately one-third of its projected annual fuel requirements for certain generating units. Annual demand charges associated with this contract are estimated to be \$8.6 million through 1997, and a total of \$116.6 million for the years 1998 through 2012. Entergy Louisiana recovers the cost of fuel consumed during the generation of electricity through its fuel adjustment clause.

Sales Agreements/Power Purchases

(Entergy Gulf States)

In 1988, Entergy Gulf States entered into a joint venture with a primary term of 20 years with Conoco, Inc., Citgo Petroleum Corporation, and Vista Chemical Company (Industrial Participants) whereby Entergy Gulf States' Nelson Units 1 and 2 were sold to a partnership (NISCO) consisting of the Industrial Participants and Entergy Gulf States. The Industrial Participants supply the fuel for the units, while Entergy Gulf States operates the units at the discretion of the Industrial Participants and purchases the electricity produced by the units. Entergy Gulf States is continuing to sell electricity to the Industrial Participants. For the years ended December 31, 1996, 1995, and 1994, the purchases by Entergy Gulf States of electricity from the joint venture totaled \$62.0 million, \$58.5 million, and \$59.4 million, respectively.

(Entergy Louisiana)

Entergy Louisiana has an agreement extending through the year 2031 to purchase energy generated by a hydroelectric facility. During 1996, 1995, and 1994, Entergy Louisiana made payments under the contract of approximately \$56.3 million, \$55.7 million, and \$56.3 million, respectively. If the maximum percentage (94%) of the energy is made available to Entergy Louisiana, current production projections would require estimated payments of approximately \$54 million in 1997, and a total of \$3.5 billion for the years 1998 through 2031. Entergy Louisiana recovers the costs of purchased energy through its fuel adjustment clause.

System Fuels (Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans have interests in System Fuels of 35%, 33%, 19%, and 13%, respectively. The parent companies of System Fuels agreed to make loans to System Fuels to finance its fuel procurement, delivery, and storage activities. As of December 31, 1996, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans had, respectively, approximately \$11 million, \$14.2 million, \$5.5 million, and \$3.3 million in loans outstanding to System Fuels which mature in 2008.

In addition, System Fuels entered into a revolving credit agreement with a bank that provides \$45 million in borrowings to finance System Fuels' nuclear materials and services inventory. Should System Fuels default on its obligations under its credit agreement, Entergy Arkansas, Entergy Louisiana, and System Energy have agreed to purchase nuclear materials and services financed under the agreement.

Nuclear Insurance (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

The Price-Anderson Act limits public liability for a single nuclear incident to approximately \$8.92 billion. Protection for this liability is provided through a combination of private insurance (currently \$200 million each for Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy) and an industry assessment program. Under the assessment program, the maximum payment requirement for each nuclear incident would be \$79.3 million per reactor, payable at a rate of \$10 million per licensed reactor per incident per year. Entergy has five licensed reactors. As a co-licensee of Grand Gulf 1 with System Energy, SMEPA would share 10% of this obligation. With respect to River Bend, any assessments pertaining to this program are allocated in accordance with the respective ownership interests of Entergy Gulf States and Cajun. In addition, each owner/licensee of Entergy's five nuclear units participates in a private insurance program which provides coverage for worker tort claims filed for bodily injury caused by radiation exposure. The program provides for a maximum assessment of approximately \$16 million for the five nuclear units in the event losses exceed accumulated reserve funds.

Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy are also members of certain insurance programs that provide coverage for property damage, including decontamination and premature decommissioning expense, to members' nuclear generating plants. As of December 31, 1996, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy each was insured against such losses up to \$2.75 billion. In addition, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans are members of an insurance program that covers certain replacement power and business interruption costs incurred due to prolonged nuclear unit outages. Under the property damage and replacement power/business interruption insurance programs, these Entergy subsidiaries could be subject to assessments if losses exceed the accumulated funds available to the insurers. As of December 31, 1996, the maximum amounts of such possible assessments were: Entergy Arkansas - \$31.1 million; Entergy Gulf States - \$11.5 million; Entergy Louisiana - \$24.8 million; Entergy Mississippi - \$0.7 million; Entergy New Orleans - \$0.4 million; and System Energy - \$21.3 million. Under its agreement with System Energy, SMEPA would share in System Energy's obligation. Cajun has no share of Entergy Gulf States' obligation.

The amount of property insurance maintained for each Entergy nuclear unit exceeds the NRC's minimum requirement for nuclear power plant licensees of \$1.06 billion per site. NRC regulations provide that the proceeds of this insurance must be used, first, to place and maintain the reactor in a safe and stable condition and, second, to complete decontamination operations. Only after proceeds are dedicated for such use and regulatory approval is secured would any remaining proceeds be made available for the benefit of plant owners or their creditors.

Spent Nuclear Fuel and Decommissioning Costs (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy)

Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy provide for estimated future disposal costs for spent nuclear fuel in accordance with the Nuclear Waste Policy Act of 1982. The affected Entergy companies entered into contracts with the DOE, whereby the DOE will furnish disposal service at a cost of one mill per net kWh generated and sold after April 7, 1983, plus a onetime fee for generation prior to that date. Entergy Arkansas, the only Entergy company that generated electricity with nuclear fuel prior to that date, elected to pay the onetime fee plus accrued interest, no earlier than 1998, and has recorded a liability as of December 31, 1996, of approximately \$117 million for generation subsequent to 1983. The fees payable to the DOE may be adjusted in the future to assure full recovery. Entergy considers all costs incurred or to be incurred, except accrued interest, for the disposal of spent nuclear fuel to be proper components of nuclear fuel expense, and provisions to recover such costs have been or will be made in applications to regulatory authorities.

Delays have occurred in the DOE's program for the acceptance and disposal of spent nuclear fuel at a permanent repository. In a statement released February 17, 1993, the DOE asserted that it does not have a legal obligation to accept spent nuclear fuel without an operational repository for which it has not yet arranged. Entergy Operations and System Fuels joined in lawsuits against the DOE, seeking clarification of the DOE's responsibility to receive spent nuclear fuel beginning in 1998. The original suits, filed June 20, 1994, asked for a ruling stating that the Nuclear Waste Policy Act requires the DOE to begin taking title to the spent fuel and to start removing it from nuclear power plants in 1998, a mandate for the DOE's nuclear waste management program to begin accepting fuel in 1998 and court monitoring of the program, and the potential for escrow of payments to a nuclear waste fund instead of directly to the DOE. Argument in the case before a three-judge panel of the U.S. Court of Appeals was made on January 17, 1996. On July 23, 1996, the court reversed the DOE's interpretation of the 1998 obligation and unanimously ruled that the Nuclear Waste Policy Act creates an unconditional obligation to begin acceptance of spent fuel by 1998, but did not make a ruling on the remedies.

On December 17, 1996, the DOE notified contract holders that it anticipates it will not be able to begin such acceptance until after that date. Subsequently, on January 31, 1997, Entergy Operations and a coalition of 36 electric utilities and 46 state agencies filed lawsuits to suspend payments to the Nuclear Waste Fund. The lawsuits ask the court to (i) find that the December 17, 1996 DOE letter demonstrates breach of contract on the part of the DOE; (ii) order utilities to place the Nuclear Waste Fund payments in an escrow account and not provide the funds to the DOE until it fulfills its obligation, (iii) prevent the DOE from taking adverse action against utilities that withhold payments; and (iv) order the DOE to submit a plan to the court describing how the agency intends to fulfill its obligation on an ongoing basis.

In the meantime, all Entergy companies are responsible for their spent fuel storage. Current on-site spent fuel storage capacity at River Bend, Waterford 3, and Grand Gulf 1 is estimated to be sufficient until 2003, 2000, and 2004, respectively. Thereafter, the affected companies will provide additional storage. Current on-site spent fuel storage capacity at ANO is estimated to be sufficient until 2000. An ANO storage facility using dry casks began operation in 1996. This facility may be expanded further as required. The initial cost of providing the additional on-site spent fuel storage capability required at ANO, River Bend, Waterford 3, and Grand Gulf 1 is expected to be approximately \$5 million to \$10 million per unit. In addition, about \$3 million to \$5 million per unit will be required every two to three years subsequent to 2000 for ANO and every four to five years subsequent to 2003, 2000, and

2004 for River Bend, Waterford 3, and Grand Gulf 1, respectively, until the DOE's repository or storage facility begins accepting such units' spent fuel.

Total decommissioning costs at December 31, 1996, for the Entergy nuclear power plants, excluding co-owner shares, have been estimated as follows:

	<u>Total Estimated Decommissioning Costs</u> (In Millions)
ANO 1 and ANO 2 (based on a 1994 interim update to the 1992 cost study)	\$ 806.3
River Bend (based on a 1996 cost study reflecting 1996 dollars)	293.3
Waterford 3 (based on a 1994 updated study in 1993 dollars)	320.1
Grand Gulf 1 (based on a 1994 cost study using 1993 dollars)	365.9
	<u>\$ 1,785.6</u>

Entergy Arkansas and Entergy Louisiana are authorized to recover in rates amounts that, when added to estimated investment income, should be sufficient to meet the above estimated decommissioning costs for ANO and Waterford 3, respectively. In the Texas retail jurisdiction, Entergy Gulf States is recovering in rates River Bend decommissioning costs (based on the 1991 cost study that totaled \$267.8 million) that, with adjustments, total \$204.9 million. In the Louisiana retail jurisdiction, Entergy Gulf States is currently recovering in rates decommissioning costs (based on a 1985 cost study) which total \$141 million. Entergy Gulf States included decommissioning costs (based on the 1991 study) in the LPSC rate review filed in May 1995. In October 1996, the LPSC approved Entergy Gulf States rates that include decommissioning costs based on the 1991 study. The October 1996 LPSC order has been appealed and the decommissioning costs based on the 1991 study have not yet been implemented. Entergy Gulf States included decommissioning costs, based on the 1996 study, in the LPSC rate review filed in May 1996 and in the PUCT rate review filed in November 1996. Those reviews are still ongoing. System Energy was previously recovering in rates amounts sufficient to fund \$198 million (in 1989 dollars) of its Grand Gulf 1 decommissioning costs. System Energy included decommissioning costs (based on the 1994 study) in its rate increase filing with FERC. Rates requested in this proceeding were placed into effect in December 1995, subject to refund. FERC has not yet issued an order in the System Energy rate case. Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy periodically review and update estimated decommissioning costs. Although Entergy is presently underrecovering for Grand Gulf and River Bend based on the above estimates, applications are periodically made to the appropriate regulatory authorities to reflect in rates any future change in projected decommissioning costs. The amounts recovered in rates are deposited in trust funds and reported at market value as quoted on nationally traded markets or as determined by widely used pricing services. These trust fund assets largely offset the accumulated decommissioning liability that is recorded as accumulated depreciation for Entergy Arkansas, Entergy Gulf States, and Entergy Louisiana, and as other deferred credits for System Energy.

The cumulative liabilities and actual decommissioning expenses recorded in 1996 by Entergy were as follows:

	<u>Cumulative Liabilities as of December 31, 1995</u>	<u>1996 Trust Earnings</u> (In Millions)	<u>1996 Decommissioning Expenses</u>	<u>Cumulative Liabilities as of December 31, 1996</u>
ANO 1 and ANO 2	\$ 169.0	\$ 11.5	\$ 20.1	\$ 200.6
River Bend	31.7	1.5	6.0	39.2
Waterford 3	37.4	2.8	8.8	49.0
Grand Gulf 1	39.4	2.3	19.0	60.7
	<u>\$ 277.5</u>	<u>\$ 18.1</u>	<u>\$ 53.9</u>	<u>\$ 349.5</u>

In 1995 and 1994, ANO's decommissioning expense was \$17.7 million, and \$12.2 million, respectively; River Bend's decommissioning expense was \$8.1 million and \$3.0 million, respectively; Waterford 3's decommissioning expense was \$7.5 million and \$4.8 million, respectively; and Grand Gulf 1's decommissioning expense was \$5.4 million and \$5.2 million, respectively. The actual decommissioning costs may vary from the estimates because of regulatory requirements, changes in technology, and increased costs of labor, materials, and equipment. Management believes that actual decommissioning costs are likely to be higher than the estimated amounts presented above.

The SEC has questioned certain of the financial accounting practices of the electric utility industry regarding the recognition, measurement, and classification of decommissioning costs for nuclear plants in the financial statements of electric utilities. In response to these questions, the FASB has been reviewing the accounting for decommissioning and has expanded the scope of its review to include liabilities related to the closure and removal of all long-lived assets. An exposure draft of the proposed SFAS (which proposed a 1997 effective date) was issued in February 1996. The proposed SFAS would require measurement and recognition of the liability for closure and removal of long-lived assets (including decommissioning) based on the amount of discounted future cash flows related to closure and removal costs at the time the liability was initially incurred. Those future cash flows should be determined by estimating current costs for closure and removal and adjusting for inflation, efficiencies that may be gained from experience with similar activities, and consideration of reasonable future advances in technology.

The initial liability would be offset by an asset that should be presented with other plant costs on the financial statements because the cost of decommissioning/closing the plant would be recognized as part of the total cost of the plant asset. Changes in the decommissioning/closure cost liability resulting from changes in assumptions would be recognized with a corresponding adjustment to the plant asset, and depreciation revised prospectively. Additional increases to the liability would be recognized to reflect the increase in the discounted cash flows resulting from the passage of time. Such increases would be offset by a regulatory asset, to the extent such costs are deemed probable of future recovery.

After receiving comments on the exposure draft, the FASB has decided that the effective date for the proposed SFAS will be later than 1997, although a final effective date has not yet been announced. The FASB is expected to issue an additional document on this issue in the second quarter of 1997, although it has not yet been decided if that document will be in the form of a final accounting standard or a revised exposure draft. If current electric utility industry accounting practices with respect to nuclear decommissioning and other closure costs are changed, annual provisions for such costs could increase, the estimated cost for decommissioning/closure could be recorded as a liability rather than as accumulated depreciation, and trust fund income from decommissioning trusts could be reported as investment income rather than as a reduction to decommissioning expense.

The EAct has a provision that assesses domestic nuclear utilities with fees for the decontamination and decommissioning of the DOE's past uranium enrichment operations. The decontamination and decommissioning assessments are being used to set up a fund into which contributions from utilities and the federal government will be placed. Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy's annual assessments, which will be adjusted annually for inflation, are approximately \$3.6 million, \$0.9 million, \$1.4 million, and \$1.5 million (in 1996 dollars), respectively, for approximately 15 years. At December 31, 1996, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy had recorded liabilities of \$36.4 million, \$6.3 million, \$13.8 million, and \$13.6 million, respectively, for decontamination and decommissioning fees in other current liabilities and other noncurrent liabilities, and these liabilities were offset in the consolidated financial statements by regulatory assets. FERC requires that utilities treat these assessments as costs of fuel as they are amortized and are recovered through rates in the same manner as other fuel costs.

ANO Matters (Entergy Corporation and Entergy Arkansas)

Cracks in certain steam generator tubes at ANO 2 were discovered and repaired during an outage in March 1992. Further inspections and repairs were conducted at subsequent refueling and mid-cycle outages, including the most recent forced outage in November 1996. ANO 2's output has been reduced by 23 MW due to steam generator fouling and tube plugging. The unit may be approaching the current limit for the number of steam generator tubes that can be plugged with the unit in operation. If the established limit is reached during a future outage, Entergy Operations could be required to insert sleeves in steam generator tubes that were previously plugged. On October 25, 1996, Entergy Corporation's Board of Directors authorized Entergy Operations to negotiate a contract, with appropriate cancellation provisions, for the fabrication and replacement of the steam generators at ANO 2. Entergy estimates the cost of fabrication and replacement of the steam generators to be approximately \$150 million. A letter of intent for the fabrication has been signed by Entergy Operations, which includes a commitment for not more than \$3.2 million, and a contract is expected to be entered into in 1997. If a formal contract to purchase the steam generators is not canceled, the steam generators will be installed during a planned refueling outage in 2000. Entergy Operations periodically meets with the NRC to discuss the results of inspections of the steam generator tubes, as well as the timing of future inspections.

Environmental Issues

(Entergy Arkansas)

In May 1995, Entergy Arkansas was named as a defendant in a suit by Reynolds Metals Company (Reynolds), seeking to recover a share of the costs associated with the clean-up of hazardous substances at a site south of Arkadelphia, Arkansas. Reynolds alleges that it has spent \$11.2 million to clean-up the site, and that the site was contaminated in part with PCBs for which Entergy Arkansas bears some responsibility. Entergy Arkansas, voluntarily, at its expense, has already completed remediation at a nearby substation site and believes that it has no liability for contamination at the site that is subject to the Reynolds suit and is contesting the lawsuit. An August 1997 trial date has been tentatively scheduled. Regardless of the outcome, Entergy Arkansas does not believe this matter would have a materially adverse effect on its financial condition or results of operations.

(Entergy Gulf States)

Entergy Gulf States has been designated as a PRP for the clean-up of certain hazardous waste disposal sites. Entergy Gulf States is currently negotiating with the EPA and state authorities regarding the clean-up of these sites. Several class action and other suits have been filed in state and federal courts seeking relief from Entergy Gulf States and others for damages caused by the disposal of hazardous waste and for asbestos-related disease allegedly resulting from exposure on Entergy Gulf States premises. While the amounts at issue in the clean-up efforts and suits may be substantial, Entergy Gulf States believes that its results of operations and financial condition will not be materially adversely affected by the outcome of the suits. As of December 31, 1996, a remaining recorded liability of \$21.4 million existed relating to the clean-up of seven sites at which Entergy Gulf States has been designated a PRP.

(Entergy Louisiana)

During 1993, the LDEQ issued new rules for solid waste regulation, including regulation of wastewater impoundments. Entergy Louisiana has determined that certain of its power plant wastewater impoundments were affected by these regulations and has chosen to upgrade or close them. As a result, a remaining recorded liability in the amount of \$6.7 million existed at December 31, 1996, for wastewater upgrades and closures to be completed in 1997. Cumulative expenditures relating to the upgrades and closures of wastewater impoundments were \$7.1 million as of December 31, 1996.

City Franchise Ordinances (Entergy New Orleans)

Entergy New Orleans provides electric and gas service in the City of New Orleans pursuant to City franchise ordinances that state, among other things, the City has a continuing option to purchase Entergy New Orleans' electric and gas utility properties.

Employment Litigation

(Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and Entergy New Orleans)

Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and Entergy New Orleans are defendants in numerous lawsuits described below that have been filed by former employees asserting that they were wrongfully terminated and/or discriminated against due to age, race, and/or sex. Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and Entergy New Orleans are vigorously defending these suits and deny any liability to the plaintiffs. However, no assurance can be given as to the outcome of these cases.

(Entergy Corporation and Entergy Arkansas)

Entergy Corporation and Entergy Arkansas are defendants in five suits filed in federal court on behalf of approximately 62 plaintiffs who claim they were illegally terminated from their jobs due to discrimination on the basis of age or race. One of these suits seeks class certification. A trial date is scheduled in March 1997 for one suit comprised of approximately 29 plaintiffs, and a trial date is scheduled in May 1997 for another suit comprised of approximately 18 plaintiffs. Trial dates have not been set in the other suits.

(Entergy Corporation and Entergy Gulf States)

Entergy Corporation and Entergy Gulf States are defendants in a lawsuit involving approximately 176 plaintiffs filed in state court in Texas by former employees who claim that they lost their jobs as a result of the Merger. The plaintiffs in these cases have asserted various claims, including discrimination on the basis of age, race, and/or sex. The court has preliminarily ruled that each plaintiff's claim should be tried separately. The first case is scheduled for trial in June 1997.

(Entergy Corporation, Entergy Gulf States, and Entergy Louisiana)

Entergy Corporation, Entergy Gulf States and Entergy Louisiana are defendants in a suit filed in federal court in Louisiana by approximately 39 plaintiffs who claim, among other things, they were wrongfully discharged from their employment on the basis of their age. No trial date has been set for this case.

(Entergy Louisiana and Entergy New Orleans)

Entergy Louisiana and Entergy New Orleans are defendants in a suit filed in state court in Louisiana by 110 plaintiffs who seek to certify a class on behalf of all employees who allegedly were terminated or required to resign

on the basis of age. The court has set a hearing for certification of the class for March 13, 1997; no trial date has been set. Entergy Louisiana and/or Entergy New Orleans also are defendants in approximately 27 other suits filed in federal or state court by plaintiffs who claim they were wrongfully discharged on the basis of age, race, or sex.

Financial Instruments

In accordance with the debt covenants included in the financing provisions of the CitiPower acquisition, CitiPower must hedge at least 80% of its energy purchases. CitiPower's current strategy is to hedge approximately 100% of its forecasted energy purchases through contracts entered into with certain generators. These contracts mature through the year 2000.

NOTE 10. LEASES

General

As of December 31, 1996, Entergy had capital leases and noncancelable operating leases for equipment, buildings, vehicles, and fuel storage facilities (excluding nuclear fuel leases and the sale and leaseback transactions) with minimum lease payments as follows:

Year	Capital Leases		
	Entergy	Entergy Arkansas	Entergy Gulf States
	(In Thousands)		
1997	\$ 27,312	\$ 10,953	\$ 12,475
1998	27,294	10,953	12,475
1999	27,268	10,953	12,475
2000	25,530	9,646	12,049
2001	23,400	9,646	11,623
Years thereafter	99,877	52,209	47,418
Minimum lease payments	230,681	104,360	108,515
Less: Amount representing interest	83,741	45,151	36,104
Present value of net minimum lease payments	\$ 146,940	\$ 59,209	\$ 72,411

Operating Leases

Year	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana
	(In Thousands)			
1997	\$ 56,232	\$ 23,248	\$ 8,040	\$ 5,383
1998	55,358	20,999	11,867	4,778
1999	52,060	19,104	11,865	4,382
2000	47,125	17,136	11,354	3,925
2001	43,505	17,219	11,355	504
Years thereafter	211,238	29,495	67,816	2,210
Minimum lease payments	\$ 465,518	\$ 127,201	\$ 122,297	\$ 21,182

Rental expense for Entergy's leases (excluding nuclear fuel leases and the sale and leaseback transactions) amounted to approximately \$59.7 million, \$61.1 million, and \$64.8 million in 1996, 1995, and 1994, respectively. These amounts include \$26.0 million, \$26.0 million, and \$26.4 million, respectively, for Entergy Arkansas, \$11.8 million, \$13.0 million, and \$15.3 million, respectively for Entergy Gulf States, and \$13.7 million, \$13.6 million, and \$12.1 million, respectively, for Entergy Louisiana.

Nuclear Fuel Leases

Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy each has arrangements to lease nuclear fuel in an aggregate amount up to \$385 million as of December 31, 1996. The lessors finance the acquisition and ownership of nuclear fuel through credit agreements and the issuance of notes. These agreements are subject to annual renewal with, in Entergy Louisiana's and Entergy Gulf States' case, the consent of the lenders. The credit agreements for Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy have been extended and now have termination dates of December 1999, December 1999, January 2000, and February 2000, respectively. The debt securities issued pursuant to these fuel lease arrangements have varying maturities through January 31, 1999. It is expected that the credit agreements will be extended or alternative financing will be secured by each lessor upon the maturity of the current arrangements. If extensions or alternative financing cannot be arranged, the lessee in each case must purchase sufficient nuclear fuel to allow the lessor to retire such borrowings.

Lease payments are based on nuclear fuel use. Nuclear fuel lease expense charged to operations by the domestic utility companies in 1996, 1995, and 1994 was \$158.5 million (including interest of \$21.7 million), \$153.5 million (including interest of \$22.1 million), and \$163.4 million (including interest of \$27.3 million), respectively. Specifically, in 1996, 1995, and 1994 Entergy Arkansas' expense was \$53.9 million, \$46.8 million, and \$56.2 million (including interest of \$7.1 million, \$6.7 million, and \$7.5 million), respectively; Entergy Gulf States' expense was \$27.1 million, \$41.4 million, and \$37.2 million (including interest of \$4.2 million, \$6.0 million, and \$8.7 million), respectively; Entergy Louisiana's expense was \$39.8 million, \$30.8 million, and \$32.2 million (including interest of \$4.9 million, \$3.7 million, and \$4.3 million), respectively; System Energy's expense was \$37.7 million, \$34.5 million, and \$37.8 million (including interest of \$5.5 million, \$5.7 million, and \$6.8 million), respectively.

Sale and Leaseback Transactions

Waterford 3 Lease Obligations (Entergy Louisiana)

On September 28, 1989, Entergy Louisiana entered into three transactions for the sale (for an aggregate cash consideration of \$353.6 million) and leaseback of three undivided portions of its 100% ownership interest in Waterford 3. The three undivided interests in Waterford 3 sold and leased back exclude certain transmission,

pollution control, and other facilities that are part of Waterford 3. The interests sold and leased back are equivalent on an aggregate cost basis to approximately a 9.3% undivided interest in Waterford 3. Entergy Louisiana is leasing back the interests on a net lease basis over an approximate 28-year basic lease term. Entergy Louisiana has options to terminate the lease and to repurchase the interests in Waterford 3 at certain intervals during the basic lease term. Further, at the end of the basic lease term, Entergy Louisiana has an option to renew the lease or to repurchase the undivided interests in Waterford 3.

Interests were acquired from Entergy Louisiana with funds obtained from the issuance and sale by the purchasers of intermediate-term and long-term secured lease obligation bonds. The lease payments to be made by Entergy Louisiana will be sufficient to service such debt.

Entergy Louisiana did not exercise its option to repurchase the undivided interests in Waterford 3 in September 1994. As a result, Entergy Louisiana was required to provide collateral for the equity portion of certain amounts payable by Entergy Louisiana under the leases. Such collateral was in the form of a new series of non-interest-bearing first mortgage bonds in the aggregate principal amount of \$208.2 million issued by Entergy Louisiana in September 1994.

Upon the occurrence of certain adverse events (including lease events of default, events of loss, deemed loss events or certain adverse "Financial Events" with respect to Entergy Louisiana), Entergy Louisiana may be obligated to pay amounts sufficient to permit the termination of the lease transactions and may be required to assume the outstanding indebtedness issued to finance the acquisition of the undivided interests in Waterford 3. "Financial Events" include, among other things, failure by Entergy Louisiana, following the expiration of any applicable grace or cure periods, to maintain (1) as of the end of any fiscal quarter, total equity capital (including preferred stock) at least equal to 30% of adjusted capitalization, or (2) in respect of the 12-month period ending on the last day of any fiscal quarter, a fixed charge coverage ratio of at least 1.50. As of December 31, 1996, Entergy Louisiana's total equity capital (including preferred stock) was 46.9% of adjusted capitalization and its fixed charge coverage ratio was 3.18.

As of December 31, 1996, Entergy Louisiana had future minimum lease payments (reflecting an overall implicit rate of 8.76%) in connection with the Waterford 3 sale and leaseback transactions, which are recorded as long-term debt, as follows (in thousands):

1997	\$ 39,805
1998	41,447
1999	50,530
2000	47,510
2001	46,015
Years thereafter	<u>582,689</u>
Total	807,996
Less: Amount representing interest	454,396
Present value of net minimum lease payments	<u>\$ 353,600</u>

Grand Gulf 1 Lease Obligations (System Energy)

On December 28, 1988, System Energy entered into two arrangements for the sale and leaseback of an aggregate 11.5% undivided ownership interest in Grand Gulf 1 for an aggregate cash consideration of \$500 million. System Energy is leasing back the undivided interest on a net lease basis over a 26 1/2-year basic lease term. System Energy has options to terminate the leases and to repurchase the undivided interest in Grand Gulf 1 at certain intervals during the basic lease term. Further, at the end of the basic lease term, System Energy has an option to renew the leases or to repurchase the undivided interest in Grand Gulf 1. See Note 9 with respect to certain other terms of the transactions.

In accordance with SFAS 98, "Accounting for Leases," due to "continuing involvement" by System Energy, the sale and leaseback arrangements of the undivided portions of Grand Gulf 1, as described above, are required to be reflected for financial reporting purposes as financing transactions in System Energy's financial statements. The amounts charged to expense for financial reporting purposes include the interest portion of the lease obligations and depreciation of the plant. However, operating revenues include the recovery of the lease payments because the transactions are accounted for as sales and leasebacks for rate-making purposes. The total of interest and depreciation expense exceeds the corresponding revenues realized during the early part of the lease term. Consistent with a recommendation contained in a FERC audit report, System Energy recorded as a deferred asset the difference between the recovery of the lease payments and the amounts expensed for interest and depreciation and is recording such difference as a deferred asset on an ongoing basis. The amount of this deferred asset was \$93.2 million and \$85.8 million as of December 31, 1996, and 1995, respectively.

As of December 31, 1996, System Energy had future minimum lease payments (reflecting an implicit rate of 7.02%), which are recorded as long-term debt as follows (in thousands):

1997	\$ 42,753
1998	42,753
1999	42,753
2000	42,753
2001	46,803
Years thereafter	<u>713,264</u>
Total	931,079
Less: Amount representing interest	<u>434,599</u>
Present value of net minimum lease payments.	<u>\$ 496,480</u>

NOTE 11. POSTRETIREMENT BENEFITS (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

Pension Plans

Entergy has two postretirement benefit plans, "Entergy Corporation Retirement Plan for Non-Bargaining Employees" and "Entergy Corporation Retirement Plan for Bargaining Employees", covering substantially all of its employees. The pension plans are noncontributory and provide pension benefits that are based on employees' credited service and compensation during the final years before retirement. Entergy Corporation and its subsidiaries fund pension costs in accordance with contribution guidelines established by the Employee Retirement Income Security Act of 1974, as amended, and the Internal Revenue Code of 1986, as amended. The assets of the plans include common and preferred stocks, fixed income securities, interest in a money market fund, and insurance contracts. Prior to January 1, 1995, all of Entergy's non-bargaining employees were generally included in a plan sponsored by the Entergy company where they were employed. However, Entergy New Orleans was a participating employer in a plan sponsored by Entergy Louisiana. Effective January 1, 1995, these employees became participants in a new plan with provisions substantially identical to their previous plan.

Total 1996, 1995, and 1994 pension cost of Entergy Corporation and its subsidiaries, including amounts capitalized, included the following components (in thousands):

<u>1996</u>	<u>Entergy</u>	<u>Entergy</u>	<u>Entergy</u>	<u>Entergy</u>	<u>Entergy</u>	<u>System</u>	
	<u>Entergy</u>	<u>Arkansas</u>	<u>Gulf States</u>	<u>Louisiana</u>	<u>Mississippi</u>	<u>New Orleans</u>	<u>Energy</u>
Service cost - benefits earned during the period	\$31,584	\$7,605	\$5,852	\$4,684	\$2,157	\$1,147	\$2,658
Interest cost on projected benefit obligation	84,303	24,540	20,952	15,735	9,462	2,973	2,645
Actual return on plan assets	(163,520)	(41,183)	(47,416)	(41,219)	(17,767)	(1,826)	(4,146)
Net amortization and deferral	71,260	14,015	18,732	20,313	6,382	88	526
Net pension cost (income)	\$23,627	\$4,977	(\$1,880)	(\$487)	\$234	\$2,382	\$1,683

<u>1995</u>	<u>Entergy</u>	<u>Entergy</u>	<u>Entergy</u>	<u>Entergy</u>	<u>Entergy</u>	<u>System</u>	
	<u>Entergy</u>	<u>Arkansas</u>	<u>Gulf States</u>	<u>Louisiana</u>	<u>Mississippi</u>	<u>New Orleans</u>	<u>Energy</u>
Service cost - benefits earned during the period	\$29,282	\$7,786	\$6,686	\$4,143	\$2,152	\$1,158	\$2,260
Interest cost on projected benefit obligation	80,794	24,372	21,098	15,111	9,240	2,680	2,230
Actual return on plan assets	(261,864)	(71,807)	(82,624)	(53,348)	(30,443)	(1,614)	(8,827)
Net amortization and deferral	178,345	47,766	53,921	34,902	20,081	64	5,510
Net pension cost (income)	\$26,557	\$8,117	(\$919)	\$808	\$1,030	\$2,288	\$1,173

<u>1994</u>	<u>Entergy</u>	<u>Entergy</u>	<u>Entergy</u>	<u>Entergy</u>	<u>Entergy</u>	<u>System</u>	
	<u>Entergy</u>	<u>Arkansas</u>	<u>Gulf States</u>	<u>Louisiana</u>	<u>Mississippi</u>	<u>New Orleans</u>	<u>Energy</u>
Service cost - benefits earned during the period	\$35,712	\$8,854	\$9,497	\$5,441	\$2,484	\$1,502	\$2,619
Interest cost on projected benefit obligation	77,943	22,651	21,335	14,473	8,648	2,740	2,148
Actual return on plan assets	10,381	365	6,785	2,024	1,507	-	498
Net amortization and deferral	(96,893)	(24,474)	(39,405)	(19,981)	(11,843)	(970)	(3,535)
Other	17,963	-	17,963	-	-	-	-
Net pension cost	\$45,106	\$7,396	\$16,175	\$1,957	\$796	\$3,272	\$1,730

The funded status of Entergy's various pension plans as of December 31, 1996, and 1995 was (in thousands):

1996		Entergy	Entergy	Entergy	Entergy	Entergy	System	
		Entergy	Arkansas	Gulf States	Louisiana	Mississippi	New Orleans	Energy
Actuarial present value of accumulated pension plan obligation:								
Vested	\$1,027,307	\$296,181	\$287,201	\$193,183	\$117,142	\$34,466	\$25,195	
Nonvested	4,775	1,345	748	697	154	29	655	
Accumulated benefit obligation	1,032,082	297,526	287,949	193,880	117,296	34,495	25,850	
Plan assets at fair value	1,359,614	374,849	397,749	282,470	150,616	22,017	43,943	
Projected benefit obligation	1,196,925	338,307	315,781	217,711	129,578	41,511	38,401	
Plan assets in excess of (less than) projected benefit obligation	162,689	36,542	81,968	64,759	21,038	(19,494)	5,542	
Unrecognized prior service cost	36,131	14,882	11,964	5,911	4,894	1,965	1,100	
Unrecognized transition asset	(39,504)	(11,679)	(9,550)	(14,037)	(6,252)	(767)	(5,291)	
Unrecognized net loss (gain)	(180,525)	(55,536)	(132,832)	(61,130)	(23,769)	9,897	(4,502)	
Accrued pension liability	(\$21,209)	(\$15,791)	(\$48,450)	(\$4,497)	(\$4,089)	(\$8,399)	(\$3,151)	

1995		Entergy	Entergy	Entergy	Entergy	Entergy	System	
		Entergy	Arkansas	Gulf States	Louisiana	Mississippi	New Orleans	Energy
Actuarial present value of accumulated pension plan obligation:								
Vested	\$989,509	\$298,358	\$256,173	\$192,697	\$116,851	\$44,324	\$23,692	
Nonvested	4,555	1,342	792	705	147	29	640	
Accumulated benefit obligation	994,064	299,700	256,965	193,402	116,998	44,353	24,332	
Plan assets at fair value	1,224,594	337,929	374,010	245,521	140,513	18,658	41,951	
Projected benefit obligation	1,156,831	341,946	289,666	218,715	129,180	51,699	36,491	
Plan assets in excess of (less than) projected benefit obligation	67,763	(4,017)	84,344	26,806	11,333	(33,041)	5,460	
Unrecognized prior service cost	35,946	15,042	12,021	6,469	4,883	2,224	1,180	
Unrecognized transition asset	(46,856)	(14,015)	(11,937)	(16,845)	(7,502)	(963)	(5,887)	
Unrecognized net loss (gain)	(94,618)	(23,545)	(135,303)	(28,060)	(13,832)	22,751	(3,074)	
Accrued pension liability	(\$37,765)	(\$26,535)	(\$50,875)	(\$11,630)	(\$5,118)	(\$9,029)	(\$2,321)	

The significant actuarial assumptions used in computing the information above for 1996, 1995, and 1994 were as follows: weighted-average discount rate, 7.75% for 1996, 7.5% for 1995, and 8.5% for 1994, weighted-average rate of increase in future compensation levels, 4.6% for 1996 and 1995, and 5.1% for 1994; and expected long-term rate of return on plan assets, 9.0% for 1996, and 8.5% for 1995 and 1994. Transition assets of Entergy are being amortized over the greater of the remaining service period of active participants or 15 years.

In 1994, Entergy Gulf States recorded an \$18.0 million charge related to early retirement programs in connection with the Merger, of which \$15.2 million was expensed.

Other Postretirement Benefits

Entergy also provides certain health care and life insurance benefits for retired employees. Substantially all employees may become eligible for these benefits if they reach retirement age while still working for Entergy.

Effective January 1, 1993, Entergy adopted SFAS 106 which required a change from a cash method to an accrual method of accounting for postretirement benefits other than pensions. Entergy Arkansas and Entergy Louisiana continue to fund these benefits on a pay-as-you-go basis. Entergy Gulf States continues to fund a portion of these benefits regulated by the LPSC and FERC on a pay-as-you-go basis. During 1994, pursuant to regulatory directives, Entergy Mississippi and Entergy New Orleans began to fund their postretirement benefit obligations. In 1996, Entergy Gulf States and System Energy began to fund their postretirement benefit obligations pursuant to 1995 regulatory directives issued by the PUCT and FERC, respectively. System Energy is funding on behalf of Entergy Operations those postretirement benefits associated with Grand Gulf 1. The assets of the various postretirement benefit plans other than pensions include common stocks, fixed income securities, and a money market fund. At January 1, 1993, the actuarially determined accumulated postretirement benefit obligation (APBO) earned by retirees and active employees was estimated to be approximately \$241.4 million and \$128 million for Entergy (other than Entergy Gulf States) and for Entergy Gulf States, respectively. Such obligations are being amortized over a 20-year period beginning in 1993.

The domestic utility companies have sought approval, in their respective regulatory jurisdictions, to implement the appropriate accounting requirements related to SFAS 106 for ratemaking purposes. Entergy Arkansas has received an order permitting deferral, as a regulatory asset, of the difference between its annual cash expenditures for postretirement benefits other than pensions and the SFAS 106 accrual, for up to a five-year period commencing January 1, 1993. Entergy Mississippi is expensing its SFAS 106 costs, which are reflected in rates pursuant to an order from the MPSC in connection with Entergy Mississippi's formulary incentive rate plan (see Note 2). The LPSC ordered Entergy Gulf States and Entergy Louisiana to continue the use of the pay-as-you-go method for ratemaking purposes for postretirement benefits other than pensions, but the LPSC retains the flexibility to examine individual companies' accounting for postretirement benefits to determine if special exceptions to this order are warranted. Entergy New Orleans is expensing its SFAS 106 costs. Pursuant to resolutions adopted in November 1993 by the Council related to the Merger, Entergy New Orleans' SFAS 106 expenses through October 31, 1996, were allowed by the Council for purposes of evaluating the appropriateness of Entergy New Orleans' rates. Pursuant to the PUCT's May 26, 1995, amended order, Entergy Gulf States is currently collecting its SFAS 106 costs in rates.

Total 1996, 1995, and 1994 postretirement benefit cost of Entergy Corporation and its subsidiaries, including amounts capitalized and deferred, included the following components (in thousands):

<u>1996</u>	<u>Entergy</u>	<u>Entergy</u>	<u>Entergy</u>	<u>Entergy</u>	<u>Entergy</u>	
	<u>Arkansas</u>	<u>Gulf States</u>	<u>Louisiana</u>	<u>Mississippi</u>	<u>New Orleans</u>	
Service cost - benefits earned during the period	\$14,351	\$3,128	\$3,476	\$2,155	\$1,081	\$661
Interest cost on APBO	26,133	5,580	8,164	4,283	2,171	3,085
Actual return on plan assets	(1,654)	-	(388)	-	(479)	(681)
Net amortization and deferral	14,214	3,397	5,370	2,694	1,458	1,977
Net postretirement benefit cost	<u>\$53,044</u>	<u>\$12,105</u>	<u>\$16,622</u>	<u>\$9,132</u>	<u>\$4,231</u>	<u>\$5,042</u>

1995

	<u>Entergy</u>	<u>Entergy</u> <u>Arkansas</u>	<u>Entergy</u> <u>Gulf States</u>	<u>Entergy</u> <u>Louisiana</u>	<u>Entergy</u> <u>Mississippi</u>	<u>Entergy</u> <u>New Orleans</u>
Service cost - benefits earned during the period	\$10,797	\$2,777	\$1,864	\$2,047	\$909	\$650
Interest cost on APBO	25,629	5,398	8,526	4,215	1,969	3,258
Actual return on plan assets	(759)	-	-	-	(245)	(514)
Net amortization and deferral	11,023	2,702	4,477	2,121	988	1,876
Net postretirement benefit cost	\$46,690	\$10,877	\$14,867	\$8,383	\$3,621	\$5,270

1994

	<u>Entergy</u>	<u>Entergy</u> <u>Arkansas</u>	<u>Entergy</u> <u>Gulf States</u>	<u>Entergy</u> <u>Louisiana</u>	<u>Entergy</u> <u>Mississippi</u>	<u>Entergy</u> <u>New Orleans</u>
Service cost - benefits earned during the period	\$11,863	\$3,080	\$2,169	\$2,433	\$876	\$813
Interest cost on APBO	23,312	5,510	6,449	4,422	1,833	3,502
Net amortization and deferral	9,891	3,833	2,832	3,066	1,122	2,569
Net postretirement benefit cost	\$45,066	\$12,423	\$11,450	\$9,921	\$3,831	\$6,884

The funded status of Entergy's postretirement plans as of December 31, 1996, and 1995, was (in thousands):

1996

	<u>Entergy</u>	<u>Entergy</u> <u>Arkansas</u>	<u>Entergy</u> <u>Gulf States</u>	<u>Entergy</u> <u>Louisiana</u>	<u>Entergy</u> <u>Mississippi</u>	<u>Entergy</u> <u>New Orleans</u>
Actuarial present value of accumulated postretirement benefit obligation:						
Retirees	\$263,504	\$56,945	\$90,450	\$44,083	\$21,639	\$36,613
Other fully eligible participants	28,507	5,599	5,728	4,063	2,753	1,694
Other active participants	73,188	15,505	16,623	11,553	5,837	3,630
Accumulated benefit obligation	365,199	78,049	112,801	59,699	30,229	41,937
Plan assets at fair value	37,970	-	15,528	-	7,517	12,647
Plan assets less than APBO	(327,229)	(78,049)	(97,273)	(59,699)	(22,712)	(29,290)
Unrecognized transition obligation	183,557	63,252	92,853	47,546	24,031	42,861
Unrecognized net loss (gain)/other	(5,032)	(13,414)	(13,859)	(7,726)	(3,221)	(11,704)
Accrued postretirement benefit asset (liability)	(\$148,704)	(\$28,211)	(\$18,279)	(\$19,879)	(\$1,902)	\$1,867

1995

	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans
Actuarial present value of accumulated postretirement benefit obligation:						
Retirees	\$244,192	\$46,633	\$101,698	\$36,262	\$15,957	\$33,652
Other fully eligible participants	48,393	9,161	17,334	7,614	4,619	3,215
Other active participants	71,464	16,745	15,980	13,288	5,692	4,306
Accumulated benefit obligation	364,049	72,539	135,012	57,164	26,268	41,173
Plan assets at fair value	15,494	-	-	-	5,151	10,343
Plan assets less than APBO	(348,555)	(72,539)	(135,012)	(57,164)	(21,117)	(30,830)
Unrecognized transition obligation	204,348	67,206	107,975	50,517	25,533	45,539
Unrecognized net loss (gain)/other	(1,639)	(16,757)	(617)	(8,556)	(6,179)	(13,835)
Accrued postretirement benefit asset (liability)	(\$145,846)	(\$22,090)	(\$27,654)	(\$15,203)	(\$1,763)	\$874

The assumed health care cost trend rate used in measuring the APBO of Entergy was 7.6% for 1997, gradually decreasing each successive year until it reaches 5.0% in 2005. A one percentage-point increase in the assumed health care cost trend rate for each year would have increased the APBO of Entergy, as of December 31, 1996, by 11.5% (Entergy Arkansas-11.8%, Entergy Gulf States-10.4%, Entergy Louisiana-11.8%, Entergy Mississippi-12.2% and Entergy New Orleans-10.0%), and the sum of the service cost and interest cost by approximately 14.2% (Entergy Arkansas-15.0%, Entergy Gulf States-12.8%, Entergy Louisiana-14.4%, Entergy Mississippi-14.4% and Entergy New Orleans-12.8%). The assumed discount rate and rate of increase in future compensation used in determining the APBO were 7.75% for 1996, 7.5% for 1995, and 8.5% for 1994, and 4.6% for 1996 and 1995, and 5.1% for 1994, respectively. The expected long-term rate of return on plan assets was 9.0% for 1996, and 8.5% for 1995 and 1994.

NOTE 12. RESTRUCTURING COSTS (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans)

In 1994, 1995, and 1996, Entergy implemented various restructuring programs to reduce the number of employees and consolidate offices and facilities. The programs were designed to reduce costs and improve operating efficiencies in order to enable Entergy to become a low-cost producer. The balances as of December 31, 1994, 1995, and 1996, for restructuring liabilities associated with these programs are shown below by company along with the actual termination benefits paid under the programs.

<u>Company</u>	<u>Liability as of 12/31/94</u>	<u>Additional 1995 Charges</u>	<u>Payments Made in 1995</u>	<u>Liability as of 12/31/95</u>	<u>Additional 1996 Charges</u>	<u>Payments Made in 1996</u>	<u>Liability as of 12/31/96</u>
Entergy Arkansas	\$12.2	\$162	(\$20.1)	\$8.3	\$0.3	(\$7.8)	\$0.8
Entergy Gulf States	6.5	13.1	(14.2)	5.4	0.8	(5.4)	0.8
Entergy Louisiana	6.8	64	(11.0)	2.2	0.4	(2.6)	-
Entergy Mississippi	6.2	29	(6.6)	2.5	(1.7)	(0.8)	-
Entergy New Orleans	3.4	0.2	(3.0)	0.6	-	(0.6)	-
Other	-	9.6	(4.4)	5.2	1.6	(5.2)	1.6
Total	\$35.1	\$48.4	(\$59.3)	\$24.2	\$1.4	(\$22.4)	\$3.2

The restructuring charges shown above primarily included employee severance costs related to the expected termination of approximately 2,774 employees in various groups. As of December 31, 1996, 2,723 employees had either been terminated or accepted voluntary separation packages under the restructuring plan.

In December 1996, Entergy recorded \$21.3 million of restructuring charges (of which \$18 million was recorded by Entergy Services) associated with the transition to competition.

Additionally, Entergy recorded \$24.3 million in 1994 (of which \$23.8 million was recorded by Entergy Gulf States) and \$1.6 million in 1996 for remaining severance and augmented retirement benefits related to the Merger. Actual termination benefits paid under the program during 1995 and 1996 amounted to \$21.6 million, and \$3.4 million, respectively. At December 31, 1996, the total remaining liability for expected future Merger-related outlays was approximately \$1 million.

NOTE 13. ACQUISITIONS (Entergy Corporation)

CitiPower

On January 5, 1996, Entergy Corporation finalized its acquisition of CitiPower, an electric distribution company serving Melbourne, Australia, and surrounding suburbs. The purchase price of CitiPower was approximately \$1.2 billion, of which \$294 million represented an equity investment by Entergy Corporation, and the remainder represented debt. Entergy Corporation funded the majority of the equity portion of the investment by drawing down \$230 million of its \$300 million bank revolving credit facility, which was subsequently repaid throughout the course of the year.

CitiPower is one of five electric distribution businesses in the state of Victoria. CitiPower's distribution area covers approximately 10% of Victoria's population. During the twelve months ended December 31, 1996, CitiPower

supplied approximately 4.2 million MWh of electricity to over 238,000 customer sites. Approximately 37,000, or 15%, of these sites were commercial customers.

The cost of the CitiPower license is being amortized on a straight-line basis over a 40 year period beginning January 5, 1996. As of December 31, 1996, the unamortized balance of the license was \$606 million.

In accordance with the purchase method of accounting, the results of operations for Entergy Corporation reported in its Statements of Consolidated Income and Cash Flows do not reflect CitiPower's results of operations for any period prior to January 5, 1996. The pro forma combined revenues, net income, earnings per common share before the cumulative effect of accounting change, and earnings per common share of Entergy Corporation presented below give effect to the acquisition as if it had occurred on January 1, 1995. This pro forma information is not necessarily indicative of the results of operations that would have occurred had the acquisition been consummated for the period for which it is being given effect.

	Twelve Months Ended December 31, 1995 (In Thousands of U.S. dollars, Except Share Data)
Operating revenues	\$ 6,690,406
Net income	\$ 503,880
Earnings per average common share before cumulative effect of accounting change	\$ 2.06
Earnings per average common share	\$ 2.21

CitiPower's results of operations for the twelve months ended December 31, 1996, (beginning on January 5, 1996, at the date of acquisition) are included in Entergy Corporation's Consolidated Financial Statements and are stated separately below:

	Twelve Months Ended December 31, 1996 (In Thousands of U.S. dollars)
Operating revenues	\$ 384,803
Operating expenses	\$ 308,916
Interest charges	\$ 77,545

Other

During 1996, Entergy acquired several security companies and assets of other security companies for a purchase price of approximately \$83 million.

NOTE 14. TRANSACTIONS WITH AFFILIATES (Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

The various domestic utility companies purchase electricity from and/or sell electricity to other domestic utility companies, System Energy, and Entergy Power (in the case of Entergy Arkansas) under rate schedules filed with FERC. In addition, the domestic utility companies and System Energy purchase fuel from System Fuels, receive technical, advisory, and administrative services from Entergy Services, and receive management and operating services from Entergy Operations.

As described in Note 1, all of System Energy's operating revenues consist of billings to Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans.

The tables below contain the various affiliate transactions among the domestic utility companies and System Entergy (in millions).

Intercompany Revenues

	<u>Entergy Arkansas</u>	<u>Entergy Gulf States</u>	<u>Entergy Louisiana</u>	<u>Entergy Mississippi</u>	<u>Entergy New Orleans</u>	<u>System Energy</u>
1996	\$ 282.7	\$ 21.2	\$ 5.6	\$ 65.9	\$ 2.6	\$ 623.6
1995	\$ 195.5	\$ 62.7	\$ 1.6	\$ 43.3	\$ 3.2	\$ 605.6
1994	\$ 232.6	\$ 44.4	\$ 1.0	\$ 45.8	\$ 2.1	\$ 475.0

Intercompany Operating Expenses

	<u>Entergy Arkansas(1)</u>	<u>Entergy Gulf States</u>	<u>Entergy Louisiana</u>	<u>Entergy Mississippi</u>	<u>Entergy New Orleans</u>	<u>System Energy</u>
1996	\$346.7	\$395.7	\$331.3	\$294.6	\$ 185.9	\$ 8.6
1995	\$316.0	\$266.5	\$335.5	\$262.6	\$ 164.4	\$ 6.5
1994	\$310.7	\$296.9	\$365.8	\$280.2	\$ 170.1	\$ 10.5

- (1) Includes \$38.8 million in 1996, \$31.0 million in 1995, and \$25.7 million in 1994 for power purchased from Entergy Power.

Operating Expenses Paid or Reimbursed to Entergy Operations

	<u>Entergy Arkansas</u>	<u>Entergy Gulf States</u>	<u>Entergy Louisiana</u>	<u>System Energy</u>
1996	\$ 163.3	\$ 133.7	\$ 97.7	\$ 98.1
1995	\$ 189.8	\$ 129.1	\$ 122.6	\$ 116.9
1994	\$ 221.2	\$ 210.2	\$ 152.5	\$ 179.6

In addition, certain materials and services required for fabrication of nuclear fuel are acquired and financed by System Fuels and then sold to System Energy as needed. Charges for these materials and services, which represent additions to nuclear fuel, amounted to approximately \$44.7 million in 1996, \$51.5 million in 1995, and \$26.4 million in 1994.

NOTE 15. BUSINESS SEGMENT INFORMATION (Entergy New Orleans)

Entergy New Orleans supplies electric and natural gas services in the City. Entergy New Orleans' segment information follows:

	1996		1995		1994	
	Electric	Gas	Electric	Gas	Electric	Gas
			(In Thousands)			
Operating revenues	\$ 403,254	\$ 101,023	\$ 390,002	\$ 80,276	\$ 360,430	\$ 87,357
Revenue from sales to unaffiliated customers (1)	\$ 400,605	\$ 101,023	\$ 386,785	\$ 80,276	\$ 358,369	\$ 87,357
Operating income before income taxes	\$ 51,937	\$ 5,641	\$ 61,092	\$ 9,638	\$ 23,976	\$ 9,387
Net utility plant	\$ 214,106	\$ 63,865	\$ 204,407	\$ 65,236	\$ 209,901	\$ 67,875
Depreciation expense	\$ 16,525	\$ 3,342	\$ 15,858	\$ 3,290	\$ 15,743	\$ 3,310
Construction expenditures	\$ 23,411	\$ 4,545	\$ 21,729	\$ 6,107	\$ 16,997	\$ 5,780

- (1) Entergy New Orleans' intersegment transactions are not material (less than 1% of sales to unaffiliated customers).

NOTE 16. SUBSEQUENT EVENT (UNAUDITED)

Acquisition of London Electricity plc (Entergy Corporation)

On December 18, 1996, Entergy made a formal cash offer to acquire London Electricity for \$2.1 billion. London Electricity is a regional electric company serving approximately two million customers in the metropolitan area of London, England. The offer was approved by authorities in the United Kingdom and as of February 7, 1997, the offer was made unconditional and Entergy, through an English subsidiary, controlled over 90% of the common shares of London Electricity. Through procedures available under applicable law, Entergy expects to gain control of 100% of the common shares of London Electricity. The acquisition was financed with \$1.7 billion of debt that is non-recourse to Entergy Corporation, and \$392 million of equity provided by Entergy Corporation from available cash and borrowings under its \$300 million line of credit.

NOTE 17. QUARTERLY FINANCIAL DATA (UNAUDITED)
(Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

The business of the domestic utility companies and System Energy is subject to seasonal fluctuations with the peak period occurring during the third quarter. Operating results for the four quarters of 1996 and 1995 were:

Operating Revenue

	<u>Entergy</u>	<u>Entergy Arkansas</u>	<u>Entergy Gulf States</u>	<u>Entergy Louisiana</u>	<u>Entergy Mississippi</u>	<u>Entergy New Orleans</u>	<u>System Energy</u>
	(In Thousands)						
1996:							
First Quarter	\$ 1,603,384	\$ 383,081	\$ 456,631	\$ 417,767	\$ 203,902	\$ 127,280	\$ 156,424
Second Quarter	1,852,525	467,990	525,567	457,847	247,479	127,829	160,369
Third Quarter	2,138,273	529,276	592,130	549,295	297,118	150,937	154,467
Fourth Quarter	1,569,344	363,086	444,853	403,958	209,931	98,231	152,360
1995:							
First Quarter	1,337,400	339,596	399,346	353,462	180,559	104,494	151,664
Second Quarter	1,564,917	412,164	479,609	406,575	223,156	112,666	158,632
Third Quarter	1,955,019	530,448	540,287	529,458	280,339	146,720	144,758
Fourth Quarter	1,429,870	366,025	442,732	385,380	205,789	106,398	150,585

Operating Income (Loss)

	<u>Entergy</u>	<u>Entergy Arkansas(a)</u>	<u>Entergy Gulf States(a)</u>	<u>Entergy Louisiana</u>	<u>Entergy Mississippi</u>	<u>Entergy New Orleans</u>	<u>System Energy</u>
	(In Thousands)						
1996:							
First Quarter	\$ 342,403	\$ 41,955	\$ 77,058	\$ 95,166	\$ 30,470	\$ 15,752	\$ 82,938
Second Quarter	500,017	105,237	118,420	119,736	57,283	19,608	82,894
Third Quarter	599,704	131,319	152,022	155,755	54,696	28,319	75,270
Fourth Quarter	236,597	31,639	64,398	65,789	22,147	(6,101)	75,937
1995:							
First Quarter	258,441	26,343	47,209	88,013	25,633	14,138	79,377
Second Quarter	434,623	91,180	111,918	115,637	43,523	17,420	80,704
Third Quarter	606,104	132,264	154,268	181,171	57,717	31,000	76,719
Fourth Quarter	218,158	22,080	48,269	63,934	23,515	8,172	76,905

Net Income (Loss)

	<u>Entergy(b)</u>	<u>Entergy Arkansas(a)(b)</u>	<u>Entergy Gulf States(a)</u>	<u>Entergy Louisiana</u>	<u>Entergy Mississippi</u>	<u>Entergy New Orleans</u>	<u>System Energy</u>
	(In Thousands)						
1996:							
First Quarter	\$ (87,072)	\$ 19,268	\$(152,257)	\$ 40,530	\$ 12,924	\$ 8,035	\$ 23,530
Second Quarter	188,323	55,712	47,140	55,385	29,819	10,360	23,382
Third Quarter	279,881	70,791	90,965	77,302	28,205	15,221	24,749
Fourth Quarter	38,895	12,027	10,265	17,545	8,263	(6,840)	27,007
1995:							
First Quarter	90,392	46,129	3,635	36,062	9,774	6,245	22,565
Second Quarter	162,703	47,844	43,353	53,082	20,578	8,688	23,802
Third Quarter	263,118	73,963	68,112	92,819	29,228	16,862	23,366
Fourth Quarter	3,767	4,144	7,819	19,574	9,087	2,591	23,306

Earnings (Loss) per Average Common Share (Entergy Corporation)

	<u>1996</u>	<u>1995</u>
First Quarter	\$ (0.38)	\$ 0.40
Second Quarter	\$ 0.83	\$ 0.71
Third Quarter	\$ 1.22	\$ 1.16
Fourth Quarter (b)	\$ 0.16	\$ 0.02

- (a) See Note 12 for information regarding the recording of certain restructuring costs in 1995.
- (b) The fourth quarter of 1995 reflects an increase in net income of \$35.4 million (net of income taxes of \$22.9 million) and an increase in earnings per share of \$.15 due to the recording of the cumulative effect of the change in accounting method for incremental nuclear refueling outage maintenance costs. See Note 1 for a discussion of the change in accounting method.

Item 9. Changes In and Disagreements With Accountants On Accounting and Financial Disclosure.

No event that would be described in response to this item has occurred with respect to Entergy, System Energy, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, or Entergy New Orleans.

PART III

Item 10. Directors and Executive Officers of the Registrants (Entergy Corporation, Entergy Gulf States, Entergy Mississippi, Entergy New Orleans, and System Energy)

All officers and directors listed below held the specified positions with their respective companies as of the date of filing this report.

ENTERGY CORPORATION

Directors

Information required by this item concerning directors of Entergy Corporation is set forth under the heading "Election of Directors" contained in the Proxy Statement of Entergy Corporation, (the "Proxy Statement"), to be filed in connection with its Annual Meeting of Stockholders to be held May 9, 1997, ("Annual Meeting"), and is incorporated herein by reference. Information required by this item concerning officers and directors of the remaining registrants is reported as of December 31, 1996.

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Period</u>
<u>Officers</u>			
Edwin Lupberger (a)	60	Chairman of the Board, Chief Executive Officer, and Director of Entergy Corporation	1985-Present
		Chairman of the Board and Chief Executive Officer of Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans	1993-Present
		Chairman of the Board, Chief Executive Officer and Director of Entergy Gulf States	1994-Present
		Chairman of the Board and Director of Entergy Integrated Solutions	1996-Present
		Chairman of the Board of System Energy and Entergy Enterprises	1986-Present
		Chairman of the Board of Entergy Operations	1990-Present
		Chairman of the Board of Entergy Services	1985-Present
		Chief Executive Officer of Entergy Services	1991-Present
		Chief Executive Officer of Entergy Power, Entergy Power Development Corporation, and Entergy-Richmond Power Corporation	1993-Present
		Chief Executive Officer of Entergy Pakistan, Ltd. and Entergy Power Asia, Ltd.	1994-Present
		Chief Executive Officer of EP Edegel, Inc., Entergy Power Development International Corporation, Entergy Power Holding II, Ltd., Entergy Power Marketing Corporation, Entergy Power Operations Corporation, Entergy Power Operations Holdings, Ltd., Entergy Power Operations Pakistan LDC, Entergy Victoria LDC, Entergy Victoria Holdings LDC, EPG Cayman Holding I, EPG Cayman Holding II, Entergy Power CBA Holding, Ltd., and Entergy Power Edesur Holding, Ltd.	1995-Present
		Chief Executive Officer of Entergy Power International Holdings Corporation and Entergy Mexico Ltd.	1996-Present
		President of Entergy Corporation	1995-Present
		President of Entergy Services and Entergy Enterprises	1994-Present
		Director of Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy	1986-Present
		Director of Entergy Operations and Entergy Services	1994-Present
		Director of Entergy Enterprises	1984-Present
		Chief Executive Officer of Entergy Edegel I, Inc., Entergy Power Holding I, Ltd., and Entergy Yacyreta I, Inc.	1995-1996
		Chairman of the Board of Entergy Power	1990-1993

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Period</u>
Jerry L. Maulden	60	Chief Executive Officer of Entergy Enterprises	1991-1994
		Director of System Fuels	1986-1992
		Vice Chairman of Entergy Corporation	1995-Present
		Vice Chairman and Chief Operating Officer of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans	1993-Present
		Vice Chairman of Entergy Services	1992-Present
		Director of Entergy Arkansas	1979-Present
		Director of Entergy Gulf States	1993-Present
		Director of Entergy Louisiana and Entergy New Orleans	1991-Present
		Director of Entergy Mississippi	1988-Present
		Director of Entergy Operations	1990-Present
		Director of System Energy	1987-Present
		Director of Entergy Services	1979-Present
		Chairman of the Board of Entergy Arkansas	1989-1993
		Chairman of the Board and Chief Executive Officer of Entergy Louisiana and Entergy New Orleans	1991-1993
		Chairman of the Board and Chief Executive Officer of Entergy Mississippi	1989-1993
		Chief Executive Officer of Entergy Arkansas	1979-1993
		President and Chief Operating Officer of Entergy Corporation	1993-1995
		Group President, System Executive - Transmission, Distribution, and Customer Service of Entergy Corporation	1991-1993
		Group President, System Executive - Transmission, Distribution, and Customer Service of Entergy Services	1991-1992
		Director of System Fuels	1979-1992
Jerry D. Jackson	52	Executive Vice President - External Affairs of Entergy Corporation	1994-Present
		Executive Vice President - External Affairs of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans	1995-Present
		Executive Vice President - External Affairs of Entergy Services	1994-Present
		Director of Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans	1992-Present
		Director of Entergy Gulf States	1994-Present
		Director of Entergy Services	1990-Present
		Director of Entergy Enterprises	1996-Present
		Executive Vice President of Marketing for Entergy Corporation	1994-1995
		Executive Vice President - Marketing of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans	1995-1995
		Executive Vice President - Marketing of Entergy Services	1994-1995
		President and Chief Administrative Officer of Entergy Services	1992-1994
		President of Entergy Enterprises	1991-1992
		Executive Vice President - Finance and External Affairs of Entergy Corporation	1990-1994
		Executive Vice President - Finance and External Affairs and Secretary of Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans	1992-1994
		Executive Vice President - Finance and External Affairs of Entergy Gulf States	1993-1994
		Executive Vice President - Finance and External Affairs of Entergy Services	1990-1992
		Secretary of Entergy Corporation	1991-1994
		Secretary of Entergy Gulf States	1994-1995
		Director of System Energy	1993-1995
		Director of Entergy Power and Entergy Enterprises	1990-1992

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Period</u>
Donald C. Hintz	54	Executive Vice President and Chief Nuclear Officer of Entergy Corporation	1994-Present
		Executive Vice President - Nuclear of Entergy Arkansas, Entergy Gulf States, and Entergy Louisiana	1994-Present
		Executive Vice President of Nuclear for Entergy Services	1996-Present
		Chief Executive Officer and President of System Energy and Entergy Operations	1992-Present
		Director of Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, System Energy, System Fuels, and Entergy Services	1992-Present
		Director of Entergy Gulf States	1993-Present
		Director of Entergy Operations	1990-Present
		Director of GSG&T, Prudential Oil & Gas, Southern Gulf Railway, and Varibus Corporation	1994-Present
		Senior Vice President and Chief Nuclear Officer of Entergy Corporation	1993-1994
		Senior Vice President - Nuclear of Entergy Arkansas	1990-1994
		Senior Vice President - Nuclear of Entergy Gulf States	1993-1994
		Senior Vice President - Nuclear of Entergy Louisiana	1992-1994
		President of Entergy Operations	1992-1992
		Director of Entergy New Orleans	1992-1994
		Chief Operating Officer and Executive Vice President of Entergy Operations	1990-1992
		Group Vice President - Nuclear of Entergy Louisiana	1990-1992
		Gerald D. McInvale	53
Executive Vice President, Chief Financial Officer and Director of Entergy Technology Holding Company	1996-Present		
Executive Vice President and Chief Financial Officer of Entergy Operations Services, Inc.	1996-Present		
Senior Vice President, Treasurer, and Director of Entergy Pakistan, Ltd. and Entergy Power Asia, Ltd.	1994-Present		
Senior Vice President, Treasurer, and Director of Entergy Power Development Corporation and Entergy-Richmond Power Corporation	1993-Present		
Senior Vice President, Treasurer, and Director of EP Edegel, Inc., Entergy Power Development International Corporation, Entergy Power Holding II, Ltd., Entergy Power Marketing Corporation, Entergy Power Operations Corporation, Entergy Power Operations Holdings, Ltd., Entergy Power Operations Pakistan LDC, Entergy Victoria LDC, Entergy Victoria Holdings LDC, EPG Cayman Holding I, EPG Cayman Holding II, Entergy Power CBA Holding, Ltd., and Entergy Power Edesur Holding, Ltd.	1995-Present		
Senior Vice President, Treasurer, and Director of Entergy Power International Holdings Corporation	1996-Present		
Senior Vice President, Treasurer, and Director of Entergy Power	1993-Present		
Senior Vice President and Director of Entergy Mexico, Ltd.	1996-Present		
Senior Vice President and Treasurer of Entergy Peru S.A.	1996-Present		
Director of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Services, System Energy, Entergy Operations, GSG&T, Prudential Oil & Gas, Southern Gulf Railway, and Varibus Corporation	1995-Present		
Director of System Fuels	1992-Present		
Director of Entergy Integrated Solutions	1993-Present		
Director of Entergy Power International Corporation	1996-Present		
Senior Vice President, Treasurer, and Director of Entergy Edegel I, Inc., Entergy Power Holding I, Ltd., and Entergy Yacyreta I, Inc.	1995-1996		
Chairman of the Board of Entergy Integrated Solutions	1994-1995		

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Period</u>
		Senior Vice President and Chief Financial Officer of Entergy Corporation, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, System Energy, Entergy Operations, Entergy Services, and Entergy Enterprises	1991-1995
		Senior Vice President and Chief Financial Officer of Entergy Gulf States	1993-1995
		Senior Vice President and Chief Financial Officer of System Fuels	1994-1995
		Director and Acting Chief Operating Officer of Entergy Enterprises	1994-1995
		Treasurer of Entergy Enterprises	1992-1996
Michael G. Thompson	56	Senior Vice President and General Counsel of Entergy Corporation and Entergy Services	1992-Present
		Senior Vice President, General Counsel and Secretary of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans	1995-Present
		Senior Vice President-Law and Secretary of Entergy Enterprises	1992-Present
		Senior Vice President, Secretary, and Director of Entergy Pakistan, Ltd. and Entergy Power Asia, Ltd.	1994-Present
		Senior Vice President, Secretary, and Director of Entergy Power Marketing Corporation, Entergy Power Operations Holding Ltd., and EP Edegel, Inc.	1994-Present
		Senior Vice President, Secretary, and Director of Entergy Power Development International Corporation, Entergy Power Holding II, Ltd., Entergy Power Operations Corporation, Entergy Power Operations Pakistan LDC, Entergy Victoria LDC, Entergy Victoria Holdings LDC, EPG Cayman Holding I, EPG Cayman Holding II, Entergy Power CBA Holding, Ltd., and Entergy Power Edesur Holding, Ltd.	1995-Present
		Senior Vice President, Secretary and Director of Entergy Power International Holdings Corporation and Entergy Mexico Ltd.	1996-Present
		Senior Vice President, Secretary, and Director of Entergy Power Development Corporation and Entergy-Richmond Power Corporation	1992-Present
		Vice President, Secretary, and Director of Entergy Power	1994-Present
		Vice President and Secretary of Entergy Integrated Solutions.	1993-Present
		Secretary of Entergy Corporation	1994-Present
		Director of Entergy Integrated Solutions	1992-Present
		Director of Entergy Power International Corporation and Entergy Operations Services, Inc.	1996-Present
		Senior Vice President, Secretary and Director of Entergy Edegel I, Inc., and Entergy Yacyreta I, Inc.	1994-1996
		Senior Vice President, Secretary, and Director of Entergy Power Holding I, Ltd.	1995-1996
		Senior Vice President, Chief Legal Officer, Director and Secretary of Entergy Power	1993-1994
		Assistant Secretary of Entergy Corporation	1993-1994
		Senior Partner of Friday, Eldredge & Clark (law firm)	1987-1992
S. M. Henry Brown, Jr.	58	Vice President - Federal Governmental Affairs of Entergy Corporation and Entergy Services	1989-Present
William J. Regan, Jr.	50	Vice President and Treasurer of Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, System Energy, Entergy Operations, Entergy Services, System Fuels Inc., GSG&T, Prudential Oil & Gas, Southern Gulf Railway, and Varibus Corporation	1995-Present
		Vice President and Treasurer of Entergy Technology Holding Company and Entergy Operations Services, Inc.	1996-Present
		Treasurer of Entergy Mexico Ltd.	1996-Present
		Assistant Secretary of System Fuels Inc., GSG&T, Prudential Oil & Gas, Southern Gulf Railway, and Varibus Corporation	1995-Present
		Senior Vice President and Corporate Treasurer of United Services Automobile Association	1989-1995
Louis E. Buck, Jr.	48	Vice President and Chief Accounting Officer of Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, System Energy, Entergy	1995-Present

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Period</u>
		Operations, and Entergy Services	
		Assistant Secretary of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Operations, and Entergy Services	1995-Present
		Director of Entergy Operations Services	1996-Present
		Assistant Secretary of Entergy Corporation and System Energy Resources	1996-Present
		Vice President and Chief Financial Officer of North Carolina Electric Membership Corporation	1992-1995
		Manager of Finance of Texas Utilities Services	1988-1992
John A. Brayman	50	Executive Vice President and Director of Entergy Enterprises	1995-Present
		Chairman of the Board, President, Chief Executive Officer and Director of Entergy Technology Holding Company	1996-Present
		Executive Vice President of Business Development of Entergy Corporation	1996-Present
		Independent consultant	1994-1995
		Senior Executive of Ameritech	1990-1994
Terry L. Ogletree	53	Executive Vice President-International of Entergy Corporation	1996-Present
		Chief Operating Officer, President and Director of Entergy Power Development Corporation, Entergy Power, and Entergy-Richmond Power Corporation	1993-Present
		Chief Operating Officer, President and Director of Entergy Pakistan Ltd., and EP Edegel Inc.	1994-Present
		Chief Operating Officer, President and Director of Entergy Power Development International Corporation, and Entergy Power Marketing Corporation	1995-Present
		Chief Controlling Officer, President and Director of EPG Cayman Holding I, EPG Cayman Holding II, Entergy Victoria LDC, and Entergy Victoria Holdings LDC	1995-Present
		Chief Operating Officer, President and Director of Entergy Power International Holdings Corporation	1996-Present
		President and Director of Entergy S.A. and Entergy Transener S.A.	1993-Present
		President and Director of Entergy Power Operations Corporation, Entergy Power Holding II, Ltd., Entergy Power Operation Holdings, Ltd., Entergy Power Operations Pakistan LDC, Entergy Power CBA Holding, Ltd., and Entergy Power Edesur Holding, Ltd.	1995-Present
		President and Director of Entergy Power Asia	1994-Present
		President and Director of Entergy Mexico Ltd.	1996-Present
		Executive Vice President of Entergy Peru S.A.	1996-Present
		Director of Entergy Power International Corporation and Entergy Operations Services, Inc.	1996-Present
		President and Director of Entergy Argentina and Entergy Argentina S.A., Ltd.	1993-1996
		President and Director of Entergy Edegel I, Entergy Power Holding I, Ltd., and Entergy Yacyreta I, Inc.	1995-1996
		Executive Vice President and Director of Entergy Enterprises	1994-1995
		President of Constellation Energy	1989-1993
Michael B. Bemis (b)	49	Executive Vice President of Retail Services for Entergy Corporation	1996-Present
		Executive Vice President - Retail Services and Director of Entergy Arkansas, Entergy Louisiana, and Entergy Mississippi	1992-Present
		Executive Vice President - Retail Services of Entergy Gulf States	1993-Present
		Executive Vice President - Retail Services of Entergy New Orleans and Entergy Services	1992-Present
		Director of Entergy Gulf States	1994-Present
		Director of System Fuels	1992-Present
		Director of Varibus Corporation, Prudential Oil & Gas, Inc., GSG&T, and Southern Gulf Railway Company	1994-Present
		Director of Entergy Services, Entergy Enterprises, and Entergy Integrated Solutions	1996-Present
		President and Chief Operating Officer of Entergy Louisiana and Entergy New Orleans	1992-1992
		Director of Entergy New Orleans	1992-1994

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Period</u>
Frank F. Gallaher	51	Executive Vice President of Operations for Entergy Corporation	1996-Present
		Chairman of the Board of System Fuels	1992-Present
		Chairman of the Board and Director of Varibus Corporation, Prudential Oil & Gas, Inc., GSG&T, and Southern Gulf Railway Company	1993-Present
		Chairman of the Board and Director of Entergy Operations Services, Inc.	1996-Present
		Executive Vice President - Operations of Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and Entergy Services	1993-Present
		Director of Entergy Gulf States	1993-Present
		Director of Entergy Services and System Fuels	1992-Present
		Senior Vice President - Fossil Operations of Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and Entergy Services	1992-1993
		President of Entergy Gulf States	1994-1996
		Richard J. Landy	51
		President, Chief Executive Officer and Director of Entergy Integrated Solutions	1996-Present
		Senior Vice President and Chief Administrative Officer of Entergy Arkansas, Entergy Operations, Entergy Services, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans	1995-Present
		Director of Entergy Enterprises, Entergy Operations, and Entergy Operations Services, Inc.	1996-Present
		Vice President - Human Resources and Administration of Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Services, and Entergy Operations	1991-1995
		Vice President - Human Resources and Administration of Entergy Gulf States	1993-1995
ENTERGY ARKANSAS, INC.			
<u>Directors</u>			
R. Drake Keith	61	President and Director of Entergy Arkansas	1989-Present
		Chief Operating Officer of Entergy Arkansas	1989-1992
		Secretary of Entergy Arkansas	1991-1992
Michael B. Bemis		See information under the Entergy Corporation Officers Section above.	
Donald C. Hintz		See information under the Entergy Corporation Officers Section above.	
Jerry D. Jackson		See information under the Entergy Corporation Officers Section above.	
Edwin Lupberger		See information under the Entergy Corporation Officers Section above.	
Jerry L. Maulden		See information under the Entergy Corporation Officers Section above.	
Gerald D. McInvale		See information under the Entergy Corporation Officers Section above.	
<u>Officers</u>			
Michael R. Niggli	47	Senior Vice President - Customer Accounts for Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and Entergy Services	1996-Present
		Senior Vice President - Marketing of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and Entergy Services	1993-1996
		Vice President - Customer Services of Entergy Louisiana, Entergy New Orleans, and Entergy Services	1993-1993
		Vice President - Strategic Planning of Entergy Services	1990-1992
		Vice President and Director of Entergy Enterprises	1991-1992
Cecil L. Alexander	61	Vice President - Governmental Affairs of Entergy Arkansas	1991-Present
James S. Pilgrim	61	Vice President - Customer Service of Entergy Arkansas	1994-Present
		Director, Central Region, TDCS Customer Service	1993-1994
		Central Division Manager of Mississippi	1991-1993
C. Hiram Walters	60	Vice President - Customer Service of Entergy Arkansas	1993-Present

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Period</u>
		Vice President - Customer Service of Entergy Louisiana	1994-Present
		Vice President - Customer Service, Central Region of Entergy Services	1993-Present
		Senior Vice President - Customer Service of Entergy Services	1991-1992
Edwin Lupberger		See information under the Entergy Corporation Officers Section above.	
Jerry L. Maulden		See information under the Entergy Corporation Officers Section above.	
R. Drake Keith		See information under the Entergy Corporation Officers Section above.	
Michael B. Bemis		See information under the Entergy Corporation Officers Section above.	
Jerry D. Jackson		See information under the Entergy Corporation Officers Section above.	
Frank F. Gallaher		See information under the Entergy Corporation Officers Section above.	
Donald C. Hintz		See information under the Entergy Corporation Officers Section above.	
Gerald D. McInvale		See information under the Entergy Corporation Officers Section above.	
Michael G. Thompson		See information under the Entergy Corporation Officers Section above.	
Richard J. Landy		See information under the Entergy Corporation Officers Section above.	
William J. Regan, Jr.		See information under the Entergy Corporation Officers Section above.	
Louis E. Buck, Jr.		See information under the Entergy Corporation Officers Section above.	

ENERGY GULF STATES, INC.

Directors

Karen Johnson	52	State President - Texas and Director of Entergy Gulf States	1996-Present
		Vice President - Governmental Affairs of Entergy Gulf States - Texas	1994-Present
		Executive Director of State Bar of Texas (state agency)	1990-1994
John J. Cordaro	63	State President - Louisiana, and Director for Entergy Gulf States and Entergy Louisiana	1996-Present
		President and Director of Entergy Louisiana and Entergy New Orleans	1992-1996
		Group Vice President - External Affairs of Entergy Louisiana and Entergy New Orleans	1989-1992
Michael B. Bemis		See information under the Entergy Corporation Officers Section above.	
Frank F. Gallaher		See information under the Entergy Corporation Officers Section above.	
Donald C. Hintz		See information under the Entergy Corporation Officers Section above.	
Jerry D. Jackson		See information under the Entergy Corporation Officers Section above.	
Edwin Lupberger		See information under the Entergy Corporation Officers Section above.	
Jerry L. Maulden		See information under the Entergy Corporation Officers Section above.	
Gerald D. McInvale		See information under the Entergy Corporation Officers Section above.	

Officers

William E. Colston	61	Vice President - Customer Service of Entergy Gulf States	1994-Present
		Vice President - Customer Service of Entergy Louisiana	1993-Present
		Vice President - Customer Service of Southern Region of Entergy Services	1993-Present
		Regional Director of Entergy Louisiana	1992-1993
S. G. Cunningham, Jr.	56	Vice President - Regulatory and Governmental Affairs of Entergy Louisiana and Entergy Gulf States	1996-Present
		Vice President - State Regulatory Affairs of Entergy Services	1994-1996
		Vice President - Entergy Corporation, Entergy Gulf States Transition Regulatory Affairs of Entergy Services	1993-1994
		Vice President - Rates and Regulatory Affairs of Entergy Louisiana and Entergy New Orleans	1991-1994
		Vice President - Regulatory Affairs of Entergy Services	1992-1993
J. Parker McCollough	46	Vice President - State Governmental Affairs of Entergy Gulf States	1996-Present
		Vice President - Governmental Affairs, Texas Association of Retailers	1996-1996
		Member- Texas House of Representatives	1989-1996
		Wright & Greenhill, PC (law firm)	1991-1993
Edwin Lupberger		See information under the Entergy Corporation Officers Section above.	
Jerry L. Maulden		See information under the Entergy Corporation Officers Section above.	
Frank F. Gallaher		See information under the Entergy Corporation Officers Section above.	

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Period</u>
Michael B. Bemis		See information under the Entergy Corporation Officers Section above.	
Jerry D. Jackson		See information under the Entergy Corporation Officers Section above.	
Donald C. Hintz		See information under the Entergy Corporation Officers Section above.	
Gerald D. McInvale		See information under the Entergy Corporation Officers Section above.	
Michael G. Thompson		See information under the Entergy Corporation Officers Section above.	
Michael R. Niggli		See information under the Entergy Arkansas Officers Section above.	
Richard J. Landy		See information under the Entergy Corporation Officers Section above.	
Karen Johnson		See information under the Entergy Gulf Sates Director section above.	
John J. Cordaro		See information under the Entergy Gulf Sates Director section above.	
William J. Regan, Jr.		See information under the Entergy Corporation Officers Section above.	
Louis E. Buck, Jr.		See information under the Entergy Corporation Officers Section above.	

ENTERGY LOUISIANA, INC.

Directors

Michael B. Bemis		See information under the Entergy Corporation Officers Section above.
John J. Cordaro		See information under the Entergy Gulf Sates Director section above.
Donald C. Hintz		See information under the Entergy Corporation Officers Section above.
Jerry D. Jackson		See information under the Entergy Corporation Officers Section above.
Edwin Lupberger		See information under the Entergy Corporation Officers Section above.
Jerry L. Maulden		See information under the Entergy Corporation Officers Section above.
Gerald D. McInvale		See information under the Entergy Corporation Officers Section above.

Officers

James D. Bruno	57	Vice President - Customer Service of Entergy Louisiana and Entergy New Orleans	1994-Present
		Vice President - Metro Region of Entergy Services	1993-Present
		Region Director - Metro Region of Entergy Services	1991-1993
Edwin Lupberger		See information under the Entergy Corporation Officers Section above.	
Jerry L. Maulden		See information under the Entergy Corporation Officers Section above.	
John J. Cordaro		See information under the Entergy Gulf Sates Director section above.	
Michael B. Bemis		See information under the Entergy Corporation Officers Section above.	
Jerry D. Jackson		See information under the Entergy Corporation Officers Section above.	
Frank F. Gallaher		See information under the Entergy Corporation Officers Section above.	
Donald C. Hintz		See information under the Entergy Corporation Officers Section above.	
Gerald D. McInvale		See information under the Entergy Corporation Officers Section above.	
Michael G. Thompson		See information under the Entergy Corporation Officers Section above.	
Michael R. Niggli		See information under the Entergy Arkansas Officers Section above.	
Richard J. Landy		See information under the Entergy Corporation Officers Section above.	
William E. Colston		See information under the Entergy Gulf Sates Officers section above.	
William J. Regan, Jr.		See information under the Entergy Corporation Officers Section above.	
Louis E. Buck, Jr.		See information under the Entergy Corporation Officers Section above.	
C. Hiram Walters		See information under the Entergy Arkansas Officers Section above.	
S. G. Cunningham, Jr.		See information under the Entergy Gulf Sates Officers section above.	

ENTERGY MISSISSIPPI, INC.

Directors

Donald E. Meiners (c)	61	President and Director of Entergy Mississippi	1992-Present
		Chief Operating Officer and Secretary of Entergy Mississippi	1992-1992
Michael B. Bemis		See information under the Entergy Corporation Officers Section above.	
Donald C. Hintz		See information under the Entergy Corporation Officers Section above.	
Jerry D. Jackson		See information under the Entergy Corporation Officers Section above.	
Edwin Lupberger		See information under the Entergy Corporation Officers Section above.	

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Period</u>
Jerry L. Maulden		See information under the Entergy Corporation Officers Section above.	
Gerald D. McInvale		See information under the Entergy Corporation Officers Section above.	

Officers

Bill F. Cossar	58	Vice President - Governmental Affairs of Entergy Mississippi	1987-Present
Edwin Lupberger		See information under the Entergy Corporation Officers Section above.	
Jerry L. Maulden		See information under the Entergy Corporation Officers Section above.	
Donald E. Meiners		See information under the Entergy Mississippi Directors Section above.	
Michael B. Bemis		See information under the Entergy Corporation Officers Section above.	
Jerry D. Jackson		See information under the Entergy Corporation Officers Section above.	
Frank F. Gallaher		See information under the Entergy Corporation Officers Section above.	
Gerald D. McInvale		See information under the Entergy Corporation Officers Section above.	
Michael G. Thompson		See information under the Entergy Corporation Officers Section above.	
Michael R. Niggli		See information under the Entergy Arkansas Officers Section above.	
Richard J. Landy		See information under the Entergy Corporation Officers Section above.	
William J. Regan, Jr.		See information under the Entergy Corporation Officers Section above.	
Louis E. Buck, Jr.		See information under the Entergy Corporation Officers Section above.	

ENTERGY NEW ORLEANS, INC.

Directors

Daniel F. Packer	49	State President - City of New Orleans Vice President - Regulatory and Governmental Affairs of Entergy New Orleans General Manager - Plant Operations at Waterford 3	1996-Present 1994-1996 1991-1994
Jerry D. Jackson		See information under the Entergy Corporation Officers Section above.	
Edwin Lupberger		See information under the Entergy Corporation Officers Section above.	
Jerry L. Maulden		See information under the Entergy Corporation Officers Section above.	
Gerald D. McInvale		See information under the Entergy Corporation Officers Section above.	

Officers

Edwin Lupberger		See information under the Entergy Corporation Officers Section above.	
Jerry L. Maulden		See information under the Entergy Corporation Officers Section above.	
Michael B. Bemis		See information under the Entergy Corporation Officers Section above.	
Jerry D. Jackson		See information under the Entergy Corporation Officers Section above.	
Frank F. Gallaher		See information under the Entergy Corporation Officers Section above.	
Gerald D. McInvale		See information under the Entergy Corporation Officers Section above.	
Michael G. Thompson		See information under the Entergy Corporation Officers Section above.	
Michael R. Niggli		See information under the Entergy Arkansas Officers Section above.	
Daniel F. Packer		See information under the Entergy New Orleans Directors Section above.	
Richard J. Landy		See information under the Entergy Corporation Officers Section above.	
James D. Bruno		See information under the Entergy Louisiana Officers Section above.	
William J. Regan, Jr.		See information under the Entergy Corporation Officers Section above.	
Louis E. Buck, Jr.		See information under the Entergy Corporation Officers Section above.	

SYSTEM ENERGY RESOURCES, INC.

Directors

Donald C. Hintz		See information under the Entergy Corporation Officers Section above.	
Edwin Lupberger		See information under the Entergy Corporation Officers Section above.	
Jerry L. Maulden		See information under the Entergy Corporation Officers Section above.	
Gerald D. McInvale		See information under the Entergy Corporation Officers Section above.	

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Period</u>
<u>Officers</u>			
Joseph L. Blount	50	Secretary of System Energy and Entergy Operations	1991-Present
		Vice President Legal and External Affairs of Entergy Operations	1990-1993
Edwin Lupberger		See information under the Entergy Corporation Officers Section above.	
Donald C. Hintz		See information under the Entergy Corporation Officers Section above.	
Gerald D. McInvale		See information under the Entergy Corporation Officers Section above.	
William J. Regan, Jr.		See information under the Entergy Corporation Officers Section above.	
Louis E. Buck, Jr.		See information under the Entergy Corporation Officers Section above.	

- (a) Mr. Lupberger is a director of First Commerce Corporation, New Orleans, LA, International Shipholding Corporation, New Orleans, LA, and First National Bank of Commerce, New Orleans, LA.
- (b) Mr. Bemis is a director of Deposit Guaranty National Bank, Jackson, MS and Deposit Guaranty Corporation, Jackson, MS.
- (c) Mr. Meiners is a director of Trustmark National Bank, Jackson, MS, and Trustmark Corporation, Jackson, MS.

Each director and officer of the applicable Entergy company is elected yearly to serve by the unanimous consent of the sole stockholder, Entergy Corporation, in lieu of an annual meeting scheduled to be held on May 5, 1997.

Directorships shown above are generally limited to entities subject to Section 12 or 15(d) of the Securities and Exchange Act of 1934 or to the Investment Company Act of 1940.

Section 16(a) Beneficial Ownership Reporting Compliance

Information called for by this item concerning the directors and officers of Entergy Corporation is set forth in the Proxy Statement of Entergy Corporation to be filed in connection with its Annual Meeting of Stockholders to be held on May 9, 1997, under the heading "Compliance with Section 16(a) of the Exchange Act", which information is incorporated herein by reference.

Item 11. Executive Compensation

ENTERGY CORPORATION

Information called for by this item concerning the directors and officers of Entergy is set forth in the Proxy Statement under the headings "Executive Compensation", "Nominees", and "Compensation of Directors", which information is incorporated herein by reference.

ENTERGY ARKANSAS, ENTERGY GULF STATES, ENTERGY LOUISIANA, ENTERGY MISSISSIPPI, ENTERGY NEW ORLEANS, AND SYSTEM ENERGY

Summary Compensation Table

The following table includes the Chief Executive Officer and the four other most highly compensated executive officers in office as of December 31, 1996 at Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy, (collectively, the "Named Executive Officers"). This determination was based on total annual base salary and bonuses from all Entergy sources earned by each officer for the year 1996. See Item 10, "Directors and Executive Officers of the Registrants," for information on the principal positions of the Named Executive Officers in the table below.

Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy

As shown in Item 10, most Named Executive Officers are employed by several Entergy companies. Because it would be impracticable to allocate such officers' salaries among the various companies, the table below includes the aggregate compensation paid by all Entergy companies.

Name	Year	Annual Compensation			Long-Term Compensation			(d) All Other Compensation
		Salary	(a) Bonus	(b) Other Annual Compensation	Awards		(c)	
					Restricted Stock Awards	Securities Underlying Options	(c) LTIP Payouts	
Michael B. Bemis	1996	\$ 297,115	\$ 168,125	\$ 43,884	(e)	5,000 shares	\$ 0	\$ 12,813
	1995	290,000	216,909	22,844	(e)	27,500	294,282	12,063
	1994	288,846	76,923	32,940	(e)	2,500	28,275	8,596
Louis E. Buck, Jr.	1996	\$ 153,558	\$ 66,187	\$ 26,132	(e)	0 shares	\$ 0	\$ 20,683
	1995	49,039	21,280	9,151	(e)	0	0	7,529
	1994	0	0	0	(e)	0	0	0
Donald C. Hintz*	1996	\$ 343,269	\$ 231,299	\$ 12,516	(e)	5,000 shares	\$ 0	\$ 14,197
	1995	325,000	265,049	13,394	(e)	30,000	409,414	9,750
	1994	320,769	142,749	52,389	(e)	5,000	48,379	9,710
Jerry D. Jackson	1996	\$ 332,115	\$ 209,489	\$ 37,928	(e)	5,000 shares	\$ 0	\$ 13,862
	1995	325,000	256,838	43,054	(e)	30,000	422,438	9,750
	1994	323,711	106,155	29,598	(e)	5,000	56,550	9,634
Edwin Lupberger**	1996	\$ 735,577	\$ 448,794	\$ 123,601	(e)	10,000 shares	\$ 0	\$ 23,567
	1995	700,000	568,400	89,163	(e)	60,000	781,337	21,000
	1994	681,539	218,789	93,816	(e)	10,000	139,525	20,446
Jerry L. Maulden	1996	\$ 435,000	\$ 260,301	\$ 27,056	(e)	5,000 shares	\$ 0	\$ 14,550
	1995	435,000	353,220	26,248	(e)	30,000	422,438	13,050
	1994	426,134	135,962	63,994	(e)	5,000	56,550	12,859
Gerald D. McInvale	1996	\$ 271,730	\$ 179,576	\$ 13,995	(e)	5,000 shares	\$ 0	\$ 12,051
	1995	255,481	186,739	12,525	(e)	27,500	294,282	7,664
	1994	244,165	66,227	14,146	(e)	2,500	28,275	7,275
William J. Regan, Jr.	1996	\$ 190,000	\$ 81,132	\$ 20,684	(e)	0 shares	\$ 0	\$ 8,852
	1995	120,577	54,727	21,141	(e)	2,000	0	7,821
	1994	0	0	0	(e)	0	0	0

* Chief Executive Officer of System Energy.

** Chief Executive Officer of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans

(a) Includes bonuses earned pursuant to the Annual Incentive Plan.

(b) Amounts used in the calculation of perquisites were previously reported in the column titled "All Other Compensation".

(c) Amounts include the value of restricted shares that vested in 1996, 1995, and 1994 (see note (e) below) under Entergy's Equity Ownership Plan.

- (d) Includes the following:
- (1) 1996 benefit accruals under the Defined Contribution Restoration Plan as follows: Mr. Bemis \$4,414; Mr. Hintz \$5,798; Mr. Jackson \$5,463; Mr. Lupberger \$17,567; Mr. Maulden \$8,550; Mr. McInvale \$3,652; Mr. Regan \$1,200.
 - (2) 1996 employer contributions to the System Savings Plan as follows: Mr. Bemis \$4,500; Mr. Buck \$1,431; Mr. Hintz \$4,500; Mr. Jackson \$4,500; Mr. Lupberger \$4,500; Mr. Maulden \$4,500; Mr. McInvale \$4,500; Mr. Regan \$4,500.
 - (3) 1996 employer contributions to the Employee Stock Ownership Plan as of November 30, 1996 are as follows: Mr. Bemis \$3,899; Mr. Hintz \$3,899; Mr. Jackson \$3,899; Mr. Lupberger \$1,500; Mr. Maulden \$1,500; Mr. McInvale \$3,899.
 - (4) 1996 reimbursements for moving expenses as follows: Mr. Buck \$19,252; Mr. Regan \$3,152.
- (e) Restricted stock awarded under the Equity Ownership Plan will vest at the end of a three year period subject to the attainment of approved performance goals. Restricted stock awards in 1996 are reported under the "Long-Term Incentive Plan Awards" table, and reference is made to this table for information on the aggregate number of restricted shares awarded during 1996 and the vesting schedule for such shares. Accumulated dividends are paid on restricted stock when vested. The value of stock for which restrictions were lifted in 1996, 1995, and 1994, and the applicable portion of accumulated cash dividends, are reported in the LTIP Payouts column in the above table.

Option Grants in 1996

The following table summarizes option grants during 1996 to the Named Executive Officers. The absence, in the table below, of any Named Executive Officer indicates that no options were granted to such officer.

Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Entergy

Name	Individual Grants				Potential Realizable Value	
	Number of Securities Underlying Options Granted	% of Total Options Granted to Employees in 1996	Exercise Price (per share)	Expiration Date	at Assumed Annual Rates of Stock Price Appreciation for Option Term(b)	
					5%	10%
Michael B. Bemis	5,000 (a)	6.1%	\$29.375 (a)	1/25/06	\$ 92,369	\$ 234,081
Donald C. Hintz	5,000 (a)	6.1%	29.375 (a)	1/25/06	92,369	234,081
Jerry D. Jackson	5,000 (a)	6.1%	29.375 (a)	1/25/06	92,369	234,081
Edwin Lupberger	10,000 (a)	12.1%	29.375 (a)	1/25/06	184,738	468,162
Jerry L. Maulden	5,000 (a)	6.1%	29.375 (a)	1/25/06	92,369	234,081
Gerald D. McInvale	5,000 (a)	6.1%	29.375 (a)	1/25/06	92,369	234,081

- (a) Options were granted on January 25, 1996, pursuant to the Equity Ownership Plan. All options granted on this date have an exercise price equal to the closing price of Entergy Corporation common stock on the

New York Stock Exchange Composite Transactions on January 25, 1996. These options became exercisable on July 25, 1996.

- (b) Calculation based on the market price of the underlying securities assuming the market price increases over a ten-year option period and assuming annual compounding. The column presents estimates of potential values based on simple mathematical assumptions. The actual value, if any, a Named Executive Officer may realize is dependent upon the market price on the date of option exercise.

Aggregated Option Exercises in 1996 and December 31, 1996 Option Values

The following table summarizes the number and value of all unexercised options held by the Named Executive Officers. In 1996, no options were exercised by any Named Executive Officer.

Name	Number of Securities Underlying Unexercised Options as of December 31, 1996		Value of Unexercised In-the-Money Options as of December 31, 1996(a)	
	Exercisable	Unexercisable	Exercisable	Unexercisable
	Michael B. Bemis	15,000	25,000	\$10,625
Donald C. Hintz	22,500	25,000	21,250	168,750
Jerry D. Jackson	19,411	25,000	0	168,750
Edwin Lupberger	48,824	50,000	42,500	337,500
Jerry L. Maulden	25,000	25,000	21,250	168,750
Gerald D. McInvale	15,000	25,000	10,625	168,750
William J. Regan, Jr.	0	2,000	0	13,500

- (a) Based on the difference between the closing price of Entergy Corporation's common stock on the New York Stock Exchange Composite Transactions on December 31, 1996, and the option exercise price.

Long-Term Incentive Plan Awards in 1996

The following Table summarizes awards of restricted shares of Entergy Corporation common stock granted under the Equity Ownership Plan in 1996 to the Named Executive Officers.

Name	Number of Shares	Performance Period Until Maturity or Payout	Estimated Future Payouts Under Non-Stock Price-Based Plans(a)(b)		
			Threshold	Target	Maximum
Edwin Lupberger	60,000	1/1/96-12/31/98	20,000	40,000	60,000
Jerry L. Maulden	37,500	1/1/96-12/31/98	12,500	25,000	37,500
Michael B. Bemis	30,000	1/1/96-12/31/98	10,000	20,000	30,000
Donald C. Hintz	30,000	1/1/96-12/31/98	10,000	20,000	30,000
Jerry D. Jackson	30,000	1/1/96-12/31/98	10,000	20,000	30,000
Gerald D. McInvale	30,000	1/1/96-12/31/98	10,000	20,000	30,000
Louis E. Buck, Jr.	4,500	1/1/96-12/31/98	1,500	3,000	4,500
William J. Regan, Jr.	4,500	1/1/96-12/31/98	1,500	3,000	4,500

- (a) Restricted shares awarded will vest at the end of a three-year period, subject to the attainment of approved performance goals for Entergy. Restrictions are lifted based upon the achievement of the cumulative result of these goals for the performance period. The value any Named Executive Officer may realize is dependent upon both the number of shares that vest and the future market price of Entergy Corporation common stock.
- (b) The threshold, target, and maximum levels correspond to the achievement of 50%, 100%, and 150%, respectively, of Equity Ownership Plan goals. Achievement of a threshold, target, or maximum level would

result in the award of the number of shares indicated in the respective column. Achievement of a level between these three specified levels would result in the award of a number of shares calculated by means of interpolation.

Pension Plan Tables

Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy

Retirement Income Plan Table

Annual Covered Compensation	Years of Service				
	15	20	25	30	35
\$100,000	\$ 22,500	\$ 30,000	\$ 37,500	\$ 45,000	\$ 52,000
200,000	45,500	60,000	75,000	90,000	105,000
300,000	67,500	90,000	112,500	135,000	157,500
400,000	90,000	120,000	150,000	180,000	210,000
500,000	112,500	150,000	187,500	225,000	262,500
850,000	191,250	255,000	318,750	382,500	446,250

All of the Named Executive Officers participate in a Retirement Income Plan, a defined benefit plan, that provides a benefit for employees at retirement from Entergy based upon (1) generally all years of service beginning at age 21 through termination, with a forty-year maximum, multiplied by (2) 1.5%, multiplied by (3) the final average compensation. Final average compensation is based on the highest consecutive 60 months of covered compensation in the last 120 months of service. The normal form of benefit for a single employee is a lifetime annuity and for a married employee is a 50% joint and survivor annuity. Other actuarially equivalent options are available to each retiree. Retirement benefits are not subject to any deduction for Social Security or other offset amounts. The amount of the Named Executive Officers' annual compensation covered by the plan as of December 31, 1996, is represented by the salary column in the Summary Compensation Table above.

The credited years of service under the Retirement Income Plan, as of December 31, 1996, for the Named Executive Officers is as follows: Mr. Bemis 14; Mr. Buck 1, Mr. Maulden 31, and Mr. Regan 1. The credited years of service under the respective Retirement Income Plan, as of December 31, 1996 for the following Named Executive Officers, as a result of entering into supplemental retirement agreements, is as follows: Mr. Hintz 25; Mr. Jackson 17; Mr. Lupberger 33; and Mr. McInvale 24.

The maximum benefit under each Retirement Income Plan is limited by Sections 401 and 415 of the Internal Revenue Code of 1986, as amended; however, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy have elected to participate in the Pension Equalization Plan sponsored by Entergy Corporation. Under this plan, certain executives, including the Named Executive Officers, would receive an additional amount equal to the benefit that would have been payable under the Retirement Income Plan, except for the Sections 401 and 410 limitations discussed above.

In addition to the Retirement Income Plan discussed above, Entergy Arkansas, Louisiana, Mississippi, New Orleans, and System Energy participate in the Supplemental Retirement Plan of Entergy Corporation and Subsidiaries (SRP) and the Post-Retirement Plan of Entergy Corporation and Subsidiaries (PRP). Participation is limited to one of these two plans and is at the invitation of Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy. The participant may receive from the appropriate Entergy company a monthly benefit payment not in excess of .025 (under the SRP) or .0333 (under the PRP) times the participant's average basic annual salary (as defined in the plans) for a maximum of 120 months. Mr. Hintz has entered into a SRP participation contract, and all of the other Named Executive Officers, (except for Mr. Buck,

Mr. McInvale and Mr. Regan) have entered into PRP participation contracts. Current estimates indicate that the annual payments to the Named Executive Officers under the above plans would be less than the payments to that officer under the System Executive Retirement Plan discussed below.

System Executive Retirement Plan Table (1)

Annual Covered Compensation	Years of Service			
	15	20	25	30+
\$ 200,000	\$ 90,000	\$ 100,000	\$ 110,000	\$ 120,000
300,000	135,000	150,000	165,000	180,000
400,000	180,000	200,000	220,000	240,000
500,000	225,000	250,000	275,000	300,000
600,000	270,000	300,000	330,000	360,000
700,000	315,000	350,000	385,000	420,000
1,000,000	450,000	500,000	550,000	600,000

- (1) Benefits shown are based on a target replacement ratio of 50% based on the years of service and covered compensation shown. The benefits for 10, 15, and 20 or more years of service at the 45% and 55% replacement levels would decrease (in the case of 45%) or increase (in the case of 55%) by the following percentages: 3.0%, 4.5%, and 5.0%, respectively.

In 1993, Entergy Corporation adopted the System Executive Retirement Plan (SERP). Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy are participating employers in the SERP. The SERP is an unfunded defined benefit plan offered at retirement to certain senior executives, which would currently include all the Named Executive Officers. Participating executives choose, at retirement, between the retirement benefits paid under provisions of the SERP or those payable under the executive retirement benefit plans discussed above. Covered pay under the SERP includes final annual base salary (see the Summary Compensation Table above for the base salary covered by the SERP as of December 31, 1996) plus the Target Incentive Award (i.e., a percentage of final annual base salary) for the participant in effect at retirement. Benefits paid under the SERP are calculated by multiplying the covered pay times target pay replacement ratios (45%, 50%, or 55%, dependent on job rating at retirement) that are attained, according to plan design, at 20 years of credited service. The target ratios are increased by 1% for each year of service over 20 years, up to a maximum of 30 years of service. In accordance with the SERP formula, the target ratios are reduced for each year of service below 20 years. The credited years of service under this plan are identical to the years of service for Named Executive Officers (other than Mr. Bemis, Mr. Jackson, and Mr. McInvale) disclosed above in the section entitled "Pension Plan Tables-Retirement Income Plan Table". Mr. Bemis, Mr. Jackson, and Mr. McInvale have 24 years, 23 years, and 15 years, respectively, of credited service under this plan.

The normal form of benefit for a single employee is a lifetime annuity and for a married employee is a 50% joint and survivor annuity. All SERP payments are guaranteed for ten years. Other actuarially equivalent options are available to each retiree. SERP benefits are offset by any and all defined benefit plan payments from Entergy and from prior employers. SERP benefits are not subject to Social Security offsets.

Eligibility for and receipt of benefits under any of the executive plans described above are contingent upon several factors. The participant must agree, without the specific consent of the Entergy company for which such participant was last employed, not to take employment after retirement with any entity that is in competition with, or similar in nature to, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy or any affiliate thereof. Eligibility for benefits is forfeitable for various reasons, including violation of an agreement with Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy, resignation of employment, or termination of employment without Company permission.

In addition to the non-bargaining unit employees Retirement Income Plan discussed above, Entergy Gulf States provides, among other benefits to officers, an Executive Income Security Plan for key managerial personnel. The plan provides participants with certain retirement, disability, termination, and survivors' benefits. To the extent that such benefits are not funded by the employee benefit plans of Entergy Gulf States or by vested benefits payable by the participants' former employers, Entergy Gulf States is obligated to make supplemental payments to participants or their survivors. The plan provides that upon the death or disability of a participant during his employment, he or his designated survivors will receive (i) during the first year following his death or disability an amount not to exceed his annual base salary, and (ii) thereafter for a number of years until the participant attains or would have attained age 65, but not less than nine years, an amount equal to one-half of the participant's annual base salary. The plan also provides supplemental retirement benefits for life for participants retiring after reaching age 65 equal to one-half of the participant's average final compensation rate, with one-half of such benefit upon the death of the participant being payable to a surviving spouse for life.

Entergy Gulf States amended and restated the plan effective March 1, 1991, to provide such benefits for life upon termination of employment of a participating officer or key managerial employee without cause (as defined in the plan) or if the participant separates from employment for good reason (as defined in the plan), with 1/2 of such benefits to be payable to a surviving spouse for life. Further, the plan was amended to provide medical benefits for a participant and his family when the participant separates from service. These medical benefits generally continue until the participant is eligible to receive medical benefits from a subsequent employer; but in the case of a participant who is over 50 at the time of separation and was participating in the plan on March 1, 1991, medical benefits continue for life. By virtue of the 1991 amendment and restatement, benefits for a participant under such plan cannot be modified once he becomes eligible to participate in the plan.

Compensation of Directors

For information regarding compensation of the directors of Entergy Corporation, see the Proxy Statement under the heading "Compensation of Directors", which information is incorporated herein by reference. Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy currently have no non-employee directors, and none of the current directors is compensated for his responsibilities as director.

Retired non-employee directors of Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans with a minimum of five years of service on the respective Boards of Directors are paid \$200 a month for a term of years corresponding to the number of years of active service as directors. Retired non-employee directors with over ten years of service receive a lifetime benefit of \$200 a month. Years of service as an advisory director are included in calculating this benefit. System Energy has no retired non-employee directors.

Retired non-employee directors of Entergy Gulf States receive retirement benefits under a plan in which all directors who served continuously for a period of years will receive a percentage of their retainer fee in effect at the time of their retirement for life. The retirement benefit is 30 percent of the retainer fee for service of not less than five nor more than nine years, 40 percent for service of not less than ten nor more than fourteen years, and 50 percent for fifteen or more years of service. For those directors who retired prior to the retirement age, their benefits are reduced. The plan also provides disability retirement and optional hospital and medical coverage if the director has served at least five years prior to the disability. The retired director pays one-third of the premium for such optional hospital and medical coverage and Entergy Gulf States pays the remaining two-thirds. Years of service as an advisory director are included in calculating this benefit.

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

Entergy Gulf States

As a result of the Merger, Entergy Gulf States is obligated to pay benefits under the Executive Income Security Plan to those persons who were participants at the time of the Merger and who later terminated their employment under circumstances described in the plan. For additional description of the benefits under the Executive Income Security Plan, see the "Pension Plan Tables-System Executive Retirement Plan Table" section noted above.

Personnel Committee Interlocks and Insider Participation

The compensation of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy executive officers was set by the Personnel Committee of Entergy Corporation's Board of Directors, composed solely of Directors of Entergy Corporation. No officers or employees of any Entergy company participated in deliberations concerning compensation during 1996.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Entergy Corporation owns 100% of the outstanding common stock of registrants Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy. The information with respect to persons known by Entergy Corporation to be beneficial owners of more than 5% of Entergy Corporation's outstanding common stock is included under the heading "Voting Securities Outstanding" in the Proxy Statement, which information is incorporated herein by reference. The registrants know of no contractual arrangements that may, at a subsequent date, result in a change in control of any of the registrants.

The directors, the Named Executive Officers, and the directors and officers as a group for Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy, respectively, beneficially owned directly or indirectly common stock of Entergy Corporation as indicated:

<u>Name</u>	<u>Entergy Corporation Common Stock</u>	
	<u>Amount and Nature of Beneficial Ownership(a)</u>	
	<u>Sole Voting and Investment Power</u>	<u>Other Beneficial Ownership(b)</u>
Entergy Corporation		
Michael B. Bemis **	11,480	10,000 ^z
W. Frank Blount*	4,434	-
John A. Cooper, Jr.*	6,934	-
Lucie J. Fjeldstad*	3,384	-
Dr. Norman C. Francis*	1,200	-
Donald C. Hintz**	8,779	7,500
Jerry D. Jackson**	11,615	14,411
Robert v.d. Luft*	3,684	-
Edwin Lupberger***	34,392	41,324 (c)
Jerry L. Maulden**	25,015	20,000
Adm. Kinnaird R. McKee*	2,467	-
Paul W. Murrill*	2,917	-
James R. Nichols*	5,078	-
Eugene H. Owen*	3,092	-
John N. Palmer, Sr.*	16,481	-
Robert D. Pugh*	6,700	6,500 (c)
H. Duke Shackelford*	8,750	4,950 (d)
Wm. Clifford Smith*	5,600	-
Bismark A. Steinhagen*	7,637	-
All directors and executive officers	263,181	149,685
Entergy Arkansas		
Michael B. Bemis***	11,480	10,000
Donald C. Hintz***	8,779	7,500
Jerry D. Jackson***	11,615	14,411
R. Drake Keith*	13,189	7,174
Edwin Lupberger***	34,392	41,324 (c)
Jerry L. Maulden***	25,015	20,000
Gerald D. McInvale*	16,030	10,000
All directors and executive officers	189,117	137,909

	Entergy Corporation Common Stock	
	Amount and Nature of Beneficial Ownership(a)	
<u>Name</u>	<u>Sole Voting and Investment Power</u>	<u>Other Beneficial Ownership(b)</u>
Entergy Gulf States		
Michael B. Bemis***	11,480	10,000
John J. Cordaro *	6,833	5,000
Frank F. Gallaher*	20,401	7,500
Donald C. Hintz***	8,779	7,500
Jerry D. Jackson***	11,615	14,411
Karen R. Johnson *	349	-
Edwin Lupberger***	34,392	41,324 (c)
Jerry L. Maulden***	25,015	20,000
Gerald D. McInvale *	16,030	10,000
All directors and executive officers	180,976	135,735
Entergy Louisiana		
Michael B. Bemis***	11,480	10,000
John J. Cordaro*	6,833	5,000
Donald C. Hintz***	8,779	7,500
Jerry D. Jackson***	11,615	14,411
Edwin Lupberger***	34,392	41,324 (c)
Jerry L. Maulden***	25,015	20,000
Gerald D. McInvale *	16,030	10,000
All directors and executive officers	187,772	135,735
Entergy Mississippi		
Michael B. Bemis***	11,480	10,000
Donald C. Hintz*	8,779	7,500
Jerry D. Jackson***	11,615	14,411
Edwin Lupberger***	34,392	41,324 (c)
Jerry L. Maulden***	25,015	20,000
Gerald D. McInvale***	16,030	10,000
Donald E. Meiners*	11,982	10,000
All directors and executive officers	177,804	140,735

<u>Name</u>	<u>Entergy Corporation Common Stock</u>	
	<u>Amount and Nature of Beneficial Ownership(a)</u>	
	<u>Sole Voting and Investment Power</u>	<u>Other Beneficial Ownership(b)</u>
Entergy New Orleans		
Michael B. Bemis**	11,480	10,000
Jerry D. Jackson***	11,615	14,411
Edwin Lupberger***	34,392	41,324 (c)
Jerry L. Maulden***	25,015	20,000
Gerald D. McInvale***	16,030	10,000
Daniel F. Packer *	3,164	-
All directors and executive officers	160,465	123,235
System Energy		
Louis E. Buck, Jr.**	80	-
Donald C. Hintz***	8,779	7,500
Edwin Lupberger***	34,392	41,324 (c)
Jerry L. Maulden*	25,015	20,000
Gerald D. McInvale***	16,030	10,000
William J. Regan **	202	-
All directors and executive officers	89,185	78,824

- * Director of the respective Company
** Named Executive Officer of the respective Company
*** Director and Named Executive Officer of the respective Company

- (a) Based on information furnished by the respective individuals. Except as noted, each individual has sole voting and investment power. The amount owned by each individual and by all directors and executive officers as a group does not exceed one percent of the outstanding securities of any class of security so owned.
- (b) Includes, for the Named Executive Officers, shares of Entergy Corporation common stock in the form of unexercised stock options awarded pursuant to the Equity Ownership Plan as follows: Michael B. Bemis, 10,000 shares; John J. Cordaro 5,000 shares; Frank F. Gallaher, 7,500 shares; Donald C. Hintz, 7,500 shares; Jerry D. Jackson, 14,411 shares; R. Drake Keith, 7,174 shares; Edwin Lupberger, 38,824 shares; Jerry L. Maulden, 20,000 shares; Gerald D. McInvale, 10,000 shares; and Donald E. Meiners, 10,000 shares.
- (c) Includes, for the Named Executive Officers, shares of Entergy Corporation common stock held by their spouses. The named persons disclaim beneficial ownership in these shares as follows: Edwin Lupberger, 2,500 shares; and Robert D. Pugh, 6,500 shares.
- (d) Includes 4,950 shares owned by the estate of Mrs. Shackelford, of which H. Duke Shackelford disclaims beneficial ownership.

Item 13. Certain Relationships and Related Transactions

Information called for by this item concerning the directors and officers of Entergy Corporation is set forth under the heading "Certain Transactions" in the Proxy Statement, which information is incorporated herein by reference.

See Item 10, "Directors and Executive Officers of the Registrants," for information on certain relationships and transactions required to be reported under this item.

Other than as provided under applicable corporate laws, Entergy does not have policies whereby transactions involving executive officers and directors are approved by a majority of disinterested directors. However, pursuant to the Entergy Corporation Code of Conduct, transactions involving an Entergy and its executive officers must have prior approval by the next higher reporting level of that individual, and transactions involving an Entergy company and its directors must be reported to the secretary of the appropriate company.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K.

(a)1. Financial Statements and Independent Auditors' Reports for Entergy, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy are listed in the Index to Financial Statements (see pages 38 and 39)

(a)2. Financial Statement Schedules

Reports of Independent Accountants on Financial Statement Schedules (see page 214)

Financial Statement Schedules are listed in the Index to Financial Statement Schedules (see page S-1)

(a)3. Exhibits

Exhibits for Entergy, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy are listed in the Exhibit Index (see page E-1). Each management contract or compensatory plan or arrangement required to be filed as an exhibit hereto is identified as such by footnote in the Exhibit Index.

(b) Reports on Form 8-K

Entergy Corporation

A current report on Form 8-K, dated October 11, 1996, was filed with the SEC on October 11, 1996, reporting information under Item 5. "Other Events".

A current report on Form 8-K, dated December 18, 1996, was filed with the SEC on December 18, 1996, reporting information under Item 5. "Other Events".

A current report on Form 8-K, dated February 7, 1997, was filed with the SEC on February 18, 1997, reporting information under Item 2. "Acquisition of Assets" and Item 5. "Other Events".

Entergy Corporation and Entergy Arkansas

A current report on Form 8-K, dated October 23, 1996, was filed with the SEC on October 29, 1996, reporting information under Item 5. "Other Events".

Entergy Corporation and Entergy Gulf States

A current report on Form 8-K, dated November 27, 1996, was filed with the SEC on November 27, 1996, reporting information under Item 5. "Other Events".

EXPERTS

The statements attributed to Sandlin Associates regarding the analysis of River Bend Construction costs of Entergy Gulf States under Item 1. "Rate Matters and Regulation - Rate Matters - Retail Rate Matters - Entergy Gulf States" and in Note 2 to Entergy Corporation and Subsidiaries Consolidated Financial Statements and Entergy Gulf States' Financial Statements, "Rate and Regulatory Matters," have been reviewed by such firm and are included herein upon the authority of such firm as experts.

ENTERGY CORPORATION

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. The signature of the undersigned company shall be deemed to relate only to matters having reference to such company and any subsidiaries thereof.

ENTERGY CORPORATION

By /s/ Louis E. Buck
Louis E. Buck, Vice President
and Chief Accounting Officer

Date: March 10, 1997

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated. The signature of each of the undersigned shall be deemed to relate only to matters having reference to the above-named company and any subsidiaries thereof.

Signature

Title

Date

 /s/ Louis E. Buck

Louis E. Buck

Vice President and
Chief Accounting Officer
(Principal Accounting Officer)

March 10, 1997

Edwin Lupberger (Chairman of the Board, Chief Executive Officer and Director; Principal Executive Officer); Gerald D. McInvale (Executive Vice President and Chief Financial Officer; Principal Financial Officer); W. Frank Blount, John A. Cooper, Jr., Lucie J. Fjeldstad, N. C. Francis, Kaneaster Hodges, Jr., Robert v.d. Luft, Kinnaird R. McKee, Paul W. Murrill, James R. Nichols, Eugene H. Owen, John N. Palmer, Sr., Robert D. Pugh, H. Duke Shackelford, Wm. Clifford Smith, and Bismark A. Steinhagen (Directors).

By: /s/ Louis E. Buck
(Louis E. Buck, Attorney-in-fact)

March 10, 1997

ENTERGY ARKANSAS, INC.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. The signature of the undersigned company shall be deemed to relate only to matters having reference to such company and any subsidiaries thereof.

ENTERGY ARKANSAS, INC.

By /s/ Louis E. Buck
Louis E. Buck, Vice President,
Chief Accounting Officer and Assistant Secretary

Date: March 10, 1997

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated. The signature of each of the undersigned shall be deemed to relate only to matters having reference to the above-named company and any subsidiaries thereof.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u> /s/ Louis E. Buck </u> Louis E. Buck	Vice President, Chief Accounting Officer and Assistant Secretary (Principal Accounting Officer)	March 10, 1997

Edwin Lupberger (Chairman of the Board, Chief Executive Officer and Director; Principal Executive Officer); Gerald D. McInvale (Executive Vice President, Chief Financial Officer, and Director; Principal Financial Officer); Michael B. Bemis, Donald C. Hintz, Jerry D. Jackson, R. Drake Keith, and Jerry L. Maulden (Directors).

By: /s/ Louis E. Buck
(Louis E. Buck, Attorney-in-fact)

March 10, 1997

ENTERGY LOUISIANA, INC.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. The signature of the undersigned company shall be deemed to relate only to matters having reference to such company and any subsidiaries thereof.

ENTERGY LOUISIANA, INC.

By /s/ Louis E. Buck
Louis E. Buck, Vice President,
Chief Accounting Officer and Assistant Secretary

Date: March 10, 1997

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated. The signature of each of the undersigned shall be deemed to relate only to matters having reference to the above-named company and any subsidiaries thereof.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Louis E. Buck</u> Louis E. Buck	Vice President, Chief Accounting Officer and Assistant Secretary (Principal Accounting Officer)	March 10, 1997

Edwin Lupberger (Chairman of the Board, Chief Executive Officer and Director; Principal Executive Officer); Gerald D. McInvale (Executive Vice President, Chief Financial Officer, and Director; Principal Financial Officer); Michael B. Bemis, John J. Cordaro, Donald C. Hintz, Jerry D. Jackson, and Jerry L. Maulden (Directors).

By: /s/ Louis E. Buck
(Louis E. Buck, Attorney-in-fact)

March 10, 1997

ENERGY MISSISSIPPI, INC.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. The signature of the undersigned company shall be deemed to relate only to matters having reference to such company and any subsidiaries thereof.

ENERGY MISSISSIPPI, INC.

By /s/ Louis E. Buck
Louis E. Buck, Vice President,
Chief Accounting Officer and Assistant Secretary

Date: March 10, 1997

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated. The signature of each of the undersigned shall be deemed to relate only to matters having reference to the above-named company and any subsidiaries thereof.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Louis E. Buck</u> Louis E. Buck	Vice President, Chief Accounting Officer and Assistant Secretary (Principal Accounting Officer)	March 10, 1997

Edwin Lupberger (Chairman of the Board, Chief Executive Officer and Director; Principal Executive Officer); Gerald D. McInvale (Executive Vice President, Chief Financial Officer, and Director; Principal Financial Officer); Michael B. Bemis, Donald C. Hintz, Jerry D. Jackson, Jerry L. Maulden, and Donald E. Meiners (Directors).

By: /s/ Louis E. Buck
(Louis E. Buck, Attorney-in-fact)

March 10, 1997

ENTERGY NEW ORLEANS, INC.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. The signature of the undersigned company shall be deemed to relate only to matters having reference to such company and any subsidiaries thereof.

ENTERGY NEW ORLEANS, INC.

By /s/ Louis E. Buck
Louis E. Buck, Vice President,
Chief Accounting Officer and Assistant Secretary

Date: March 10, 1997

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated. The signature of each of the undersigned shall be deemed to relate only to matters having reference to the above-named company and any subsidiaries thereof.

Signature

Title

Date

/s/ Louis E. Buck

Louis E. Buck

Vice President, Chief Accounting
Officer and Assistant Secretary
(Principal Accounting Officer)

March 10, 1997

Edwin Lupberger (Chairman of the Board, Chief Executive Officer and Director; Principal Executive Officer); Gerald D. McInvale (Executive Vice President, Chief Financial Officer, and Director; Principal Financial Officer); Jerry D. Jackson, Jerry L. Maulden, and Daniel F. Packer (Directors).

By: /s/ Louis E. Buck
(Louis E. Buck, Attorney-in-fact)

March 10, 1997

SYSTEM ENERGY RESOURCES, INC.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. The signature of the undersigned company shall be deemed to relate only to matters having reference to such company and any subsidiaries thereof.

SYSTEM ENERGY RESOURCES, INC.

By /s/ Louis E. Buck
Louis E. Buck, Vice President
and Chief Accounting Officer

Date: March 10, 1997

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated. The signature of each of the undersigned shall be deemed to relate only to matters having reference to the above-named company and any subsidiaries thereof.

Signature

Title

Date

/s/ Louis E. Buck

Louis E. Buck

Vice President and
Chief Accounting Officer
(Principal Accounting Officer)

March 10, 1997

Donald C. Hintz (President, Chief Executive Officer and Director; Principal Executive Officer); Gerald D. McInvale (Executive Vice President, Chief Financial Officer, and Director; Principal Financial Officer); Edwin Lupberger (Chairman of the Board), and Jerry L. Maulden (Directors).

By: /s/ Louis E. Buck
(Louis E. Buck, Attorney-in-fact)

March 10, 1997

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in Post-Effective Amendment Nos. 2, 3, 4A, and 5A on Form S-8 and the related Prospectuses to the registration statement of Entergy Corporation on Form S-4 (File Number 33-54298) and on Form S-3 (File Numbers 333-02503 and 333-22007) of our reports dated February 13, 1997, on our audits of the consolidated financial statements and consolidated financial statement schedules of Entergy Corporation as of December 31, 1996 and 1995, and for each of the three years in the period ended December 31, 1996, which reports include an emphasis paragraph related to a rate-related contingency and an explanatory paragraph related to changes in accounting methods for the impairment of long-lived assets and for long-lived assets to be disposed of and incremental nuclear plant outage maintenance costs by certain of the Corporation's subsidiaries, and are included in this Annual Report on Form 10-K.

We consent to the incorporation by reference in the registration statements and the related Prospectuses of Entergy Arkansas, Inc. (formerly Arkansas Power & Light Company) on Form S-3 (File Numbers 33-36149, 33-48356, 33-50289, 333-00103 and 333-05045) of our reports dated February 13, 1997, on our audits of the financial statements and financial statement schedule of Entergy Arkansas, Inc. as of December 31, 1996 and 1995, and for each of the three years in the period ended December 31, 1996, which reports include an explanatory paragraph related to the Company's 1995 change in its method of accounting for incremental nuclear plant outage maintenance costs, and are included in this Annual Report on Form 10-K.

We consent to the incorporation by reference in the registration statements and the related Prospectuses of Entergy Gulf States, Inc. (formerly Gulf States Utilities Company) on Form S-3 (File Numbers 33-49739 and 33-51181), Form S-8 (File Numbers 2-76551 and 2-98011) and on Form S-2 (File Number 333-17911), of our reports dated February 13, 1997, on our audits of the financial statements and financial statement schedule of Entergy Gulf States, Inc. as of December 31, 1996 and 1995 and for each of the three years in the period ended December 31, 1996, which reports include an emphasis paragraph related to a rate-related contingency and an explanatory paragraph related to a change in accounting for the impairment of long-lived assets and long-lived assets to be disposed of, and are included in this Annual Report on Form 10-K.

We consent to the incorporation by reference in the registration statements and the related Prospectuses of Entergy Louisiana, Inc. (formerly Louisiana Power & Light Company) on Form S-3 (File Numbers 33-46085, 33-39221, 33-50937, 333-00105, 333-01329 and 333-03567) of our reports dated February 13, 1997, on our audits of the financial statements and financial statement schedule of Entergy Louisiana, Inc. as of December 31, 1996 and 1995, and for each of the three years in the period ended December 31, 1996, which are included in this Annual Report on Form 10-K.

We consent to the incorporation by reference in the registration statements and the related Prospectuses of Entergy Mississippi, Inc. (formerly Mississippi Power & Light Company) on Form S-3 (File Numbers 33-53004, 33-55826 and 33-50507) of our reports dated February 13, 1997, on our audits of the financial statements and financial statement schedule of Entergy Mississippi, Inc. as of December 31, 1996 and 1995, and for each of the three years in the period ended December 31, 1996, which are included in this Annual Report on Form 10-K.

We consent to the incorporation by reference in the registration statements and the related Prospectuses of Entergy New Orleans, Inc. (formerly New Orleans Public Service Inc.) on Form S-3 (File Numbers 33-57926 and 333-00255) of our reports dated February 13, 1997, on our audits of the financial statements and financial statement schedule of Entergy New Orleans, Inc. as of December 31, 1996 and 1995, and for each of the three years in the period ended December 31, 1996, which are included in this Annual Report on Form 10-K.

we consent to the incorporation by reference in the registration statements and the related Prospectuses of System Energy Resources, Inc. on Form S-3 (File Numbers 33-47662, 33-61189 and 333-06717) of our report dated February 13, 1997, on our audits of the financial statements of System Energy Resources, Inc. as of December 31, 1996 and 1995, and for each of the three years in the period ended December 31, 1996, which report includes an explanatory paragraph related to the Company's 1996 change in its method of accounting for incremental nuclear plant outage maintenance costs, and is included in this Annual Report on Form 10-K.

COOPERS & LYBRAND L.L.P.

New Orleans, Louisiana
March 7, 1997

CONSENT

We consent to the reference to our firm under the heading "Experts" and to the inclusion in this Annual Report on Form 10-K of Entergy Gulf States, Inc. of the statements (Statements) regarding the analysis by our Firm of River Bend construction costs which are made herein under Part I, Item 1. Business - "Rate Matters and Regulation" and in the discussion of Texas jurisdictional matters set forth in Note 2 to Entergy Gulf States' Financial Statements and Note 2 to Entergy Corporation and Subsidiaries' Consolidated Financial Statements appearing as Item 8. of Part II of this Form 10-K, which Statements have been prepared or reviewed by us (Sandlin Associates). We also consent to the incorporation by reference in the registration statements of Entergy Gulf States on Form S-3 (File Numbers 33-49739 and 33-51181), Form S-8 (File Numbers 2-76551 and 2-98011) and on Form S-2 (File Number 333-17911) of such reference and Statements.

SANDLIN ASSOCIATES
Management Consultants

Pasco, Washington
March 10, 1997

REPORT OF INDEPENDENT ACCOUNTANTS ON FINANCIAL STATEMENT SCHEDULES

**To the Board of Directors and the Shareholders
of Entergy Corporation**

We have audited the consolidated financial statements of Entergy Corporation and Subsidiaries and the financial statements of Entergy Arkansas, Inc. (formerly Arkansas Power & Light Company), Entergy Gulf States, Inc. (formerly Gulf States Utilities Company), Entergy Louisiana, Inc. (formerly Louisiana Power & Light Company), Entergy Mississippi, Inc. (formerly Mississippi Power & Light Company) and Entergy New Orleans, Inc. (formerly New Orleans Public Service Inc.) as of December 31, 1996 and 1995, and for each of the three years in the period ended December 31, 1996, and have issued our reports, included elsewhere in this Form 10-K, thereon dated February 13, 1997, which reports as to Entergy Corporation and Entergy Gulf States, Inc. include an emphasis paragraph related to a rate-related contingency and an explanatory paragraph related to a change in accounting for impairment of long-lived assets and long-lived assets to be disposed of, and which reports as to Entergy Corporation and Entergy Arkansas, Inc. include an explanatory paragraph related to changes in accounting for incremental nuclear plant outage maintenance expenses. In connection with our audits of such financial statements, we have also audited the related financial statement schedules included in Item 14(a)2 of this Form 10-K.

In our opinion the financial statement schedules referred to above, when considered in relation to the basic financial statements taken as a whole, present fairly, in all material respects, the information required to be included therein.

COOPERS & LYBRAND L.L.P.

**New Orleans, Louisiana
February 13, 1997**

INDEX TO FINANCIAL STATEMENT SCHEDULES

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Schedules other than those listed above are omitted because they are not required, not applicable or the required information is shown in the financial statements or notes thereto.

Columns have been omitted from schedules filed because the information is not applicable.

ENTERGY CORPORATION
SCHEDULE I-FINANCIAL STATEMENTS OF ENTERGY CORPORATION
STATEMENTS OF INCOME

	For the Years Ended December 31,		
	1996	1995	1994
	(In Thousands)		
Income:			
Equity in income of subsidiaries	\$459,350	\$549,144	\$369,701
Interest on temporary investments	4,840	20,641	25,496
Total	464,190	569,785	395,197
Expenses and Other Deductions:			
Administrative and general expenses	34,402	53,872	57,846
Income taxes (credit)	(1,558)	(5,383)	(6,350)
Taxes other than income (credit)	828	1,102	465
Interest (credit)	10,491	214	1,395
Total	44,163	49,805	53,356
Net Income	\$420,027	\$519,980	\$341,841

See Entergy Corporation and Subsidiaries Notes to Financial Statements in Part II, Item 8.

ENTERGY CORPORATION

SCHEDULE I - FINANCIAL STATEMENTS OF ENTERGY CORPORATION
STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,		
	1996	1995	1994
	(In Thousands)		
Operating Activities:			
Net income	\$420,027	\$519,980	\$341,841
Noncash items included in net income:			
Equity in earnings of subsidiaries	(459,350)	(549,144)	(369,701)
Deferred income taxes	8,499	(2,024)	7,007
Depreciation	1,628	1,421	959
Changes in working capital:			
Receivables	3,232	2,161	(5,085)
Payables	9,919	(3,776)	(11,945)
Other working capital accounts	(1,170)	(1,701)	(2,563)
Common stock dividends received from subsidiaries	554,200	565,589	763,400
Other	(3,524)	8,652	(12,137)
Net cash flow provided by operating activities	533,461	541,158	711,776
Investing Activities:			
Investment in subsidiaries	(266,681)	(477,709)	(49,892)
Capital expenditures	-	-	(3,178)
Proceeds received from the sale of property	-	-	26,000
Advance to subsidiary	-	221,540	(11,840)
Net cash flow used in investing activities	(266,681)	(256,169)	(38,910)
Financing Activities:			
Changes in short-term borrowings	20,000	-	(43,000)
Common stock dividends paid	(405,346)	(408,553)	(410,223)
Issuance of common stock	118,087	-	(119,486)
Net cash flow used in financing activities	(267,259)	(408,553)	(572,709)
Net increase (decrease) in cash and cash equivalents	(479)	(123,564)	100,157
Cash and cash equivalents at beginning of period	129,144	252,708	152,551
Cash and cash equivalents at end of period	\$128,665	\$129,144	\$252,708

See Entergy Corporation and Subsidiaries Notes to Financial Statements in Part II, Item 8.

ENTERGY CORPORATION

**SCHEDULE I - FINANCIAL STATEMENTS OF ENTERGY CORPORATION
BALANCE SHEETS**

	<u>December 31,</u>	
	<u>1996</u>	<u>1995</u>
	(In Thousands)	
ASSETS		
Current Assets:		
Cash and cash equivalents:		
Cash	\$23	\$25
Temporary cash investments - at cost, which approximates market:		
Associated companies	57,986	29,180
Other	70,656	99,939
Total cash and cash equivalents	<u>128,665</u>	<u>129,144</u>
Accounts receivable:		
Associated companies	5,940	8,697
Other	-	356
Interest receivable	378	497
Other	20,389	9,511
Total	<u>155,372</u>	<u>148,205</u>
Investment in Wholly-owned Subsidiaries	<u>6,531,729</u>	<u>6,354,267</u>
Deferred Debits	74,891	47,381
TOTAL	<u>\$6,761,992</u>	<u>\$6,549,853</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Notes Payable	\$20,000	-
Accounts payable:		
Associated companies	11,613	762
Other	22	1,142
Interest Accrued	188	-
Other current liabilities	15,638	5,930
Total	<u>47,461</u>	<u>7,834</u>
Deferred Credits and Noncurrent Liabilities	<u>73,616</u>	<u>70,299</u>
Shareholders' Equity:		
Common stock, \$.01 par value, authorized 500,000,000 shares; issued 234,456,457 shares in 1996 and 230,017,485 shares in 1995	2,345	2,300
Paid-in capital	4,320,591	4,201,483
Retained earnings	2,341,703	2,335,579
Cumulative foreign currency translation adjustment	21,725	-
Less cost of treasury stock 1,496,118 shares in 1996 and 2,251,318 shares in 1995)	(45,449)	(67,642)
Total common shareholders' equity	<u>6,640,915</u>	<u>6,471,720</u>
Total	<u>\$6,761,992</u>	<u>\$6,549,853</u>

See Entergy Corporation and Subsidiaries Notes to Financial Statements in Part II, Item 8.

ENERGY CORPORATION

**SCHEDULE I - FINANCIAL STATEMENTS OF ENERGENCY CORPORATION
STATEMENTS OF RETAINED EARNINGS AND PAID-IN CAPITAL**

	For the Years Ended December 31,		
	1996	1995	1994
	(In Thousands)		
Retained Earnings, January 1	\$2,335,579	\$2,223,739	\$2,310,082
Add:			
Net income	420,027	519,980	341,841
Total	<u>2,755,606</u>	<u>2,743,719</u>	<u>2,651,923</u>
Deduct:			
Dividends declared on common stock	412,250	409,801	411,806
Common stock retirements	-	-	13,940
Capital stock and other expenses	1,653	(1,661)	2,438
Total	<u>413,903</u>	<u>408,140</u>	<u>428,184</u>
Retained Earnings, December 31	<u>\$2,341,703</u>	<u>\$2,335,579</u>	<u>\$2,223,739</u>
Paid-in Capital, January 1	\$4,201,483	\$4,202,134	\$4,223,682
Add:			
Gain (loss) on reacquisition of subsidiaries' preferred stock	1,795	(26)	(23)
Common stock issuances related to stock plans	117,560	(3,002)	
Total	<u>4,320,838</u>	<u>4,199,106</u>	<u>4,223,659</u>
Deduct:			
Common stock retirements	-	-	22,468
Capital stock discounts and other expenses	247	(2,377)	(943)
Total	<u>247</u>	<u>(2,377)</u>	<u>21,525</u>
Paid-in Capital, December 31	<u>\$4,320,591</u>	<u>\$4,201,483</u>	<u>\$4,202,134</u>

See Entergy Corporation and Subsidiaries Notes to Consolidated Financial Statements in Part II, Item 8.

ENERGY CORPORATION AND SUBSIDIARIES

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

Years Ended December 31, 1996, 1995, and 1994

(In Thousands)

Column A	Column B	Column C	Column D	Column E
Description	Balance at Beginning of Period	Additions	Other Changes	Balance at End of Period
		Charged to Income	Deductions from Provisions (Note 1)	
Year ended December 31, 1996				
Accumulated Provisions				
Deducted from Assets-				
Doubtful Accounts	\$7,109	\$18,403	\$17,690	\$7,822
Other	12,337	-	12,337	-
Total	\$19,446	\$18,403	\$30,027	\$7,822
Accumulated Provisions Not				
Deducted from Assets:				
Property insurance	\$36,733	\$26,136	\$27,843	\$35,026
Injuries and damages (Note 2)	19,981	23,373	17,209	26,145
Environmental	40,262	2,599	5,142	37,719
Total	\$96,976	\$52,108	\$50,194	\$98,890
Year ended December 31, 1995				
Accumulated Provisions				
Deducted from Assets-				
Doubtful Accounts	\$6,740	\$14,586	\$14,217	\$7,109
Other	\$0	12,337	-	\$12,337
Total	\$6,740	\$26,923	\$14,217	\$19,446
Accumulated Provisions Not				
Deducted from Assets:				
Property insurance	\$32,871	\$16,263	\$12,401	\$36,733
Injuries and damages (Note 2)	22,066	11,667	13,752	19,981
Environmental	42,739	7,639	10,116	40,262
Total	\$97,676	\$35,569	\$36,269	\$96,976
Year ended December 31, 1994				
Accumulated Provisions				
Deducted from Assets-				
Doubtful Accounts	\$8,808	\$8,266	\$10,334	\$6,740
Accumulated Provisions Not				
Deducted from Assets:				
Property insurance	\$34,546	\$25,592	\$27,267	\$32,871
Injuries and damages (Note 2)	23,096	10,993	12,023	22,066
Environmental	26,753	21,292	5,306	42,739
Total	\$84,395	\$57,877	\$44,596	\$97,676

Notes:

- (1) Deductions from provisions represent losses or expenses for which the respective provisions were created. In the case of the provision for doubtful accounts, such deductions are reduced by recoveries of amounts previously written off.
- (2) Injuries and damages provision is provided to absorb all current expenses as appropriate and for the estimated cost of settling claims for injuries and damages.

ENTERGY ARKANSAS, INC.

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

Years Ended December 31, 1996, 1995, and 1994

(In Thousands)

Column A	Column B	Column C	Column D	Column E
Description	Balance at Beginning of Period	Additions	Other Changes	Balance at End of Period
		Charged to Income	Deductions from Provisions (Note 1)	
Year ended December 31, 1996				
Accumulated Provisions				
Deducted from Assets--				
Doubtful Accounts	<u>\$2,058</u>	<u>\$5,341</u>	<u>\$5,073</u>	<u>\$2,326</u>
Accumulated Provisions Not				
Deducted from Assets:				
Property insurance	\$900	\$8,808	\$9,694	\$14
Injuries and damages (Note 2)	1,810	2,980	1,980	2,810
Environmental	6,514	1,320	2,671	5,163
Total	<u>\$9,224</u>	<u>\$13,108</u>	<u>\$14,345</u>	<u>\$7,987</u>
Year ended December 31, 1995				
Accumulated Provisions				
Deducted from Assets--				
Doubtful Accounts	<u>\$1,950</u>	<u>\$3,997</u>	<u>\$3,889</u>	<u>\$2,058</u>
Accumulated Provisions Not				
Deducted from Assets:				
Property insurance	\$1,916	\$4,810	\$5,826	\$900
Injuries and damages (Note 2)	2,660	710	1,560	1,810
Environmental	5,350	4,435	3,271	6,514
Total	<u>\$9,926</u>	<u>\$9,955</u>	<u>\$10,657</u>	<u>\$9,224</u>
Year ended December 31, 1994				
Accumulated Provisions				
Deducted from Assets--				
Doubtful Accounts	<u>\$2,050</u>	<u>\$1,967</u>	<u>\$2,067</u>	<u>\$1,950</u>
Accumulated Provisions Not				
Deducted from Assets:				
Property insurance	\$2,821	\$18,782	\$19,687	\$1,916
Injuries and damages (Note 2)	3,259	1,316	1,915	2,660
Environmental	6,825	1,510	2,985	5,350
Total	<u>\$12,905</u>	<u>\$21,608</u>	<u>\$24,587</u>	<u>\$9,926</u>

Notes:

- (1) Deductions from provisions represent losses or expenses for which the respective provisions were created. In the case of the provision for doubtful accounts, such deductions are reduced by recoveries of amounts previously written off.
- (2) Injuries and damages provision is provided to absorb all current expenses as appropriate and for the estimated cost of settling claims for injuries and damages.

ENTERGY GULF STATES, INC.

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

Years Ended December 31, 1996, 1995, and 1994

(In Thousands)

Column A	Column B	Column C	Column D	Column E
Description	Balance at Beginning of Period	Additions	Other Changes	Balance at End of Period
		Charged to Income	Deductions from Provisions (Note 1)	
Year ended December 31, 1996				
Accumulated Provisions				
Deducted from Assets--				
Doubtful Accounts	\$1,608	\$4,709	\$4,320	\$1,997
Accumulated Provisions				
Not Deducted from Assets--				
Property insurance	\$14,141	\$5,899	\$3,037	\$17,003
Injuries and damages (Note 2)	5,199	7,955	3,560	9,594
Environmental	21,864	365	400	21,829
Total	\$41,204	\$14,219	\$6,997	\$48,426
Year ended December 31, 1995				
Accumulated Provisions				
Deducted from Assets--				
Doubtful Accounts	\$715	\$3,715	\$2,822	\$1,608
Accumulated Provisions				
Not Deducted from Assets--				
Property insurance	\$10,451	\$6,396	\$2,706	\$14,141
Injuries and damages (Note 2)	6,922	6,243	7,966	5,199
Environmental	20,314	2,483	933	21,864
Total	\$37,687	\$15,122	\$11,605	\$41,204
Year ended December 31, 1994				
Accumulated Provisions				
Deducted from Assets--				
Doubtful Accounts	\$2,383	\$701	\$2,369	\$715
Accumulated Provisions				
Not Deducted from Assets--				
Property insurance	\$10,872	\$2,170	\$2,591	\$10,451
Injuries and damages (Note 2)	9,469	2,970	5,517	6,922
Environmental	18,151	2,589	426	20,314
Total	\$38,492	\$7,729	\$8,534	\$37,687

Notes:

- (1) Deductions from provisions represent losses or expenses for which the respective provisions were created. In the case of the provision for doubtful accounts, such deductions are reduced by recoveries of amounts previously written off.
- (2) Injuries and damages provision is provided to absorb all current expenses as appropriate and for the estimated cost of settling claims for injuries and damages.

ENTERGY LOUISIANA, INC.

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
Years Ended December 31, 1996, 1995, and 1994
(In Thousands)

Column A	Column B	Column C	Column D	Column E
Description	Balance at Beginning of Period	Additions	Other Changes	Balance at End of Period
		Charged to Income	Deductions from Provisions (Note 1)	
Year ended December 31, 1996				
Accumulated Provisions				
Deducted from Assets--				
Doubtful Accounts	<u>\$1,390</u>	<u>\$3,241</u>	<u>\$3,202</u>	<u>\$1,429</u>
Accumulated Provisions Not				
Deducted from Assets:				
Property insurance	\$1,013	\$4,583	\$5,335	\$261
Injuries and damages (Note 2)	8,414	10,646	9,617	9,443
Environmental	11,379	495	1,895	9,979
Total	<u>\$20,806</u>	<u>\$15,724</u>	<u>\$16,847</u>	<u>\$19,683</u>
Year ended December 31, 1995				
Accumulated Provisions				
Deducted from Assets--				
Doubtful Accounts	<u>\$1,175</u>	<u>\$2,450</u>	<u>\$2,235</u>	<u>\$1,390</u>
Accumulated Provisions Not				
Deducted from Assets:				
Property insurance	\$814	\$3,537	\$3,338	\$1,013
Injuries and damages (Note 2)	7,350	4,486	3,422	8,414
Environmental	16,394	(89)	4,926	11,379
Total	<u>\$24,558</u>	<u>\$7,934</u>	<u>\$11,686</u>	<u>\$20,806</u>
Year ended December 31, 1994				
Accumulated Provisions				
Deducted from Assets--				
Doubtful Accounts	<u>\$1,075</u>	<u>\$2,023</u>	<u>\$1,923</u>	<u>\$1,175</u>
Accumulated Provisions Not				
Deducted from Assets:				
Property insurance	\$2,388	\$3,120	\$4,694	\$814
Injuries and damages (Note 2)	4,779	5,848	3,277	7,350
Environmental	1,237	16,868	1,711	16,394
Total	<u>\$8,404</u>	<u>\$25,836</u>	<u>\$9,682</u>	<u>\$24,558</u>

Notes:

- (1) Deductions from provisions represent losses or expenses for which the respective provisions were created. In the case of the provision for doubtful accounts, such deductions are reduced by recoveries of amounts previously written off.
- (2) Injuries and damages provision is provided to absorb all current expenses as appropriate and for the estimated cost of settling claims for injuries and damages.

ENTERGY MISSISSIPPI, INC.

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

Years Ended December 31, 1996, 1995, and 1994

(In Thousands)

Column A	Column B	Column C	Column D	Column E
Description	Balance at Beginning of Period	Additions	Other Changes	Balance at End of Period
		Charged to Income	Deductions from Provisions (Note 1)	
Year ended December 31, 1996				
Accumulated Provisions				
Deducted from Assets—				
Doubtful Accounts	\$1,585	\$2,996	\$3,207	\$1,374
Accumulated Provisions Not				
Deducted from Assets:				
Property insurance	\$5,013	\$6,846	\$9,777	\$2,082
Injuries and damages (Note 2)	2,565	928	588	2,905
Environmental	467	330	104	693
Total	\$8,045	\$8,104	\$10,469	\$5,680
Year ended December 31, 1995				
Accumulated Provisions				
Deducted from Assets—				
Doubtful Accounts	\$2,070	\$1,691	\$2,176	\$1,585
Accumulated Provisions Not				
Deducted from Assets:				
Property insurance	\$3,779	\$1,520	\$286	\$5,013
Injuries and damages (Note 2)	3,725	(1,154)	6	2,565
Environmental	684	735	952	467
Total	\$8,188	\$1,101	\$1,244	\$8,045
Year ended December 31, 1994				
Accumulated Provisions				
Deducted from Assets—				
Doubtful Accounts	\$2,470	\$1,897	\$2,297	\$2,070
Accumulated Provisions Not				
Deducted from Assets:				
Property insurance	\$2,554	\$1,520	\$295	\$3,779
Injuries and damages (Note 2)	3,478	365	118	3,725
Environmental	500	300	116	684
Total	\$6,532	\$2,185	\$529	\$8,188

Notes:

- (1) Deductions from provisions represent losses or expenses for which the respective provisions were created. In the case of the provision for doubtful accounts, such deductions are reduced by recoveries of amounts previously written off.
- (2) Injuries and damages provision is provided to absorb all current expenses as appropriate and for the estimated cost of settling claims for injuries and damages.

ENTERGY NEW ORLEANS, INC.

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

Years Ended December 31, 1996, 1995, and 1994

(In Thousands)

Column A	Column B	Column C	Column D	Column E
Description	Balance at Beginning of Period	Additions	Other Changes	Balance at End of Period
		Charged to Income	Deductions from Provisions (Note 1)	
Year ended December 31, 1996				
Accumulated Provisions Deducted from Assets-- Doubtful Accounts	\$468	\$2,116	\$1,888	\$696
Accumulated Provisions Not Deducted from Assets:				
Property insurance	\$15,666	-	-	\$15,666
Injuries and damages (Note 2)	1,993	864	1,464	1,393
Environmental	38	89	72	55
Total	\$17,697	\$953	\$1,536	\$17,114
Year ended December 31, 1995				
Accumulated Provisions Deducted from Assets-- Doubtful Accounts	\$830	\$2,733	\$3,095	\$468
Accumulated Provisions Not Deducted from Assets:				
Property insurance	\$15,911	-	\$245	\$15,666
Injuries and damages (Note 2)	1,409	1,382	798	1,993
Environmental	(3)	75	34	38
Total	\$17,317	\$1,457	\$1,077	\$17,697
Year ended December 31, 1994				
Accumulated Provisions Deducted from Assets-- Doubtful Accounts	\$830	\$1,678	\$1,678	\$830
Accumulated Provisions Not Deducted from Assets:				
Property insurance	\$15,911	-	-	\$15,911
Injuries and damages (Note 2)	2,111	494	1,196	1,409
Environmental	40	25	68	(3)
Total	\$18,062	\$519	\$1,264	\$17,317

Notes:

- (1) Deductions from provisions represent losses or expenses for which the respective provisions were created. In the case of the provision for doubtful accounts, such deductions are reduced by recoveries of amounts previously written off.
- (2) Injuries and damages provision is provided to absorb all current expenses as appropriate and for the estimated cost of settling claims for injuries and damages.

EXHIBIT INDEX

The following exhibits indicated by an asterisk preceding the exhibit number are filed herewith. The balance of the exhibits have heretofore been filed with the SEC, respectively, as the exhibits and in the file numbers indicated and are incorporated herein by reference. The exhibits marked with a (+) are management contracts or compensatory plans or arrangements required to be filed herewith and required to be identified as such by Item 14 of Form 10-K. Reference is made to a duplicate list of exhibits being filed as a part of this Form 10-K, which list, prepared in accordance with Item 102 of Regulation S-T of the SEC, immediately precedes the exhibits being physically filed with this Form 10-K.

(3) (i) Articles of Incorporation

Entergy Corporation

- (a) 1 -- Certificate of Incorporation of Entergy Corporation dated December 31, 1993, (A-1(a) to Rule 24 Certificate in 70-8059).

System Energy

- (b) 1 -- Amended and Restated Articles of Incorporation of System Energy and amendments thereto through April 28, 1989 (A-1(a) to Form U-1 in 70-5399).

Entergy Arkansas

- (c) 1 -- Amended and Restated Articles of Incorporation of Entergy Arkansas and amendments thereto through April 22, 1996 (3(a) to Form 10-Q for the quarter ended March 31, 1996 in 1-10764).

Entergy Gulf States

- (d) 1 -- Restated Articles of Incorporation of Entergy Gulf States and amendments thereto through April 22, 1996 (3(b) to Form 10-Q for the quarter ended March 31, 1996 in 1-2703).

Entergy Louisiana

- (e) 1 -- Restated Articles of Incorporation of Entergy Louisiana and amendments thereto through April 22, 1996 (3(c) to Form 10-Q for the quarter ended March 31, 1996 in 1-8474).

Entergy Mississippi

- * (f) 1 -- Restated Articles of Incorporation of Entergy Mississippi and amendments thereto through January 28, 1997

Entergy New Orleans

- (g) 1 -- Restatement of Articles of Incorporation of Entergy New Orleans and amendments thereto through April 22, 1996 (3(e) to Form 10-Q for the quarter ended March 31, 1996 in 0-5807).

(3) (ii) By-Laws

- (a) -- By-Laws of Entergy Corporation effective August 25, 1992, and as presently in effect (A-2(a) to Rule 24 Certificate in 70-8059).
- (b) -- By-Laws of System Energy effective May 4, 1989, and as presently in effect (A-2(a) in 70-5399).
- (c) -- By-Laws of Entergy Arkansas as amended effective May 5, 1994, and as presently in effect (3(d) to Form 10-Q for the quarter ended June 30, 1994).
- (d) -- By-Laws of Entergy Gulf States as amended effective May 5, 1994, and as presently in effect (A-12 in 70-8059).
- (e) -- By-Laws of Entergy Louisiana effective January 23, 1984, and as presently in effect (A-4 in 70-6962).
- (f) -- By-Laws of Entergy Mississippi effective April 5, 1995, and as presently in effect (3(ii)(f) to Form 10-K for the year ended December 31, 1995 in 0-320).
- (g) -- By-Laws of Entergy New Orleans effective May 5, 1994, and as presently in effect (3(g) to Form 10-Q for the quarter ended June 30, 1994 in 0-5807).

(4) Instruments Defining Rights of Security Holders, Including Indentures

Entergy Corporation

- (a) 1 -- See (4)(b) through (4)(g) below for instruments defining the rights of holders of long-term debt of System Energy, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi and Entergy New Orleans.
- (a) 2 -- Credit Agreement, dated as of October 3, 1989, between System Fuels and The Yasuda Trust and Banking Co., Ltd., New York Branch, as agent (B-1(c) to Rule 24 Certificate, dated October 6, 1989, in 70-7668).
- (a) 3 -- First Amendment, dated as of March 1, 1992, to Credit Agreement, dated as of October 3, 1989, between System Fuels and The Yasuda Trust and Banking Co., Ltd., New York Branch, as agent (4(a)5 to Form 10-K for the year ended December 31, 1991 in 1-3517).
- (a) 4 -- Second Amendment, dated as of September 30, 1992, to Credit Agreement dated as of October 3, 1989, between System Fuels and The Yasuda Trust and Banking Co., Ltd., New York Branch, as agent (4(a)6 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- (a) 5 -- Security Agreement, dated as of October 3, 1989, as amended, between System Fuels and The Yasuda Trust and Banking Co., Ltd., New York Branch, as agent (B-3(c) to Rule 24 Certificate, dated October 6, 1989, in 70-7668), as amended by First Amendment to Security Agreement, dated as of March 14, 1990 (A to Rule 24 Certificate, dated March 7, 1990, in 70-7668).

- (a) 6 -- Consent and Agreement, dated as of October 3, 1989, among System Fuels, The Yasuda Trust and Banking Co., Ltd., New York Branch, as agent, Entergy Arkansas, Entergy Louisiana, and System Energy (B-5(c) to Rule 24 Certificate, dated October 6, 1989, in 70-7668).
- (a) 7 -- Guaranty of Entergy Corporation dated October 12, 1995 of Entergy Enterprises' payment and performance under Guaranty of Entergy Enterprises dated October 12, 1995, of amounts payable by EP Edegel, Inc. to reimburse Union Bank of Switzerland for drawings on Letter of Credit in amount of \$10 million (filed as Exhibit C-1(l) to Form U5S for the year ended December 31, 1995).
- (a) 8 -- Guaranty and Guaranty Agreement, each dated as of November 27, 1995, by Entergy Corporation to Union Bank of Switzerland, as Agent, of payment and performance of the Guaranty and Guaranty Agreement, by Entergy Enterprises of amounts payable by EP Edegel, Inc. pursuant to Union Bank of Switzerland Credit Agreement, each as amended by First Amendment, dated as of March 12, 1996 between Entergy Corporation and Union Bank of Switzerland (filed as Exhibit C-1(j) to Form U5S for the year ended December 31, 1995).
- (a) 9 -- Share Sale Agreement (Revised) of December 12, 1995, relating to acquisition of CitiPower Limited, among State Electricity Commission of Victoria, the State of Victoria, Entergy Victoria LDC, Entergy Victoria Holding LDC and Entergy Corporation (filed as Exhibit C-1(o) to Form U5S for the year ended December 31, 1995 pursuant to Rule 104).
- (a) 10 -- Multi-Option Syndicated Facility Agreement, dated as of January 5, 1996, among CitiPower Limited as Borrower, Commonwealth Bank of Australia as Facility Agent, Bank of America N.T. & S.A. as Arranger, and Commonwealth Bank of Australia as Security Trustee (filed as Exhibit C-1(p) to Form U5S for the year ended December 31, 1995).
- (a) 11 -- Undertaking Agreement, dated as of March 7, 1996, of Entergy Corporation to Commonwealth Bank of Australia as Facility-Agent, of CitiPower Limited's obligations up to maximum of \$7,367,000 under the Multi-Option Syndicated Facility Agreement (filed as Exhibit C-1(q) to Form U5S for the year ended December 31, 1995).
- *(a) 12 -- Credit Agreement, dated as of September 13, 1996, among Entergy Corporation, Entergy Technology Holding Company, the Banks (The Bank of New York, Bank of America NT & SA, The Bank of Nova Scotia, Banque Nationale de Paris (Houston Agency), The First National Bank of Chicago, The Fuji Bank Ltd., Societe Generale Southwest Agency, and CIBC Inc.) and The Bank of New York, as Agent (the "Entergy-ETHC Credit Agreement").
- *(a) 13 -- Amendment No. 1, dated as of October 22, 1996 to Credit Agreement Entergy-ETHC Credit Agreement.
- *(a) 14 -- Guaranty and Acknowledgment Agreement, dated as of October 3, 1996, by Entergy Corporation to The Bank of New York of certain promissory notes issued by ETHC in connection with acquisition of 280 Equity Holdings, Ltd.
- *(a) 15 -- Amendment, dated as of November 21, 1996, to Guaranty and Acknowledgment Agreement by Entergy Corporation to The Bank of New York of certain promissory notes issued by ETHC in connection with acquisition of 280 Equity Holdings, Ltd.

- ***(a) 16 -- Guaranty and Acknowledgment Agreement, dated as of November 21, 1996, by Entergy Corporation to The Bank of New York of certain promissory notes issued by ETHC in connection with acquisition of Sentry.**
- ***(a) 17 -- Amended and Restated Credit Agreement, dated as of December 12, 1996, among Entergy, the Banks (Bank of America National Trust & Savings Association, The Bank of New York, The Chase Manhattan Bank, Citibank, N.A., Union Bank of Switzerland, ABN Amro Bank N.V., The Bank of Nova Scotia, Canadian Imperial Bank of Commerce, Mellon Bank, N.A., First National Bank of Commerce and Whitney National Bank) and Citibank, N.A., as Agent.**

System Energy

- (b) 1 -- Mortgage and Deed of Trust, dated as of June 15, 1977, as amended by twenty-one Supplemental Indentures (A-1 in 70-5890 (Mortgage); B and C to Rule 24 Certificate in 70-5890 (First); B to Rule 24 Certificate in 70-6259 (Second); 20(a)-5 to Form 10-Q for the quarter ended June 30, 1981, in 1-3517 (Third); A-1(e)-1 to Rule 24 Certificate in 70-6985 (Fourth); B to Rule 24 Certificate in 70-7021 (Fifth); B to Rule 24 Certificate in 70-7021 (Sixth); A-3(b) to Rule 24 Certificate in 70-7026 (Seventh); A-3(b) to Rule 24 Certificate in 70-7158 (Eighth); B to Rule 24 Certificate in 70-7123 (Ninth); B-1 to Rule 24 Certificate in 70-7272 (Tenth); B-2 to Rule 24 Certificate in 70-7272 (Eleventh); B-3 to Rule 24 Certificate in 70-7272 (Twelfth); B-1 to Rule 24 Certificate in 70-7382 (Thirteenth); B-2 to Rule 24 Certificate in 70-7382 (Fourteenth); A-2(c) to Rule 24 Certificate in 70-7946 (Fifteenth); A-2(c) to Rule 24 Certificate in 70-7946 (Sixteenth); A-2(d) to Rule 24 Certificate in 70-7946 (Seventeenth); A-2(e) to Rule 24 Certificate dated May 4, 1993 in 70-7946 (Eighteenth); A-2(g) to Rule 24 Certificate dated May 6, 1994, in 70-7946 (Nineteenth); A-2(a)(1) to Rule 24 Certificate dated August 8, 1996 in File No. 70-8511 (Twentieth); and A-2(a)(2) to Rule 24 Certificate dated August 8, 1996 in File No. 70-8511 (Twenty-first)).**
- (b) 2 -- Facility Lease No. 1, dated as of December 1, 1988, between Meridian Trust Company and Stephen M. Carta (Steven Kaba, successor), as Owner Trustees, and System Energy (B-2(c)(1) to Rule 24 Certificate dated January 9, 1989 in 70-7561), as supplemented by Lease Supplement No. 1 dated as of April 1, 1989 (B-22(b) (1) to Rule 24 Certificate dated April 21, 1989 in 70-7561) and Lease Supplement No. 2 dated as of January 1, 1994 (B-3(d) to Rule 24 Certificate dated January 31, 1994 in 70-8215).**
- (b) 3 -- Facility Lease No. 2, dated as of December 1, 1988 between Meridian Trust Company and Stephen M. Carta (Steven Kaba, successor), as Owner Trustees, and System Energy (B-2(c)(2) to Rule 24 Certificate dated January 9, 1989 in 70-7561), as supplemented by Lease Supplement No. 1 dated as of April 1, 1989 (B-22(b) (2) to Rule 24 Certificate dated April 21, 1989 in 70-7561) and Lease Supplement No. 2 dated as of January 1, 1994 (B-4(d) Rule 24 Certificate dated January 31, 1994 in 70-8215).**
- (b) 4 -- Indenture (for Unsecured Debt Securities), dated as of September 1, 1995, between System Energy Resources, Inc., and Chemical Bank (B-10(a) to Rule 24 Certificate in 70-8511).**

Entergy Arkansas

- (c) 1 -- Mortgage and Deed of Trust, dated as of October 1, 1944, as amended by fifty-three Supplemental Indentures (7(d) in 2-5463 (Mortgage); 7(b) in 2-7121 (First); 7(c) in 2-7605 (Second); 7(d) in 2-8100 (Third); 7(a)-4 in 2-8482 (Fourth); 7(a)-5 in 2-9149 (Fifth); 4(a)-6 in**

2-9789 (Sixth); 4(a)-7 in 2-10261 (Seventh); 4(a)-8 in 2-11043 (Eighth); 2(b)-9 in 2-11468 (Ninth); 2(b)-10 in 2-15767 (Tenth); D in 70-3952 (Eleventh); D in 70-4099 (Twelfth); 4(d) in 2-23185 (Thirteenth); 2(c) in 2-24414 (Fourteenth); 2(c) in 2-25913 (Fifteenth); 2(c) in 2-28869 (Sixteenth); 2(d) in 2-28869 (Seventeenth); 2(c) in 2-35107 (Eighteenth); 2(d) in 2-36646 (Nineteenth); 2(c) in 2-39253 (Twentieth); 2(c) in 2-41080 (Twenty-first); C-1 to Rule 24 Certificate in 70-5151 (Twenty-second); C-1 to Rule 24 Certificate in 70-5257 (Twenty-third); C to Rule 24 Certificate in 70-5343 (Twenty-fourth); C-1 to Rule 24 Certificate in 70-5404 (Twenty-fifth); C to Rule 24 Certificate in 70-5502 (Twenty-sixth); C-1 to Rule 24 Certificate in 70-5556 (Twenty-seventh); C-1 to Rule 24 Certificate in 70-5693 (Twenty-eighth); C-1 to Rule 24 Certificate in 70-6078 (Twenty-ninth); C-1 to Rule 24 Certificate in 70-6174 (Thirtieth); C-1 to Rule 24 Certificate in 70-6246 (Thirty-first); C-1 to Rule 24 Certificate in 70-6498 (Thirty-second); A-4b-2 to Rule 24 Certificate in 70-6326 (Thirty-third); C-1 to Rule 24 Certificate in 70-6607 (Thirty-fourth); C-1 to Rule 24 Certificate in 70-6650 (Thirty-fifth); C-1 to Rule 24 Certificate, dated December 1, 1982, in 70-6774 (Thirty-sixth); C-1 to Rule 24 Certificate, dated February 17, 1983, in 70-6774 (Thirty-seventh); A-2(a) to Rule 24 Certificate, dated December 5, 1984, in 70-6858 (Thirty-eighth); A-3(a) to Rule 24 Certificate in 70-7127 (Thirty-ninth); A-7 to Rule 24 Certificate in 70-7068 (Fortieth); A-8(b) to Rule 24 Certificate dated July 6, 1989 in 70-7346 (Forty-first); A-8(c) to Rule 24 Certificate, dated February 1, 1990 in 70-7346 (Forty-second); 4 to Form 10-Q for the quarter ended September 30, 1990 in 1-10764 (Forty-third); A-2(a) to Rule 24 Certificate, dated November 30, 1990, in 70-7802 (Forty-fourth); A-2(b) to Rule 24 Certificate, dated January 24, 1991, in 70-7802 (Forty-fifth); 4(d)(2) in 33-54298 (Forty-sixth); 4(c)(2) to Form 10-K for the year ended December 31, 1992 in 1-10764 (Forty-seventh); 4(b) to Form 10-Q for the quarter ended June 30, 1993 in 1-10764 (Forty-eighth); 4(c) to Form 10-Q for the quarter ended June 30, 1993 in 1-10764 (Forty-ninth); 4(b) to Form 10-Q for the quarter ended September 30, 1993 in 1-10764 (Fiftieth); 4(c) to Form 10-Q for the quarter ended September 30, 1993 in 1-10764 (Fifty-first); 4(a) to Form 10-Q for the quarter ended June 30, 1994 (Fifty-second); and C-2 to Form U5S for the year ended December 31, 1995 (Fifty-third)).

- (c) 2 -- Indenture for Unsecured Subordinated Debt Securities relating to Trust Securities between Entergy Arkansas and Bank of New York (as Trustee), dated as of August 1, 1996 (filed as Exhibit A-1(a) to Rule 24 Certificate dated August 26, 1996 in File No. 70-8723).
- (c) 3 -- Amended and Restated Trust Agreement of Entergy Arkansas Capital I, dated as of August 14, 1996 (filed as Exhibit A-3(a) to Rule 24 Certificate dated August 26, 1996 in File No. 70-8723).
- (c) 4 -- Guarantee Agreement between Entergy Arkansas (as Guarantor) and The Bank of New York (as Trustee), dated as of August 14, 1996, with respect to Entergy Arkansas Capital I's obligations on its 8 1/2% Cumulative Quarterly Income Preferred Securities, Series A (filed as Exhibit A-4(a) to Rule 24 Certificate dated August 26, 1996 in File No. 70-8723).

Entergy Gulf States

- (d) 1 -- Indenture of Mortgage, dated September 1, 1926, as amended by certain Supplemental Indentures (B-a-I-1 in Registration No. 2-2449 (Mortgage); 7-A-9 in Registration No. 2-6893 (Seventh); B to Form 8-K dated September 1, 1959 (Eighteenth); B to Form 8-K dated February 1, 1966 (Twenty-second); B to Form 8-K dated March 1, 1967 (Twenty-third); C to Form 8-K dated March 1, 1968 (Twenty-fourth); B to Form 8-K dated November 1, 1968

(Twenty-fifth); B to Form 8-K dated April 1, 1969 (Twenty-sixth); 2-A-8 in Registration No. 2-66612 (Thirty-eighth); 4-2 to Form 10-K for the year ended December 31, 1984 in 1-2703 (Forty-eighth); 4-2 to Form 10-K for the year ended December 31, 1988 in 1-2703 (Fifty-second); 4 to Form 10-K for the year ended December 31, 1991 in 1-2703 (Fifty-third); 4 to Form 8-K dated July 29, 1992 in 1-2703 (Fifth-fourth); 4 to Form 10-K dated December 31, 1992 in 1-2703 (Fifty-fifth); 4 to Form 10-Q for the quarter ended March 31, 1993 in 1-2703 (Fifty-sixth); and 4-2 to Amendment No. 9 to Registration No. 2-76551 (Fifty-seventh)).

- (d) 2 -- Indenture, dated March 21, 1939, accepting resignation of The Chase National Bank of the City of New York as trustee and appointing Central Hanover Bank and Trust Company as successor trustee (B-a-1-6 in Registration No. 2-4076).
- (d) 3 -- Trust Indenture for 9.72% Debentures due July 1, 1998 (4 in Registration No. 33-40113).
- (d) 4 -- Indenture for Unsecured Subordinated Debt Securities relating to Trust Securities, dated as of January 15, 1997 (filed as Exhibit A-11(a) to Rule 24 Certificate dated February 6, 1997 in File No. 70-8721).
- (d) 5 -- Amended and Restated Trust Agreement of Entergy Gulf States Capital I dated January 28, 1997 of Series A Preferred Securities (filed as Exhibit A-13(a) to Rule 24 Certificate dated February 6, 1997 in File No. 70-8721).
- (d) 6 -- Guarantee Agreement between Entergy Gulf States, Inc. (as Guarantor) and The Bank of New York (as Trustee) dated as of January 28, 1997 with respect to Entergy Gulf States Capital I's obligation on its 8.75% Cumulative Quarterly Income Preferred Securities, Series A (filed as Exhibit A-14(a) to Rule 24 Certificate dated February 6, 1997 in File No. 70-8721).

Entergy Louisiana

- (e) 1 -- Mortgage and Deed of Trust, dated as of April 1, 1944, as amended by fifty-one Supplemental Indentures (7(d) in 2-5317 (Mortgage); 7(b) in 2-7408 (First); 7(c) in 2-8636 (Second); 4(b)-3 in 2-10412 (Third); 4(b)-4 in 2-12264 (Fourth); 2(b)-5 in 2-12936 (Fifth); D in 70-3862 (Sixth); 2(b)-7 in 2-22340 (Seventh); 2(c) in 2-24429 (Eighth); 4(c)-9 in 2-25801 (Ninth); 4(c)-10 in 2-26911 (Tenth); 2(c) in 2-28123 (Eleventh); 2(c) in 2-34659 (Twelfth); C to Rule 24 Certificate in 70-4793 (Thirteenth); 2(b)-2 in 2-38378 (Fourteenth); 2(b)-2 in 2-39437 (Fifteenth); 2(b)-2 in 2-42523 (Sixteenth); C to Rule 24 Certificate in 70-5242 (Seventeenth); C to Rule 24 Certificate in 70-5330 (Eighteenth); C-1 to Rule 24 Certificate in 70-5449 (Nineteenth); C-1 to Rule 24 Certificate in 70-5550 (Twentieth); A-6(a) to Rule 24 Certificate in 70-5598 (Twenty-first); C-1 to Rule 24 Certificate in 70-5711 (Twenty-second); C-1 to Rule 24 Certificate in 70-5919 (Twenty-third); C-1 to Rule 24 Certificate in 70-6102 (Twenty-fourth); C-1 to Rule 24 Certificate in 70-6169 (Twenty-fifth); C-1 to Rule 24 Certificate in 70-6278 (Twenty-sixth); C-1 to Rule 24 Certificate in 70-6355 (Twenty-seventh); C-1 to Rule 24 Certificate in 70-6508 (Twenty-eighth); C-1 to Rule 24 Certificate in 70-6556 (Twenty-ninth); C-1 to Rule 24 Certificate in 70-6635 (Thirtieth); C-1 to Rule 24 Certificate in 70-6834 (Thirty-first); C-1 to Rule 24 Certificate in 70-6886 (Thirty-second); C-1 to Rule 24 Certificate in 70-6993 (Thirty-third); C-2 to Rule 24 Certificate in 70-6993 (Thirty-fourth); C-3 to Rule 24 Certificate in 70-6993 (Thirty-fifth); A-2(a) to Rule 24 Certificate in 70-7166 (Thirty-sixth); A-2(a) in 70-7226 (Thirty-seventh); C-1 to Rule 24 Certificate in 70-7270 (Thirty-eighth); 4(a) to Quarterly Report on Form 10-Q for the quarter ended June 30, 1988, in 1-8474 (Thirty-ninth); A-2(b) to Rule 24 Certificate in

70-7553 (Fortieth); A-2(d) to Rule 24 Certificate in 70-7553 (Forty-first); A-3(a) to Rule 24 Certificate in 70-7822 (Forty-second); A-3(b) to Rule 24 Certificate in 70-7822 (Forty-third); A-2(b) to Rule 24 Certificate in File No. 70-7822 (Forty-fourth); A-3(c) to Rule 24 Certificate in 70-7822 (Forty-fifth); A-2(c) to Rule 24 Certificate dated April 7, 1993 in 70-7822 (Forty-sixth); A-3(d) to Rule 24 Certificate dated June 4, 1993 in 70-7822 (Forty-seventh); A-3(e) to Rule 24 Certificate dated December 21, 1993 in 70-7822 (Forty-eighth); A-3(f) to Rule 24 Certificate dated August 1, 1994 in 70-7822 (Forty-ninth); A-4(c) to Rule 24 Certificate dated September 28, 1994 in 70-7653 (Fiftieth) and A-2(a) to Rule 24 Certificate dated April 4, 1996 in File No. 70-8487 (Fifty-first)).

- (e) 2 -- Facility Lease No. 1, dated as of September 1, 1989, between First National Bank of Commerce, as Owner Trustee, and Entergy Louisiana (4(c)-1 in Registration No. 33-30660).
- (e) 3 -- Facility Lease No. 2, dated as of September 1, 1989, between First National Bank of Commerce, as Owner Trustee, and Entergy Louisiana (4(c)-2 in Registration No. 33-30660).
- (e) 4 -- Facility Lease No. 3, dated as of September 1, 1989, between First National Bank of Commerce, as Owner Trustee, and Entergy Louisiana (4(c)-3 in Registration No. 33-30660).
- (e) 5 -- Indenture for Unsecured Subordinated Debt Securities relating to Trust Securities, dated as of July 1, 1996 (filed as Exhibit A-14(a) to Rule 24 Certificate dated July 25, 1996 in File No. 70-8487).
- (e) 6 -- Amended and Restated Trust Agreement of Entergy Louisiana Capital I dated July 16, 1996 of Series A Preferred Securities (filed as Exhibit A-16(a) to Rule 24 Certificate dated July 25, 1996 in File No. 70-8487).
- (e) 7 -- Guarantee Agreement between Entergy Louisiana, Inc. (as Guarantor) and The Bank of New York (as Trustee) dated as of July 16, 1996 with respect to Entergy Louisiana Capital I's obligation on its 9% Cumulative Quarterly Income Preferred Securities, Series A (filed as Exhibit A-19(a) to Rule 24 Certificate dated July 25, 1996 in File No. 70-8487).

Entergy Mississippi

- (f) 1 -- Mortgage and Deed of Trust, dated as of September 1, 1944, as amended by twenty-five Supplemental Indentures (7(d) in 2-5437 (Mortgage); 7(b) in 2-7051 (First); 7(c) in 2-7763 (Second); 7(d) in 2-8484 (Third); 4(b)-4 in 2-10059 (Fourth); 2(b)-5 in 2-13942 (Fifth); A-11 to Form U-1 in 70-4116 (Sixth); 2(b)-7 in 2-23084 (Seventh); 4(c)-9 in 2-24234 (Eighth); 2(b)-9(a) in 2-25502 (Ninth); A-11(a) to Form U-1 in 70-4803 (Tenth); A-12(a) to Form U-1 in 70-4892 (Eleventh); A-13(a) to Form U-1 in 70-5165 (Twelfth); A-14(a) to Form U-1 in 70-5286 (Thirteenth); A-15(a) to Form U-1 in 70-5371 (Fourteenth); A-16(a) to Form U-1 in 70-5417 (Fifteenth); A-17 to Form U-1 in 70-5484 (Sixteenth); 2(a)-19 in 2-54234 (Seventeenth); C-1 to Rule 24 Certificate in 70-6619 (Eighteenth); A-2(c) to Rule 24 Certificate in 70-6672 (Nineteenth); A-2(d) to Rule 24 Certificate in 70-6672 (Twentieth); C-1(a) to Rule 24 Certificate in 70-6816 (Twenty-first); C-1(a) to Rule 24 Certificate in 70-7020 (Twenty-second); C-1(b) to Rule 24 Certificate in 70-7020 (Twenty-third); C-1(a) to Rule 24 Certificate in 70-7230 (Twenty-fourth); and A-2(a) to Rule 24 Certificate in 70-7419 (Twenty-fifth)).

- (f) 2 -- Mortgage and Deed of Trust, dated as of February 1, 1988, as amended by tenth Supplemental Indentures (A-2(a)-2 to Rule 24 Certificate in 70-7461 (Mortgage); A-2(b)-2 in 70-7461 (First); A-5(b) to Rule 24 Certificate in 70-7419 (Second); A-4(b) to Rule 24 Certificate in 70-7554 (Third); A-1(b)-1 to Rule 24 Certificate in 70-7737 (Fourth); A-2(b) to Rule 24 Certificate dated November 24, 1992 in 70-7914 (Fifth); A-2(e) to Rule 24 Certificate dated January 22, 1993 in 70-7914 (Sixth); A-2(g) to Form U-1 in 70-7914 (Seventh); A-2(i) to Rule 24 Certificate dated November 10, 1993 in 70-7914 (Eighth); A-2(j) to Rule 24 Certificate dated July 22, 1994 in 70-7914 (Ninth); and (A-2(l) to Rule 24 Certificate dated April 21, 1995 in File 70-7914 (Tenth)).

Entergy New Orleans

- (g) 1 -- Mortgage and Deed of Trust, dated as of July 1, 1944, as amended by eleven Supplemental Indentures (B-3 in 2-5411 (Mortgage); 7(b) in 2-7674 (First); 4(a)-2 in 2-10126 (Second); 4(b) in 2-12136 (Third); 2(b)-4 in 2-17959 (Fourth); 2(b)-5 in 2-19807 (Fifth); D to Rule 24 Certificate in 70-4023 (Sixth); 2(c) in 2-24523 (Seventh); 4(c)-9 in 2-26031 (Eighth); 2(a)-3 in 2-50438 (Ninth); 2(a)-3 in 2-62575 (Tenth); and A-2(b) to Rule 24 Certificate in 70-7262 (Eleventh)).
- (g) 2 -- Mortgage and Deed of Trust, dated as of May 1, 1987, as amended by six Supplemental Indentures (A-2(c) to Rule 24 Certificate in 70-7350 (Mortgage); A-5(b) to Rule 24 Certificate in 70-7350 (First); A-4(b) to Rule 24 Certificate in 70-7448 (Second); 4(f)4 to Form 10-K for the year ended December 31, 1992 in 0-5807 (Third); 4(a) to Form 10-Q for the quarter ended September 30, 1993 in 0-5807 (Fourth); 4(a) to Form 8-K dated April 26, 1995 in File No. 0-5807 (Fifth); and 4(a) to Form 8-K dated March 22, 1996 in File No. 0-5807 (Sixth)).

(10) Material Contracts

Entergy Corporation

- (a) 1 -- Agreement, dated April 23, 1982, among certain System companies, relating to System Planning and Development and Intra-System Transactions (10(a)1 to Form 10-K for the year ended December 31, 1982, in 1-3517).
- (a) 2 -- Middle South Utilities System Agency Agreement, dated December 11, 1970 (5(a)-2 in 2-41080).
- (a) 3 -- Amendment, dated February 10, 1971, to Middle South Utilities System Agency Agreement, dated December 11, 1970 (5(a)-4 in 2-41080).
- (a) 4 -- Amendment, dated May 12, 1988, to Middle South Utilities System Agency Agreement, dated December 11, 1970 (5(a)-4 in 2-41080).
- (a) 5 -- Middle South Utilities System Agency Coordination Agreement, dated December 11, 1970 (5(a)-3 in 2-41080).
- (a) 6 -- Service Agreement with Entergy Services, dated as of April 1, 1963 (5(a)-5 in 2-41080).
- (a) 7 -- Amendment, dated January 1, 1972, to Service Agreement with Entergy Services (5(a)-6 in 2-43175).

- (a) 8 -- Amendment, dated April 27, 1984, to Service Agreement with Entergy Services (10(a)-7 to Form 10-K for the year ended December 31, 1984, in 1-3517).
- (a) 9 -- Amendment, dated August 1, 1988, to Service Agreement with Entergy Services (10(a)-8 to Form 10-K for the year ended December 31, 1988, in 1-3517).
- (a) 10 -- Amendment, dated January 1, 1991, to Service Agreement with Entergy Services (10(a)-9 to Form 10-K for the year ended December 31, 1990, in 1-3517).
- (a) 11 -- Amendment, dated January 1, 1992, to Service Agreement with Entergy Services (10(a)-11 for the year ended December 31, 1994 in 1-3517).
- (a) 12 -- Availability Agreement, dated June 21, 1974, among System Energy and certain other System companies (B to Rule 24 Certificate, dated June 24, 1974, in 70-5399).
- (a) 13 -- First Amendment to Availability Agreement, dated as of June 30, 1977 (B to Rule 24 Certificate, dated June 24, 1977, in 70-5399).
- (a) 14 -- Second Amendment to Availability Agreement, dated as of June 15, 1981 (E to Rule 24 Certificate, dated July 1, 1981, in 70-6592).
- (a) 15 -- Third Amendment to Availability Agreement, dated as of June 28, 1984 (B-13(a) to Rule 24 Certificate, dated July 6, 1984, in 70-6985).
- (a) 16 -- Fourth Amendment to Availability Agreement, dated as of June 1, 1989 (A to Rule 24 Certificate, dated June 8, 1989, in 70-5399).
- (a) 17 -- Fifteenth Assignment of Availability Agreement, Consent and Agreement, dated as of May 1, 1986, with Deposit Guaranty National Bank, United States Trust Company of New York and Malcolm J. Hood, as Trustees (B-3(b) to Rule 24 Certificate, dated June 5, 1986, in 70-7158).
- (a) 18 -- Eighteenth Assignment of Availability Agreement, Consent and Agreement, dated as of September 1, 1986, with United States Trust Company of New York and Gerard F. Ganey, as Trustees (C-2 to Rule 24 Certificate, dated October 1, 1986, in 70-7272).
- (a) 19 -- Nineteenth Assignment of Availability Agreement, Consent and Agreement, dated as of September 1, 1986, with United States Trust Company of New York and Gerard F. Ganey, as Trustees (C-3 to Rule 24 Certificate, dated October 1, 1986, in 70-7272).
- (a) 20 -- Twenty-sixth Assignment of Availability Agreement, Consent and Agreement, dated as of October 1, 1992, with United States Trust Company of New York and Gerard F. Ganey, as Trustees (B-2(c) to Rule 24 Certificate, dated November 2, 1992, in 70-7946).
- (a) 21 -- Twenty-seventh Assignment of Availability Agreement, Consent and Agreement, dated as of April 1, 1993, with United States Trust Company of New York and Gerard F. Ganey as Trustees (B-2(d) to Rule 24 Certificate dated May 4, 1993 in 70-7946).

- (a) 22 -- Twenty-eighth Assignment of Availability Agreement, Consent and Agreement, dated as of December 17, 1993, with Chemical Bank, as Agent (B-2(a) to Rule 24 Certificate dated December 22, 1993 in 70-7561).
- (a) 23 -- Twenty-ninth Assignment of Availability Agreement, Consent and Agreement, dated as of April 1, 1994, with United States Trust Company of New York and Gerard F. Ganey as Trustees (B-2(f) to Rule 24 Certificate dated May 6, 1994, in 70-7946).
- (a) 24 -- Thirtieth Assignment of Availability Agreement, Consent and Agreement, dated as of August 1, 1996, among System Energy, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi and Entergy New Orleans, and United States Trust Company of New York and Gerard F. Ganey, as Trustees (filed as Exhibit B-2(a) to Rule 24 Certificate dated August 8, 1996 in File No. 70-8511).
- (a) 25 -- Thirty-first Assignment of Availability Agreement, Consent and Agreement, dated as of August 1, 1996, among System Energy, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans, and United States Trust Company of New York and Gerard F. Ganey, as Trustees (filed as Exhibit B-2(b) to Rule 24 Certificate dated August 8, 1996 in File No. 70-8511).
- (a) 26 -- Thirty-second Assignment of Availability Agreement, Consent and Agreement, dated as of December 27, 1996, among System Energy, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans, and The Chase Manhattan Bank (filed as Exhibit B-2(a) to Rule 24 Certificate dated January 13, 1997 in File No. 70-7561).
- (a) 27 -- Capital Funds Agreement, dated June 21, 1974, between Entergy Corporation and System Energy (C to Rule 24 Certificate, dated June 24, 1974, in 70-5399).
- (a) 28 -- First Amendment to Capital Funds Agreement, dated as of June 1, 1989 (B to Rule 24 Certificate, dated June 8, 1989, in 70-5399).
- (a) 29 -- Fifteenth Supplementary Capital Funds Agreement and Assignment, dated as of May 1, 1986, with Deposit Guaranty National Bank, United States Trust Company of New York and Malcolm J. Hood, as Trustees (B-4(b) to Rule 24 Certificate, dated June 5, 1986, in 70-7158).
- (a) 30 -- Eighteenth Supplementary Capital Funds Agreement and Assignment, dated as of September 1, 1986, with United States Trust Company of New York and Gerard F. Ganey, as Trustees (D-2 to Rule 24 Certificate, dated October 1, 1986, in 70-7272).
- (a) 31 -- Nineteenth Supplementary Capital Funds Agreement and Assignment, dated as of September 1, 1986, with United States Trust Company of New York and Gerard F. Ganey, as Trustees (D-3 to Rule 24 Certificate, dated October 1, 1986, in 70-7272).
- (a) 32 -- Twenty-sixth Supplementary Capital Funds Agreement and Assignment, dated as of October 1, 1992, with United States Trust Company of New York and Gerard F. Ganey, as Trustees (B-3(c) to Rule 24 Certificate dated November 2, 1992 in 70-7946).
- (a) 33 -- Twenty-seventh Supplementary Capital Funds Agreement and Assignment, dated as of April 1, 1993, with United States Trust Company of New York and Gerard F. Ganey, as Trustees (B-3(d) to Rule 24 Certificate dated May 4, 1993 in 70-7946).

- (a) 34 -- Twenty-eighth Supplementary Capital Funds Agreement and Assignment, dated as of December 17, 1993, with Chemical Bank, as Agent (B-3(a) to Rule 24 Certificate dated December 22, 1993 in 70-7561).
- (a) 35 -- Twenty-ninth Supplementary Capital Funds Agreement and Assignment, dated as of April 1, 1994, with United States Trust Company of New York and Gerard F. Ganey, as Trustees (B-3(f) to Rule 24 Certificate dated May 6, 1994, in 70-7946).
- (a) 36 -- Thirtieth Supplementary Capital Funds Agreement and Assignment, dated as of August 1, 1996, among Entergy Corporation, System Energy and United States Trust Company of New York and Gerard F. Ganey, as Trustees (filed as Exhibit B-3(a) to Rule 24 Certificate dated August 8, 1996 in File No. 70-8511).
- (a) 37 -- Thirty-first Supplementary Capital Funds Agreement and Assignment, dated as of August 1, 1996, among Entergy Corporation, System Energy and United States Trust Company of New York and Gerard F. Ganey, as Trustees (filed as Exhibit B-3(b) to Rule 24 Certificate dated August 8, 1996 in File No. 70-8511).
- (a) 38 -- Thirty-second Supplementary Capital Funds Agreement and Assignment, dated as of December 27, 1996, among Entergy Corporation, System Energy and The Chase Manhattan Bank (filed as Exhibit B-1(a) to Rule 24 Certificate dated January 13, 1997 in File No. 70-7561).
- (a) 39 -- First Amendment to Supplementary Capital Funds Agreements and Assignments, dated as of June 1, 1989, by and between Entergy Corporation, System Energy, Deposit Guaranty National Bank, United States Trust Company of New York and Gerard F. Ganey (C to Rule 24 Certificate, dated June 8, 1989, in 70-7026).
- (a) 40 -- First Amendment to Supplementary Capital Funds Agreements and Assignments, dated as of June 1, 1989, by and between Entergy Corporation, System Energy, United States Trust Company of New York and Gerard F. Ganey (C to Rule 24 Certificate, dated June 8, 1989, in 70-7123).
- (a) 41 -- First Amendment to Supplementary Capital Funds Agreement and Assignment, dated as of June 1, 1989, by and between Entergy Corporation, System Energy and Chemical Bank (C to Rule 24 Certificate, dated June 8, 1989, in 70-7561).
- +(a) 42 -- Agreement between Entergy Corporation and Edwin Lupberger (10(a)-42 to Form 10-K for the year ended December 31, 1985, in 1-3517).
- (a) 43 -- Reallocation Agreement, dated as of July 28, 1981, among System Energy and certain other System companies (B-1(a) in 70-6624).
- (a) 44 -- Joint Construction, Acquisition and Ownership Agreement, dated as of May 1, 1980, between System Energy and SMEPA (B-1(a) in 70-6337), as amended by Amendment No. 1, dated as of May 1, 1980 (B-1(c) in 70-6337) and Amendment No. 2, dated as of October 31, 1980 (1 to Rule 24 Certificate, dated October 30, 1981, in 70-6337).

- (a) 45 -- Operating Agreement dated as of May 1, 1980, between System Energy and SMEPA (B(2)(a) in 70-6337).
- (a) 46 -- Assignment, Assumption and Further Agreement No. 1, dated as of December 1, 1988, among System Energy, Meridian Trust Company and Stephen M. Carta, and SMEPA (B-7(c)(1) to Rule 24 Certificate, dated January 9, 1989, in 70-7561).
- (a) 47 -- Assignment, Assumption and Further Agreement No. 2, dated as of December 1, 1988, among System Energy, Meridian Trust Company and Stephen M. Carta, and SMEPA (B-7(c)(2) to Rule 24 Certificate, dated January 9, 1989, in 70-7561).
- (a) 48 -- Substitute Power Agreement, dated as of May 1, 1980, among Entergy Mississippi, System Energy and SMEPA (B(3)(a) in 70-6337).
- (a) 49 -- Grand Gulf Unit No. 2 Supplementary Agreement, dated as of February 7, 1986, between System Energy and SMEPA (10(aaa) in 33-4033).
- (a) 50 -- Compromise and Settlement Agreement, dated June 4, 1982, between Texaco, Inc. and Entergy Louisiana (28(a) to Form 8-K, dated June 4, 1982, in 1-3517).
- +(a) 51 -- Post-Retirement Plan (10(a)37 to Form 10-K for the year ended December 31, 1983, in 1-3517).
- (a) 52 -- Unit Power Sales Agreement, dated as of June 10, 1982, between System Energy and Entergy Arkansas, Entergy Louisiana, Entergy Mississippi and Entergy New Orleans (10(a)-39 to Form 10-K for the year ended December 31, 1982, in 1-3517).
- (a) 53 -- First Amendment to Unit Power Sales Agreement, dated as of June 28, 1984, between System Energy and Entergy Arkansas, Entergy Louisiana, Entergy Mississippi and Entergy New Orleans (19 to Form 10-Q for the quarter ended September 30, 1984, in 1-3517).
- (a) 54 -- Revised Unit Power Sales Agreement (10(ss) in 33-4033).
- (a) 55 -- Middle South Utilities Inc. and Subsidiary Companies Intercompany Income Tax Allocation Agreement, dated April 28, 1988 (Exhibit D-1 to Form U5S for the year ended December 31, 1987).
- (a) 56 -- First Amendment, dated January 1, 1990, to the Middle South Utilities Inc. and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-2 to Form U5S for the year ended December 31, 1989).
- (a) 57 -- Second Amendment dated January 1, 1992, to the Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-3 to Form U5S for the year ended December 31, 1992).
- (a) 58 -- Third Amendment dated January 1, 1994 to Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-3(a) to Form U5S for the year ended December 31, 1993).

- (a) 59 -- Guaranty Agreement between Entergy Corporation and Entergy Arkansas, dated as of September 20, 1990 (B-1(a) to Rule 24 Certificate, dated September 27, 1990, in 70-7757).
- (a) 60 -- Guarantee Agreement between Entergy Corporation and Entergy Louisiana, dated as of September 20, 1990 (B-2(a) to Rule 24 Certificate, dated September 27, 1990, in 70-7757).
- (a) 61 -- Guarantee Agreement between Entergy Corporation and System Energy, dated as of September 20, 1990 (B-3(a) to Rule 24 Certificate, dated September 27, 1990, in 70-7757).
- (a) 62 -- Loan Agreement between Entergy Operations and Entergy Corporation, dated as of September 20, 1990 (B-12(b) to Rule 24 Certificate, dated June 15, 1990, in 70-7679).
- (a) 63 -- Loan Agreement between Entergy Power and Entergy Corporation, dated as of August 28, 1990 (A-4(b) to Rule 24 Certificate, dated September 6, 1990, in 70-7684).
- (a) 64 -- Loan Agreement between Entergy Corporation and Entergy Systems and Service, Inc., dated as of December 29, 1992 (A-4(b) to Rule 24 Certificate in 70-7947).
- + (a) 65 -- Executive Financial Counseling Program of Entergy Corporation and Subsidiaries (10(a) 52 to Form 10-K for the year ended December 31, 1989, in 1-3517).
- + (a) 66 -- Entergy Corporation Annual Incentive Plan (10(a) 54 to Form 10-K for the year ended December 31, 1989, in 1-3517).
- + (a) 67 -- Equity Ownership Plan of Entergy Corporation and Subsidiaries (A-4(a) to Rule 24 Certificate, dated May 24, 1991, in 70-7831).
- + (a) 68 -- Retired Outside Director Benefit Plan (10(a) 63 to Form 10-K for the year ended December 31, 1991, in 1-3517).
- + (a) 69 -- Agreement between Entergy Corporation and Jerry D. Jackson. (10(a) 67 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- + (a) 70 -- Agreement between Entergy Services, Inc., a subsidiary of Entergy Corporation, and Gerald D. McInvale (10(a) 68 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- + (a) 71 -- Supplemental Retirement Plan (10(a) 69 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- + (a) 72 -- Defined Contribution Restoration Plan of Entergy Corporation and Subsidiaries (10(a) 53 to Form 10-K for the year ended December 31, 1989 in 1-3517).
- + (a) 73 -- Amendment No. 1 to the Equity Ownership Plan of Entergy Corporation and Subsidiaries (10(a) 71 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- + (a) 74 -- Executive Disability Plan of Entergy Corporation and Subsidiaries (10(a) 72 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- + (a) 75 -- Executive Medical Plan of Entergy Corporation and Subsidiaries (10(a) 73 to Form 10-K for the year ended December 31, 1992 in 1-3517).

- + (a) 76 -- Stock Plan for Outside Directors of Entergy Corporation and Subsidiaries, as amended (10(a) 74 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- + (a) 77 -- Summary Description of Private Ownership Vehicle Plan of Entergy Corporation and Subsidiaries (10(a) 75 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- (a) 78 -- Agreement and Plan of Reorganization Between Entergy Corporation and Gulf States Utilities Company, dated June 5, 1992 (1 to Current Report on Form 8-K dated June 5, 1992 in 1-3517).
- + (a) 79 -- Amendment to Defined Contribution Restoration Plan of Entergy Corporation and Subsidiaries (10(a) 81 to Form 10-K for the year ended December 31, 1993 in 1-11299).
- + (a) 80 -- System Executive Retirement Plan (10(a) 82 to Form 10-K for the year ended December 31, 1993 in 1-11299).

System Energy

- (b) 1 through
- (b) 15 -- See 10(a)-12 through 10(a)-26 above.
- (b) 16 through
- (b) 30 -- See 10(a)-27 through 10(a)-41 above.
- (b) 31 -- Reallocation Agreement, dated as of July 28, 1981, among System Energy and certain other System companies (B-1(a) in 70-6624).
- (b) 32 -- Joint Construction, Acquisition and Ownership Agreement, dated as of May 1, 1980, between System Energy and SMEPA (B-1(a) in 70-6337), as amended by Amendment No. 1, dated as of May 1, 1980 (B-1(c) in 70-6337) and Amendment No. 2, dated as of October 31, 1980 (1 to Rule 24 Certificate, dated October 30, 1981, in 70-6337).
- (b) 33 -- Operating Agreement, dated as of May 1, 1980, between System Energy and SMEPA (B(2)(a) in 70-6337).
- (b) 34 -- Installment Sale Agreement, dated as of December 1, 1983 between System Energy and Claiborne County, Mississippi (B-1 to First Rule 24 Certificate in 70-6913).
- (b) 35 -- Installment Sale Agreement, dated as of June 1, 1984, between System Energy and Claiborne County, Mississippi (B-2 to Second Rule 24 Certificate in 70-6913).
- (b) 36 -- Installment Sale Agreement, dated as of December 1, 1984, between System Energy and Claiborne County, Mississippi (B-1 to First Rule 24 Certificate in 70-7026).
- (b) 37 -- Installment Sale Agreement, dated as of May 1, 1986, between System Energy and Claiborne County, Mississippi (B-1(b) to Rule 24 Certificate in 70-7158).
- (b) 38 -- Amended and Restated Installment Sale Agreement, dated as of May 1, 1995, between System Energy and Claiborne County, Mississippi (B-6(a) to Rule 24 Certificate in 70-8511).

- (b) 39 - Amended and Restated Installment Sale Agreement, dated as of February 15, 1996, between System Energy and Claiborne County, Mississippi (filed as Exhibit B-6(a) to Rule 24 Certificate dated March 4, 1996 in File No. 70-8511).
- (b) 40 -- Facility Lease No. 1, dated as of December 1, 1988, between Meridian Trust Company and Stephen M. Carta (Stephen J. Kaba, successor), as Owner Trustees, and System Energy (B-2(c)(1) to Rule 24 Certificate dated January 9, 1989 in 70-7561), as supplemented by Lease Supplement No. 1 dated as of April 1, 1989 (B-22(b) (1) to Rule 24 Certificate dated April 21, 1989 in 70-7561) and Lease Supplement No. 2 dated as of January 1, 1994 (B-3(d) to Rule 24 Certificate dated January 31, 1994 in 70-8215).
- (b) 41 -- Facility Lease No. 2, dated as of December 1, 1988 between Meridian Trust Company and Stephen M. Carta (Stephen J. Kaba, successor), as Owner Trustees, and System Energy (B-2(c)(2) to Rule 24 Certificate dated January 9, 1989 in 70-7561), as supplemented by Lease Supplement No. 1 dated as of April 1, 1989 (B-22(b) (2) to Rule 24 Certificate dated April 21, 1989 in 70-7561) and Lease Supplement No. 2 dated as of January 1, 1994 (B-4(d) Rule 24 Certificate dated January 31, 1994 in 70-8215).
- (b) 42 -- Assignment, Assumption and Further Agreement No. 1, dated as of December 1, 1988, among System Energy, Meridian Trust Company and Stephen M. Carta, and SMEPA (B-7(c)(1) to Rule 24 Certificate, dated January 9, 1989, in 70-7561).
- (b) 43 -- Assignment, Assumption and Further Agreement No. 2, dated as of December 1, 1988, among System Energy, Meridian Trust Company and Stephen M. Carta, and SMEPA (B-7(c)(2) to Rule 24 Certificate, dated January 9, 1989, in 70-7561).
- (b) 44 -- Collateral Trust Indenture, dated as of January 1, 1994, among System Energy, GG1B Funding Corporation and Bankers Trust Company, as Trustee (A-3(e) to Rule 24 Certificate dated January 31, 1994, in 70-8215), as supplemented by Supplemental Indenture No. 1 dated January 1, 1994, (A-3(f) to Rule 24 Certificate dated January 31, 1994, in 70-8215).
- (b) 45 -- Substitute Power Agreement, dated as of May 1, 1980, among Entergy Mississippi, System Energy and SMEPA (B(3)(a) in 70-6337).
- (b) 46-- Grand Gulf Unit No. 2 Supplementary Agreement, dated as of February 7, 1986, between System Energy and SMEPA (10(aaa) in 33-4033).
- (b) 47 -- Unit Power Sales Agreement, dated as of June 10, 1982, between System Energy and Entergy Arkansas, Entergy Louisiana, Entergy Mississippi and Entergy New Orleans (10(a)-39 to Form 10-K for the year ended December 31, 1982, in 1-3517).
- (b) 48 -- First Amendment to the Unit Power Sales Agreement, dated as of June 28, 1984, between System Energy and Entergy Arkansas, Entergy Louisiana, Entergy Mississippi and Entergy New Orleans (19 to Form 10-Q for the quarter ended September 30, 1984, in 1-3517).
- (b) 49 -- Revised Unit Power Sales Agreement (10(ss) in 33-4033).
- (b) 50 -- Fuel Lease, dated as of February 24, 1989, between River Fuel Funding Company #3, Inc. and System Energy (B-1(b) to Rule 24 Certificate, dated March 3, 1989, in 70-7604).

- (b) 51 -- System Energy's Consent, dated January 31, 1995, pursuant to Fuel Lease, dated as of February 24, 1989, between River Fuel Funding Company #3, Inc. and System Energy (B-1(c) to Rule 24 Certificate, dated February 13, 1995 in 70-7604).
- (b) 52 -- Sales Agreement, dated as of June 21, 1974, between System Energy and Entergy Mississippi (D to Rule 24 Certificate, dated June 26, 1974, in 70-5399).
- (b) 53 -- Service Agreement, dated as of June 21, 1974, between System Energy and Entergy Mississippi (E to Rule 24 Certificate, dated June 26, 1974, in 70-5399).
- (b) 54 -- Partial Termination Agreement, dated as of December 1, 1986, between System Energy and Entergy Mississippi (A-2 to Rule 24 Certificate, dated January 8, 1987, in 70-5399).
- (b) 55 -- Middle South Utilities, Inc. and Subsidiary Companies Intercompany Income Tax Allocation Agreement, dated April 28, 1988 (D-1 to Form U5S for the year ended December 31, 1987).
- (b) 56 -- First Amendment, dated January 1, 1990 to the Middle South Utilities Inc. and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-2 to Form U5S for the year ended December 31, 1989).
- (b) 57 -- Second Amendment dated January 1, 1992, to the Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-3 to Form U5S for the year ended December 31, 1992).
- (b) 58 -- Third Amendment dated January 1, 1994 to Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-3(a) to Form U5S for the year ended December 31, 1993).
- (b) 59 -- Service Agreement with Entergy Services, dated as of July 16, 1974, as amended (10(b)-43 to Form 10-K for the year ended December 31, 1988, in 1-9067).
- (b) 60 -- Amendment, dated January 1, 1991, to Service Agreement with Entergy Services (10(b)-45 to Form 10-K for the year ended December 31, 1990, in 1-9067).
- (b) 61 -- Amendment, dated January 1, 1992, to Service Agreement with Entergy Services (10(a) -11 to Form 10-K for the year ended December 31, 1994 in 1-3517).
- (b) 62 -- Operating Agreement between Entergy Operations and System Energy, dated as of June 6, 1990 (B-3(b) to Rule 24 Certificate, dated June 15, 1990, in 70-7679).
- (b) 63 -- Guarantee Agreement between Entergy Corporation and System Energy, dated as of September 20, 1990 (B-3(a) to Rule 24 Certificate, dated September 27, 1990, in 70-7757).
- + (b) 64 -- Agreement between System Energy and Donald C. Hintz (10(b)47 to Form 10-K for the year ended December 31, 1991, in 1-9067).
- + (b) 65 -- Agreement between Entergy Corporation and Edwin Lupberger (10(a)-42 to Form 10-K for the year ended December 31, 1985 in 1-3517).

+ (b) 66 -- Agreement between Entergy Services and Gerald D. McInvale (10(a)-69 to Form 10-K for the year ended December 31, 1992 in 1-3517).

(b) 67 -- Amended and Restated Reimbursement Agreement, dated as of December 1, 1988 as amended and restated as of December 27, 1996, among System Energy Resources, Inc., The Bank of Tokyo-Mitsubishi, Ltd., as Funding Bank and The Chase Manhattan Bank (as successor by merger with Chemical Bank), as administrating bank, Union Bank of California, N.A., as documentation agent, and the Banks named therein, as Participating Banks (B-3(a) to Rule 24 Certificate dated January 13, 1997 in 70-7561).

Entergy Arkansas

(c) 1 -- Agreement, dated April 23, 1982, among Entergy Arkansas and certain other System companies, relating to System Planning and Development and Intra-System Transactions (10(a) 1 to Form 10-K for the year ended December 31, 1982, in 1-3517).

(c) 2 -- Middle South Utilities System Agency Agreement, dated December 11, 1970 (5(a)2 in 2-41080).

(c) 3 -- Amendment, dated February 10, 1971, to Middle South Utilities System Agency Agreement, dated December 11, 1970 (5(a)-4 in 2-41080).

(c) 4 -- Amendment, dated May 12, 1988, to Middle South Utilities System Agency Agreement, dated December 11, 1970 (5(a) 4 in 2-41080).

(c) 5 -- Middle South Utilities System Agency Coordination Agreement, dated December 11, 1970 (5(a)-3 in 2-41080).

(c) 6 -- Service Agreement with Entergy Services, dated as of April 1, 1963 (5(a)-5 in 2-41080).

(c) 7 -- Amendment, dated January 1, 1972, to Service Agreement with Entergy Services (5(a)- 6 in 2-43175).

(c) 8 -- Amendment, dated April 27, 1984, to Service Agreement, with Entergy Services (10(a)- 7 to Form 10-K for the year ended December 31, 1984, in 1-3517).

(c) 9 -- Amendment, dated August 1, 1988, to Service Agreement with Entergy Services (10(c)- 8 to Form 10-K for the year ended December 31, 1988, in 1-10764).

(c) 10 -- Amendment, dated January 1, 1991, to Service Agreement with Entergy Services (10(c)-9 to Form 10-K for the year ended December 31, 1990, in 1-10764).

(c) 11 -- Amendment, dated January 1, 1992, to Service Agreement with Entergy Services (10(a)-11 to Form 10-K for the year ended December 31, 1994 in 1-3517).

(c) 12 through

(c) 26 -- See 10(a)-12 through 10(a)-26 above.

(c) 27 -- Agreement, dated August 20, 1954, between Entergy Arkansas and the United States of America (SPA)(13(h) in 2-11467).

- (c) 28 -- Amendment, dated April 19, 1955, to the United States of America (SPA) Contract, dated August 20, 1954 (5(d)-2 in 2-41080).
- (c) 29 -- Amendment, dated January 3, 1964, to the United States of America (SPA) Contract, dated August 20, 1954 (5(d)-3 in 2-41080).
- (c) 30 -- Amendment, dated September 5, 1968, to the United States of America (SPA) Contract, dated August 20, 1954 (5(d)-4 in 2-41080).
- (c) 31 -- Amendment, dated November 19, 1970, to the United States of America (SPA) Contract, dated August 20, 1954 (5(d)-5 in 2-41080).
- (c) 32 -- Amendment, dated July 18, 1961, to the United States of America (SPA) Contract, dated August 20, 1954 (5(d)-6 in 2-41080).
- (c) 33 -- Amendment, dated December 27, 1961, to the United States of America (SPA) Contract, dated August 20, 1954 (5(d)-7 in 2-41080).
- (c) 34 -- Amendment, dated January 25, 1968, to the United States of America (SPA) Contract, dated August 20, 1954 (5(d)-8 in 2-41080).
- (c) 35 -- Amendment, dated October 14, 1971, to the United States of America (SPA) Contract, dated August 20, 1954 (5(d)-9 in 2-43175).
- (c) 36 -- Amendment, dated January 10, 1977, to the United States of America (SPA) Contract, dated August 20, 1954 (5(d)-10 in 2-60233).
- (c) 37 -- Agreement, dated May 14, 1971, between Entergy Arkansas and the United States of America (SPA) (5(e) in 2-41080).
- (c) 38 -- Amendment, dated January 10, 1977, to the United States of America (SPA) Contract, dated May 14, 1971 (5(e)-1 in 2-60233).
- (c) 39 -- Contract, dated May 28, 1943, Amendment to Contract, dated July 21, 1949, and Supplement to Amendment to Contract, dated December 30, 1949, between Entergy Arkansas and McKamie Gas Cleaning Company; Agreements, dated as of September 30, 1965, between Entergy Arkansas and former stockholders of McKamie Gas Cleaning Company; and Letter Agreement, dated June 22, 1966, by Humble Oil & Refining Company accepted by Entergy Arkansas on June 24, 1966 (5(k)-7 in 2-41080).
- (c) 40 -- Agreement, dated April 3, 1972, between Entergy Services and Gulf United Nuclear Fuels Corporation (5(l)-3 in 2-46152).
- (c) 41 -- Fuel Lease, dated as of December 22, 1988, between River Fuel Trust #1 and Entergy Arkansas (B-1(b) to Rule 24 Certificate in 70-7571).
- (c) 42 -- White Bluff Operating Agreement, dated June 27, 1977, among Entergy Arkansas and Arkansas Electric Cooperative Corporation and City Water and Light Plant of the City of Jonesboro, Arkansas (B-2(a) to Rule 24 Certificate, dated June 30, 1977, in 70-6009).

- (c) 43 -- White Bluff Ownership Agreement, dated June 27, 1977, among Entergy Arkansas and Arkansas Electric Cooperative Corporation and City Water and Light Plant of the City of Jonesboro, Arkansas (B-1(a) to Rule 24 Certificate, dated June 30, 1977, in 70-6009).
- (c) 44 -- Agreement, dated June 29, 1979, between Entergy Arkansas and City of Conway, Arkansas (5(r)-3 in 2-66235).
- (c) 45 -- Transmission Agreement, dated August 2, 1977, between Entergy Arkansas and City Water and Light Plant of the City of Jonesboro, Arkansas (5(r)-3 in 2-60233).
- (c) 46 -- Power Coordination, Interchange and Transmission Service Agreement, dated as of June 27, 1977, between Arkansas Electric Cooperative Corporation and Entergy Arkansas (5(r)-4 in 2-60233).
- (c) 47 -- Independence Steam Electric Station Operating Agreement, dated July 31, 1979, among Entergy Arkansas and Arkansas Electric Cooperative Corporation and City Water and Light Plant of the City of Jonesboro, Arkansas and City of Conway, Arkansas (5(r)-6 in 2-66235).
- (c) 48 -- Amendment, dated December 4, 1984, to the Independence Steam Electric Station Operating Agreement (10(c) 51 to Form 10-K for the year ended December 31, 1984, in 1-10764).
- (c) 49 -- Independence Steam Electric Station Ownership Agreement, dated July 31, 1979, among Entergy Arkansas and Arkansas Electric Cooperative Corporation and City Water and Light Plant of the City of Jonesboro, Arkansas and City of Conway, Arkansas (5(r)-7 in 2-66235).
- (c) 50 -- Amendment, dated December 28, 1979, to the Independence Steam Electric Station Ownership Agreement (5(r)-7(a) in 2-66235).
- (c) 51 -- Amendment, dated December 4, 1984, to the Independence Steam Electric Station Ownership Agreement (10(c) 54 to Form 10-K for the year ended December 31, 1984, in 1-10764).
- (c) 52 -- Owner's Agreement, dated November 28, 1984, among Entergy Arkansas, Entergy Mississippi, other co-owners of the Independence Station (10(c) 55 to Form 10-K for the year ended December 31, 1984, in 1-10764).
- (c) 53 -- Consent, Agreement and Assumption, dated December 4, 1984, among Entergy Arkansas, Entergy Mississippi, other co-owners of the Independence Station and United States Trust Company of New York, as Trustee (10(c) 56 to Form 10-K for the year ended December 31, 1984, in 1-10764).
- (c) 54 -- Power Coordination, Interchange and Transmission Service Agreement, dated as of July 31, 1979, between Entergy Arkansas and City Water and Light Plant of the City of Jonesboro, Arkansas (5(r)-8 in 2-66235).
- (c) 55 -- Power Coordination, Interchange and Transmission Agreement, dated as of June 29, 1979, between City of Conway, Arkansas and Entergy Arkansas (5(r)-9 in 2-66235).
- (c) 56 -- Agreement, dated June 21, 1979, between Entergy Arkansas and Reeves E. Ritchie ((10)(b)-90 to Form 10-K for the year ended December 31, 1980, in 1-10764).

- (c) 57 -- Reallocation Agreement, dated as of July 28, 1981, among System Energy and certain other System companies (B-1(a) in 70-6624).
- +(c) 58 -- Post-Retirement Plan (10(b) 55 to Form 10-K for the year ended December 31, 1983, in 1-10764).
- (c) 59 -- Unit Power Sales Agreement, dated as of June 10, 1982, between System Energy and Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans (10(a) 39 to Form 10-K for the year ended December 31, 1982, in 1-3517).
- (c) 60 -- First Amendment to Unit Power Sales Agreement, dated as of June 28, 1984, between System Energy, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans (19 to Form 10-Q for the quarter ended September 30, 1984, in 1-3517).
- (c) 61 -- Revised Unit Power Sales Agreement (10(ss) in 33-4033).
- (c) 62 -- Contract For Disposal of Spent Nuclear Fuel and/or High-Level Radioactive Waste, dated June 30, 1983, among the DOE, System Fuels and Entergy Arkansas (10(b)-57 to Form 10-K for the year ended December 31, 1983, in 1-10764).
- (c) 63 -- Middle South Utilities, Inc. and Subsidiary Companies Intercompany Income Tax Allocation Agreement, dated April 28, 1988 (D-1 to Form U5S for the year ended December 31, 1987).
- (c) 64 -- First Amendment, dated January 1, 1990, to the Middle South Utilities, Inc. and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-2 to Form U5S for the year ended December 31, 1989).
- (c) 65 -- Second Amendment dated January 1, 1992, to the Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-3 to Form U5S for the year ended December 31, 1992).
- (c) 66 -- Third Amendment dated January 1, 1994, to Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-3(a) to Form U5S for the year ended December 31, 1993).
- (c) 67 -- Assignment of Coal Supply Agreement, dated December 1, 1987, between System Fuels and Entergy Arkansas (B to Rule 24 letter filing, dated November 10, 1987, in 70-5964).
- (c) 68 -- Coal Supply Agreement, dated December 22, 1976, between System Fuels and Antelope Coal Company (B-1 in 70-5964), as amended by First Amendment (A to Rule 24 Certificate in 70-5964); Second Amendment (A to Rule 24 letter filing, dated December 16, 1983, in 70-5964); and Third Amendment (A to Rule 24 letter filing, dated November 10, 1987 in 70-5964).
- (c) 69 -- Operating Agreement between Entergy Operations and Entergy Arkansas, dated as of June 6, 1990 (B-1(b) to Rule 24 Certificate, dated June 15, 1990, in 70-7679).
- (c) 70 -- Guaranty Agreement between Entergy Corporation and Entergy Arkansas, dated as of September 20, 1990 (B-1(a) to Rule 24 Certificate, dated September 27, 1990, in 70-7757).

- (c) 71 -- Agreement for Purchase and Sale of Independence Unit 2 between Entergy Arkansas and Entergy Power, dated as of August 28, 1990 (B-3(c) to Rule 24 Certificate, dated September 6, 1990, in 70-7684).
- (c) 72 -- Agreement for Purchase and Sale of Ritchie Unit 2 between Entergy Arkansas and Entergy Power, dated as of August 28, 1990 (B-4(d) to Rule 24 Certificate, dated September 6, 1990, in 70-7684).
- (c) 73 -- Ritchie Steam Electric Station Unit No. 2 Operating Agreement between Entergy Arkansas and Entergy Power, dated as of August 28, 1990 (B-5(a) to Rule 24^t Certificate, dated September 6, 1990, in 70-7684).
- (c) 74 -- Ritchie Steam Electric Station Unit No. 2 Ownership Agreement between Entergy Arkansas and Entergy Power, dated as of August 28, 1990 (B-6(a) to Rule 24 Certificate, dated September 6, 1990, in 70-7684).
- (c) 75 -- Power Coordination, Interchange and Transmission Service Agreement between Entergy Power and Entergy Arkansas, dated as of August 28, 1990 (10(c)-71 to Form 10-K for the year ended December 31, 1990, in 1-10764).
- + (c) 76 -- Executive Financial Counseling Program of Entergy Corporation and Subsidiaries (10(a)52 to Form 10-K for the year ended December 31, 1989, in 1-3517).
- + (c) 77 -- Entergy Corporation Annual Incentive Plan (10(a)54 to Form 10-K for the year ended December 31, 1989, in 1-3517).
- + (c) 78 -- Equity Ownership Plan of Entergy Corporation and Subsidiaries (A-4(a) to Rule 24 Certificate, dated May 24, 1991, in 70-7831).
- + (c) 79 -- Agreement between Arkansas Power & Light Company and R. Drake Keith. (10(c) 78 to Form 10-K for the year ended December 31, 1992 in 1-10764).
- + (c) 80 -- Supplemental Retirement Plan (10(a)69 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- + (c) 81 -- Defined Contribution Restoration Plan of Entergy Corporation and Subsidiaries (10(a)53 to Form 10-K for the year ended December 31, 1989 in 1-3517).
- + (c) 82 -- Amendment No. 1 to the Equity Ownership Plan of Entergy Corporation and Subsidiaries (10(a)71 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- + (c) 83 -- Executive Disability Plan of Entergy Corporation and Subsidiaries (10(a)72 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- + (c) 84 -- Executive Medical Plan of Entergy Corporation and Subsidiaries (10(a)73 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- + (c) 85 -- Stock Plan for Outside Directors of Entergy Corporation and Subsidiaries, as amended (10(a)74 to Form 10-K for the year ended December 31, 1992 in 1-3517).

- + (c) 86 -- Summary Description of Private Ownership Vehicle Plan of Entergy Corporation and Subsidiaries (10(a)75 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- + (c) 87 -- Agreement between Entergy Corporation and Edwin Lupberger (10(a)-42 to Form 10-K for the year ended December 31, 1985 in 1-3517).
- + (c) 88 -- Agreement between Entergy Corporation and Jerry D. Jackson (10(a)-68 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- + (c) 89 -- Agreement between Entergy Services and Gerald D. McInvale (10(a)-69 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- + (c) 90 -- Agreement between System Energy and Donald C. Hintz (10(b)-47 to Form 10-K for the year ended December 31, 1991 in 1-9067).
- + (c) 91 -- Summary Description of Retired Outside Director Benefit Plan. (10(c) 90 to Form 10-K for the year ended December 31, 1992 in 1-10764).
- + (c) 92 -- Amendment to Defined Contribution Restoration Plan of Entergy Corporation and Subsidiaries (10(a) 81 to Form 10-K for the year ended December 31, 1993 in 1-11299).
- + (c) 93 -- System Executive Retirement Plan (10(a) 82 to Form 10-K for the year ended December 31, 1993 in 1-11299).
- (c) 94 -- Loan Agreement dated June 15, 1993, between Entergy Arkansas and Independence Country, Arkansas (B-1 (a) to Rule 24 Certificate dated July 9, 1993 in 70-8171).
- (c) 95 -- Installment Sale Agreement dated January 1, 1991, between Entergy Arkansas and Pope Country, Arkansas (B-1 (b) to Rule 24 Certificate dated January 24, 1991 in 70-7802).
- (c) 96 -- Installment Sale Agreement dated November 1, 1990, between Entergy Arkansas and Pope Country, Arkansas (B-1 (a) to Rule 24 Certificate dated November 30, 1990 in 70-7802).
- (c) 97 -- Loan Agreement dated June 15, 1994, between Entergy Arkansas and Jefferson County, Arkansas (B-1(a) to Rule 24 Certificate dated June 30, 1994 in 70-8405).
- (c) 98 -- Loan Agreement dated June 15, 1994, between Entergy Arkansas and Pope County, Arkansas (B-1(b) to Rule 24 Certificate in 70-8405).
- (c) 99 -- Loan Agreement dated November 15, 1995, between Entergy Arkansas and Pope County, Arkansas (10(c) 96 to Form 10-K for the year ended December 31, 1995 in 1-10764).
- (c) 100-- Agreement as to Expenses and Liabilities between Entergy Arkansas and Entergy Arkansas Capital I, dated as of August 14, 1996 (4(j) to Form 10-Q for the quarter ended September 30, 1996 in 1-10764).

Entergy Gulf States

- (d) 1 -- Guaranty Agreement, dated July 1, 1976, between Entergy Gulf States and American Bank and Trust Company (C and D to Form 8-K, dated August 6, 1976 in 1-2703).
- (d) 2 -- Lease of Railroad Equipment, dated as of December 1, 1981, between The Connecticut Bank and Trust Company as Lessor and Entergy Gulf States as Lessee and First Supplement, dated as of December 31, 1981, relating to 605 One Hundred-Ton Unit Train Steel Coal Porter Cars (4-12 to Form 10-K for the year ended December 31, 1981 in 1-2703).
- (d) 3 -- Guaranty Agreement, dated August 1, 1992, between Entergy Gulf States and Hibernia National Bank, relating to Pollution Control Revenue Refunding Bonds of the Industrial Development Board of the Parish of Calcasieu, Inc. (Louisiana) (10-1 to Form 10-K for the year ended December 31, 1992 in 1-2703).
- (d) 4 -- Guaranty Agreement, dated January 1, 1993, between Entergy Gulf States and Hancock Bank of Louisiana, relating to Pollution Control Revenue Refunding Bonds of the Parish of Pointe Coupee (Louisiana) (10-2 to Form 10-K for the year ended December 31, 1992 in 1-2703).
- (d) 5 -- Deposit Agreement, dated as of December 1, 1983 between Entergy Gulf States, Morgan Guaranty Trust Co. as Depository and the Holders of Depository Receipts, relating to the Issue of 900,000 Depository Preferred Shares, each representing 1/2 share of Adjustable Rate Cumulative Preferred Stock, Series E-\$100 Par Value (4-17 to Form 10-K for the year ended December 31, 1983 in 1-2703).
- (d) 6 -- Letter of Credit and Reimbursement Agreement, dated December 27, 1985, between Entergy Gulf States and Westpac Banking Corporation relating to Variable Rate Demand Pollution Control Revenue Bonds of the Parish of West Feliciana, State of Louisiana, Series 1985-D (4-26 to Form 10-K for the year ended December 31, 1985 in 1-2703) and Letter Agreement amending same dated October 20, 1992 (10-3 to Form 10-K for the year ended December 31, 1992 in 1-2703).
- (d) 7 -- Reimbursement and Loan Agreement, dated as of April 23, 1986, by and between Entergy Gulf States and The Long-Term Credit Bank of Japan, Ltd., relating to Multiple Rate Demand Pollution Control Revenue Bonds of the Parish of West Feliciana, State of Louisiana, Series 1985 (4-26 to Form 10-K, for the year ended December 31, 1986 in 1-2703) and Letter Agreement amending same, dated February 19, 1993 (10 to Form 10-K for the year ended December 31, 1992 in 1-2703).
- (d) 8 -- Agreement effective February 1, 1964, between Sabine River Authority, State of Louisiana, and Sabine River Authority of Texas, and Entergy Gulf States, Central Louisiana Electric Company, Inc., and Louisiana Power & Light Company, as supplemented (B to Form 8-K, dated May 6, 1964, A to Form 8-K, dated October 5, 1967, A to Form 8-K, dated May 5, 1969, and A to Form 8-K, dated December 1, 1969, in 1-2708).
- (d) 9 -- Joint Ownership Participation and Operating Agreement regarding River Bend Unit 1 Nuclear Plant, dated August 20, 1979, between Entergy Gulf States, Cajun, and SRG&T; Power Interconnection Agreement with Cajun, dated June 26, 1978, and approved by the REA on August 16, 1979, between Entergy Gulf States and Cajun; and Letter Agreement regarding

CEPCO buybacks, dated August 28, 1979, between Entergy Gulf States and Cajun (2, 3, and 4, respectively, to Form 8-K, dated September 7, 1979, in 1-2703).

- (d) 10 -- Ground Lease, dated August 15, 1980, between Statmont Associates Limited Partnership (Statmont) and Entergy Gulf States, as amended (3 to Form 8-K, dated August 19, 1980, and A-3-b to Form 10-Q for the quarter ended September 30, 1983 in 1-2703).
- (d) 11 -- Lease and Sublease Agreement, dated August 15, 1980, between Statmont and Entergy Gulf States, as amended (4 to Form 8-K, dated August 19, 1980, and A-3-c to Form 10-Q for the quarter ended September 30, 1983 in 1-2703).
- (d) 12 -- Lease Agreement, dated September 18, 1980, between BLC Corporation and Entergy Gulf States (1 to Form 8-K, dated October 6, 1980 in 1-2703).
- (d) 13 -- Joint Ownership Participation and Operating Agreement for Big Cajun, between Entergy Gulf States, Cajun Electric Power Cooperative, Inc., and Sam Rayburn G&T, Inc, dated November 14, 1980 (6 to Form 8-K, dated January 29, 1981 in 1-2703); Amendment No. 1, dated December 12, 1980 (7 to Form 8-K, dated January 29, 1981 in 1-2703); Amendment No. 2, dated December 29, 1980 (8 to Form 8-K, dated January 29, 1981 in 1-2703).
- (d) 14 -- Agreement of Joint Ownership Participation between SRMPA, SRG&T and Entergy Gulf States, dated June 6, 1980, for Nelson Station, Coal Unit #6, as amended (8 to Form 8-K, dated June 11, 1980, A-2-b to Form 10-Q For the quarter ended June 30, 1982; and 10-1 to Form 8-K, dated February 19, 1988 in 1-2703).
- (d) 15 -- Agreements between Southern Company and Entergy Gulf States, dated February 25, 1982, which cover the construction of a 140-mile transmission line to connect the two systems, purchase of power and use of transmission facilities (10-31 to Form 10-K, for the year ended December 31, 1981 in 1-2703).
- + (d) 16 -- Executive Income Security Plan, effective October 1, 1980, as amended, continued and completely restated effective as of March 1, 1991 (10-2 to Form 10-K for the year ended December 31, 1991 in 1-2703).
- (d) 17 -- Transmission Facilities Agreement between Entergy Gulf States and Mississippi Power Company, dated February 28, 1982, and Amendment, dated May 12, 1982 (A-2-c to Form 10-Q for the quarter ended March 31, 1982 in 1-2703) and Amendment, dated December 6, 1983 (10-43 to Form 10-K, for the year ended December 31, 1983 in 1-2703).
- (d) 18 -- Lease Agreement dated as of June 29, 1983, between Entergy Gulf States and City National Bank of Baton Rouge, as Owner Trustee, in connection with the leasing of a Simulator and Training Center for River Bend Unit 1 (A-2-a to Form 10-Q for the quarter ended June 30, 1983 in 1-2703) and Amendment, dated December 14, 1984 (10-55 to Form 10-K, for the year ended December 31, 1984 in 1-2703).
- (d) 19 -- Participation Agreement, dated as of June 29, 1983, among Entergy Gulf States, City National Bank of Baton Rouge, PruFunding, Inc. Bank of the Southwest National Association, Houston and Bankers Life Company, in connection with the leasing of a Simulator and Training Center of River Bend Unit 1 (A-2-b to Form 10-Q for the quarter ended June 30, 1983 in 1-2703).

- (d) 20 -- Tax Indemnity Agreement, dated as of June 29, 1983, between Entergy Gulf States and PruFunding, Inc., in connection with the leasing of a Simulator and Training Center for River Bend Unit I (A-2-c to Form 10-Q for the quarter ended June 30, 1993 in 1-2703).
- (d) 21 -- Agreement to Lease, dated as of August 28, 1985, among Entergy Gulf States, City National Bank of Baton Rouge, as Owner Trustee, and Prudential Interfunding Corp., as Trustor, in connection with the leasing of improvement to a Simulator and Training Facility for River Bend Unit I (10-69 to Form 10-K, for the year ended December 31, 1985 in 1-2703).
- (d) 22 -- First Amended Power Sales Agreement, dated December 1, 1985 between Sabine River Authority, State of Louisiana, and Sabine River Authority, State of Texas, and Entergy Gulf States, Central Louisiana Electric Co., Inc., and Louisiana Power and Light Company (10-72 to Form 10-K for the year ended December 31, 1985 in 1-2703).
- + (d) 23 -- Deferred Compensation Plan for Directors of Entergy Gulf States and Varibus Corporation, as amended January 8, 1987, and effective January 1, 1987 (10-77 to Form 10-K for the year ended December 31, 1986 in 1-2703). Amendment dated December 4, 1991 (10-3 to Amendment No. 8 in Registration No. 2-76551).
- + (d) 24 -- Trust Agreement for Deferred Payments to be made by Entergy Gulf States pursuant to the Executive Income Security Plan, by and between Entergy Gulf States and Bankers Trust Company, effective November 1, 1986 (10-78 to Form 10-K for the year ended December 31, 1986 in 1-2703).
- + (d) 25 -- Trust Agreement for Deferred Installments under Entergy Gulf States' Management Incentive Compensation Plan and Administrative Guidelines by and between Entergy Gulf States and Bankers Trust Company, effective June 1, 1986 (10-79 to Form 10-K for the year ended December 31, 1986 in 1-2703).
- + (d) 26 -- Nonqualified Deferred Compensation Plan for Officers, Nonemployee Directors and Designated Key Employees, effective December 1, 1985, as amended, continued and completely restated effective as of March 1, 1991 (10-3 to Amendment No. 8 in Registration No. 2-76551).
- + (d) 27 -- Trust Agreement for Entergy Gulf States' Nonqualified Directors and Designated Key Employees by and between Entergy Gulf States and First City Bank, Texas-Beaumont, N.A. (now Texas Commerce Bank), effective July 1, 1991 (10-4 to Form 10-K for the year ended December 31, 1992 in 1-2703).
- (d) 28 -- Lease Agreement, dated as of June 29, 1987, among GSG&T, Inc., and Entergy Gulf States related to the leaseback of the Lewis Creek generating station (10-83 to Form 10-K for the year ended December 31, 1988 in 1-2703).
- (d) 29 -- Nuclear Fuel Lease Agreement between Entergy Gulf States and River Bend Fuel Services, Inc. to lease the fuel for River Bend Unit 1, dated February 7, 1989 (10-64 to Form 10-K for the year ended December 31, 1988 in 1-2703).
- (d) 30 -- Trust and Investment Management Agreement between Entergy Gulf States and Morgan Guaranty and Trust Company of New York (the "Decommissioning Trust Agreement") with

respect to decommissioning funds authorized to be collected by Entergy Gulf States, dated March 15, 1989 (10-66 to Form 10-K for the year ended December 31, 1988 in 1-2703).

- (d) 31 -- Amendment No. 2 dated November 1, 1995 between Entergy Gulf States and Mellon Bank to Decommissioning Trust Agreement (10(d) 31 to Form 10-K for the year ended December 31, 1995).
- (d) 32 -- Credit Agreement, dated as of December 29, 1993, among River Bend Fuel Services, Inc. and Certain Commercial Lending Institutions and CIBC Inc. as Agent for the Lenders (10(d) 34 to Form 10-K for year ended December 31, 1994).
- (d) 33 -- Amendment No. 1 dated as of January 31, to Credit Agreement, dated as of December 31, 1993, among River Bend Fuel Services, Inc. and certain commercial lending institutions and CIBC Inc. as agent for Lenders (10(d) 33 to Form 10-K for the year ended December 31, 1995).
- (d) 34 -- Partnership Agreement by and among Conoco Inc., and Entergy Gulf States, CITGO Petroleum Corporation and Vista Chemical Company, dated April 28, 1988 (10-67 to Form 10-K for the year ended December 31, 1988 in 1-2703).
- + (d) 35 -- Gulf States Utilities Company Executive Continuity Plan, dated January 18, 1991 (10-6 to Form 10-K for the year ended December 31, 1990 in 1-2703).
- + (d) 36 -- Trust Agreement for Entergy Gulf States' Executive Continuity Plan, by and between Entergy Gulf States and First City Bank, Texas-Beaumont, N.A. (now Texas Commerce Bank), effective May 20, 1991 (10-5 to Form 10-K for the year ended December 31, 1992 in 1-2703).
- + (d) 37 -- Gulf States Utilities Board of Directors' Retirement Plan, dated February 15, 1991 (10-8 to Form 10-K for the year ended December 31, 1990 in 1-2703).
- + (d) 38 -- Gulf States Utilities Company Employees' Trustee Retirement Plan effective July 1, 1955 as amended, continued and completely restated effective January 1, 1989; and Amendment No.1 effective January 1, 1993 (10-6 to Form 10-K for the year ended December 31, 1992 in 1-2703).
- (d) 39 -- Agreement and Plan of Reorganization, dated June 5, 1992, between Entergy Gulf States and Entergy Corporation (2 to Form 8-K, dated June 8, 1992 in 1-2703).
- + (d) 40 -- Gulf States Utilities Company Employee Stock Ownership Plan, as amended, continued, and completely restated effective January 1, 1984, and January 1, 1985 (A to Form 11-K, dated December 31, 1985 in 1-2703).
- + (d) 41 -- Trust Agreement under the Gulf States Utilities Company Employee Stock Ownership Plan, dated December 30, 1976, between Entergy Gulf States and the Louisiana National Bank, as Trustee (2-A to Registration No. 2-62395).
- + (d) 42 -- Letter Agreement dated September 7, 1977 between Entergy Gulf States and the Trustee, delegating certain of the Trustee's functions to the ESOP Committee (2-B to Registration Statement No. 2-62395).

- + (d) 43 -- Gulf States Utilities Company Employees Thrift Plan as amended, continued and completely restated effective as of January 1, 1992 (28-1 to Amendment No. 8 to Registration No. 2-76551).
- + (d) 44 -- Restatement of Trust Agreement under the Gulf States Utilities Company Employees Thrift Plan, reflecting changes made through January 1, 1989, between Entergy Gulf States and First City Bank, Texas-Beaumont, N.A., (now Texas Commerce Bank), as Trustee (2-A to Form 8-K dated October 20, 1989 in 1-2703).
- (d) 45 -- Operating Agreement between Entergy Operations and Entergy Gulf States, dated as of December 31, 1993 (B-2(f) to Rule 24 Certificate in 70-8059).
- (d) 46 -- Guarantee Agreement between Entergy Corporation and Entergy Gulf States, dated as of December 31, 1993 (B-5(a) to Rule 24 Certificate in 70-8059).
- (d) 47 -- Service Agreement with Entergy Services, dated as of December 31, 1993 (B-6(c) to Rule 24 Certificate in 70-8059).
- + (d) 48 -- Amendment to Employment Agreement between J. L. Donnelly and Entergy Gulf States, dated December 22, 1993 (10(d) 57 to Form 10-K for the year ended December 31, 1993 in 1-2703).
- (d) 49 -- Assignment, Assumption and Amendment Agreement to Letter of Credit and Reimbursement Agreement between Entergy Gulf States, Canadian Imperial Bank of Commerce and Westpac Banking Corporation (10(d) 58 to Form 10-K for the year ended December 31, 1993 in 1-2703).
- (d) 50 -- Third Amendment, dated January 1, 1994, to Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-3(a) to Form USS for the year ended December 31, 1993).
- (d) 51 -- Refunding Agreement between Entergy Gulf States and West Feliciana Parish (dated December 20, 1994 (B-12(a) to Rule 24 Certificate dated December 30, 1994 in 70-8375).
- * (d) 52 -- Agreement as to Expenses and Liabilities between Entergy Gulf States and Entergy Gulf States Capital I, dated as of January 28, 1997.

Entergy Louisiana

- (e) 1 -- Agreement, dated April 23, 1982, among Entergy Louisiana and certain other System companies, relating to System Planning and Development and Intra-System Transactions (10(a) 1 to Form 10-K for the year ended December 31, 1982, in 1-3517).
- (e) 2 -- Middle South Utilities System Agency Agreement, dated December 11, 1970 (5(a)-2 in 2-41080).
- (e) 3 -- Amendment, dated as of February 10, 1971, to Middle South Utilities System Agency Agreement, dated December 11, 1970 (5(a)-4 in 2-41080).
- (e) 4 -- Amendment, dated May 12, 1988, to Middle South Utilities System Agency Agreement, dated December 11, 1970 (5(a) 4 in 2-41080).

- (e) 5 -- Middle South Utilities System Agency Coordination Agreement, dated December 11, 1970 (5(a)-3 in 2-41080).
- (e) 6 -- Service Agreement with Entergy Services, dated as of April 1, 1963 (5(a)-5 in 2-42523).
- (e) 7 -- Amendment, dated as of January 1, 1972, to Service Agreement with Entergy Services (4(a)-6 in 2-45916).
- (e) 8 -- Amendment, dated as of April 27, 1984, to Service Agreement with Entergy Services (10(a) 7 to Form 10-K for the year ended December 31, 1984, in 1-3517).
- (e) 9 -- Amendment, dated as of August 1, 1988, to Service Agreement with Entergy Services (10(d)-8 to Form 10-K for the year ended December 31, 1988, in 1-8474).
- (e) 10 -- Amendment, dated January 1, 1991, to Service Agreement with Entergy Services (10(d)-9 to Form 10-K for the year ended December 31, 1990, in 1-8474).
- (e) 11 -- Amendment, dated January 1, 1992, to Service Agreement with Entergy Services (10(a)-11 to Form 10-K for the year ended December 31, 1994 in 1-3517).
- (e) 12 through
- (e) 26 -- See 10(a)-12 through 10(a)-26 above.
- (e) 27 -- Fuel Lease, dated as of January 31, 1989, between River Fuel Company #2, Inc., and Entergy Louisiana (B-1(b) to Rule 24 Certificate in 70-7580).
- (e) 28 -- Reallocation Agreement, dated as of July 28, 1981, among System Energy and certain other System companies (B-1(a) in 70-6624).
- (e) 29 -- Compromise and Settlement Agreement, dated June 4, 1982, between Texaco, Inc. and Entergy Louisiana (28(a) to Form 8-K, dated June 4, 1982, in 1-8474).
- +(e) 30 -- Post-Retirement Plan (10(c)23 to Form 10-K for the year ended December 31, 1983, in 1-8474).
- (e) 31 -- Unit Power Sales Agreement, dated as of June 10, 1982, between System Energy and Entergy Arkansas, Entergy Louisiana, Entergy Mississippi and Entergy New Orleans (10(a) 39 to Form 10-K for the year ended December 31, 1982, in 1-3517).
- (e) 32 -- First Amendment to the Unit Power Sales Agreement, dated as of June 28, 1984, between System Energy and Entergy Arkansas, Entergy Louisiana, Entergy Mississippi and Entergy New Orleans (19 to Form 10-Q for the quarter ended September 30, 1984, in 1-3517).
- (e) 33 -- Revised Unit Power Sales Agreement (10(ss) in 33-4033).
- (e) 34 -- Middle South Utilities, Inc. and Subsidiary Companies Intercompany Tax Allocation Agreement, dated April 28, 1988 (D-1 to Form USS for the year ended December 31, 1987).

- (e) 35 -- First Amendment, dated January 1, 1990, to the Middle South Utilities, Inc. and Subsidiary Companies Intercompany Income Tax Allocation Agreement, dated January 1, 1990 (D-2 to Form U5S for the year ended December 31, 1989).
- (e) 36 -- Second Amendment dated January 1, 1992, to the Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-3 to Form U5S for the year ended December 31, 1992).
- (e) 37 -- Third Amendment dated January 1, 1994 to Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-3(a) to Form U5S for the year ended December 31, 1993).
- (e) 38 -- Contract for Disposal of Spent Nuclear Fuel and/or High-Level Radioactive Waste, dated February 2, 1984, among DOE, System Fuels and Entergy Louisiana (10(d)33 to Form 10-K for the year ended December 31, 1984, in 1-8474).
- (e) 39 -- Operating Agreement between Entergy Operations and Entergy Louisiana, dated as of June 6, 1990 (B-2(c) to Rule 24 Certificate, dated June 15, 1990, in 70-7679).
- (e) 40 -- Guarantee Agreement between Entergy Corporation and Entergy Louisiana, dated as of September 20, 1990 (B-2(a), to Rule 24 Certificate, dated September 27, 1990, in 70-7757).
- + (e) 41 -- Executive Financial Counseling Program of Entergy Corporation and Subsidiaries (10(a) 52 to Form 10-K for the year ended December 31, 1989, in 1-3517).
- + (e) 42 -- Entergy Corporation Annual Incentive Plan (10(a) 54 to Form 10-K for the year ended December 31, 1989, in 1-3517).
- + (e) 43 -- Equity Ownership Plan of Entergy Corporation and Subsidiaries (A-4(a) to Rule 24 Certificate, dated May 24, 1991, in 70-7831).
- + (e) 44 -- Supplemental Retirement Plan (10(a) 69 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- + (e) 45 -- Defined Contribution Restoration Plan of Entergy Corporation and Subsidiaries (10(a) 53 to Form 10-K for the year ended December 31, 1989 in 1-3517).
- + (e) 46 -- Amendment No. 1 to the Equity Ownership Plan of Entergy Corporation and Subsidiaries (10(a) 71 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- + (e) 47 -- Executive Disability Plan of Entergy Corporation and Subsidiaries (10(a) 72 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- + (e) 48 -- Executive Medical Plan of Entergy Corporation and Subsidiaries (10(a) 73 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- + (e) 49 -- Stock Plan for Outside Directors of Entergy Corporation and Subsidiaries (10(a) 74 to Form 10-K for the year ended December 31, 1992 in 1-3517).

- + (e) 50 -- Summary Description of Private Ownership Vehicle Plan of Entergy Corporation and Subsidiaries (10(a) 75 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- + (e) 51 -- Agreement between Entergy Corporation and Edwin Lupberger (10(a) 42 to Form 10-K for the year ended December 31, 1985 in 1-3517).
- + (e) 52 -- Agreement between Entergy Corporation and Jerry D. Jackson (10(a) 68 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- + (e) 53 -- Agreement between Entergy Services and Gerald D. McInvale (10(a) 69 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- + (e) 54 -- Agreement between System Energy and Donald C. Hintz (10(b) 47 to Form 10-K for the year ended December 31, 1991 in 1-9067).
- + (e) 55 -- Summary Description of Retired Outside Director Benefit Plan (10(c)90 to Form 10-K for the year ended December 31, 1992 in 1-10764).
- + (e) 56 -- Amendment to Defined Contribution Restoration Plan of Entergy Corporation and Subsidiaries (10(a) 81 to Form 10-K for the year ended December 31, 1993 in 1-11299).
- + (e) 57 -- System Executive Retirement Plan (10(a) 82 to Form 10-K for the year ended December 31, 1993 in 1-11299).
- (e) 58 -- Installment Sale Agreement, dated July 20, 1994, between Entergy Louisiana and St. Charles Parish, Louisiana (B-6(e) to Rule 24 Certificate dated August 1, 1994 in 70-7822).
- (e) 59 -- Installment Sale Agreement, dated November 1, 1995, between Entergy Louisiana and St. Charles Parish, Louisiana (B-6(a) to Rule 24 Certificate dated December 19, 1995 in 70-8487).
- (e) 60 -- Agreement as to Expenses and Liabilities between Entergy Louisiana, Inc. and Entergy Louisiana Capital I dated July 16, 1996 (4(d) to Form 10-Q for the quarter ended June 30, 1996 in 1-8474).

Entergy Mississippi

- (f) 1 -- Agreement dated April 23, 1982, among Entergy Mississippi and certain other System companies, relating to System Planning and Development and Intra-System Transactions (10(a) 1 to Form 10-K for the year ended December 31, 1982, in 1-3517).
- (f) 2 -- Middle South Utilities System Agency Agreement, dated December 11, 1970 (5(a)-2 in 2-41080).
- (f) 3 -- Amendment, dated February 10, 1971, to Middle South Utilities System Agency Agreement, dated December 11, 1970 (5(a) 4 in 2-41080).
- (f) 4 -- Amendment, dated May 12, 1988, to Middle South Utilities System Agency Agreement, dated December 11, 1970 (5(a) 4 in 2-41080).

- (f) 5 -- Middle South Utilities System Agency Coordination Agreement, dated December 11, 1970 (5(a)-3 in 2-41080).
- (f) 6 -- Service Agreement with Entergy Services, dated as of April 1, 1963 (D in 37-63).
- (f) 7 -- Amendment, dated January 1, 1972, to Service Agreement with Entergy Services (A to Notice, dated October 14, 1971, in 37-63).
- (f) 8 -- Amendment, dated April 27, 1984, to Service Agreement with Entergy Services (10(a) 7 to Form 10-K for the year ended December 31, 1984, in 1-3517).
- (f) 9 -- Amendment, dated as of August 1, 1988, to Service Agreement with Entergy Services (10(e) 8 to Form 10-K for the year ended December 31, 1988, in 0-320).
- (f) 10 -- Amendment, dated January 1, 1991, to Service Agreement with Entergy Services (10(e) 9 to Form 10-K for the year ended December 31, 1990, in 0-320).
- (f) 11 -- Amendment, dated January 1, 1992, to Service Agreement with Entergy Services (10(a)-11 to Form 10-K for the year ended December 31, 1994 in 1-3517).
- (f) 12 though
- (f) 26 -- See 10(a)-12 - 10(a)-26 above.
- (f) 27 -- Installment Sale Agreement, dated as of June 1, 1974, between Entergy Mississippi and Washington County, Mississippi (B-2(a) to Rule 24 Certificate, dated August 1, 1974, in 70-5504).
- (f) 28 -- Installment Sale Agreement, dated as of July 1, 1982, between Entergy Mississippi and Independence County, Arkansas, (B-1(c) to Rule 24 Certificate dated July 21, 1982, in 70-6672).
- (f) 29 -- Installment Sale Agreement, dated as of December 1, 1982, between Entergy Mississippi and Independence County, Arkansas, (B-1(d) to Rule 24 Certificate dated December 7, 1982, in 70-6672).
- (f) 30 -- Amended and Restated Installment Sale Agreement, dated as of April 1, 1994, between Entergy Mississippi and Warren County, Mississippi, (B-6(a) to Rule 24 Certificate dated May 4, 1994, in 70-7914).
- (f) 31 -- Amended and Restated Installment Sale Agreement, dated as of April 1, 1994, between Entergy Mississippi and Washington County, Mississippi, (B-6(b) to Rule 24 Certificate dated May 4, 1994, in 70-7914).
- (f) 32 -- Substitute Power Agreement, dated as of May 1, 1980, among Entergy Mississippi, System Energy and SMEPA (B-3(a) in 70-6337).
- (f) 33 -- Amendment, dated December 4, 1984, to the Independence Steam Electric Station Operating Agreement (10(c) 51 to Form 10-K for the year ended December 31, 1984, in 0-375).

- (f) 34 -- Amendment, dated December 4, 1984, to the Independence Steam Electric Station Ownership Agreement (10(c) 54 to Form 10-K for the year ended December 31, 1984, in 0-375).
- (f) 35 -- Owners Agreement, dated November 28, 1984, among Entergy Arkansas, Entergy Mississippi and other co- owners of the Independence Station (10(c) 55 to Form 10-K for the year ended December 31, 1984, in 0-375).
- (f) 36 -- Consent, Agreement and Assumption, dated December 4, 1984, among Entergy Arkansas, Entergy Mississippi, other co-owners of the Independence Station and United States Trust Company of New York, as Trustee (10(c) 56 to Form 10-K for the year ended December 31, 1984, in 0-375).
- (f) 37 -- Reallocation Agreement, dated as of July 28, 1981, among System Energy and certain other System companies (B-1(a) in 70-6624).
- + (f) 38 -- Post-Retirement Plan (10(d) 24 to Form 10-K for the year ended December 31, 1983, in 0-320).
- (f) 39 -- Unit Power Sales Agreement, dated as of June 10, 1982, between System Energy and Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans (10(a) 39 to Form 10-K for the year ended December 31, 1982, in 1-3517).
- (f) 40 -- First Amendment to the Unit Power Sales Agreement, dated as of June 28, 1984, between System Energy and Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans (19 to Form 10-Q for the quarter ended September 30, 1984, in 1-3517).
- (f) 41 -- Revised Unit Power Sales Agreement (10(ss) in 33-4033).
- (f) 42 -- Sales Agreement, dated as of June 21, 1974, between System Energy and Entergy Mississippi (D to Rule 24 Certificate, dated June 26, 1974, in 70-5399).
- (f) 43 -- Service Agreement, dated as of June 21, 1974, between System Energy and Entergy Mississippi (E to Rule 24 Certificate, dated June 26, 1974, in 70-5399).
- (f) 44 -- Partial Termination Agreement, dated as of December 1, 1986, between System Energy and Entergy Mississippi (A-2 to Rule 24 Certificate dated January 8, 1987, in 70-5399).
- (f) 45 -- Middle South Utilities, Inc. and Subsidiary Companies Intercompany Income Tax Allocation Agreement, dated April 28, 1988 (D-1 to Form U5S for the year ended December 31, 1987).
- (f) 46 -- First Amendment dated January 1, 1990 to the Middle South Utilities Inc. and Subsidiary Companies Intercompany Tax Allocation Agreement (D-2 to Form U5S for the year ended December 31, 1989).
- (f) 47 -- Second Amendment dated January 1, 1992, to the Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-3 to Form U5S for the year ended December 31, 1992).

- (f) 48 -- Third Amendment dated January 1, 1994 to Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-3(a) to Form U5S for the year ended December 31, 1993).
- +(f) 49 -- Executive Financial Counseling Program of Entergy Corporation and Subsidiaries (10(a) 52 to Form 10-K for the year ended December 31, 1989, in 1-3517).
- +(f) 50 -- Entergy Corporation Annual Incentive Plan (10(a) 54 to Form 10-K for the year ended December 31, 1989, in 1-3517).
- +(f) 51 -- Equity Ownership Plan of Entergy Corporation and Subsidiaries (A^L-4(a) to Rule 24 Certificate, dated May 24, 1991, in 70-7831).
- +(f) 52 -- Supplemental Retirement Plan (10(a)69 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- +(f) 53 -- Defined Contribution Restoration Plan of Entergy Corporation and Subsidiaries (10(a)53 to Form 10-K for the year ended December 31, 1989 in 1-3517).
- +(f) 54 -- Amendment No. 1 to the Equity Ownership Plan of Entergy Corporation and Subsidiaries (10(a)71 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- +(f) 55 -- Executive Disability Plan of Entergy Corporation and Subsidiaries (10(a)72 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- +(f) 56 -- Executive Medical Plan of Entergy Corporation and Subsidiaries (10(a)73 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- +(f) 57 -- Stock Plan for Outside Directors of Entergy Corporation and Subsidiaries, as amended (10(a)74 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- +(f) 58 -- Summary Description of Private Ownership Vehicle Plan of Entergy Corporation and Subsidiaries (10(a)75 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- +(f) 59 -- Agreement between Entergy Corporation and Edwin Lupberger (10(a)-42 to Form 10-K for the year ended December 31, 1985 in 1-3517).
- +(f) 60 -- Agreement between Entergy Corporation and Jerry D. Jackson (10(a)-68 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- +(f) 61 -- Agreement between Entergy Services and Gerald D. McInvale (10(a)-69 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- +(f) 62 -- Agreement between System Energy and Donald C. Hintz (10(b)-47 to Form 10-K for the year ended December 31, 1991 in 1-9067).
- +(f) 63 -- Summary Description of Retired Outside Director Benefit Plan (10(c)-90 to Form 10-K for the year ended December 31, 1992 in 1-10764).

- + (f) 64 -- Amendment to Defined Contribution Restoration Plan of Entergy Corporation and Subsidiaries (10(a) 81 to Form 10-K for the year ended December 31, 1993 in 1-11299).
- + (f) 65 -- System Executive Retirement Plan (10(a) 82 to Form 10-K for the year ended December 31, 1993 in 1-11299).

Entergy New Orleans

- (g) 1 -- Agreement, dated April 23, 1982, among Entergy New Orleans and certain other System companies, relating to System Planning and Development and Intra-System Transactions (10(a)-1 to Form 10-K for the year ended December 31, 1982, in 1-3517).
- (g) 2 -- Middle South Utilities System Agency Agreement, dated December 11, 1970 (5(a)-2 in 2-41080).
- (g) 3 -- Amendment dated as of February 10, 1971, to Middle South Utilities System Agency Agreement, dated December 11, 1970 (5(a)-4 in 2-41080).
- (g) 4 -- Amendment, dated May 12, 1988, to Middle South Utilities System Agency Agreement, dated December 11, 1970 (5(a) 4 in 2-41080).
- (g) 5 -- Middle South Utilities System Agency Coordination Agreement, dated December 11, 1970 (5(a)-3 in 2-41080).
- (g) 6 -- Service Agreement with Entergy Services dated as of April 1, 1963 (5(a)-5 in 2-42523).
- (g) 7 -- Amendment, dated as of January 1, 1972, to Service Agreement with Entergy Services (4(a)-6 in 2-45916).
- (g) 8 -- Amendment, dated as of April 27, 1984, to Service Agreement with Entergy Services (10(a)7 to Form 10-K for the year ended December 31, 1984, in 1-3517).
- (g) 9 -- Amendment, dated as of August 1, 1988, to Service Agreement with Entergy Services (10(f)-8 to Form 10-K for the year ended December 31, 1988, in 0-5807).
- (g) 10 -- Amendment, dated January 1, 1991, to Service Agreement with Entergy Services (10(f)-9 to Form 10-K for the year ended December 31, 1990, in 0-5807).
- (g) 11 -- Amendment, dated January 1, 1992, to Service Agreement with Entergy Services (10(a)-11 to Form 10-K for year ended December 31, 1994 in 1-3517).
- (g) 12
- (g) 26 -- See 10(a)-12 - 10(a)-26 above.
- (g) 27 -- Reallocation Agreement, dated as of July 28, 1981, among System Energy and certain other System companies (B-1(a) in 70-6624).
- + (g) 28 -- Post-Retirement Plan (10(e) 22 to Form 10-K for the year ended December 31, 1983, in 1-1319).

- (g) 29 -- Unit Power Sales Agreement, dated as of June 10, 1982, between System Energy and Entergy Arkansas, Entergy Louisiana, Entergy Mississippi and Entergy New Orleans (10(a) 39 to Form 10-K for the year ended December 31, 1982, in 1-3517).
- (g) 30 -- First Amendment to the Unit Power Sales Agreement, dated as of June 28, 1984, between System Energy and Entergy Arkansas, Entergy Louisiana, Entergy Mississippi and Entergy New Orleans (19 to Form 10-Q for the quarter ended September 30, 1984, in 1-3517).
- (g) 31 -- Revised Unit Power Sales Agreement (10(ss) in 33-4033).
- (g) 32 -- Transfer Agreement, dated as of June 28, 1983, among the City of New Orleans, Entergy New Orleans and Regional Transit Authority (2(a) to Form 8-K, dated June 24, 1983, in 1-1319).
- (g) 33 -- Middle South Utilities, Inc. and Subsidiary Companies Intercompany Income Tax Allocation Agreement, dated April 28, 1988 (D-1 to Form U5S for the year ended December 31, 1987).
- (g) 34 -- First Amendment, dated January 1, 1990, to the Middle South Utilities, Inc. and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-2 to Form U5S for the year ended December 31, 1989).
- (g) 35 -- Second Amendment dated January 1, 1992, to the Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-3 to Form U5S for the year ended December 31, 1992).
- (g) 36 -- Third Amendment dated January 1, 1994 to Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-3(a) to Form U5S for the year ended December 31, 1993).
- +(g) 37 -- Executive Financial Counseling Program of Entergy Corporation and Subsidiaries (10(a)52 to Form 10-K for the year ended December 31, 1989, in 1-3517).
- +(g) 38 -- Entergy Corporation Annual Incentive Plan (10(a)54 to Form 10-K for the year ended December 31, 1989, in 1-3517).
- +(g) 39 -- Equity Ownership Plan of Entergy Corporation and Subsidiaries (A-4(a) to Rule 24 Certificate, dated May 24, 1991, in 70-7831).
- +(g) 40 -- Supplemental Retirement Plan (10(a)69 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- +(g) 41 -- Defined Contribution Restoration Plan of Entergy Corporation and Subsidiaries (10(a)53 to Form 10-K for the year ended December 31, 1989 in 1-3517).
- +(g) 42 -- Amendment No. 1 to the Equity Ownership Plan of Entergy Corporation and Subsidiaries (10(a)71 to Form 10-K for the year ended December 31, 1992 in 1-3517).
- +(g) 43 -- Executive Disability Plan of Entergy Corporation and Subsidiaries (10(a)72 to Form 10-K for the year ended December 31, 1992 in 1-3517).

- +**(g) 44 -- Executive Medical Plan of Entergy Corporation and Subsidiaries (10(a)73 to Form 10-K for the year ended December 31, 1992 in 1-3517).**
- +**(g) 45 -- Stock Plan for Outside Directors of Entergy Corporation and Subsidiaries, as amended (10(a)74 to Form 10-K for the year ended December 31, 1992 in 1-3517).**
- +**(g) 46 -- Summary Description of Private Ownership Vehicle Plan of Entergy Corporation and Subsidiaries (10(a)75 to Form 10-K for the year ended December 31, 1992 in 1-3517).**
- +**(g) 47 -- Agreement between Entergy Corporation and Edwin Lupberger (10(a)-42 to Form 10-K for the year ended December 31, 1985 in 1-3517).**
- +**(g) 48 -- Agreement between Entergy Corporation and Jerry D. Jackson (10(a)-68 to Form 10-K for the year ended December 31, 1992 in 1-3517).**
- +**(g) 49 -- Agreement between Entergy Services and Gerald D. McInvale (10(a)-69 to Form 10-K for the year ended December 31, 1992 in 1-3517).**
- +**(g) 50 -- Agreement between System Energy and Donald C. Hintz (10(b)-47 to Form 10-K for the year ended December 31, 1991 in 1-9067).**
- +**(g) 51 -- Summary Description of Retired Outside Director Benefit Plan (10(c)-90 to Form 10-K for the year ended December 31, 1992 in 1-10764).**
- +**(g) 52 -- Amendment to Defined Contribution Restoration Plan of Entergy Corporation and Subsidiaries (10(a) 81 to Form 10-K for the year ended December 31, 1993 in 1-11299).**
- +**(g) 53 -- System Executive Retirement Plan (10(a) 82 to Form 10-K for the year ended December 31, 1993 in 1-11299).**

(12) Statement Re Computation of Ratios

- ***(a) Entergy Arkansas's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Fixed Charges and Preferred Dividends, as defined.**
- ***(b) Entergy Gulf States' Computation of Ratios of Earnings to Fixed Charges and of Earnings to Fixed Charges and Preferred Dividends, as defined.**
- ***(c) Entergy Louisiana's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Fixed Charges and Preferred Dividends, as defined.**
- ***(d) Entergy Mississippi's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Fixed Charges and Preferred Dividends, as defined.**
- ***(e) Entergy New Orleans' Computation of Ratios of Earnings to Fixed Charges and of Earnings to Fixed Charges and Preferred Dividends, as defined.**
- ***(f) System Energy's Computation of Ratios of Earnings to Fixed Charges, as defined.**

(18) Letter Re Change in Accounting Principles

***(a) Letter from Coopers & Lybrand L.L.P. regarding change in accounting principles for System Energy.**

***(b) Letter from Coopers & Lybrand L.L.P. regarding change in accounting principles for Entergy.**

***(21) Subsidiaries of the Registrants**

(23) Consents of Experts and Counsel

***(a) The consent of Coopers & Lybrand L.L.P. is contained herein at page 211.**

***(b) The consent of Sandlin Associates is contained herein at page 213.**

***(24) Powers of Attorney**

(27) Financial Data Schedule

***(a) Financial Data Schedule for Entergy Corporation and Subsidiaries as of December 31, 1996.**

***(b) Financial Data Schedule for Entergy Arkansas as of December 31, 1996.**

***(c) Financial Data Schedule for Entergy Gulf States as of December 31, 1996.**

***(d) Financial Data Schedule for Entergy Louisiana as of December 31, 1996.**

***(e) Financial Data Schedule for Entergy Mississippi as of December 31, 1996.**

***(f) Financial Data Schedule for Entergy New Orleans as of December 31, 1996.**

***(g) Financial Data Schedule for System Energy as of December 31, 1996.**

*** Filed herewith.**

+ Management contracts or compensatory plans or arrangements.