UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Fiscal Year Ended December 31, 1999

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number	Registrant, State of Incorporation, Address of Principal Executive Offices and Telephone Number	IRS Employer Identification No.
1-11299	ENTERGY CORPORATION (a Delaware corporation) 639 Loyola Avenue New Orleans, Louisiana 70113 Telephone (504) 576-4000	72-1229752
1-10764	ENTERGY ARKANSAS, INC. (an Arkansas corporation) 425 West Capitol Avenue, 40th Floor Little Rock, Arkansas 72201 Telephone (501) 377-4000	71-0005900
1-2703	ENTERGY GULF STATES, INC. (a Texas corporation) 350 Pine Street Beaumont, Texas 77701 Telephone (409) 838-6631	74-0662730
1-8474	ENTERGY LOUISIANA, INC. (a Louisiana corporation) 4809 Jefferson Highway Jefferson, Louisiana 70121 Telephone (504) 840-2734	72-0245590
0-320	ENTERGY MISSISSIPPI, INC. (a Mississippi corporation) 308 East Pearl Street Jackson, Mississippi 39201 Telephone (601) 368-5000	64-0205830
0-5807	ENTERGY NEW ORLEANS, INC. (a Louisiana corporation) 1600 Perdido Building New Orleans, Louisiana 70112 Telephone (504) 670-3674	72-0273040
1-9067	SYSTEM ENERGY RESOURCES, INC. (an Arkansas corporation) Echelon One 1340 Echelon Parkway Jackson, Mississippi 39213 Telephone (601) 368-5000	72-0752777

Securities registered pursuant to Section 12(b) of the Act:

Registrant	Title of Class	Name of Each Exchange on Which Registered
Entergy Corporation	Common Stock, $0.01 Par Value – 236,145,752 shares outstanding at February 29, 2000	New York Stock Exchange, Inc. Chicago Stock Exchange Inc. Pacific Exchange Inc.
Entergy Arkansas Capital I	8-1/2% Cumulative Quarterly Income Preferred Securities, Series A	New York Stock Exchange, Inc.
Entergy Gulf States, Inc.	Preferred Stock, Cumulative, $100 Par Value:	
	$4.40 Dividend Series	New York Stock Exchange, Inc.
	$4.52 Dividend Series	New York Stock Exchange, Inc.
	$5.08 Dividend Series	New York Stock Exchange, Inc.
	Adjustable Rate Series B (Depository Receipts)	New York Stock Exchange, Inc.
	Preference Stock, Cumulative, without Par Value	New York Stock Exchange, Inc.
	$1.75 Dividend Series	
Entergy Gulf States Capital I	8.75% Cumulative Quarterly Income Preferred Securities, Series A	New York Stock Exchange, Inc.
Entergy Louisiana Capital I	9% Cumulative Quarterly Income Preferred Securities, Series A	New York Stock Exchange, Inc.

Securities registered pursuant to Section 12(g) of the Act:

Registrant	Title of Class
Entergy Arkansas, Inc.	Preferred Stock, Cumulative, $100 Par Value Preferred Stock, Cumulative, $0.01 Par Value
Entergy Gulf States, Inc.	Preferred Stock, Cumulative, $100 Par Value
Entergy Louisiana, Inc.	Preferred Stock, Cumulative, $100 Par Value Preferred Stock, Cumulative, $25 Par Value
Entergy Mississippi, Inc.	Preferred Stock, Cumulative, $100 Par Value
Entergy New Orleans, Inc.	Preferred Stock, Cumulative, $100 Par Value

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes √ No ____

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrants' knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

The aggregate market value of Entergy Corporation Common Stock, $0.01 Par Value, held by non-affiliates, was $4.8 billion based on the reported last sale price of such stock on the New York Stock Exchange on February 29, 2000. Entergy Corporation is directly or indirectly the sole holder of the common stock of Entergy Arkansas, Inc., Entergy Gulf States, Inc., Entergy Louisiana, Inc., Entergy Mississippi, Inc., Entergy New Orleans, Inc., and System Energy Resources, Inc.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement of Entergy Corporation to be filed in connection with its Annual Meeting of Stockholders, to be held May 12, 2000, are incorporated by reference into Parts I and III hereof.

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This combined Form 10-K is separately filed by Entergy Corporation, Entergy Arkansas, Inc., Entergy Gulf States, Inc., Entergy Louisiana, Inc., Entergy Mississippi, Inc., Entergy New Orleans, Inc., and System Energy Resources, Inc. Information contained herein relating to any individual company is filed by such company on its own behalf. Each company makes representations only as to itself and makes no other representations whatsoever as to any other company.

This report should be read in its entirety. No one section of the report deals with all aspects of the subject matter.

FORWARD LOOKING INFORMATION

Investors are cautioned that forward-looking statements contained herein with respect to the revenues, earnings, competitive performance, or other prospects for the business of Entergy Corporation, Entergy Arkansas, Inc., Entergy Gulf States, Inc., Entergy Louisiana, Inc., Entergy Mississippi, Inc., Entergy New Orleans, Inc., and System Energy Resources, Inc. or their affiliated companies may be influenced by factors that could cause actual outcomes to be materially different than anticipated. Such factors include, but are not limited to, the effects of weather, the performance of generating units, the risk of owning and operating nuclear plants, fuel prices and availability, regulatory decisions and the effects of changes in law, litigation results, capital spending requirements, the evolution of competition, changes in technology, changes in accounting standards, changes in capital structure and ownership of assets, risks associated with the electricity and other energy commodity markets, interest rate changes and changes in financial markets generally, changes in foreign currency exchange rates, and other factors.

DEFINITIONS

Certain abbreviations or acronyms used in the text and notes are defined below:

Abbreviation or Acronym	Term
AFUDC	Allowance for Funds Used During Construction
Algiers	15th Ward of the City of New Orleans, Louisiana
ALJ	Administrative Law Judge
ANO 1 and 2	Units 1 and 2 of Arkansas Nuclear One Steam Electric Generating Station (nuclear), owned by Entergy Arkansas
APB	Accounting Principles Board
APSC	Arkansas Public Service Commission
Availability Agreement	Agreement, dated as of June 21, 1974, as amended, among System Energy and Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans, and the assignments thereof
Board	Board of Directors of Entergy Corporation
Boston Edison	Boston Edison Company
BPS	British pounds sterling
Cajun	Cajun Electric Power Cooperative, Inc. (currently in Chapter 11 bankruptcy reorganization)
Capital Funds Agreement	Agreement, dated as of June 21, 1974, as amended, between System Energy and Entergy Corporation, and the assignments thereof
CitiPower	CitiPower Pty., an electric distribution company serving Melbourne, Australia and surrounding suburbs, which was acquired by Entergy effective January 5, 1996, and was sold by Entergy effective December 31, 1998
Council	Council of the City of New Orleans, Louisiana
D.C. Circuit	United States Court of Appeals for the District of Columbia Circuit
DOE	United States Department of Energy
domestic utility companies	Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans, collectively
EITF	Emerging Issues Task Force
EMF	Electromagnetic fields
ENHC	Entergy Nuclear Holding Company
EPA	Environmental Protection Agency
EPAct	Energy Policy Act of 1992
EPDC	Entergy Power Development Corporation
EPMC	Entergy Power Marketing Corporation
ET&M	Entergy Trading and Marketing, Ltd.
ETHC	Entergy Technology Holding Company
EWG	Exempt wholesale generator under PUHCA
Entergy	Entergy Corporation and its various direct and indirect subsidiaries
Entergy Arkansas	Entergy Arkansas, Inc.
Entergy Corporation	Entergy Corporation, a Delaware corporation
Entergy Gulf States	Entergy Gulf States, Inc., including its wholly owned subsidiaries - Varibus Corporation, GSG&T, Inc., Prudential Oil & Gas, Inc., and Southern Gulf Railway Company

DEFINITIONS (Continued)

Abbreviation or Acronym	Term
Entergy London	Entergy London Investments plc, formerly Entergy Power UK plc (including its wholly owned subsidiary, London Electricity plc), which was sold by Entergy effective December 4, 1998
Entergy Louisiana	Entergy Louisiana, Inc.
Entergy Mississippi	Entergy Mississippi, Inc.
Entergy New Orleans	Entergy New Orleans, Inc.
Entergy Nuclear	Entergy Nuclear, Inc.
Entergy Operations	Entergy Operations, Inc.
Entergy Power	Entergy Power, Inc.
Entergy Services	Entergy Services, Inc.
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
FUCO	an exempt foreign utility company under PUHCA
Grand Gulf 1 and 2	Units 1 and 2 of Grand Gulf Steam Electric Generating Station (nuclear), 90% owned or leased by System Energy
GWH	one million kilowatt-hours
Independence	Independence Steam Electric Station (coal), owned 16% by Entergy Arkansas, 25% by Entergy Mississippi, and 7% by Entergy Power
IRS	Internal Revenue Service
KV	kilovolt
KW	kilowatt
KWH	kilowatt-hour(s)
London Electricity	London Electricity plc - a regional electric company serving London, England, which was acquired by Entergy London effective February 1, 1997, and was sold by Entergy effective December 4, 1998
LDEQ	Louisiana Department of Environmental Quality
LPSC	Louisiana Public Service Commission
MCF	1,000 cubic feet of gas
Merger	The combination transaction, consummated on December 31, 1993, by which Entergy Gulf States became a subsidiary of Entergy Corporation
MPSC	Mississippi Public Service Commission
MW	Megawatt(s)
N/A	Not applicable
Nelson Unit 6	Unit No. 6 (coal) of the Nelson Steam Electric Generating Station, owned 70% by Entergy Gulf States
NISCO	Nelson Industrial Steam Company
NRC	Nuclear Regulatory Commission
Pilgrim	Pilgrim Nuclear Station, 670 MW facility located in Plymouth, Massachusetts purchased in July 1999 from Boston Edison by Entergy's non-utility nuclear power business
PRP	Potentially Responsible Party (a person or entity that may be responsible for remediation of environmental contamination)
PUCT	Public Utility Commission of Texas
PUHCA	Public Utility Holding Company Act of 1935, as amended

DEFINITIONS (Concluded)

Abbreviation or Acronym	Term
PURPA	Public Utility Regulatory Policies Act of 1978
Reallocation Agreement	1981 Agreement, superseded in part by a June 13, 1985 decision of FERC, among Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy relating to the sale of capacity and energy from Grand Gulf
Ritchie 2	Unit 2 of the R. E. Ritchie Steam Electric Generating Station (gas/oil)
River Bend	River Bend Steam Electric Generating Station (nuclear)
SEC	Securities and Exchange Commission
SFAS	Statement of Financial Accounting Standards, promulgated by the FASB
SMEPA	South Mississippi Electric Power Agency, which owns the remaining 10% interest in Grand Gulf 1
System Agreement	Agreement, effective January 1, 1983, as modified, among the domestic utility companies relating to the sharing of generating capacity and other power resources
System Energy	System Energy Resources, Inc.
System Fuels	System Fuels, Inc.
UK	The United Kingdom of Great Britain and Northern Ireland
Unit Power Sales Agreement	Agreement, dated as of June 10, 1982, as amended and approved by FERC, among Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy, relating to the sale of capacity and energy from System Energy's share of Grand Gulf 1
Waterford 3	Unit No. 3 (nuclear) of the Waterford Steam Electric Generating Station, 100% owned or leased by Entergy Louisiana
White Bluff	White Bluff Steam Electric Generating Station, 57% owned by Entergy Arkansas

PART I

Item 1. Business

BUSINESS OF ENTERGY

General

Entergy Corporation is a Delaware corporation which, through its subsidiaries, engages principally in the following businesses: domestic utility operations, power marketing and trading, global power development, and domestic non-utility nuclear operations. It has no significant assets other than the stock of its subsidiaries. Entergy Corporation is a registered public utility holding company under PUHCA. As such, Entergy Corporation and its subsidiaries generally are subject to the broad regulatory provisions of PUHCA. PUHCA generally limits registered public utility holding company activity to domestic integrated utility businesses, domestic and foreign electric generation ventures, foreign utility ownership, telecommunications and information service businesses, and certain other domestic energy related businesses. Financial information regarding Entergy Corporation's operating segments is contained in Note 14 to the financial statements.

Domestic Utility Operations

Entergy Corporation has five wholly-owned domestic retail electric utility subsidiaries: Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans. As of December 31, 1999, these utility companies provided retail electric service to approximately 2.5 million customers primarily in portions of the states of Arkansas, Louisiana, Mississippi, and Texas. In addition, Entergy Gulf States furnishes natural gas utility service in and around Baton Rouge, Louisiana, and Entergy New Orleans furnishes natural gas utility service in New Orleans, Louisiana. The business of the domestic utility companies is subject to seasonal fluctuations, with the peak sales period normally occurring during the third quarter of each year. During 1999, the domestic utility companies' combined retail electric sales as a percentage of total electric sales were: residential – 27.8%; commercial – 21.6%; and industrial – 39.5%. Retail electric revenues from these sectors as a percentage of total electric revenues were: residential – 35.6%; commercial – 24.0%; and industrial – 30.0%. Sales to governmental and municipal sectors and to nonaffiliated utilities accounted for the balance of energy sales. The major industrial customers of the domestic utility companies are in the chemical, petroleum refining, paper, and food products industries. The retail rates and services of Entergy's domestic retail utility subsidiaries are regulated by state and/or local regulatory authorities.

Entergy Corporation also owns 100% of the voting stock of System Energy, an Arkansas corporation that owns and leases an aggregate 90% undivided interest in Grand Gulf. System Energy sells all of the capacity and energy from its interest in Grand Gulf 1 at wholesale to its only customers, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans. Management discusses sales from Grand Gulf 1 more thoroughly in "CAPITAL REQUIREMENTS AND FUTURE FINANCING - Certain System Financial and Support Agreements - Unit Power Sales Agreement" below. System Energy's wholesale power sales are subject to the jurisdiction of FERC.

Entergy Services, a Delaware corporation wholly-owned by Entergy Corporation, provides management, administrative, accounting, legal, engineering, and other services primarily to the domestic utility subsidiaries of Entergy Corporation. Entergy Operations, a Delaware corporation, is also wholly-owned by Entergy Corporation and provides nuclear management, operations and maintenance services under contract for ANO, River Bend, Waterford 3, and Grand Gulf 1, subject to the owner oversight of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy, respectively. Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans own 35%, 33%, 19%, and 13%, respectively, of the common stock of System Fuels, a Louisiana corporation that implements and manages certain programs to procure, deliver, and store fuel supplies for those companies. Entergy Services, Entergy Operations, and System Fuels provide their services to the domestic utility companies and System Energy on an "at cost" basis, pursuant to service agreements approved by the SEC under PUHCA. Information regarding affiliate transactions is contained in Note 13 to the financial statements.

Entergy Gulf States has wholly-owned subsidiaries that (i) own and operate intrastate gas pipelines in Louisiana used primarily to transport fuel to two of Entergy Gulf States' generating stations; (ii) own the Lewis Creek Station, a gas-fired generating plant, which is leased to and operated by Entergy Gulf States; and (iii) own several miles of railroad track constructed in Louisiana primarily for the purpose of transporting coal for use as boiler fuel at Entergy Gulf States' Nelson Unit 6 generating facility.

Power Marketing and Trading

Entergy conducts its power marketing and trading business primarily through three subsidiaries, Entergy Power, EPMC, and ET&M. Entergy Power is a domestic power producer that owns 665 MW of fossil-fueled generation assets located in Arkansas. Entergy Power's capacity and energy is sold at wholesale principally to EPMC and Entergy Arkansas. Entergy Power's wholesale power sales are subject to the jurisdiction of FERC. EPMC engages in the marketing and trading of physical and financial energy commodity products, industrial energy management, and risk management services. It has authority from the SEC to deal in a wide range of energy commodities and related financial products. ET&M is engaged in the marketing and trading of physical and financial energy commodity products in the UK. Entergy has announced its intent to combine the power marketing and trading business with the global power development business beginning in 2000, and the combined businesses will be called Entergy Wholesale Operations.

Global Power Development

Entergy's global power development business is focused on acquiring or developing power generation projects in North America and Western Europe and will evaluate potential opportunities in Latin America. This business owns interests in the following foreign electric generation assets:

Investment	Percent Ownership	Status
Argentina - Costanera, 1,260 MW	6%	operational
Argentina - Costanera expansion, 220 MW	10%	operational
Chile - San Isidro, 375 MW	25%	operational
Pakistan - Hub River, 1,200 MW	5%	operational
Peru - Edegel - 833 MW	24%	operational
United Kingdom - Saltend, 1,200 MW	100%	under construction
United Kingdom - Damhead Creek, 800 MW	100%	under construction

Entergy's global power development business has several other development projects in the planning stages, including projects in Texas, Louisiana, Mississippi, Spain, and Bulgaria. Fairfield is a planned 1,000 MW combined cycle gas turbine merchant power plant to be constructed in Fairfield, Texas, adjacent to Entergy Gulf States' service territory. Riverside is a planned 425 MW combined cycle gas turbine cogeneration plant to be constructed in Lake Charles, Louisiana. Riverside is expected to be owned 50% by Entergy's global power development business and 50% by PPG Industries, an industrial customer of Entergy Gulf States. A 300 MW combined-cycle gas turbine merchant power plant is in the planning stages for construction in Vicksburg, Mississippi. An 800 MW combined cycle gas turbine merchant power plant is in the planning stages for construction near Castelnou, Spain. Entergy plans to work with the National Electric Company of Bulgaria to modernize and upgrade Maritza East III, an 840 MW coal-fired power plant located in Bulgaria. In preparation for its development plans, Entergy has obtained an option to acquire turbines from GE Power Systems. See "CAPITAL REQUIREMENTS AND FUTURE FINANCING" below for further information on the turbines.

Entergy divested the 24 MW Nantong project in China in 1999 and does not intend to pursue further developments in Asia. In June 1999, Entergy sold its 5% interest in Edesur, S.A., which is the retail electric distribution company for the southern part of Buenos Aires, Argentina.

Domestic Non-Utility Nuclear Operations

Entergy's domestic non-utility nuclear power business is focused on acquiring nuclear power plants and providing operations and management services to nuclear power plants owned by other utilities in the United States. Plant acquisitions are made through Entergy's wholly-owned subsidiary, ENHC, and operations and management services, including decommissioning services, are provided by Entergy's wholly-owned subsidiary, Entergy Nuclear. In July 1999, Entergy acquired the 670 MW Pilgrim Nuclear Station located in Plymouth, Massachusetts from Boston Edison. The facility has firm total output power purchase agreements (PPAs) with Boston Edison and other utilities that expire at the end of 2004. One hundred percent of the plant output is committed through 2001, which decreases to 50% by 2003.

Entergy's nuclear business has an outstanding offer to the New York Power Authority (NYPA) for the acquisition of NYPA's 825 MW James A. FitzPatrick nuclear power plant located near Oswego, New York and NYPA's 980 MW Indian Point 3 nuclear power plant located in Westchester County, New York. On February 24, 2000, NYPA received a competing offer for the purchase of these plants. It is anticipated that the NYPA Board of Trustees will meet in mid to late March to consider the offers. If Entergy's offer is accepted, management expects to close the acquisition by the fourth quarter of 2000.

In December 1999, Entergy signed an agreement with Rochester Gas and Electric (RG&E) to lease and operate the Nine Mile Point 1 and 2 nuclear power plants, totaling 1,754 MW, located in Scriba, New York. Nine Mile Point 1 is owned by Niagara Mohawk Power Corporation (Niagara), and Nine Mile Point 2 is co-owned by RG&E, Niagara, New York State Electric & Gas Corporation (NYSEG), Long Island Lighting Company (doing business as LIPA), and Central Hudson Gas & Electric Corporation. The lease and operating agreement is subject to RG&E's ability to close on its exercise of its right of first refusal to acquire Niagara's and NYSEG's ownership interests in the plants and is subject to approval by the New York Public Service Commission (NYPSC). Niagara and NYSEG filed a proceeding with the NYPSC for the sale of their ownership interests to a third party. Entergy's non-utility nuclear business intervened as a party to the NYPSC proceeding. In that proceeding, the staff of the NYPSC has stated that it will explore various alternatives for the future ownership and operation of the Nine Mile plants.

Entergy Nuclear provides services to plants owned by other utilities, including engineering, operations and maintenance, fuel procurement, management and supervision, technical support and training, administrative support, and other managerial or technical services required to operate, maintain, and decommission nuclear electric power facilities. Currently Entergy is providing decommissioning services for the Maine Yankee and Millstone Unit 1 nuclear power plants. The cost of decommissioning and insuring the plants that Entergy provides decommissioning services for are the responsibility of the plant owners.

Business Sales

In January 1999, Entergy disposed of its security monitoring business which operated primarily in North and South Carolina, Alabama, Florida, Georgia, Mississippi, Louisiana, and Texas. In June 1999, Entergy disposed of its interest in the Hyperion Telecommunications joint ventures, which operate three Competitive Local Exchange Carriers (CLECs) in Little Rock, Arkansas; Jackson, Mississippi; and Baton Rouge, Louisiana. These CLECs provide long distance carrier access and local exchange services.

Domestic and Foreign Generation Investment Restrictions and Risks

Entergy's ability to invest in domestic and foreign generation businesses is subject to the SEC's regulations under PUHCA. Absent SEC approval, these regulations limit Entergy Corporation's aggregate investment in domestic and foreign generation businesses to an amount equal to 50% of consolidated retained earnings at the time an investment is made. Using the proceeds from the sale of electric distribution businesses in the UK and Australia in 1998, Entergy has the ability to make significant additional investments in domestic and foreign generation businesses without the need of further investment by Entergy Corporation.

International operations are subject to the risks inherent in conducting business abroad, including possible nationalization or expropriation, price and currency exchange controls, inflation, limitations on foreign participation in local enterprises, and other restrictions. Changes in the relative value of currencies may favorably or unfavorably affect the financial condition and results of operations of Entergy's non-U.S. businesses. In addition, exchange control restrictions in certain countries may limit or prevent the repatriation of earnings.

Selected Data

Selected domestic utility customers and sales data for 1999 are summarized in the following tables:

	Area Served	Customers as of December 31, 1999 Electric	Gas
		(In Thousands)	
Entergy Arkansas	Portions of Arkansas and Tennessee	638	-
Entergy Gulf States	Portions of Texas and Louisiana	669	89
Entergy Louisiana	Portions of Louisiana	635	-
Entergy Mississippi	Portions of Mississippi	395	-
Entergy New Orleans	City of New Orleans, except Algiers, which is provided electric service by Entergy Louisiana	185	146
Total customers		2,522	235

1999 - Selected Domestic Utility Electric Energy Sales Data

	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy	Entergy (a)
				(In GWH)			
Electric Department:							
Sales to retail customers	18,664	34,348	29,095	12,518	5,895	-	100,519
Sales for resale:							
Affiliates	7,592	677	415	1,774	441	7,567	-
Others	4,868	3,408	831	426	180	-	9,714
Total	31,124	38,433	30,341	14,718	6,516	7,567	110,233
Steam Department:							
Sales to steam products customer	-	464	-	-	-	-	464
Total	31,124	38,897	30,341	14,718	6,516	7,567	110,697
Average use per residential customer (KWH)	11,955	15,322	15,033	14,180	12,674	-	14,034

(a) Includes the effect of intercompany eliminations.

1999 - Selected Natural Gas Sales Data

Entergy New Orleans and Entergy Gulf States sold 15,106,716 and 6,064,879 MCF, respectively, of natural gas to retail customers in 1999. For the periods ended December 31, 1999, 1998, and 1997, revenues from natural gas operations were not material for Entergy Gulf States. Entergy New Orleans' products and services are discussed below in **"BUSINESS SEGMENTS."**

Refer to **"SELECTED FINANCIAL DATA - FIVE-YEAR COMPARISON OF ENTERGY CORPORATION AND SUBSIDIARIES, ENTERGY ARKANSAS, ENTERGY GULF STATES, ENTERGY LOUISIANA, ENTERGY MISSISSIPPI, ENTERGY NEW ORLEANS, and SYSTEM ENERGY"** which follow each company's financial statements in this report, for further information with respect to operating statistics.

Employees

As of December 31, 1999, Entergy had 12,375 employees as follows:

Full-time:	
Entergy Corporation	
Entergy Arkansas	1,490
Entergy Gulf States	1,595
Entergy Louisiana	833
Entergy Mississippi	811
Entergy New Orleans	362
System Energy	
Entergy Operations	3,249
Entergy Services	2,772
Other subsidiaries	1,102
Total Full-time	12,214
Part-time	161
Total Entergy	12,375

Competition

As a result of the actions of federal legislative and regulatory bodies over the period of approximately the past twenty years, wholesale markets have developed in which electricity, gas, and other energy related products and services are purchased and sold at market-based (rather than traditional cost-based) rates. These wholesale markets are continuing to grow and evolve. This has resulted in changes in the ways in which public utilities conduct their business and in the nature of the participants in these wholesale markets, which now include not only public utilities but also power marketers and traders, other energy commodity marketers and traders, wholesale generators of electricity, and a wide range of wholesale customers.

Major changes in the retail utility business are now occurring in some parts of the United States, including states in which Entergy's domestic utility companies operate. Both Texas and Arkansas adopted legislation in 1999 aimed at separating ("unbundling") traditional integrated public utilities into distinct distribution, transmission, generation, and various types of retail marketing businesses and introducing competition into the generation component of utility service. Other jurisdictions in which the Entergy domestic utility businesses operate have yet to

decide whether to embrace retail competition and utility unbundling, but each of these other jurisdictions is studying the matter.

It is anticipated that changes in the retail electricity markets in the Entergy system will take place over a number of years, and it is not necessarily the case that regulators or legislators in different jurisdictions will coordinate their changes. In some cases, actions by one jurisdiction may even come into conflict with actions by another, creating mutually incompatible obligations for public utilities and holding companies, including the Entergy system. It is too early to accurately predict all of the effects of the changes that are beginning to take place in the retail energy market. However, it is anticipated that these changes will result in fundamental alterations in the way traditional integrated utilities and holding company systems, like Entergy and its domestic utility companies, conduct their business. Some of these alterations will be positive for Entergy and its affiliates, while others will not be.

These changes will likely result in increased costs associated with utility unbundling and transitioning to new organizational structures and ways of conducting business. It is possible that the new organizational structures that will be required will result in lost economies of scale, less beneficial cost sharing arrangements within utility holding company systems, and, in some cases, greater difficulty and cost in accessing capital.

Utilities, including the domestic utility companies, may be required or encouraged to sell generating plants or interests therein, or the output from such plants. They also may be required or encouraged to sell or turn over operating and management responsibility for some or all of their transmission systems to independent parties. In the case of the domestic utility companies, this would cause a fundamental shift away from the operation of their electric generation and transmission assets as an integrated system supporting utility service throughout their combined service territories.

As a result of restructuring, Entergy's domestic utility companies may no longer be able to apply regulated utility accounting principles to some or all of their operations, and they may be required to write off certain regulatory assets or recognize asset impairments.

There are a number of other changes that may result from retail competition and unbundling, including but not limited to changes in labor relations, management and staffing, environmental compliance responsibility, and other aspects of the utility business.

"MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - SIGNIFICANT FACTORS AND KNOWN TRENDS" and Note 2 to the financial statements contain detailed discussions of competitive challenges Entergy faces in the utility industry, including the status of the transition to a more competitive utility business environment for the domestic utility companies.

CAPITAL REQUIREMENTS AND FUTURE FINANCING

For the years 2000 through 2004, Entergy plans to spend $9.8 billion in a capital investment plan focused on improving service at the domestic utility companies and growing its global power development and nuclear operations businesses. The estimated allocation in the plan is $4.2 billion to the domestic utility companies, $3.9 billion to the global power development business, and $1.7 billion to the nuclear operations business. The capital investment plan is subject to modification based on the ongoing effects of transition to competition planning and the ability to recover the regulated utility costs in rates. Additionally, the plan is contingent upon Entergy's ability to access the capital necessary to finance the planned expenditures, and significant borrowings may be necessary for Entergy to implement these capital spending plans. Construction expenditures (including environmental expenditures and AFUDC, but excluding nuclear fuel) for Entergy are estimated at $1.5 billion in 2000, $1.7 billion in 2001, and $1.8 billion in 2002. Included in these totals are estimated construction expenditures for the domestic utility companies and System Energy as follows:

	2000	2001	2002	Total
		(In Millions)		
Entergy Arkansas	$350	$248	$188	$786
Entergy Gulf States	298	269	204	771
Entergy Louisiana	202	188	162	552
Entergy Mississippi	115	122	123	360
Entergy New Orleans	50	46	45	141
System Energy	39	20	12	71

The domestic utility companies' anticipated spending is focused mainly on (i) distribution and transmission projects that will support continued reliability improvements; (ii) return to service of generation stations that have been held in reserve shutdown status; and (iii) transitioning to a more competitive environment. Projected construction expenditures for the replacement of ANO 2's steam generators, which is scheduled for the third quarter of 2000, are included in Entergy Arkansas' estimated figures above. The replacement of ANO 2's steam generators is discussed in Note 9 to the financial statements. Entergy, in addition to meeting construction expenditure requirements, must meet scheduled long-term debt and preferred stock maturities and cash sinking fund requirements. Entergy's capital and financing requirements and available lines of credit are discussed in Notes 4, 5, 6, 7, 9, and 10 to the financial statements. Actual construction costs may vary from these estimates for a number of reasons, including changes in load growth estimates; environmental regulations; labor, equipment, materials, and capital costs; modifications to generating units to meet regulatory requirements; and the transition to competition.

Entergy's global power development business is currently constructing two combined-cycle gas turbine merchant power plants in the UK. Saltend, a 1,200 MW plant, will provide steam and electricity to BP Chemicals' nearby complex with the remaining electricity to be sold into the UK national power pool. Approximately 75 MW of the capacity will be sold to BP Chemicals under a PPA with a term of 15 years. Originally scheduled for commercial operation in January 2000, Saltend's completion has been delayed due to construction problems at the site. The construction contractor has submitted a revised construction schedule after substantial analysis, and currently estimates a phased-in completion of the three-unit plant with the full plant in service by June 30, 2000. The total cost of this project is currently estimated to be approximately $824 million. The second plant is an 800 MW facility known as Damhead Creek. It is expected to begin commercial operation in the fourth quarter of 2000. Management estimates the total cost of this project at approximately $582 million. The financing of the construction of these two power plants is discussed in Note 7 to the financial statements.

In October 1999, Entergy's global power development business obtained an option to acquire twenty-four GE7FA advanced technology gas turbines, four steam turbines, and eight GE7EA advanced technology gas turbines. Delivery of the turbines is scheduled for 2001 through 2004. The total cost of the turbines, including long-term service agreements with GE Power Systems, is approximately $2.0 billion. The turbines are expected to be used in

future generation projects. Management anticipates that the acquisition of these turbines will be funded by a combination of cash on hand, project financing, and other external financing. Payments scheduled for the acquisition of these turbines are $273 million in 2000, $415 million in 2001, and $311 million in 2002.

Entergy Corporation's primary capital requirements are to invest periodically in, or make loans to, its subsidiaries and to invest in new enterprises. Management discusses Entergy Corporation's current and future planned investments in its subsidiaries and the financial sources for such investments in "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - LIQUIDITY AND CAPITAL RESOURCES." The principal sources of funds for Entergy Corporation are dividend distributions from its subsidiaries, funds available under its bank credit facilities, funds received from its dividend reinvestment and stock purchase plan, and funds received from the sale of assets.

Certain System Financial and Support Agreements

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

The Unit Power Sales Agreement allocates capacity, energy, and the related costs from System Energy's 90% ownership and leasehold interests in Grand Gulf 1 to Entergy Arkansas (36%), Entergy Louisiana (14%), Entergy Mississippi (33%), and Entergy New Orleans (17%). Each of these companies is obligated to make payments to System Energy for its entitlement of capacity and energy on a full cost-of-service basis regardless of the quantity of energy delivered, so long as Grand Gulf 1 remains in commercial operation. Payments under the Unit Power Sales Agreement are System Energy's only source of operating revenues. The financial condition of System Energy depends upon the continued commercial operation of Grand Gulf 1 and the receipt of such payments. Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans generally recover payments made under the Unit Power Sales Agreement through the rates charged to their customers. In the case of Entergy Arkansas and Entergy Louisiana, payments are also recovered through sales of electricity from their respective retained shares of Grand Gulf 1. The retained shares are discussed in Note 2 to the financial statements under the heading "Grand Gulf 1 Deferrals and Retained Shares."

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

The Availability Agreement among System Energy and Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans was entered into in 1974 in connection with the financing by System Energy of Grand Gulf. The Availability Agreement provided that System Energy would join in the System Agreement on or before the date on which Grand Gulf 1 was placed in commercial operation and would make available to Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans all capacity and energy available from System Energy's share of Grand Gulf.

Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans also agreed severally to pay System Energy monthly for the right to receive capacity and energy from Grand Gulf in amounts that (when added to any amounts received by System Energy under the Unit Power Sales Agreement, or otherwise) would at least equal System Energy's total operating expenses for Grand Gulf (including depreciation at a specified rate) and interest charges. The September 1989 write-off of System Energy's investment in Grand Gulf 2, amounting to approximately $900 million, is being amortized for Availability Agreement purposes over 27 years.

The allocation percentages under the Availability Agreement are fixed as follows: Entergy Arkansas - 17.1%; Entergy Louisiana - 26.9%; Entergy Mississippi - 31.3%; and Entergy New Orleans - 24.7%. The allocation percentages under the Availability Agreement would remain in effect and would govern payments made under such agreement in the event of a shortfall of funds available to System Energy from other sources, including payments under the Unit Power Sales Agreement.

System Energy has assigned its rights to payments and advances from Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans under the Availability Agreement as security for its first mortgage bonds and reimbursement obligations to certain banks providing the letters of credit in connection with the equity funding of the sale and leaseback transactions described in Note 10 to the financial statements under "Sale and Leaseback Transactions - Grand Gulf 1 Lease Obligations." In these assignments, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans further agreed that, in the event they were prohibited by governmental action from making payments under the Availability Agreement (for example, if FERC reduced or disallowed such payments as constituting excessive rates), they would then make subordinated advances to System Energy in the same amounts and at the same times as the prohibited payments. System Energy would not be allowed to repay these subordinated advances so long as it remained in default under the related indebtedness or in other similar circumstances.

Each of the assignment agreements relating to the Availability Agreement provides that Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans will make payments directly to System Energy. However, if there is an event of default, those payments must be made directly to the holders of indebtedness that are the beneficiaries of such assignment agreements. The payments must be made pro rata according to the amount of the respective obligations secured.

The obligations of Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans to make payments under the Availability Agreement are subject to the receipt and continued effectiveness of all necessary regulatory approvals. Sales of capacity and energy under the Availability Agreement would require that the Availability Agreement be submitted to FERC for approval with respect to the terms of such sale. No such filing with FERC has been made because sales of capacity and energy from Grand Gulf are being made pursuant to the Unit Power Sales Agreement. If, for any reason, sales of capacity and energy are made in the future pursuant to the Availability Agreement, the jurisdictional portions of the Availability Agreement would be submitted to FERC for approval. Other aspects of the Availability Agreement are subject to the jurisdiction of the SEC, whose approval has been obtained, under PUHCA.

Since commercial operation of Grand Gulf 1 began, payments under the Unit Power Sales Agreement to System Energy have exceeded the amounts payable under the Availability Agreement. Therefore, no payments under the Availability Agreement 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.

The Availability Agreement may be terminated, amended, or modified by mutual agreement of the parties thereto, without further consent of any assignees or other creditors.

Capital Funds Agreement (Entergy Corporation and System Energy)

System Energy and Entergy Corporation have entered into the Capital Funds Agreement, whereby 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.

Entergy Corporation has entered into various supplements to the Capital Funds Agreement. System Energy has assigned its rights under such supplements as security for its first mortgage bonds and for reimbursement obligations to certain banks providing letters of credit in connection with the equity funding of the sale and leaseback transactions described in Note 10 under "Sale and Leaseback Transactions - Grand Gulf 1 Lease Obligations." Each such supplement provides that permitted indebtedness for borrowed money incurred by System Energy in connection with the financing of Grand Gulf may be secured by System Energy's rights under the Capital Funds

Agreement on a pro rata basis (except for the Specific Payments, as defined below). In addition, in the supplements to the Capital Funds Agreement relating to the specific indebtedness being secured, Entergy Corporation has agreed to make cash capital contributions directly to System Energy sufficient to enable System Energy to make payments when due on such indebtedness (Specific Payments). However, if there is an event of default, Entergy Corporation must make those payments directly to the holders of indebtedness benefiting from the supplemental agreements. The payments (other than the Specific Payments) must be made pro rata according to the amount of the respective obligations benefiting from the supplemental agreements.

The Capital Funds Agreement may be terminated, amended, or modified by mutual agreement of the parties thereto, upon obtaining the consent, if required, of those holders of System Energy's indebtedness then outstanding who have received the assignments of the Capital Funds Agreement.

RATE MATTERS AND REGULATION

Rate Matters

The retail rates of Entergy's domestic utility companies are regulated by state or local regulatory authorities, as described below. FERC regulates their wholesale rates (including intrasystem sales pursuant to the System Agreement) and interstate transmission of electricity, as well as rates for System Energy's sales of capacity and energy from Grand Gulf 1 to Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans pursuant to the Unit Power Sales Agreement.

Wholesale Rate Matters

System Energy

As described above under "CAPITAL REQUIREMENTS AND FUTURE FINANCING - Certain System Financial and Support Agreements," System Energy recovers costs related to its interest in Grand Gulf 1 through rates charged to Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans for capacity and energy under the Unit Power Sales Agreement.

In December 1995, System Energy implemented a $65.5 million rate increase, subject to refund. In 1998, FERC approved requests by Entergy Arkansas and Entergy Mississippi to accelerate a portion of their Grand Gulf purchased power obligations. The rate increase request filed by System Energy with FERC and the Grand Gulf accelerated recovery tariffs are discussed in Note 2 to the financial statements.

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

The domestic utility companies have historically engaged in the coordinated planning, construction, and operation of generation and transmission facilities pursuant to the terms of the System Agreement, as described under "PROPERTY - Generating Stations," below. Restructuring in the electric utility industry will affect these coordinated activities in the future.

In connection with the Merger in 1993, FERC approved certain rate schedule changes to integrate Entergy Gulf States into the System Agreement. In approving the Merger, FERC also initiated a new proceeding to consider whether the System Agreement permits certain out-of-service generating units to be included in reserve equalization calculations under Service Schedule MSS-1 of that agreement. The LPSC and the MPSC submitted testimony in this proceeding seeking retroactive refunds for Entergy Louisiana and Entergy Mississippi estimated at $22.6 million and $13.2 million plus related interest charges, respectively. In August 1997, the FERC decided that retroactive refunds should not be ordered and that the System Agreement should be amended to allow out-of-service units to be included in reserve equalization. Appeals made by the LPSC and the MPSC were denied in 1999.

In March 1995, the LPSC filed a complaint with FERC alleging that the System Agreement results in unjust and unreasonable rates. The LPSC requested that FERC modify the System Agreement to exclude curtailable load from the cost allocation determination and to permit Entergy's domestic utility companies that engage in real-time pricing at the retail level to be assessed only the marginal cost for energy sold among the domestic utility companies. In August 1996, FERC found that the LPSC's claim that the System Agreement is unjust and unreasonable was without merit and dismissed the LPSC's complaint. The FERC confirmed this finding in a September 1997 order denying the LPSC's request for rehearing. On appeal, the D.C. Circuit remanded the matter to FERC for further consideration, including the taking of evidence. A procedural schedule has not been set by FERC, and no assurance can be given as to the timing or outcome of this proceeding.

Open Access Transmission (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans)

In October 1994, Entergy's domestic utility companies filed revised transmission tariffs. In January 1995, FERC made the transmission tariffs effective, subject to refund, and ordered an investigation of Entergy Power's market pricing authority, thereby making Entergy Power's market price rate schedules subject to refund.

In 1996 FERC issued two orders designed to implement open access transmission for wholesale customers by allowing third party suppliers to transmit energy to customers over transmission facilities owned by other companies. Order No. 888 requires all public utilities regulated by FERC to provide wholesale transmission access to third parties and specifically addresses issues related to nondiscriminatory transmission and stranded costs. Order No. 889 addresses codes of conduct and requires the implementation and maintenance of an open access same-time information system by each public utility. Order Nos. 888 and 889 led to open access transmission and an increase in marketing and trading activities by utilities and power marketers, which intensified competition within the wholesale power market.

In July 1996, in order to comply with FERC Order No. 888, the domestic utility companies filed an open access transmission tariff which superseded the October 1994 tariffs. In January 1997, FERC accepted the non-rate terms and conditions of the July 1996 tariff, subject to limited modifications. In March 1997 FERC issued Order No. 888-A addressing rehearing requests from Order No. 888 and directing public utilities to file revised tariffs to reflect the new requirements established in Order No. 888-A. In July 1997, Entergy Services filed with the FERC its wholesale transmission access compliance tariff incorporating the non-rate terms and conditions of FERC Order No. 888-A.

In October 1998, FERC issued an order addressing the outstanding tariff rate and market power issues. The order stipulated that Entergy's open access transmission tariff mitigated any transmission market power and determined that no further action is needed in the investigation of Entergy Power's market pricing authority. The order also affirmed that transmission service should be priced at a rolled-in, system-wide rate rather than the bifurcated bulk and local transmission pricing proposed by Entergy. The FERC also rejected customers' requests to receive credits for customer-owned facilities, finding that the facilities were not integrated with and did not support Entergy's transmission system. Requests for rehearing or clarification of the October 1998 order are pending before FERC.

FERC policy strongly favors independent control over transmission operations as a means of enhancing competitive wholesale power markets. In response to this policy, Entergy proposed to FERC the formation of a regional transmission company (Transco). The proposed Transco would be:

- a separate legal entity regulated by FERC;
- composed of the transmission system transferred to it by the domestic utility companies and other transmission owners in Entergy's region;
- operated and maintained by employees who would work exclusively for the Transco and would not be employed by Entergy or the domestic utility companies; and

- passively owned by the domestic utility companies and other members who transfer assets, which will not control or otherwise direct its operation and management.

In July 1999, FERC responded to Entergy's proposal. FERC concluded that passive ownership of a Transco by a generating company or other market participant could meet FERC's current independence and governance requirements, provided the Transco is structured to address certain issues and concerns raised by FERC. The issues and concerns identified by FERC relate to:

- the selection process for the Transco's board of directors;
- the Transco board's fiduciary obligations to the member companies;
- the ability of the Transco to raise additional capital; and
- restrictions on transactions between the Transco and the member companies.

Management expects to make additional filings with federal, state, and local regulatory authorities addressing these and other issues and seeking necessary approvals for the formation of the Transco. If approved, the Transco would likely become operational in 2001.

In a rulemaking that will affect the Transco, FERC issued Order 2000 in December 1999. Order 2000 calls for owners and operators of transmission lines in the United States to join regional transmission organizations ("RTOs") on a voluntary basis. Order 2000 requires public utilities that own, operate, or control interstate transmission facilities to file by October 15, 2000 a proposal for how they intend to participate in an RTO or, alternatively, to describe the steps they have taken to do so or the reasons why it is not feasible to participate in an RTO. FERC's Order 2000 requires that RTOs be effective no later than December 15, 2001.

FERC is maintaining flexibility as to the structure of RTOs. For example, it appears that RTOs may be for-profit or not-for-profit and may be organized as joint ventures or legal entities of various types. However, RTOs will be required, among other things, to be independent market participants, to have sufficient regional scope to maintain reliability and efficiency, to be non-discriminatory in granting service, and to maintain operational control over their regional transmission systems.

The Transco, an independent, for-profit transmission company which has already been proposed to FERC by the domestic utility companies, is Entergy's preferred approach for complying with FERC's Order 2000. However, Entergy is also exploring other means for complying with Order 2000.

Retail Rate Matters

General (Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans)

Certain costs related to Grand Gulf 1, Waterford 3, and River Bend were phased into retail rates over a period of years in order to avoid the "rate shock" associated with increasing rates to reflect all such costs at once. Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and the portion of Entergy Gulf States regulated by the LPSC have fully recovered such deferred costs associated with one or more of the plants. Entergy New Orleans' phase-in plan expires in 2001.

The retail regulatory philosophy has shifted in some jurisdictions from traditional, exclusively cost-of-service regulation to include performance-based rate elements. Performance-based formula rate plans are designed to encourage efficiencies and productivity while permitting utilities and their customers to share in the benefits. Entergy Mississippi and Entergy Louisiana have implemented performance-based formula rate plans.

The domestic utility companies have initiated proceedings with state and local regulators regarding transition to a more competitive market for electricity. In addition, retail open access laws have been enacted in Arkansas and Texas. These matters are discussed more thoroughly in Note 2 to the financial statements.

Entergy Arkansas

Retail Rate Proceedings

Entergy Arkansas' material retail rate proceedings that were resolved during the past year, are currently pending, or affect current year results are discussed in Note 2 to the financial statements.

Recovery of Grand Gulf 1 Costs

Under the settlement agreement entered into with the APSC in 1985 and amended in 1988, Entergy Arkansas retains 22% of its share of Grand Gulf 1 costs and recovers the remaining 78% of its share through rates. Under the Unit Power Sales Agreement, Entergy Arkansas' share of Grand Gulf 1 costs is 36%. 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 the retained share.

Fuel Recovery

Entergy Arkansas' rate schedules include an energy cost recovery rider to recover fuel and purchased energy costs. The rider utilizes projected energy costs for the twelve month period commencing on April 1 of each year to develop an energy cost rate, which is redetermined annually and includes a true-up adjustment reflecting the over-recovery or under-recovery of the energy cost for the prior calendar year.

Rate Freeze

In December 1997, the APSC approved a settlement agreement resolving Entergy Arkansas' transition to competition case. One provision in that settlement was that base rates would remain at the level resulting from that case until July 1, 2001. The terms of the settlement agreement are discussed in Note 2 to the financial statements.

Entergy Gulf States

Retail Rate Proceedings

Entergy Gulf States' material retail rate proceedings that were resolved during the past year, are currently pending, or affect current year results are discussed in Note 2 to the financial statements. In addition, the 1999 agreement that settled Entergy Gulf States' 1996 and 1998 rate proceedings, which is currently under appeal, and various other matters is discussed in Note 2 to the financial statements.

Texas Jurisdiction - River Bend

In March 1998, the PUCT issued an order disallowing recovery of $1.4 billion of company-wide abeyed River Bend plant costs which have been held in abeyance since 1988. Entergy Gulf States has appealed the PUCT's decision on this matter to a Texas District Court. The settlement agreement mentioned above addresses the treatment of abeyed plant costs, and, as a result, Entergy Gulf States removed the reserve for these costs and reduced the plant asset in 1999. Based on advice of counsel, management believes that it is probable that the matter will be remanded again to the PUCT for a further ruling on the prudence of the abeyed plant costs and it is reasonably possible that some portion of these costs will be included in rate base. The abeyed plant costs are discussed in more detail in Note 2 to the financial statements.

Fuel Recovery

Entergy Gulf States' Texas rate schedules include a fixed fuel factor to recover fuel and purchased power costs not recovered in base rates. The settlement agreement mentioned above established a methodology for semi-annual revisions of the fixed fuel factor in March and September based on the market price of natural gas. This

agreement is effective through December 2001 or until otherwise ordered by the PUCT. To the extent actual costs vary from the fixed fuel factor, refunds or surcharges are required or permitted. Fuel costs are also subject to reconciliation proceedings at least every three years.

Entergy Gulf States' Louisiana electric rate schedules include a fuel adjustment clause designed to recover the cost of fuel and purchased power costs in the second prior month, adjusted by a surcharge or credit for deferred fuel expense arising from the monthly reconciliation of actual fuel costs incurred with fuel revenues billed to customers. The LPSC and the PUCT fuel cost reviews that were resolved during the past year or are currently pending are discussed in Note 2 to the financial statements.

Entergy Gulf States' Louisiana gas rates include a purchased gas adjustment based on estimated gas costs for the billing month adjusted by a surcharge or credit for deferred fuel expense arising from the monthly reconciliation of actual fuel costs incurred with fuel cost revenues billed to customers.

Entergy Louisiana

Retail Rate Proceedings

Entergy Louisiana's material retail rate proceedings that were resolved during the past year, are currently pending, or affect current year results are discussed in Note 2 to the financial statements.

Recovery of Grand Gulf 1 Costs

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 Entergy Louisiana's share of capacity and energy from Grand Gulf 1, subject to certain terms and conditions. In November 1988, Entergy Louisiana agreed to retain, and not recover from retail ratepayers, 18% of its 14% share of the costs of Grand Gulf 1's capacity and energy. Non-fuel operation and maintenance costs for Grand Gulf 1 are recovered through Entergy Louisiana's base rates. Additionally, 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.

Performance-Based Formula Rate Plan

Entergy Louisiana's performance-based formula rate plan filings are discussed in Note 2 to the financial statements.

Fuel Recovery

Entergy Louisiana's rate schedules include a fuel adjustment clause designed to recover the cost of fuel in the second prior month, adjusted by a surcharge or credit for deferred fuel expense arising from the monthly reconciliation of actual fuel costs incurred with fuel cost revenues billed to customers. In May 1999, the LPSC issued an order requiring Entergy Louisiana to realign approximately $15.9 million of certain fuel costs from the fuel adjustment clause to base rates.

Entergy Mississippi

Retail Rate Proceedings

Entergy Mississippi's material retail rate proceedings that were resolved during the past year, are currently pending, or affect current year results are discussed in Note 2 to the financial statements.

Performance-Based Formula Rate Plan

Under its performance-based formula rate plan, Entergy Mississippi's earned rate of return is calculated automatically every 12 months and compared to and adjusted against a benchmark rate of return. The benchmark is calculated under a separate formula within the formula rate plan. The formula rate plan allows for periodic small adjustments in rates based on a comparison of actual earned returns to benchmark returns and upon certain performance factors. The formula rate plan filing for the 1998 test year is discussed in Note 2 to the financial statements. The formula rate plan filing for the 1999 test year will be submitted in March 2000.

Fuel Recovery

Entergy Mississippi's rate schedules include an energy cost recovery rider to recover fuel and purchased energy costs. The rider utilizes projected energy costs for the coming calendar year to develop an energy cost rate, which is redetermined annually and includes a true-up adjustment reflecting the over-recovery or under-recovery of the energy cost as of September 30 immediately preceding the annual redetermination.

Entergy New Orleans

Retail Rate Proceedings

Entergy New Orleans' material retail rate proceedings that were resolved during the past year, are currently pending, or affect current year results are discussed in Note 2 to the financial statements.

Recovery of Grand Gulf 1 Costs

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, 1999, the uncollected balance of Entergy New Orleans' deferred costs was $35.7 million.

Fuel Recovery

Entergy New Orleans' electric rate schedules include a fuel adjustment clause designed to recover the cost of fuel in the second prior month, adjusted by a surcharge or credit for deferred fuel expense arising from the monthly reconciliation of actual fuel costs incurred with fuel cost revenues billed to customers. The adjustment also includes the difference between non-fuel Grand Gulf 1 costs paid by Entergy New Orleans and the estimate of such costs, which are included in base rates, as provided in Entergy New Orleans' Grand Gulf 1 rate settlements. Entergy New Orleans' gas rate schedules include an adjustment to reflect estimated gas costs for the billing month, adjusted by a surcharge or credit similar to that included in the electric fuel adjustment clause.

Regulation

Federal Regulation (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

PUHCA

Entergy Corporation and its various direct and indirect subsidiaries (with the exception of its EWG and FUCO subsidiaries) are subject to the broad regulatory provisions of PUHCA. Except with respect to investments in certain domestic power projects and foreign utility company projects, the principal regulatory provisions of PUHCA:

- limit the operations of a registered holding company system to a single, integrated public utility system, plus certain ancillary and related systems and businesses;
- regulate certain transactions among affiliates within a holding company system;
- govern the issuance, acquisition and disposition of securities and assets by registered holding companies and their subsidiaries;
- limit the entry by registered holding companies and their subsidiaries into businesses other than electric and/or gas utility businesses; and
- require SEC approval for certain utility mergers and acquisitions.

Entergy Corporation and other electric utility holding companies have supported legislation in the United States Congress to repeal PUHCA and transfer certain aspects of the oversight of public utility holding companies from the SEC to FERC. Entergy believes that PUHCA inhibits its ability to compete in the evolving electric energy marketplace and largely duplicates the oversight activities otherwise performed by FERC and other federal regulators and by state and local regulators. In June 1995, the SEC adopted a report proposing options for the repeal or significant modification of PUHCA.

Federal Power Act

The domestic utility companies, System Energy, Entergy Power, and EPMC are subject to the Federal Power Act as administered by FERC and the DOE. The Federal Power Act provides for regulatory jurisdiction over the transmission and wholesale sale of electric energy in interstate commerce, licensing of certain hydroelectric projects and certain other activities, including accounting policies and practices. Such regulation includes jurisdiction over the rates charged by System Energy for Grand Gulf 1 capacity and energy provided to Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans.

Entergy Arkansas holds a FERC license for two hydroelectric projects (70 MW), which was renewed on July 2, 1980 and expires in February 2003. In February 1998, Entergy Arkansas filed notice of its intent to relicense these hydroelectric projects.

Regulation of the Nuclear Power Industry (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy)

Regulation of Nuclear Power

Under the Atomic Energy Act of 1954 and the Energy Reorganization Act of 1974, the operation of nuclear plants is heavily regulated by the NRC, which has broad power to impose licensing and safety-related requirements. In the event of non-compliance, the NRC has the authority to impose fines or shut down a unit, or both, depending upon its assessment of the severity of the situation, until compliance is achieved. Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy, as owners of all or portions of ANO, River Bend, Waterford 3, and Grand Gulf 1, respectively, and Entergy Operations, as the licensee and operator of these units, are subject to the jurisdiction of the NRC. Additionally, Entergy's non-utility nuclear power business is subject to the NRC's jurisdiction as the owner and operator of Pilgrim. Revised safety requirements promulgated by the NRC have, in the past, necessitated substantial capital expenditures at these nuclear plants, and additional expenditures could be required in the future.

The nuclear power industry faces uncertainties with respect to the cost and long-term availability of sites for disposal of spent nuclear fuel and other radioactive waste, nuclear plant operations, the technological and financial aspects of decommissioning plants at the end of their licensed lives, and requirements relating to nuclear insurance. These matters are briefly discussed below.

Regulation of Spent Fuel and Other High-Level Radioactive Waste

Under the Nuclear Waste Policy Act of 1982, the DOE is required, for a specified fee, to construct storage facilities for, and to dispose of, all spent nuclear fuel and other high-level radioactive waste generated by domestic nuclear power reactors. However, the DOE has not yet identified a permanent storage repository and, as a result, future expenditures may be required to increase spent fuel storage capacity at Entergy's nuclear plant sites. Information concerning spent fuel disposal contracts with the DOE, current on-site storage capacity, and costs of providing additional on-site storage is presented in Note 9 to the financial statements.

Regulation of Low-Level Radioactive Waste

The availability and cost of disposal facilities for low-level radioactive waste resulting from normal nuclear plant operations are subject to a number of uncertainties. Under the Low-Level Radioactive Waste Policy Act of 1980, as amended, each state is responsible for disposal of waste originating in that state, but states may participate in regional compacts to fulfill their responsibilities jointly. The States of Arkansas and Louisiana participate in the Central Interstate Low-Level Radioactive Waste Compact (Central States Compact), and the State of Mississippi participates in the Southeast Low-Level Radioactive Waste Compact (Southeast Compact). Both the Central States Compact and the Southeast Compact have experienced significant delays in the development of waste storage facilities. Massachusetts, where Pilgrim is located, does not participate in any regional compact and has been slow to fulfill its responsibility. Two disposal sites are currently operating in the United States, but only one site, the Barnwell Disposal Facility (Barnwell) located in South Carolina, is open to out-of-region generators. The availability of Barnwell provides only a temporary solution for Entergy's low-level radioactive waste storage, and does not alleviate the need to develop new disposal capacity.

The Southeast Compact process is currently on hold pending resolution of future funding. In December 1998, the host state for the Central States Compact, Nebraska, denied the license application. In December 1998, Entergy and two other utilities in the Central States Compact filed a lawsuit against the state of Nebraska seeking damages resulting from delays and a faulty license review process. Entergy Arkansas, Entergy Louisiana, and Entergy Gulf States, along with other waste generators, fund the development costs for new disposal facilities relating to the Central States Compact. Development costs to be incurred in the future are difficult to predict. The current schedules for the site development in both the Central States Compact and the Southeast Compact are undetermined at this time. Until long-term disposal facilities are established, Entergy will seek continued access to existing facilities. If such access is unavailable, Entergy will store low-level waste at its nuclear plant sites.

Regulation of Nuclear Plant Decommissioning

Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy are recovering through electric rates the estimated decommissioning costs for ANO, River Bend, Waterford 3, and Grand Gulf 1, respectively. These amounts are deposited in trust funds which, together with the related earnings, can only be used for future decommissioning costs. Estimated decommissioning costs are periodically reviewed and updated to reflect inflation and changes in regulatory requirements and technology. Applications are periodically made to appropriate regulatory authorities to reflect, in rates, the changes in projected decommissioning costs. In conjunction with the Pilgrim acquisition, Entergy received Pilgrim's decommissioning trust fund. Based on cost estimates provided by an outside consultant, Entergy believes that Pilgrim's decommissioning fund will be adequate to cover future decommissioning costs for the plant without any additional deposits to the trust. Additional information with respect to decommissioning costs for ANO, River Bend, Waterford 3, Grand Gulf 1, and Pilgrim is found in Note 9 to the financial statements.

The EPAct requires all electric utilities (including Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy) that purchased uranium enrichment services from the DOE to contribute up to a total of $150 million annually over approximately 15 years (adjusted for inflation, up to a total of $2.25 billion) for decontamination and decommissioning of enrichment facilities. In accordance with the EPAct, contributions to decontamination and decommissioning funds are recovered through rates in the same manner as other fuel costs. The

estimated annual contributions by Entergy for decontamination and decommissioning fees are discussed in Note 9 to the financial statements.

Nuclear Insurance

The Price-Anderson Act limits public liability for a single nuclear incident to approximately $9.5 billion. Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, System Energy, and Entergy's non-utility nuclear power business have protection with respect to this liability through a combination of private insurance and an industry assessment program, as well as insurance for property damage, costs of replacement power, and other risks relating to nuclear generating units. Insurance applicable to the nuclear programs of Entergy is discussed in Note 9 to the financial statements.

Nuclear Operations

General (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy)

Entergy Operations operates ANO, River Bend, Waterford 3, and Grand Gulf 1, subject to the owner oversight of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy, respectively. Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy pay directly or reimburse Entergy Operations at cost for its operation of the nuclear units. Entergy's non-utility nuclear power business is the operator of Pilgrim.

ANO Matters (Entergy Corporation and Entergy Arkansas)

The replacement of steam generators at ANO 2 is discussed in Note 9 to the financial statements.

In February 2000, Entergy Arkansas applied to the NRC for an extension of ANO 1's operating license. The current license expires in 2014, and, if granted, the extension would provide the authority to continue operating the plant until 2034. Management expects the NRC consideration process to take two years.

State Regulation (Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans)

General

Entergy Arkansas is subject to regulation by the APSC, which includes the authority to:

- oversee utility service;
- set rates;
- determine reasonable and adequate service;
- require proper accounting;
- control leasing;
- control the acquisition or sale of any public utility plant or property constituting an operating unit or system;
- set rates of depreciation;
- issue certificates of convenience and necessity and certificates of environmental compatibility and public need; and
- regulate the issuance and sale of certain securities.

Entergy Gulf States is subject to the jurisdiction of the municipal authorities of a number of incorporated cities in Texas as to retail rates and service within their boundaries, with appellate jurisdiction over such matters residing in the PUCT. Entergy Gulf States' Texas business is also subject to regulation by the PUCT as to:

- retail rates and service in rural areas;

- certification of new generating plants; and
- extensions of service into new areas.

Entergy Gulf States' Louisiana electric and gas business and Entergy Louisiana are subject to regulation by the LPSC as to:

- utility service;
- rates and charges;
- certification of generating facilities;
- power or capacity purchase contracts; and
- depreciation, accounting, and other matters.

Entergy Louisiana is also subject to the jurisdiction of the Council with respect to such matters within Algiers in Orleans Parish.

Entergy Mississippi is subject to regulation by the MPSC as to the following:

- utility service;
- service areas;
- facilities; and
- retail rates.

Entergy Mississippi is also subject to regulation by the APSC as to the certificate of environmental compatibility and public need for the Independence Station, which is located in Arkansas.

Entergy New Orleans is subject to regulation by the Council as to the following:

- utility service;
- rates and charges;
- standards of service;
- depreciation, accounting, and issuance of certain securities; and
- other matters.

Franchises

Entergy Arkansas holds exclusive franchises to provide electric service in approximately 303 incorporated cities and towns in Arkansas. These franchises are unlimited in duration and continue unless the municipalities purchase the utility property. In Arkansas, franchises are considered to be contracts and, therefore, are terminable upon breach of the terms of the franchise.

Entergy Gulf States holds non-exclusive franchises, permits, or certificates of convenience and necessity to provide electric and gas service in approximately 55 incorporated municipalities in Louisiana and approximately 63 incorporated municipalities in Texas. Entergy Gulf States typically is granted 50-year franchises in Texas and 60-year franchises in Louisiana. Entergy Gulf States' current electric franchises will expire during 2007 - 2036 in Texas and during 2015 - 2046 in Louisiana. The natural gas franchise in the City of Baton Rouge will expire in 2015. In addition, Entergy Gulf States holds a certificate of convenience and necessity from the PUCT to provide electric service to areas within 21 counties in eastern Texas.

Entergy Louisiana holds non-exclusive franchises to provide electric service in approximately 116 incorporated Louisiana municipalities. Most of these franchises have 25-year terms, although six of these municipalities have granted 60-year franchises. Entergy Louisiana also supplies electric service in approximately 353 unincorporated communities, all of which are located in Louisiana parishes in which it holds non-exclusive franchises.

Entergy Mississippi has received from the MPSC certificates of public convenience and necessity to provide electric service to areas within 45 counties, including a number of municipalities, in western Mississippi. Under Mississippi statutory law, such certificates are exclusive. Entergy Mississippi may continue to serve in such municipalities upon payment of a statutory franchise fee, regardless of whether an original municipal franchise is still in existence.

Entergy New Orleans provides electric and gas service in the City of New Orleans pursuant to city ordinances (except for in Algiers, which is served by Entergy Louisiana). These ordinances contain a continuing option for the City of New Orleans to purchase Entergy New Orleans' electric and gas utility properties.

The business of System Energy is limited to wholesale power sales. It has no distribution franchises.

Environmental Regulation

General

Entergy's facilities and operations are subject to regulation by various domestic and foreign governmental authorities having jurisdiction over air quality, water quality, control of toxic substances and hazardous and solid wastes, and other environmental matters. Management believes that its affected subsidiaries are in substantial compliance with environmental regulations currently applicable to their facilities and operations. Because environmental regulations are subject to change, future compliance costs cannot be precisely estimated. However, management estimates that future capital expenditures for environmental compliance will not be material for Entergy or any of its reporting subsidiaries.

Clean Air Legislation

The Clean Air Act Amendments of 1990 (the Act) established the following three programs that currently or in the future may affect Entergy's fossil-fueled generation:

- an acid rain program for control of sulfur dioxide (SO_2) and nitrogen oxides (NOx);
- an ozone nonattainment area program for control of NOx and volatile organic compounds; and
- an operating permits program for administration and enforcement of these and other Act programs.

Under the acid rain program, Entergy's subsidiaries do not anticipate that they will require additional equipment to control SO_2. The Act provides allowances to most of the affected Entergy generating units for emissions based upon past emission levels and operating characteristics. Each allowance is an entitlement to emit one ton of SO_2 per year. Under the Act, utilities are or will be required to possess allowances for SO_2 emissions from affected generating units. All Entergy fossil-fueled generating units are classified as "Phase II" units under the Act and are subject to SO_2 allowance requirements beginning in the year 2000. Management believes that it will be able to operate the domestic utility companies' generating units efficiently without installing scrubbers or experiencing other significant expenditures.

Additional control equipment was recently installed at certain Entergy Gulf States generating units to achieve NOx reductions due to the ozone nonattainment status of areas served in and around Beaumont and Houston, Texas. Texas environmental authorities imposed NOx controls on power plants that had to be in place by November 1999. Entergy Gulf States believes the cost of additional control equipment necessary to maintain this compliance is immaterial. In December 1999, Texas authorities proposed future control strategies for public comment. Depending on the final strategies adopted, additional costs will likely be incurred between 2000 and 2007. Entergy Gulf States has studies underway to estimate the costs that would be incurred based on the proposed strategies. These estimates will be refined during 2000 based on the final adopted strategies approved by the EPA.

As part of legislation passed in Texas in June 1999 to restructure the electric power industry in the state, certain generating units of Entergy Gulf States will be required to obtain operating permits and meet new, lower emission limits for NOx. It is expected that Entergy Gulf States will incur costs of approximately $6 million between 2000 and 2003 to meet these new standards. These costs may or may not be recoverable in the restructured electric utility environment.

Other Environmental Matters

The Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (CERCLA), authorizes the EPA and, indirectly, the states, to mandate cleanup, or reimbursement of clean-up costs, by parties that generate or transport hazardous substances released from or at a site. Owners and operators of such sites also are deemed liable by CERCLA. CERCLA has been interpreted to impose joint and several liability on responsible parties. The domestic utility companies have sent waste materials to various disposal sites over the years. In addition, environmental laws now regulate certain of the domestic utility companies' operating procedures and maintenance practices which historically were not subject to regulation. Some of Entergy's disposal sites have been the subject of governmental action under CERCLA, resulting in site clean-up activities. The domestic utility companies have participated to various degrees in accordance with their respective potential liabilities in such site cleanups and have developed experience with clean-up costs. The affected domestic utility companies have established reserves for such environmental clean-up and restoration activities.

Entergy Arkansas

Entergy Arkansas has received notices from the EPA and the Arkansas Department of Environmental Quality (ADEQ) alleging that Entergy Arkansas, along with others, may be a PRP for clean-up costs associated with various sites in Arkansas. Contaminants at the sites include polychlorinated biphenyls (PCBs), lead, and other hazardous substances.

Entergy Arkansas identified PCB contamination at the Little Rock Radio Tower site (formerly Pulaski Heights Substation) during the fall of 1998. Entergy Arkansas performed extensive sampling to determine the extent of contamination and received approval from the EPA on its work plan for remediation. Cleanup of the site was completed in November 1999 at a cost of approximately $320,000. Entergy Arkansas does not believe that any further liability, if any, with respect to this site will be material.

Entergy Arkansas entered into a Consent Administrative Order with the ADEQ in 1991 that named Entergy Arkansas as a PRP for the initial stabilization associated with contamination at the Utilities Services, Inc. state Superfund site located near Rison, Arkansas. This site is neither owned nor operated by any Entergy-affiliated company. This site was found to have soil contaminated by PCBs and pentachlorophenol (a wood preservative). Containers and drums that contained PCBs and other hazardous substances were found at the site. Entergy Arkansas worked with the ADEQ to identify and notify other PRPs with respect to this site. Approximately twenty PRPs have been identified to date. In December 1999, Entergy Arkansas, along with several other PRPs, met with ADEQ representatives to discuss the cleanup of the site. The PRPs are being encouraged to undertake a voluntary cleanup and have begun discussions regarding the sharing of costs. Entergy Arkansas' share of total remediation costs at this site is estimated at $2.7 million. As of December 31, 1999, Entergy Arkansas had incurred approximately $400,000 of these costs.

Entergy Gulf States

Entergy Gulf States has been designated by the EPA as a PRP for the cleanup of certain hazardous waste disposal sites. Entergy Gulf States is negotiating with the EPA and state authorities regarding the cleanup 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 (see "**Other Regulation and Litigation**" below).

In August 1999, Entergy Gulf States received notice from the Texas Natural Resource Conservation Commission (TNRCC) that it is considered to be a PRP for the Spector Salvage Yard in Orange, Texas. The Spector Salvage site operated from approximately 1944 until ceasing operations in 1971. In addition to general salvage, the facility functioned as a repository for military surplus equipment and supplies purchased from military, industrial, and chemical facilities. Soil samples from the site indicate the release of heavy metals and various organics, including PCBs. The TNRCC requested of all PRPs a submission of a good faith offer to fully fund or conduct a remedial investigation. Entergy Gulf States is still developing its submission and has yet to determine the extent of its participation as a PRP. Based on the size of the site, future expenditures for investigation and clean-up are estimated at $400,000.

Entergy Gulf States is currently involved in a remedial investigation of the Lake Charles Service Center site, located in Lake Charles, Louisiana. A manufactured gas plant (MGP) is believed to have operated at this site from approximately 1916 to 1931. Coal tar, a by-product of the distillation process employed at MGPs, was apparently routed to a portion of the property for disposal. The same area has also been used as a landfill. In 1999, Entergy Gulf States signed a second Administrative Consent Order with the EPA to perform removal action at the site. Entergy Gulf States believes that its ultimate responsibility for this site will not materially exceed its existing clean-up provision of $19 million.

Entergy Gulf States is currently involved in the second phase of an investigation of contamination of an MGP site, known as the Old Jennings Ice Plant, located in Jennings, Louisiana. The MGP is believed to have operated from approximately 1909 to 1926. The site is currently used for an electrical substation and storage of transmission and distribution equipment. In July 1996, a petroleum-like substance was discovered on the surface soil, and notification was made to the LDEQ. The LDEQ was aware of this site based upon a survey performed by an environmental consultant for the EPA. Entergy Gulf States obtained the services of an environmental consultant to collect core samples and to perform a search of historical records to determine what activities occurred at Jennings. Results of the core sampling, which found limited amounts of contamination on-site, were submitted to the LDEQ. A plan to determine a cost-effective remediation strategy will be developed upon completion of a review of the sampling report by the LDEQ. Entergy does not expect that its ultimate financial responsibility with respect to this site will be material. The amount of its existing provision for cleanup is $500,000.

In 1994, Entergy Gulf States performed a site assessment in conjunction with a construction project at the Louisiana Station Generating Plant (Louisiana Station). In 1995, a further assessment confirmed subsurface soil and groundwater impact to three areas on the plant site. After further evaluation, a notification was made to the LDEQ. Remediation of Louisiana Station is expected to continue through 2001. The remediation cost incurred through December 31, 1999 for this site was $5.6 million. Future costs are not expected to exceed the existing provision of $1.9 million.

Entergy New Orleans

Entergy New Orleans has completed the stabilization and abatement of asbestos containing material at the A. B. Paterson Generating Plant located in New Orleans, Louisiana. Entergy notified the LDEQ of its intent to repair and remove insulation and machinery gaskets. On-site abatement of gaskets and insulating material was completed during the third quarter of 1999. The cost incurred through December 31, 1999 was approximately $1.9 million. Future costs are not expected to be material.

Entergy New Orleans is planning a new substation on a parcel of land located adjacent to an existing substation which is in close proximity to the Market Street power plant. During pre-construction activities in January 2000, significant levels of lead were discovered in both soil and groundwater at this site. Entergy New Orleans has notified the LDEQ of the contamination. In addition to soil removal and disposal, installation of groundwater monitoring wells and a long-term monitoring program may be required. Entergy New Orleans believes remediation costs will not exceed $2 million.

Entergy Louisiana and Entergy New Orleans

Entergy Louisiana and Entergy New Orleans have received notices from the EPA and/or the states of Louisiana and Mississippi that one or more of them may be a PRP for the following disposal sites, which are neither owned nor operated by any Entergy subsidiary:

- In October 1997, the Mississippi Department of Environmental Quality (MDEQ) ordered Entergy Louisiana to implement a remedial action work plan prepared by a PRP committee for Disposal Systems, Inc. sites at Fifth Street (Clay Point) and Lee Street in Biloxi, Mississippi, and at Woolmarket, Mississippi. The MDEQ issued a similar order on the same date to Entergy Louisiana's contractor, Ebasco Services, Inc. (Ebasco), which Entergy Louisiana has agreed to defend and indemnify. A settlement was negotiated for Entergy Louisiana, including Ebasco, for $289,000. This settlement relieved Entergy Louisiana of future liabilities associated with these sites.

- From 1992 to 1994, Entergy Louisiana performed a site assessment and remedial activities at a retired power plant known as the Thibodaux municipal site, previously owned and operated by a Louisiana municipality. Entergy Louisiana purchased the power plant at this site as part of the acquisition of municipal electric systems. The site assessment indicated some subsurface contamination from fuel oil. Remediation of the Thibodaux site is expected to continue through 2001. The cost incurred through December 31, 1999 for the Thibodaux site was $502,000. Future costs are not expected to exceed the existing provision of $318,000.

During 1993, the LDEQ issued new rules for solid waste regulation, including regulation of wastewater impoundments. Entergy Louisiana and Entergy New Orleans have determined that certain of their power plant wastewater impoundments were affected by these regulations and have chosen to upgrade or close them. As a result, a remaining recorded liability in the amount of $5.9 million for Entergy Louisiana and $0.5 million for Entergy New Orleans existed at December 31, 1999 for wastewater upgrades and closures. Completion of this work is pending LDEQ approval.

Other Regulation and Litigation

Merger (Entergy Corporation and Entergy Gulf States)

Several parties, including Entergy Services, appealed FERC's approval of the Merger to the D.C. Circuit. Entergy Services sought review of FERC's deletion of a 40% cap on the amount of fuel savings Entergy Gulf States may be required to transfer to other domestic utility companies under a tracking mechanism designed to protect the other companies from certain unexpected increases in fuel costs. The other parties sought to overturn FERC's decisions on various grounds, including issues as to whether FERC appropriately conditioned the Merger to protect various interested parties from alleged harm and FERC's reliance on Entergy's transmission tariff to mitigate any potential anticompetitive impacts of the Merger. The D.C. Circuit has ordered that the cases be held in abeyance pending FERC's issuance of a final order on remand in the proceedings on Entergy's transmission tariff (see discussion of tariff case in "**RATE MATTERS AND REGULATION - Rate Matters - Wholesale Rate Matters - Open Access Transmission**" above).

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

Entergy Corporation and the domestic utility companies are defendants in numerous lawsuits that have been filed by former employees alleging that they were wrongfully terminated and/or discriminated against on the basis of age, race, and/or sex. Entergy Corporation and the domestic utility companies 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.

Asbestos and Hazardous Waste Suits (Entergy Gulf States)

Several lawsuits have been filed on behalf of plaintiffs in state and federal courts in Texas and Louisiana that seek relief from Entergy Gulf States as well as numerous other defendants for damages caused to the plaintiffs or others by the alleged exposure to hazardous waste and asbestos on the defendants' premises. The plaintiffs in some suits are also suing Entergy Gulf States and all other defendants on a conspiracy claim. It will not be known until discovery is complete how many of the plaintiffs in any of the foregoing cases actually worked on Entergy Gulf States' premises. Entergy Gulf States believes that the ultimate resolution of these matters will not be material, in the aggregate, to its financial position or results of operations.

Union Pacific Railroad (Entergy Corporation and Entergy Arkansas)

In October 1997, Entergy Arkansas and Entergy Services filed a civil suit against Union Pacific Railroad Company (Union Pacific) in the United States District Court for the Middle District of Louisiana. This suit seeks damages and the termination of coal shipping contracts with Union Pacific because of Union Pacific's failure to meet its contractual obligations to ship coal to Entergy Arkansas' two coal-fired plants. The lawsuit also alleges that such failure has impaired Entergy Arkansas' ability to generate and sell electricity from these plants. The case has been transferred to the United States District Court for the District of Nebraska. In January 1999, on cross motions for summary judgment, the court ruled that Union Pacific has breached obligations under the contracts. Under the court's ruling, if the breaches of the contracts by Union Pacific are proven at trial to be material, rescission of the contracts is available to Entergy as a remedy, in addition to the monetary damages to be awarded.

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

In March 1998, Aquila Power Corporation ("Aquila") filed a complaint with FERC against Entergy Services, as agent for the domestic utility companies, alleging that the domestic utility companies improperly reserved transmission capacity on Entergy's transmission system, resulting in the denial of Aquila's request for transmission service. Aquila's complaint seeks compensation for lost profits, an order prohibiting Entergy and/or its affiliates from engaging in similar conduct, and suspension of the domestic utility companies' and EPMC's market-rate authority. In May 1998, Entergy filed its response denying the Aquila allegations. Subsequently, Aquila amended and restated its complaint, alleging additional instances of improper activities by Entergy. In addition to its requests in its original complaint, Aquila's amended complaint seeks a finding by FERC that Entergy is in violation of FERC Orders No. 888 and 889, and an order that Entergy should be required to join or agree to the formation of an independent system operator. Entergy filed its response to the amended and restated complaint in July 1998, denying the alleged improper conduct, and also moved to dismiss Aquila's complaint in September 1998. Aquila has responded, and no hearing date has been set by FERC.

Ratepayer Lawsuits (Entergy Corporation, Entergy Gulf States, Entergy Louisiana, and Entergy New Orleans)

In May 1998, a group of ratepayers filed a complaint against Entergy Corporation, Entergy Power, and Entergy Louisiana in state court in Orleans Parish purportedly on behalf of all Entergy Louisiana ratepayers. The plaintiffs seek treble damages for alleged injuries arising from the defendants' alleged violations of Louisiana's antitrust laws in connection with the costs included in fuel filings with the LPSC and passed through to ratepayers. Among other things, plaintiffs allege that Entergy Louisiana improperly introduced certain costs into the calculation of the fuel charges, including imprudently purchased high-cost electricity from its affiliates and imprudently purchased high-cost gas. Plaintiffs allege that these practices violated Louisiana's antitrust laws. In addition, plaintiffs seek to recover interest and attorney fees. Exceptions have been filed by Entergy, asserting that this dispute should be litigated before the LPSC and FERC. At the appropriate time, if necessary, Entergy will raise its defenses to the antitrust claims. At present, the suit in state court is stayed by stipulation of the parties.

Plaintiffs also filed this complaint with the LPSC to initiate a review by the LPSC of Entergy Louisiana's monthly fuel adjustment charge filings and to force restitution to ratepayers of all costs that the plaintiffs allege were

improperly included in those fuel adjustment filings. Marathon Oil Company and Louisiana Energy Users Group have also intervened in the LPSC proceeding. Discovery at the LPSC has been conducted and is expected to continue. Direct testimony was filed with the LPSC by plaintiffs and the intervenors in July 1999. In their testimony for the period 1989 through 1998, plaintiffs purport to quantify many of their claims in an amount totaling $544 million, plus interest. The plaintiffs will likely assert additional damages for the period 1974 through 1988. The Entergy companies filed responsive and rebuttal testimony in September 1999. Rebuttal testimony by the plaintiffs and intervenors was filed in November 1999. Direct testimony of the LPSC staff will be filed in April 2000, to which Entergy will be permitted to respond. Hearings before the LPSC are scheduled to begin in September 2000.

Entergy intends to defend this matter vigorously, both in court and at the LPSC. The outcome of the lawsuit and the LPSC proceeding cannot be predicted at this time. Management has provided reserves for this, other litigation, and Entergy Louisiana's formula rate plan proceedings based on its estimate of the outcome of these proceedings. Information on formula rate plan proceedings is given in Note 2 to the financial statements.

In April 1999, a group of ratepayers filed a complaint against Entergy New Orleans, Entergy Corporation, Entergy Services, and Entergy Power in state court in Orleans Parish purportedly on behalf of all Entergy New Orleans ratepayers. The plaintiffs seek treble damages for alleged injuries arising from the defendants' alleged violations of Louisiana's antitrust laws in connection with certain costs passed on to ratepayers in Entergy New Orleans's fuel adjustment filings with the Council. In particular, plaintiffs allege that Entergy New Orleans improperly included certain costs in the calculation of fuel charges and that Entergy New Orleans imprudently purchased high-cost fuel from other Entergy affiliates. Plaintiffs allege that Entergy New Orleans and the other defendant Entergy companies conspired to make these purchases to the detriment of Entergy New Orleans' ratepayers and to the benefit of Entergy's shareholders, in violation of Louisiana's antitrust laws. Plaintiffs also seek to recover interest and attorney fees. Exceptions to the plaintiffs' allegations were filed by Entergy, asserting, among other things, that jurisdiction over these issues rests with the Council and FERC. If necessary, at the appropriate time, Entergy will also raise its defenses to the antitrust claims. At present, the suit in state court is stayed by stipulation of the parties.

Plaintiffs also filed this complaint with the Council in order to initiate a review by the Council of their allegations and to force restitution to ratepayers of all costs they allege were improperly and imprudently included in the fuel adjustment filings. Discovery has begun in the proceedings before the Council. The plaintiffs have not yet stated the amount of damages they claim. Entergy intends to defend this matter vigorously, both in court and before the Council. The ultimate outcome of the lawsuit and the Council proceeding cannot be predicted at this time.

In April 1998, a group of residential and business ratepayers filed a complaint against Entergy New Orleans in state court in Orleans Parish purportedly on behalf of all ratepayers in New Orleans. The plaintiffs allege that Entergy New Orleans has overcharged ratepayers by at least $300 million since 1975 in violation of limits on Entergy New Orleans' rate of return that the plaintiffs allege were established by ordinances passed by the Council in 1922. The plaintiffs seek, among other things, (i) a declaratory judgment that such franchise ordinances have been violated; and (ii) a remand to the Council for the establishment of the amount of overcharges plus interest. Entergy New Orleans believes the lawsuit is without merit. Entergy New Orleans has charged only those rates authorized by the Council in accordance with applicable law. Entergy New Orleans is vigorously defending itself in the lawsuit.

In May 1998, a group of ratepayers filed a complaint against Entergy Louisiana in state court in East Baton Rouge Parish purportedly on behalf of all Entergy Louisiana ratepayers. The plaintiffs allege that the formula ratemaking plan authorized by the LPSC has allowed Entergy Louisiana to earn amounts in excess of a fair return. The plaintiffs seek, among other things, (i) a declaratory judgment that the formula ratemaking plan is an improper ratemaking practice; and (ii) a refund of the amounts allegedly charged in excess of proper ratemaking practices. Entergy Louisiana believes the lawsuit is without merit and is vigorously defending itself.

On February 28, 2000, a lawsuit was commenced in the Civil District Court for the Parish of Orleans, Louisiana, against Entergy, Entergy Gulf States, Entergy Louisiana, and Entergy New Orleans relating to power outages that occurred in July 1999. The plaintiff, who purports to represent a class of similarly situated persons,

claims unspecified damages as a result of these outages, which the plaintiff claims were the result of negligence on the part of the Entergy defendants. Entergy, Entergy Gulf States, Entergy Louisiana, and Entergy New Orleans have not yet filed responsive pleadings in the case. However, they will vigorously contest the plaintiff's allegations, which they believe do not support any liability to the plaintiff for damages.

Cajun - Coal Contracts (Entergy Corporation and Entergy Gulf States)

A discussion of this litigation is included under the caption "Cajun-Coal Contracts" in Note 9 to the financial statements.

Franchise Fee Litigation (Entergy Corporation and Entergy Gulf States)

In September 1998, the City of Nederland filed a petition against Entergy Gulf States and Entergy Services in state court in Jefferson County, Texas, purportedly on behalf of all Texas municipalities that have ordinances or agreements with Entergy Gulf States. The lawsuit alleges that Entergy Gulf States has been underpaying its franchise fees due to failure to properly calculate its gross receipts. The plaintiff seeks a judgment for the allegedly underpaid fees and punitive damages. Entergy Gulf States believes the lawsuit is without merit and is vigorously defending itself.

Fiber Optic Cable Litigation (Entergy Corporation, Entergy Gulf States)

In May 1998, a group of property owners filed a petition against Entergy Corporation, Entergy Gulf States, Entergy Services, and ETHC in state court in Jefferson County, Texas purportedly on behalf of all property owners throughout the Entergy service area who have conveyed easements to the defendants. The lawsuit alleged that Entergy installed fiber optic cable across their property without obtaining appropriate easements. The plaintiffs sought actual damages for the use of the land and a share of the profits made through use of the fiber optic cables and punitive damages. The defendants have dismissed the petition in state court, and the plaintiffs have commenced an identical lawsuit in the United States District Court in Beaumont, Texas. Entergy is vigorously defending itself in the lawsuit and believes that any damages suffered by the plaintiff landowners are negligible and that there is no basis for the claim seeking a share of profits.

Franchise Service Area Litigation (Entergy Gulf States)

In early 1998, Beaumont Power and Light Company (BP&L) unsuccessfully sought a franchise to provide electric service in the City of Beaumont, Texas, where Entergy Gulf States already holds a franchise. In November 1998, BP&L filed a request before the PUCT to obtain a certificate of convenience and necessity (CCN) for those portions of Jefferson County outside the boundaries of any municipality for which Entergy Gulf States provides retail electric service. BP&L's application contemplates using Entergy Gulf States' facilities in their provision of service. In Texas, utilities are required to obtain a CCN prior to providing retail electric service. Jefferson County is currently singly certificated to Entergy Gulf States. If BP&L's application is granted, BP&L would be able to provide retail service to Entergy Gulf States' customers in the area for which the certificate would apply. BP&L has amended its application to add a request for a CCN to provide retail electric service within the City of Beaumont. The amended application acknowledges that the Texas electric utility restructuring law requires BP&L to use its own facilities to connect to its customers if it is granted a CCN. A hearing on the merits was conducted in December 1999, and the ALJ is expected to issue a recommendation in for consideration by the PUCT.

Hindusthan Development Corporation, Ltd. (Entergy Corporation)

In January 1999, Hindusthan Development Corporation (HDC) commenced an arbitration proceeding in India against Entergy Power Asia Ltd. (EPAL), an indirect, wholly owned subsidiary of Entergy Corporation. HDC alleges that EPAL did not fulfill its obligations under a Joint Development Agreement (JDA) to develop a 350 MW cogeneration plant to be built in Eina, India. HDC also alleges that EPAL wrongfully withdrew as lead developer. Entergy's management believes that HDC's allegations are without merit, and that each party to the JDA had an

absolute right of withdrawal. HDC is seeking unspecified damages of $1.1 billion. EPAL is vigorously defending itself in the arbitration proceeding.

Ice Storm Litigation (Entergy Corporation and Entergy Gulf States)

In January 1997, a group of Entergy Gulf States customers in Texas filed a lawsuit against Entergy Corporation, Entergy Gulf States, and other Entergy subsidiaries in state court in Jefferson County, Texas purportedly on behalf of all Entergy Gulf States customers in Texas who sustained outages in a January 1997 ice storm. The lawsuit alleges that Entergy failed to properly maintain its electrical distribution system and respond to the ice storm. The district court certified the class in April 1999. Entergy has appealed the class certification, and arguments on the appeal were heard in February 2000. Entergy believes that the lawsuit is without merit and is vigorously defending itself. A similar lawsuit was filed in Louisiana in 1997, in which class certification was denied.

Litigation Environment (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

The four states in which the domestic utility companies operate, in particular Louisiana, Mississippi, and Texas, have proven to be unusually litigious environments. Judges and juries in Louisiana, Mississippi, and Texas have demonstrated a willingness to grant large verdicts, including punitive damages, to plaintiffs in personal injury, property damage, and business tort cases. Entergy uses legal and appropriate means to contest litigation threatened or filed against it, but the litigation environment in these states poses a significant business risk.

EARNINGS RATIOS OF DOMESTIC UTILITY COMPANIES AND SYSTEM ENERGY

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

	Ratios of Earnings to Fixed Charges Years Ended December 31,				
	1999	1998	1997	1996	1995
Entergy Arkansas	2.08	2.63	2.54	2.93	2.56
Entergy Gulf States	2.18	1.40	1.42	1.47	1.86
Entergy Louisiana	3.48	3.18	2.74	3.16	3.18
Entergy Mississippi	2.44	3.04	2.98	3.40	2.92
Entergy New Orleans	3.00	2.59	2.70	3.51	3.93
System Energy	1.90	2.52	2.31	2.21	2.07

	Ratios of Earnings to Combined Fixed Charges and Preferred Dividends Years Ended December 31,				
	1999	1998	1997	1996	1995
Entergy Arkansas	1.80	2.28	2.24	2.44	2.12
Entergy Gulf States(a)	1.86	1.20	1.23	1.19	1.54
Entergy Louisiana	3.09	2.75	2.36	2.64	2.60
Entergy Mississippi	2.18	2.73	2.69	2.95	2.51
Entergy New Orleans	2.74	2.36	2.44	3.22	3.56

(a) "Preferred Dividends" in the case of Entergy Gulf States also include dividends on preference stock.

BUSINESS SEGMENTS

Entergy Corporation

Entergy's business segments are discussed in Note 14 to the financial statements.

Entergy New Orleans

As of December 31, 1999, Entergy New Orleans operating revenues and customer data was as follows:

	Electric Operating Revenue	Natural Gas Revenue
Residential	40%	53%
Commercial	37%	20%
Industrial	7%	10%
Governmental/Municipal	16%	17%
Number of Customers	185,000	146,000

Entergy Gulf States

For the year ended December 31, 1999, 98% of Entergy Gulf States' operating revenue was derived from the electric utility business. Of the remaining operating revenues, one percent was derived from the steam business and one percent from the natural gas business.

Financial Information Relating to Products and Services

Financial information relating to Entergy New Orleans' and Entergy Gulf States' products and services is presented in their respective financial statements.

PROPERTY

Generating Stations

Domestic Utility Companies and System Energy

The total capability of the generating stations owned and leased by the domestic utility companies and System Energy as of December 31, 1999, by company and by fuel type, is indicated below:

	Owned and Leased Capability MW(1)				
Company	Total	Fossil	Nuclear	Gas Turbine and Internal Combustion	Hydro
Entergy Arkansas	4,487 (2)	2,681	1,694	42	70
Entergy Gulf States	6,689 (2)	5,753	936	-	-
Entergy Louisiana	5,561 (2)	4,467	1,075	19	-
Entergy Mississippi	3,063 (2)	3,052	-	11	-
Entergy New Orleans	1,077	1,061	-	16	-
System Energy	1,084	-	1,084	-	-
Total	21,961	17,014	4,789	88	70

(1) "Owned and Leased Capability" is the dependable load carrying capability as demonstrated under actual operating conditions based on the primary fuel (assuming no curtailments) that each station was designed to utilize.

(2) Excludes the capacity of fossil-fueled generating stations placed on extended reserve shutdown as follows: Entergy Arkansas - 204 MW; Entergy Gulf States - 405 MW; Entergy Louisiana - 19 MW; and Entergy Mississippi - 73 MW. Generating stations that are not expected to be utilized in the near-term to meet load requirements are placed in extended reserve shutdown in order to minimize operating expenses.

Entergy's load and capacity projections are reviewed periodically to assess the need and timing for additional generating capacity and interconnections in light of the availability of power, the location of new loads, and maximum economy to Entergy. When the domestic utility companies require new generation resources based on load and capability projections and bulk power availability, they do not expect to construct new base load generating capacity. Instead, they expect to meet future capacity needs by, among other things, purchasing power in the wholesale power market and/or removing generating stations from extended reserve shutdown. Currently, plans are being implemented to reactivate several units that are in extended reserve shutdown. The units, once back on line, will provide an additional 417 MW of capacity to serve customers during peak demand.

Under the terms of the System Agreement, generating capacity and other power resources are shared among the domestic utility companies. The System Agreement provides, among other things, that parties having generating reserves greater than their load requirements (long companies) shall receive payments from those parties having deficiencies in generating reserves (short companies). Such payments are at amounts sufficient to cover certain of the long companies' costs, including operating expenses, fixed charges on debt, dividend requirements on preferred and preference stock, and a fair rate of return on common equity investment. Under the System Agreement, these charges are based on costs associated with the long companies' steam electric generating units fueled by oil or gas. In addition, for all energy exchanged among the domestic utility companies under the System Agreement, the short companies are required to pay the cost of fuel consumed in generating such energy plus a charge to cover other

associated costs. FERC proceedings relating to the System Agreement are discussed more thoroughly in "RATE MATTERS AND REGULATION - Rate Matters - Wholesale Rate Matters - System Agreement," above.

Entergy's domestic utility business is subject to seasonal fluctuations, with the peak period occurring in the summer months. The 1999 (and all-time) peak demand of 20,664 MW occurred on August 18, 1999.

Competitive Businesses

Entergy Power owns 665 MW of fossil-fueled capacity at the Ritchie 2 and Independence plants.

In July 1999, Entergy's non-utility nuclear power business purchased from Boston Edison the 670 MW Pilgrim Nuclear Station in Plymouth, Massachusetts. The sale included the Pilgrim generating plant and facilities (including nuclear fuel) and a 1,600-acre site on Cape Cod Bay.

Entergy's global power development business is constructing two combined-cycle gas turbine merchant power plants in the UK. Saltend, a 1,200 MW plant located in northeast England, will provide steam and electricity to BP Chemical's nearby complex with the remaining electricity to be sold into the UK national power pool. Originally scheduled for commercial operation in January 2000, Saltend's completion has been delayed due to construction problems at the site. The construction contractor has submitted a revised construction schedule after substantial analysis, and currently estimates a phased-in completion of the three-unit plant with the full plant in service by June 30, 2000. The second plant, an 800 MW facility known as Damhead Creek, is located in southeast England. It is expected to begin commercial operation in the fourth quarter of 2000.

Interconnections

The electric generating facilities of the domestic utility companies consist principally of steam-electric production facilities. These generating units are interconnected by a transmission system operating at various voltages up to 500 KV. With the exception of a small portion of Entergy Mississippi's capacity, operating facilities or interests therein generally are owned or leased by the domestic utility company serving the area in which the generating facilities are located. All of these generating facilities are centrally dispatched and operated.

The electric generating facilities of Entergy's non-utility nuclear power business consist of the Pilgrim nuclear production facility. The facility has firm total output power purchase agreements with Boston Edison and other utilities that expire at the end of 2004. The Pilgrim plant is dispatched as a part of the New England Power Pool (NEPP). The primary purpose of NEPP is to direct the operations of the major generating and transmission facilities in the New England region.

Entergy's domestic utility companies are interconnected with many neighboring utilities. In addition, the domestic utility companies are members of the Southeastern Electric Reliability Council (SERC). The primary purpose of SERC is to ensure the reliability and adequacy of the electric bulk power supply in the southeast region of the United States. SERC is a member of the North American Electric Reliability Council.

Gas Property

As of December 31, 1999, Entergy New Orleans distributed and transported natural gas for distribution solely within the limits of the City of New Orleans through a total of 1,453 miles of gas distribution mains and 41 miles of gas transmission pipelines.

As of December 31, 1999, the gas properties of Entergy Gulf States, which are located in and around Baton Rouge, Louisiana, were not material to Entergy Gulf States.

Titles

The generating stations and major transmission substations of Entergy's public utility companies are generally located on properties owned in fee simple. The greater portion of the transmission and distribution lines of the domestic utility companies have been constructed on property of private owners pursuant to easements or on public highways and streets pursuant to appropriate franchises. The rights of each company in the property on which its utility facilities are located are considered by such company to be adequate for use in the conduct of its business. Minor defects and irregularities customarily found in properties of like size and character may exist, but such defects and irregularities do not, in the opinion of management, materially impair the use of the properties affected thereby. The domestic utility companies generally have the right of eminent domain, whereby they may, if necessary, perfect or secure titles to, or easements or servitudes on, privately held lands used in or reasonably necessary for their utility operations.

Substantially all of the physical properties and assets owned by Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy are subject to the liens of mortgages securing the first mortgage bonds of such company. The Lewis Creek generating station is owned by GSG&T, Inc., a subsidiary of Entergy Gulf States, and is not subject to the lien of the Entergy Gulf States mortgage securing the first mortgage bonds of Entergy Gulf States, but is leased to and operated by Entergy Gulf States. All of the debt outstanding under the original first mortgages of Entergy Mississippi and Entergy New Orleans has been retired and the original first mortgages were cancelled in 1999 and 1997, respectively. As a result, the general and refunding mortgages of Entergy Mississippi and Entergy New Orleans now also constitute a first mortgage lien on substantially all of the respective physical properties and assets of the respective companies.

FUEL SUPPLY

The sources of generation and average fuel cost per KWH for the domestic utility companies and System Energy for the years 1997-1999 were:

	Natural Gas		Fuel Oil		Nuclear Fuel		Coal	
Year	% of Gen	Cents per KWH	% of Gen	Cents Per KWH	% of Gen	Cents Per KWH	% of Gen	Cents Per KWH
1999	45	2.75	4	2.06	35	.54	16	1.59
1998	40	2.50	6	2.37	40	.53	14	1.67
1997	39	2.97	4	3.11	41	.54	16	1.73

Actual 1999 and projected 2000 sources of generation for the domestic utility companies and System Energy are:

	Natural Gas		Fuel Oil		Nuclear		Coal	
	1999	2000	1999	2000	1999	2000	1999	2000
Entergy Arkansas (a)	10%	7%	-	-	56%	40%	33%	52%
Entergy Gulf States	66%	68%	-	-	19%	18%	15%	14%
Entergy Louisiana	64%	62%	1%	-	35%	38%	-	-
Entergy Mississippi	44%	53%	30%	23%	-	-	26%	24%
Entergy New Orleans	91%	100%	9%	-	-	-	-	-
System Energy	-	-	-	-	100%(b)	100%(b)	-	-
Total (a)	45%	42%	4%	2%	35%	33%	16%	22%

(a) Hydroelectric power provided an immaterial amount of generation at Entergy Arkansas in 1999 and is expected to provide an immaterial amount of generation in 2000.

(b) In addition to the nuclear capacity given above for the following companies, the Unit Power Sales Agreement allocates capacity and energy from System Energy's interest in Grand Gulf 1 as follows: Entergy Arkansas - 36%; Entergy Louisiana - 14%; Entergy Mississippi - 33%; and Entergy New Orleans - 17%.

Natural Gas

The domestic utility companies have long-term firm and short-term interruptible gas contracts. Long-term firm contracts comprise less than 26% of the domestic utility companies' total requirements but can be called upon, if necessary, to satisfy a significant percentage of the domestic utility companies' needs. Short-term contracts and spot-market purchases satisfy additional gas requirements. Entergy Gulf States has a transportation service agreement with a gas supplier that provides flexible natural gas service to certain generating stations by using such supplier's pipeline and gas storage facility.

Many factors, including wellhead deliverability, storage and pipeline capacity, and demand requirements of end users, influence the availability and price of natural gas supplies for power plants. Demand is tied to weather conditions as well as to the prices of other energy sources. Supplies of natural gas are expected to be adequate in 2000. However, pursuant to federal and state regulations, gas supplies to power plants may be interrupted during periods of shortage. To the extent natural gas supplies may be disrupted, the domestic utility companies will use alternate fuels, such as oil, or rely to a larger extent on coal and nuclear generation.

Coal

Entergy Arkansas has long-term contracts for low-sulfur Wyoming coal for White Bluff and Independence. These contracts, which expire in 2002 and 2011, respectively, provide for approximately 85% of Entergy Arkansas' expected annual coal requirements. Additional requirements are satisfied by spot market purchases. Entergy Gulf States has a contract for the supply of low-sulfur Wyoming coal for Nelson Unit 6, which should be sufficient to satisfy its fuel requirements for that unit through 2010 if all price reopeners are accepted. If both parties cannot agree upon a price, then the contract terminates. Effective April 1, 2000, Louisiana Generating LLC will assume Cajun's 58% ownership interest in the Big Cajun generating facilities and will operate the plant. The management of Louisiana Generating LLC has advised Entergy Gulf States that it has executed coal supply and transportation contracts that should provide an adequate supply of coal for the operation of Big Cajun 2, Unit 3 for the foreseeable future.

Entergy Arkansas has a long-term railroad transportation contract for the delivery of at least 90% of the coal requirements of both White Bluff and Independence. This contract will expire in the year 2014. However, Entergy Arkansas has filed a lawsuit against the railroad claiming breach of contract by the railroad and requesting termination of the contract (see discussion of lawsuit in "**RATE MATTERS AND REGULATION – Regulation – Other Regulation and Litigation – Union Pacific Railroad**" above).

Entergy Gulf States has a transportation requirements contract with a railroad to deliver coal to Nelson Unit 6 through December 31, 2004. This contract specifies a minimum annual tonnage amounting to approximately one-half of the plant's requirements and provides flexibility for shipping up to all of the plant's requirements.

Nuclear Fuel

The nuclear fuel cycle involves the following:

- mining and milling of uranium ore to produce a concentrate;
- conversion of the concentrate to uranium hexafluoride gas;
- enrichment of the hexafluoride gas;
- fabrication of nuclear fuel assemblies for use in fueling nuclear reactors; and
- disposal of spent fuel.

System Fuels is responsible for contracts to acquire nuclear material to be used in fueling Entergy Arkansas', Entergy Louisiana's, and System Energy's nuclear units. System Fuels also maintains inventories of such materials during the various stages of processing. Each of these companies purchases enriched uranium hexafluoride from System Fuels, but contracts separately for the fabrication of its own nuclear fuel. The requirements for River Bend are pursuant to contracts made by Entergy Gulf States. The requirements for Pilgrim are pursuant to contracts made by Entergy's non-utility nuclear power business.

Based upon currently planned fuel cycles, Entergy's nuclear units currently have contracts and inventory that provide adequate materials and services. Existing contracts for uranium concentrate, conversion of the concentrate to uranium hexafluoride, and enrichment of the uranium hexafluoride will provide a significant percentage of these materials and services over the next several years. Additional materials and services required beyond the coverage of these contracts are expected to be available at a reasonable cost for the foreseeable future.

Current fabrication contracts will provide a significant percentage of these materials and services over the next several years. The Nuclear Waste Policy Act of 1982 provides for the disposal of spent nuclear fuel or high level waste by the DOE. There is a discussion of spent nuclear fuel disposal in Note 9 to the financial statements.

It will be necessary for Entergy to enter into additional arrangements to acquire nuclear fuel in the future. It is not possible to predict the ultimate cost of such arrangements.

Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy each have made arrangements to lease nuclear fuel and related equipment and services. The lessors finance the acquisition and ownership of nuclear fuel through credit agreements and the issuance of notes. These arrangements are subject to periodic renewal. There is a discussion of nuclear fuel leases in Note 10 to the financial statements.

Natural Gas Purchased for Resale

Entergy New Orleans has several suppliers of natural gas. Its system is interconnected with three interstate and three intrastate pipelines. Entergy New Orleans' primary suppliers currently are Columbia Energy Services, Inc. (CES), an interstate gas marketer, Bridgeline Gas Distributors, and Pontchartrain Natural Gas via Louisiana Gas Services. Entergy New Orleans has a "no-notice" service gas purchase contract with CES which guarantees Entergy New Orleans gas delivery at any point after the agreed gas volume has been met. The CES gas supply is transported to Entergy New Orleans pursuant to a transportation service agreement with Koch Gateway Pipeline Company (KGPC). This service is subject to FERC-approved rates. Entergy New Orleans has firm contracts with its two intrastate suppliers and also makes interruptible spot market purchases. In recent years, natural gas deliveries to Entergy New Orleans have been subject primarily to weather-related curtailments. However, Entergy New Orleans experienced no such curtailments in 1999.

As a result of the implementation of FERC-mandated interstate pipeline restructuring in 1993, curtailments of interstate gas supply could occur if Entergy New Orleans' suppliers failed to perform their obligations to deliver gas under their supply agreements. KGPC could curtail transportation capacity only in the event of pipeline system constraints. Based on the current supply of natural gas, and absent extreme weather-related curtailments, Entergy New Orleans does not anticipate any interruptions in natural gas deliveries to its customers.

Entergy Gulf States purchases natural gas for resale under an agreement with Mid Louisiana Gas Company. Mid Louisiana Gas Company is not allowed to discontinue providing gas to Entergy Gulf States without obtaining FERC approval.

Research

Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans are members of the Electric Power Research Institute (EPRI). EPRI conducts a broad range of research in major technical fields related to the electric utility industry. Entergy participates in various EPRI projects based on

Entergy's needs and available resources. Entergy and its subsidiaries contributed approximately $6 million in 1999, $8 million in 1998, and $9 million in 1997 to EPRI and other research programs.

Item 2. Properties

Information regarding the properties of the registrants is included in Item 1. "Business - PROPERTY," in this report.

Item 3. Legal Proceedings

Details of the registrants' material rate proceedings, environmental regulation and proceedings, and other regulatory proceedings and litigation that are pending or that terminated in the fourth quarter of 1999 are discussed in Item 1. "Business - RATE MATTERS AND REGULATION," in this report.

Item 4. Submission of Matters to a Vote of Security Holders

During the fourth quarter of 1999, no matters were submitted to a vote of the security holders of Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, or System Energy.

DIRECTORS AND EXECUTIVE OFFICERS OF ENTERGY CORPORATION

Directors

Information required by this item concerning directors of Entergy Corporation is set forth under the heading "Proposal 1–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 12, 2000, ("Annual Meeting"), and is incorporated herein by reference. Information required by this item concerning officers and directors of the remaining registrants is reported in Part III of this document.

Executive Officers

Name	Age	Position	Period
J. Wayne Leonard (a)	49	Chief Executive Officer and Director of Entergy Corporation	1999-Present
		Director of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy	1998-1999
		President and Chief Operating Officer of Entergy Corporation	1998
		Chief Operating Officer of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans	1998
		Vice Chairman of Entergy New Orleans	1998
		President of Energy Commodities Strategic Business Unit	1996-1998
		President of Cinergy Capital & Trading	1996-1998
		Group Vice President and Chief Financial Officer of Cinergy Corporation	1994-1996
Jerry L. Maulden (a) (b)	63	Vice Chairman of Entergy Corporation	1995-1999
		Vice Chairman of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans	1993-1999
		Chief Operating Officer of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans	1993-1998
		President and Chief Operating Officer of Entergy Corporation	1993-1995
		Director of Entergy Gulf States	1993-1999
		Director of Entergy Louisiana	1991-1999
		Director of Entergy New Orleans	1991-1998
		Director of Entergy Mississippi	1988-1999
		Director of System Energy	1987-1998
		Director of Entergy Arkansas	1979-1999

Name	Age	Position	Period
Donald C. Hintz (a)	57	President of Entergy Corporation	1999-Present
		Executive Vice President and Chief Nuclear Officer of Entergy Arkansas, Entergy Gulf States, and Entergy Louisiana	1998
		Group President and Chief Nuclear Operating Officer of Entergy Corporation, Entergy Arkansas, Entergy Gulf States, and Entergy Louisiana	1997-1998
		Executive Vice President and Chief Nuclear Officer of Entergy Corporation	1994-1997
		Executive Vice President - Nuclear of Entergy Arkansas, Entergy Gulf States, and Entergy Louisiana	1994-1997
		Chief Executive Officer and President of System Energy	1992-1998
		Director of Entergy Gulf States	1993-Present
		Director of Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and System Energy	1992-Present
		Director of Entergy New Orleans	1999-Present 1992-1994
Jerry D. Jackson (a)	55	Executive Vice President of Entergy Corporation	1999-Present
		President and Chief Executive Officer – Louisiana of Entergy Gulf States	1999-Present
		President and Chief Executive Officer of Entergy Louisiana	1999-Present
		Chief Administrative Officer of Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans	1997-1998
		Executive Vice President - External Affairs of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans	1995-1998
		Executive Vice President - Marketing of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans	1995
		Executive Vice President - External Affairs of Entergy Corporation	1994-1998
		Director of Entergy Gulf States	1994-Present
		Executive Vice President of Marketing of Entergy Corporation	1994-1995
		Director of Entergy Louisiana	1992-Present
		Director of Entergy Arkansas, Entergy Mississippi and Entergy New Orleans	1992-1999
		Secretary of Entergy Gulf States	1994-1995
		Director of System Energy	1993-1995
C. John Wilder (a)	41	Executive Vice President and Chief Financial Officer of Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy	1998-Present
		Director of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy	1999-Present
		Chief Executive Officer of Shell Capital Company	1998
		Assistant Treasurer of the Royal Dutch/Shell Group	1996-1998
		Director of Economics and Finance of Shell Exploration and Production	1995-1996
		Assistant Treasurer of Shell Oil Company	1992-1995
Frank F. Gallaher (a)	54	Senior Vice President, Generation, Transmission and Energy Management of Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy	1999-Present
		Executive Vice President and Chief Utility Operating Officer for Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans	1998-1999
		Group President and Chief Utility Operating Officer of Entergy Corporation	1997-1999
		Group President and Chief Utility Operating Officer of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans	1997-1998
		Director of Entergy Arkansas, Entergy Louisiana, and Entergy Mississippi	1997-1999
		Executive Vice President of Operations of Entergy Corporation	1996-1997

Name	Age	Position	Period
		President of Entergy Gulf States	1994-1996
		Director of Entergy Gulf States	1993-1999
		Executive Vice President of Operations of Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans	1993-1997
Michael G. Thompson (a)	59	Senior Vice President and General Counsel of Entergy Corporation	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
		Secretary of Entergy Corporation	1994-Present
Joseph T. Henderson (a)	42	Vice President and General Tax Counsel of Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans and System Energy	1999-Present
		Associate General Tax Counsel	1998-1999
		Senior Tax Counsel of Shell Oil Company	1995-1998
		Senior Tax Attorney of Shell Oil Company	1994-1995
Nathan E. Langston (a)	51	Vice President and Chief Accounting Officer of Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy	1998-Present
		Director of Tax Services of Entergy Services	1993-1998
Steven C. McNeal (a)	43	Vice President and Treasurer of Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy	1998-Present
		Assistant Treasurer of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy	1994-1998
		Director of Corporate Finance of Entergy Services	1994-1998

(a) In addition, this officer is an executive officer and/or director of various other wholly owned subsidiaries of Entergy Corporation and its operating companies.

(b) Mr. Maulden retired effective December 31, 1999.

Each officer of Entergy Corporation is elected yearly by the Board of Directors.

PART II

Item 5. Market for Registrants' Common Equity and Related Stockholder Matters

Entergy Corporation

The shares of Entergy Corporation's common stock are listed on the New York Stock, Chicago Stock, and Pacific Exchanges.

The high and low prices of Entergy Corporation's common stock for each quarterly period in 1999 and 1998 were as follows:

	1999		1998	
	High	Low	High	Low
	(In Dollars)			
First	31 1/8	27 1/2	30 1/8	27 5/16
Second	33 1/8	27 3/4	29 5/8	23 1/4
Third	31 9/16	28 3/16	30 13/16	26 3/16
Fourth	30	23 7/8	32 7/16	28 1/16

Consecutive quarterly cash dividends on common stock were paid to stockholders of Entergy Corporation in 1999 and 1998. Quarterly dividends of 30 cents per share were paid in 1999. In 1998, dividends of 45 cents per

share were paid in the first and second quarters, and dividends of 30 cents per share were paid in the third and fourth quarters.

As of February 29, 2000, there were 73,619 stockholders of record of Entergy Corporation.

Entergy Corporation's future ability to pay dividends is discussed in Note 8 to the financial statements. In addition to the restrictions described in Note 8, PUHCA provides that, without approval of the SEC, the unrestricted, undistributed retained earnings of any Entergy Corporation subsidiary are not available for distribution to Entergy Corporation's common stockholders until such earnings are made available to Entergy Corporation through the declaration of dividends by such subsidiaries.

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

There is no market for the common stock of Entergy Corporation's wholly owned subsidiaries. Cash dividends on common stock paid by the subsidiaries to Entergy Corporation during 1999 and 1998, were as follows:

	1999	1998
	(In Millions)	
Entergy Arkansas	$ 82.7	$ 92.6
Entergy Gulf States	$ 107.0	$ 109.4
Entergy Louisiana	$ 197.0	$ 138.5
Entergy Mississippi	$ 34.1	$ 66.0
Entergy New Orleans	$ 26.5	$ 9.7
System Energy	$ 75.0	$ 72.3
ETHC	$ 10.0	-

Information with respect to restrictions that limit the ability of System Energy and the domestic utility companies to pay dividends is presented in Note 8 to the financial statements.

Item 6. Selected Financial Data

Refer to "SELECTED FINANCIAL DATA - FIVE-YEAR COMPARISON OF ENTERGY CORPORATION AND SUBSIDIARIES, ENTERGY ARKANSAS, ENTERGY GULF STATES, ENTERGY LOUISIANA, ENTERGY MISSISSIPPI, ENTERGY NEW ORLEANS, and SYSTEM ENERGY" which follow each company's financial statements in this report, for information with respect to operating statistics.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Refer to "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - LIQUIDITY AND CAPITAL RESOURCES," " - SIGNIFICANT FACTORS AND KNOWN TRENDS," and "- RESULTS OF OPERATIONS OF ENTERGY CORPORATION AND SUBSIDIARIES, ENTERGY ARKANSAS, ENTERGY GULF STATES, ENTERGY LOUISIANA, ENTERGY MISSISSIPPI, ENTERGY NEW ORLEANS, and SYSTEM ENERGY."

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Entergy Corporation and Subsidiaries. Refer to information under the heading "ENTERGY CORPORATION AND SUBSIDIARIES MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - SIGNIFICANT FACTORS AND KNOWN TRENDS."

Item 8. Financial Statements and Supplementary Data.

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ENTERGY CORPORATION AND SUBSIDIARIES

REPORT OF MANAGEMENT

Management of Entergy Corporation and its subsidiaries has prepared and is responsible for the financial statements and related financial information included herein. The financial statements are based on generally accepted accounting principles in the United States. Financial information included elsewhere in this report is consistent with the financial statements.

To meet their responsibilities with respect to financial information, management maintains and enforces a system of internal accounting controls designed to provide reasonable assurance, on a cost-effective basis, as to the integrity, objectivity, and reliability of the financial records, and as to the protection of assets. This system includes communication through written policies and procedures, an employee Code of Entegrity, and an organizational structure that provides for appropriate division of responsibility and the training of personnel. This system is also tested by a comprehensive internal audit program.

The Audit Committee of our Board of Directors, composed solely of Directors who are not employees of our company, meets with the independent auditors, management, and internal accountants periodically to discuss internal accounting controls and auditing and financial reporting matters. The Audit Committee appoints the independent accountants, subject to ratification by the shareholders. The Committee reviews with the independent auditors the scope and results of the audit effort. The Committee also meets periodically with the independent auditors and the chief internal auditor without management, providing free access to the Committee.

Independent public accountants provide an objective assessment of the degree to which management meets its responsibility for fairness of financial reporting. They regularly evaluate the system of internal accounting controls and perform such tests and other procedures as they deem necessary to reach and express an opinion on the fairness of the financial statements.

Management believes that these policies and procedures provide reasonable assurance that its operations are carried out with a high standard of business conduct.

J. WAYNE LEONARD
Chief Executive Officer of Entergy Corporation

C. JOHN WILDER
Executive Vice President and Chief Financial Officer

THOMAS J. WRIGHT
Chairman, President, and Chief Executive Officer of Entergy Arkansas, Inc.

JERRY D. JACKSON
Chairman of Entergy Gulf States, Inc. and Entergy Louisiana, Inc., President and Chief Executive Officer of Entergy Gulf States, Inc. – Louisiana and Entergy Louisiana, Inc.

JOSEPH F. DOMINO
President and Chief Executive Officer of Entergy Gulf States, Inc. – Texas

CAROLYN C. SHANKS
Chairman, President, and Chief Executive Officer of Entergy Mississippi, Inc.

DANIEL F. PACKER
Chairman, President, and Chief Executive Officer of Entergy New Orleans, Inc.

JERRY W. YELVERTON
Chairman, President, and Chief Executive Officer of System Energy Resources, Inc.

Cash Flow

Operations

Net cash flow from operations for Entergy, the domestic utility companies, and System Energy for the years ended December 31, 1999, 1998, and 1997 was:

	1999	1998	1997
		(In Millions)	
Entergy	$ 1,307	$ 1,753	$ 1,793
Entergy Arkansas	$ 313	$ 409	$ 435
Entergy Gulf States	$ 345	$ 448	$ 484
Entergy Louisiana	$ 410	$ 342	$ 315
Entergy Mississippi	$ 142	$ 125	$ 156
Entergy New Orleans	$ 60	$ 40	$ 54
System Energy	$ 103	$ 299	$ 286

Entergy's consolidated cash flow from operations decreased as compared to 1998 primarily due to less cash provided by competitive businesses. The decrease was also due to the completion of rate phase-in plans for some of the domestic utility companies during 1998.

In 1999, competitive businesses used $9.3 million of operating cash flow from operations compared with $151.7 million they contributed in 1998. This change was primarily due to the sales of London Electricity and CitiPower in December 1998. Both businesses contributed operating cash flow in 1998 but did not contribute at all in 1999. Offsetting the decrease in operating cash flow in 1999 are the sales of Efficient Solutions, Inc. in September 1998 and Entergy Security, Inc. in January 1999. These businesses used operating cash flow in 1998 and used none in 1999. Also, the power marketing and trading business used less operating cash flow in 1999 than in 1998.

In prior years, rate phase-in plans for some of the domestic utility companies contributed to cash flow from operations. But Entergy Gulf States' Louisiana retail phase-in plan for River Bend was completed in February 1998, Entergy Mississippi's phase-in plan for Grand Gulf 1 was completed in September 1998, and Entergy Arkansas' phase-in plan for Grand Gulf 1 was completed in November 1998. Therefore, these phase-in plans did not contribute to operating cash flow in 1999. Entergy New Orleans' phase-in plan for Grand Gulf 1 will be completed in 2001.

System Energy's operating cash flow decreased in 1999 primarily due to an increase in receivables from associated companies. The increase in receivables is primarily due to an increase in money pool borrowings for several Entergy affiliates as of December 31, 1999. The money pool is an inter-company borrowing arrangement designed to reduce the domestic utility companies' dependence on external short-term borrowings.

Investing Activities

Net cash provided by investing activities decreased in 1999 due to the sales in 1998 of London Electricity and CitiPower, and higher construction expenditures in 1999. The increased construction expenditures were primarily due to construction of the Saltend and Damhead Creek power plants by Entergy's global power development business, spending on customer service and reliability improvements by the domestic utility companies, and the return to service of generation plants at Entergy Arkansas, Entergy Louisiana, and Entergy New Orleans.

The following items partially offset the overall decrease:

- $947.4 million of the proceeds from the sale of London Electricity in 1998 was used to purchase notes receivable which matured in August 1999. Upon maturity, $321.4 million of the proceeds was reinvested in other temporary investments consisting of U.S. dollar denominated commercial paper and bank deposits; and
- the sales of Entergy Security, Inc. in January 1999 and Entergy Power Edesur Holding, LTD and several telecommunications businesses in June 1999.

Financing Activities

Net cash used in financing activities decreased in 1999 primarily due to:

- the retirement in 1998 of debt associated with the acquisition of London Electricity and CitiPower;
- increased borrowings in 1999 under the credit facilities for the construction of the Saltend and Damhead Creek power plants by Entergy's global power development business; and
- a reduction in dividend payments made by Entergy Corporation in 1999 compared to 1998.

Partially offsetting the overall decrease were the following uses:

- the 1999 repayment of bank borrowings by Entergy Corporation and ETHC with a portion of the proceeds from the sale of Entergy Security, Inc.;
- the redemption of preferred stock in 1999 at Entergy Arkansas, Entergy Gulf States, and Entergy Louisiana; and
- the repurchase of Entergy Corporation common stock.

Capital Resources and Outlays

Entergy requires capital resources for:

- construction/capital expenditures;
- debt and preferred stock maturities;
- capital investments;
- funding of subsidiaries; and
- dividend and interest payments.

For the years 2000 through 2004, Entergy plans to spend $9.8 billion in a capital investment plan focused on improving service at the domestic utility companies and growing its global power development and nuclear operations businesses. The estimated allocation in the plan is $4.2 billion to the domestic utility companies, $3.9 billion to the global power development business, and $1.7 billion to the nuclear operations business. Management provides more information on construction expenditures and long-term debt and preferred stock maturities in Notes 5, 6, 7, and 9 to the financial statements.

Entergy's sources to meet the above requirements include:

- internally generated funds;
- cash on hand;
- debt or preferred stock issuances;
- bank financing under new or existing facilities;
- short-term borrowings; and
- sales of assets.

The capital investment plan discussed above is subject to modification based on the ongoing effects of transition to competition planning and the ability to recover the regulated utility costs in rates. Additionally, the plan is contingent upon Entergy's ability to access the capital necessary to finance the planned expenditures, and significant borrowings may be necessary for Entergy to implement these capital spending plans.

The domestic utility companies have plans to issue debt in 2000, the proceeds of which will be used for general corporate purposes, including capital expenditures, the retirement of short-term indebtedness, and, in the case of Entergy Gulf States, the mandatory redemption of preference stock. On February 15, 2000, Entergy Mississippi issued $120 million of 7.75% Series First Mortgage Bonds due February 15, 2003. On March 9, 2000, Entergy Arkansas issued $100 million of 7.72% Series First Mortgage Bonds due March 1, 2003. Proceeds of both issuances will be used, in part, for the retirement of short-term indebtedness that was incurred for working capital needs and capital expenditures.

On February 25, 2000, Entergy Corporation obtained a 364-day term loan in the amount of $120 million, accruing interest at a rate of 6.7%. The proceeds are being used to make an open-account advance to Entergy Louisiana in order to repay maturing debt. Entergy Corporation will use any remaining proceeds for general corporate purposes and working capital needs.

During 1999, cash from operations, the sale of businesses, and cash on hand met substantially all investing and financing requirements of the domestic utility companies and System Energy. Entergy Corporation received $532.3 million in dividend payments from its subsidiaries in 1999.

All debt and common and preferred stock issuances are subject to regulatory approval. Preferred stock and debt issuances are subject to issuance tests set forth in corporate charters, bond indentures, and other agreements. The domestic utility companies have sufficient capacity under these issuance tests to consummate the financings planned for 2000. The domestic utility companies may also establish special purpose trusts or limited partnerships as financing subsidiaries for the purpose of issuing quarterly income preferred securities.

Management expects the domestic utility companies and System Energy to continue to refinance or redeem higher cost debt and preferred stock prior to maturity, to the extent market conditions and interest and dividend rates are favorable.

Entergy's ability to invest in domestic and foreign generation businesses is subject to the SEC's regulations under PUHCA. These regulations limit to 50% of consolidated retained earnings the total amount that Entergy may invest in domestic and foreign generation businesses at the time an investment is made. Using the proceeds from the sales of London Electricity and CitiPower, Entergy's FUCO and EWG subsidiaries have the ability to make significant additional investments in domestic and foreign generation businesses without the need of further investment by Entergy Corporation.

LIQUIDITY AND CAPITAL RESOURCES

Entergy's global power development business is currently constructing two combined-cycle gas turbine merchant power plants in the UK. Saltend, a 1,200 MW plant in northeast England, will provide steam and electricity to BP Chemicals' nearby industrial complex, with the remaining electricity to be sold into the UK national power pool. Approximately 75 MW of the capacity will be sold to BP Chemicals under a PPA with a term of 15 years. Originally scheduled for commercial operation in January 2000, Saltend's completion has been delayed due to construction problems at the site. The construction contractor has submitted a revised construction schedule after substantial analysis, and currently estimates a phased-in completion of the three-unit plant with the full plant in service by June 30, 2000. The total cost of Saltend is currently estimated to be approximately $824 million. The second plant, an 800 MW facility known as Damhead Creek, is located in southeast England. It is expected to begin commercial operation in the fourth quarter of 2000. Management estimates the total cost of Damhead Creek at approximately $582 million. The financing of the construction of these two power plants is discussed in Note 7 to the financial statements.

In October 1999, Entergy's global power development business obtained an option to acquire twenty-four GE7FA advanced technology gas turbines, four steam turbines, and eight GE7EA advanced technology gas turbines. Delivery of the turbines is scheduled for 2001 through 2004. The total cost of the turbines, including long-term service agreements with GE Power Systems, is approximately $2.0 billion. Management plans to use the turbines in future generation projects of the global power development business, and anticipates that the acquisition of the turbines will be funded by a combination of cash on hand, project financing, and other external financing. Payments scheduled for the acquisition of these turbines are $273 million in 2000, $415 million in 2001, and $311 million in 2002.

On July 13, 1999, Entergy's non-utility nuclear power business bought the 670 MW Pilgrim Nuclear Station located in Plymouth, Massachusetts from Boston Edison. The acquisition included the plant, real estate, materials and supplies, and nuclear fuel for a purchase price of $81 million. The purchase price was funded with a portion of the proceeds from the sales of non-regulated businesses. As part of the Pilgrim purchase, Boston Edison transferred a $471 million decommissioning trust fund to Entergy's non-utility nuclear power business. After a favorable tax determination regarding the trust fund, Entergy returned $43 million of the trust fund to Boston Edison. Based on cost estimates provided by an outside consultant, Entergy believes that Pilgrim's decommissioning fund will be adequate to cover future decommissioning costs for the Pilgrim plant without any additional deposits to the trust.

Entergy's nuclear business has an outstanding offer to NYPA for the acquisition of NYPA's 825 MW James A. FitzPatrick nuclear power plant located near Oswego, New York and NYPA's 980 MW Indian Point 3 nuclear power plant located in Westchester County, New York. On February 24, 2000, NYPA received a competing offer for the purchase of these plants. It is anticipated that the NYPA Board of Trustees will meet in mid to late March to consider the offers. If Entergy's offer is accepted, management expects to close the acquisition by the fourth quarter of 2000. Entergy would pay $50 million in cash at the closing of the purchase, plus seven annual installments of approximately $108 million each commencing one year from the date of the closing. Entergy projects that these installments will be paid from the proceeds of the sale of power from the plants and that Entergy will invest an additional $100 million in the plants.

Entergy has also made investments in energy-related businesses, including power marketing and trading. Under PUHCA, the SEC imposes a limit equal to 15% of consolidated capitalization on the amount that may be invested in such businesses without specific SEC approval. Entergy's capacity to make additional investments at December 31, 1999 was approximately $2.2 billion.

LIQUIDITY AND CAPITAL RESOURCES

In 1999, Entergy Corporation paid $291.5 million in cash dividends on its common stock. Declarations of dividends on Entergy's common stock are made at the discretion of the Board. The Board evaluates the level of Entergy common stock dividends based upon Entergy's earnings and financial strength. Dividend restrictions are discussed in Note 8 to the financial statements.

In October 1998, the Board approved a plan for the repurchase of Entergy common stock through December 31, 2001 to fulfill the requirements of various compensation and benefit plans. The stock repurchase plan provides for purchases in the open market of up to 5 million shares, for an aggregate consideration of up to $250 million. In July 1999, the Board approved the commitment of up to an additional $750 million toward the repurchase of Entergy common stock through December 31, 2001. Shares are being purchased on a discretionary basis. See Note 5 to the financial statements for stock repurchases and issuances made during 1999.

Entergy's capital and refinancing requirements and available lines of credit are more thoroughly discussed in Notes 4, 5, 6, 7, 9, and 10 to the financial statements.

Entergy Corporation and System Energy

Pursuant to an agreement with certain creditors, Entergy Corporation has agreed to supply System Energy with sufficient capital to:

- maintain System Energy's equity capital at a minimum of 35% of its total capitalization (excluding short-term debt);
- permit the continued commercial operation of Grand Gulf 1;
- pay in full all System Energy indebtedness for borrowed money when due; and
- enable System Energy to make payments on specific System Energy debt, under supplements to the agreement assigning System Energy's rights in the agreement as security for the specific debt.

The Capital Funds Agreement and other Grand Gulf 1-related agreements are more thoroughly discussed in Note 9 to the financial statements.

Domestic Transition to Competition

The electric utility industry for years has been preparing for the advent of competition in its business, particularly in generation operations. For most electric utilities, the transition from a regulated monopoly to a competitive business is challenging and complex. The new electric utility environment presents opportunities to compete for new customers and creates the risk of loss of existing customers. It presents opportunities to enter into new businesses and to restructure existing businesses.

For Entergy, it is a formidable undertaking, made uniquely difficult because the domestic utility companies operate in five retail regulatory jurisdictions and are subject to the System Agreement, which contemplates the integrated operation of Entergy's electric generation and transmission assets throughout the retail service territories. Entergy is striving to achieve consistent paths to competition in all five retail regulatory jurisdictions. Progress was made in 1999 when the Arkansas and Texas legislatures enacted laws to bring about electric utility competition. More progress is expected in 2000 as Entergy continues to work with regulatory and legislative officials in all jurisdictions in designing the rules surrounding a competitive electricity industry.

State Regulatory and Legislative Activity

Arkansas

In April 1999, the Arkansas legislature enacted a law providing for competition in the electric utility industry through retail open access on January 1, 2002. With retail open access, generation operations will become a competitive business, but transmission and distribution operations will continue to be regulated. The APSC may delay implementation of retail open access, but not beyond June 30, 2003. The provisions of the new law:

- require utilities to separate (unbundle) their costs into generation, transmission, distribution, and customer service functions;
- require operation of transmission facilities by an organization independent from the generation, distribution, and retail operations;
- provide for the determination of and mitigation measures for generation market power, which could require generation asset divestitures;
- allow for recovery of stranded and transition costs if the costs are approved by the APSC;
- allow for the securitization of approved stranded costs; and
- freeze residential and small business customer rates for three years by utilities that will recover stranded costs.

Entergy Arkansas filed separate generation, transmission, distribution, and customer service rates with the APSC in December 1999. The rates were based on the cost-of-service study that formed the basis of the rates included in the 1997 settlement agreement discussed in Note 2 to the financial statements. Hearings on the rate filing are scheduled for September 2000. If approved, these rates will become effective July 1, 2001. Entergy Arkansas also filed notice with the APSC in December 1999 of its intent to recover stranded costs. The APSC and various participants in the industry, including Entergy Arkansas, are currently in the process of implementing the legislation through various rulemaking and other proceedings.

Texas

In June 1999, the Texas legislature enacted a law providing for competition in the electric utility industry through retail open access. The law provides for retail open access by most electric utilities, including Entergy Gulf States, on January 1, 2002. With retail open access, generation and a new retail provider operation will be competitive businesses, but transmission and distribution operations will continue to be regulated. The new retail provider function will be the primary point of contact with the customers for most services beyond initiation of electric service and restoration of service following an outage. The provisions of the new law:

- require a rate freeze through January 1, 2002 with frozen rates beyond that for residential and small commercial customers of incumbent utilities;
- require utilities to separate (unbundle) their generation, transmission and distribution, and retail electric provider functions. Entergy Gulf States filed its plan in January 2000 with the PUCT to separate its functions. The plan included separate transmission and distribution companies;
- require operation in a non-discriminatory manner of transmission and distribution facilities by an organization independent from the generation and retail operations by the time competition is implemented;
- allow for recovery of stranded costs incurred in purchasing power and providing electric generation service if the costs are approved by the PUCT;
- allow securitization of regulatory assets and stranded costs;
- provide for the determination of and mitigation measures for generation market power; and
- require utilities to file separated data and proposed transmission, distribution, and competition tariffs by April 1, 2000.

The market power measures include a limit on the ownership of generation assets by a power generation company within a specified region. The implications of this limit are uncertain for Entergy Gulf States and the Entergy system. However, it is possible that Entergy Gulf States could be required to divest some of its generation assets if Entergy Gulf States is found to have generation market power. The legislation also requires affected utilities to sell at auction, at least 60 days before January 1, 2002, entitlements to at least 15% of their installed generation capacity in Texas. The obligation to auction capacity entitlements continues for up to 60 months after January 1, 2002, or until 40% of customers in the jurisdiction have chosen an alternative supplier, whichever comes first.

The PUCT and various participants in the industry are currently in the process of implementing the legislation through various rulemaking and other proceedings. Two significant rules have been issued by the PUCT:

- A code of conduct was approved by the PUCT in December 1999 to ensure that utilities do not allow affiliates to have a business advantage over competitors. The rules allow the continuation of shared services affiliates, such as Entergy Operations and Entergy Services. Entergy adopted an internal code of conduct to ensure compliance with the new rules.
- Rules governing the separated costs filing have been issued. Included is a provision establishing, as an alternative to a market-based return on equity, a presumptively reasonable return on equity for a distribution utility at 200 basis points over its cost of debt. The provision allows the utility to provide evidence that the return should be higher. The rules also provide that the utility may propose a performance-based enhancement to the authorized rate of return, based on distribution and transmission company independence. Management does not agree with the arbitrary level set in the rule, and will seek a higher return in its separated costs filing. A workshop has been held by the PUCT to discuss opportunities to seek a performance-based return.

Louisiana

In March 1999, the LPSC deferred making a decision on whether competition in the electric industry is in the public interest. However, the LPSC staff, outside consultants, and counsel were directed to work together to analyze and resolve issues related to competition and then recommend a plan for its implementation to be considered by the LPSC by January 1, 2001. The LPSC staff, outside consultants, counsel, and industry members are working together to develop a plan to be submitted to the LPSC.

Mississippi

The MPSC issued a proposed transition plan in June 1998 and continues to hold periodic hearings and request informational filings regarding various potential effects of retail competition. In February 2000, legislation was introduced in Mississippi to establish a study committee to consider competition and provide a report to the legislature by December 1, 2000. Management does not expect deregulation in Mississippi to occur prior to 2003. See Note 2 to the financial statements for additional information.

New Orleans

In 1997, Entergy New Orleans filed an electric business restructuring plan with the Council. The Council has not established a procedural schedule to consider electricity restructuring or Entergy's plan. The Council is conducting hearings regarding retail gas competition. Entergy New Orleans has filed a plan in that proceeding outlining the conditions under which it could support retail gas competition. The outcome of this proceeding is uncertain.

Federal Regulatory and Legislative Activity

Open Access Transmission and Entergy's Transco Proposal

Competition within the wholesale electric energy market increased with the implementation of open access transmission. Open access allows any supplier to transmit electricity to its customers over transmission facilities owned by a different company. In 1996, FERC required all public utilities that it regulates to provide wholesale transmission access to third parties. FERC also required utilities to implement and maintain an open access same-time information system. Entergy's domestic utility companies made filings with FERC to comply with the FERC requirements.

FERC policy strongly favors independent control of transmission operations to enhance competitive wholesale power markets. In response to this policy, Entergy proposed the formation of a regional transmission company (Transco) and sought guidance from FERC on the proposal. The proposed Transco would be:

- a separate, independent, incentive-driven transmission company regulated by FERC;
- governed by an independent board of directors with no ties to Entergy or to any power market participant;
- composed of the transmission system assets transferred to it by the domestic utility companies and other transmission owners;
- operated and maintained by employees who would work exclusively for the Transco and would not be employed by Entergy or the domestic utility companies; and
- passively owned with no voting rights by the domestic utility companies and other members who transfer assets.

In July 1999, FERC responded to Entergy's proposal and stated that passive ownership of a Transco by a generating company or other market participant could meet FERC's current independence and governance requirements under certain circumstances. However, FERC raised concerns about the following issues regarding Entergy's proposal:

- the selection process for the Transco's board of directors;
- the Transco board's fiduciary obligations to the member companies;
- the ability of the Transco to raise additional capital; and
- restrictions on transactions between the Transco and the member companies.

Management expects to make additional filings during 2000 with federal, state, and local regulatory authorities addressing these and other issues and seeking necessary approvals for the formation of the Transco. If approved, the Transco could become operational in 2001.

In a rulemaking that will affect the Transco, FERC issued Order 2000 in December 1999. Order 2000 calls for owners and operators of transmission lines in the United States to join regional transmission organizations ("RTOs") on a voluntary basis. Order 2000 requires public utilities that own, operate, or control interstate transmission facilities to file by October 15, 2000 a proposal for how they intend to participate in an RTO or, alternatively, to describe the steps they have taken to do so or the reasons why it is not feasible to participate in an RTO. FERC's Order 2000 requires that RTOs be effective no later than December 15, 2001.

FERC is maintaining flexibility as to the structure of RTOs. For example, it appears that RTOs may be for-profit or not-for-profit and may be organized as joint ventures or legal entities of various types. However, RTOs will be required, among other things, to be independent market participants, to have sufficient regional scope to maintain reliability and efficiency, to be non-discriminatory in granting service, and to maintain operational control over their regional transmission systems.

The Transco, an independent, for-profit transmission company which has already been proposed to FERC by the domestic utility companies, is Entergy's preferred approach for complying with FERC's Order 2000. However, Entergy is also exploring other means for complying with Order 2000.

Deregulation legislation

Over the past several years, a number of bills have been introduced in the United States Congress to deregulate the generation function of the electric power industry. The bills generally have provisions that would give retail consumers the ability to choose their own electric service provider. Entergy Corporation has supported some deregulation legislation in Congress that would lead to an orderly transition to competition and would also repeal PUHCA and PURPA. Congressional sentiment appears to be against mandating retail competition by a certain date and in favor of clarifying state authority to order retail choice for consumers. Congress adjourned in 1999 without final action on a deregulation bill by a committee of the House or Senate.

Industrial and Commercial Customers

The domestic utility companies face the risk of losing customers due to competition. Some of their large industrial and commercial customers are exploring ways to reduce their energy costs. In particular, cogeneration is an option available to a significant portion of the domestic utility companies' industrial customer base. The domestic utility companies have responded by working with some industrial and commercial customers and negotiating electric service contracts that provide service at rates lower than would otherwise be charged. Despite these actions, Entergy Gulf States and Entergy Louisiana have lost revenue in recent years from large industrial customers who have completed cogeneration projects. However, material losses to cogeneration are not expected in 2000.

State and Local Rate Regulation

The retail regulatory basis for setting rates for electric service is shifting in some jurisdictions from traditional, exclusively cost-of-service regulation to include performance-based elements. Performance-based formula rate plans are designed to reward increased efficiency and productivity, with utility shareholders and customers sharing in the benefits. Entergy Mississippi and Entergy Louisiana have implemented performance-based rate plans. These companies made the following filings resulting in rate reductions in 1999:

- Entergy Louisiana submitted its formula rate plan filing for the 1998 test year and implemented a rate reduction of approximately $15.0 million, effective August 1, 1999. Entergy Louisiana's filing is subject to further review by the LPSC, which may result in an additional change in rates.
- Entergy Mississippi implemented a $13.3 million rate reduction, effective May 1999, based on its formula rate plan filing for the 1998 test year. In June 1999, Entergy Mississippi revised its filing, resulting in an additional rate reduction of approximately $1.5 million, effective July 1999.

All of the domestic utility companies have recently been ordered to grant base rate reductions and have refunded or credited customers for previous overcollections of rates. The continuing pattern of rate reductions reflects completion of rate phase-in plans, lower costs of service ordered by regulators, and lower authorized returns on common equity. The domestic utility companies' retail and wholesale rate matters and proceedings are discussed more thoroughly in Note 2 to the financial statements.

Other Electric Utility Trends

Utility mergers and joint ventures involving domestic and overseas companies are another continuing trend in the industry. In some areas of the country, utilities have either sold or are attempting to sell all or a substantial portion of their generation assets in order to focus their businesses on transmission and/or distribution services. Entergy, through its global power development and non-utility nuclear power businesses, intends to expand its generation business. While the global power development business is focused on building new power plants or modifying existing plants, the nuclear business expansion plan focuses on acquiring generation assets of other utilities.

In some areas of the United States, municipalities are exploring the possibility of establishing their own electric distribution systems, which would result in both residential and large industrial customers leaving some investor-owned utilities. If the efforts of a municipality are successful, the investor-owned utility may be unable to recover some costs incurred for the purpose of serving those customers.

Continued Application of SFAS 71 and Stranded Cost Exposure

The domestic utility companies' and System Energy's financial statements primarily reflect assets and costs based on existing cost-based ratemaking regulation in accordance with SFAS 71, "Accounting for the Effects of Certain Types of Regulation." Under traditional ratemaking practice, regulated electric utilities are granted exclusive geographic franchises to sell electricity. In return, the utilities are obligated to make investments and incur obligations to serve customers. Prudently incurred costs are recovered from customers along with a return on investment. Regulators may require utilities to defer collecting from customers some operating costs until a future date. These deferred costs are recorded as regulatory assets in the financial statements. In order to continue applying SFAS 71 to its financial statements, a utility's rates must be set by an independent regulator on a cost-of-service basis and the rates must be charged to and collected from customers.

As the generation portion of the utility industry moves toward competition, it is likely that generation rates will no longer be set on a cost-of-service basis. When that occurs, the generation portion of the business could be required to discontinue application of SFAS 71. The result of discontinuing application of SFAS 71 could be the recording of asset impairments and the removal of regulatory assets and liabilities from the balance sheet. Management believes that definitive outcomes have not yet been determined regarding the transition to competition in each of Entergy's jurisdictions. Therefore, the regulated operations of the domestic utility companies and System Energy continue to apply SFAS 71. Arkansas and Texas have enacted retail open access laws as described above, but Entergy believes that significant issues remain to be addressed by Arkansas and Texas regulators, and the enacted laws do not provide sufficient detail to determine definitively the impact on Entergy Arkansas' and Entergy Gulf States' regulated operations.

As Entergy's domestic utility companies move toward competition, there are costs or commitments that have been incurred under a regulated pricing system that might be impaired or not recovered in a competitive market. These costs are referred to as stranded costs. The restructuring laws enacted in Arkansas and Texas provide an opportunity for the recovery of stranded costs following review and approval by the APSC or the PUCT. Nearly all of Entergy's exposure to stranded costs involves commitments that were approved by regulators. These exposures include the following:

- the allowed cost of constructing its nuclear generating plants (the domestic utility companies' net investment in nuclear generation is provided in Note 1 to the financial statements);
- long-term contracts to purchase power under the Unit Power Sales Agreement and associated with the Vidalia project, which may require paying above-market prices in a competitive environment (detail concerning these obligations is provided in Note 9 to the financial statements);
- nuclear power plant decommissioning costs (detail concerning these costs is provided in Note 9 to the financial statements);
- the construction cost of some fossil-fueled generating plants and related contracts to buy fuel that may be above-market price in a competitive market (detail concerning the domestic utility companies' net investment in generation other than nuclear, which is primarily fossil fueled, is provided in Note 1 to the financial statements, and detail concerning certain fuel contracts is provided in Note 9 to the financial statements); and
- regulatory assets reflected in the balance sheets.

As of December 31, 1999, the amount of these potentially strandable costs for Entergy reflected in the financial statements is approximately $1.8 billion at Entergy Arkansas, $3.3 billion at Entergy Gulf States, $2.5 billion at Entergy Louisiana, and $0.3 billion at Entergy Mississippi. The estimated net present value of the obligations described above that are not reflected in the balance sheets for Entergy is approximately $0.9 billion at Entergy Arkansas, $0.4 billion at Entergy Gulf States, $1.5 billion at Entergy Louisiana, $0.6 billion at Entergy Mississippi, and $0.3 billion at Entergy New Orleans. In the normal course of business, depreciation, amortization, and payments under the contractual obligations will continue to reduce these amounts. The actual amount of these costs and obligations that will be identified as stranded will be determined in regulatory proceedings. These proceedings will commence in Arkansas and Texas in 2000. The outcome of the proceedings cannot be predicted and will depend upon a number of variables, including the timing of stranded cost determination, the values attributable to certain strandable assets, assumptions concerning future market prices for electricity, and other factors. In addition, because transition legislation or regulation is not in place in Louisiana, Mississippi, or New Orleans, Entergy cannot predict how those jurisdictions will treat stranded costs and whether Entergy will be able to recover all or a part of the costs in those jurisdictions.

Until the proceedings in Arkansas and Texas provide a greater level of certainty, it is anticipated that both Entergy Arkansas and Entergy Gulf States will continue to apply SFAS 71 to their regulated operations. SFAS 71 will continue to be applied in the Louisiana, Mississippi, and New Orleans jurisdictions pending legislative or regulatory developments relating to transition to competition. If SFAS 71 is no longer applied by the respective domestic utility companies and System Energy, and regulation or legislation does not allow for recovery of all or a portion of its stranded costs, there could be a material adverse impact on the respective domestic utility companies' and Entergy's financial statements. However, Entergy believes that the amount of costs that will be stranded without a means of recovery or mitigation for the domestic utility companies will be significantly less than the amounts referred to above. The application of SFAS 71 is discussed more thoroughly in Note 1 to the financial statements.

Year 2000 Issues

Entergy did not experience any significant problems in operations due to the rollover to year 2000, and there were no power outages caused by the rollover. Entergy will continue to monitor additional dates during 2000 that could be affected by the rollover to year 2000, but does not expect material problems based on its testing and the results of the January 1, 2000 rollover.

Management expects to spend approximately $54 million for maintenance and modification costs related to year 2000 issues between 1998 and mid-2000. Entergy has incurred approximately $51 million of this total through December 1999. The maintenance or modification costs associated with year 2000 compliance are expensed as incurred, while the costs of new software are capitalized and amortized over the software's useful life. The costs are being funded through operating cash flows. In certain of Entergy's jurisdictions, the expenses have been deferred and will be recovered from ratepayers into 2002. Total capitalized costs for projects accelerated due to year 2000 were estimated to be $20 million, which is the amount Entergy has incurred through December 1999.

Market Risks Disclosure

Entergy is exposed to the following market risks:

- the commodity price risk associated with its power marketing and trading business;
- the interest rate risk associated with certain of its variable rate credit facilities; and
- the interest rate and equity price risk associated with its investments in decommissioning trust funds.

Entergy's power marketing and trading business enters into sales and purchases of electricity and natural gas for delivery in the future. Because the market prices of electricity and natural gas can be volatile, Entergy's power marketing and trading business is exposed to risk arising from differences between the fixed prices in its commitments and fluctuating market prices. To mitigate its exposure, Entergy's power marketing and trading business enters into electricity and natural gas futures, swaps, option contracts, and electricity forward agreements. The business also manages its exposure with policies limiting its exposure to market risk and daily monitoring of its potential financial exposure.

Entergy's power marketing and trading business uses a value-at-risk model (VAR) as one measure of market risk for the traded portfolio. VAR acts in conjunction with stress testing, position reporting, and profit and loss reporting in order to measure and control the risk inherent in the traded portfolio. The primary use of VAR is to provide a benchmark for market risk contained in the trading portfolio. VAR does not function as a comprehensive measure of all risks in a portfolio. Furthermore, VAR is only an appropriate risk measure for products traded in relatively liquid markets.

Management's VAR methodology uses a variance/covariance approach to the measurement of market risk. The variance/covariance approach assumes that prices follow a "random-walk" process in which prices are lognormally distributed. This approach requires the following inputs:

- a one-tailed test with a 95% confidence interval that measures the probability of loss;
- a 20-day window for measuring volatility;
- cross-product correlation matrix that measures the tendency of different basis products to move together; and
- inter-temporal correlation matrix that measures the tendency of commodities with different delivery periods to move together.

Power marketing and trading's VAR was approximately $3.3 million as of December 31, 1999 and $6.1 million as of December 31, 1998. During 1999, the average month-end VAR was $3.7 million, with a high month-end VAR of $7.1 million and a low month-end VAR of $2.0 million.

Management's calculation of VAR exposure represents an estimate of reasonably possible net losses that would be recognized on its portfolio of derivative financial instruments, assuming hypothetical movements in prices. It does not represent the maximum possible loss or an expected loss that may occur, because actual future gains and losses will differ from those estimated based upon actual fluctuations in market rates, operating exposures, and the timing thereof, and changes in the portfolio of derivative financial instruments during the year.

Entergy uses interest rate swaps to reduce the impact of interest rate changes on certain variable-rate credit facilities associated with its global power development business. Under the interest rate swap agreements, Entergy receives floating-rate interest payments and pays fixed-rate interest rate payments over the life of the agreements. The floating-rate interest that Entergy receives is approximately equal to the interest it must pay on the variable-rate credit facilities. Therefore, through the use of the swap agreements, Entergy effectively achieves a fixed rate of interest on the credit facilities. These swaps are discussed more thoroughly in Note 7 to the financial statements.

Entergy is exposed to fluctuations in equity prices and interest rates through its nuclear decommissioning trust funds. The NRC requires Entergy to maintain trusts to fund the costs of decommissioning ANO 1, ANO 2, River Bend, Waterford 3, Grand Gulf, and Pilgrim. The funds are invested primarily in equity securities; fixed-rate, fixed-income securities; and cash and cash equivalents. Management believes that its exposure to market fluctuations will not affect results of operations for the ANO, River Bend, Grand Gulf, and Waterford 3 trust funds because of the application of regulatory accounting principles. The Pilgrim trust fund holds approximately $341 million of fixed-rate, fixed-income securities as of December 31, 1999. These securities have an average coupon rate of 6.67%, an average duration of 6.2 years, and an average maturity of 9.5 years. The Pilgrim trust fund also holds equity securities worth approximately $81 million as of December 31, 1999. These securities are held in a fund which is designed to approximate the Standard & Poor's 500 Index. The decommissioning trust funds are discussed more thoroughly in Notes 1 and 9 to the financial statements.

Report of Independent Accountants

To the Board of Directors and Shareholders of
Entergy Corporation:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, of retained earnings, comprehensive income and paid-in-capital and of cash flows present fairly, in all material respects, the financial position of Entergy Corporation and its subsidiaries at December 31, 1999 and 1998, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1999 in conformity with accounting principles generally accepted in the United States. 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 of these statements in accordance with auditing standards generally accepted in the United States, which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP

New Orleans, Louisiana
February 17, 2000

ENTERGY CORPORATION AND SUBSIDIARIES
MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS
RESULTS OF OPERATIONS

Entergy's results of operations are discussed in two business categories, "Domestic Utility Companies and System Energy" and "Competitive Businesses." Domestic Utility Companies and System Energy is Entergy's predominant business segment, contributing 73% of Entergy's operating revenue and 93% of its net income in 1999. Competitive Businesses include the following segments detailed in Note 14 to the financial statements: power marketing and trading, Entergy London, CitiPower, and all other. "All other" principally includes global power development, non-utility nuclear power, and the parent company, Entergy Corporation. The elimination of power marketing and trading mark-to-market profits on intercompany power transactions is also included in all other. Note 14 to the financial statements provides a detailed breakdown of financial information by business segment.

Net income for the year ended December 31, 1998 reflected the results of operations for Entergy London, CitiPower, Efficient Solutions, Inc., Entergy Security, Inc., Entergy Power Edesur Holdings, and several telecommunications businesses. These businesses were sold between late 1998 and mid-1999, and are therefore not included in some or all of 1999's results of operations.

Net Income

Entergy Corporation's consolidated net income in 1999 decreased compared to 1998 primarily due to:

- the absence of London Electricity's results of operations in 1999 because of the sale of the business in December 1998; and
- the gains on the sales of London Electricity and CitiPower reflected in 1998 results.

The decrease is partially offset by gains on the sales of other businesses in 1999, the loss on Efficient Solutions reflected in 1998 results, a 5% increase in domestic utility net income, and a reduction in the net loss for the power marketing and trading business.

Entergy Corporation's consolidated net income in 1998 increased compared to 1997 primarily due to the gains on the sales of London Electricity and CitiPower and the UK windfall profits tax reflected in 1997 results.

Domestic Utility Companies and System Energy

Revenues and Sales

The changes in electric operating revenues for Entergy's domestic utility companies and System Energy for 1999 and 1998 are as follows:

Description	Increase/(Decrease) 1999	1998
	(In Millions)	
Base revenues	$81.2	($290.3)
Rate riders	(164.1)	(108.6)
Fuel cost recovery	188.7	(80.6)
Sales volume/weather	5.3	187.3
Other revenue (including unbilled)	74.3	(191.0)
Sales for resale	(50.3)	80.7
Total	$135.1	($402.5)

Base revenues

In 1999, base revenues increased $81.2 million primarily due to:

- a $93.6 million reversal in June 1999 of regulatory reserves associated with the accelerated amortization of accounting order deferrals in conjunction with the settlement agreement in Entergy Gulf States' Texas November 1996 and 1998 rate filings. The settlement agreement was approved by the PUCT in June 1999. The net income effect of this reversal is largely offset by the amortization of rate deferrals discussed below; and
- a reduction in the amount of reserves recorded in 1999 at Entergy Gulf States compared to 1998 for the anticipated effects of rate proceedings in Texas.

Partially offsetting these increases were:

- annual base rate reductions implemented for Entergy Gulf States' Louisiana and Texas retail customers in 1998 and 1999 and Entergy Mississippi customers in 1999; and
- reserves recorded by Entergy Gulf States' Louisiana jurisdiction, Entergy Louisiana, and Entergy New Orleans in 1999 for potential rate actions or rate refunds.

In 1998, base revenues decreased primarily due to base rate reductions, reserves for refunds, and other regulatory adjustments totaling $216.5 million ($129.0 million net of tax) at Entergy Gulf States.

These rate reductions and other pending rate proceedings are discussed in Note 2 to the financial statements.

Rate rider revenues

Rate rider revenues do not affect net income because specific incurred expenses offset them.

In 1999, rate rider revenues decreased $164.1 million due to a revised Grand Gulf rider implemented at Entergy Arkansas and Entergy Mississippi. The revised rider eliminated revenues attributable to the Grand Gulf phase-in plans, which were completed in 1998, and implemented the Grand Gulf Accelerated Recovery Tariff (GGART), allowing accelerated recovery and payment of a portion of the two companies' Grand Gulf purchased power obligations. The tariffs became effective in January 1999 and October 1998, respectively.

In 1998, rate rider revenues decreased $108.6 million due to the decline in the Grand Gulf 1 cost recovery rate rider revenues at Entergy Arkansas, reflecting scheduled reductions in the phase-in plan that was completed in November 1998. Rate rider revenues also decreased due to reductions required by the settlement agreement between the APSC and Entergy Arkansas. The settlement agreement with the APSC is discussed in Note 2 to the financial statements.

Fuel cost recovery revenues

Fuel cost recovery revenues do not affect net income because they are an increase to revenues that are offset by specific incurred fuel costs.

In 1999, fuel cost recovery revenues increased $188.7 million primarily due to:

- an increased fuel factor and a new fuel surcharge implemented in Entergy Gulf States' Texas jurisdiction in 1999;
- recovery of higher-priced fuel and purchased power costs at Entergy Louisiana due to nuclear outages at Waterford 3 in 1999; and
- an increase in the energy cost recovery rate effective April 1999 and the completion of a customer refund obligation in 1998 which lowered 1998 fuel cost recovery at Entergy Arkansas.

In 1998, fuel cost recovery revenues decreased $80.6 million primarily due to lower pricing at Entergy Louisiana resulting from a change in generation mix.

Sales volume

In 1998, sales volume increased $187.3 million as a result of significantly warmer weather at all of the domestic utility companies.

Other revenue

In 1999, other revenue increased $74.3 million primarily due to a change in estimated unbilled revenues for the domestic utility companies. The changed estimate more closely aligns the fuel component of unbilled revenues with regulatory treatment. This change is expected to affect comparisons to applicable prior period amounts through the first quarter of 2000. Comparative impacts are also affected by seasonal variations in demand.

In 1998, other revenue decreased $191 million primarily due to the revenue portion of the gain recognized in December 1997 on the settlement by Entergy Gulf States of litigation with Cajun, the effect of which was partially offset by regulatory reserves recorded at Entergy Gulf States in 1997. Other revenue also decreased due to unfavorable pricing of unbilled revenues resulting from rate reductions at Entergy Gulf States.

Sales for resale

In 1999, sales for resale decreased $50.3 million primarily due to the loss of certain municipal and co-op customer contracts at Entergy Arkansas.

In 1998, sales for resale increased due to increased sales to non-associated companies, particularly at Entergy Arkansas, and increased demand at Entergy Gulf States.

Expenses

Fuel and purchased power expenses

In 1999, fuel and purchased power expenses increased due to:

- higher gas and purchased power prices as well as increased gas usage at Entergy Arkansas and Entergy Louisiana;
- higher fuel recovery due to an increased fuel factor and fuel surcharge in Entergy Gulf States' Texas jurisdiction; and
- an increased energy cost recovery rate in 1999 and the completion of a customer refund obligation in 1998 which lowered 1998 fuel cost recovery at Entergy Arkansas.

These increases were partially offset by decreased fuel expenses at Entergy Mississippi as a result of lower total generation.

Other operation and maintenance expenses

In 1999, other operation and maintenance expenses increased primarily due to increased customer service and reliability improvements throughout the system, increases in storm damage accruals and loss reserves across the system, and increases in maintenance work at Entergy Arkansas and Entergy Mississippi.

In 1998, other operation and maintenance expenses increased primarily due to the 1997 settlement of litigation with Cajun, which resulted in the transfer of the 30% interest in River Bend owned by Cajun to Entergy Gulf States. Entergy Gulf States' operating expenses in 1998 included 100% of River Bend's operation and maintenance expenses, as compared to 70% of such expenses for the year ended December 31, 1997.

This increase was partially offset by decreased non-refueling outage related contract work and maintenance performed at Entergy Louisiana and lower contract labor, materials and supplies expense, and insurance and materials and supplies refunds at System Energy.

Depreciation and amortization expenses

In 1999, depreciation and amortization expenses decreased due to:

- lower depreciation at Entergy Gulf States as a result of the write-down of the River Bend abeyed plant as required by the Texas rate settlement and a review of plant in-service dates; and
- reduction in principal payments associated with the sale and leaseback in 1989 of a portion of Grand Gulf 1 at System Energy.

Other regulatory charges

In 1999, other regulatory charges decreased due to:

- lower accruals for transition costs in 1999 at Entergy Arkansas;
- a change in the amortization period for deferred River Bend finance charges in the Entergy Gulf States' Texas retail jurisdiction; and
- deferral of Year 2000 costs at Entergy Gulf States and Entergy Louisiana in accordance with an LPSC order.

These decreases were partially offset by increased charges at System Energy as a result of the implementation of the GGART at Entergy Arkansas and Entergy Mississippi.

In 1998, other regulatory charges increased primarily due to:

- additional accruals of $74.0 million ($45.0 million net of tax) for the transition cost account at Entergy Arkansas; and
- the decrease in the under-recovery of Grand Gulf 1-related costs at Entergy Mississippi.

The increase was partially offset by the $15.3 million ($9.3 million net of tax) reversal of 1997 reserves at Entergy Arkansas for previously deferred radioactive waste facility costs in December 1998.

Entergy Arkansas' settlement agreement with the APSC established the transition cost account to collect earnings in excess of an allowed return on equity for offset against potential stranded costs when retail access is implemented.

Amortization of rate deferrals

In 1999, amortization of rate deferrals decreased due to the completion of Grand Gulf 1 rate phase-in plans at Entergy Arkansas and Entergy Mississippi in 1998. These decreases were partially offset by increased amortization at Entergy Gulf States due to a reduction of accounting order deferrals in June 1999 in accordance with the Texas settlement agreement.

In 1998, amortization of rate deferrals decreased because of the completion of rate phase-in plans at Entergy Arkansas, Entergy Gulf States (Louisiana jurisdiction), and Entergy Mississippi.

Other

Other income

In 1999, other income increased primarily due to an increase in AFUDC resulting from an adjustment recorded in the third quarter of 1999 on certain capital projects.

In 1998, other income increased primarily due to lower reserves for regulatory adjustments recorded in 1998 than in 1997 at Entergy Gulf States.

This increase was partially offset by interest income related to the settlement by Entergy Gulf States of litigation with Cajun recorded in December 1997.

Interest charges

In 1999, interest on long-term debt decreased due to retirement and refinancing of long-term debt at the domestic utility companies and System Energy.

Other interest increased in 1999 primarily due to interest on the potential refund of System Energy's proposed rate increase.

In 1998, interest charges decreased due to the retirement of certain long-term debt at the domestic utility companies and System Energy.

Competitive Businesses

Revenues and Sales

Competitive business revenues decreased approximately $2.8 billion for the year ended December 31, 1999. The decrease was primarily due to the sales of Entergy London and CitiPower in 1998 and decreased sales revenues in the power marketing and trading business. The decreased sales revenues in the power marketing and trading business resulted from decreased electricity trading volume in the peak summer months in 1999 compared to 1998. However, the impact on net income from these decreased revenues was more than offset by decreased fuel and purchased power expenses as discussed below, resulting in a reduction in operating loss for this business for the year ended December 31, 1999. The decrease in revenues was partially offset by an increase for the non-utility nuclear business resulting primarily from acquisition and operation of the Pilgrim plant in 1999.

Competitive business revenues increased $2.4 billion in 1998 primarily due to increased sales volume in the power marketing and trading business. This business' volume increased dramatically in 1998 due to increased marketing efforts and significantly warmer weather. The impact on net income from these revenues is offset by increased power purchased for resale as discussed below.

Expenses

Fuel and purchased power expenses

Fuel and purchased power expenses decreased for the year ended December 31, 1999, primarily due to:

- the business sales previously discussed;
- decreased electricity trading volume in the power marketing and trading business; and
- a $44 million ($27 million net of tax) counterparty default incurred in 1998 by the power marketing and trading business.

These decreases are partially offset by increased gas trading volume in the power marketing and trading business.

In 1998, purchased power expenses increased primarily due to significantly increased power trading by the power marketing and trading business. The power marketing and trading business also incurred a $44 million ($27 million net of tax) counterparty default in 1998.

Other operation and maintenance expenses

Other operation and maintenance expenses decreased for the year ended December 31, 1999 primarily due to the business sales previously discussed. The decrease was partially offset by:

- an increase for the power marketing and trading business resulting primarily from increased risk management and back-office support; and
- an increase for the non-utility nuclear power business resulting primarily from acquisition and operation of the Pilgrim plant in 1999.

In 1998, other operation and maintenance expenses increased primarily due to:

- acquisition of security companies whose operation and maintenance expenses were included in 1998 but not in 1997; and
- higher transmission expenses for the power marketing and trading business due to significantly increased power trading sales volume.

Other

Other income

Other income decreased for the year ended December 31, 1999, due primarily to the gains recorded in 1998 on the sales of Entergy London of $327.3 million ($246.8 million net of tax) and CitiPower of $29.8 million ($19.3 million net of tax). The decrease was partially offset by the following:

- interest income of $58.5 million in 1999 on the proceeds of the sales of Entergy London and CitiPower;
- a $26.7 million ($17 million net of tax) gain on the sale of Entergy Power Edesur Holdings in June 1999;
- a $12.9 million ($8.0 million net of tax) gain on the sale of Entergy Hyperion Telecommunications in June 1999;

- a $22.0 million ($6.4 million net of tax) gain on the sale of Entergy Security, Inc. in January 1999, including a true-up recognized in December 1999;
- a $7.6 million ($4.9 million net of tax) favorable adjustment to the final sale price of CitiPower in January 1999;
- a $68.6 million ($35.9 million net of tax) loss on the sale of Efficient Solutions, Inc. (formerly Entergy Integrated Solutions, Inc.) in September 1998;
- $32.8 million ($21.3 million net of tax) of write-downs of Entergy's investments in two Asian projects in 1998; and
- favorable experience on warranty reserves for the businesses sold during 1998.

In 1998, other income increased primarily due to the gains recorded on the sales of Entergy London of $327.3 million ($246.8 million net of tax) and CitiPower of $29.8 million ($19.3 million net of tax).

This increase in 1998 was partially offset by:

- the $68.6 million ($35.9 million net of tax) loss on the sale of Efficient Solutions, Inc. in September 1998; and
- $32.8 million ($21.3 million net of tax) of write-downs of Entergy's investments in electric generation projects in Asia, one of which was sold.

Income taxes

The effective income tax rates for 1999, 1998, and 1997 were 37.5%, 25.3%, and 61.0%, respectively. The effective income tax rate increased in 1999 primarily due to the items discussed below that occurred in 1998. The increase was partially offset by the recording of deferred tax benefits in 1999 related to expected utilization of foreign tax credits.

The effective income tax rate decreased in 1998 principally due to:

- the UK windfall profits tax of $234.1 million at Entergy London recognized in 1997;
- the tax effects of the settlement by Entergy Gulf States of litigation with Cajun in 1997;
- recognition of $44 million of deferred tax benefits in 1998 related to expected utilization of Entergy's capital loss carryforwards; and
- a $31.7 million reduction in taxes because of reductions in the UK corporation tax rate from 31% to 30% in the third quarter of 1998.

These decreases were partially offset by a reduction in the UK corporation tax rate from 33% to 31% in 1997, which lowered taxes in 1997 by $64.7 million.

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	For the Years Ended December 31,		
	1999	1998	1997
	(In Thousands, Except Share Data)		
OPERATING REVENUES			
Domestic electric	$6,271,414	$6,136,322	$6,538,831
Natural gas	110,355	115,355	137,345
Steam products	15,852	43,167	43,664
Competitive businesses	2,375,607	5,199,928	2,819,086
TOTAL	8,773,228	11,494,772	9,538,926
OPERATING EXPENSES			
Operating and Maintenance:			
Fuel, fuel-related expenses, and gas purchased for resale	2,082,875	1,706,028	1,677,041
Purchased power	2,442,484	4,585,444	2,318,811
Nuclear refueling outage expenses	76,057	83,885	73,857
Other operation and maintenance	1,705,545	1,988,040	1,886,149
Decommissioning	45,988	46,750	52,552
Taxes other than income taxes	339,284	362,153	365,439
Depreciation and amortization	698,881	938,179	927,456
Other regulatory charges (credits) - net	8,113	35,136	(18,545)
Amortization of rate deferrals	122,347	237,302	421,803
TOTAL	7,521,574	9,982,917	7,704,563
OPERATING INCOME	1,251,654	1,511,855	1,834,363
OTHER INCOME (DEDUCTIONS)			
Allowance for equity funds used during construction	29,291	12,465	10,057
Gain on sale of assets - net	71,926	274,941	26,432
Miscellaneous - net	154,423	85,618	(236,340)
TOTAL	255,640	373,024	(199,851)
INTEREST AND OTHER CHARGES			
Interest on long-term debt	476,877	735,601	797,266
Other interest - net	82,471	65,047	51,624
Distributions on preferred securities of subsidiaries	18,838	42,628	21,319
Allowance for borrowed funds used during construction	(22,585)	(10,761)	(7,937)
TOTAL	555,601	832,515	862,272
INCOME BEFORE INCOME TAXES	951,693	1,052,364	772,240
Income taxes	356,667	266,735	471,341
CONSOLIDATED NET INCOME	595,026	785,629	300,899
Preferred dividend requirements and other	42,567	46,560	53,216
EARNINGS APPLICABLE TO COMMON STOCK	$552,459	$739,069	$247,683
Earnings per average common share:			
Basic and diluted	$2.25	$3.00	$1.03
Dividends declared per common share	$1.20	$1.50	$1.80
Average number of common shares outstanding:			
Basic	245,127,460	246,396,469	240,207,539
Diluted	245,326,883	246,572,328	240,347,697

See Notes to Financial Statements.

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,		
	1999	1998	1997
		(In Thousands)	
OPERATING ACTIVITIES			
Consolidated net income	$595,026	$785,629	$300,899
Noncash items included in net income:			
Gain on Cajun Settlement	-		(246,022)
Amortization of rate deferrals	122,347	237,302	421,803
Reserve for regulatory adjustments	10,531	130,603	381,285
Other regulatory charges (credits) - net	8,113	35,136	(18,545)
Depreciation, amortization, and decommissioning	744,869	984,929	980,008
Deferred income taxes and investment tax credits	(204,644)	(64,563)	(252,955)
Allowance for equity funds used during construction	(29,291)	(12,465)	(10,057)
Gain on sale of assets - net	(71,926)	(274,941)	(26,432)
Changes in working capital (net of effects from acquisitions and dispositions):			
Receivables	9,246	24,176	(99,411)
Fuel inventory	(1,359)	28,439	20,272
Accounts payable	35,233	31,229	181,243
Taxes accrued	158,733	58,505	143,151
Interest accrued	(56,552)	(37,937)	(9,849)
Deferred fuel	(71,072)	(18,993)	(28,412)
Other working capital accounts	45,285	43,209	(102,303)
Provision for estimated losses and reserves	(59,464)	(133,880)	(22,423)
Changes in other regulatory assets	(36,379)	(13,684)	28,016
Proceeds from settlement of Cajun litigation	-	-	102,299
Other	108,673	(49,996)	50,204
Net cash flow provided by operating activities	1,307,369	1,752,698	1,792,771
INVESTING ACTIVITIES			
Construction/capital expenditures	(1,195,750)	(1,143,612)	(847,223)
Allowance for equity funds used during construction	29,291	12,465	10,057
Nuclear fuel purchases	(137,649)	(102,747)	(89,237)
Proceeds from sale/leaseback of nuclear fuel	137,093	128,210	144,442
Proceeds from sale of businesses	351,082	2,275,014	54,153
Investment in other nonregulated/nonutility properties	(81,273)	(85,014)	(2,039,370)
Proceeds from notes receivable	956,356		-
Purchase of other temporary investments	(321,351)	(947,444)	-
Decommissioning trust contributions and realized change in trust assets	(61,766)	(73,841)	(68,139)
Other	(42,258)		(15,966)
Net cash flow provided by (used in) investing activities	(366,225)	63,231	(2,851,283)

See Notes to Financial Statements.

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,		
	1999	1998	1997
		(In Thousands)	
FINANCING ACTIVITIES			
Proceeds from the issuance of:			
Long-term debt	1,113,370	1,904,074	2,047,282
Preferred securities of subsidiary trusts and partnerships	-	-	382,323
Common stock	15,320	19,341	305,379
Retirement of:			
Long-term debt	(1,195,451)	(3,151,680)	(751,669)
Repurchase of common stock	(245,004)	(2,964)	-
Redemption of preferred stock	(98,597)	(17,481)	(124,367)
Changes in short-term borrowings - net	(165,506)	205,412	142,025
Dividends paid:			
Common stock	(291,483)	(373,441)	(438,183)
Preferred stock	(43,621)	(46,809)	(51,270)
Net cash flow provided by (used in) financing activities	(910,972)	(1,463,548)	1,511,520
Effect of exchange rates on cash and cash equivalents	(948)	1,567	(11,164)
Net increase in cash and cash equivalents	29,224	353,948	441,844
Cash and cash equivalents at beginning of period	1,184,495	830,547	388,703
Cash and cash equivalents at end of period	$1,213,719	$1,184,495	$830,547
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the period for:			
Interest - net of amount capitalized	$601,739	$833,728	$831,307
Income taxes	$373,537	$273,935	$390,238
Noncash investing and financing activities:			
Change in unrealized appreciation of decommissioning trust assets	$41,582	$46,325	$30,951
Treasury shares issued to acquire security business	-	-	$21,464
Net assets acquired from Cajun settlement	-	-	$319,056
Decommissioning trust fund acquired from Pilgrim acquisition	$471,284	-	-

See Notes to Financial Statements.

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
ASSETS

	December 31, 1999	December 31, 1998
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	$108,198	$386,764
Temporary cash investments - at cost, which approximates market	1,105,521	797,731
Total cash and cash equivalents	1,213,719	1,184,495
Other temporary investments - at cost, which approximates market	321,351	-
Notes receivable	2,161	959,328
Accounts receivable:		
Customer	290,331	280,648
Allowance for doubtful accounts	(9,507)	(10,300)
Other	207,898	197,362
Accrued unbilled revenues	298,616	245,350
Total receivables	787,338	713,060
Deferred fuel costs	240,661	169,589
Fuel inventory - at average cost	94,419	90,408
Materials and supplies - at average cost	392,403	374,674
Rate deferrals	30,394	37,507
Deferred nuclear refueling outage costs	58,119	37,138
Prepayments and other	78,567	77,749
TOTAL	3,219,132	3,643,948
OTHER PROPERTY AND INVESTMENTS		
Investment in subsidiary companies - at equity	214	214
Decommissioning trust funds	1,246,023	709,018
Non-utility property - at cost (less accumulated depreciation)	317,165	275,421
Non-regulated investments	198,003	487,586
Other - at cost (less accumulated depreciation)	16,714	16,041
TOTAL	1,778,119	1,488,280
UTILITY PLANT		
Electric	23,163,161	22,704,572
Plant acquisition adjustment	406,929	423,195
Property under capital lease	768,500	789,045
Natural gas	186,041	183,621
Steam products	-	80,537
Construction work in progress	1,500,617	911,278
Nuclear fuel under capital lease	286,476	282,595
Nuclear fuel	87,693	29,690
TOTAL UTILITY PLANT	26,399,417	25,404,533
Less - accumulated depreciation and amortization	10,898,661	10,075,951
UTILITY PLANT - NET	15,500,756	15,328,582
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
Rate deferrals	16,581	125,095
SFAS 109 regulatory asset - net	1,068,006	1,141,318
Unamortized loss on reacquired debt	198,631	191,786
Other regulatory assets	637,870	528,179
Long-term receivables	32,260	34,617
Other	533,732	354,889
TOTAL	2,487,080	2,375,884
TOTAL ASSETS	$22,985,087	$22,836,694

See Notes to Financial Statements.

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31,	
	1999	1998
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	$194,555	$255,221
Notes payable	120,715	296,790
Accounts payable	707,678	522,072
Customer deposits	161,909	148,972
Taxes accrued	445,677	284,847
Accumulated deferred income taxes	72,640	31,976
Nuclear refueling outage costs	11,216	16,991
Interest accrued	129,028	185,688
Co-owner advances	7,018	4,073
Obligations under capital leases	178,247	176,270
Other	125,749	58,909
TOTAL	2,154,432	1,981,809
DEFERRED CREDITS AND OTHER LIABILITIES		
Accumulated deferred income taxes	3,310,340	3,538,332
Accumulated deferred investment tax credits	519,910	565,744
Obligations under capital leases	205,464	220,209
FERC settlement - refund obligation	37,337	43,159
Other regulatory liabilities	199,139	153,163
Decommissioning	703,453	243,400
Transition to competition	157,034	90,623
Regulatory reserves	378,307	674,310
Accumulated provisions	279,425	252,321
Other	535,156	498,989
TOTAL	6,325,565	6,280,250
Long-term debt	6,612,583	6,596,617
Preferred stock with sinking fund	69,650	167,523
Preference stock	150,000	150,000
Company-obligated mandatorily redeemable preferred securities of subsidiary trusts holding solely junior subordinated deferrable debentures	215,000	215,000
SHAREHOLDERS' EQUITY		
Preferred stock without sinking fund	338,455	338,455
Common stock, $.01 par value, authorized 500,000,000 shares; issued 247,082,345 shares in 1999 and 246,829,076 shares in 1998	2,471	2,468
Paid-in capital	4,636,163	4,630,609
Retained earnings	2,786,467	2,526,888
Accumulated other comprehensive loss:		
Cumulative foreign currency translation adjustment	(68,782)	(46,739)
Net unrealized investment losses	(5,023)	-
Less - treasury stock, at cost (8,045,434 shares in 1999 and 208,907 shares in 1998)	231,894	6,186
TOTAL	7,457,857	7,445,495
Commitments and Contingencies (Notes 2, 9,10, and 11)		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$22,985,087	$22,836,694

See Notes to Financial Statements.

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF RETAINED EARNINGS, COMPREHENSIVE INCOME, AND PAID-IN CAPITAL

	For the Years Ended December 31,					
	1999		1998		1997	
			(In Thousands)			
RETAINED EARNINGS						
Retained Earnings - Beginning of period	$2,526,888		$2,157,912		$2,341,703	
Add - Earnings applicable to common stock	552,459	$552,459	739,069	$739,069	247,683	$247,683
Deduct:						
Dividends declared on common stock	294,352		369,498		432,268	
Capital stock and other expenses	(1,472)		595		(794)	
Total	292,880		370,093		431,474	
Retained Earnings - End of period	$2,786,467		$2,526,888		$2,157,912	
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS):						
Balance at beginning of period	($46,739)		($69,817)		$21,725	
Foreign currency translation adjustments	(22,043)	(22,043)	23,078	23,078	(91,542)	(91,542)
Net unrealized investment losses	(5,023)	(5,023)	-	-	-	-
Balance at end of period	($73,805)		($46,739)		($69,817)	
Comprehensive Income		$525,393		$762,147		$156,141
PAID-IN CAPITAL						
Paid-in Capital - Beginning of period	$4,630,609		$4,613,572		$4,320,591	
Add:						
Gain on reacquisition of subsidiaries' preferred stock	-		-		273	
Common stock issuances related to stock plans	5,554		17,037		292,870	
Total	5,554		17,037		293,143	
Deduct:						
Capital stock discount and other expenses	-		-		162	
Total	-		-		162	
Paid-in Capital - End of period	$4,636,163		$4,630,609		$4,613,572	

See Notes to Financial Statements.

ENTERGY CORPORATION AND SUBSIDIARIES

SELECTED FINANCIAL DATA - FIVE-YEAR COMPARISON

	1999	1998 (1)	1997 (2)	1996 (3)	1995
	(In Thousands, Except Percentages and Per Share Amounts)				
Operating revenues	$ 8,773,228	$ 11,494,772	$ 9,538,926	$ 7,163,526	$ 6,273,072
Consolidated net income	$ 595,026	$ 785,629	$ 300,899	$ 490,563	$ 562,534 (5)
Earnings per share					
Basic and Diluted	$ 2.25	$ 3.00	$ 1.03	$ 1.83	$ 2.13 (5)
Dividends declared per share	$ 1.20	$ 1.50	$ 1.80	$ 1.80	$ 1.80
Return on average common equity	7.77%	10.71%	3.71%	6.41%	8.11%
Book value per share, year-end	$ 29.78	$ 28.82	$ 27.23	$ 28.51	$ 28.41
Total assets	$ 22,985,087	$ 22,836,694	$ 27,000,700	$ 22,956,025	$22,265,930
Long-term obligations (4)	$ 7,252,697	$ 7,349,349	$ 10,154,330	$ 8,335,150	$ 7,484,248

(1) Includes the effects of the sale of London Electricity and CitiPower in December 1998.

(2) Includes the effects of the London Electricity acquisition in February 1997.

(3) Includes the effects of the CitiPower acquisition in January 1996.

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

(5) Represents income before cumulative effect of accounting changes.

	1999	1998	1997	1996	1995
	(Dollars In Thousands)				
Operating Revenues:					
Residential	$2,231,091	$2,299,317	$2,271,363	$2,277,647	$2,177,348
Commercial	1,502,267	1,513,050	1,581,878	1,573,251	1,491,818
Industrial	1,878,363	1,829,085	2,018,625	1,987,640	1,810,045
Governmental	163,403	172,368	171,773	169,287	154,032
Total retail	5,775,124	5,813,820	6,043,639	6,007,825	5,633,243
Sales for resale	397,844	448,842	359,881	376,011	334,874
Other (1)	98,446	(126,340)	135,311	67,104	119,901
Total	$6,271,414	$6,136,322	$6,538,831	$6,450,940	$6,088,018
Billed Electric Energy Sales (GWH):					
Residential	30,631	30,935	28,286	28,303	27,704
Commercial	23,775	23,177	21,671	21,234	20,719
Industrial	43,549	43,453	44,649	44,340	42,260
Governmental	2,564	2,659	2,507	2,449	2,311
Total retail	100,519	100,224	97,113	96,326	92,994
Sales for resale	9,714	11,187	9,707	10,583	10,471
Total	110,233	111,411	106,820	106,909	103,465

(1) 1998 includes the effect of a reserve for rate refund at Entergy Gulf States.

Report of Independent Accountants

To the Board of Directors and Shareholders of
Entergy Arkansas, Inc.:

In our opinion, the accompanying balance sheets and the related statements of income, of retained earnings and of cash flows present fairly, in all material respects, the financial position of Entergy Arkansas, Inc. at December 31, 1999 and 1998, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1999 in conformity with accounting principles generally accepted in the United States. 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 of these statements in accordance with auditing standards generally accepted in the United States, which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP

New Orleans, Louisiana
February 17, 2000

RESULTS OF OPERATIONS

Net Income

Net income decreased in 1999 primarily due to decreased electric operating revenues and increased operation and maintenance expenses, partially offset by lower regulatory charges.

Net income decreased in 1998 primarily due to decreased electric operating revenues which were partially offset by lower operation and maintenance expenses and lower interest charges.

Revenues and Sales

The changes in electric operating revenues for the twelve months ended December 31, 1999 and 1998 are as follows:

Description	Increase/(Decrease) 1999	1998
	(In Millions)	
Base revenues	$4.5	($7.0)
Rate riders	(68.2)	(106.0)
Fuel cost recovery	36.4	(21.8)
Sales volume/weather	3.8	55.8
Other revenue (including unbilled)	(25.2)	11.4
Sales for resale	(18.1)	(39.4)
Total	($66.8)	($107.0)

Rate riders

Rate rider revenues have no material effect on net income because specific incurred expenses offset them.

In 1999, rate rider revenues decreased as a result of a revised Grand Gulf rider, which includes the completion of the Grand Gulf 1 phase-in plan in November 1998, partially offset by the Grand Gulf Accelerated Recovery Tariff (GGART). The GGART is designed to allow Entergy Arkansas to pay down a portion of its Grand Gulf purchased power obligation in advance of the implementation of retail access in Arkansas. The rider and GGART became effective with the first billing cycle in January 1999. The GGART is discussed further in Note 2 to the financial statements.

In 1998, rate rider revenues decreased primarily due to a decline in the Grand Gulf 1 cost recovery rate rider revenues. This decline reflects scheduled reductions in the phase-in plan, which was completed in November 1998, and reductions required by the settlement agreement with the APSC. This agreement is discussed in more detail in Note 2 to the financial statements.

Fuel cost recovery

Fuel cost recovery revenues do not affect net income because they are an increase to revenues that are offset by specific incurred fuel costs.

Fuel cost recovery revenues increased in 1999 due to an increase in the energy cost recovery factor, effective in April 1999, and the completion of a customer refund obligation in 1998, which lowered 1998 fuel cost recovery.

In 1998, fuel cost recovery revenues decreased due to unfavorable pricing resulting from a change to a fixed fuel factor in January 1998, partially offset by an increase in generation.

Other revenue

In 1999, other revenue decreased primarily as a result of a change in estimated unbilled revenues and, to a lesser extent, less favorable weather for the unbilled period of 1999. The changed estimate more closely aligns the fuel component of unbilled revenue with its regulatory treatment. The change in estimate is expected to affect comparisons of revenue applicable to prior period amounts through the first quarter of 2000. Comparative impacts are also affected by seasonal impacts on demand.

In 1998, other revenue, primarily unbilled, increased as a result of significantly warmer weather as compared to 1997.

Sales for resale

In 1999, sales for resale decreased due to the loss of certain municipal and co-op customer contracts.

In 1998, sales for resale decreased primarily due to a decrease in sales to associated companies. The decrease resulted from reduced generation due to outages at both ANO1 and ANO2 and restricted generation due to disruption in coal deliveries during the second quarter of 1998. This decrease was partially offset by an increase in sales revenue from non-associated companies as a result of short-term contracts with certain wholesale customers.

Expenses

Fuel and purchased power expenses

In 1999, fuel expenses increased primarily due to:

- higher-priced gas generation as a result of refueling outages at ANO1 and ANO2, a mid-cycle maintenance outage at ANO2, limited coal capability at White Bluff during parts of the year, and displacement of higher priced purchased power;
- increased purchased power costs due to higher market prices in July and August 1999; and
- an increase in the energy cost recovery rate in April 1999 and the completion of a customer refund obligation in 1998 which lowered 1998 fuel cost recovery.

The increase in the energy cost recovery rate allows Entergy Arkansas to recover previously under-recovered fuel expenses.

In 1998, fuel expenses decreased primarily due to the impact of the under-recovered deferred fuel cost in excess of the fixed fuel factor implemented in January 1998, billed to retail customers.

Other operation and maintenance

Other operation and maintenance expenses increased for 1999 primarily due to increased customer service costs related to tree trimming around power lines, increased employee pension and benefits costs, and increased plant maintenance costs.

Other regulatory charges

In 1999, other regulatory charges decreased primarily as a result of lower accruals for transition costs in 1999, partially offset by the 1998 reversal of the 1997 reserve recorded for the low-level radioactive waste facility.

In 1998, other regulatory charges increased as a result of additional accruals for the transition cost account, partially offset by a small over-recovery of Grand Gulf 1 related costs and the reversal of the 1997 reserve for previously deferred radioactive waste facility costs.

The transition cost account is discussed in more detail in Note 2 to the financial statements.

Amortization of rate deferrals

In 1999, amortization of rate deferrals decreased due to the November 1998 completion of the Grand Gulf 1 rate phase-in plan. These phase-ins had no material effect on net income.

In 1998, the amortization of Grand Gulf 1 rate deferrals decreased due to a decrease in the amortization prescribed in the Grand Gulf 1 rate phase-in plan, which was completed in November 1998.

Other

Other income

Other income decreased in 1999 due to reduced miscellaneous non-operating income, reduced other interest income, and the completion in 1998 of the amortization of Grand Gulf 1 carrying charges, which was partially offset by accruals for equity funds used during construction. Other interest income includes income from intercompany loans. The allowance for equity funds used during construction increased due to capital charges on projects in 1999.

Other income decreased in 1998 due to reduced Grand Gulf 1 carrying charges as a result of a decline in the deferral balance, which does not impact net income.

Interest charges

Interest charges decreased in 1999 due to the retirement of certain long-term debt and decreased borrowings for funds used during construction. These decreases were partially offset by an adjustment for interest expense on an income tax settlement from prior years.

Interest charges decreased in 1998 due to the retirement of certain long-term debt.

Income taxes

The effective income tax rates for 1999, 1998, and 1997 were 43.8 %, 39.1% and 31.6%, respectively.

The effective income tax rate increased in 1999 primarily is due to accelerated tax depreciation deductions, for which deferred taxes have not been normalized, reflecting a shorter tax life on certain assets.

The effective income tax rate increased in 1998 primarily due to the reversal of previously recorded AFUDC amounts included in depreciation.

ENTERGY ARKANSAS, INC.
INCOME STATEMENTS

	For the Years Ended December 31,		
	1999	1998	1997
		(In Thousands)	
OPERATING REVENUES			
Domestic electric	$1,541,894	$1,608,698	$1,715,714
OPERATING EXPENSES			
Operating and Maintenance:			
Fuel, fuel-related expenses, and gas purchased for resale	257,946	204,318	254,703
Purchased power	455,425	419,947	419,128
Nuclear refueling outage expenses	29,857	32,046	27,969
Other operation and maintenance	389,462	358,006	360,860
Decommissioning	10,670	15,583	17,306
Taxes other than income taxes	36,669	37,223	36,700
Depreciation and amortization	161,234	165,853	149,346
Other regulatory charges - net	5,230	45,658	29,686
Amortization of rate deferrals	-	75,249	153,141
TOTAL	1,346,493	1,353,883	1,448,839
OPERATING INCOME	195,401	254,815	266,875
OTHER INCOME			
Allowance for equity funds used during construction	12,866	5,921	3,563
Gain on sale of assets		1,777	113
Miscellaneous - net	3,622	12,292	18,550
TOTAL	16,488	19,990	22,226
INTEREST AND OTHER CHARGES			
Interest on long-term debt	80,800	86,772	95,122
Other interest - net	11,123	4,813	3,943
Distributions on preferred securities of subsidiary	5,100	5,100	5,100
Allowance for borrowed funds used during construction	(8,459)	(4,205)	(2,261)
TOTAL	88,564	92,480	101,904
INCOME BEFORE INCOME TAXES	123,325	182,325	187,197
Income taxes	54,012	71,374	59,220
NET INCOME	69,313	110,951	127,977
Preferred dividend requirements and other	10,854	10,201	10,988
EARNINGS APPLICABLE TO COMMON STOCK	$58,459	$100,750	$116,989

See Notes to Financial Statements.

ENTERGY ARKANSAS, INC.
STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,		
	1999	1998	1997
		(In Thousands)	
OPERATING ACTIVITIES			
Net income	$69,313	$110,951	$127,977
Noncash items included in net income:			
Amortization of rate deferrals		75,249	153,141
Other regulatory charges - net	5,230	45,658	29,686
Depreciation, amortization, and decommissioning	171,904	181,436	166,652
Deferred income taxes and investment tax credits	22,421	(12,293)	(77,814)
Allowance for equity funds used during construction	(12,866)	(5,921)	(3,563)
Gain on sale of assets		(1,777)	(113)
Changes in working capital:			
Receivables	40,375	61,143	(14,828)
Fuel inventory	(4,633)	8,317	29,150
Accounts payable	56,985	(7,911)	(25,451)
Taxes accrued	(30,054)	(8,742)	23,133
Interest accrued	(2,908)	(3,541)	1,201
Deferred fuel costs	(429)	(57,435)	(9,289)
Other working capital accounts	2,444	(6,845)	(931)
Provision for estimated losses and reserves	(8,116)	2,032	9,594
Changes in other regulatory assets	45,898	(13,029)	(7,150)
Other	(42,249)	41,499	33,374
Net cash flow provided by operating activities	313,315	408,791	434,769
INVESTING ACTIVITIES			
Construction expenditures	(238,009)	(190,459)	(140,913)
Allowance for equity funds used during construction	12,866	5,921	3,563
Nuclear fuel purchases	(32,517)	(45,845)	(59,104)
Proceeds from sale/leaseback of nuclear fuel	32,517	42,055	59,065
Decommissioning trust contributions and realized change in trust assets	(17,746)	(25,929)	(24,956)
Net cash flow used in investing activities	(242,889)	(214,257)	(162,345)
FINANCING ACTIVITIES			
Proceeds from issuance of:			
Long-term debt			129,564
Retirement of:			
Long-term debt	(39,607)	(151,424)	(117,587)
Redemption of preferred stock	(22,666)	(9,000)	(9,000)
Dividends paid:			
Common stock	(82,700)	(92,600)	(128,600)
Preferred stock	(11,696)	(10,407)	(11,194)
Net cash flow used in financing activities	(156,669)	(263,431)	(136,817)
Net increase (decrease) in cash and cash equivalents	(86,243)	(68,897)	135,607
Cash and cash equivalents at beginning of period	93,105	162,002	26,395
Cash and cash equivalents at end of period	$6,862	$93,105	$162,002
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the period for:			
Interest - net of amount capitalized	$94,872	$95,050	$98,013
Income taxes	$61,273	$91,407	$111,394
Noncash investing and financing activities:			
Change in unrealized appreciation of decommissioning trust assets	$22,980	$26,782	$22,343

See Notes to Financial Statements.

ENTERGY ARKANSAS, INC.
BALANCE SHEETS
ASSETS

	December 31, 1999	December 31, 1998
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	$6,862	$9,814
Temporary cash investments - at cost, which approximates market	-	83,291
Total cash and cash equivalents	6,862	93,105
Accounts receivable:		
Customer	73,357	72,234
Allowance for doubtful accounts	(1,768)	(1,753)
Associated companies	27,073	50,145
Other	5,583	4,510
Accrued unbilled revenues	53,600	73,083
Total receivables	157,845	198,219
Deferred fuel costs	41,620	41,191
Fuel inventory - at average cost	24,485	19,852
Materials and supplies - at average cost	85,612	89,033
Deferred nuclear refueling outage costs	28,119	17,787
Prepayments and other	6,480	5,557
TOTAL	351,023	464,744
OTHER PROPERTY AND INVESTMENTS		
Investment in subsidiary companies - at equity	11,215	11,213
Decommissioning trust funds	344,011	303,286
Non-utility property - at cost (less accumulated depreciation)	1,463	1,468
Other - at cost (less accumulated depreciation)	3,033	3,602
TOTAL	359,722	319,569
UTILITY PLANT		
Electric	4,854,433	4,731,699
Property under capital lease	44,471	49,415
Construction work in progress	267,091	201,853
Nuclear fuel under capital lease	85,725	95,589
Nuclear fuel	9,449	-
TOTAL UTILITY PLANT	5,261,169	5,078,556
Less - accumulated depreciation and amortization	2,401,021	2,275,170
UTILITY PLANT - NET	2,860,148	2,803,386
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
SFAS 109 regulatory asset - net	192,344	248,275
Unamortized loss on reacquired debt	48,193	51,747
Other regulatory assets	106,959	96,927
Other	14,125	22,003
TOTAL	361,621	418,952
TOTAL ASSETS	$3,932,514	$4,006,651

See Notes to Financial Statements.

ENTERGY ARKANSAS, INC.
BALANCE SHEETS
LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31, 1999	December 31, 1998
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	$220	$1,094
Notes payable	667	667
Accounts payable:		
Associated companies	81,958	47,963
Other	102,959	79,969
Customer deposits	26,320	25,196
Taxes accrued	38,532	68,585
Accumulated deferred income taxes	38,649	24,162
Interest accrued	22,378	25,285
Co-owner advances	15,338	4,073
Obligations under capital leases	55,150	64,068
Other	11,598	16,183
TOTAL	393,769	357,245
DEFERRED CREDITS AND OTHER LIABILITIES		
Accumulated deferred income taxes	713,622	756,571
Accumulated deferred investment tax credits	94,852	98,768
Obligations under capital leases	75,045	80,936
Other regulatory liabilities	88,563	65,583
Transition to competition	109,933	90,623
Accumulated provisions	43,288	51,404
Other	51,080	56,400
TOTAL	1,176,383	1,200,285
Long-term debt	1,130,801	1,172,285
Preferred stock with sinking fund	-	22,027
Company-obligated mandatorily redeemable preferred securities of subsidiary trust holding solely junior subordinated deferrable debentures	60,000	60,000
SHAREHOLDERS' EQUITY		
Preferred stock without sinking fund	116,350	116,350
Common stock, $0.01 par value, authorized 325,000,000 shares; issued and outstanding 46,980,196 shares in 1999 and 1998	470	470
Paid-in capital	591,127	590,134
Retained earnings	463,614	487,855
TOTAL	1,171,561	1,194,809
Commitments and Contingencies (Notes 2, 9, and 10)		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$3,932,514	$4,006,651

See Notes to Financial Statements.

ENTERGY ARKANSAS, INC.
STATEMENTS OF RETAINED EARNINGS

	For the Years Ended December 31,		
	1999	1998	1997
	(In Thousands)		
Retained Earnings, January 1	$487,855	$479,705	$491,316
Add:			
Net income	69,313	110,951	127,977
Deduct:			
Dividends declared:			
Preferred stock	9,223	10,201	10,988
Common stock	82,700	92,600	128,600
Capital stock expenses and other	1,631	-	-
Total	93,554	102,801	139,588
Retained Earnings, December 31 (Note 8)	$463,614	$487,855	$479,705

See Notes to Financial Statements.

ENTERGY ARKANSAS, INC.

SELECTED FINANCIAL DATA - FIVE-YEAR COMPARISON

	1999	1998	1997	1996	1995
			(In Thousands)		
Operating revenues	$1,541,894	$1,608,698	$1,715,714	$1,743,433	$1,648,233
Net income	$ 69,313	$ 110,951	$ 127,977	$ 157,798	$ 136,665 (2)
Total assets	$3,932,514	$4,006,651	$4,106,877	$4,153,817	$4,204,415
Long-term obligations (1)	$1,265,846	$1,335,248	$1,419,728	$1,439,355	$1,423,804

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

(2) Represents income before cumulative effect of accounting changes.

	1999	1998	1997	1996	1995
			(Dollars In Thousands)		
Electric Operating Revenues:					
Residential	$533,245	$562,325	$551,821	$546,100	$542,862
Commercial	288,677	288,816	332,715	323,328	318,475
Industrial	335,824	330,016	372,083	364,943	362,854
Governmental	14,606	14,640	18,200	16,989	17,084
Total retail	1,172,352	1,195,797	1,274,819	1,251,360	1,241,275
Sales for resale:					
Associated companies	178,150	149,603	213,845	248,211	178,885
Non-associated companies	193,449	240,090	215,249	207,887	195,844
Other	(2,057)	23,208	11,801	35,975	32,229
Total	$1,541,894	$1,608,698	$1,715,714	$1,743,433	$1,648,233
Billed Electric Energy Sales (GWH):					
Residential	6,493	6,613	5,988	6,023	5,868
Commercial	4,880	4,773	4,445	4,390	4,267
Industrial	7,054	6,837	6,647	6,487	6,314
Governmental	237	233	239	234	243
Total retail	18,664	18,456	17,319	17,134	16,692
Sales for resale:					
Associated companies	7,592	6,500	9,557	10,471	8,386
Non-associated companies	4,868	5,948	6,828	6,720	5,066
Total	31,124	30,904	33,704	34,325	30,144

Report of Independent Accountants

To the Board of Directors and Shareholders of
Entergy Gulf States, Inc.:

In our opinion, the accompanying balance sheets and the related statements of income, of retained earnings and of cash flows present fairly, in all material respects, the financial position of Entergy Gulf States, Inc. at December 31, 1999 and 1998, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1999 in conformity with accounting principles generally accepted in the United States. 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 of these statements in accordance with auditing standards generally accepted in the United States, which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP

New Orleans, Louisiana
February 17, 2000

Net Income

Net income increased in 1999 primarily due to increased unbilled revenues, decreased provisions for rate refunds in 1999, decreased depreciation and amortization expenses, and decreased interest expense, partially offset by increased operation and maintenance expenses.

Net income in 1998 would have increased approximately 19% compared to 1997, excluding the following net-of-tax items: rate reserves of $129.0 million recorded in 1998; rate reserves of $227.0 million recorded in 1997; the write-off of radioactive waste facilities of $7.4 million recorded in 1997; and the 1997 recording of $146.6 million to income relating to the settlement of litigation with Cajun. The increase in 1998, excluding these items, was due to decreased operating expenses, partially offset by increased income taxes.

Revenues and Sales

Electric operating revenues

The changes in electric operating revenues for the twelve months ended December 31, 1999 and 1998 are as follows:

Description	Increase/(Decrease) 1999	1998
	(In Millions)	
Base revenues	$146.4	($228.3)
Fuel cost recovery	104.9	1.6
Sales volume/weather	1.0	61.2
Other revenue (including unbilled)	31.3	(171.5)
Sales for resale	21.2	53.1
Total	$304.8	($283.9)

Base revenues

In 1999, base revenues increased due to:

- a $93.6 million reversal in June 1999 of regulatory reserves associated with the accelerated amortization of accounting order deferrals in conjunction with the settlement agreement in Entergy Gulf States' Texas November 1996 and 1998 rate filings. The settlement agreement was approved by the PUCT in June 1999. The net income effect of this reversal is largely offset by the amortization of rate deferrals discussed below; and
- a reduction in the amount of reserves recorded in 1999 compared to 1998 for the anticipated effects of rate proceedings in Texas.

Partially offsetting these increases were:

- annual base rate reductions of $87 million and $18 million that were implemented for Louisiana retail customers in February and August 1998, respectively;
- annual base rate reductions of $69 million and $4.2 million that were implemented for Texas retail customers in December 1998 and March 1999, respectively; and
- reserves recorded in the Louisiana jurisdiction in 1999 for the estimated outcomes of annual earnings reviews.

In 1998, base revenues decreased due to base rate reductions and reserves for refunds to Louisiana and Texas retail customers totaling $216.5 million ($129.0 million net of tax).

The LPSC and PUCT rate issues are discussed in Note 2 to the financial statements.

Fuel cost recovery

Fuel cost recovery revenues do not affect net income because they are an increase to revenues that are offset by specific incurred fuel costs.

In 1999, fuel cost recovery revenues increased due to a higher fuel factor in 1999 and a fuel surcharge implemented in February 1999 in the Texas jurisdiction. This increase was partially offset by reduced fuel recovery in the Louisiana jurisdiction primarily due to lower fuel and purchased power costs in 1999.

Sales volume

In 1998, sales volume increased due to significantly warmer weather and an increase in customer base.

Other revenue

In 1999, other revenue increased primarily due to a change in estimated unbilled revenues. The estimate more closely aligns the fuel component of unbilled revenues with regulatory treatment. This change is expected to affect comparisons of revenue to applicable prior period amounts through the first quarter of 2000. Comparative impacts are also affected by seasonal variations in demand.

In 1998, other revenue decreased primarily due to the revenue recognized on the gain on the settlement of litigation with Cajun in December 1997 for the transfer of Cajun's 30% of River Bend, the effect of which was partially offset by regulatory reserves recorded in 1997. Other revenue also decreased due to unfavorable pricing of unbilled revenues due to rate reductions.

Sales for resale

In 1999, sales for resale increased primarily due to increased sales to associated companies due to higher market prices and outages at affiliate plants in 1999.

In 1998, sales for resale increased primarily due to additional revenues related to the sale of energy from the 30% interest in River Bend transferred by the Cajun bankruptcy trustee to Entergy Gulf States in December 1997. Sales for resale also increased due to increased sales to non-associated utilities as a result of increased demand.

Gas and steam operating revenues

In 1999, gas operating revenues decreased primarily due to lower prices of gas purchased for resale as well as decreased usage as a result of warmer winter weather, particularly in the residential and commercial sectors.

Steam operating revenues decreased in 1999 due to a new lease arrangement for the Louisiana Station 1 generating facility that began in June 1999. Under the terms of this new lease, revenues are now classified as other income rather than steam operating revenues.

It is expected that less revenue will be realized under the new lease arrangement compared to the previous arrangement with the steam customer.

In 1998, gas operating revenues decreased due to a lower unit price for gas purchased for resale.

Expenses

Fuel and purchased power

In 1999, fuel and purchased power expenses increased due to:

- increased gas expenses resulting from a shift to gas generation during the first six months of 1999 because of the reduced availability of Nelson 6 and an extended refueling outage at River Bend;
- increased purchased power expenses due to higher market prices; and
- a higher fuel factor and fuel surcharge in the Texas jurisdiction in 1999.

In 1998, fuel and purchased power expenses decreased primarily due to favorable gas and nuclear fuel prices and a shift in the generation mix as a result of these prices. Continued under-recovery of deferred expenses also contributed to the decrease in fuel expenses.

Other operation and maintenance expenses

In 1999, other operation and maintenance expenses increased due to increased employee benefit expense, casualty reserve accruals, and customer service expenses, such as tree trimming.

In 1998, other operation and maintenance expenses increased as a result of the settlement of litigation with Cajun in December 1997, pursuant to which the 30% interest in River Bend owned by Cajun was transferred by the Cajun bankruptcy trustee to Entergy Gulf States. Entergy Gulf States now includes 100% of River Bend's operation and maintenance expenses in its operating expenses, as compared to 70% of such expenses for the year ended December 31, 1997.

Depreciation and amortization

In 1999, depreciation and amortization decreased due to:

- lower depreciation as a result of the write-down of the River Bend abeyed plant as required by the Texas rate settlement;
- reduced amortization of the River Bend Unit 2 cancellation loss as a result of the completion of amortization for the Louisiana portion of the loss and the reduction in amortization of the Texas portion in accordance with a PUCT rate order; and
- lower depreciation due to a review of plant in-service dates for consistency with regulatory treatment.

Other regulatory credits

In 1999, other regulatory credits increased due to:

- change in the amortization period for deferred River Bend finance charges for the Texas retail jurisdiction in accordance with the Texas settlement agreement; and

- deferral of Year 2000 costs in accordance with an LPSC order. These costs are to be amortized over a five-year period.

Amortization of rate deferrals

In 1999, the amortization of rate deferrals increased due to the reduction of accounting order deferrals in accordance with the June 1999 Texas settlement agreement. This settlement substantially reduced the unamortized balance of rate deferrals, while decreasing the amortization period for the remaining deferrals from a ten-year period to a three-year period.

In 1998, the amortization of rate deferrals decreased due to the completion in February of the Louisiana retail rate phase-in plan for River Bend.

Other

Other income

In 1998, other income increased primarily due to the 1997 reserve for regulatory adjustments of $311 million ($185.4 million net of tax). This increase was partially offset by interest income of $19.6 million ($11.6 million net of tax) related to the settlement of litigation with Cajun recorded in December 1997.

Interest charges

In 1999, interest charges decreased as a result of the retirement, redemption, and refinancing of certain long-term debt in 1998 and 1999, as well as lower accruals of interest on certain Louisiana fuel and earnings reviews in 1998.

Interest charges remained relatively unchanged in 1998. Total interest expense decreased as a result of the retirement, redemption, and refinancing of certain long-term debt in 1997 and 1998. This decrease was offset by an increase in other interest due to the interest component of the provisions recorded for anticipated rate refunds in Louisiana.

Income taxes

The effective income tax rates for 1999, 1998, and 1997 are 37.6%, 40.6%, and 27.2%, respectively.

The decrease in the effective income tax rate in 1999 is due to accelerated tax depreciation deductions, for which deferred taxes have not been normalized, reflecting a shorter tax life on certain assets.

The increase in the effective income tax rate in 1998 is due to a decrease in the flow-through of tax benefits related to operating reserves and the increased reversal of previously recorded AFUDC amounts included in depreciation.

ENTERGY GULF STATES, INC.
INCOME STATEMENTS

	For the Years Ended December 31,		
	1999	1998	1997
		(In Thousands)	
OPERATING REVENUES			
Domestic electric	$2,082,358	$1,777,584	$2,061,511
Natural gas	28,998	33,058	42,654
Steam products	15,852	43,167	43,664
TOTAL	2,127,208	1,853,809	2,147,829
OPERATING EXPENSES			
Operating and Maintenance:			
Fuel, fuel-related expenses, and gas purchased for resale	634,726	538,388	560,104
Purchased power	365,245	317,684	327,037
Nuclear refueling outage expenses	16,307	14,293	10,829
Other operation and maintenance	419,713	411,372	316,253
Decommissioning	7,588	3,437	8,855
Taxes other than income taxes	111,872	120,782	109,572
Depreciation and amortization	185,254	195,935	205,789
Other regulatory credits - net	(24,092)	(5,485)	(26,611)
Amortization of rate deferrals	89,597	21,749	105,455
TOTAL	1,806,210	1,618,155	1,617,283
OPERATING INCOME	320,998	235,654	530,546
OTHER INCOME (DEDUCTIONS)			
Allowance for equity funds used during construction	6,306	2,143	2,211
Gain on sale of assets	2,046	1,816	-
Miscellaneous - net	18,073	14,903	(272,135)
TOTAL	26,425	18,862	(269,924)
INTEREST AND OTHER CHARGES			
Interest on long-term debt	138,602	149,767	163,146
Other interest - net	6,994	21,016	10,026
Distributions on preferred securities of subsidiary	7,438	7,437	6,901
Allowance for borrowed funds used during construction	(5,776)	(1,870)	(1,829)
TOTAL	147,258	176,350	178,244
INCOME BEFORE INCOME TAXES	200,165	78,166	82,378
Income taxes	75,165	31,773	22,402
NET INCOME	125,000	46,393	59,976
Preferred dividend requirements and other	17,423	19,011	23,865
EARNINGS APPLICABLE TO COMMON STOCK	$107,577	$27,382	$36,111

See Notes to Financial Statements.

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ENTERGY GULF STATES, INC.
STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,		
	1999	1998	1997
		(In Thousands)	
OPERATING ACTIVITIES			
Net income	$125,000	$46,393	$59,976
Noncash items included in net income:			
Gain on Cajun Settlement	-	-	(246,022)
Amortization of rate deferrals	89,597	21,749	105,455
Reserve for regulatory adjustments	(97,953)	130,603	381,285
Other regulatory credits - net	(24,092)	(5,485)	(26,611)
Depreciation, amortization, and decommissioning	192,842	199,372	214,644
Deferred income taxes and investment tax credits	(1,495)	(29,174)	(52,486)
Allowance for equity funds used during construction	(6,306)	(2,143)	(2,211)
Gain on sale of assets	(2,046)	(1,816)	(1,399)
Changes in working capital:			
Receivables	9,791	65,527	(11,834)
Fuel inventory	(8,070)	7,426	7,382
Accounts payable	42,370	(6,135)	16,999
Taxes accrued	46,018	7,462	12,171
Interest accrued	(14,061)	(2,523)	(4,497)
Deferred fuel costs	(1,561)	12,861	(46,254)
Other working capital accounts	(10,954)	11,006	(11,765)
Provision for estimated losses and reserves	8,496	(4,207)	(5,852)
Changes in other regulatory assets	(59,242)	(3,226)	44,883
Proceeds from settlement of Cajun litigation	-	-	102,299
Other	56,817	458	(52,454)
Net cash flow provided by operating activities	345,151	448,148	483,709
INVESTING ACTIVITIES			
Construction expenditures	(199,076)	(136,960)	(132,566)
Allowance for equity funds used during construction	6,306	2,143	2,211
Nuclear fuel purchases	(53,293)	(1,977)	(25,522)
Proceeds from sale/leaseback of nuclear fuel	53,293	15,932	25,522
Decommissioning trust contributions and realized change in trust assets	(10,853)	(11,899)	(9,540)
Net cash flow used in investing activities	(203,623)	(132,761)	(139,895)
FINANCING ACTIVITIES			
Proceeds from issuance of:			
Long-term debt	122,906	21,600	-
Preferred securities of subsidiary trust	-	-	82,323
Retirement of:			
Long-term debt	(197,960)	(212,090)	(183,105)
Redemption of preferred stock	(25,931)	(8,481)	(93,367)
Dividends paid:			
Common stock	(107,000)	(109,400)	(77,200)
Preferred stock	(16,967)	(19,055)	(21,862)
Net cash flow used in financing activities	(224,952)	(327,426)	(293,211)
Net increase (decrease) in cash and cash equivalents	(83,424)	(12,039)	50,603
Cash and cash equivalents at beginning of period	115,736	127,775	77,172
Cash and cash equivalents at end of period	$32,312	$115,736	$127,775
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the period for:			
Interest - net of amount capitalized	$161,326	$173,599	$171,874
Income taxes	$28,410	$46,620	$50,477
Noncash investing and financing activities:			
Change in unrealized appreciation of decommissioning trust assets	$14,054	$10,410	$3,939
Net assets acquired from Cajun settlement	-	-	$319,056

See Notes to Financial Statements.

ENTERGY GULF STATES, INC.
BALANCE SHEETS
ASSETS

	December 31, 1999	December 31, 1998
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	$8,607	$11,629
Temporary cash investments - at cost, which approximates market	23,705	104,107
Total cash and cash equivalents	32,312	115,736
Accounts receivable:		
Customer	73,215	78,961
Allowance for doubtful accounts	(1,828)	(1,735)
Associated companies	1,706	23,250
Other	15,030	28,265
Accrued unbilled revenues	90,396	59,569
Total receivables	178,519	188,310
Deferred fuel costs	134,458	132,896
Fuel inventory - at average cost	38,271	30,201
Materials and supplies - at average cost	112,585	108,346
Rate deferrals	5,606	9,077
Prepayments and other	21,750	20,495
TOTAL	523,501	605,061
OTHER PROPERTY AND INVESTMENTS		
Decommissioning trust funds	234,677	209,770
Non-utility property - at cost (less accumulated depreciation)	187,759	165,272
Other - at cost (less accumulated depreciation)	13,681	12,426
TOTAL	436,117	387,468
UTILITY PLANT		
Electric	7,365,407	7,250,789
Property under capital lease	46,210	54,427
Natural gas	52,473	51,053
Steam products		80,537
Construction work in progress	145,492	105,121
Nuclear fuel under capital lease	70,801	46,572
TOTAL UTILITY PLANT	7,680,383	7,588,499
Less - accumulated depreciation and amortization	3,534,473	3,141,518
UTILITY PLANT - NET	4,145,910	4,446,981
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
Rate deferrals	5,606	89,333
SFAS 109 regulatory asset - net	385,405	376,406
Unamortized loss on reacquired debt	40,576	42,879
Other regulatory assets	140,157	89,914
Long-term receivables	32,260	34,617
Other	23,490	221,085
TOTAL	627,494	854,234
TOTAL ASSETS	$5,733,022	$6,293,744

See Notes to Financial Statements.

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

	December 31, 1999	December 31, 1998
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	$-	$71,515
Accounts payable:		
Associated companies	79,962	60,932
Other	114,444	91,102
Customer deposits	33,360	31,462
Taxes accrued	101,798	55,780
Accumulated deferred income taxes	27,960	21,260
Nuclear refueling outage costs	11,216	16,991
Interest accrued	28,570	42,631
Obligations under capital leases	51,973	34,343
Other	14,557	16,325
TOTAL	463,840	442,341
DEFERRED CREDITS AND OTHER LIABILITIES		
Accumulated deferred income taxes	1,098,882	1,081,598
Accumulated deferred investment tax credits	178,500	193,509
Obligations under capital leases	65,038	66,656
Other regulatory liabilities	20,089	30,287
Decommissioning	139,194	136,035
Transition to competition	47,101	-
Regulatory reserves	110,536	515,023
Accumulated provisions	69,395	60,899
Other	117,804	319,962
TOTAL	1,846,539	2,403,969
Long-term debt	1,631,581	1,631,658
Preferred stock with sinking fund	34,650	60,497
Preference stock	150,000	150,000
Company-obligated mandatorily redeemable preferred securities of subsidiary trust holding solely junior subordinated deferrable debentures	85,000	85,000
SHAREHOLDERS' EQUITY		
Preferred stock without sinking fund	51,444	51,444
Common stock, no par value, authorized 200,000,000 shares; issued and outstanding 100 shares in 1999 and 1998	114,055	114,055
Paid-in capital	1,153,131	1,152,575
Retained earnings	202,782	202,205
TOTAL	1,521,412	1,520,279
Commitments and Contingencies (Notes 2, 9, and 10)		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$5,733,022	$6,293,744

See Notes to Financial Statements.

ENTERGY GULF STATES, INC.
STATEMENTS OF RETAINED EARNINGS

	For the Years Ended December 31,		
	1999	1998	1997
	(In Thousands)		
Retained Earnings, January 1	$202,205	$284,165	$325,312
Add:			
Net income	125,000	46,393	59,976
Deduct:			
Dividends declared:			
Preferred and preference stock	16,784	19,011	21,862
Common stock	107,000	109,400	77,200
Preferred and preference stock redemption and other	639	(58)	2,061
Total	124,423	128,353	101,123
Retained Earnings, December 31 (Note 8)	$202,782	$202,205	$284,165

See Notes to Financial Statements.

ENTERGY GULF STATES, INC. AND SUBSIDIARIES

SELECTED FINANCIAL DATA - FIVE-YEAR COMPARISON

	1999	1998	1997	1996	1995
			(In Thousands)		
Operating revenues	$ 2,127,208	$ 1,853,809	$ 2,147,829	$2,019,181	$ 1,861,974
Net income (loss)	$ 125,000	$ 46,393	$ 59,976	$ (3,887)	$ 122,919
Total assets	$ 5,733,022	$ 6,293,744	$ 6,488,637	$6,421,179	$ 6,861,058
Long-term obligations (1)	$ 1,966,269	$ 1,993,811	$ 2,098,752	$2,226,329	$ 2,521,203

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

	1999	1998	1997	1996	1995
			(Dollars In Thousands)		
Electric Operating Revenues:					
Residential	$607,875	$605,759	$624,862	$612,398	$573,566
Commercial	430,291	422,944	452,724	444,133	412,601
Industrial	718,779	704,393	740,418	685,178	604,688
Governmental	28,475	35,930	33,774	31,023	25,042
Total retail	1,785,420	1,769,026	1,851,778	1,772,732	1,615,897
Sales for resale:					
Associated companies	38,416	14,172	14,260	20,783	62,431
Non-associated companies	109,132	112,182	59,015	76,173	67,103
Other (1)	149,390	(117,796)	136,458	56,300	43,533
Total	$2,082,358	$1,777,584	$2,061,511	$1,925,988	$1,788,964
Billed Electric Energy Sales (GWH):					
Residential	8,929	8,903	8,178	8,035	7,699
Commercial	7,310	6,975	6,575	6,417	6,219
Industrial	17,684	18,158	18,038	16,661	15,393
Governmental	425	560	481	438	311
Total retail	34,348	34,596	33,272	31,551	29,622
Sales for resale:					
Associated companies	677	380	414	656	2,935
Non-associated companies	3,408	3,701	1,503	2,148	2,212
Total Electric Department	38,433	38,677	35,189	34,355	34,769

(1) 1998 includes the effects of an Entergy Gulf States reserve for rate refund.

Report of Independent Accountants

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

In our opinion, the accompanying balance sheets and the related statements of income, of retained earnings and of cash flows present fairly, in all material respects, the financial position of Entergy Louisiana, Inc. at December 31, 1999 and 1998, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1999 in conformity with accounting principles generally accepted in the United States. 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 of these statements in accordance with auditing standards generally accepted in the United States, which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP

New Orleans, Louisiana
February 17, 2000

Net Income

Net income increased in 1999 primarily due to increases in unbilled revenue and other regulatory credits, and decreases in nuclear refueling outage expenses and interest charges, partially offset by increased provisions for rate refunds.

Net income increased in 1998 primarily due to a decrease in operating expenses, partially offset by a decrease in electric operating revenues and higher income taxes.

Revenues and Sales

The changes in electric operating revenues for the twelve months ended December 31, 1999 and 1998 are as follows:

Description	Increase/(Decrease) 1999	1998
	(In Millions)	
Base revenues	($48.7)	($35.0)
Fuel cost recovery	63.6	(95.4)
Sales volume/weather	(5.3)	30.8
Other revenue (including unbilled)	74.5	(3.2)
Sales for resale	11.6	10.4
Total	$95.7	($92.4)

Base revenues

In 1999, base revenues decreased primarily due to accruals for potential rate refunds.

In 1998, base revenues decreased due to base rate reductions that became effective in early 1998.

Fuel cost recovery revenues

Fuel cost recovery revenues do not affect net income because they are an increase to revenues that are offset by specific incurred fuel costs.

In 1999, fuel cost recovery revenues increased due to a shift from lower priced nuclear fuel to higher priced gas and purchased power due to nuclear outages at Waterford 3 in 1999.

In 1998, fuel cost recovery revenues decreased due to lower pricing resulting from a change in generation mix.

Sales volume/weather

In 1999, sales volume decreased primarily due to less favorable weather, partially offset by increased usage by residential and industrial customers.

In 1998, sales volume increased primarily due to significantly warmer weather. The increase in sales volume was partially offset by the loss of a large industrial customer as well as substantially lower sales to two other large industrial customers.

Other revenue

In 1999, other revenue increased primarily due to a change in estimated unbilled revenues. The changed estimate more closely aligns the fuel component of unbilled revenues with regulatory treatment. The change in estimate is expected to affect comparisons to applicable prior period amounts through the first quarter of 2000. Comparative impacts are also affected by seasonal variations in demand.

Sales for resale

In 1999, sales for resale increased as a result of increased sales to affiliates due to outages at affiliate plants, in addition to favorable unit prices.

In 1998, sales for resale increased as a result of an increase in sales to associated companies, primarily due to changes in generation requirements and availability among the domestic utility companies.

Expenses

Fuel and purchased power expenses

In 1999, fuel and purchased power expenses increased due to:

- higher gas prices;
- higher purchased power market prices; and
- a shift in generation from lower priced nuclear fuel to higher priced gas as a result of refueling and other outages at Waterford 3.

In 1998, fuel and purchased power expenses decreased due to:

- lower gas prices;
- a shift in mix to nuclear fuel; and
- shifting generation requirements in 1997 as a result of the extended refueling outage at Waterford 3.

Other operation and maintenance expenses

Other operation and maintenance expenses decreased in 1998 primarily due to:

- non-refueling outage related contract work at Waterford 3 during 1997;
- maintenance performed at Waterford 3 in 1997;
- the write-off of previously deferred radioactive waste facility costs in 1997; and
- expenses related to fire damage sustained at the Little Gypsy fossil plant in September 1997.

Nuclear refueling outage expenses

In 1999, nuclear refueling outage expenses decreased as a result of the amortization of higher outage expenses in 1998 due to the extended nuclear refueling outage in 1997.

Other regulatory credits

In 1999, other regulatory credits increased due to the deferral of Year 2000 costs incurred as required by the LPSC. The deferred costs will be recovered over a five-year period.

Other

Interest charges

In 1999, interest on long-term debt decreased primarily due to the redemption and refinancing of certain long-term debt in 1999.

Income taxes

The effective income tax rates for 1999, 1998, and 1997 were 38.9%, 37.8%, and 41.1%, respectively.

The effective income tax rate decreased in 1998 primarily due to accelerated tax depreciation deductions, for which deferred taxes have not been normalized, reflecting a shorter tax life on certain assets.

ENTERGY LOUISIANA, INC.
INCOME STATEMENTS

	For the Years Ended December 31,		
	1999	1998	1997
		(In Thousands)	
OPERATING REVENUES			
Domestic electric	$1,806,594	$1,710,908	$1,803,272
OPERATING EXPENSES			
Operating and Maintenance:			
Fuel, fuel-related expenses, and gas purchased for resale	421,763	383,413	429,823
Purchased power	418,878	372,763	413,532
Nuclear refueling outage expenses	15,756	21,740	18,634
Other operation and maintenance	289,348	289,522	318,856
Decommissioning	8,786	8,786	8,786
Taxes other than income taxes	75,447	70,621	71,558
Depreciation and amortization	161,754	162,937	163,249
Other regulatory charges (credits) - net	(5,280)	(1,755)	5,505
Amortization of rate deferrals	-	-	5,749
TOTAL	1,386,452	1,308,027	1,435,692
OPERATING INCOME	420,142	402,881	367,580
OTHER INCOME (DEDUCTIONS)			
Allowance for equity funds used during construction	4,925	1,887	1,149
Gain on sale of assets	-	2,340	-
Miscellaneous - net	2,206	2,644	(517)
TOTAL	7,131	6,871	632
INTEREST AND OTHER CHARGES			
Interest on long-term debt	103,937	109,463	116,715
Other interest - net	7,010	7,127	5,885
Distributions on preferred securities of subsidiary	6,300	6,300	6,300
Allowance for borrowed funds used during construction	(4,112)	(1,729)	(1,410)
TOTAL	113,135	121,161	127,490
INCOME BEFORE INCOME TAXES	314,138	288,591	240,722
Income taxes	122,368	109,104	98,965
NET INCOME	191,770	179,487	141,757
Preferred dividend requirements and other	9,955	13,014	13,355
EARNINGS APPLICABLE TO COMMON STOCK	$181,815	$166,473	$128,402

See Notes to Financial Statements.

ENTERGY LOUISIANA, INC.
STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,		
	1999	1998	1997
		(In Thousands)	
OPERATING ACTIVITIES			
Net income	$191,770	$179,487	$141,757
Noncash items included in net income:			
Amortization of rate deferrals	-	-	5,749
Other regulatory charges (credits) - net	(5,280)	(1,754)	5,505
Depreciation, amortization, and decommissioning	170,540	171,723	172,035
Deferred income taxes and investment tax credits	(15,487)	26,910	(15,456)
Allowance for equity funds used during construction	(4,925)	(1,887)	(1,149)
Gain on sale of assets	-	(2,340)	-
Changes in working capital:			
Receivables	(41,565)	(7,972)	(3,385)
Accounts payable	95,120	(5,878)	(21,926)
Taxes accrued	7,659	(7,040)	17,853
Interest accrued	(33,066)	18,731	(14,678)
Deferred fuel costs	(9,959)	4,530	21,615
Other working capital accounts	56,714	16,983	(2,286)
Provision for estimated losses and reserves	5,442	6,410	3,986
Changes in other regulatory assets	38,577	(11,443)	17,932
Other	(45,146)	(44,099)	(12,130)
Net cash flow provided by operating activities	410,394	342,361	315,422
INVESTING ACTIVITIES			
Construction expenditures	(130,933)	(105,306)	(84,767)
Allowance for equity funds used during construction	4,925	1,887	1,149
Nuclear fuel purchases	(11,308)	(38,141)	(43,332)
Proceeds from sale/leaseback of nuclear fuel	11,308	39,701	43,332
Decommissioning trust contributions and realized change in trust assets	(13,678)	(11,648)	(11,191)
Net cash flow used in investing activities	(139,686)	(113,507)	(94,809)
FINANCING ACTIVITIES			
Proceeds from issuance of:			
Long-term debt	298,092	112,556	-
Retirement of:			
Long-term debt	(386,707)	(150,786)	(34,288)
Redemption of preferred stock	(50,000)	-	(7,500)
Dividends paid:			
Common stock	(197,000)	(138,500)	(145,400)
Preferred stock	(10,389)	(13,014)	(13,251)
Net cash flow used in financing activities	(346,004)	(189,744)	(200,439)
Net increase (decrease) in cash and cash equivalents	(75,296)	39,110	20,174
Cash and cash equivalents at beginning of period	83,030	43,920	23,746
Cash and cash equivalents at end of period	$7,734	$83,030	$43,920
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the period for:			
Interest - net of amount capitalized	$144,731	$98,801	$138,530
Income taxes	$132,924	$86,830	$68,323
Noncash investing and financing activities:			
Change in unrealized appreciation of decommissioning trust assets	$4,585	$5,928	$3,432

See Notes to Financial Statements.

ENTERGY LOUISIANA, INC.
BALANCE SHEETS
ASSETS

	December 31, 1999	December 31, 1998
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	$7,734	$10,187
Temporary cash investments - at cost, which approximates market	-	72,843
Total cash and cash equivalents	7,734	83,030
Accounts receivable:		
Customer	79,335	65,262
Allowance for doubtful accounts	(1,615)	(1,164)
Associated companies	14,601	33,775
Other	10,762	19,305
Accrued unbilled revenues	106,200	50,540
Total receivables	209,283	167,718
Deferred fuel costs	2,161	-
Accumulated deferred income taxes	12,520	13,332
Materials and supplies - at average cost	84,027	82,220
Deferred nuclear refueling outage costs	11,336	6,498
Prepayments and other	6,014	11,565
TOTAL	333,075	364,363
OTHER PROPERTY AND INVESTMENTS		
Investment in subsidiary companies - at equity	14,230	14,230
Decommissioning trust funds	100,943	82,681
Non-utility property - at cost (less accumulated depreciation)	21,433	21,459
TOTAL	136,606	118,370
UTILITY PLANT		
Electric	5,178,808	5,095,278
Property under capital lease	236,271	234,339
Construction work in progress	108,106	85,565
Nuclear fuel under capital lease	51,930	75,814
TOTAL UTILITY PLANT	5,575,115	5,490,996
Less - accumulated depreciation and amortization	2,294,394	2,158,800
UTILITY PLANT - NET	3,280,721	3,332,196
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
SFAS 109 regulatory asset - net	230,899	270,068
Unamortized loss on reacquired debt	35,856	30,629
Other regulatory assets	50,191	49,599
Other	17,302	15,816
TOTAL	334,248	366,112
TOTAL ASSETS	$4,084,650	$4,181,041

See Notes to Financial Statements.

ENTERGY LOUISIANA, INC.
BALANCE SHEETS
LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31, 1999	December 31, 1998
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	$116,388	$6,772
Accounts payable:		
Associated companies	137,869	43,051
Other	90,768	90,465
Customer deposits	61,096	55,966
Taxes accrued	25,863	18,203
Interest accrued	20,236	53,302
Deferred fuel cost	-	7,798
Obligations under capital leases	28,387	32,539
Other	59,737	7,644
TOTAL	540,344	315,740
DEFERRED CREDITS AND OTHER LIABILITIES		
Accumulated deferred income taxes	792,290	840,931
Accumulated deferred investment tax credits	123,155	128,689
Obligations under capital leases	23,543	43,275
Other regulatory liabilities	15,421	10,836
Accumulated provisions	58,087	52,645
Other	34,564	39,791
TOTAL	1,047,060	1,116,167
Long-term debt	1,145,463	1,332,315
Preferred stock with sinking fund	35,000	85,000
Company-obligated mandatorily redeemable preferred securities of subsidiary trust holding solely junior subordinated deferrable debentures	70,000	70,000
SHAREHOLDERS' EQUITY		
Preferred stock without sinking fund	100,500	100,500
Common stock, no par value, authorized 250,000,000 shares; issued and outstanding 165,173,180 shares in 1999 and 1998	1,088,900	1,088,900
Capital stock expense and other	(2,171)	(2,320)
Retained earnings	59,554	74,739
TOTAL	1,246,783	1,261,819
Commitments and Contingencies (Notes 2, 9, and 10)		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$4,084,650	$4,181,041

See Notes to Financial Statements.

ENTERGY LOUISIANA, INC.
STATEMENTS OF RETAINED EARNINGS

	For the Years Ended December 31,		
	1999	1998	1997
	(In Thousands)		
Retained Earnings, January 1	$74,739	$46,766	$63,764
Add:			
Net income	191,770	179,487	141,757
Deduct:			
Dividends declared:			
Preferred stock	9,805	13,014	13,016
Common stock	197,000	138,500	145,400
Capital stock expenses	150	-	339
Total	206,955	151,514	158,755
Retained Earnings, December 31 (Note 8)	$59,554	$74,739	$46,766

See Notes to Financial Statements.

ENTERGY LOUISIANA, INC.

SELECTED FINANCIAL DATA - FIVE-YEAR COMPARISON

	1999	1998	1997	1996	1995
			(In Thousands)		
Operating revenues	$1,806,594	$1,710,908	$1,803,272	$1,828,867	$1,674,875
Net income	$ 191,770	$ 179,487	$ 141,757	$ 190,762	$ 201,537
Total assets	$4,084,650	$4,181,041	$4,175,400	$4,279,278	$4,331,523
Long-term obligations (1)	$1,274,006	$1,530,590	$1,522,043	$1,545,889	$1,528,542

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

	1999	1998	1997	1996	1995
			(Dollars In Thousands)		
Electric Operating Revenues:					
Residential	$620,146	$598,573	$606,173	$609,308	$583,373
Commercial	386,042	367,151	379,131	374,515	353,582
Industrial	646,517	597,536	708,356	727,505	641,196
Governmental	33,738	32,795	34,171	33,621	31,616
Total retail	1,686,443	1,596,055	1,727,831	1,744,949	1,609,767
Sales for resale:					
Associated companies	27,253	16,002	3,817	5,065	1,178
Non-associated companies	53,923	53,538	55,345	58,685	48,987
Other	38,975	45,313	16,279	20,168	14,943
Total	$1,806,594	$1,710,908	$1,803,272	$1,828,867	$1,674,875
Billed Electric Energy Sales (GWH):					
Residential	8,354	8,477	7,826	7,893	7,855
Commercial	5,221	5,265	4,906	4,846	4,786
Industrial	15,052	14,781	16,390	17,647	16,971
Governmental	468	481	460	457	439
Total retail	29,095	29,004	29,582	30,843	30,051
Sales for resale:					
Associated companies	415	386	104	143	44
Non-associated companies	831	855	805	982	1,293
Total	30,341	30,245	30,491	31,968	31,388

Report of Independent Accountants

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

In our opinion, the accompanying balance sheets and the related statements of income, of retained earnings and of cash flows present fairly, in all material respects, the financial position of Entergy Mississippi, Inc. at December 31, 1999 and 1998, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1999 in conformity with accounting principles generally accepted in the United States. 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 of these statements in accordance with auditing standards generally accepted in the United States, which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP

New Orleans, Louisiana
February 17, 2000

ENTERGY MISSISSIPPI, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

Net Income

Net income decreased in 1999 primarily due to a decrease in unbilled revenues and an increase in other operation and maintenance expenses.

Net income decreased in 1998 primarily due to an increase in operating expenses, partially offset by an increase in electric operating revenues.

Revenues and Sales

The changes in electric operating revenues for the twelve months ended December 31, 1999 and 1998 are as follows:

Description	Increase/(Decrease) 1999	1998
	(In Millions)	
Base revenues	($9.7)	($10.2)
Grand Gulf rate rider	(95.9)	(2.6)
Fuel cost recovery	(11.6)	20.5
Sales volume/weather	4.1	25.6
Other revenue (including unbilled)	(12.1)	0.6
Sales for resale	(18.3)	5.0
Total	($143.5)	$38.9

Base revenues

In 1999 and 1998, base revenues decreased due to the formula rate plan reduction that became effective in 1998. The formula rate plan reduction is discussed in more detail in Note 2 to the financial statements.

Rate riders

Rate rider revenues have no material effect on net income because specific incurred expenses offset them.

In 1999, Grand Gulf rate rider revenue decreased as a result of a new rider which became effective October 1, 1998. This new rider eliminated revenues attributable to the Grand Gulf phase-in plan, which was completed in September 1998. However, this decrease was partially offset by the Grand Gulf Accelerated Recovery Tariff (GGART), which also became effective October 1, 1998. This tariff provides for accelerated recovery of a portion of Entergy Mississippi's Grand Gulf purchased power obligation. The GGART is discussed in more detail in Note 2 to the financial statements.

Fuel cost recovery

Fuel cost recovery revenues do not affect net income because they are an increase to revenues that are offset by specific incurred fuel costs.

In 1999, fuel cost recovery revenues decreased due to the MPSC's review and subsequent decrease of Entergy Mississippi's energy cost recovery rider.

In 1998, fuel cost recovery revenues increased primarily due to an increase in sales volume.

Sales volume/weather

In 1999, sales volume increased as a result of sales growth in the residential and commercial sectors, partially offset by unfavorable weather.

In 1998, sales volume increased as a result of significantly warmer weather.

Other revenue

In 1999, other revenue decreased primarily due to a change in estimated unbilled revenues. The changed estimate more closely aligns the fuel component of unbilled revenues with regulatory treatment. The change in estimate is expected to affect comparisons to applicable prior period amounts through the first quarter of 2000. Comparative impacts are also affected by seasonal variations in demand.

Sales for resale

In 1999, sales for resale decreased as a result of decreased oil generation due to plant outages at Entergy Mississippi. The decrease is also due to higher sales to associated companies in 1998 as a result of an outage at Entergy Arkansas.

Expenses

Fuel and purchased power expenses

In 1999, fuel and purchased power expenses decreased primarily due to:

- a decrease in total energy consumption requirements; and
- planned and unplanned plant outages during the year.

The decrease in fuel and purchased power expenses was partially offset by:

- a shift from lower priced oil generation to higher priced gas generation as a result of plant outages in 1999;
- an increase in the market price of purchased power; and
- the GGART implemented by System Energy in October 1998 resulting in an increase in the price of System Energy purchased power.

In 1998, fuel and purchased power expenses increased primarily due to:

- the increased usage as a result of significantly warmer weather; and
- the impact of the under-recovery of deferred fuel costs in excess of the fixed fuel factor applied in 1997. In January 1998, Entergy Mississippi increased its fixed fuel factor to recover actual fuel expenses more timely.

Other operation and maintenance

In 1999, other operation and maintenance expenses increased primarily due to:

- planned and unplanned plant outages in 1999;
- an increase in customer service and reliability improvement spending;
- an increase in employee benefit expense; and
- an increase in casualty reserves.

Other regulatory credits

In 1999, other regulatory credits increased due to greater under-recovery of Grand Gulf 1 related costs as a result of the new rider implemented in October 1998.

In 1998, other regulatory credits decreased primarily due to less under-recovery of Grand Gulf related expenses in 1998 as compared to 1997.

Amortization of rate deferrals

In 1999, amortization of rate deferrals decreased due to the completion of the Grand Gulf 1 rate phase-in plan in September 1998. These phase-ins had no material effect on net income.

In 1998, amortization of rate deferrals decreased due to a decrease in the amortization prescribed in the Grand Gulf 1 rate phase-in plan, which was completed in September 1998. These phase-ins had no material effect on net income.

Other

Interest and other charges

Interest on long-term debt decreased in 1999 and 1998 primarily due to the refinancing of certain long-term debt.

Income taxes

The effective income tax rates for 1999, 1998, and 1997 were 29.7%, 30.9%, and 28.6%, respectively.

ENTERGY MISSISSIPPI, INC.
INCOME STATEMENTS

	For the Years Ended December 31,		
	1999	1998	1997
		(In Thousands)	
OPERATING REVENUES			
Domestic electric	$832,819	$976,300	$937,395
OPERATING EXPENSES			
Operating and Maintenance:			
Fuel, fuel-related expenses, and gas purchased for resale	185,063	241,415	199,880
Purchased power	332,015	286,769	285,447
Other operation and maintenance	152,817	131,752	129,810
Taxes other than income taxes	44,013	44,888	43,142
Depreciation and amortization	42,870	45,133	43,300
Other regulatory credits - net	(12,044)	(3,186)	(20,731)
Amortization of rate deferrals	-	104,969	119,797
TOTAL	744,734	851,740	800,645
OPERATING INCOME	88,085	124,560	136,750
OTHER INCOME (DEDUCTIONS)			
Allowance for equity funds used during construction	1,569	188	543
Gain (loss) on sale of assets	-	1,025	(2)
Miscellaneous - net	6,781	4,891	919
TOTAL	8,350	6,104	1,460
INTEREST AND OTHER CHARGES			
Interest on long-term debt	35,265	37,756	40,791
Other interest - net	3,574	3,171	4,483
Allowance for borrowed funds used during construction	(1,529)	(932)	(469)
TOTAL	37,310	39,995	44,805
INCOME BEFORE INCOME TAXES	59,125	90,669	93,405
Income taxes	17,537	28,031	26,744
NET INCOME	41,588	62,638	66,661
Preferred dividend requirements and other	3,370	3,370	4,044
EARNINGS APPLICABLE TO COMMON STOCK	$38,218	$59,268	$62,617

See Notes to Financial Statements.

ENTERGY MISSISSIPPI, INC.
STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,		
	1999	1998	1997
		(In Thousands)	
OPERATING ACTIVITIES			
Net income	$41,588	$62,638	$66,661
Noncash items included in net income:			
Amortization of rate deferrals	-	104,969	119,797
Other regulatory credits - net	(12,044)	(3,186)	(20,731)
Depreciation and amortization	42,870	45,133	43,300
Deferred income taxes and investment tax credits	18,066	(12,494)	(32,204)
Allowance for equity funds used during construction	(1,569)	(188)	(543)
(Gain) loss on sale of assets	-	(1,025)	2
Changes in working capital:			
Receivables	24,208	6,253	2,978
Fuel inventory	(771)	384	3,275
Accounts payable	54,317	(31,967)	(12,338)
Taxes accrued	29,955	(26,301)	5,832
Interest accrued	(4,595)	323	(6,600)
Deferred fuel costs	(45,830)	12,858	(10,967)
Other working capital accounts	10,072	8,652	(12,245)
Provision for estimated losses and reserves	4,173	(6,915)	1,173
Changes in other regulatory assets	(30,179)	(38,295)	(29,699)
Other	12,152	4,202	38,304
Net cash flow provided by operating activities	142,413	125,041	155,995
INVESTING ACTIVITIES			
Construction expenditures	(94,717)	(58,705)	(50,334)
Allowance for equity funds used during construction	1,569	188	543
Net cash flow used in investing activities	(93,148)	(58,517)	(49,791)
FINANCING ACTIVITIES			
Proceeds from issuance of:			
Long-term debt	153,629	78,703	64,827
Retirement of:			
Long-term debt	(163,278)	(80,020)	(96,015)
Redemption of preferred stock	-	-	(14,500)
Changes in short-term borrowing, net	(6)	(13)	-
Dividends paid:			
Common stock	(34,100)	(66,000)	(59,200)
Preferred stock	(3,363)	(3,370)	(3,998)
Net cash flow used in financing activities	(47,118)	(70,700)	(108,886)
Net increase (decrease) in cash and cash equivalents	2,147	(4,176)	(2,682)
Cash and cash equivalents at beginning of period	2,640	6,816	9,498
Cash and cash equivalents at end of period	$4,787	$2,640	$6,816
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid (received) during the period for:			
Interest - net of amount capitalized	$41,567	$39,291	$50,662
Income taxes	($29,850)	$64,204	$51,598

See Notes to Financial Statements.

ENTERGY MISSISSIPPI, INC.
BALANCE SHEETS
ASSETS

	December 31, 1999	December 31, 1998
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	$4,787	$2,640
Accounts receivable:		
Customer	35,675	39,701
Allowance for doubtful accounts	(886)	(1,217)
Associated companies	1,370	5,703
Other	2,391	1,267
Accrued unbilled revenues	28,600	45,904
Total receivables	67,150	91,358
Deferred fuel costs	47,939	2,108
Accumulated deferred income taxes	-	665
Fuel inventory - at average cost	3,774	3,002
Materials and supplies - at average cost	17,068	17,149
Prepayments and other	7,114	12,256
TOTAL	147,832	129,178
OTHER PROPERTY AND INVESTMENTS		
Investment in subsidiary companies - at equity	5,531	5,531
Non-utility property - at cost (less accumulated depreciation)	6,965	7,056
Other - at cost (less accumulated depreciation)	-	13
TOTAL	12,496	12,600
UTILITY PLANT		
Electric	1,763,636	1,718,426
Property under capital lease	384	477
Construction work in progress	66,789	35,317
TOTAL UTILITY PLANT	1,830,809	1,754,220
Less - accumulated depreciation and amortization	709,543	685,214
UTILITY PLANT - NET	1,121,266	1,069,006
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
SFAS 109 regulatory asset - net	24,051	25,515
Unamortized loss on reacquired debt	16,345	7,981
Other regulatory assets	132,243	100,601
Other	5,784	6,048
TOTAL	178,423	140,145
TOTAL ASSETS	$1,460,017	$1,350,929

See Notes to Financial Statements.

ENTERGY MISSISSIPPI, INC.
BALANCE SHEETS
LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31, 1999	December 31, 1998
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	$ -	$20
Accounts payable:		
Associated companies	84,382	44,091
Other	32,470	18,444
Customer deposits	23,303	18,265
Taxes accrued	35,968	6,013
Accumulated deferred income taxes	526	-
Interest accrued	10,038	14,632
Obligations under capital leases	95	92
Other	2,137	2,319
TOTAL	188,919	103,876
DEFERRED CREDITS AND OTHER LIABILITIES		
Accumulated deferred income taxes	298,477	281,017
Accumulated deferred investment tax credits	20,908	22,408
Obligations under capital leases	290	384
Accumulated provisions	7,374	3,200
Other	3,368	4,331
TOTAL	330,417	311,340
Long-term debt	464,466	463,616
SHAREHOLDERS' EQUITY		
Preferred stock without sinking fund	50,381	50,381
Common stock, no par value, authorized 15,000,000 shares; issued and outstanding 8,666,357 shares in 1999 and 1998	199,326	199,326
Capital stock expense and other	(59)	(59)
Retained earnings	226,567	222,449
TOTAL	476,215	472,097
Commitments and Contingencies (Notes 2, 8, and 9)		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$1,460,017	$1,350,929

See Notes to Financial Statements.

ENTERGY MISSISSIPPI, INC.
STATEMENTS OF RETAINED EARNINGS

	For the Years Ended December 31,		
	1999	1998	1997
	(In Thousands)		
Retained Earnings, January 1	$222,449	$229,181	$225,764
Add:			
Net income	41,588	62,638	66,661
Deduct:			
Dividends declared:			
Preferred stock	3,370	3,370	3,656
Common stock	34,100	66,000	59,200
Preferred stock expenses	-	-	388
Total	37,470	69,370	63,244
Retained Earnings, December 31 (Note 8)	$226,567	$222,449	$229,181

See Notes to Financial Statements.

ENTERGY MISSISSIPPI, INC.

SELECTED FINANCIAL DATA - FIVE-YEAR COMPARISON

	1999	1998	1997	1996	1995
			(In Thousands)		
Operating revenues	$ 832,819	$ 976,300	$ 937,395	$ 958,430	$ 889,843
Net Income	$ 41,588	$ 62,638	$ 66,661	$ 79,211	$ 68,667
Total assets	$1,460,017	$1,350,929	$1,439,561	$1,521,466	$1,581,983
Long-term obligations (1)	$ 464,756	$ 464,000	$ 464,156	$ 406,054	$ 511,613

(1) Includes long-term debt (excluding currently maturing debt) and noncurrent capital lease obligations.

	1999	1998	1997	1996	1995
			(Dollars In Thousands)		
Electric Operating Revenues:					
Residential	$311,003	$367,895	$342,818	$358,264	$336,194
Commercial	250,929	284,787	274,195	281,626	262,786
Industrial	151,659	170,910	173,152	185,351	178,466
Governmental	23,528	26,670	26,882	29,093	27,410
Total retail	737,119	850,262	817,047	854,334	804,856
Sales for resale:					
Associated companies	63,004	80,357	78,233	58,749	35,928
Non-associated companies	31,546	32,442	21,276	22,814	21,906
Other	1,150	13,239	20,839	22,533	27,153
Total	$832,819	$976,300	$937,395	$958,430	$889,843
Billed Electric Energy Sales (GWH):					
Residential	4,753	4,800	4,323	4,355	4,233
Commercial	4,156	4,015	3,673	3,508	3,368
Industrial	3,246	3,163	3,089	3,063	3,044
Governmental	363	347	333	346	336
Total retail	12,518	12,325	11,418	11,272	10,981
Sales for resale:					
Associated companies	1,774	2,424	1,918	1,368	959
Non-associated companies	426	484	412	521	692
Total	14,718	15,233	13,748	13,161	12,632

Report of Independent Accountants

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

In our opinion, the accompanying balance sheets and the related statements of income, of retained earnings and of cash flows present fairly, in all material respects, the financial position of Entergy New Orleans, Inc. at December 31, 1999 and 1998, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1999 in conformity with accounting principles generally accepted in the United States. 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 of these statements in accordance with auditing standards generally accepted in the United States, which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP

New Orleans, Louisiana
February 17, 2000

ENTERGY NEW ORLEANS, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

Net Income

Net income increased slightly in 1999 primarily due to an increase in unbilled revenues and sales volume, partially offset by an increase in other operation and maintenance expenses.

Net income increased in 1998 primarily due to an increase in operating revenues and other income and a decrease in income taxes, partially offset by increased operating expenses.

Revenues and Sales

Electric operating revenues

The changes in electric operating revenues for the twelve months ended December 31, 1999 and 1998 are as follows:

Description	Increase/(Decrease) 1999	1998
	(In Millions)	
Base revenues	($11.3)	($9.8)
Fuel cost recovery	(4.6)	14.5
Sales volume/weather	1.7	13.9
Other revenue (including unbilled)	5.5	1.0
Sales for resale	3.7	1.7
Total	($5.0)	$21.3

Base revenues

In 1999, base revenues decreased primarily due to base rate reductions effective January 1999 and rate refund provisions accrued for potential rate matters.

In 1998, base revenues decreased primarily due to reductions in residential and commercial rates that went into effect in August 1997.

Fuel cost recovery

Fuel cost recovery revenues do not affect net income because they are an increase to revenues that are offset by specific incurred fuel costs.

In 1999, fuel cost recovery revenues decreased due to an under-recovery of fuel expenses resulting from higher market prices in 1999 compared to the prior year.

In 1998, fuel cost recovery revenues increased due to higher fuel prices and increased generation.

Sales volume/weather

In 1998, sales volume increased primarily due to significantly warmer weather.

Other revenue

In 1999, other revenue increased due to a change in estimated unbilled revenues. The changed estimate more closely aligns the fuel component of unbilled revenues with regulatory treatment. The increase was partially offset by less favorable weather in 1999. The change in estimate is expected to affect comparisons of revenue to applicable time period amounts through the first quarter of 2000. Comparative impacts are also affected by seasonal variations in demand.

Sales for resale

In 1999, sales for resale increased due to favorable unit prices resulting from increased purchased power and gas market prices, coupled with an increase in affiliated sales volume.

Gas operating revenues

In 1998, gas operating revenues decreased due to lower gas prices.

Expenses

Fuel and purchased power expenses

In 1998, fuel and purchased power expenses increased primarily due to:

- an increase in purchased power primarily due to increased generation requirements as a result of significantly warmer weather and an increase in the price of purchased power; and
- an over-recovery of gas and electric fuel cost in 1998 due to market price fluctuations.

This increase was partially offset by a decrease in the price of gas purchased for resale.

Other operation and maintenance expenses

In 1999 and 1998, other operation and maintenance expenses increased primarily due to:

- increased environmental provisions;
- employee benefit expense; and
- increased spending for customer service and reliability improvements.

Amortization of rate deferrals

In 1999, amortization of rate deferrals decreased due to a scheduled rate change in the amortization of Grand Gulf 1 phase-in expenses.

Other regulatory credits

In 1999, other regulatory credits increased due to a greater under-recovery of Grand Gulf 1 costs in 1999.

Other

Other income

Other income increased in 1999 primarily due to:

- an increase in AFUDC resulting from increased capital charges on projects in 1999; and
- increased interest related to the Grand Gulf 1 rate deferral plan.

Miscellaneous income increased in 1998 primarily due to Entergy New Orleans' portion of System Fuel's gain on the sale of oil and gas properties and an increase in interest related to the Grand Gulf 1 rate deferral plan.

The Grand Gulf 1 rate deferral plan is discussed in more detail in Note 2 to the financial statements.

Income taxes

The effective income tax rates for 1999, 1998, and 1997 were 40.7%, 38.4%, and 44.0%, respectively.

The increase in the effective income tax rate for 1999 was primarily due to the increase in pre-tax income reducing the impact of permanent differences and flow through items.

The decrease in the effective income tax rate for 1998 was primarily due to a tax benefit recorded in 1998 related to a depreciation adjustment.

ENTERGY NEW ORLEANS, INC.
INCOME STATEMENTS

	For the Years Ended December 31,		
	1999	1998	1997
		(In Thousands)	
OPERATING REVENUES			
Domestic electric	$426,431	$431,453	$410,131
Natural gas	81,357	82,297	94,691
TOTAL	507,788	513,750	504,822
OPERATING EXPENSES			
Operating and Maintenance:			
Fuel, fuel-related expenses, and gas purchased for resale	135,242	138,142	141,902
Purchased power	166,579	164,435	156,542
Other operation and maintenance	83,197	79,023	72,748
Taxes other than income taxes	39,621	40,417	21,107
Depreciation and amortization	21,219	21,878	38,964
Other regulatory credits - net	(9,036)	(4,540)	(6,394)
Amortization of rate deferrals	28,430	35,336	37,662
TOTAL	465,252	474,691	462,531
OPERATING INCOME	42,536	39,059	42,291
OTHER INCOME (DEDUCTIONS)			
Allowance for equity funds used during construction	1,084	284	380
Gain on sale of assets		458	-
Miscellaneous - net	2,263	951	(77)
TOTAL	3,347	1,693	303
INTEREST AND OTHER CHARGES			
Interest on long-term debt	13,277	13,717	13,918
Other interest - net	1,403	1,075	1,369
Allowance for borrowed funds used during construction	(788)	(219)	(286)
TOTAL	13,892	14,573	15,001
INCOME BEFORE INCOME TAXES	31,991	26,179	27,593
Income taxes	13,030	10,042	12,142
NET INCOME	18,961	16,137	15,451
Preferred dividend requirements and other	965	965	965
EARNINGS APPLICABLE TO COMMON STOCK	$17,996	$15,172	$14,486

See Notes to Financial Statements.

ENTERGY NEW ORLEANS, INC.
STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,		
	1999	1998	1997
		(In Thousands)	
OPERATING ACTIVITIES			
Net income	$18,961	$16,137	$15,451
Noncash items included in net income:			
Amortization of rate deferrals	28,430	35,336	37,662
Other regulatory credits - net	(9,036)	(4,540)	(6,394)
Depreciation and amortization	21,219	21,878	21,107
Deferred income taxes and investment tax credits	(3,131)	(7,498)	(1,957)
Allowance for equity funds used during construction	(1,084)	(284)	(380)
Gain on sale of assets	-	(458)	-
Changes in working capital:			
Receivables	(7,258)	3,148	4,257
Fuel inventory	179	(861)	(145)
Accounts payable	23,319	(4,136)	540
Taxes accrued	429	(5,270)	4,065
Interest accrued	37	(130)	(276)
Deferred fuel costs	(13,293)	8,193	(2,094)
Other working capital accounts	6,607	(5,122)	(15,908)
Provision for estimated losses and reserves	(531)	(6,295)	(247)
Changes in other regulatory assets	(11,482)	(6,964)	7,365
Other	6,796	(2,805)	(8,941)
Net cash flow provided by operating activities	60,162	40,329	54,105
INVESTING ACTIVITIES			
Construction expenditures	(46,239)	(21,691)	(16,137)
Allowance for equity funds used during construction	1,084	284	380
Net cash flow used in investing activities	(45,155)	(21,407)	(15,757)
FINANCING ACTIVITIES			
Proceeds from issuance of:			
Long-term debt	-	29,438	-
Retirement of:			
Long-term debt	-	(30,000)	(12,000)
Dividends paid:			
Common stock	(26,500)	(9,700)	(26,000)
Preferred stock	(1,206)	(965)	(965)
Net cash flow used in financing activities	(27,706)	(11,227)	(38,965)
Net increase (decrease) in cash and cash equivalents	(12,699)	7,695	(617)
Cash and cash equivalents at beginning of period	17,153	9,458	10,075
Cash and cash equivalents at end of period	$4,454	$17,153	$9,458
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the period for:			
Interest - net of amount capitalized	$14,281	$14,592	$15,237
Income taxes - net	$12,476	$26,197	$10,981

See Notes to Financial Statements.

ENTERGY NEW ORLEANS, INC.
BALANCE SHEETS
ASSETS

	December 31, 1999	December 31, 1998
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	$4,454	$3,769
Temporary cash investments - at cost, which approximates market	-	13,384
Total cash and cash equivalents	4,454	17,153
Accounts receivable:		
Customer	28,658	24,355
Allowance for doubtful accounts	(846)	(761)
Associated companies	404	3,320
Other	6,225	3,835
Accrued unbilled revenues	19,820	16,254
Total receivables	54,261	47,003
Deferred fuel costs	14,483	1,191
Fuel inventory - at average cost	3,293	3,472
Materials and supplies - at average cost	10,127	8,845
Rate deferrals	24,788	28,430
Prepayments and other	2,528	6,686
TOTAL	113,934	112,780
OTHER PROPERTY AND INVESTMENTS		
Investment in subsidiary companies - at equity	3,259	3,259
UTILITY PLANT		
Electric	541,525	514,685
Natural gas	133,568	132,568
Construction work in progress	29,780	20,184
TOTAL UTILITY PLANT	704,873	667,437
Less - accumulated depreciation and amortization	382,797	371,558
UTILITY PLANT - NET	322,076	295,879
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
Rate deferrals	10,974	35,762
Unamortized loss on reacquired debt	1,187	1,399
Other regulatory assets	33,039	21,558
Other	1,277	1,267
TOTAL	46,477	59,986
TOTAL ASSETS	$485,746	$471,904

See Notes to Financial Statements.

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

	December 31, 1999	December 31, 1998
	(In Thousands)	
CURRENT LIABILITIES		
Accounts payable:		
Associated companies	$24,350	$18,283
Other	28,261	11,008
Customer deposits	17,830	18,082
Taxes accrued	429	-
Accumulated deferred income taxes	10,863	6,284
Interest accrued	4,956	4,919
Other	5,524	1,783
TOTAL	92,213	60,359
DEFERRED CREDITS AND OTHER LIABILITIES		
Accumulated deferred income taxes	43,878	57,214
Accumulated deferred investment tax credits	6,378	6,894
SFAS 109 regulatory liability - net	7,528	942
Other regulatory liabilities	1,753	3,146
Accumulated provisions	8,836	9,367
Other	7,733	8,116
TOTAL	76,106	85,679
Long-term debt	169,083	169,018
SHAREHOLDERS' EQUITY		
Preferred stock without sinking fund	19,780	19,780
Common stock, $4 par value, authorized 10,000,000 shares; issued and outstanding 8,435,900 shares in 1999 and 1998	33,744	33,744
Paid-in capital	36,294	36,294
Retained earnings	58,526	67,030
TOTAL	148,344	156,848
Commitments and Contingencies (Notes 2 and 9)		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$485,746	$471,904

See Notes to Financial Statements.

ENTERGY NEW ORLEANS, INC.
STATEMENTS OF RETAINED EARNINGS

	For the Years Ended December 31,		
	1999	1998	1997
	(In Thousands)		
Retained Earnings, January 1	$67,030	$61,558	$73,072
Add:			
Net income	18,961	16,137	15,451
Deduct:			
Dividends declared:			
Preferred stock	965	965	965
Common stock	26,500	9,700	26,000
Total	27,465	10,665	26,965
Retained Earnings, December 31 (Note 8)	$58,526	$67,030	$61,558

See Notes to Financial Statements.

ENTERGY NEW ORLEANS, INC.

SELECTED FINANCIAL DATA - FIVE-YEAR COMPARISON

	1999	1998	1997	1996	1995
			(In Thousands)		
Operating revenues	$ 507,788	$ 513,750	$ 504,822	$ 504,277	$ 470,278
Net Income	$ 18,961	$ 16,137	$ 15,451	$ 26,776	$ 34,386
Total assets	$ 485,746	$ 471,904	$ 498,150	$ 549,996	$ 596,206
Long-term obligations (1)	$ 169,083	$ 169,018	$ 168,953	$ 168,888	$ 155,958

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

	1999	1998	1997	1996	1995
			(Dollars In Thousands)		
Electric Operating Revenues:					
Residential	$158,822	$164,765	$145,688	$151,577	$141,353
Commercial	146,328	149,353	143,113	149,649	144,374
Industrial	25,584	26,229	24,616	24,663	22,842
Governmental	63,056	62,332	58,746	58,561	52,880
Total retail	393,790	402,679	372,163	384,450	361,449
Sales for resale:					
Associated companies	14,207	10,451	10,342	2,649	3,217
Non-associated companies	10,545	10,590	8,996	9,882	9,864
Other	7,889	7,733	18,630	6,273	15,472
Total	$426,431	$431,453	$410,131	$403,254	$390,002
Billed Electric Energy Sales (GWH):					
Residential	2,102	2,141	1,971	1,998	2,049
Commercial	2,208	2,149	2,072	2,073	2,079
Industrial	514	514	484	481	537
Governmental	1,071	1,037	994	974	983
Total retail	5,895	5,841	5,521	5,526	5,648
Sales for resale:					
Associated companies	441	370	316	66	149
Non-associated companies	180	199	160	212	297
Total	6,516	6,410	5,997	5,804	6,094

Report of Independent Accountants

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

In our opinion, the accompanying balance sheets and the related statements of income, of retained earnings and of cash flows present fairly, in all material respects, the financial position of System Energy Resources, Inc. at December 31, 1999 and 1998, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1999 in conformity with accounting principles generally accepted in the United States. 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 of these statements in accordance with auditing standards generally accepted in the United States, which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP

New Orleans, Louisiana
February 17, 2000

SYSTEM ENERGY RESOURCES, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

Net Income

Net income decreased in 1999 due to the additional reserves and interest recorded for the potential refund of System Energy's proposed rate increase, as well as downtime for unplanned outages.

Net income increased slightly in 1998 primarily due to an increase in other income.

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.

Operating revenues increased in 1999 primarily due to the implementation of the Grand Gulf Accelerated Recovery Tariff (GGART) at Entergy Arkansas and Entergy Mississippi. This increase in revenues is offset by related regulatory charges and does not affect net income. The tariff was designed to allow Entergy Arkansas and Entergy Mississippi to accelerate the payment of a portion of their Grand Gulf purchased power obligation in advance of the implementation of retail access. It became effective on January 1, 1999 and October 1, 1998 for Entergy Arkansas and Entergy Mississippi, respectively. The GGART and System Energy's proposed rate increase, which is subject to refund, are discussed in Note 2 to the financial statements.

Expenses

Fuel expenses

In 1999, fuel expenses decreased primarily due to an extended nuclear refueling outage at Grand Gulf 1 in addition to unplanned outages. Grand Gulf 1 was on-line for 17 fewer days in 1999 compared to 1998.

In 1998, fuel expenses decreased because of lower generation due to a scheduled nuclear refueling outage in April and May. Grand Gulf 1 was on-line for 47 fewer days in 1998 compared to 1997.

Depreciation and amortization

In 1999, depreciation and amortization expenses decreased as a result of the reduction in principal payment associated with the sale and leaseback of a portion of Grand Gulf 1. The depreciation schedule matches the collection of lease principal and revenues with the depreciation of the asset.

Other regulatory charges

In both 1999 and 1998, other regulatory charges increased due to the implementation of the GGART at Entergy Arkansas and Entergy Mississippi, as discussed above.

Other

Other income

Other income increased in both 1999 and 1998 as a result of the interest earned on System Energy's advances to the money pool, an inter-company funding arrangement. The money pool is discussed in Note 4 to the financial statements.

Interest charges

Other interest increased in 1999 due to interest on the potential refund of System Energy's proposed rate increase.

Interest on long-term debt decreased in 1999 and 1998 as a result of the retirement and refinancing of higher-cost long-term debt.

Income taxes

The effective income tax rates in 1999, 1998, and 1997 were 39.5%, 42.1%, and 42.2%, respectively.

The effective income tax rate for 1999 decreased due to decreased pre-tax income partially offset by the amortization of investment tax credits related to Grand Gulf 2.

SYSTEM ENERGY RESOURCES, INC.
INCOME STATEMENTS

	For the Years Ended December 31,		
	1999	1998	1997
		(In Thousands)	
OPERATING REVENUES			
Domestic electric	$620,032	$602,373	$633,698
OPERATING EXPENSES			
Operating and Maintenance:			
Fuel, fuel-related expenses, and gas purchased for resale	37,336	41,740	48,475
Nuclear refueling outage expenses	14,136	15,737	16,425
Other operation and maintenance	87,450	86,696	101,269
Decommissioning	18,944	18,944	18,944
Taxes other than income taxes	27,212	26,839	26,477
Depreciation and amortization	113,862	125,331	128,915
Other regulatory charges - net	57,656	4,443	-
TOTAL	356,596	319,730	340,505
OPERATING INCOME	263,436	282,643	293,193
OTHER INCOME			
Allowance for equity funds used during construction	2,540	2,042	2,209
Miscellaneous - net	16,309	13,309	8,517
TOTAL	18,849	15,351	10,726
INTEREST AND OTHER CHARGES			
Interest on long-term debt	102,764	109,735	121,633
Other interest - net	45,218	6,325	7,020
Allowance for borrowed funds used during construction	(1,920)	(1,805)	(1,683)
TOTAL	146,062	114,255	126,970
INCOME BEFORE INCOME TAXES	136,223	183,739	176,949
Income taxes	53,851	77,263	74,654
NET INCOME	$82,372	$106,476	$102,295

See Notes to Financial Statements.

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SYSTEM ENERGY RESOURCES, INC.
STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,		
	1999	1998	1997
		(In Thousands)	
OPERATING ACTIVITIES			
Net income	$82,372	$106,476	$102,295
Noncash items included in net income:			
Reserve for regulatory adjustments	108,484	68,236	43,123
Other regulatory charges - net	57,656	4,443	-
Depreciation, amortization, and decommissioning	132,806	144,275	147,859
Deferred income taxes and investment tax credits	(86,860)	(28,222)	(39,370)
Allowance for equity funds used during construction	(2,540)	(2,042)	(2,209)
Changes in working capital:			
Receivables	(172,354)	9,690	(23,833)
Accounts payable	(11,688)	(2,859)	11,172
Taxes accrued	(21,424)	1,131	7,852
Interest accrued	(2,022)	(300)	8,127
Other working capital accounts	(4,425)	(2,228)	19,054
Provision for estimated losses and reserves	45	(1,704)	(1,025)
Changes in other regulatory assets	(18,492)	25,066	36,654
Other	41,250	(23,159)	(23,392)
Net cash flow provided by operating activities	102,808	298,803	286,307
INVESTING ACTIVITIES			
Construction expenditures	(28,848)	(30,692)	(35,141)
Allowance for equity funds used during construction	2,540	2,042	2,209
Nuclear fuel purchases	(39,975)	(30,523)	(16,524)
Proceeds from sale/leaseback of nuclear fuel	39,975	30,523	16,524
Decommissioning trust contributions and realized change in trust assets	(22,139)	(24,166)	(22,452)
Net cash flow used in investing activities	(48,447)	(52,816)	(55,384)
FINANCING ACTIVITIES			
Proceeds from issuance of:			
Long-term debt	101,835	212,976	-
Retirement of:			
Long-term debt	(282,885)	(300,341)	(17,319)
Dividends paid:			
Common stock	(75,000)	(72,300)	(113,800)
Net cash flow used in financing activities	(256,050)	(159,665)	(131,119)
Net increase (decrease) in cash and cash equivalents	(201,689)	86,322	99,804
Cash and cash equivalents at beginning of period	236,841	150,519	50,715
Cash and cash equivalents at end of period	$35,152	$236,841	$150,519
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the period for:			
Interest - net of amount capitalized	$102,867	$107,923	$112,387
Income taxes	$154,336	$104,987	$105,621
Noncash investing and financing activities:			
Change in unrealized appreciation (depreciation) of decommissioning trust assets	($37)	$3,205	$1,237

See Notes to Financial Statements.

SYSTEM ENERGY RESOURCES, INC.
BALANCE SHEETS
ASSETS

	December 31, 1999	December 31, 1998
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	$136	$120
Temporary cash investments - at cost, which approximates market	35,016	236,721
Total cash and cash equivalents	35,152	236,841
Accounts receivable:		
Associated companies	301,287	125,171
Other	670	4,431
Total receivables	301,957	129,602
Materials and supplies - at average cost	61,264	62,203
Deferred nuclear refueling outage costs	18,665	12,853
Prepayments and other	2,251	2,592
TOTAL	419,289	444,091
OTHER PROPERTY AND INVESTMENTS		
Decommissioning trust funds	135,384	113,282
UTILITY PLANT		
Electric	3,060,324	3,030,636
Property under capital lease	434,993	441,098
Construction work in progress	58,510	57,076
Nuclear fuel under capital lease	78,020	64,621
TOTAL UTILITY PLANT	3,631,847	3,593,431
Less - accumulated depreciation and amortization	1,312,559	1,198,266
UTILITY PLANT - NET	2,319,288	2,395,165
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
SFAS 109 regulatory asset - net	242,834	221,996
Unamortized loss on reacquired debt	56,474	57,150
Other regulatory assets	185,910	188,256
Other	9,869	11,265
TOTAL	495,087	478,667
TOTAL ASSETS	$3,369,048	$3,431,205

See Notes to Financial Statements.

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

	December 31, 1999	December 31, 1998
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	$77,947	$175,820
Accounts payable:		
Associated companies	15,237	25,975
Other	18,470	19,420
Taxes accrued	55,383	76,806
Accumulated deferred income taxes	7,162	5,022
Interest accrued	40,000	42,022
Obligations under capital leases	38,421	41,835
Other	1,651	1,543
TOTAL	254,271	388,443
DEFERRED CREDITS AND OTHER LIABILITIES		
Accumulated deferred income taxes	481,945	506,727
Accumulated deferred investment tax credits	93,219	96,695
Obligations under capital leases	39,599	22,786
FERC settlement - refund obligation	37,337	43,159
Other regulatory liabilities	73,313	43,309
Decommissioning	129,503	107,365
Regulatory reserves	267,771	159,287
Accumulated provisions	2,016	1,971
Other	16,014	17,524
TOTAL	1,140,717	998,823
Long-term debt	1,082,579	1,159,830
SHAREHOLDER'S EQUITY		
Common stock, no par value, authorized 1,000,000 shares; issued and outstanding 789,350 shares in 1999 and 1998	789,350	789,350
Retained earnings	102,131	94,759
TOTAL	891,481	884,109
Commitments and Contingencies (Notes 2, 9, and 10)		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$3,369,048	$3,431,205

See Notes to Financial Statements.

SYSTEM ENERGY RESOURCES, INC.
STATEMENTS OF RETAINED EARNINGS

	For the Years Ended December 31,		
	1999	1998	1997
	(In Thousands)		
Retained Earnings, January 1	$94,759	$60,583	$72,088
Add:			
Net income	82,372	106,476	102,295
Deduct:			
Dividends declared	75,000	72,300	113,800
Retained Earnings, December 31 (Note 8)	$102,131	$94,759	$60,583

See Notes to Financial Statements.

SYSTEM ENERGY RESOURCES, INC.

SELECTED FINANCIAL DATA - FIVE-YEAR COMPARISON

	1999	1998	1997	1996	1995
	(Dollars In Thousands)				
Operating revenues	$ 620,032	$ 602,373	$ 633,698	$ 623,620	$ 605,639
Net income	$ 82,372	$ 106,476	$ 102,295	$ 98,668	$ 93,039
Total assets	$3,369,048	$3,431,205	$3,432,031	$3,461,293	$3,431,012
Long-term obligations (1)	$1,122,178	$1,182,616	$1,364,161	$1,474,427	$1,264,024
Electric energy sales (GWH)	7,567	8,259	9,735	8,302	7,212

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

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 and indirect subsidiaries, including the domestic utility companies and System Energy, whose separate financial statements are included in this document. The financial statements presented herein result from these companies having registered securities with the SEC.

As required by generally accepted accounting principles, all significant intercompany transactions have been eliminated in the consolidated financial statements. The domestic utility companies and System Energy 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.

Entergy Corporation sold its investments in Entergy London and CitiPower in December 1998. Accordingly, the consolidated balance sheet does not include amounts for these entities as of December 31, 1998. The consolidated statements of income and cash flows for 1998 include amounts for Entergy London and CitiPower through the dates of their respective sales.

Use of Estimates in the Preparation of Financial Statements

The preparation of Entergy Corporation's and its subsidiaries' financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. 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.

Revenues and Fuel Costs

Entergy Arkansas, Entergy Louisiana, and Entergy Mississippi generate, transmit, and distribute electricity primarily to retail customers in Arkansas, Louisiana, and Mississippi, respectively. Entergy Gulf States generates, transmits, and distributes electricity primarily to retail customers in Texas and Louisiana. Entergy Gulf States also distributes gas to retail customers in and around Baton Rouge, Louisiana. 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 are intended to recover operating expenses 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. System Energy's proposed rate increase is discussed in Note 2 to the financial statements.

The domestic utility companies accrue estimated revenues for energy delivered since the latest billings. The domestic utility companies' rate schedules include either fuel adjustment clauses or fixed fuel factors, both of which allow either current recovery or deferral of fuel costs until such costs are reflected in the related revenues. Fixed fuel factors remain 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 from mortgage bond indentures.

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

Net utility plant by company and functional category, as of December 31, 1999, is shown below (in millions):

	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Production							
Nuclear	$ 6,766	$ 913	$ 1,853	$ 1,832	$ -	$ -	$ 2,157
Other	1,396	338	585	201	199	15	-
Transmission	1,597	455	495	311	300	27	9
Distribution	3,225	964	889	742	463	167	-
Other	567	99	152	118	92	17	16
Plant acquisition adjustment - Entergy Gulf States	407	-	-	-	-	-	-
Other	86	-	20	-	-	66	-
Construction work in progress	1,501	267	145	108	67	30	59
Nuclear fuel (leased and owned)	374	95	71	52	-	-	78
Accumulated provision for decommissioning (1)	(418)	(271)	(64)	(83)	-	-	-
Utility plant - net	$ 15,501	$ 2,860	$ 4,146	$ 3,281	$ 1,121	$ 322	$ 2,319

(1) The decommissioning liabilities related to Grand Gulf 1, Pilgrim, and the 30% of River Bend previously owned by Cajun are recorded in the applicable Balance Sheets in "Deferred Credits and Other Liabilities – Decommissioning."

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:

	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
1999	2.9%	3.2%	2.4%	2.9%	2.4%	3.0%	3.3%
1998	3.0%	3.3%	2.6%	3.0%	2.5%	3.1%	3.3%
1997	3.2%	3.1%	2.8%	3.0%	2.5%	3.1%	3.4%

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 realized in cash through depreciation provisions included in rates.

Jointly-Owned Generating Stations

Certain Entergy subsidiaries jointly own electric generating facilities with third parties. The investments and expenses associated with these generating stations are recorded by the Entergy subsidiaries to the extent of their respective undivided ownership interests. As of December 31, 1999, the subsidiaries' investment and accumulated depreciation in each of these generating stations were as follows:

Generating Stations		Fuel-Type	Total Megawatt Capability	Ownership	Investment	Accumulated Depreciation
					(In Millions)	
Entergy Arkansas						
Independence	Unit 1	Coal	836	31.50%	$ 118	$ 55
	Common Facilities	Coal		15.75%	30	13
White Bluff	Units 1 and 2	Coal	1,659	57.00%	404	205
Entergy Gulf States						
Roy S. Nelson	Unit 6	Coal	550	70.00%	403	199
Big Cajun 2	Unit 3	Coal	540	42.00%	227	106
Entergy Mississippi - Independence	Units 1 and 2	Coal	1,678	25.00%	227	95
System Energy - Grand Gulf	Unit 1	Nuclear	1,200	90.00%(1)	3,483	1,313
Entergy Power - Independence	Unit 2	Coal	842	14.37%	81	32

(1) Includes an 11.5% leasehold interest held by System Energy. System Energy's Grand Gulf 1 lease obligations are discussed in Note 10 to the financial statements.

Income Taxes

Entergy Corporation and its subsidiaries file a U.S. 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 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 ratemaking treatment.

Reacquired Debt

The premiums and costs associated with reacquired debt of the domestic utility companies and System Energy (except that allocable to the deregulated operations of Entergy Gulf States) 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.

Investments

Entergy applies the provisions of SFAS 115, "Accounting for Investments for Certain Debt and Equity Securities," in accounting for investments in decommissioning trust funds. As a result, Entergy has recorded on the consolidated balance sheet $136 million of additional value in its decommissioning trust funds. This increase represents the amount by which the fair value of the securities held in such funds exceeds the amounts deposited plus the earnings on the deposits. In accordance with the regulatory treatment for decommissioning trust funds, the domestic utility companies and System Energy have recorded an offsetting amount in unrealized gains on investment securities as a regulatory liability in other deferred credits.

Decommissioning trust funds for Pilgrim do not receive regulatory treatment. Accordingly, unrealized gains recorded on the assets in Pilgrim's trust funds are recognized as a separate component of shareholders' equity because these assets are classified as available for sale.

Foreign Currency Translation

All assets and liabilities of Entergy's foreign subsidiaries are translated into U.S. dollars at the exchange rate in effect at the end of the period. Revenues and expenses are translated at average exchange rates prevailing during the period. The resulting translation adjustments are reflected in a separate component of shareholders' equity. Current exchange rates are used for U.S. dollar disclosures of future obligations denominated in foreign currencies.

Earnings per Share

The average number of common shares outstanding for the presentation of diluted earnings per share were greater by approximately 199,000 shares in 1999, 176,000 shares in 1998, and 140,000 shares in 1997, than the number of such shares for the presentation of basic earnings per share due to Entergy's stock option and other stock compensation plans discussed more thoroughly in Note 5 to the financial statements.

Options to purchase approximately 5,205,000, 149,000, and 225,000 shares of common stock at various prices were outstanding at the end of 1999, 1998, and 1997, respectively, but were not included in the computation of diluted earnings per share because the exercise prices were greater than the average market price of the common shares at the end of each of the years presented.

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 meet 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. Such capitalized costs are reflected as regulatory assets in the accompanying financial statements. 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 the application 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 an impairment may exist that could require further write-offs of plant assets.

EITF 97-4: "Deregulation of the Pricing of Electricity - Issues Related to the Application of FASB Statements No. 71 and 101" specifies that SFAS 71 should be discontinued at a date no later than when the effects of a transition to competition plan for all or a portion of the entity subject to such plan are reasonably determinable. Additionally, EITF 97-4 promulgates that regulatory assets to be recovered through cash flows derived from another portion of the entity that continues to apply SFAS 71 should not be written off; rather, they should be considered regulatory assets of the segment that will continue to apply SFAS 71.

As described in "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - SIGNIFICANT FACTORS AND KNOWN TRENDS," management believes that definitive outcomes have not yet been determined regarding transition to competition in any of Entergy's jurisdictions. Therefore, the regulated operations of the domestic utility companies and System Energy continue to apply SFAS 71. Arkansas and Texas have enacted retail open access laws, but Entergy believes that significant issues remain to be addressed by Arkansas and Texas regulators, and the enacted laws do not provide sufficient detail to reasonably determine the impact on Entergy Arkansas' and Entergy Gulf States' regulated operations.

Transition to Competition Liabilities

In conjunction with the transition to competition of the electric utility industry in certain jurisdictions in which the domestic utility companies operate, regulatory mechanisms have been established to mitigate potential stranded costs. These mechanisms include the transition cost account at Entergy Arkansas, which is discussed further in Note 2 to the financial statements. Also included is a provision in the Texas transition legislation that allows depreciation on transmission and distribution assets to be directed toward generation assets. The liabilities recorded as a result of these mechanisms are classified as "transition to competiton" deferred credits.

Domestic Operating Company Deregulated Operations

Entergy Gulf States does not apply regulatory accounting principles to its wholesale jurisdiction, steam department, Louisiana retail deregulated portion of River Bend, and the 30% interest in River Bend formerly owned by Cajun. The Louisiana retail deregulated portion of River Bend is operated under a deregulated asset plan representing a portion (approximately 24%) of River Bend plant costs, generation, revenues, and expenses established under a 1992 LPSC order. The plan allows Entergy Gulf States to sell the electricity from the deregulated assets 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.

The results of these deregulated operations before interest charges for the years ended December 31, 1999, 1998, and 1997 are as follows (in thousands):

	1999	1998	1997
Operating revenues	$ 166,509	$ 178,303	$ 155,471
Operating expenses			
Fuel, operating, and maintenance	126,917	137,579	89,987
Depreciation	35,141	39,497	36,351
Total operating expense	162,058	177,076	126,338
Income tax expense	628	1,154	9,416
Net income from deregulated utility operations	$ 3,823	$ 73	$ 19,717

The net investment associated with these deregulated operations as of December 31, 1999 and 1998 was approximately $835 million and $864 million, respectively.

Impairment of Long-Lived Assets

Entergy periodically reviews long-lived assets 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.

Assets regulated under traditional cost-of-service ratemaking, and thereby subject to SFAS 71 accounting, are generally not subject to impairment because 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 $1.2 billion (pre-tax) could be affected 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 jurisdictional abeyed portion of the River Bend plant and the portion of River Bend transferred from Cajun, and wholesale operations. Additionally, as noted above, the discontinuation of SFAS 71 regulatory accounting principles would require that Entergy review the affected assets for impairment.

Derivative Financial Instruments and Commodity Derivatives

As a part of its overall risk management strategy, Entergy uses a variety of derivative financial instruments and commodity derivatives, including interest rate swaps and natural gas and electricity futures, forwards, and options.

Entergy accounts for derivative financial instruments used to mitigate interest rate risk in accordance with hedge accounting. Gains or losses from rate swaps used for such purposes that are sold or terminated are deferred and amortized over the remaining life of the debt instrument being hedged by the interest rate swap. If the debt instrument being hedged by the interest rate swaps is extinguished, any gain or loss attributable to the swap would be recognized in the period of the transaction. Additional information concerning Entergy's interest rate swaps outstanding as of December 31, 1999 is included in Note 7 to the financial statements.

Entergy's power marketing and trading business engages in price risk management activities for trading purposes. To conduct these activities, the business uses futures, forwards, swaps, and options, and uses the mark-to-market method of accounting. Under the mark-to-market method of accounting, forwards, futures, swaps, options, and other financial instruments with third parties are reflected at market value in the balance sheets. Changes in the assets and liabilities from these instruments (resulting primarily from newly originated transactions and the impact of

price movements) are recognized currently in the statements of income. The market prices used to value these transactions reflect management's best estimate considering various factors including closing exchange and over-the-counter quotations, time value, and volatility factors underlying the commitments.

New Accounting Pronouncements

In June 1998, the FASB issued SFAS 133, "Accounting for Derivative Instruments and Hedging Activities," which will be effective for Entergy in 2001. This statement requires that all derivatives be recognized in the balance sheet, either as assets or liabilities, and measured at fair value. The statement also requires the designation and reassessment of all hedging relationships. The changes in fair value of derivatives will be recognized in earnings or in comprehensive income, depending on the type of hedge relationship involved. Entergy has not completed its analysis of the effect that the adoption of SFAS 133 will have on its financial position, results of operations, or cash flows.

In February 2000, the FASB issued an SFAS exposure draft which would be effective for fiscal years beginning after June 15, 2001. The proposed SFAS would require initial measurement and recognition of the liability for closure and removal of long-lived assets, including decommissioning, at fair value at the time the SFAS is adopted. Determination of fair value will likely require the estimation and discounting of future cash flows using an expected present value technique. An asset partially offsetting the liability would be determined by further discounting the liability to the time it was first incurred, which is initial contamination of a nuclear plant. This asset and the related accumulated depreciation would be presented with other plant costs on the balance sheet because the cost of decommissioning/closing the plant would be recognized as part of the total cost of the plant asset. Any difference between the liability recognized and the related net asset recognized at the time the proposed SFAS is adopted would be treated as a cumulative effective adjustment in the statement of income, unless it is probable that the difference will ultimately be recoverable from or refundable to customers. In that case, a regulatory asset or liability would be recorded. Decommissioning expense following the effective date of the proposed SFAS would be determined independently of the regulatory treatment of such expense and could be higher than the current level of expense being recognized. Amortization of any regulatory asset or liability recorded at the time of adoption of the SFAS would mitigate any impact on net income.

NOTE 2. RATE AND REGULATORY MATTERS

Electric Industry Restructuring

Arkansas

(Entergy Corporation and Entergy Arkansas)

In April 1999, the Arkansas legislature enacted a law providing for competition in the electric utility industry through retail open access on January 1, 2002. With retail open access, generation operations will become a competitive business, but transmission and distribution operations will continue to be regulated. The APSC may delay implementation of retail open access, but not beyond June 30, 2003. The provisions of the new law:

- require utilities to separate (unbundle) their costs into generation, transmission, distribution, and customer service functions;
- require operation of transmission facilities by an organization independent from the generation, distribution, and retail operations;
- provide for the determination of and mitigation measures for generation market power, which could require generation asset divestitures;
- allow for recovery of stranded and transition costs if the costs are approved by the APSC;
- allow for the securitization of approved stranded costs; and

- freeze residential and small business customer rates for three years by utilities that will recover stranded costs.

Entergy Arkansas filed separate generation, transmission, distribution, and customer service rates with the APSC in December 1999. The rates were based on the cost-of-service study that formed the basis of the rates included in the 1997 settlement agreement. Hearings on the rate filing are scheduled for September 2000. If approved, these rates will become effective July 1, 2001. Entergy Arkansas also filed notice with the APSC in December 1999 of its intent to recover stranded costs. The APSC and various participants in the industry, including Entergy Arkansas, are currently in the process of implementing the legislation through various rulemaking and other proceedings.

Texas

(Entergy Corporation and Entergy Gulf States)

In June 1999, the Texas legislature enacted a law providing for competition in the electric utility industry through retail open access. The law provides for retail open access by most electric utilities, including Entergy Gulf States, on January 1, 2002. With retail open access, generation and a new retail provider operation will be competitive businesses, but transmission and distribution operations will continue to be regulated. The new retail provider function will be the primary point of contact with the customers for most services beyond initiation of electric service and restoration of service following an outage. The provisions of the new law:

- require a rate freeze through January 1, 2002 with frozen rates beyond that for residential and small commercial customers of incumbent utilities;
- require utilities to separate (unbundle) their generation, transmission and distribution, and retail electric provider functions. Entergy Gulf States filed its plan in January 2000 with the PUCT to separate its functions. The plan included separate transmission and distribution companies;
- require operation in a non-discriminatory manner of transmission and distribution facilities by an organization independent from the generation and retail operations by the time competition is implemented;
- allow for recovery of stranded costs incurred in purchasing power and providing electric generation service if the costs are approved by the PUCT;
- allow securitization of regulatory assets and stranded costs;
- provide for the determination of and mitigation measures for generation market power; and
- require utilities to file separated data and proposed transmission, distribution, and competition tariffs by April 1, 2000.

The market power measures include a limit on the ownership of generation assets by a power generation company within a specified region. The implications of this limit are uncertain for Entergy Gulf States and the Entergy system. However, it is possible that Entergy Gulf States could be required to divest some of its generation assets if Entergy Gulf States is found to have generation market power. The legislation also requires affected utilities to sell at auction, at least 60 days before January 1, 2002, entitlements to at least 15% of their installed generation capacity in Texas. The obligation to auction capacity entitlements continues for up to 60 months after January 1, 2002, or until 40% of customers in the jurisdiction have chosen an alternative supplier, whichever comes first.

The PUCT and various participants in the industry are currently in the process of implementing the legislation through various rulemaking and other proceedings. Two significant rules have been issued by the PUCT:

- A code of conduct was approved by the PUCT in December 1999 to ensure that utilities do not allow affiliates to have a business advantage over competitors. The rules allow the continuation of shared services affiliates, such as Entergy Operations and Entergy Services. Entergy adopted an internal code of conduct to ensure compliance with the new rules.

- Rules governing the separated costs filing have been issued. Included is a provision establishing, as an alternative to a market-based return on equity, a presumptively reasonable return on equity for a distribution utility at 200 basis points over its cost of debt. The provision allows the utility to provide evidence that the return should be higher. The rules also provide that the utility may propose a performance-based enhancement to the authorized rate of return, based on distribution and transmission company independence. Management does not agree with the arbitrary level set in the rule and will seek a higher return in its separated costs filing. A workshop has been held by the PUCT to discuss opportunities to seek a performance-based return.

Louisiana

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

In September 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 bearing the burden of cost shifting. In 1997 and 1998, the LPSC identified areas and issues for consideration in the generic rulemaking docket on competition in the electric utility industry. In March 1999, the LPSC deferred making a decision on whether electric restructuring in Louisiana is in the public interest, but approved the development of a Louisiana specific plan for possible future implementation. The LPSC staff, outside consultants, and counsel were directed to work together to analyze and resolve outstanding issues and recommend a plan for the implementation of retail competition for consideration by the LPSC by January 1, 2001. The LPSC staff, outside consultants, counsel, and industry members are working together to develop a plan to be submitted to the LPSC.

Mississippi

(Entergy Corporation and Entergy Mississippi)

Since 1996, Entergy Mississippi and the MPSC have been addressing issues regarding an orderly transition to a more competitive retail market for electricity. As a result, the MPSC issued, for informational purposes and to spur discussion, a proposed transition plan in June 1998. The plan provided for retail competition in Mississippi to begin January 1, 2001 and for recovery of allowable stranded costs through a non-bypassable charge during a transition period between January 2001 and the end of 2004. In preparing for competition, the MPSC has conducted hearings on:

- market power and reliability studies filed by the two investor-owned utilities in Mississippi;
- certification requirements and load dispatch and control rules;
- cost of service issues;
- holding company issues;
- rules and regulations that possibly could be promulgated, after appropriate state legislation, to implement retail electric competition;
- stranded costs; and
- rate caps and performance-based rates.

In February 2000, legislation was introduced in Mississippi to establish a study committee to consider retail competition and provide a report to the legislature by December 1, 2000. If this legislation passes, the transition plan discussed above would be put on hold until this report has been reviewed. Management does not expect deregulation in Mississippi to occur prior to 2003.

New Orleans

(Entergy Corporation and Entergy New Orleans)

Entergy New Orleans filed an electric transition to competition plan in September 1997. This plan is similar to those filed for the other domestic utility companies. No procedural schedule has been established for consideration of that plan by the Council.

In October 1998, the Council established a procedural schedule to determine if natural gas retail competition is in the public interest. In April 1999, Entergy New Orleans filed a plan that would allow for gas retail open access in New Orleans. The plan outlines the conditions under which Entergy New Orleans could support gas retail open access should the Council find it in the public interest. Hearings on retail competition for gas service were held in November 1999. No further action has been taken by the Council.

Retail Rate Proceedings

Filings with the APSC (Entergy Corporation and Entergy Arkansas)

Entergy Arkansas is operating under the terms of a settlement agreement approved by the APSC in December 1997 that provides for the following:

- accelerated payment of Entergy Arkansas' Grand Gulf purchased power obligation in an amount totaling $165.3 million over the period from January 1999 to June 2004;
- collecting earnings in excess of an 11% return on equity in a transition cost account to offset stranded costs when retail access is implemented;
- a rate freeze until at least July 1, 2001; and
- rate decreases totaling $200 million over the two-year period 1998-1999. The net income effect from the rate reductions was approximately $22 million.

During 1999, Entergy Arkansas' operating expenses reflected reserves of $15.4 million ($9.5 million net of taxes) to record the 1999 accrual of excess earnings and an adjustment of the 1998 accrual. As of December 31, 1999, the transition cost account balance was $109.9 million. Additional reserves may also be required in 2000 based on earnings reviews.

In March 1999, Entergy Arkansas filed its annually redetermined energy cost rate with the APSC in accordance with the Energy Cost Recovery Rider formula and special circumstances agreement. The filing reflected that an increase was warranted to offset an under-recovery of the energy costs for 1998. The increased energy cost rate is effective April 1999 through March 2000.

Filings with the PUCT and Texas Cities

Rate Proceedings (Entergy Corporation and Entergy Gulf States)

In June 1999, the PUCT approved the settlement agreement that Entergy Gulf States entered into in February 1999. The settlement agreement resolved Entergy Gulf States' 1996 and 1998 rate proceedings and all of the settling parties' pending appeals in other matters, except for the appeal in the River Bend abeyed cost recovery proceeding discussed below. The Office of Public Utility Counsel, an intervenor in the proceeding, has appealed certain aspects of this settlement to Travis County District Court. Entergy Gulf States cannot predict the impact of the appeal.

The settlement agreement provides for the following:

- an annual $4.2 million base rate reduction, effective March 1, 1999, which is in addition to the annual $69 million base rate reduction (net of River Bend accounting order deferrals) in the PUCT's second order on rehearing in October 1998;
- a methodology for semi-annual revisions of the fixed fuel factor based on the market price of natural gas;
- a base rate freeze through June 1, 2000. The Texas restructuring law extends the base rate freeze through December 2001;
- amortization of the remaining River Bend accounting order deferrals as of January 1, 1999, over three years on a straight-line basis, and the accounting order deferrals will not be recognized in any subsequent base rate case or stranded cost calculation;
- the dismissal of all pending appeals of the settling parties relating to Entergy Gulf States' proceedings with the PUCT, except the River Bend abeyed plant costs appeal discussed below; and
- the potential recovery in the River Bend appeal is limited to $115 million net plant in service as of January 1, 2002, less depreciation over the remaining life of the plant beginning January 1, 2002 through the date the plant costs are included in rate base, and any such recovery will not be used to increase rates above the level agreed to in the settlement agreement.

As a result of the settlement agreement, in June 1999, Entergy Gulf States:

- removed from its balance sheet a $207.3 million deferred asset and the associated provision recorded for unrecovered purchased power costs and deferred revenue from NISCO, which had no net income impact on Entergy Gulf States;
- removed the reserve recorded in December 1997 for River Bend plant costs held in abeyance and reduced the plant asset, resulting in other income of $4.8 million; and
- removed the $93.9 million reserve recorded in 1998 for the amortization of River Bend accounting order deferrals to reflect the three-year amortization schedule detailed in the agreement. The income impact of this removal was largely offset by an increase in the rate of amortization of the accounting order deferrals.

In June 1999, the PUCT instituted a proceeding to consider the final adjustment of the rate refunds ordered as a result of Entergy Gulf States' November 1996 rate case. These refunds were required to occur over the fourteen-month period from August 1998 through September 1999. The PUCT issued an order in July 1999 adopting a calculation methodology which required Entergy Gulf States to refund an additional $25 million. This refund was recorded as a reduction in operating revenues.

In September and October 1999, seven cities in Entergy Gulf States' Texas service territory enacted ordinances purporting to require Entergy Gulf States to "book and hold in a suspense account all revenues from the sale of River Bend power attributable to the 30% share acquired from Cajun pending regulatory determination of the appropriate regulatory treatment of such power." The ordinances had an effective date of December 1997. Entergy Gulf States filed for a review of the ordinances at the PUCT in October 1999. In November 1999, Entergy Gulf States and the cities entered into a settlement agreement under which the parties agreed that the ordinances only required Entergy Gulf States to provide monthly informational reports concerning certain expenses, revenues, and operations associated with the 30% share. Entergy Gulf States treats the 30% share as a non-regulated operation.

Recovery of River Bend Costs (Entergy Corporation and Entergy Gulf States)

In March 1998, the PUCT disallowed recovery of $1.4 billion of company-wide abeyed River Bend plant costs which have been held in abeyance since 1988. Entergy Gulf States appealed the PUCT's decision on this matter to the Travis County District Court in Texas. In June 1999, subsequent to the settlement agreement discussed above, Entergy Gulf States removed the reserve for River Bend plant costs held in abeyance and reduced the value of the plant asset. The settlement agreement limits potential recovery of the remaining plant asset, less depreciation, to

$115 million, beginning January 1, 2002 through the date the plant costs are included in rate base, and any such recovery will not be used to increase rates above the level as agreed to in the settlement agreement. The settlement agreement also prohibits Entergy Gulf States from acting on its appeal until January 1, 2002. Based on advice of counsel, management believes that it is probable that the matter will be remanded again to the PUCT for a further ruling on the prudence of the abeyed plant costs and it is reasonably possible that some portion of these costs will be included in rate base. However, no assurance can be given that additional reserves or write-offs will not be required in the future.

PUCT Fuel Cost Review (Entergy Corporation and Entergy Gulf States)

In September 1998, Entergy Gulf States filed an application with the PUCT for an increase in its fixed fuel factor and for a surcharge to Texas retail customers for the cumulative under-recovery of fuel and purchased power costs. The PUCT issued an order in December 1998 approving the implementation of a revised fuel factor and fuel and purchased power surcharge that would result in recovery of $112.1 million of under-recovered fuel costs, inclusive of interest, over a 24-month period. These increases were implemented in the first billing cycle in February 1999. North Star Steel Texas, Inc. has appealed the PUCT's order to the State District Court in Travis County, Texas. Entergy Gulf States cannot predict the outcome of this appeal.

Based on the settlement agreement discussed above, Entergy Gulf States adopted a methodology for calculating its fixed fuel factor based on the market price of natural gas. This calculation and any necessary adjustments began semi-annually as of March 1, 1999 and are scheduled to continue until December 2001. The calculation for the factor to be implemented March 1, 1999 showed that the fuel factor adopted in the December 1998 PUCT order should be reduced. This fuel factor reduction was approved by the PUCT in February 1999. The calculation for the factor to be implemented September 1, 1999 showed, and the PUCT approved on an interim basis, an increase in the fuel factor.

The amounts collected under Entergy Gulf States' fixed fuel factor are, and will continue to be, the subject of fuel reconciliation proceedings before the PUCT, including a fuel reconciliation case filed by Entergy Gulf States in July 1999. In February 2000, Entergy Gulf States reached a unanimous settlement with all parties to the proceeding. Entergy Gulf States is reconciling approximately $731 million (after excluding approximately $14 million related to Cajun issues to be handled in a subsequent proceeding) of fuel and purchased power costs. The settlement reduces Entergy Gulf States' requested surcharge in the reconciliation filing from $14.7 million to $2.2 million. Although the settlement terms are still being finalized, the parties will ask the PUCT to allow the remaining $2.2 million surcharge to be recovered beginning with the April 2000 billing cycle and continue until January 2001. In addition, Entergy Gulf States agreed to file a fuel reconciliation case by January 12, 2001 covering the period from March 1, 1999 through August 31, 2000.

In September 1999, Entergy Gulf States filed an application with the PUCT requesting an interim fuel surcharge to collect under-recovered fuel and purchased power expenses incurred from March 1999 through July 1999. In December 1999, the PUCT approved the collection of $33.9 million over a five-month period beginning January 2000. The fuel and purchased power expenses contained in this surcharge will be subject to future fuel reconciliation proceedings.

Filings with the LPSC

Annual Earnings Reviews (Entergy Corporation and Entergy Gulf States)

In May 1995, Entergy Gulf States filed its second required post-Merger earnings analysis with the LPSC. Hearings on this review were held in December 1995. In October 1996, the LPSC ordered 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. Subsequently, Entergy Gulf States appealed the LPSC's order and obtained an injunction to stay the order, except

insofar as it requires the $13.4 million reduction, which Entergy Gulf States implemented in November 1996. In addition, pursuant to an October 1996 settlement with the LPSC, Entergy Gulf States will be allowed to recover $8.1 million annually related to certain gas transportation and storage facilities costs. This amount will be applied as an offset to any refunds required. In April 1999, a Louisiana Supreme Court decision reduced the refund that Entergy Gulf States is required to make from $9.6 million to $6.0 million. The case has been remanded to the LPSC and management is continuing to evaluate the implications of this decision.

In May 1996, Entergy Gulf States filed its third required post-Merger earnings analysis with the LPSC. Based on this filing, Entergy Gulf States implemented a $5.3 million annual rate reduction in June 1996. In September 1998, the LPSC issued an order in the third required post-Merger earnings analysis that required a refund of $44.8 million for the period June 1996 through May 1997, and a prospective rate reduction of $54.6 million effective September 20, 1998. The decision is on appeal to the Louisiana Supreme Court.

In May 1997, Entergy Gulf States filed its fourth post-Merger earnings analysis with the LPSC. Hearings were concluded in 1998 and a final decision by the LPSC is expected during the second or third quarter of 2000.

In May 1998, Entergy Gulf States filed its fifth required post-Merger earnings analysis with the LPSC. This filing will be subject to review by the LPSC and may result in a change in rates. Hearings were held in May 1999 and a decision by the LPSC is expected in the fourth quarter of 2000 or the first quarter of 2001. In a bifurcated proceeding, the LPSC investigated transactions between Entergy Gulf States and other Entergy affiliates. Hearings were held in December 1999.

In May 1999, Entergy Gulf States filed its sixth required post-Merger earnings analysis with the LPSC. Hearings were held in February 2000. The timing of a final decision in the proceeding is not certain.

Entergy Gulf States' operating revenues during the fourth quarter of 1998 reflected reserves of $102.2 million ($60.9 million net of taxes) based on management's estimates of the probable outcome of the annual earnings reviews as well as the effects of the LPSC fuel cost review discussed below. Additional reserves of $36.1 million ($22.2 million net of taxes), including interest, are reflected in operating revenues in 1999. Proceedings on issues in the second, third, fourth, fifth, and sixth post-Merger earnings analyses will continue.

LPSC Fuel Cost Review (Entergy Corporation and Entergy Gulf States)

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. In October 1996, the LPSC ordered a $34.2 million refund. The 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 an October 1996 settlement with the LPSC. Entergy Gulf States will be permitted to recover these costs in the future through base rates. In January 1999, the Louisiana Supreme Court affirmed the LPSC's October 1996 order. In accordance with this decision, Entergy Gulf States refunded $26.2 million, including interest, in August 1999. Management reserved for this refund in 1998 in connection with estimates of the probable outcome of this proceeding and the annual earnings reviews discussed above.

Formula Rate Plan Filings (Entergy Corporation and Entergy Louisiana)

In May 1997, Entergy Louisiana made its second annual performance-based formula rate plan filing with the LPSC for the 1996 test year. This filing resulted in a total rate reduction of approximately $54.5 million, which was implemented in July 1997. At the same time, rates were reduced by an additional $0.7 million and by an additional $2.9 million effective March 1998. Upon completion of the hearing process in December 1998, the LPSC issued an order requiring an additional rate reduction and refund, although the resulting amounts were not quantified. Entergy Louisiana has appealed this order and obtained a preliminary injunction pending a final decision on appeal.

In September 1998, Entergy Louisiana made its third annual performance-based formula rate plan filing with the LPSC for the 1997 test year. Entergy Louisiana settled this filing with the LPSC in the third quarter of 1999. The settlement required no further change in Entergy Louisiana's base rates. Entergy Louisiana will recover a $4.3 million excess credit as an offset to future rate reductions.

In April 1999, Entergy Louisiana submitted its fourth annual performance-based formula rate plan filing for the 1998 test year. The filing indicated that a $20.7 million base rate reduction might be appropriate. An interim rate reduction of $15.0 million was implemented effective August 1, 1999. Entergy Louisiana's filing will be subject to further review by the LPSC, which may result in an additional change in rates. Entergy Louisiana has provided reserves for the potential of further rate reductions. Hearings are scheduled with the LPSC in May 2000.

Fuel Adjustment Clause Litigation (Entergy Corporation and Entergy Louisiana)

In May 1998, a group of ratepayers filed a complaint against Entergy Corporation, Entergy Power, and Entergy Louisiana in state court in Orleans Parish purportedly on behalf of all Entergy Louisiana ratepayers. The plaintiffs seek treble damages for alleged injuries arising from the defendants' alleged violations of Louisiana's antitrust laws in connection with the costs included in fuel filings with the LPSC and passed through to ratepayers. Among other things, plaintiffs allege that Entergy Louisiana improperly introduced certain costs into the calculation of the fuel charges, including imprudently purchased high-cost electricity from its affiliates and imprudently purchased high-cost gas. Plaintiffs allege that these practices violated Louisiana's antitrust laws. In addition, plaintiffs seek to recover interest and attorney fees. Exceptions have been filed by Entergy, asserting that this dispute should be litigated before the LPSC and FERC. At the appropriate time, if necessary, Entergy will raise its defenses to the antitrust claims. At present, the suit in state court is stayed by stipulation of the parties.

Plaintiffs also filed this complaint with the LPSC to initiate a review by the LPSC of Entergy Louisiana's monthly fuel adjustment charge filings and to force restitution to ratepayers of all costs that the plaintiffs allege were improperly included in those fuel adjustment filings. Marathon Oil Company and Louisiana Energy Users Group have also intervened in the LPSC proceeding. Discovery at the LPSC has been conducted and is expected to continue. Direct testimony was filed with the LPSC by plaintiffs and the intervenors in July 1999. In their testimony for the period 1989 through 1998, plaintiffs purport to quantify many of their claims in an amount totaling $544 million, plus interest. The plaintiffs will likely assert additional damages for the period 1974 through 1988. The Entergy companies filed responsive and rebuttal testimony in September 1999. Rebuttal testimony by the plaintiffs and intervenors was filed in November 1999. Direct testimony of the LPSC staff will be filed in April 2000, to which Entergy will be permitted to respond. Hearings before the LPSC are scheduled to begin in September 2000. Entergy intends to defend this matter vigorously, both in court and at the LPSC. The outcome of the lawsuit and the LPSC proceeding cannot be predicted at this time. Management has provided reserves for this, other litigation, and Entergy Louisiana's formula rate plan proceedings based on its estimate of the outcome of these proceedings.

Filings with the MPSC (Entergy Corporation and Entergy Mississippi)

In March 1999, Entergy Mississippi submitted its annual performance-based formula rate plan filing for the 1998 test year. In April 1999, the MPSC approved a prospective rate reduction of $13.3 million. This rate reduction went into effect May 1, 1999. In June 1999, Entergy Mississippi revised its March 1999 filing to include a portion of refinanced long-term debt not included in the original filing. This revision resulted in an additional rate reduction of approximately $1.5 million, effective July 1999.

Filings with the Council

1997 Settlement (Entergy Corporation and Entergy New Orleans)

Entergy New Orleans submitted its cost of service and revenue requirement filing in September 1997 to the Council. In connection with this filing, Entergy New Orleans filed a settlement agreement with the Council, which was approved in November 1998. The settlement agreement required the following:

- base rate reductions for Entergy New Orleans' electric customers of $7.1 million effective January 1, 1999, $3.2 million effective October 1, 1999, and $16.1 million effective October 1, 2000;
- a base rate reduction for Entergy New Orleans' gas customers of $1.9 million effective January 1999; and
- no base rate increases prior to October 1, 2001.

Natural Gas (Entergy Corporation and Entergy New Orleans)

The Council held hearings in May 1999 regarding the prudence of Entergy New Orleans' natural gas purchasing practices.

Fuel Adjustment Clause Litigation (Entergy Corporation and Entergy New Orleans)

In April 1999, a group of ratepayers filed a complaint against Entergy New Orleans, Entergy Corporation, Entergy Services, and Entergy Power in state court in Orleans Parish purportedly on behalf of all Entergy New Orleans ratepayers. The plaintiffs seek treble damages for alleged injuries arising from the defendants' alleged violations of Louisiana's antitrust laws in connection with certain costs passed on to ratepayers in Entergy New Orleans' fuel adjustment filings with the Council. In particular, plaintiffs allege that Entergy New Orleans improperly included certain costs in the calculation of fuel charges and that Entergy New Orleans imprudently purchased high-cost fuel from other Entergy affiliates. Plaintiffs allege that Entergy New Orleans and the other defendant Entergy companies conspired to make these purchases to the detriment of Entergy New Orleans' ratepayers and to the benefit of Entergy's shareholders, in violation of Louisiana's antitrust laws. Plaintiffs also seek to recover interest and attorney fees. Exceptions to the plaintiffs' allegations were filed by Entergy, asserting, among other things, that jurisdiction over these issues rests with the Council and FERC. If necessary, at the appropriate time, Entergy will also raise its defenses to the antitrust claims. At present, the suit in state court is stayed by stipulation of the parties.

Plaintiffs also filed this complaint with the Council in order to initiate a review by the Council of their allegations and to force restitution to ratepayers of all costs they allege were improperly and imprudently included in the fuel adjustment filings. Discovery has begun in the proceedings before the Council. The plaintiffs have not yet stated the amount of damages they claim. Entergy intends to defend this matter vigorously, both in court and before the Council. The ultimate outcome of the lawsuit and the Council proceeding cannot be predicted at this time.

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

Entergy Gulf States was amortizing $182 million of River Bend operating and purchased power costs, depreciation, and accrued carrying charges over a 20-year period; however the PUCT recently accelerated the recovery of these deferrals to a three-year recovery period ending May 1999. The settlement agreement discussed above dismissed Entergy Gulf States' appeal regarding these deferrals and allowed Entergy Gulf States to amortize the remainder of the accelerated balance as of January 1, 1999, over three years on a straight-line basis ending December 31, 2001.

Grand Gulf 1 Deferrals and Retained Shares

(Entergy Corporation and Entergy Arkansas)

Under the settlement agreement entered into with the APSC in 1985 and amended in 1988, Entergy Arkansas retains 22% of its 36% share of Grand Gulf 1-related costs and recovers the remaining 78% of its share in rates. In the event that 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 Entergy Louisiana's share of capacity and energy from Grand Gulf 1, subject to certain terms and conditions. Entergy Louisiana retains and does not recover from retail ratepayers, 18% of its 14% share of the costs of Grand Gulf 1 capacity and energy and recovers the remaining 82% of its share in rates. 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. Non-fuel operation and maintenance costs for Grand Gulf 1 are recovered through Entergy Louisiana's base rates. 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 New Orleans)

Under 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, 1999, the uncollected balance of Entergy New Orleans' deferred costs was $35.8 million.

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 will refund a total of approximately $62 million, plus interest, to Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans through June 2004. 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 amortizing and recovering these costs 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 until 2004.

Proposed Rate Increase

(System Energy)

System Energy applied to FERC in May 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 to the financial statements. In December 1995, System Energy implemented the $65.5 million rate increase, subject to refund, for which a portion has been reserved. After holding hearings in 1996, a FERC ALJ found that portions of System Energy's request should be rejected, including a proposed increase in return on common equity from 11% to 13% and a requested change in decommissioning cost

methodology. The ALJ recommended a decrease in the return on common equity from 11% to 10.86%. Other portions of System Energy's request for a rate increase were approved by the ALJ. All of the ALJ's findings are advisory, and may be accepted, modified, or rejected by FERC in a final order.

If FERC were to approve the ALJ's findings, System Energy would be required to make a refund of money collected under its proposed tariff in the amount of $228.2 million as of December 31, 1999, together with interest in the amount of $39.6 million. As of December 31, 1999, System Energy has fully provided reserves for this potential refund. It is not certain when FERC may issue a final order in this rate proceeding or whether FERC will accept, modify, or reject the ALJ's findings. Although management believes that the recorded reserves are adequate to reflect the probable outcome of this proceeding, additional reserves or write-offs could be required in the future.

(Entergy Mississippi)

Entergy Mississippi's allocation of the proposed System Energy wholesale rate increase is $21.6 million annually. In July 1995, Entergy Mississippi filed a schedule with the MPSC that defers the retail recovery 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. Under this plan, the deferral period was anticipated to have ended by September 1998, and the deferred amount would have been amortized over 48 months beginning in October 1998. Although the deferral period under the plan has ended, FERC has not yet issued an order. For that reason, Entergy Mississippi filed a revised deferral plan with the MPSC in August 1998 that provides for recovery, effective with October 1998 billings, of $11.8 million of the System Energy rate increase that was approved by the FERC ALJ's initial decision in July 1996. The $11.8 million is being amortized over the original 48-month period, which began in October 1998. The amount of System Energy's proposed increase in excess of the $11.8 million will continue to be deferred until the issuance of a final order by FERC, or October 2000, whichever occurs first. These deferred amounts, plus carrying charges, will be amortized over a 45-month period beginning in October 2000.

(Entergy New Orleans)

Entergy New Orleans' allocation of the proposed System Energy wholesale rate increase is $11.1 million annually. In February 1996, Entergy New Orleans filed a plan with the Council 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.

Grand Gulf Accelerated Recovery Tariff

(Entergy Arkansas)

In April 1998, FERC approved the GGART that Entergy Arkansas filed as part of the settlement agreement that the APSC approved in December 1997. The GGART was designed to allow Entergy Arkansas to pay down a portion of its Grand Gulf purchased power obligation in advance of the implementation of retail access in Arkansas. The GGART provides for the acceleration of $165.3 million of its obligation over the period January 1, 1999 through June 30, 2004. The settlement agreement with the APSC is discussed above in "Filings with the APSC."

(Entergy Mississippi)

In September 1998, FERC approved the GGART for Entergy Mississippi's allocable portion of Grand Gulf, which was filed with FERC in August 1998. The GGART provides for the acceleration of Entergy Mississippi's Grand Gulf purchased power obligation in an amount totaling $221.3 million over the period October 1, 1998 through June 30, 2004.

NOTE 3. INCOME TAXES

Income tax expenses for 1999, 1998, and 1997 consist of the following (in thousands):

1999	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Current:							
Federal	$ 452,568	$ 25,812	$ 64,991	$ 115,179	$ (660)	$ 13,238	$ 121,733
Foreign	27,730	-	-	-	-	-	-
State	65,834	5,781	11,669	22,675	131	2,923	18,979
Total	546,132	31,593	76,660	137,854	(529)	16,161	140,712
Deferred – net	(153,304)	26,334	13,513	(9,953)	19,566	(2,615)	(77,173)
Investment tax credit adjustments – net	(36,161)	(3,915)	(15,008)	(5,533)	(1,500)	(516)	(9,688)
Recorded income tax expense	$ 356,667	$ 54,012	$ 75,165	$ 122,368	$ 17,537	$ 13,030	$ 53,851

1998	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Current:							
Federal	$ 235,979	$ 68,814	$ 43,729	$ 69,551	$ 34,984	$ 15,010	$ 91,107
Foreign	28,156	-	-	-	-	-	-
State	67,163	14,853	17,218	12,643	5,541	2,530	14,378
Total	331,298	83,667	60,947	82,194	40,525	17,540	105,485
Deferred – net	(109,474)	(7,153)	(90,314)	32,506	(10,983)	(6,993)	(24,745)
Investment tax credit adjustments – net	44,911	(5,140)	61,140	(5,596)	(1,511)	(505)	(3,477)
Recorded income tax expense	$ 266,735	$ 71,374	$ 31,773	$ 109,104	$ 28,031	$ 10,042	$ 77,263

1997	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Current:							
Federal	$ 433,444	$ 113,278	$ 68,881	$ 94,448	$ 49,472	$ 12,003	$ 98,428
Foreign	237,337	-	-	-	-	-	-
State	76,905	23,756	6,007	19,974	9,476	2,096	15,596
Total	747,686	137,034	74,888	114,422	58,948	14,099	114,024
Deferred – net	(312,691)	(73,406)	(104,435)	(9,833)	(30,697)	(1,369)	(35,894)
Investment tax credit adjustments – net	36,346	(4,408)	51,949	(5,624)	(1,507)	(588)	(3,476)
Recorded income tax expense	$ 471,341	$ 59,220	$ 22,402	$ 98,965	$ 26,744	$ 12,142	$ 74,654

Total income taxes differ from the amounts computed by applying the statutory income tax rate to income before taxes. The reasons for the differences for the years 1999, 1998, and 1997 are (amounts in thousands):

1999	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Computed at statutory rate (35%)	$ 333,093	$ 43,164	$ 70,058	$ 109,948	$ 20,693	$ 11,196	$ 47,678
Increases (reductions) in tax resulting from:							
State income taxes net of federal income tax effect	49,487	6,949	18,805	13,741	1,982	1,930	6,080
Depreciation	49,460	18,429	4,718	9,577	(1,093)	2,232	15,597
Rate deferrals - net	(254)	-	(90)	67	(24)	(207)	-
Amortization of investment tax credits	(29,015)	(5,132)	(6,642)	(5,532)	(1,500)	(518)	(9,691)
Flow-through/permanent differences	(8,042)	(5,250)	(2,795)	532	(284)	(272)	27
US tax benefit on foreign income	(9,584)	-	-	-	-	-	-
Benefit of Entergy Corporation expenses	-	(3,341)	(4,046)	(4,053)	(1,936)	(754)	(4,552)
Change in valuation allowance	(46,315)						
Other – net	17,837	(807)	(4,843)	(1,912)	(301)	(577)	(1,288)
Total income taxes	$ 356,667	$ 54,012	$ 75,165	$ 122,368	$ 17,537	$ 13,030	$ 53,851
Effective Income Tax Rate	37.5%	43.8%	37.6%	39.0%	29.7%	40.7%	39.5%

1998	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Computed at statutory rate (35%)	$ 368,327	$ 63,814	$ 27,358	$ 101,007	$ 31,734	$ 9,162	$ 64,309
Increases (reductions) in tax resulting from:							
State income taxes net of federal income tax effect	37,494	9,289	7,744	9,156	3,053	831	7,421
Depreciation	40,578	6,497	11,099	8,147	(686)	888	14,633
Rate deferrals - net	(511)	701	659	372	(2,535)	292	-
Amortization of investment tax credits	(21,285)	(5,136)	(5,061)	(5,592)	(1,512)	(504)	(3,480)
Flow-through/permanent differences	(3,570)	1,078	(4,404)	(188)	149	(187)	(18)
US tax on foreign income	108,194	-	-	-	-	-	-
Non-taxable gain on sale of foreign assets	(20,283)	-	-	-	-	-	-
Change in UK statutory rate	(31,703)	-	-	-	-	-	-
Foreign subsidiary basis difference	(58,235)	-	-	-	-	-	-
Reduced rate on gain on sale of foreign assets	(56,712)	-	-	-	-	-	-
Non-deductible franchise fees	7,315	-	-	-	-	-	-
Interest on perpetual instruments	(5,467)	-	-	-	-	-	-
Benefit of Entergy Corporation expenses	-	(5,212)	(4,948)	(3,947)	(2,386)	(629)	(4,999)
Change in valuation allowance	(106,636)						
Other -- net	9,229	343	(674)	149	214	189	(603)
Total income taxes	$ 266,735	$ 71,374	$ 31,773	$ 109,104	$ 28,031	$ 10,042	$ 77,263
Effective Income Tax Rate	25.3%	39.1%	40.6%	37.8%	30.9%	38.4%	42.1%

1997	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Computed at statutory rate (35%)	$ 270,284	$ 64,470	$ 28,833	$ 84,253	$ 32,691	$ 9,658	$ 61,932
Increases (reductions) in tax resulting from:							
State income taxes net of federal income tax effect	33,272	8,382	1,274	12,106	3,110	1,191	7,209
Depreciation	25,471	(2,784)	(3,670)	13,162	964	2,236	15,563
Rate deferrals - net	3,484	1,543	5,575	(526)	(3,504)	396	-
Amortization of investment tax credits	(19,592)	(4,404)	(3,981)	(5,627)	(1,512)	(589)	(3,479)
Flow-through/permanent differences	(6,537)	(1,558)	(14,658)	47	(78)	(187)	-
UK windfall profits tax	234,080	-	-	-	-	-	-
Change in UK statutory rate	(64,670)	-	-	-	-	-	-
Non-deductible franchise fees	17,234	-	-	-	-	-	-
Interest on perpetual instruments	(9,094)	-	-	-	-	-	-
Benefit of Entergy Corporation expenses	-	(4,920)	-	(4,788)	(2,704)	(831)	(4,037)
Other -- net	(12,591)	(1,509)	9,029	338	(2,223)	268	(2,534)
Total income taxes	$ 471,341	$ 59,220	$ 22,402	$ 98,965	$ 26,744	$ 12,142	$ 74,654
Effective Income Tax Rate	61.0%	31.6%	27.2%	41.1%	28.6%	44.0%	42.2%

Significant components of net deferred tax liabilities as of December 31, 1999 and 1998 are as follows (in thousands):

1999	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Deferred Tax Liabilities:							
Net regulatory assets/(liabilities)	$ (1,268,257)	$ (229,555)	$ (432,256)	$ (278,289)	$ (32,048)	$ 4,480	$ (300,589)
Plant-related basis differences	(3,041,135)	(533,375)	(1,013,110)	(749,257)	(220,827)	(62,104)	(452,083)
Rate deferrals	(77,652)	(6,168)	(3,128)	-	(44,214)	(24,142)	-
Other	(201,958)	(77,812)	(15,157)	(24,741)	(9,214)	(7,718)	(22,412)
Total	$ (4,589,002)	$ (846,910)	$ (1,463,651)	$ (1,052,287)	$ (306,303)	$ (89,484)	$ (775,084)
Deferred Tax Assets:							
Accumulated deferred investment tax credit	178,153	37,211	46,851	47,390	7,997	3,048	35,656
Net operating loss carryforwards	2,137	-	2,137	-	-	-	-
Capital loss carryforwards	62,754	-	-	-	-	-	-
Foreign tax credits	116,701	-	-	-	-	-	-
Alternative minimum tax credit	40,658	-	40,658	-	-	-	-
Sale and leaseback	230,690	-	-	107,184	-	-	123,506
Removal cost	108,572	943	26,848	66,786	1,994	12,001	-
Unbilled revenues	40,761	-	21,161	17,618	(1,183)	3,165	-
Pension-related items	32,734	-	10,810	9,509	(1,508)	8,064	2,883
Rate refund	142,984	-	45,781	20,270	-	1,347	102,422
Reserve for regulatory adjustments	124,078	-	124,078	-	-	-	-
Transition cost accrual	43,127	43,127	-	-	-	-	-
FERC Settlement	12,638	-	-	-	-	-	12,638
Other	161,074	13,358	18,485	3,760	-	7,118	8,872
Valuation allowance	(91,039)	-	-	-	-	-	-
Total	$ 1,206,022	$ 94,639	$ 336,809	$ 272,517	$ 7,300	$ 34,743	$ 285,977
Net deferred tax liability	$ (3,382,980)	$ (752,271)	$ (1,126,842)	$ (779,770)	$ (299,003)	$ (54,741)	$ (489,107)

1998	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Deferred Tax Liabilities:							
Net regulatory assets/(liabilities)	$ (1,334,014)	$ (286,983)	$ (432,070)	$ (319,588)	$ (34,086)	$ (2,305)	$ (258,982)
Plant-related basis differences	(3,053,837)	(505,851)	(1,027,463)	(739,298)	(214,461)	(57,778)	(489,501)
Rate deferrals	(97,071)	(1,350)	(26,986)	-	(36,064)	(32,671)	-
Gain on sale of assets	(80,500)	-	-	-	-	-	-
Other	(55,700)	(63,663)	(8,923)	(23,912)	(6,531)	(5,372)	(20,517)
Total	$ (4,621,122)	$ (857,847)	$ (1,495,442)	$ (1,082,798)	$ (291,142)	$ (98,126)	$ (769,000)
Deferred Tax Assets:							
Accumulated deferred investment tax credit	192,696	38,708	55,664	49,520	8,571	3,247	36,986
Investment tax credit carryforwards	8,979	-	8,979	-	-	-	-
Net operating loss carryforwards	2,137	-	2,137	-	-	-	-
Capital loss carryforwards	65,939	-	-	-	-	-	-
Foreign tax credits	135,727	-	-	-	-	-	-
Alternative minimum tax credit	40,658	-	40,658	-	-	-	-
Sale and leaseback	240,067	-	-	108,125	-	-	131,942
Removal cost	108,858	1,127	27,015	66,012	2,945	11,759	-
Unbilled revenues	36,802	-	20,365	12,660	(726)	4,503	-
Pension-related items	30,911	-	11,565	9,664	-	5,849	3,833
Rate refund	110,312	-	49,385	-	-	-	60,927
Reserve for regulatory adjustments	158,839	-	158,839	-	-	-	-
Transition cost accrual	35,374	35,374	-	-	-	-	-
FERC Settlement	15,057	-	-	-	-	-	15,057
Other	10,719	1,905	33,944	9,218	-	9,270	8,506
Valuation allowance	(142,261)	-	-	-	-	-	-
Total	$ 1,050,814	$ 77,114	$ 408,551	$ 255,199	$ 10,790	$ 34,628	$ 257,251
Net deferred tax liability	$ (3,570,308)	$ (780,733)	$ (1,086,891)	$ (827,599)	$ (280,352)	$ (63,498)	$ (511,749)

As of December 31, 1999, Entergy had net operating loss carryforwards of $24.5 million for state income tax purposes, all related to Entergy Gulf States. If the state net operating loss carryforwards are not utilized against income from its subsidiaries, they will expire between 2000 and 2004. The alternative minimum tax (AMT) credit carryforwards as of December 31, 1999 were $40.7 million, all related to Entergy Gulf States. This AMT credit can be carried forward indefinitely and may be applied solely against the federal income tax liability of Entergy Gulf States.

The valuation allowance is provided primarily against foreign tax credit carryforwards, which can be utilized against future United States taxes on foreign source income. If these carryforwards are not utilized, they will expire between 2000 and 2004.

At December 31, 1999, unremitted earnings of foreign subsidiaries were approximately $29.5 million. Since it is Entergy's intention to indefinitely reinvest these earnings, no U.S. taxes have been provided. Upon distribution of these earnings in the form of dividends or otherwise, Entergy could be subject to U.S. income taxes (subject to foreign tax credits) and withholding taxes payable to various foreign countries.

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)

The short-term borrowings of the domestic utility companies and System Energy are limited to amounts authorized by the SEC. The current limits authorized are effective through November 30, 2001. In addition to borrowing from commercial banks, Entergy companies are authorized to borrow from the Entergy System Money Pool (money pool). The money pool is an inter-company borrowing arrangement designed to reduce the domestic utility companies' dependence on external short-term borrowings. Borrowings from the money pool and external borrowings combined may not exceed the SEC authorized limits. The following are the SEC-authorized limits and borrowings from the money pool for the domestic utility companies and System Energy as of December 31, 1999 (there were no borrowings outstanding from external sources):

	Authorized	Outstanding Borrowings
	(In Millions)	
Entergy Arkansas	$ 235	$ 40.6
Entergy Gulf States	340	36.1
Entergy Louisiana	225	91.5
Entergy Mississippi	103	50.0
Entergy New Orleans	35	9.7
System Energy	140	-
Total	$1,078	$ 227.9

Other Entergy companies have SEC authorization to borrow from Entergy Corporation through the money pool and from external sources in an aggregate principal amount up to $265 million. These Entergy companies had $116.6 million outstanding as of December 31, 1999 borrowed from the money pool. Some of these borrowings are restricted as to use and are collateralized by certain assets.

In September 1999, Entergy Corporation amended its $250 million, 364-day bank credit facility. As of December 31, 1999, $120 million was outstanding under this facility. The weighted-average interest rate on Entergy's outstanding borrowings as of December 31, 1999 and 1998 was 7.48% and 5.97%, respectively. The commitment fee for this facility is currently .15% of the line amount. Commitment fees and interest rates on loans under the credit facility can fluctuate depending on the senior debt ratings of the domestic utility companies. There is further discussion of commitments for long-term financing arrangements in Note 7 to the financial statements.

On February 25, 2000, Entergy Corporation obtained a 364-day term loan in the amount of $120 million, accruing interest at a rate of 6.7%. The proceeds are being used to make an open-account advance to Entergy Louisiana in order to repay maturing debt. Entergy Corporation will use any remaining proceeds for general corporate purposes and working capital needs.

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 Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans as of December 31, 1999, and 1998 were:

	Shares Authorized and Outstanding				Call Price Per Share as of December 31,
	1999	1998	1999	1998	1999
			(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	$103.65
4.72% Series	93,500	93,500	9,350	9,350	107.00
4.56% Series	75,000	75,000	7,500	7,500	102.83
4.56% 1965 Series	75,000	75,000	7,500	7,500	102.50
6.08% Series	100,000	100,000	10,000	10,000	102.83
7.32% Series	100,000	100,000	10,000	10,000	103.17
7.80% Series	150,000	150,000	15,000	15,000	103.25
7.40% Series	200,000	200,000	20,000	20,000	102.80
7.88% Series	150,000	150,000	15,000	15,000	103.00
Cumulative, $0.01 par value:					
$1.96 Series (a)	600,000	600,000	15,000	15,000	25.00
Total without sinking fund	1,613,500	1,613,500	$116,350	$116,350	
With sinking fund:					
Cumulative, $100 par value:					
8.52% Series	-	200,000	-	$20,000	-
Cumulative, $25 par value:					
9.92% Series	-	81,085	-	2,027	-
Total with sinking fund	-	281,085	-	22,027	
Fair Value of Preferred Stock with sinking fund (e)			-	$22,986	

	Shares Authorized and Outstanding				Call Price Per Share as of December 31,
	1999	1998	1999	1998	1999
Entergy Gulf States Preferred and Preference Stock			(Dollars in Thousands)		
Preference Stock					
Cumulative, without par value					
7% Series (a) (b)	6,000,000	6,000,000	$150,000	$150,000	
Preferred Stock					
Authorized 6,000,000 shares,					
$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
Total without sinking fund	514,438	514,438	$51,444	$51,444	
With sinking fund:					
8.80% Series	-	139,971	-	$13,997	-
8.64% Series	-	84,000	-	8,400	-
Adjustable Rate - A, 7.02% (c)	144,000	156,000	$14,400	15,600	$100.00
Adjustable Rate - B, 7.03% (c)	202,500	225,000	20,250	22,500	100.00
Total with sinking fund	346,500	604,971	$34,650	$60,497	
Fair Value of Preference Stock and Preferred Stock with sinking fund (e)			$183,357	$203,456	

	Shares Authorized and Outstanding				Call Price Per Share as of December 31,
	1999	1998	1999	1998	1999
Entergy Louisiana Preferred Stock			(Dollars in Thousands)		
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
Cumulative, $25 par value:					
8.00% Series	1,480,000	1,480,000	37,000	37,000	25.00
Total without sinking fund	2,115,000	2,115,000	$100,500	$100,500	
With sinking fund:					
7.00% Series		500,000	-	$50,000	-
8.00% Series (d)	350,000	350,000	35,000	35,000	-
Total with sinking fund	350,000	850,000	$35,000	$85,000	
Fair Value of Preferred Stock with sinking fund (e)			$35,364	$87,813	
Entergy 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	200,000	200,000	20,000	20,000	100.00
Total without sinking fund	503,808	503,808	$50,381	$50,381	

	Shares Authorized and Outstanding				Call Price Per Share as of December 31,
	1999	1998	1999	1998	1999
Entergy New Orleans Preferred Stock			(Dollars in Thousands)		
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	104.57
5.56% Series	60,000	60,000	6,000	6,000	102.59
Total without sinking fund	197,798	197,798	$19,780	$19,780	
Entergy Corporation					
Subsidiary's Preference Stock (a)(b):	6,000,000	6,000,000	$150,000	$150,000	
Subsidiaries' Preferred Stock:					
Without sinking fund:	4,944,544	4,944,544	$338,455	$338,455	
With sinking fund:	696,500	1,736,056	$69,650	$167,523	
Fair Value of Preferred Stock and Preferred Stock with sinking fund(e)			$218,721	$314,255	

(a) The total dollar value represents the liquidation value of $25 per share.
(b) These series are not redeemable as of December 31, 1999, but become mandatorily redeemable on July 15, 2000.
(c) Represents weighted-average annualized rates for 1999.
(d) This series is not redeemable as of December 31, 1999, but becomes mandatorily redeemable on November 1, 2001.
(e) Fair values were determined using bid prices reported by dealer markets and by nationally recognized investment banking firms. There is additional disclosure of fair value of financial instruments in Note 15 to the financial statements.

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

	Number of Shares		
	1999	1998	1997
Preferred stock retirements			
Entergy Arkansas			
$100 par value	(200,000)	(50,000)	(50,000)
$25 par value	(81,085)	(160,000)	(160,000)
Entergy Gulf States			
$100 par value	(258,471)	(84,812)	(934,812)
Entergy Louisiana			
$100 par value	(500,000)	-	-
$25 par value	-	-	(300,000)
Entergy Mississippi			
$100 par value	-	-	(145,000)

Cash sinking fund requirements and mandatory redemptions for the next five years for preferred and preference stock, outstanding as of December 31, 1999, are as follows:

	Entergy	Entergy Gulf States	Entergy Louisiana
		(In Thousands)	
2000	$153,450	$153,450	-
2001	38,450	3,450	$35,000
2002	3,450	3,450	-
2003	3,450	3,450	-
2004	3,450	3,450	-

Entergy Gulf States has the annual non-cumulative option to redeem, at par, additional amounts of certain series of its outstanding preferred stock.

In October 1998, the Board approved a plan for the repurchase of Entergy common stock through December 31, 2001, to fulfill the requirements of various compensation and benefit plans. The stock repurchase plan provides for purchases in the open market of up to five million shares of Entergy common stock, for an aggregate consideration of up to $250 million. In July 1999, the Board approved the commitment of up to an additional $750 million toward the repurchase of Entergy common stock through December 31, 2001. In 1999, Entergy Corporation repurchased 8,484,000 shares of its common stock for an aggregate purchase price of approximately $245 million. Shares are purchased on a discretionary basis.

Entergy Corporation 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 Ownership Plan), and certain other stock benefit plans. The Directors' Plan awards to nonemployee directors a portion of their compensation in the form of a fixed number of shares of Entergy Corporation previously repurchased common stock. Shares awarded under the Directors' Plan were 11,400 during 1999; 5,100 during 1998; and 9,104 during 1997.

During 1999, Entergy Corporation issued 350,568 shares of its previously repurchased common stock to satisfy stock options exercised and stock purchases under the Equity Plan. In addition, Entergy Corporation received proceeds of $7.5 million from the issuance of 253,269 shares of common stock under its dividend reinvestment and stock purchase plan during 1999.

The Equity Ownership Plan grants stock options, equity awards, and incentive awards to key employees of the domestic utility companies. The costs of equity and incentive awards are charged to income over the period of the grant or restricted period, as appropriate. Amounts charged to compensation expense in 1999 were immaterial. Stock options, which comprise 50% of the shares targeted for distribution under the Equity Ownership Plan, are granted at exercise prices not less than market value on the date of grant. The options granted prior to 1999 were generally exercisable six months from the date of grant, with the exception of 40,000 options granted on December 1, 1998, which became exercisable on January 1, 2000. The majority of options granted in 1999 will become exercisable equally over a three-year period. Options are not exercisable beyond ten years from the date of the grant.

Entergy does not recognize compensation expense for stock options issued with exercise prices at market value on the date of grant. The impact on Entergy's net income for each of the years 1999, 1998, and 1997 would have been $15.5 million, $278,000, and $296,000, respectively, had compensation cost for the stock options been recognized based on the fair value of options at the grant date for awards under the option plan.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following stock option weighted-average assumptions:

	1999	1998	1997
Stock price volatility	20.3%	20.9%	19.3%
Expected term in years	5	5	5
Risk-free interest rate	4.7%	5.1%	6.3%
Dividend yield	4.0%	5.4%	6.8%
Dividend payment	$1.20	$1.58	$1.80

Nonstatutory stock option transactions are summarized as follows:

	1999		1998		1997	
	Number of Options	Average Option Price	Number of Options	Average Option Price	Number of Options	Average Option Price
Beginning-of-year balance	901,639	$ 26.21	1,176,308	$ 25.12	1,053,308	$ 24.94
Options granted	5,354,189	29.88	125,000	29.46	255,000	25.84
Options exercised	(213,084)	23.69	(350,169)	23.37	(2,500)	23.38
Options forfeited	(411,638)	30.34	(49,500)	28.56	(129,500)	25.10
End-of-year balance	5,631,106	$ 29.50	901,639	$ 26.21	1,176,308	$ 25.12
Options exercisable at year-end	612,531		861,639		421,909	
Weighted average fair value of options granted	$ 4.72		$ 4.11		$ 3.10	

The following table summarizes information about stock options outstanding as of December 31, 1999:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	As of 12/31/99	Weighted-Avg Remaining Contractual Life-Yrs.	Weighted-Avg. Exercise Price	Number Exercisable at 12/31/99	Weighted-Avg. Exercise Price
$20 - $30	5,173,076	8.8	$ 29.29	533,312	$ 24.83
$30 - $40	458,030	8.3	$ 31.81	79,219	$ 35.99
$20 - $40	5,631,106	8.7	$ 29.50	612,531	$ 26.27

To meet the requirements of the Employee Stock Investment Plan (ESIP), the SEC authorized Entergy Corporation to issue or acquire, through March 31, 2000, up to 2,000,000 shares of its common stock to be held as treasury shares. The ESIP is authorized through the 1999 plan year ending March 31, 2000. Entergy Corporation may issue either treasury shares or previously authorized but unissued shares to satisfy ESIP requirements. Under the terms of the ESIP, employees can choose each year to have up to 10% of their regular annual salary (not to exceed $25,000) withheld to purchase the Company's common stock at a purchase price equal to 85% of the lower of the market value on the first or last business day of the plan year ending March 31. Under the plan, the number of subscribed shares was 285,505 in 1999; 294,108 in 1998; and 319,457 in 1997.

The fair value of ESIP shares granted was estimated on the date of the grant using the Black-Scholes option-pricing model with expected ESIP weighted-average assumptions:

	1999	1998	1997
Stock price volatility	20.9%	24.1%	19.3%
Expected term in years	1	1	1
Risk-free interest rate	4.6%	5.1%	6.1%
Dividend yield	4.3%	6.1%	7.4%
Dividend payment	$1.20	$1.80	$1.80

The weighted-average fair value of those purchase rights granted was $5.90, $6.32, and $4.75 in 1999, 1998, and 1997, respectively. The impact on Entergy's net income would have been ($3,086), ($256,000), and $98,000 in 1999, 1998, and 1997, respectively, had compensation cost for the ESIP been determined based on the fair value at the grant date for awards under the ESIP.

Entergy sponsors the Savings Plan of Entergy Corporation and Subsidiaries (Savings Plan). The Savings Plan is a defined contribution plan covering eligible employees of Entergy and its subsidiaries who have completed certain service requirements. The Savings Plan provides that the employing Entergy subsidiary may make matching contributions to the plan in an amount equal to 50% of the participant's basic contribution, up to 6% of their salary, in shares of Entergy Corporation common stock. Entergy's subsidiaries' contributions to the Savings Plan, and any income thereon, are invested in shares of Entergy Corporation common stock. Entergy's subsidiaries contributed $14.5 million in 1999, $13.6 million in 1998, and $13.2 million in 1997 to the Savings Plan.

NOTE 6. COMPANY-OBLIGATED REDEEMABLE PREFERRED SECURITIES

(Entergy Arkansas, Entergy Louisiana, Entergy Gulf States)

Entergy Arkansas Capital I, Entergy Louisiana Capital I, and Entergy Gulf States Capital I (Trusts) were established as financing subsidiaries of Entergy Arkansas, Entergy Louisiana, and Entergy Gulf States, respectively, for the purpose of issuing common and preferred securities. The Trusts issue Cumulative Quarterly Income Preferred Securities (Preferred Securities) to the public and issue common securities to their parent companies. Proceeds from such issues are used to purchase junior subordinated deferrable interest debentures (Debentures) from the parent company. The Debentures held by each Trust are its only assets. Each Trust uses interest payments received on the Debentures owned by it to make cash distributions on the Preferred Securities.

Trusts	Date Of Issue	Preferred Securities Issued	Common Securities Issued	Interest Rate Securities/ Debentures	Trust's Investment in Debentures	Fair Market Value of Preferred Securities at 12-31-99
		(In Millions)			(In Millions)	
Arkansas Capital I	8-14-96	$ 60.0	$ 1.9	8.50%	$ 61.9	$ 60.3
Louisiana Capital I	7-16-96	$ 70.0	$ 2.2	9.00%	$ 72.2	$ 70.0
Gulf States Capital I	1-28-97	$ 85.0	$ 2.6	8.75%	$ 87.6	$ 77.4

The Preferred Securities of the Trusts mature in the years 2045 and 2046. The Preferred Securities are redeemable at 100% of their principal amount at the option of Entergy Arkansas, Entergy Louisiana, and Entergy Gulf States beginning in 2001 and 2002, or earlier under certain limited circumstances, including the loss of the tax deduction arising out of the interest paid on the Debentures. Entergy Arkansas, Entergy Louisiana, and Entergy Gulf States have, pursuant to certain agreements, fully and unconditionally guaranteed payment of distributions on the Preferred Securities issued by their respective trusts. Entergy Arkansas, Entergy Louisiana, and Entergy Gulf States are the owners of all of the common securities of their individual Trusts, which constitute 3% of each 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)

Long-term debt as of December 31, 1999 was:

Maturities		Interest Rates			Entergy	Entergy	Entergy	Entergy	Entergy	System
From	To	From	To	Entergy	Arkansas	Gulf States	Louisiana	Mississippi	New Orleans	Energy
					(In Thousands)					
First Mortgage Bonds										
2000	2004	5.800%	8.250%	$1,337,109	$240,000	$603,750	$288,359			$205,000
2005	2010	6.500%	7.500%	428,000	215,000	98,000	115,000			
2020	2026	7.000%	8.940%	819,950	260,000	444,950	115,000			
G&R Bonds										
2002	2012	6.200%	8.250%	415,000				$360,000	$55,000	
2013	2026	7.550%	8.000%	175,000				60,000	115,000	
Governmental Obligations (a)										
2000	2010	5.450%	8.250%	22,315	220	22,095				
2011	2020	5.600%	9.000%	569,535	214,200	355,335				
2021	2030	4.850%	8.000%	1,051,750	72,000	102,000	415,120	46,030		416,600
Debentures										
2000	2000	7.380%	7.800%	75,000						75,000
Saltend Project Senior Credit Facility, avg rate 6.93% due 2014				578,681						
Danhead Creek Project Senior Credit Facility, avg rate 5.98% due 2016				342,929						
EP Edegel, Inc. Note Payable, 7.7%, due 2000				67,000						
Long-Term DOE Obligation (Note 9)				136,088	136,088					
Waterford 3 Lease Obligation 7.45% (Note 10)				330,306			330,306			
Grand Gulf Lease Obligation 7.02% (Note 10)				465,480						465,480
Other Long-Term Debt				10,391	620	9,771				
Unamortized Premium and Discount - Net				(17,396)	(7,107)	(4,320)	(1,934)	(1,564)	(917)	(1,554)
Total Long-Term Debt				6,807,138	1,131,021	1,631,581	1,261,851	464,466	169,083	1,160,526
Less Amount Due Within One Year				194,555	220	-	116,388	-	-	77,947
Long-Term Debt Excluding Amount Due Within One Year				$6,612,583	$1,130,801	$1,631,581	$1,145,463	$464,466	$169,083	$1,082,579
Fair Value of Long-Term Debt (b)				$5,815,189	$966,559	$1,651,415	$934,404	$446,168	$163,131	$664,902

Long-term debt as of December 31, 1998 was:

Maturities From	Maturities To	Interest Rates From	Interest Rates To	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
					(In Thousands)					
First Mortgage Bonds										
1999	2004	6.000%	8.250%	$1,640,709	$265,000	$674,750	$335,959			$365,000
2005	2010	6.500%	7.500%	428,000	215,000	98,000	115,000			
2020	2026	7.000%	8.940%	833,237	273,287	444,950	115,000			
G&R Bonds										
2002	2026	6.625%	8.750%	590,000				$420,000	$170,000	
Governmental Obligations (a)										
1999	2008	5.900%	8.500%	36,537	1,540	22,920	11,212	865		
2009	2026	5.600%	9.500%	1,618,335	286,200	457,335	412,170	46,030		416,600
Debentures										
1999	2000	7.380%	7.300%	75,000						75,000
Saltend Project Senior Credit Facility, avg rate 7.13% due 2014				320,485						
Dunhead Creek Project Senior Credit Facility, avg rate 6.88% due 2016				166,482						
EP Edegel, Inc. Note Payable, 7.7%, due 2000				67,000						
Long-Term DOE Obligation (Note 9)				129,891	129,891					
Waterford 3 Lease Obligation 7.45% (Note 10)				353,600			353,600			
Grand Gulf Lease Obligation 7.02% (Note 10)				481,301						481,301
Other Long-Term Debt				134,313	10,614	9,771				
Unamortized Premium and Discount - Net				(23,052)	(8,153)	(4,553)	(3,854)	(3,259)	(982)	(2,251)
Total Long-Term Debt				6,851,838	1,173,379	1,703,173	1,339,087	463,636	169,018	1,335,650
Less Amount Due Within One Year				255,221	1,094	71,515	6,772	20	-	175,820
Long-Term Debt Excluding Amount Due Within One Year				$6,596,617	$1,172,285	$1,631,658	$1,332,315	$463,616	$169,018	$1,159,830
Fair Value of Long-Term Debt (b)				$6,244,711	$1,081,502	$1,871,739	$1,059,893	$481,520	$207,538	$878,446

(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.

The annual long-term debt maturities (excluding lease obligations) and annual cash sinking fund requirements for debt outstanding as of December 31, 1999, for the next five years are as follows:

	Entergy(a)	Entergy Arkansas(b)	Entergy Gulf States(c)	Entergy Louisiana(d)	Entergy Mississippi	Entergy New Orleans	System Energy
				(In Thousands)			
2000	$ 181,170	$ 220	-	$ 105,950	-	-	$ 75,000
2001	276,450	-	$ 122,750	18,700	-	-	135,000
2002	379,745	85	150,000	94,660	$ 65,000	-	70,000
2003	129,155	155	39,000	-	65,000	$ 25,000	-
2004	442,000	-	292,000	-	150,000	-	-

(a) Not included are other sinking fund requirements of approximately $49.6 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 $1.8 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 $45.7 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 $2.1 million annually, which may be satisfied by cash or by certification of property additions at the rate of 167% of such requirements.

On February 15, 2000, Entergy Mississippi issued $120 million of 7.75% Series First Mortgage Bonds due February 15, 2003. On March 9, 2000, Entergy Arkansas issued $100 million of 7.72% Series First Mortgage Bonds due March 1, 2003. The proceeds of both issuances will be used for general corporate purposes, including the retirement of short-term indebtedness that was incurred for working capital needs and capital expenditures.

EPDC maintains a credit facility of BPS100 million ($161.5 million) to finance the acquisition of the Damhead Creek Project, assist in the financing of the Saltend project, and for general corporate purposes in connection with the acquisition and development of power generation, distribution or transmission facilities. As of December 31, 1999, there were no cash advances outstanding under this facility. Approximately BPS6.8 million ($10.5 million) was outstanding as of December 31, 1998. The interest rate on the outstanding cash advances was 5.88% and 6.97% as of December 31, 1999 and 1998, respectively. The commitment fee is .17% of the undrawn amount. In addition, EPDC has BPS89.7 million ($144.9 million) of letters of credit under the credit facility to support project commitments on the Saltend and Damhead Creek projects.

Saltend Cogeneration Company Limited (SCCL), an indirect wholly-owned subsidiary of EPDC, maintains a BPS586 million ($946.4 million) non-recourse senior credit facility providing bridge and term loan facilities, cost overrun and working capital facilities, and contingent letter of credit and guarantee facilities (the Senior Credit Facility) to finance the construction and operation of a 1,200 MW gas-fired power plant in northeast England. Borrowings under the Senior Credit Facility are repayable over a 15-year period beginning December 31, 2000. In addition, SCCL has also entered into a BPS72 million ($116.3 million) subordinated credit facility (the Subordinated Credit Facility) which is to be drawn down by the earlier of completion of construction or August 31, 2000. The proceeds of borrowings under the Subordinated Credit Facility will be used to repay a portion of the Senior Credit Facility. The Subordinated Credit Facility is repayable over a 10-year period beginning December 31, 2000. All of the assets of SCCL are pledged as collateral under the Senior Credit Facility and the Subordinated Credit Facility.

In February 1998, SCCL entered into 15-year interest rate swap agreements for 85% of the debt outstanding under the bridge and term loan portion of the Senior Credit Facility on an average fixed-rate basis of 6.44%. SCCL is exposed to market risks from movements in interest rates in the unlikely event that the counterparties to the interest rate swap agreements were to default on contractual payments. At December 31, 1999, SCCL had outstanding interest rate swap agreements totalling a notional amount of $603.2 million. The estimated fair value of the interest rate swap agreements, which represent the estimated amount SCCL would have received to terminate the swaps at December 31, 1999, was a net asset of $3.4 million. Under the Senior Credit Facility and the Subordinated Credit Facility, SCCL's ability to make distributions of dividends, loans, or advances to EPDC is restricted by, among other things, the requirement to pay permitted project costs, make debt repayments, and maintain cash reserves.

In December 1998, Damhead Creek Finance Limited (DCFL), an indirect wholly-owned subsidiary of EPDC, entered into a BPS463.4 million ($748.4 million) non-recourse senior credit facility providing (among other things) bridge and term loan facilities, cost overrun and working capital facilities, and contingent letter of credit and guarantee facilities (the Senior Credit Facility) to finance the construction and operation of an 800 MW gas-fired power plant in southeast England. Borrowings under the Senior Credit Facility are repayable after completion of construction over a fifteen-year period beginning December 31, 2001. DCFL also entered into a BPS36.1 million ($58.3 million) subordinated credit facility (the Subordinated Credit Facility) which is to be drawn down by the earlier of commercial operation or July 22, 2001. Borrowings under the Subordinated Credit Facility will be used to repay a portion of the Senior Credit Facility. The Subordinated Credit Facility is payable over a ten-year period beginning December 31, 2001. Pursuant to a corporate restructuring in April 1999, Damhead Finance LDC (DFLDC), an indirect wholly-owned subsidiary of EPDC, replaced DCFL as borrower under the Senior Credit Facility and the Subordinated Credit Facility. All of the assets of DFLDC are pledged as collateral under the Senior Credit Facility and the Subordinated Credit Facility. Furthermore, the Senior Credit Facility requires DFLDC to enter into interest rate hedge agreements for a majority of the project debt from the earlier of commercial operation or the date the long term interest rate for the agreed interest rate hedging strategy exceeds 8%. Under the Senior Credit Facility and the Subordinated Credit Facility, DFLDC's ability to make distributions of dividends, loans, or advances to EPDC is restricted by, among other things, the requirement to pay permitted project costs, make debt repayments, and maintain cash reserves.

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

Provisions within the Articles of Incorporation or pertinent indentures and various other agreements relating 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. As of December 31, 1999, Entergy Arkansas and Entergy Mississippi had restricted retained earnings unavailable for distribution to Entergy Corporation of $199.3 million and $15.8 million, respectively. During 1999, cash dividends paid to Entergy Corporation by its subsidiaries totaled $532.3 million.

NOTE 9. COMMITMENTS AND CONTINGENCIES

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

For the years 2000 through 2004, Entergy plans to spend $9.8 billion in a capital investment plan focused on improving service at the domestic utility companies and growing its global power development and nuclear operations businesses. The estimated allocation in the plan is $4.2 billion to the domestic utility companies, $3.9 billion to the global power development business, and $1.7 billion to the nuclear operations business. This plan is contingent upon Entergy's ability to access the capital necessary to finance the planned expenditures. Construction expenditures

(including environmental expenditures and AFUDC, but excluding nuclear fuel) for Entergy are estimated at $1.5 billion in 2000, $1.7 billion in 2001, and $1.8 billion in 2002. Included in these totals are estimated construction expenditures for the domestic utility companies and System Energy as follows:

	2000	2001	2002	Total
		(In Millions)		
Entergy Arkansas	$350	$248	$188	$786
Entergy Gulf States	298	269	204	771
Entergy Louisiana	202	188	162	552
Entergy Mississippi	115	122	123	360
Entergy New Orleans	50	46	45	141
System Energy	39	20	12	71

The domestic utility companies' anticipated spending is focused mainly on (i) distribution and transmission projects that will support continued reliability improvements; (ii) return to service of generation stations that have been held in reserve shutdown status; and (iii) transitioning to a more competitive environment. Projected construction expenditures for the replacement of ANO 2's steam generators, which is scheduled for the third quarter of 2000, are included in Entergy Arkansas' estimated figures above. Entergy will also require $1.0 billion during the period 2000-2002 to meet long-term debt and preferred stock maturities and cash sinking fund requirements. Entergy plans to meet these requirements primarily with internally generated funds and cash on hand, supplemented by proceeds from the issuance of debt, outstanding credit facilities, and project financing. Certain domestic utility companies and System Energy may also continue the reacquisition or refinancing of all or a portion of certain outstanding series of preferred stock and long-term debt. See **"MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – LIQUIDITY AND CAPITAL RESOURCES"** for additional discussion of Entergy's capital spending plans.

Sales Warranties and Indemnities (Entergy Corporation)

In the Entergy London and CitiPower sales transactions, Entergy or its subsidiaries made certain warranties to the purchasers. These warranties include representations regarding litigation, accuracy of financial accounts, and the adequacy of existing tax provisions. Notice of a claim on the CitiPower warranties must be given by December 2000, and Entergy's potential liability is limited to A$100 million ($66 million). Notice of a claim on the Entergy London warranties had to be given for certain items by December 1999, and for the tax warranties, must be given by June 30, 2001. Entergy's liability is limited to BPS1.4 billion ($2.3 billion) on certain tax warranties and BPS140 million ($226 million) on the remaining warranties. No such notices have been received. Entergy has also agreed to maintain the net asset value of the subsidiary that sold Entergy London at $700 million through June 30, 2001. Management periodically reviews reserve levels for these warranties and believes it has adequately provided for the ultimate resolution of such matters as of December 31, 1999.

Fuel Purchase Agreements

(Entergy Arkansas and Entergy Mississippi)

Entergy Arkansas has long-term contracts for the supply of low-sulfur coal to White Bluff and Independence (which is also 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 spot market purchases.

(Entergy Gulf States)

Entergy Gulf States has a contract for a supply of low-sulfur coal for Nelson Unit 6, which should be sufficient to satisfy the fuel requirements at Nelson Unit 6 through 2010. Effective April 1, 2000, Louisiana Generating LLC will assume ownership of the Cajun portion of the Big Cajun generating facilities. The management of Louisiana Generating LLC has advised Entergy Gulf States that it has executed coal supply and transportation contracts that should provide an adequate supply of coal for the operation of Big Cajun 2, Unit 3 for the foreseeable future.

(Entergy Louisiana)

In June 1992, Entergy Louisiana agreed to a 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 $7.6 million. Such charges aggregate $99 million for the years 2000 through 2012.

(Entergy Corporation)

Entergy's global power development business has entered into gas supply contracts at the project level to supply up to 100% of the gas requirements for the Saltend and Damhead Creek power plants located in the UK. Both contracts have 15-year terms and include a take-or-pay obligation for approximately 75% of the gas requirement for each plant. Under the terms of Saltend's contract and based on its current construction schedule, Entergy's global power development business may incur certain liabilities with regard to this gas prior to the project reaching commercial operation. The disposition of the gas will be managed under the terms of the contract, and the financial effect on the Saltend project is expected to be minimal.

<u>Sales Agreements/Power Purchases</u>

(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 (collectively the Industrial Participants), whereby Entergy Gulf States' Nelson Units 1 and 2 were sold to NISCO, a partnership 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 purchased electricity from the joint venture totaling $51.4 million in 1999, $57.5 million in 1998, and $70.7 million in 1997.

(Entergy Louisiana)

Entergy Louisiana has an agreement extending through the year 2031 to purchase energy generated by a hydroelectric facility known as the Vidalia project. Entergy Louisiana made payments under the contract of approximately $70.3 million in 1999, $77.8 million in 1998, and $64.6 million in 1997. If the maximum percentage (94%) of the energy is made available to Entergy Louisiana, current production projections would require estimated payments of approximately $85.2 million in 2000, and a total of $3.5 billion for the years 2001 through 2031. Entergy Louisiana currently recovers the costs of the purchased energy through its fuel adjustment clause.

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

The domestic utility companies that are owners of System Fuels have agreed to make loans to System Fuels to finance its fuel procurement, delivery, and storage activities. The following loans outstanding to System Fuels as of December 31, 1999 mature in 2008:

Owner	Ownership Percentage	Loan Outstanding at December 31, 1999
Entergy Arkansas	35%	$ 11.0 million
Entergy Louisiana	33%	$ 14.2 million
Entergy Mississippi	19%	$ 5.5 million
Entergy New Orleans	13%	$ 3.3 million

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 of a nuclear plant owner for a single nuclear incident to approximately $9.5 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, System Energy, and Entergy's non-utility nuclear power business) and an industry assessment program. Under the assessment program, the maximum payment requirement for each nuclear incident would be $88.1 million per reactor, payable at a rate of $10 million per licensed reactor per incident per year. Entergy has six licensed reactors, including Pilgrim. As a co-licensee of Grand Gulf 1 with System Energy, SMEPA would share 10% of this obligation. In addition, each owner/licensee of Entergy's six nuclear units participates in a private insurance program that provides coverage for worker tort claims filed for bodily injury caused by radiation exposure. The program provides for a maximum assessment of approximately $18.6 million for the six nuclear units in the event that losses exceed accumulated reserve funds.

Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, System Energy, and Entergy's non-utility nuclear power business 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, 1999, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy were each insured against such losses up to $2.3 billion. Entergy's non-utility nuclear power business is insured for $1.115 billion in property damages for Pilgrim under these insurance programs. In addition, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and Entergy's non-utility nuclear power business 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, 1999, the maximum amounts of such possible assessments were: Entergy Arkansas - $16.6 million; Entergy Gulf States - $14.1 million; Entergy Louisiana - $15.3 million; Entergy Mississippi - $0.5 million; Entergy New Orleans - $0.3 million; System Energy - $12.7 million, and Entergy's non-utility nuclear power business - $7.3 million. Under its agreement with System Energy, SMEPA would share in System Energy's 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 render the reactor safe and stable, 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, System Energy, and Entergy's non-utility nuclear power business 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 one-time fee for generation prior to that date. Entergy Arkansas is the only Entergy company that generated electricity with nuclear fuel prior to that date and has recorded a liability as of December 31, 1999 of approximately $136 million for the one-time fee. The fees payable to the DOE may be adjusted in the future to assure full recovery. Entergy's non-utility nuclear power business has accepted assignment of the Pilgrim spent fuel disposal contract with the DOE previously held by Boston Edison. Boston Edison has paid to the DOE the fees for all generation prior to the July 1999 purchase date. Entergy considers all costs incurred for the disposal of spent nuclear fuel, except accrued interest, to be proper components of nuclear fuel expense. Provisions to recover such costs have been or will be made by the domestic utility companies 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. Considerable uncertainty exists regarding the time frame under which the DOE will begin to accept spent fuel from Entergy facilities for storage or disposal.

Pending DOE acceptance and disposal of spent nuclear fuel, the owners of nuclear plants are responsible for their own spent fuel storage. Current on-site spent fuel storage capacity at Grand Gulf 1 and River Bend is estimated to be sufficient until approximately 2005 and 2003, respectively. The spent fuel pool at Waterford 3 was recently expanded through the replacement of the existing storage racks with higher density storage racks. This expansion should provide sufficient storage for Waterford 3 until after 2010. An ANO storage facility using dry casks began operation in 1996 and is being expanded in 2000. Current on-site spent fuel storage capacity at ANO, including the current expansion, is estimated to be sufficient until approximately 2002. This facility may be further expanded as required. The spent fuel storage facility at Pilgrim is expected to provide storage capacity until approximately 2003. Entergy plans to modify the facility to provide sufficient spent fuel storage capacity through approximately 2012.

The cost of adding additional spent fuel storage capacity as needed at each site will be reassessed in 2000. In December 1999, Entergy Arkansas, System Energy, and Entergy Gulf States issued requests for proposals for additional dry storage capacity at ANO, Grand Gulf 1, and River Bend, respectively.

Total approved decommissioning costs for rate recovery purposes as of December 31, 1999, for the domestic utility companies' nuclear power plants, excluding the co-owner share of Grand Gulf 1, have been estimated as follows:

	Total Estimated Approved Decommissioning Costs (In Millions)
ANO 1 and ANO 2 (based on a 1998 cost study reflecting 1997 dollars)	$ 813.1
River Bend (based on a 1996 cost study reflecting 1996 dollars)	419.0
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
	$ 1,918.1

Decommissioning cost updates were prepared for Waterford 3 and Grand Gulf in 1999 and produced revised decommissioning cost updates of $481.5 million and $540.8 million, respectively. The cost update for Waterford 3 will be included in a filing with the LPSC in the second quarter of 2000. The cost update for Grand Gulf has not yet been filed with FERC.

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 approved decommissioning costs for ANO and Waterford 3, respectively.

As part of the Pilgrim purchase, Boston Edison funded a $471.3 million decommissioning trust fund, which was transferred to Entergy's non-utility nuclear power business. After a favorable tax determination regarding the trust fund, Entergy returned $43 million of the trust fund to Boston Edison. Based on cost estimates provided by an outside consultant, Entergy believes that Pilgrim's decommissioning fund will be adequate to cover future decommissioning costs for the Pilgrim plant without any additional deposits to the trust.

In the Texas retail jurisdiction, Entergy Gulf States is recovering in rates River Bend decommissioning costs that total $385.2 million, based on a 1996 cost study. Entergy Gulf States included decommissioning costs of $513.3 million based on a 1998 cost update amount of $562.7 million in the PUCT rate review filed in November 1998. The PUCT ordered that Entergy Gulf States continue funding at the level based on the 1996 study. In the Louisiana retail jurisdiction, Entergy Gulf States included decommissioning costs, based on the 1996 study, in the LPSC rate reviews filed in May 1996, 1997, and 1998. In June 1996, a rate change was implemented that included decommissioning revenue requirements based on the 1996 study. In September 1998, the LPSC issued an order accepting the 1996 cost study amount of $419 million. In the May 1999 rate review, Entergy Gulf States included decommissioning costs based on the 1998 update of $562.7 million.

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 updated decommissioning costs (based on the 1994 study) in its pending 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 rate case.

Entergy periodically reviews and updates estimated decommissioning costs. Although Entergy is presently under-recovering for Grand Gulf, Waterford 3, and River Bend based on the above estimates, applications have been and will continue to be made to the appropriate regulatory authorities to reflect projected decommissioning costs in rates. The amounts recovered in rates are deposited in trust funds and reported at market value based upon market quotes 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 are recorded as deferred credits for System Energy and Entergy's non-utility nuclear power business. The liability associated with the trust funds received from Cajun with the transfer of Cajun's 30% share of River Bend is also recorded as a deferred credit by Entergy Gulf States.

The cumulative liabilities and actual decommissioning expenses recorded in 1999 by Entergy were as follows:

	Cumulative Liabilities as of December 31, 1998	1999 Trust Earnings	1999 Decommissioning Expenses	Other	Cumulative Liabilities as of December 31, 1999
			(In Millions)		
ANO 1 and ANO 2	$ 253.4	$ 7.6	$ 10.7	$ -	$ 271.7
River Bend	190.3	5.6	7.6	-	203.5
Waterford 3	71.9	2.3	8.8	-	83.0
Grand Gulf 1	107.3	3.2	18.9	-	129.4
Pilgrim (1)	-	-	6.8	428.0	434.8
	$ 622.9	$ 18.7	$ 52.8	$ 428.0	$ 1,122.4

(1) The $428 million reflected above for Pilgrim represents Entergy's estimate of the present value of Pilgrim's decommissioning liability at the time of Entergy's purchase of Pilgrim. Pilgrim's trust earnings are not shown as an increase to its decommissioning liability because it is not subject to regulatory treatment.

In 1998 and 1997, ANO's decommissioning expense was $15.6 million and $17.3 million, respectively; River Bend's decommissioning expense was $3.4 million and $8.9 million, respectively; Waterford 3's decommissioning expense was $8.8 million in both years, and Grand Gulf 1's decommissioning expense was $18.9 million in both years. The actual decommissioning costs may vary from the estimates because of regulatory requirements, changes in technology, and increased costs of labor, materials, and equipment.

The EPAct contains 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. Annual assessments (in 1999 dollars), which will be adjusted annually for inflation, are for 15 years and are approximately $3.9 million for Entergy Arkansas, $1.0 million for Entergy Gulf States, $1.5 million for Entergy Louisiana, and $1.6 million for System Energy. DOE fees are included in other current liabilities and other noncurrent liabilities and, as of December 31, 1999, recorded liabilities were $27.0 million for Entergy Arkansas, $4.7 million for Entergy Gulf States, $10.3 million for Entergy Louisiana, and $10.0 million for System Energy. 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 recover these costs through rates in the same manner as other fuel costs.

ANO Matters (Entergy Corporation and Entergy Arkansas)

Cracks in steam generator tubes at ANO 2 were discovered and repaired during an outage in March 1992. Further inspections and repairs were conducted during subsequent refueling and mid-cycle outages, including the most recent mid-cycle outage in November 1999. Turbine modifications were installed in May 1997 to restore most of the output lost due to steam generator fouling and tube plugging. In October 1996, the Board authorized Entergy Arkansas and Entergy Operations to fabricate and install replacement steam generators at ANO 2. Entergy Operations thereafter entered into contracts for the design, fabrication, and installation of replacement steam generators. In December 1998, the APSC issued an order finding replacement of the ANO 2 steam generators is in the public interest. It is anticipated that the steam generators will be installed during a planned refueling outage in September 2000. Entergy estimates the cost of fabrication and replacement of the steam generators to be approximately $150 million.

Environmental Issues

(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, 1999, a remaining provision of $19.1 million existed relating to the clean-up of the remaining sites at which Entergy Gulf States has been designated as a PRP.

(Entergy Louisiana and Entergy New Orleans)

During 1993, the LDEQ issued new rules for solid waste regulation, including regulation of wastewater impoundments. Entergy Louisiana and Entergy New Orleans have determined that certain of their power plant wastewater impoundments were affected by these regulations and have chosen to upgrade or close them. As a result, a remaining recorded liability in the amount of $5.9 million for Entergy Louisiana and $0.5 million for Entergy New Orleans existed at December 31, 1999 for wastewater upgrades and closures. Completion of this work is pending LDEQ approval.

City Franchise Ordinances (Entergy New Orleans)

Entergy New Orleans provides electric and gas service in the City of New Orleans pursuant to franchise ordinances. These ordinances contain a continuing option for the city to purchase Entergy New Orleans' electric and gas utility properties.

Waterford 3 Lease Obligations (Entergy Louisiana)

On September 28, 1989, Entergy Louisiana entered into three identical transactions for the sale and leaseback of undivided interests (aggregating approximately 9.3%) in Waterford 3. In July 1997, Entergy Louisiana caused the lessors to issue $307.6 million aggregate principal amount of Waterford 3 Secured Lease Obligation Bonds, 8.76% Series due 2017, to refinance the outstanding bonds originally issued to finance the purchase of the undivided interests by the lessors. The lease payments were reduced to reflect the lower interest costs. Upon the occurrence of certain events, 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 bonds issued to finance, in part, the lessors' acquisition of the undivided interests in Waterford 3.

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 filed by former employees asserting that they were wrongfully terminated and/or discriminated against on the basis of 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.

Cajun - Coal Contracts (Entergy Corporation and Entergy Gulf States)

Entergy Gulf States filed declaratory judgment actions in the U.S. Bankruptcy Court in which the Cajun bankruptcy case is pending. These actions were filed to seek rulings declaring that Entergy Gulf States is not liable for damages to certain coal suppliers and the rail and barge companies that transport coal to Big Cajun 2, Unit 3 if their contracts were rejected in the bankruptcy proceeding. Collectively, the coal suppliers and transporters asserted claims in the Cajun bankruptcy case that exceeded $1.6 billion. In October 1999, the bankruptcy court confirmed a plan of reorganization in the bankruptcy case pursuant to a settlement agreement among the parties. The settlement agreement and plan of reorganization effectively release Entergy Gulf States from any claims asserted by the coal suppliers and transporters for Big Cajun 2. The settlement agreement is subject to regulatory approvals.

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. 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 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 the termination is approved by FERC, most likely upon Grand Gulf 1's retirement from service. Monthly obligations for payments under the agreement are approximately $21 million for Entergy Arkansas, $8 million for Entergy Louisiana, $19 million for Entergy Mississippi, and $10 million for Entergy New Orleans.

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 the cost of 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 under the Availability Agreement 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 so 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 separate, but identical, arrangements for the sale and leaseback of an approximate aggregate 11.5% ownership interest in Grand Gulf 1. 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 March 20, 2003.

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, 1999, System Energy's equity approximated 40.57% of its adjusted capitalization, and its fixed charge coverage ratio for 1999 was 1.92.

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

In addition to those discussed above, Entergy and the domestic utility companies are involved in a number of legal proceedings and claims in the ordinary course of their business. While management is unable to predict the outcome of such litigation, it is not expected that the ultimate resolution of these matters will have a material adverse effect on results of operations, cash flows, or financial condition of these entities.

NOTE 10. LEASES

General

As of December 31, 1999, Entergy had capital leases and non-cancelable 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:

Capital Leases

Year	Entergy	Entergy Arkansas	Entergy Gulf States
		(In Thousands)	
2000	$25,379	$9,645	$11,829
2001	23,676	9,645	11,853
2002	19,414	9,645	9,720
2003	19,414	9,645	9,720
2004	19,414	9,645	9,720
Years thereafter	39,882	23,034	16,746
Minimum lease payments	147,179	71,259	69,588
Less: Amount representing interest	48,570	26,067	21,852
Present value of net minimum lease payments	$98,609	$45,192	$47,736

Operating Leases

Year	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana
		(In Thousands)		
2000	$88,978	$30,228	$23,322	$8,727
2001	77,761	29,203	20,453	4,742
2002	60,338	24,545	16,804	4,160
2003	43,422	13,082	14,435	2,570
2004	40,173	12,004	14,031	1,653
Years thereafter	127,346	33,618	40,073	1,973
Minimum lease payments	$438,018	$142,680	$129,118	$23,825

Rental expense for Entergy's leases (excluding nuclear fuel leases and the Grand Gulf 1 and Waterford 3 sale and leaseback transactions) amounted to approximately $65.2 million, $69.4 million, and $70.7 million, in 1999, 1998, and 1997, respectively. These amounts include $23.9 million, $19.4 million, and $19.7 million, respectively, for Entergy Arkansas; $19.2 million, $18.1 million, and $17.6 million, respectively, for Entergy Gulf States; and $13.1 million, $13.3 million, and $12.8 million, respectively, for Entergy Louisiana. In addition to the above rental expense, Entergy Arkansas and Entergy Gulf States railcar operating lease payments, which are recorded in fuel expense, amounted to approximately $13.7 million and $2.7 million, respectively, in 1999, 1998, and 1997. The railcar lease payments are recorded as fuel expense in accordance with regulatory treatment.

Nuclear Fuel Leases (Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, System Energy)

As of December 31, 1999, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy each had arrangements to lease nuclear fuel in an aggregate amount up to $135 million, $85 million, $90 million, and $100 million, respectively. As of December 31, 1999, the unrecovered cost base of Entergy Arkansas', Entergy Gulf States', Entergy Louisiana's, and System Energy's nuclear fuel leases amounted to approximately $85.7 million, $70.8 million, $51.9 million, and $78 million, respectively. The lessors finance the acquisition and ownership of nuclear fuel through credit agreements and the issuance of intermediate-term notes. The credit agreements for Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and System Energy have termination dates of December 2000, December 2000, January 2002, and February 2001, respectively. Such termination dates may be extended from time to time with the consent of the lenders. The intermediate-term notes issued pursuant to these fuel lease arrangements have varying maturities through March 15, 2002. It is expected that additional financing under the leases will be arranged as needed to acquire additional fuel, to pay interest, and to pay maturing debt. However, if such additional financing cannot be arranged, the lessee in each case must repurchase sufficient nuclear fuel to allow the lessor to meet its obligations.

Lease payments are based on nuclear fuel use. The table below represents the total nuclear fuel lease payments (principal and interest) as well as the separate interest component charged to operations by the domestic utility companies and System Energy in 1999, 1998, and 1997:

	1999		1998		1997	
	Lease Payments	Interest	Lease Payments	Interest	Lease Payments	Interest
			(In Millions)			
Entergy Arkansas	$48.6	$5.6	$50.5	$4.9	$53.7	$6.4
Entergy Gulf States	31.4	1.8	36.1	3.1	25.7	3.2
Entergy Louisiana	29.7	3.7	36.8	3.9	29.4	3.7
System Energy	28.1	3.4	35.4	4.7	41.1	5.4
Total	$137.8	$14.5	$158.8	$16.6	$149.9	$18.7

Sale and Leaseback Transactions

Waterford 3 Lease Obligations (Entergy Louisiana)

In 1989, Entergy Louisiana sold and leased back 9.3% of its interest in Waterford 3 for the aggregate sum of $353.6 million. The lease has an approximate term of 28 years. The lessors financed the sale-leaseback through the issuance of Waterford 3 Secured Lease Obligation Bonds. The lease payments made by Entergy Louisiana are sufficient to service the debt.

In 1994, Entergy Louisiana did not exercise its option to repurchase the 9.3% interest in Waterford 3. As a result, Entergy Louisiana issued $208.2 million of non-interest bearing first mortgage bonds as collateral for the equity portion of certain amounts payable under the lease.

In 1997, the lessors refinanced the outstanding bonds used to finance the purchase of Waterford 3 at lower interest rates which reduced the annual lease payments.

Upon the occurrence of certain events, Entergy Louisiana may be obligated to assume the outstanding bonds used to finance the purchase of the unit and to pay an amount sufficient to withdraw from the lease transaction. Such events include lease events of default, events of loss, deemed loss events, or certain adverse "Financial Events."

"Financial Events" include, among other things, failure by Entergy Louisiana, following the expiration of any applicable grace or cure period, to maintain (i) total equity capital (including preferred stock) at least equal to 30% of adjusted capitalization, or (ii) a fixed charge coverage ratio of at least 1.50 computed on a rolling 12 month basis.

As of December 31, 1999, Entergy Louisiana's total equity capital (including preferred stock) was 48.1% of adjusted capitalization and its fixed charge coverage ratio for 1999 was 3.49.

As of December 31, 1999, Entergy Louisiana had future minimum lease payments (reflecting an overall implicit rate of 7.45%) in connection with the Waterford 3 sale and leaseback transactions, which are recorded as long-term debt, as follows (in thousands):

2000	$ 42,573
2001	40,909
2002	39,246
2003	59,709
2004	31,739
Years thereafter	440,690
Total	654,866
Less: Amount representing interest	324,560
Present value of net minimum lease payments	$ 330,306

Grand Gulf 1 Lease Obligations (System Energy)

In December 1988, System Energy sold and leased back 11.5% of its undivided ownership interest in Grand Gulf 1 for the aggregate sum of $500 million. Subsequently, System Energy leased back its interest in the unit for a term of 26 ½ years. System Energy has the option of terminating the lease and repurchasing the 11.5% interest in the unit at certain intervals during the lease. Furthermore, at the end of the lease term, System Energy has the option of renewing the lease or repurchasing the 11.5% interest in Grand Gulf 1.

System Energy is required to report the sale-leaseback as a financing transaction in its financial statements. For financial reporting purposes, System Energy expenses the interest portion of the lease obligation and the plant depreciation. However, operating revenues include the recovery of the lease payments because the transactions are accounted for as a sale and leaseback for ratemaking purposes. Until 2004, the total of interest and depreciation expense exceeds the corresponding revenues realized. Consistent with a recommendation contained in a FERC audit report, System Energy recorded as a net deferred asset the difference between the recovery of the lease payments and the amounts expensed for interest and depreciation and is recording this difference as a deferred asset on an ongoing basis. The amount of this deferred asset was $104.5 million and $85.9 million as of December 31, 1999 and 1998, respectively.

As of December 31, 1999, 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):

2000	$ 42,753
2001	46,803
2002	53,827
2003	48,524
2004	36,133
Years thereafter	574,782
Total	802,822
Less: Amount representing interest	337,342
Present value of net minimum lease payments	$ 465,480

NOTE 11. RETIREMENT AND OTHER 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 domestic 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.

Total 1999, 1998, and 1997 pension cost of Entergy Corporation and its subsidiaries, including amounts capitalized, included the following components (in thousands):

1999	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Service cost - benefits earned during the period	$39,327	$8,723	$6,531	$4,948	$2,278	$997	$2,334
Interest cost on projected benefit obligation	104,591	29,457	24,757	17,950	10,810	3,296	3,017
Expected return on assets	(130,535)	(34,784)	(37,170)	(25,629)	(13,815)	(2,601)	(3,738)
Amortization of transition asset	(9,740)	(2,336)	(2,387)	(2,808)	(1,250)	(195)	(482)
Amortization of prior service cost	11,362	1,227	1,434	558	480	165	64
Net pension cost (income)	$15,005	$2,287	($6,835)	($4,981)	($1,497)	$1,662	$1,195

1998	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Service cost - benefits earned during the period	$45,470	$7,428	$5,448	$4,148	$1,913	$818	$2,494
Interest cost on projected benefit obligation	192,132	27,919	24,564	16,845	10,362	3,020	3,265
Expected return on assets	(233,058)	(31,119)	(32,506)	(22,526)	(12,335)	(2,083)	(3,979)
Amortization of transition asset	(9,740)	(2,336)	(2,387)	(2,808)	(1,250)	(195)	(597)
Amortization of prior service cost	11,459	1,227	1,434	558	480	259	80
Net pension cost (income)	$6,263	$3,119	($3,447)	($3,783)	($830)	$1,819	$1,263

1997	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Service cost - benefits earned during the period	$47,703	$6,937	$5,365	$3,762	$1,893	$763	$2,389
Interest cost on projected benefit obligation	193,665	26,472	23,684	15,778	10,011	2,783	2,942
Expected return on assets	(220,641)	(28,050)	(29,119)	(19,988)	(11,258)	(1,915)	(3,480)
Amortization of transition asset	(2,546)	(2,336)	(2,387)	(2,808)	(1,250)	(195)	(597)
Amortization of prior service cost	4,266	1,227	1,434	558	480	259	80
Net pension cost (income)	$22,447	$4,250	($1,023)	($2,698)	($124)	$1,695	$1,334

The funded status of Entergy's various pension plans as of December 31, 1999 and 1998 was (in thousands):

1999	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Change in Projected Benefit Obligation (PBO)							
Balance at 1/1/99	$1,553,251	$435,638	$377,288	$261,858	$158,778	$47,881	$44,876
Service cost	39,327	8,723	6,531	4,948	2,277	997	2,334
Interest cost	104,591	29,457	24,757	17,950	10,810	3,296	3,017
Actuarial (gain)/loss	(126,715)	(25,915)	(35,000)	(11,638)	(9,038)	(4,663)	(6,294)
Benefits paid	(80,580)	(23,349)	(25,359)	(16,169)	(9,565)	(1,469)	(671)
Acquisition of subsidiary	9,727	-	-	-	-	-	-
Balance at 12/31/99	$1,499,601	$424,554	$348,217	$256,949	$153,262	$46,042	$43,262
Change in Plan Assets							
Fair value of assets at 1/1/99	$1,791,192	$473,353	$513,365	$356,663	$192,438	$28,927	$48,910
Actual return on plan assets	241,460	68,258	74,249	49,260	24,602	2,668	8,203
Employer contributions	13,106	-	1,343	-	-	1,244	-
Benefits paid	(80,580)	(23,349)	(25,360)	(16,168)	(9,565)	(1,469)	(671)
Fair value of assets at 12/31/99	$1,965,178	$518,262	$563,597	$389,755	$207,475	$31,370	$56,442
Funded status	$465,577	$93,708	$215,380	$132,806	$54,213	($14,672)	$13,180
Unrecognized transition asset	(17,446)	(4,671)	(2,387)	(5,615)	(2,501)	(180)	(2,829)
Unrecognized prior service cost	30,092	11,203	9,780	4,238	3,455	1,282	696
Unrecognized net (gain)/loss	(483,741)	(122,663)	(250,266)	(122,806)	(53,747)	7,776	(16,495)
Prepaid/(accrued) pension cost	($5,518)	($22,423)	($27,493)	$8,623	$1,420	($5,794)	($5,448)

1998	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Change in Projected Benefit Obligation (PBO)							
Balance at 1/1/98	$2,495,107	$381,581	$327,842	$226,254	$140,317	$40,568	$35,770
Service cost	45,470	7,428	5,448	4,148	1,913	818	2,494
Interest cost	192,132	27,919	24,564	16,845	10,362	3,020	3,265
Actuarial loss	142,217	41,742	45,302	29,769	15,544	5,319	4,005
Benefits paid	(161,999)	(23,032)	(25,868)	(15,158)	(9,358)	(1,844)	(658)
Disposition of subsidiaries*	(1,159,676)	-	-	-	-	-	-
Balance at 12/31/98	$1,553,251	$435,638	$377,288	$261,858	$158,778	$47,881	$44,876
Change in Plan Assets							
Fair value of assets at 1/1/98	$3,133,232	$427,175	$454,912	$317,650	$174,434	$23,145	$40,917
Actual return on plan assets	472,181	67,058	76,254	54,171	27,318	2,000	8,440
Employer contributions	72,596	2,152	8,067	-	44	5,626	211
Benefits paid	(161,999)	(23,032)	(25,868)	(15,158)	(9,358)	(1,844)	(658)
Disposition of subsidiaries*	(1,724,818)	-	-	-	-	-	-
Fair value of assets at 12/31/98	$1,791,192	$473,353	$513,365	$356,663	$192,438	$28,927	$48,910
Funded status	$237,941	$37,715	$136,077	$94,805	$33,660	($18,954)	$4,034
Unrecognized transition asset	(24,798)	(7,007)	(4,775)	(8,423)	(3,751)	(376)	(4,097)
Unrecognized prior service cost	32,748	12,429	11,215	4,796	3,935	1,447	941
Unrecognized net (gain)/loss	(239,781)	(63,274)	(178,188)	(87,536)	(33,921)	12,507	(6,141)
Prepaid/(accrued) pension cost	$6,110	($20,137)	($35,671)	$3,642	($77)	($5,376)	($5,263)

* Reflects the disposition of London Electricity and Citpower effective in December 1998.

Other Postretirement Benefits

Entergy also provides health care and life insurance benefits for retired employees. Substantially all domestic 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. 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 which began in 1993.

Entergy Arkansas, the portion of Entergy Gulf States regulated by the PUCT, Entergy Mississippi, and Entergy New Orleans have received regulatory approval to recover SFAS 106 costs through rates. Entergy Arkansas began recovery in 1998, pursuant to an APSC order. This order also allowed Entergy Arkansas to amortize a regulatory asset (representing the difference between SFAS 106 costs and cash expenditures for other postretirement benefits incurred for a five-year period that began January 1, 1993) over a period of 15 years beginning in January 1998.

The LPSC ordered the portion of Entergy Gulf States regulated by the LPSC and Entergy Louisiana to continue the use of the pay-as-you-go method for ratemaking purposes for postretirement benefits other than pensions. However, the LPSC retains the flexibility to examine individual companies' accounting for postretirement benefits to determine if special exceptions to this order are warranted.

Pursuant to regulatory directives, Entergy Arkansas, Entergy Mississippi, Entergy New Orleans, the portion of Entergy Gulf States regulated by the PUCT, and System Energy fund postretirement benefit obligations collected in rates. System Energy is funding on behalf of Entergy Operations postretirement benefits associated with Grand Gulf 1. Entergy Louisiana and Entergy Gulf States continue to recover a portion of these benefits regulated by the LPSC and FERC on a pay-as-you-go basis. The assets of the various postretirement benefit plans other than pensions include common stocks, fixed-income securities, and a money market fund.

Total 1999, 1998, and 1997 postretirement benefit costs of Entergy Corporation and its subsidiaries, including amounts capitalized and deferred, included the following components (in thousands):

1999	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Service cost - benefits earned during the period	$16,950	$3,952	$3,227	$2,140	$1,009	$512	$982
Interest cost on APBO	29,467	6,596	8,206	4,234	2,167	2,699	631
Expected return on assets	(8,208)	(1,309)	(2,980)	-	(1,634)	(1,425)	(522)
Amortization of transition obligation	17,874	3,954	5,803	2,971	1,502	2,678	222
Amortization of prior service cost	44	-	44	-	-	-	-
Recognized net (gain)	(1,452)	-	(393)	(227)	(69)	(616)	(8)
Net postretirement benefit cost	$54,675	$13,193	$13,907	$9,118	$2,975	$3,848	$1,305

1998	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Service cost - benefits earned during the period	$13,878	$3,325	$2,553	$1,776	$862	$432	$871
Interest cost on APBO	28,443	6,519	8,103	4,089	2,085	2,714	652
Expected return on assets	(5,260)	(215)	(2,385)	-	(1,059)	(1,155)	(446)
Amortization of transition obligation	17,874	3,954	5,803	2,971	1,502	2,678	262
Amortization of prior service cost	44	-	44	-	-	-	-
Recognized net (gain)	(3,501)	-	(1,216)	(686)	(264)	(1,024)	(79)
Net postretirement benefit cost	$51,478	$13,583	$12,902	$8,150	$3,126	$3,645	$1,260

1997	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Service cost - benefits earned during the period	$13,991	$3,204	$3,227	$2,081	$1,092	$618	$939
Interest cost on APBO	29,317	6,232	9,466	4,490	2,278	3,106	648
Expected return on assets	(3,386)	-	(1,637)	-	(695)	(840)	(214)
Amortization of transistion obligation	15,686	3,954	5,803	2,971	1,502	2,678	262
Amortization of prior service cost	44	-	44	-	-	-	-
Recognized net (gain)/loss	134	(238)	672	(348)	(103)	(742)	-
Net postretirement benefit cost	$55,786	$13,152	$17,575	$9,194	$4,074	$4,820	$1,635

The funded status of Entergy's postretirement plans as of December 31, 1999 and 1998 was (in thousands):

1999	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Change in APBO							
Balance at 1/1/99	$444,509	$101,856	$124,431	$63,449	$32,404	$40,838	$9,087
Service cost	16,950	3,952	3,227	2,140	1,009	512	982
Interest cost	29,467	6,596	8,206	4,234	2,167	2,699	631
Actuarial (gain)	(40,202)	(10,375)	(10,287)	(4,924)	(2,131)	(2,098)	(882)
Benefits paid	(25,881)	(6,373)	(7,282)	(3,743)	(2,316)	(3,588)	(272)
Acquisition of subsidiary	4,929			-	-	-	-
Balance at 12/31/99	$429,772	$95,656	$118,295	$61,156	$31,133	$38,363	$9,546
Change in Plan Assets							
Fair value of assets at 1/1/99	$89,579	$11,774	$31,510	$ -	$18,759	$20,380	$7,156
Actual return on plan assets	7,134	1,278	3,403	-	150	1,476	548
Employer contributions	43,576	15,526	11,414	3,743	3,021	5,448	2,117
Benefits paid	(25,881)	(6,373)	(7,282)	(3,743)	(2,316)	(3,588)	(272)
Acquisition of subsidiary	5,800	-	-	-	-	-	-
Fair value of assets at 12/31/99	$120,208	$22,205	$39,045	$ -	$19,614	$23,716	$9,549
Funded status	($309,564)	($73,451)	($79,250)	($61,156)	($11,519)	($14,647)	$3
Unrecognized transition obligation	149,141	51,390	75,444	38,633	19,525	34,827	2,893
Unrecognized prior service cost	335	-	335	-	-	-	-
Unrecognized net (gain)	(19,374)	(6,941)	(24,503)	(12,048)	(5,117)	(13,870)	(3,653)
Prepaid/(accrued) postretirement benefit asset/(liability)	($179,462)	($29,002)	($27,974)	($34,571)	$2,889	$6,310	($757)

1998	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
Change in APBO							
Balance at 1/1/98	$427,962	$91,097	$136,228	$65,385	$33,273	$43,833	$8,483
Service cost	13,878	3,325	2,553	1,776	862	432	871
Interest cost	28,443	6,519	8,103	4,089	2,085	2,714	652
Actuarial (gain)/loss	1,322	8,005	(15,007)	(3,698)	(1,545)	(2,589)	(573)
Benefits paid	(27,096)	(7,090)	(7,446)	(4,103)	(2,271)	(3,552)	(346)
Balance at 12/31/98	$444,509	$101,856	$124,431	$63,449	$32,404	$40,838	$9,087
Change in Plan Assets							
Fair value of assets at 1/1/98	$59,688	$ -	$25,696	$ -	$11,807	$17,350	$4,835
Actual return on plan assets	4,616	713	1,165	-	1,612	405	721
Employer contributions	52,372	18,151	12,095	4,103	7,611	6,177	1,947
Benefits paid	(27,097)	(7,090)	(7,446)	(4,103)	(2,271)	(3,552)	(347)
Fair value of assets at 12/31/98	$89,579	$11,774	$31,510	$ -	$18,759	$20,380	$7,156
Funded status	($354,930)	($90,082)	($92,921)	($63,449)	($13,645)	($20,458)	($1,931)
Unrecognized transition obligation	160,613	55,344	81,247	41,604	21,027	37,505	3,670
Unrecognized prior service cost	379		379				-
Unrecognized net (gain)/loss	24,704	3,403	(14,186)	(7,351)	(4,539)	(12,337)	(3,308)
Prepaid/(accrued) postretirement benefit asset/(liability)	($169,234)	($31,335)	($25,481)	($29,196)	$2,843	$4,710	($1,569)

The assumed health care cost trend rate used in measuring the APBO of Entergy was 5.5% for 2000, gradually decreasing each successive year until it reaches 5.0% in 2005 and beyond. A one percentage-point change in the assumed health care cost trend rate for 1999 would have the following effects (in thousands):

	1 Percentage Point Increase		1 Percentage Point Decrease	
1999	Increase in the APBO	Increase in the sum of service cost and interest cost	Decrease in the APBO	Decrease in the sum of service cost and interest cost
Entergy	$34,514	$5,284	($29,203)	($4,356)
Entergy Arkansas	$7,379	$1,156	($6,261)	($955)
Entergy Gulf States	$10,041	$1,281	($8,520)	($1,064)
Entergy Louisiana	$4,450	$657	($3,782)	($544)
Entergy Mississippi	$2,284	$319	($1,940)	($263)
Entergy New Orleans	$2,329	$249	($2,012)	($211)
System Energy	$1,021	$233	($845)	($189)

The significant actuarial assumptions used in determining the pension PBO and the SFAS 106 APBO for 1999, 1998, and 1997 were as follows:

	1999	1998	1997
Weighted-average discount rate	7.5%	6.75%	7.25%
Weighted-average rate of increase in future compensation levels	4.6%	4.6%	4.6%
Expected long-term rate of return on plan assets	9.0%	9.0%	9.0%

Entergy's pension transition assets are being amortized over the greater of the remaining service period of active participants or 15 years and its SFAS 106 transition obligations are being amortized over 20 years.

NOTE 12. DISPOSITIONS AND ACQUISITIONS (Entergy Corporation)

Business Dispositions

As part of the new strategic plan adopted by Entergy in August 1998, Entergy sold several businesses during 1998, including the following:

Business	Pre-tax Gain (Loss) on Sale (In Millions)
London Electricity	$ 327
CitiPower (a)	38
Efficient Solutions, Inc.	(69)

(a) The gain on the CitiPower sale reflects a $7.6 million favorable adjustment to the final sale price in January 1999.

In keeping with this plan, in January 1999, Entergy disposed of its security monitoring subsidiary, Entergy Security, Inc. at a minimal gain. Several telecommunication businesses were sold in June, also at small gains.

The results of operations of these businesses are included in Entergy's Consolidated Statements of Income through their respective dates of sale. Gains and losses arising from sales of businesses are included in "Other Income (Deductions), Gain on sale of assets - net" in that statement.

Asset Acquisition

On July 13, 1999, Entergy's non-utility nuclear power business acquired the 670 MW Pilgrim Nuclear Station located in Plymouth, Massachusetts from Boston Edison. The acquisition included the plant, real estate, materials and supplies, and nuclear fuel, for a total purchase price of $81 million. The purchase price was funded with a portion of the proceeds from the sales of non-regulated businesses. As part of the Pilgrim purchase, Boston Edison funded a $471 million decommissioning trust fund, which was transferred to an Entergy subsidiary. Based on a favorable tax determination regarding the trust fund, Entergy returned $43 million of the trust fund to Boston Edison.

NOTE 13. TRANSACTIONS WITH AFFILIATES (Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy)

The domestic utility companies purchase electricity from and/or sell electricity to the 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 management, technical, advisory, operating, and administrative services from Entergy Services; and receive management, technical, and operating services from Entergy Operations. Pursuant to SEC rules under PUHCA, these transactions normally are on an "at cost" basis.

As described in Note 1 to the financial statements, 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

	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
1999	$189.2	$38.4	$27.3	$68.3	$14.2	$620.0
1998	$162.0	$16.7	$16.7	$88.3	$11.0	$602.4
1997	$230.8	$15.9	$ 3.4	$85.5	$11.1	$633.7

Intercompany Operating Expenses

	Entergy Arkansas (1)	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
1999	$357.5	$436.7	$294.3	$315.6	$182.5	$36.2
1998	$353.7	$419.7	$269.0	$338.1	$194.9	$39.6
1997	$335.0	$416.4	$326.7	$316.1	$177.1	$36.5

(1) Includes $15.8 million in 1999, $18.8 million in 1998, and $16.5 million in 1997 for power purchased from Entergy Power.

Operating Expenses Paid or Reimbursed to Entergy Operations

	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	System Energy
1999	$179.2	$110.9	$113.8	$64.9
1998	$167.5	$114.2	$125.0	$62.8
1997	$162.1	$ 63.5	$133.3	$64.7

NOTE 14. BUSINESS SEGMENT INFORMATION (Entergy Corporation and Entergy New Orleans)

In 1998, Entergy adopted SFAS 131, "Disclosures about Segments of an Enterprise and Related Information." Entergy's reportable segments as of December 31, 1999 are domestic utility and power marketing and trading. Entergy's international electric distribution businesses, Entergy London and CitiPower, were sold in December 1998. These businesses would have been a reportable segment had they been held as of December 31, 1998, and financial information regarding them is also provided below.

Domestic utility provides retail electric service in portions of Arkansas, Louisiana, Mississippi, and Texas, and provides natural gas utility service in portions of Louisiana. Entergy's power marketing and trading segment markets wholesale electricity, gas, other generating fuels, and electric capacity, and markets financial instruments to third parties. Entergy's operating segments are strategic business units managed separately due to their different operating and regulatory environments.

Entergy's segment financial information is as follows (in thousands):

	Domestic Utility and System Energy	Power Marketing and Trading*	Entergy London*	CitiPower*	All Other*	Eliminations	Consolidated
1999							
Operating Revenues	$6,414,623	$2,249,274	$ -	$ -	$143,146	($33,815)	$8,773,228
Operating Expenses:							
Fuel & gas purch. for resale	1,672,075	411,519	-	-	-	(719)	2,082,875
Purchased power	693,202	1,771,128	-	-	-	(21,846)	2,442,484
Nuclear refueling outages	76,057	-	-	-	-	-	76,057
Other operation & maint.	1,405,208	66,383	-	-	247,250	(13,296)	1,705,545
Deprec, amort. & decomm.	732,182	5,212	-	-	7,475	-	744,869
Taxes other than income	334,834	682	-	-	3,768	-	339,284
Other regulatory charges	8,113	-	-	-	-	-	8,113
Amort. of rate deferrals	122,347	-	-	-	-	-	122,347
Total operating expenses	5,044,018	2,254,924	-	-	258,493	(35,861)	7,521,574
Operating Income (Loss)	1,370,605	(5,650)	-	-	(115,347)	2,046	1,251,654
Other Income	70,911	3,937	-	-	186,378	(5,586)	255,640
Interest Charges	536,543	2,006	-	-	20,592	(3,540)	555,601
Income Before Income Taxes	904,973	(3,719)	-	-	50,439	-	951,693
Income Taxes	351,448	(3,228)	-	-	8,447	-	356,667
Net Income (Loss)	$553,525	($491)	$ -	$ -	$41,992	$ -	$595,026
Total assets	$18,956,750	$460,063	$ -	$ -	$3,762,115	$ (193,841)	$22,985,087

	Domestic Utility and System Energy	Power Marketing and Trading*	Entergy London*	CitiPower*	All Other*	Eliminations	Consolidated
1998							
Operating Revenues	$6,310,543	$2,854,980	$1,911,875	$303,245	$150,297	($36,168)	$11,494,772
Operating Expenses:							
Fuel & gas purch. for resale	1,547,413	160,135	-	-	-	(1,520)	1,706,028
Purchased power	614,964	2,674,807	1,218,534	101,407	-	(24,268)	4,585,444
Nuclear refueling outages	83,885	-	-	-	-	-	83,885
Other operation & maint.	1,336,881	45,247	298,748	71,603	247,720	(12,159)	1,988,040
Deprec, amort. & decomm.	763,818	5,058	126,586	28,444	61,023	-	984,929
Taxes other than income	340,612	997	-	18,226	2,318	-	362,153
Other regulatory charges	35,136	-	-	-	-	-	35,136
Amort. of rate deferrals	237,302	-	-	-	-	-	237,302
Total operating expenses	4,960,011	2,886,244	1,643,868	219,680	311,061	(37,947)	9,982,917
Operating Income (Loss)	1,350,532	(31,264)	268,007	83,565	(160,764)	1,779	1,511,855
Other Income	58,196	7,630	36,810	124	272,865	(2,601)	373,024
Interest Charges	548,299	122	182,479	80,586	21,851	(822)	832,515
Income Before Income Taxes	860,429	(23,756)	122,338	3,103	90,250	-	1,052,364
Income Taxes	331,931	(8,216)	4,589	-	(61,569)	-	266,735
Net Income (Loss)	$528,498	($15,540)	$117,749	$3,103	$151,819	$ -	$785,629
Total assets	$ 19,727,666	$ 359,626	$ -	$ -	$2,783,732	$ (34,330)	$ 22,836,694

	Domestic Utility and System Energy	Power Marketing and Trading*	Entergy London*	CitiPower*	All Other*	Eliminations	Consolidated
1997							
Operating Revenues	$6,731,872	$493,102	$1,847,042	$342,959	$180,360	($56,409)	$9,538,926
Operating Expenses:							
Fuel & gas purch. for resale	1,634,887	42,154	-	-	-	-	1,677,041
Purchased power	605,634	390,125	1,222,034	129,744	-	(28,726)	2,318,811
Nuclear refueling outages	73,857	-	-	-	-	-	73,857
Other operation & maint.	1,279,112	35,003	316,833	54,516	207,342	(6,657)	1,886,149
Deprec, amort. & decomm.	765,597	4,789	121,365	32,702	55,555	-	980,008
Taxes other than income	326,352	938	-	35,653	2,496	-	365,439
Other regulatory credits	(18,545)	-	-	-	-	-	(18,545)
Amort. of rate deferrals	421,803	-	-	-	-	-	421,803
Total operating expenses	5,088,697	473,009	1,660,232	252,615	265,393	(35,383)	7,704,563
Operating Income (Loss)	1,643,175	20,093	186,810	90,344	(85,033)	(21,026)	1,834,363
Other Income (Deductions)	(245,439)	2,476	21,525	45	2,517	19,025	(199,851)
Interest Charges	583,613	91	178,647	69,011	32,911	(2,001)	862,272
Income Before Income Taxes	814,123	22,478	29,688	21,378	(115,427)	-	772,240
Income Taxes	296,432	8,318	177,023	22,924	(33,356)	-	471,341
Net Income (Loss)	$517,691	$14,160	($147,335)	($1,546)	($82,071)	$ -	$300,899
Total assets	$ 20,114,594	$ 354,694	$ 4,403,625	$1,068,564	$1,093,783	$ (34,560)	$ 27,000,700

Businesses marked with * are referred to as the "competitive businesses," with the exception of the parent company, Entergy Corporation, which is also included in the "All Other" column. The All Other category includes the parent Entergy Corporation, segments below the quantitative threshold for separate disclosure, and other business activities. Other segments principally include global power development and non-utility nuclear power operations and management. Other business activities principally include the gains on the sales of businesses. Reconciling items are principally intersegment activity.

Products and Services

In addition to retail electric service, Entergy New Orleans supplies natural gas services in the City of New Orleans. Revenue from these two services is disclosed in Entergy New Orleans' Income Statements.

Geographic areas

For the years ended December 31, 1999, 1998, and 1997, Entergy did not derive material revenues from outside of the United States, other than from Entergy London and CitiPower, which are noted above.

Long-lived assets as of December 31 were as follows (in thousands):

	1999	1998	1997
Domestic	$ 14,590,346	$ 14,863,488	$15,228,107
Foreign	910,408	465,094	2,904,721
Consolidated	$ 15,500,754	$ 15,328,582	$ 18,132,828

NOTE 15. RISK MANAGEMENT AND FAIR VALUES (Entergy Corporation)

Commodity Derivatives

Entergy uses a variety of commodity derivatives, including natural gas and electricity futures, forwards, and options, as a part of its overall risk management strategy.

The power marketing and trading business engages in the trading of commodity instruments and, therefore, experiences net open positions. The business manages open positions with policies that limit its exposure to market risk and require daily reporting to management of potential financial exposure. These policies include statistical risk tolerance limits using historical price movements to calculate a value at risk measurement. The weighted-average life of the business' commodity risk portfolio was less than 18 months at December 31, 1999 and less than 12 months at December 31, 1998.

At December 31, 1999 and 1998, the power marketing and trading business had outstanding absolute notional contract quantities as follows (power volumes in thousands of megawatt hours, natural gas volumes in thousands of British thermal units):

	1999	1998
Energy Commodities:		
Power	9,627	33,682
Natural gas	728,560	1,209,791

Market risk is the potential loss that Entergy may incur as a result of changes in the market or fair value of a particular instrument or commodity. All financial and commodity-related instruments, including derivatives, are subject to market risk. Entergy's exposure to market risk is determined by a number of factors, including the size, duration, composition, and diversification of positions held, as well as market volatility and liquidity. For instruments such as options, the time period during which the option may be exercised and the relationship between the current market price of the underlying instrument and the option's contractual strike or exercise price also affect the level of market risk. The most significant factor influencing the overall level of market risk to which Entergy is exposed is its use of hedging techniques to mitigate such risk. Entergy manages market risk by actively monitoring compliance with stated risk management policies as well as monitoring the effectiveness of its hedging policies and strategies. Entergy's risk management policies limit the amount of total net exposure and rolling net exposure during the stated periods. These policies, including related risk limits, are regularly assessed to ensure their appropriateness given Entergy's objectives.

The New York Mercantile Exchange (Exchange) guarantees futures and option contracts traded on the Exchange and there is nominal credit risk. On all other transactions described above, Entergy is exposed to credit risk in the event of nonperformance by the counterparties. For each counterparty, Entergy analyzes the financial condition prior to entering into an agreement, establishes credit limits, and monitors the appropriateness of these limits on an ongoing basis. In some circumstances, Entergy requires letters of credit or parental guarantees. Entergy also uses netting arrangements whenever possible to mitigate Entergy's exposure to counterparty risk. Netting arrangements enable Entergy to net certain assets and liabilities by counterparty.

The change in market value of Exchange-traded futures and options contracts requires daily cash settlement in margin accounts with brokers. Swap contracts and most other over-the-counter instruments are generally settled at the expiration of the contract term and may be subject to margin requirements with the counterparty.

Entergy's principal markets for power and natural gas marketing services are utilities and industrial end-users located throughout the United States and the UK. The power marketing and trading business has a concentration of receivables due from those customers. These industry concentrations may affect the power marketing and trading business' overall credit risk, either positively or negatively, in that changes in economic, industry, regulatory, or other

conditions may similarly affect certain customers. Trade receivables are generally not collateralized. However, Entergy analyzes customers' credit positions prior to extending credit, establishes credit limits, and monitors the appropriateness of these limits on an ongoing basis.

Fair Values

Commodity Instruments

Fair value estimates of the power marketing and trading business' commodity instruments are made at discrete points in time based on relevant market information. These estimates may be subjective in nature and involve uncertainties and matters of significant judgment; therefore, actual results may differ from these estimates. At December 31, 1999 and 1998, the fair values of the power marketing and trading business' energy-related commodity contracts used for trading purposes were as follows:

	1999		1998	
	Assets	Liabilities	Assets	Liabilities
	(In Thousands)			
Commodity Instruments:				
Natural Gas	$ 43,542	$ 39,361	$ 150,130	$ 150,311
Electricity	$ 185,575	$ 130,209	$ 147,363	$ 119,891

Financial Instruments

The estimated fair value of Entergy's financial instruments is determined using bid prices reported by dealer markets and by nationally recognized investment banking firms. The estimated fair value of derivative financial instruments is based on market quotes of the applicable interest rates. 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 held by regulated businesses may be reflected in future rates and therefore do not accrue to the benefit or detriment 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. For these reasons, and because of the related-party nature of these commitments and guarantees, determination of fair value is not considered practicable. Additional information regarding financial instruments and their fair values is included in Notes 4, 5, 6, and 7 to the financial statements.

NOTE 16. 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 periods occurring during the third quarter. Operating results for the four quarters of 1999 and 1998 were:

Operating Revenue

	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
				(In Thousands)			
1999:							
First Quarter	$1,639,922	$ 311,969	$ 423,819	$ 352,135	$ 182,443	$ 106,056	$ 140,617
Second Quarter	2,316,404	387,191	546,543	505,601	194,637	121,287	159,505
Third Quarter	3,064,535	488,801	676,076	576,956	267,159	163,140	163,801
Fourth Quarter	1,752,367	353,933	480,770	371,902	188,580	117,305	156,109
1998:							
First Quarter	$2,313,092	$ 329,789	$ 457,509	$ 356,038	$ 205,017	$ 113,663	$ 148,606
Second Quarter	2,508,814	391,357	423,655	424,115	268,908	125,106	144,336
Third Quarter	4,587,447	527,059	609,362	537,632	324,784	165,808	152,083
Fourth Quarter	2,085,419	360,493	363,283	393,123	177,591	109,173	157,348

Operating Income

	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
				(In Thousands)			
1999:							
First Quarter	$ 203,435	$ 32,160	$ 61,032	$ 65,989	$ 12,220	$ 749	$ 53,837
Second Quarter	363,951	60,212	61,586	179,278	20,630	22,089	68,695
Third Quarter	597,595	113,570	160,784	172,052	42,519	28,622	71,199
Fourth Quarter	86,673	(10,541)	37,596	2,823	12,716	(8,924)	69,705
1998:							
First Quarter	$ 285,507	$ 27,254	$ 63,661	$ 55,222	$ 15,382	$ 1,891	$ 71,959
Second Quarter	472,710	83,837	31,530	114,540	55,721	15,468	72,177
Third Quarter	590,673	140,837	166,403	164,393	54,028	20,210	68,772
Fourth Quarter	162,965	2,887	(25,940)	68,726	(571)	1,490	69,735

Net Income (Loss)

	Entergy	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
				(In Thousands)			
1999:							
First Quarter	$ 72,906	$ 11,011	$ 13,437	$ 21,487	$ 3,015	$ (1,535)	$ 700
Second Quarter	209,758	28,929	17,022	93,371	8,222	11,695	29,483
Third Quarter	296,158	58,021	80,921	88,680	23,212	15,581	24,042
Fourth Quarter	16,204	(28,648)	13,620	(11,768)	7,139	(6,780)	28,147
1998:							
First Quarter	$ 60,054	$ 5,623	$ 14,756	$ 13,917	$ 5,194	$ (902)	$ 24,587
Second Quarter	215,979	39,967	(5,241)	49,546	29,514	6,577	24,779
Third Quarter	262,596	73,731	78,313	81,470	29,319	10,258	25,139
Fourth Quarter	247,000	(8,370)	(41,435)	34,554	(1,389)	204	31,971

Earnings per Average Common Share (Entergy Corporation)

	1999 Basic and Diluted	1998 Basic and Diluted
First Quarter	$ 0.25	$ 0.20
Second Quarter	$ 0.81	$ 0.83
Third Quarter	$ 1.16	$ 1.01
Fourth Quarter	$ 0.03	$ 0.96

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 Arkansas, Entergy Gulf States, Entergy Louisiana, 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.

Name	Age	Position	Period
ENTERGY ARKANSAS, INC.			
Directors			
Thomas J. Wright	53	President and Chief Executive Officer of Entergy Arkansas	1999-Present
		Director of Entergy Arkansas	1999-Present
		Managing Director of London Electricity England	1998-1999
		Chairman, CEO and Director of CitiPower Pty. Australia	1996-1998
		Vice President Transmission and Distribution System of Entergy Services	1994-1996
Donald C. Hintz		See information under the Entergy Corporation Officers Section in Part I.	
C. John Wilder		See information under the Entergy Corporation Officers Section in Part I.	
Officers			
Cecil L. Alexander	64	Vice President - State Governmental Affairs of Entergy Arkansas	1991-Present
C. Gary Clary	55	Senior Vice President - Human Resources and Administration of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans	1998-Present
		Vice President - Human Resources and Administration of Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans	1997-1998
		Director-System Human Resources of Entergy Services	1993-1996
Frank F. Gallaher		See information under the Entergy Corporation Officers Section in Part I.	
Joseph T. Henderson		See information under the Entergy Corporation Officers Section in Part I.	
Nathan E. Langston		See information under the Entergy Corporation Officers Section in Part I.	
Steven C. McNeal		See information under the Entergy Corporation Officers Section in Part I.	
Michael G. Thompson		See information under the Entergy Corporation Officers Section in Part I.	
C. John Wilder		See information under the Entergy Corporation Officers Section in Part I.	
Thomas J. Wright		See information under the Entergy Arkansas Directors above.	
ENTERGY GULF STATES, INC.			
Directors			
Joseph F. Domino	51	Director of Entergy Gulf States	1999-Present
		President and Chief Executive Officer -Texas	1998-Present
		Director - Southwest Franchise of Entergy Gulf States	1997-1998
		Director - Eastern Region of Entergy Services	1995-1997
		Director - Southern Region of Entergy Services	1994-1995
Donald C. Hintz		See information under the Entergy Corporation Officers Section in Part I.	
Jerry D. Jackson		See information under the Entergy Corporation Officers Section in Part I.	
C. John Wilder		See information under the Entergy Corporation Officers Section in Part I.	

Name	Age	Position	Period
Officers			
James D. Bruno	60	Vice President - Region of Entergy Louisiana and Entergy Gulf States	1999-Present
		Vice President of Customer Service of Entergy Louisiana and Entergy Gulf States	1998-1999
		Vice President of Customer Service of Entergy Louisiana and Entergy New Orleans	1994-1998
		Vice President - Metro Region of Entergy Services	1993-1994
Murphy A. Dreher	47	Vice President - State Governmental Affairs of Entergy Gulf States -LA and Entergy Louisiana	1999-Present
		Legislative Executive - Governmental Affairs of Entergy Gulf States	1995-1998
		Director of Governmental Affairs of Entergy Gulf States	1993-1995
Randall W. Helmick	45	Vice President of Operations - Louisiana	1998-Present
		Director of Special Projects of London Electricity	1997-1998
		Director of Reliability of Entergy Services	1997
		Director of Operations and Engineering of Entergy Services	1994-1997
J. Parker McCollough	48	Vice President - State Governmental Affairs of Entergy Gulf States - TX	1996-Present
		Vice President - Governmental Affairs, Texas Association of Realtors (trade association)	1993-1996
C. Gary Clary		See information under the Entergy Arkansas Officers Section above.	
Joseph F. Domino		See information under the Entergy Gulf States Directors Section above.	
Frank F. Gallaher		See information under the Entergy Corporation Officers Section in Part I.	
Joseph T. Henderson		See information under the Entergy Corporation Officers Section in Part I.	
Jerry D. Jackson		See information under the Entergy Corporation Officers Section in Part I.	
Nathan E. Langston		See information under the Entergy Corporation Officers Section in Part I.	
Steven C. McNeal		See information under the Entergy Corporation Officers Section in Part I.	
Michael G. Thompson		See information under the Entergy Corporation Officers Section in Part I.	
C. John Wilder		See information under the Entergy Corporation Officers Section in Part I.	

ENTERGY LOUISIANA, INC.

Directors			
Donald C. Hintz		See information under the Entergy Corporation Officers Section in Part I.	
Jerry D. Jackson		See information under the Entergy Corporation Officers Section in Part I.	
C. John Wilder		See information under the Entergy Corporation Officers Section in Part I.	
Officers			
James D. Bruno		See information under the Entergy Gulf States Officers Section above.	
C. Gary Clary		See information under the Entergy Arkansas Officers Section above.	
Murphy A. Dreher		See information under the Entergy Gulf States Officers Section above.	
Frank F. Gallaher		See information under the Entergy Corporation Officers Section in Part I.	
Randall W. Helmick		See information under the Entergy Gulf States Officers Section above.	
Joseph T. Henderson		See information under the Entergy Corporation Officers Section in Part I.	
Jerry D. Jackson		See information under the Entergy Corporation Officers Section in Part I.	
Nathan E. Langston		See information under the Entergy Corporation Officers Section in Part I.	
Steven C. McNeal		See information under the Entergy Corporation Officers Section in Part I.	
Michael G. Thompson		See information under the Entergy Corporation Officers Section in Part I.	
C. John Wilder		See information under the Entergy Corporation Officers Section in Part I.	

ENTERGY MISSISSIPPI, INC.

Directors			
Carolyn C. Shanks	38	President and Chief Executive Officer of Entergy Mississippi	1999-Present

Name	Age	Position	Period
		Director of Entergy Mississippi	1999-Present
		Vice President of Finance and Administration of Entergy Mississippi	1997-1999
		Director of Business Services of Entergy Operations	1994-1997
Donald C. Hintz		See information under the Entergy Corporation Officers Section in Part I.	
C. John Wilder		See information under the Entergy Corporation Officers Section in Part I.	

Officers

Bill F. Cossar	61	Vice President - State Governmental Affairs of Entergy Mississippi	1987-Present
C. Gary Clary		See information under the Entergy Arkansas Officers Section above.	
Frank F. Gallaher		See information under the Entergy Corporation Officers Section in Part I.	
Joseph T. Henderson		See information under the Entergy Corporation Officers Section in Part I.	
Nathan E. Langston		See information under the Entergy Corporation Officers Section in Part I.	
Steven C. McNeal		See information under the Entergy Corporation Officers Section in Part I.	
Carolyn C. Shanks		See information under the Entergy Mississippi Directors above.	
Michael G. Thompson		See information under the Entergy Corporation Officers Section in Part I.	
C. John Wilder		See information under the Entergy Corporation Officers Section in Part I.	

ENTERGY NEW ORLEANS, INC.

Directors

Daniel F. Packer	52	Chief Executive Officer of Entergy New Orleans - LA	1998-Present
		President and Director of Entergy New Orleans	1997-Present
		State President - City of New Orleans	1996-1997
		Vice President - Regulatory and Governmental Affairs of Entergy New Orleans	1994-1996
		General Manager - Plant Operations at Waterford 3	1991-1994
Donald C. Hintz		See information under the Entergy Corporation Officers Section in Part I.	
C. John Wilder		See information under the Entergy Corporation Officers Section in Part I.	

Officers

Elaine Coleman	50	Vice President External Affairs of Entergy New Orleans - LA	1998-Present
		Director of Customer Service of Entergy Services	1998
		Lead Customer Service Manager of Entergy Services	1995-1998
		Manager of Employee Communication of Entergy Services	1993-1995
C. Gary Clary		See information under the Entergy Arkansas Officers Section above.	
Frank F. Gallaher		See information under the Entergy Corporation Officers Section in Part I.	
Joseph T. Henderson		See information under the Entergy Corporation Officers Section in Part I.	
Nathan E. Langston		See information under the Entergy Corporation Officers Section in Part I.	
Steven C. McNeal		See information under the Entergy Corporation Officers Section in Part I.	
Daniel F. Packer		See information under the Entergy New Orleans Directors Section above.	
Michael G. Thompson		See information under the Entergy Corporation Officers Section in Part I.	
C. John Wilder		See information under the Entergy Corporation Officers Section in Part I.	

SYSTEM ENERGY RESOURCES, INC.

Directors

Jerry W. Yelverton	55	Director, President and Chief Executive Officer of System Energy	1999-Present
		Senior Vice President of Nuclear of Entergy Services	1997-1998
		Executive Vice President and Chief Operating Officer of Entergy Operations	1996-1998
		Vice President of Operations of ANO	1992-1996
		In addition, Mr. Yelverton is an executive officer and/or director of various other wholly owned subsidiaries of Entergy Corporation and its operating companies.	

Name	Age	Position	Period
Donald C. Hintz		See information under the Entergy Corporation Officers Section in Part I.	
C. John Wilder		See information under the Entergy Corporation Officers Section in Part I.	
Officers			
Joseph L. Blount	53	Secretary of System Energy and Entergy Operations	1991-Present
		Vice President Legal and External Affairs of Entergy Operations	1990-1993
Joseph T. Henderson		See information under the Entergy Corporation Officers Section in Part I.	
Nathan E. Langston		See information under the Entergy Corporation Officers Section in Part I.	
Steven C. McNeal		See information under the Entergy Corporation Officers Section in Part I.	
C. John Wilder		See information under the Entergy Corporation Officers Section in Part I.	
Jerry W. Yelverton		See information under the System Energy Directors section above.	

Each director and officer of the applicable Entergy company is elected yearly to serve by the unanimous consent of the sole stockholder, Entergy Corporation, at its annual meeting.

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 12, 2000, under the heading "Section 16(a) Beneficial Ownership Reporting Compliance", 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 Corporation is set forth in the Proxy Statement under the headings "Executive Compensation Tables", "General Information About Nominees", and "Director Compensation", 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, 1999 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 1999. 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.

		Annual Compensation			Long-Term Compensation Awards		
Name	Year	Salary	Bonus	Other Annual Compensation	Restricted Stock Awards	Securities Underlying Options	(a) All Other Compensation
C. Gary Clary	1999	$254,080	$193,423	$ 0	(b)	28,025 shares	$ 8,012
	1998	226,662	168,089	9,959	(b)	1,250	5,017
	1997	170,731	36,086	23,072	(b)	2,500	5,122
John J. Cordaro (d)	1999	$ 53,506	$ 11,815	$ 2,698	(b)	0 shares	$ 1,305,083
	1998	227,556	67,211	45,209	(b)	1,250	5,833
	1997	206,410	0	37,986	(b)	2,500	6,192
Joseph F. Domino	1999	$223,569	$200,210	$ 7,072	(b)	13,487 shares	$ 6,838
CEO-Entergy Gulf States-TX	1998	164,011	39,492	4,558	(b)	0	5,409
	1997	138,374	0	16,205	(b)	0	0
Frank F. Gallaher	1999	$401,161	$303,855	$ 38,496	(b)	39,500 shares	$ 13,545
	1998	382,829	280,747	89,137	(b)	2,500	12,396
	1997	327,385	0	11,132	(b)	5,000	9,822
Joseph T. Henderson	1999	$222,115	$201,100	$ 36,004	(b)	7,500 shares	$ 21,983
Jerry D. Jackson	1999	$442,809	$403,554	$ 39,670	(b)	94,000 shares	$ 15,497
CEO-Entergy Louisiana	1998	408,456	348,156	59,630	(b)	2,500	13,849
CEO-Entergy Gulf States-LA	1997	342,077	0	56,359	(b)	5,000	10,262
R. Drake Keith (d)	1999	$144,017	$ 85,544	$ 3,785	(b)	16,750 shares	$144,801
	1998	289,145	165,582	67,239	(b)	1,250	10,259
	1997	276,728	0	41,230	(b)	2,500	8,292
Nathan E. Langston	1999	$193,462	$178,400	$ 23,613	(b)	15,400 shares	$ 4,800
	1998	158,563	111,125	21,953	(b)	0	5,243
	1997	131,660	10,504	17,462	(b)	0	0
Steven C. McNeal	1999	$171,077	$ 78,100	$ 0	(b)	5,925 shares	$ 4,800
	1998	154,721	94,400	4,432	(b)	0	5,145
	1997	122,474	9,818	14,237	(b)	0	0
Donald E. Meiners (d)	1999	$180,342	$ 84,552	$ 27,682	(b)	16,750 shares	$ 1,198,504
	1998	268,345	148,734	60,353	(b)	1,250	9,388
	1997	255,410	0	33,748	(b)	2,500	7,662
Daniel F. Packer	1999	$211,055	$127,920	$ 10,517	(b)	16,750 shares	$ 6,583
CEO-Entergy New Orleans	1998	170,326	123,513	54,208(e)	(b)	0	4,018
	1997	147,077	0	96,097(e)	(b)	0	3,028
Carolyn C. Shanks	1999	$208,931	$133,950	$ 2,549	(b)	11,050 shares	$ 4,800
CEO-Entergy Mississippi	1998	144,798	41,394	3,901	(b)	0	4,340
	1997	118,124	1,110	14,841	(b)	0	3,267
Michael G. Thompson	1999	$336,378	$254,910	$ 53,407	(b)	28,700 shares	$ 11,280
	1998	309,958	283,935	25,200	$60,874(b)(c)	2,500	10,091
	1997	259,315	0	12,856	(b)	5,000	7,729
C. John Wilder	1999	$445,191	$406,693	$119,878	(b)	52,500 shares	$ 20,035
	1998	201,413	513,106	7,255	$758,560(b)(c)	0	3,300

Thomas J. Wright	1999	$263,120	$225,458	$159,653(e)	(b)	18,999 shares	$ 32,356
CEO-Entergy Arkansas	1998	234,361	757,045(f)	519,610(e)	(b)	0	20,833
	1997	210,070	89,232	279,188(e)	(b)	0	6,102
Jerry W. Yelverton	1999	$363,997	$328,500	$ 8,036	(b)	49,400 shares	$ 11,286
CEO-System Energy	1998	282,410	184,959	22,068	(b)	1,250	8,886
	1997	227,928	0	19,143	(b)	2,500	6,954

(a) Includes the following:

(1) 1999 benefit accruals under the Defined Contribution Restoration Plan as follows: Mr. Clary $3,212; Mr. Cordaro $638; Mr. Domino $2,038; Mr. Gallaher $8,745; Mr. Henderson $1,866; Mr. Jackson $10,697; Mr. Keith $273; Mr. Meiners $457; Mr. Packer $1,783; Mr. Thompson $6,480; Mr. Wilder $8,832; Mr. Wright $164; and Mr. Yelverton $6,486.

(2) 1999 employer contributions to the System Savings Plan as follows: Mr. Clary $4,800; Mr. Cordaro $1,471; Mr. Domino $4,800; Mr. Gallaher $4,800; Mr. Henderson $40; Mr. Jackson $4,800; Mr. Keith $3,187; Mr. Langston $4,800; Mr. McNeal $4,800; Mr. Meiners $4,263; Mr. Packer $4,800; Ms. Shanks $4,800; Mr. Thompson $4,800; Mr. Wilder $4,400; Mr. Wright $5,810; and Mr. Yelverton $4,800.

(3) 1999 reimbursements for moving expenses as follows: Mr. Henderson $20,077, Mr. Wilder $6,803, and Mr. Wright $26,382.

(4) 1999 payments to retired Named Executive Officers under the executive pension plans were as follows: Mr. Cordaro and Mr. Meiners received lump sum payments under the Post Retirement Plan and Pension Equalization Plan totaling $1,302,974 and $1,169,071, respectively. Mr. Meiners also received $24,713 from the Defined Contribution Restoration Plan. Mr. Keith received payments under the Post Retirement Plan and the Pension Equalization Plan of $141,341.

(b) There were no restricted stock awards in 1999 under the Equity Ownership Plan. At December 31, 1999, the number and value of the aggregate restricted stock holdings were as follows: Mr. Clary 12,945 shares, $333,334; Mr. Cordaro 1,626 shares, $41,870; Mr. Domino 3,002 shares, $77,302; Mr. Gallaher 7,497 shares, $193,048; Mr. Henderson 3,948 shares, $101,661; Mr. Jackson 27,000 shares, $695,250; Mr. Keith 1,992 shares, $51,294; Mr. Langston 3,380 shares, $87,035; Mr. Meiners 2,243 shares, $57,757; Mr. Packer 4,500 shares, $115,875; Ms. Shanks 2,382 shares, $61,337; Mr. Thompson 14,834 shares, $381,976; Mr. Wilder 39,111 shares, $1,007,108; Mr. Wright 4,500 shares, $115,875; and Mr. Yelverton 11,505 shares, $296,254. Accumulated dividends are paid on restricted stock when vested. No restrictions were lifted in 1999, 1998, and 1997 under the Equity Ownership Plan. The value of restricted stock holdings as of December 31, 1999 is determined by multiplying the total number of shares held by the closing market price of Entergy Corporation common stock on the New York Stock Exchange Composite Transactions on December 31, 1999 ($25.75 per share).

(c) In addition to the restricted shares granted under the Long Term Incentive Plan Mr. Wilder and Mr. Thompson were granted 26,000 and 2,000 additional restricted shares, respectively. Restricted shares awarded will vest incrementally over a three-year period, beginning in 1999, based on continued service with Entergy Corporation. Restrictions will be lifted annually. The value Mr. Wilder and Mr. Thompson may realize is dependent upon both the number of shares that vest and the future market price of Entergy Corporation common stock. Accumulated dividends will not be paid on 21,000 shares of Mr. Wilder's restricted stock when vested. Accumulated dividends will be paid on 5,000 shares of Mr. Wilder's restricted stock and all of Mr. Thompson's restricted stock when vested.

(d) Mr. Cordaro is the former Chief Executive Officer of Entergy Gulf States, LA and Entergy Louisiana. Mr. Keith is the former Chief Executive Officer of Entergy Arkansas. Mr. Meiners is the former Chief Executive Officer of Entergy Mississippi.

(e) Includes Mr. Packer's living expenses of approximately $24,000 in 1998 and $68,000 in 1997, including taxes and housing. Includes approximately $30,000 in 1999, $465,000 in 1998, and $236,000 in 1997 related to various overseas living expenses associated with Mr. Wright's assignments in London and Australia.

(f) Includes approximately $596,000 of performance bonus for service years 1996-1998. A portion of the bonus was paid during 1999 with the remaining amount to be paid in 2000.

Option Grants in 1999

The following table summarizes option grants during 1999 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 Energy

	Individual Grants				Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term(c)	
Name	Number of Securities Underlying Options Granted (a)	% of Total Options Granted to Employees in 1999	Exercise Price (per share) (a)	Expiration Date	5%	10%
C. Gary Clary	28,025 (a)	0.5%	$ 29.9375	1/28/09	$ 527,642	$1,337,147
Joseph F. Domino	13,487 (a)	0.3%	29.9375	1/28/09	253,928	643,503
Frank F. Gallaher	39,500 (a)	0.7%	29.9375	1/28/09	743,688	1,884,650
Joseph T. Henderson	7,500 (b)	0.1%	28.8750	3/08/09	136,195	345,145
Jerry D. Jackson	94,000 (a)	1.8%	29.9375	1/28/09	1,769,788	4,484,991
R. Drake Keith	16,750 (a)	0.3%	29.9375	1/28/09	315,361	799,187
Nathan E. Langston	15,400 (a)	0.3%	29.9375	1/28/09	289,944	734,775
Steven C. McNeal	5,925 (a)	0.1%	29.9375	1/28/09	111,562	282,719
Donald E. Meiners	16,750 (a)	0.3%	29.9375	1/28/09	315,361	799,187
Daniel F. Packer	16,750 (a)	0.3%	29.9375	1/28/09	315,361	799,187
Carolyn C. Shanks	11,050 (a)	0.2%	29.9375	1/28/09	208,044	527,225
Michael G. Thompson	28,700 (a)	0.5%	29.9375	1/28/09	540,350	1,369,353
C. John Wilder	52,500 (a)	1.0%	29.9375	1/28/09	988,454	2,504,936
Thomas J. Wright	18,999 (a)	0.4%	29.9375	1/28/09	357,706	906,498
Jerry W. Yelverton	49,400 (a)	0.9%	29.9375	1/28/09	930,089	2,357,027

(a) Options were granted on January 28, 1999, 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 28, 1999. These options will vest incrementally over a three-year period beginning in 2000.

(b) Options were granted on March 8, 1999 and will vest incrementally over a three-year period beginning in 2000.

(c) 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 1999 and December 31, 1999 Option Values

The following table summarizes the number and value of all unexercised options held by the Named Executive Officers. The absence, in the table below, of any Named Executive Officer indicates that no options are held by such officer. No Named Executive Officer exercised options during 1999.

	Number of Securities Underlying Unexercised Options as of December 31, 1999		Value of Unexercised In-the-Money Options as of December 31, 1999(a)	
Name	Exercisable	Unexercisable	Exercisable	Unexercisable
C. Gary Clary	3,750	28,025	$ -	$ -
Joseph F. Domino	1,500	13,487	3,375	-
Frank F. Gallaher	45,000	39,500	127,813	-
Joseph T. Henderson	-	7,500	-	-
Jerry D. Jackson	51,911	94,000	121,875	-
Nathan E. Langston	1,500	15,400	3,375	-
Steven C. McNeal	1,500	5,925	3,375	-
Donald E. Meiners	11,250	16,750	-	-
Daniel F. Packer	-	16,750	-	-
Carolyn C. Shanks	-	11,050	-	-
Michael G. Thompson	20,000	28,700	5,938	-
C. John Wilder	-	52,500	-	-
Thomas J. Wright	-	18,999	-	-
Jerry W. Yelverton	8,250	49,400	4,500	-

(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, 1999, and the option exercise price.

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	$ 52,500
200,000	45,000	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
650,000	146,250	195,000	243,750	292,500	341,250
950,000	213,750	285,000	356,250	427,500	498,750

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, 1999, 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, 1999, for the following Named Executive Officers is as follows: Mr. Domino 29; Mr. Gallaher 30; Mr. Langston 28; Mr. McNeal 17; Mr. Packer 17; Ms. Shanks 16; Mr. Wright 30; and Mr. Yelverton 20. The credited years of service under the Retirement Income Plan, as of December 31, 1999 for the following Named Executive Officers, as a result of entering into supplemental retirement agreements, is as follows: Mr. Clary 26; Mr. Henderson 16; Mr. Jackson 20; Mr. Thompson 23; and Mr. Wilder 16. Mr. Cordaro, Mr. Keith and Mr. Meiners retired during 1999 with 40, 33, and 39 credited years of service, respectively.

The maximum benefit under the 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 415 limitations discussed above.

In addition to the Retirement Income Plan discussed above, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy participate in the Supplemental Retirement Plan of Entergy Corporation and Subsidiaries and the Post-Retirement Plan of Entergy Corporation and Subsidiaries. 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 Supplemental Retirement Plan) or .0333 (under the Post-Retirement Plan) times the participant's average basic annual salary (as defined in the plans) for a maximum of 120 months. Mr. Packer and Mr. Yelverton have entered into a Supplemental Retirement Plan participation contract, and Mr. Cordaro, Mr. Gallaher, Mr. Jackson, Mr. Keith, Mr. Meiners and Mr. Wright have entered into Post-Retirement Plan participation contracts. Current estimates indicate that the annual payments to each Named Executive Officer 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				
	10	15	20	25	30+
$ 200,000	$ 60,000	$ 90,000	$ 100,000	$ 110,000	$ 120,000
300,000	90,000	135,000	150,000	165,000	180,000
400,000	120,000	180,000	200,000	220,000	240,000
500,000	150,000	225,000	250,000	275,000	300,000
600,000	180,000	270,000	300,000	330,000	360,000
700,000	210,000	315,000	350,000	385,000	420,000
1,000,000	300,000	450,000	500,000	550,000	600,000

(1) Covered pay includes the average of the highest three years of annual base pay and incentive awards earned by the executive during the ten years immediately preceding his retirement. 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). This plan was amended in 1998. 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 (except for Mr. McNeal). Participating executives choose, at retirement, between the retirement benefits paid under provisions of the SERP or those payable under the Supplemental Retirement Plan or the Post-Retirement Plan discussed above. The plan was amended in 1998 to provide that covered pay is the average of the highest three years annual base pay and incentive awards earned by the executive during the ten years immediately preceding his 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. Henderson, Mr. Jackson, Mr. Keith, Mr. Thompson, Mr. Wilder, and Mr. Yelverton) disclosed above in the section entitled "Pension Plan Tables-Retirement Income Plan Table". Mr. Henderson, Mr. Jackson, Mr. Thompson, Mr. Wilder and Mr. Yelverton have 8 months, 26 years, 18 years, 1 year, and 30 years, respectively, of credited service under this plan. Mr. Keith had 16 years of credited service under this plan when he retired.

The amended plan provides that a single employee receives a lifetime annuity and a married employee receives the reduced benefit with a 50% surviving spouse annuity. Other actuarially equivalent options are available to each retiree. SERP benefits are offset by any and all defined benefit plan payments from Entergy. 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, certain resignations of employment, or certain terminations of employment without Company permission.

In addition to the 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. Mr. Domino is a participant in this plan.

Compensation of Directors

For information regarding compensation of the directors of Entergy Corporation, see the Proxy Statement under the heading "Director Compensation", 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 of Entergy Corporation are compensated for their 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, Termination of Employment Agreements, Retirement Agreements 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.

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

For information regarding employment contracts' of the Named Executive Officers of Entergy Corporation, see the Proxy Statement under the heading "Executive Employment Contracts and Retirement Contracts", which information is incorporated herein by reference.

Upon his employment on July 6, 1998, Mr. Wilder entered into an employment agreement with the Corporation pursuant to which he receives an annual salary of $400,000 and the potential maximum annual incentive payout of 90%. Mr. Wilder is eligible for a pro-rata share of the performance award for the period 1998-2000. The Corporation granted Mr. Wilder a signing bonus of $300,000, and 21,000 shares of restricted stock, upon which restrictions have been or will be lifted on 7,000 shares each year beginning on his first employment anniversary. On December 4, 1998 Mr. Wilder was granted 5,000 restricted shares of Entergy stock. Restrictions were lifted on one-third of these 5,000 shares on December 4, 1999 and will be lifted on one-third of these shares on

the second and third anniversary dates of this grant. Mr. Wilder was offered participation in the System Executive Retirement Plan and was credited with 15 years of service. If Entergy terminates Mr. Wilder's employment within two years other than for just cause, he will receive his annual base salary and continuation of his health benefits for two years; all remaining earned but unvested stock options and performance shares would immediately vest. Upon a change of control, if Mr. Wilder resigns for "good reason" his executive pension benefits will immediately vest and he will receive a lump sum payment of 2.99 times his average three years base pay.

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. Dr. Murrill is the retired Chairman of the Board and Chief Executive Officer of Entergy Gulf States, Inc. and served on the Personnel Committee of Entergy Corporation during 1999.

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 "Stockholders Who Own at Least Five Percent" 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.

As of December 31, 1999, 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:

	Entergy Corporation Common Stock	
	Amount and Nature of Beneficial Ownership(a)	
Name	Sole Voting and Investment Power	Other Beneficial Ownership(b)
Entergy Corporation		
W. Frank Blount*	6,234	-
George W. Davis*	900	-
Norman C. Francis*	2,100	-
Frank F. Gallaher**	5,706	45,000
Donald C. Hintz**	2,095	55,000
Jerry D. Jackson**	20,998	51,911
J. Wayne Leonard***	5,594	-
Robert v.d. Luft*	14,522	40,000
Jerry L. Maulden**	16,587	32,500
Thomas F. McLarty, III*	300	-
Paul W. Murrill*	2,682	-
James R. Nichols*	15,614	-
William A. Percy, III*	-	-
Dennis H. Reilley*	300	-
Wm. Clifford Smith*	8,520	-
Bismark A. Steinhagen*	9,047	-
C. John Wilder**	8,666	-
All directors and executive officers	136,086	247,411

Name	Entergy Corporation Common Stock Amount and Nature of Beneficial Ownership(a) Sole Voting and Investment Power	Other Beneficial Ownership(b)
Entergy Arkansas		
C. Gary Clary**	15,705	3,750
Frank F. Gallaher**	5,706	45,000
Donald C Hintz*	2,095	55,000
R. Drake Keith**(c)	16,984	-
Michael G. Thompson**	9,319	20,000
C. John Wilder***	8,666	-
Thomas J. Wright***	12,432	-
All directors and executive officers	82,553	128,750
Entergy Gulf States		
C. Gary Clary**	15,705	3,750
John J. Cordaro**(c)	346	-
Joseph F. Domino***	5,616	1,500
Frank F. Gallaher**	5,706	45,000
Donald C. Hintz*	2,095	55,000
Jerry D. Jackson***	20,998	51,911
Michael G. Thompson**	9,319	20,000
C. John Wilder***	8,666	-
All directors and executive officers	81,871	186,411
Entergy Louisiana		
C. Gary Clary**	15,705	3,750
John J. Cordaro**(c)	346	-
Frank F. Gallaher**	5,706	45,000
Donald C. Hintz*	2,095	55,000
Jerry D. Jackson***	20,998	51,911
Michael G. Thompson**	9,319	20,000
C. John Wilder***	8,666	-
All directors and executive officers	75,779	184,911

Name	Entergy Corporation Common Stock Amount and Nature of Beneficial Ownership(a) Sole Voting and Investment Power	Other Beneficial Ownership(b)
Entergy Mississippi		
C. Gary Clary**	15,705	3,750
Frank F. Gallaher**	5,706	45,000
Donald C. Hintz*	2,095	55,000
Donald E. Meiners**(c)	21,109	11,250
Carolyn C. Shanks***	2,528	-
Michael G. Thompson**	9,319	20,000
C. John Wilder***	8,666	-
All directors and executive officers	74,978	138,000
Entergy New Orleans		
C. Gary Clary**	15,705	3,750
Frank F. Gallaher**	5,706	45,000
Donald C. Hintz*	2,095	55,000
Daniel F. Packer***	2,253	-
Michael G. Thompson**	9,319	20,000
C. John Wilder***	8,666	-
All directors and executive officers	52,401	126,750
System Energy		
Joseph T. Henderson**	-	-
Donald C. Hintz*	2,095	55,000
Nathan E. Langston**	5,134	1,500
Steven C. McNeal**	1,768	1,500
C. John Wilder***	8,666	-
Jerry W. Yelverton***	7,110	8,250
All directors and executive officers	27,713	66,250

* 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 number of shares of Entergy Corporation common stock owned by each individual and by all directors and executive officers as a group does not exceed one percent of the outstanding Entergy Corporation common stock.

(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: C. Gary Clary, 3,750 shares; Joseph F. Domino, 1,500 shares; Frank F. Gallaher, 45,000 shares; Donald C. Hintz, 55,000 shares; Jerry D. Jackson, 51,911 shares; Nathan E. Langston, 1,500 shares; Robert v.d. Luft, 40,000 shares; Jerry L. Maulden, 32,500 shares; Steven C. McNeal, 1,500 shares; Donald E. Meiners, 11,250 shares; Michael G. Thompson, 20,000 shares; and Jerry W. Yelverton, 8,250 shares.

(c) Mr. Cordaro is the former Chief Executive Officer and a former director of Entergy Gulf States, LA and Entergy Louisiana. Mr. Keith is the former Chief Executive Officer and a former director of Entergy Arkansas. Mr. Meiners is the former Chief Executive Officer and a former director of Entergy Mississippi.

Item 13. Certain Relationships and Related Transactions

During 1999, T. Baker Smith & Son, Inc. performed land-surveying services for, and received payments of approximately $202,996 from Entergy companies. Mr. Wm. Clifford Smith, a director of Entergy Corporation, is President of T. Baker Smith & Son, Inc. Mr. Smith's children own 100% of the voting stock of T. Baker Smith & Son, Inc.

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 company 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 Entergy 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 220)

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

None

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/ Nathan E. Langston
Nathan E. Langston, Vice President and
Chief Accounting Officer

Date: March 14, 2000

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/ Nathan E. Langston Nathan E. Langston	Vice President and Chief Accounting Officer (Principal Accounting Officer)	March 14, 2000

J. Wayne Leonard (Chief Executive Officer and Director; Principal Executive Officer); Robert v.d. Luft (Chairman of the Board and Director); C. John Wilder (Executive Vice President and Chief Financial Officer; Principal Financial Officer); W. Frank Blount, George W. Davis, Norman C. Francis, Kinnaird R. McKee, Thomas F. McLarty, III, Paul W. Murrill, James R. Nichols, Eugene H. Owen, William A. Percy, II, Dennis H. Reilley, Wm. Clifford Smith, and Bismark A. Steinhagen (Directors).

By: /s/ Nathan E. Langston
(Nathan E. Langston, Attorney-in-fact)

March 14, 2000

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/ Nathan E. Langston
Nathan E. Langston, Vice President and Chief Accounting Officer

Date: March 14, 2000

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/ Nathan E. Langston Nathan E. Langston	Vice President and Chief Accounting Officer (Principal Accounting Officer)	March 14, 2000

Thomas J. Wright (Chairman of the Board, President, Chief Executive Officer, and Director; Principal Executive Officer); C. John Wilder (Executive Vice President, Chief Financial Officer, and Director; Principal Financial Officer); and Donald C. Hintz (Director).

By: /s/ Nathan E. Langston
(Nathan E. Langston, Attorney-in-fact)

March 14, 2000

ENTERGY GULF STATES, 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 GULF STATES, INC.

By /s/ Nathan E. Langston
Nathan E. Langston, Vice President and Chief Accounting Officer

Date: March 14, 2000

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/ Nathan E. Langston Nathan E. Langston	Vice President and Chief Accounting Officer (Principal Accounting Officer)	March 14, 2000

Jerry D. Jackson (Chairman of the Board, President, Chief Executive Officer-Louisiana, and Director; Principal Executive Officer); Joseph F. Domino (President, Chief Executive Officer-Texas, and Director; Principal Executive Officer); C. John Wilder (Executive Vice President, Chief Financial Officer, and Director; Principal Financial Officer); and Donald C. Hintz (Director).

By: /s/ Nathan E. Langston
(Nathan E. Langston, Attorney-in-fact)

March 14, 2000

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/ Nathan E. Langston
Nathan E. Langston, Vice President and Chief Accounting Officer

Date: March 14, 2000

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/ Nathan E. Langston Nathan E. Langston	Vice President and Chief Accounting Officer (Principal Accounting Officer)	March 14, 2000

Jerry D. Jackson (Chairman of the Board, President, Chief Executive Officer, and Director; Principal Executive Officer); C. John Wilder (Executive Vice President, Chief Financial Officer, and Director; Principal Financial Officer); and Donald C. Hintz (Director).

By: /s/ Nathan E. Langston
(Nathan E. Langston, Attorney-in-fact)

March 14, 2000

ENTERGY 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.

ENTERGY MISSISSIPPI, INC.

By /s/ Nathan E. Langston
Nathan E. Langston, Vice President and Chief Accounting Officer

Date: March 14, 2000

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/ Nathan E. Langston Nathan E. Langston	Vice President and Chief Accounting Officer (Principal Accounting Officer)	March 14, 2000

Carolyn C. Shanks (Chairman of the Board, President, Chief Executive Officer, and Director; Principal Executive Officer); C. John Wilder (Executive Vice President, Chief Financial Officer, and Director; Principal Financial Officer); and Donald C. Hintz (Director).

By: /s/ Nathan E. Langston
(Nathan E. Langston, Attorney-in-fact)

March 14, 2000

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/ Nathan E. Langston
Nathan E. Langston, Vice President and Chief Accounting Officer

Date: March 14, 2000

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/ Nathan E. Langston Nathan E. Langston	Vice President and Chief Accounting Officer (Principal Accounting Officer)	March 14, 2000

Daniel F. Packer (Chairman of the Board, President, Chief Executive Officer, and Director; Principal Executive Officer); C. John Wilder (Executive Vice President, Chief Financial Officer, and Director; Principal Financial Officer); and Donald C. Hintz (Director).

By: /s/ Nathan E. Langston
(Nathan E. Langston, Attorney-in-fact)

March 14, 2000

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/ Nathan E. Langston
Nathan E. Langston, Vice President and Chief Accounting Officer

Date: March 14, 2000

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/ Nathan E. Langston Nathan E. Langston	Vice President and Chief Accounting Officer (Principal Accounting Officer)	March 14, 2000

Jerry W. Yelverton (Chairman of the Board, President, Chief Executive Officer, and Director; Principal Executive Officer); C. John Wilder (Executive Vice President, Chief Financial Officer, and Director; Principal Financial Officer); and Donald C. Hintz (Director).

By: /s/ Nathan E. Langston
(Nathan E. Langston, Attorney-in-fact)

March 14, 2000

EXHIBIT 23(a)

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in Post-Effective Amendment Nos. 2, 3, 4A, and 5A on Form S-8 and their related prospectuses to the registration statement on Form S-4 (No. 33-54298) and the registration statements and related prospectuses on Form S-3 (Nos. 333-02503 and 333-22007) of Entergy Corporation of our reports dated February 17, 2000, relating to the financial statements and financial statement schedules, which appear in this Form 10-K.

We hereby consent to the incorporation by reference in the registration statements and the related prospectuses on Form S-3 (Nos. 33-50289, 333-00103 and 333-05045) of Entergy Arkansas, Inc. of our reports dated February 17, 2000, relating to the financial statements and financial statement schedule, which appear in this Form 10-K.

We hereby consent to the incorporation by reference in the registration statements and the related prospectuses on Form S-3 (Nos. 33-49739, 33-51181 and 333-60957), on Form S-8 (Nos. 2-76551 and 2-98011) and on Form S-2 (No. 333-17911), of Entergy Gulf States, Inc. of our reports dated February 17, 2000, relating to the financial statements and financial statement schedule, which appear in this Form 10-K.

We hereby consent to the incorporation by reference in the registration statements and the related prospectuses on Form S-3 (Nos. 33-46085, 33-39221, 33-50937, 333-00105, 333-01329, 333-03567 and 333-93683) of Entergy Louisiana, Inc. of our reports dated February 17, 2000, relating to the financial statements and financial statement schedule, which appear in this Form 10-K.

We hereby consent to the incorporation by reference in the registration statements and the related prospectuses on Form S-3 (Nos. 33-53004, 33-55826, 33-50507 and 333-64023) of Entergy Mississippi, Inc. of our reports dated February 17, 2000, relating to the financial statements and financial statement schedule, which appear in this Form 10-K.

We hereby consent to the incorporation by reference in the registration statements and the related prospectuses on Form S-3 (Nos. 33-57926, 333-00255 and 333-95599) of Entergy New Orleans, Inc. of our reports dated February 17, 2000, relating to the financial statements and financial statement schedule, which appear in this Form 10-K.

We hereby consent to the incorporation by reference in the registration statements and the related prospectuses on Form S-3 (Nos. 33-47662, 33-61189 and 333-06717) of System Energy Resources, Inc. of our report dated February 17, 2000, relating to the financial statements, which appears in this Form 10-K.

PricewaterhouseCoopers LLP

New Orleans, Louisiana
March 14, 2000

Report of Independent Accountants on Financial Statement Schedules

To the Board of Directors and Shareholders
of Entergy Corporation:

Our audits of the consolidated financial statements of Entergy Corporation and the financial statements of Entergy Arkansas, Inc., Entergy Gulf States, Inc., Entergy Louisiana, Inc., Entergy Mississippi, Inc. and Entergy New Orleans, Inc. (which reports and financial statements are included in this Annual Report on Form 10-K) also included an audit of the financial statement schedules listed in Item 14(a)(2) of this Form 10-K. In our opinion, these financial statement schedules present fairly, in all material respects, the information set forth therein when read in conjunction with the related financial statements.

PricewaterhouseCoopers LLP

New Orleans, Louisiana
February 17, 2000

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	Entergy New Orleans, Inc.	S-11

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,		
	1999	1998	1997
		(In Thousands)	
Income:			
Equity in income of subsidiaries	$651,977	$822,758	$325,419
Interest on temporary investments	5,703	2,536	5,086
Total	657,680	825,294	330,505
Expenses and Other Deductions:			
Administrative and general expenses	85,815	77,296	62,250
Income taxes (credit)	12,524	(6,847)	3,438
Taxes other than income	739	1,325	1,226
Interest	6,143	14,451	15,908
Total	105,221	86,225	82,822
Net Income	$552,459	$739,069	$247,683

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

	Year to Date December 31,		
	1999	1998	1997
		(In Thousands)	
Operating Activities:			
Net income	$552,459	$739,069	$247,683
Noncash items included in net income:			
Equity in earnings of subsidiaries	(651,977)	(822,758)	(325,419)
Deferred income taxes	(15,237)	(1,997)	898
Depreciation	1,438	2,069	1,442
Changes in working capital:			
Receivables	198	(21,033)	(8,683)
Payables	17,256	357	(3,690)
Other working capital accounts	(83,711)	26,683	68,089
Common stock dividends received from subsidiaries	532,300	488,500	550,200
Other	68,276	36,948	43,479
Net cash flow provided by operating activities	421,002	447,838	573,999
Investing Activities:			
Investment in subsidiaries	237,121	(96,383)	(633,449)
Capital expenditures	(604)	(212)	(23,079)
Other	9,327	-	-
Net cash flow provided by (used in) investing activities	245,844	(96,595)	(656,528)
Financing Activities:			
Changes in short-term borrowings	(165,500)	99,500	166,000
Advances to subsidiaries	(32,261)	(33,000)	(13,450)
Common stock dividends paid	(291,483)	(373,441)	(438,183)
Repurchase of common stock	(245,004)	(2,964)	-
Issuance of common stock	15,320	19,340	305,379
Net cash flow provided by (used in) financing activities	(718,927)	(290,565)	19,746
Net increase (decrease) in cash and cash equivalents	(52,081)	60,678	(62,783)
Cash and cash equivalents at beginning of period	68,574	7,896	70,679
Cash and cash equivalents at end of period	$16,493	$68,574	$7,896

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

	December 31,	
	1999	1998
	(In Thousands)	
ASSETS		
Current Assets:		
Cash and cash equivalents:		
Temporary cash investments - at cost, which approximates market	$16,493	$68,574
Total cash and cash equivalents	16,493	68,574
Accounts receivable:		
Associated companies	177,501	48,660
Interest receivable	93	253
Other	1,937	9,380
Total	196,024	126,867
Investment in Wholly-owned Subsidiaries	7,114,525	7,268,768
Deferred Debits and Other Assets	50,357	71,543
Total	$7,360,906	$7,467,178
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Notes payable	$120,000	$285,500
Accounts payable:		
Associated companies	2,165	6,041
Other	17,786	531
Taxes accrued	9,142	-
Other current liabilities	6,399	3,394
Total	155,492	295,466
Deferred Credits and Noncurrent Liabilities	80,989	64,672
Shareholders' Equity:		
Common stock, $.01 par value, authorized 500,000,000 shares; issued 247,082,345 shares in 1999 and 246,829,076 shares in 1998	2,471	2,468
Paid-in capital	4,636,163	4,630,609
Retained earnings	2,786,467	2,526,888
Cumulative foreign currency translation adjustment	(68,782)	(46,739)
Less cost of treasury stock (8,045,434 shares in 1999 and 208,907 shares in 1998)	231,894	6,186
Total common shareholders' equity	7,124,425	7,107,040
Total	$7,360,906	$7,467,178

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 RETAINED EARNINGS AND PAID-IN CAPITAL

	For the Years Ended December 31,		
	1999	1998	1997
		(In Thousands)	
Retained Earnings, January 1	$2,526,888	$2,157,912	$2,341,703
Add:			
Net income	552,459	739,069	247,683
Deduct:			
Dividends declared on common stock	294,352	369,498	432,268
Capital stock and other expenses	(1,472)	595	(794)
Total	292,880	370,093	431,474
Retained Earnings, December 31	$2,786,467	$2,526,888	$2,157,912
Paid-in Capital, January 1	$4,630,609	$4,613,572	$4,320,591
Add:			
Gain on reacquisition of subsidiaries' preferred stock	-	-	273
Common stock issuances related to stock plans	5,554	17,037	292,870
Total	5,554	17,037	293,143
Deduct:			
Capital stock discounts and other expenses	-	-	162
Paid-in Capital, December 31	$4,636,163	$4,630,609	$4,613,572

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

ENTERGY CORPORATION AND SUBSIDIARIES

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
Years Ended December 31, 1999, 1998, and 1997
(In Thousands)

Column A	Column B	Column C	Column D	Column E
		Additions	Other Changes	
Description	Balance at Beginning of Period	Charged to Income	Deductions from Provisions (Note 1)	Balance at End of Period
Year ended December 31, 1999				
Accumulated Provisions Deducted from Assets—				
Doubtful Accounts	$10,300	$19,349	$20,142	$9,507
Accumulated Provisions Not Deducted from Assets:				
Property insurance	$(14,846)	$35,208	$53,629	$(33,267)
Injuries and damages (Note 2)	28,162	25,162	19,015	34,309
Environmental	35,857	11,344	9,408	37,793
Total	$49,173	$71,714	$82,052	$38,835
Year ended December 31, 1998				
Accumulated Provisions Deducted from Assets—				
Doubtful Accounts	$9,800	$16,451	$15,951	$10,300
Accumulated Provisions Not Deducted from Assets:				
Property insurance	$23,422	$28,838	$67,106	$(14,846)
Injuries and damages (Note 2)	26,484	17,960	16,282	28,162
Environmental	36,368	7,596	8,107	35,857
Total	$86,274	$54,394	$91,495	$49,173
Year ended December 31, 1997				
Accumulated Provisions Deducted from Assets—				
Doubtful Accounts	$9,189	$17,106	$16,495	$9,800
Accumulated Provisions Not Deducted from Assets:				
Property insurance	$35,026	$24,128	$35,732	$23,422
Injuries and damages (Note 2)	26,145	20,294	19,955	26,484
Environmental	37,719	5,993	7,344	36,368
Total	$98,890	$50,415	$63,031	$86,274

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, 1999, 1998, and 1997
(In Thousands)

Column A	Column B	Column C	Column D	Column E
		Additions	Other Changes	
Description	Balance at Beginning of Period	Charged to Income	Deductions from Provisions (Note 1)	Balance at End of Period
Year ended December 31, 1999				
Accumulated Provisions Deducted from Assets-- Doubtful Accounts	$1,753	$4,175	$4,160	$1,768
Accumulated Provisions Not Deducted from Assets:				
Property insurance	$7,600	$18,306	$25,048	$858
Injuries and damages (Note 2)	4,618	2,502	3,867	3,253
Environmental	4,894	3,132	3,092	4,934
Total	$17,112	$23,940	$32,007	$9,045
Year ended December 31, 1998				
Accumulated Provisions Deducted from Assets-- Doubtful Accounts	$1,799	$3,848	$3,894	$1,753
Accumulated Provisions Not Deducted from Assets:				
Property insurance	$858	$18,805	$12,063	$7,600
Injuries and damages (Note 2)	4,798	3,144	3,324	4,618
Environmental	4,753	1,470	1,329	4,894
Total	$10,409	$23,419	$16,716	$17,112
Year ended December 31, 1997				
Accumulated Provisions Deducted from Assets-- Doubtful Accounts	$2,326	$3,140	$3,667	$1,799
Accumulated Provisions Not Deducted from Assets:				
Property insurance	$14	$11,613	$10,769	$858
Injuries and damages (Note 2)	2,810	3,538	1,550	4,798
Environmental	5,163	1,320	1,730	4,753
Total	$7,987	$16,471	$14,049	$10,409

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, 1999, 1998, and 1997
(In Thousands)

Column A	Column B	Column C	Column D	Column E
		Additions	Other Changes	
Description	Balance at Beginning of Period	Charged to Income	Deductions from Provisions (Note 1)	Balance at End of Period
Year ended December 31, 1999				
Accumulated Provisions Deducted from Assets--				
Doubtful Accounts	$1,735	$4,271	$4,178	$1,828
Accumulated Provisions Not Deducted from Assets--				
Property insurance	($4,184)	$4,486	$3,754	$(3,452)
Injuries and damages (Note 2)	4,759	9,810	5,885	8,684
Environmental	22,309	4,187	2,051	24,445
Total	$22,884	$18,483	$11,690	$29,677
Year ended December 31, 1998				
Accumulated Provisions Deducted from Assets--				
Doubtful Accounts	$1,791	$3,169	$3,225	$1,735
Accumulated Provisions Not Deducted from Assets--				
Property insurance	$4,317	$5,583	$14,084	$(4,184)
Injuries and damages (Note 2)	5,339	4,634	5,214	4,759
Environmental	23,789	3,058	4,538	22,309
Total	$33,445	$13,275	$23,836	$22,884
Year ended December 31, 1997				
Accumulated Provisions Deducted from Assets--				
Doubtful Accounts	$1,997	$3,695	$3,901	$1,791
Accumulated Provisions Not Deducted from Assets--				
Property insurance	$17,003	$5,584	$18,270	$4,317
Injuries and damages (Note 2)	9,594	5,479	9,734	5,339
Environmental	21,829	3,746	1,786	23,789
Total	$48,426	$14,809	$29,790	$33,445

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, 1999, 1998, and 1997
(In Thousands)

Column A	Column B	Column C	Column D	Column E
		Additions	Other Changes	
Description	Balance at Beginning of Period	Charged to Income	Deductions from Provisions (Note 1)	Balance at End of Period
Year ended December 31, 1999				
Accumulated Provisions Deducted from Assets– Doubtful Accounts	$1,164	$4,797	$4,346	$1,615
Accumulated Provisions Not Deducted from Assets:				
Property insurance	$(17,825)	$6,680	$12,944	$(24,089)
Injuries and damages (Note 2)	13,124	7,038	7,710	12,452
Environmental	7,236	1,059	1,273	7,022
Total	$2,535	$14,777	$21,927	$(4,615)
Year ended December 31, 1998				
Accumulated Provisions Deducted from Assets– Doubtful Accounts	$1,157	$1,919	$1,912	$1,164
Accumulated Provisions Not Deducted from Assets:				
Property insurance	$581	$2,930	$21,336	$(17,825)
Injuries and damages (Note 2)	9,944	9,263	6,083	13,124
Environmental	7,599	668	1,031	7,236
Total	$18,124	$12,861	$28,450	$2,535
Year ended December 31, 1997				
Accumulated Provisions Deducted from Assets– Doubtful Accounts	$1,429	$2,542	$2,814	$1,157
Accumulated Provisions Not Deducted from Assets:				
Property insurance	$261	$5,411	$5,091	$581
Injuries and damages (Note 2)	9,443	5,080	4,579	9,944
Environmental	9,979	495	2,875	7,599
Total	$19,683	$10,986	$12,545	$18,124

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, 1999, 1998, and 1997
(In Thousands)

Column A	Column B	Column C	Column D	Column E
		Additions	Other Changes	
Description	Balance at Beginning of Period	Charged to Income	Deductions from Provisions (Note 1)	Balance at End of Period
Year ended December 31, 1999				
Accumulated Provisions Deducted from Assets--				
Doubtful Accounts	$1,217	$2,106	$2,437	$886
Accumulated Provisions Not Deducted from Assets:				
Property insurance	$(11,543)	$5,736	$10,549	$(16,356)
Injuries and damages (Note 2)	3,796	2,950	(103)	6,849
Environmental	704	895	1,005	594
Total	$(7,043)	$9,581	$11,451	$(8,913)
Year ended December 31, 1998				
Accumulated Provisions Deducted from Assets--				
Doubtful Accounts	$931	$2,747	$2,461	$1,217
Accumulated Provisions Not Deducted from Assets:				
Property insurance	$2,179	$1,520	$15,242	$(11,543)
Injuries and damages (Note 2)	4,662	(437)	429	3,796
Environmental	227	900	423	704
Total	$7,068	$1,983	$16,094	$(7,043)
Year ended December 31, 1997				
Accumulated Provisions Deducted from Assets--				
Doubtful Accounts	$1,374	$1,950	$2,393	$931
Accumulated Provisions Not Deducted from Assets:				
Property insurance	$2,082	$1,520	$1,423	$2,179
Injuries and damages (Note 2)	2,905	4,055	2,298	4,662
Environmental	693	330	796	227
Total	$5,680	$5,905	$4,517	$7,068

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, 1999, 1998, and 1997
(In Thousands)

Column A	Column B	Column C	Column D	Column E
		Additions	Other Changes	
Description	Balance at Beginning of Period	Charged to Income	Deductions from Provisions (Note 1)	Balance at End of Period
Year ended December 31, 1999				
Accumulated Provisions Deducted from Assets-- Doubtful Accounts	$761	$1,936	$1,851	$846
Accumulated Provisions Not Deducted from Assets:				
Property insurance	$11,106	-	$1,334	$9,772
Injuries and damages (Note 2)	1,865	2,862	1,656	3,071
Environmental	714	2,071	1,987	798
Total	$13,685	$4,933	$4,977	$13,641
Year ended December 31, 1998				
Accumulated Provisions Deducted from Assets-- Doubtful Accounts	$711	-	$(50)	$761
Accumulated Provisions Not Deducted from Assets:				
Property insurance	$15,487	-	$4,381	$11,106
Injuries and damages (Note 2)	1,741	1,356	1,232	1,865
Environmental	-	1,500	786	714
Total	$17,228	$2,856	$6,399	$13,685
Year ended December 31, 1997				
Accumulated Provisions Deducted from Assets-- Doubtful Accounts	$696	$1,599	$1,584	$711
Accumulated Provisions Not Deducted from Assets:				
Property insurance	$15,666	-	$179	$15,487
Injuries and damages (Note 2)	1,393	2,142	1,794	1,741
Environmental	55	102	157	0
Total	$17,114	$2,244	$2,130	$17,228

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 effective November 12, 1999.

Entergy Gulf States

*(d) 1 – Restated Articles of Incorporation of Entergy Gulf States effective November 17, 1999.

Entergy Louisiana

(e) 1 – Amended and Restated Articles of Incorporation of Entergy Louisiana effective November 15, 1999 (3(a) to Form S-3 in 333-93683).

Entergy Mississippi

*(f) 1 – Amended and Restated Articles of Incorporation of Entergy Mississippi effective November 12, 1999,

Entergy New Orleans

(g) 1 – Amended and Restated Articles of Incorporation of Entergy New Orleans effective November 15, 1999 (3(a) to Form S-3 in 333-95599).

(3) (ii) By-Laws

(a) – By-Laws of Entergy Corporation as amended January 29, 1999, and as presently in effect (4.2 to Form S-8 in File No. 333-75097).

(b) – By-Laws of System Energy effective July 6, 1998, and as presently in effect (3(f) to Form 10-Q for the quarter ended June 30, 1998).

*(c) – By-Laws of Entergy Arkansas effective November 26, 1999, and as presently in effect.

*(d) – By-Laws of Entergy Gulf States effective November 26, 1999, and as presently in effect.

(e) – By-Laws of Entergy Louisiana effective November 26, 1999, and as presently in effect (3(b) to Form S-3 in File No. 333-93683).

*(f) – By-Laws of Entergy Mississippi effective November 26, 1999, and as presently in effect.

(g) – By-Laws of Entergy New Orleans effective November 30, 1999, and as presently in effect (3(b) to Form S-3 in File No. 333-95599).

(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 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") (filed as Exhibit 4(a)12 to Form 10-K for the year ended December 31, 1996 in 1-11299).

(a) 3 – Amendment No. 1, dated as of October 22, 1996 to Credit Agreement Entergy-ETHC Credit Agreement (filed as Exhibit 4(a)13 to Form 10-K for the year ended December 31, 1996 in 1-11299).

(a) 4 – 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 (filed as Exhibit 4(a)14 to Form 10-K for the year ended December 31, 1996 in 1-11299).

(a) 5 – 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 (filed as Exhibit 4(a)15 to Form 10-K for the year ended December 31, 1996 in 1-11299).

(a) 6 – 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 (filed as Exhibit 4(a)16 to Form 10-K for the year ended December 31, 1996 in 1-11299).

(a) 7 – 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 (filed as Exhibit 4(a)17 to Form 10-K for the year ended December 31, 1996 in 1-11299).

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).

(c) 1 – Mortgage and Deed of Trust, dated as of October 1, 1944, as amended by fifty-fourth 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); C-2 to Form U5S for the year ended December 31, 1995 (Fifty-third); and C-2(a) to Form U5S for the year ended December 31, 1996 (Fifty-fourth)).

(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); 4-2 to Amendment No. 9 to Registration No. 2-76551 (Fifty-seventh); and 4(b) to Form 10-Q for the quarter ended March 31,1999 in 1-2703 (Fifty-eighth)).

(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-four 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 (Forth-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); A-2(a) to Rule 24 Certificate dated April 4, 1996 in File No. 70-8487 (Fifty-first); A-2(a) to Rule 24 Certificate dated April 3, 1998 in File No. 70-9141 (Fifty-second); A-2(b) to Rule 24 Certificate dated April 9, 1999 in File No. 70-9141 (Fifty-third); and A-3(a) to Rule 24 Certificate dated July 6, 1999 in File No. 70-9141 (Fifty-fourth)).

(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 February 1, 1988, as amended by fourteen 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); (A-2(l) to Rule 24 Certificate dated April 21, 1995 in File 70-7914 (Tenth); A-2(a) to Rule 24 Certificate dated June 27, 1997 in File 70-8719 (Eleventh); A-2(b) to Rule 24 Certificate dated April 16, 1998 in File 70-8719 (Twelfth); A-2(c) to Rule 24 Certificate dated May 12, 1999 in File No. 70-8719 (Thirteenth); A-3(a) to Rule 24 Certificate dated June 8, 1999 in File No. 70-8719 (Fourteenth); and A-2(d) to Rule 24 Certificate dated February 24, 2000 in File No. 70-8719 (Fifteenth)).

Entergy New Orleans

(g) 1 – Mortgage and Deed of Trust, dated as of May 1, 1987, as amended by seven 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); 4(a) to Form 8-K dated March 22, 1996 in File No. 0-5807 (Sixth); and 4(b) to Form 10-Q for the quarter ended June 30, 1998 in 0-5807 (Seventh)).

(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 (now Entergy Corporation) 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 – 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) 18 – 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) 19 – 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) 20 – 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) 21 – 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) 22 – 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) 23 – 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) 24 – 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) 25 – Thirty-third Assignment of Availability Agreement, Consent and Agreement, dated as of December 20, 1999, among System Energy, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans, and The Chase Manhattan Bank (filed as Exhibit B-2(b) to Rule 24 Certificate dated March 3, 2000 in File No. 70-7561).

(a) 26 – 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) 27 – 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) 28 – 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) 29 – 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) 30 – 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) 31 – 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) 32 – 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) 33 – 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) 34 – 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) 35 – 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) 36 – Thirty-third Supplementary Capital Funds Agreement and Assignment, dated as of December 20, 1999, among Entergy Corporation, System Energy and The Chase Manhattan Bank (filed as Exhibit B-3(b) to Rule 24 Certificate dated March 3, 2000 in File No. 70-7561).

(a) 37 – 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) 38 – 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) 39 – 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) 40 – Reallocation Agreement, dated as of July 28, 1981, among System Energy and certain other System companies (B-1(a) in 70-6624).

(a) 41 – 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) 42 – Operating Agreement dated as of May 1, 1980, between System Energy and SMEPA (B(2)(a) in 70-6337).

(a) 43 – 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) 44 – 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) 45 – Substitute Power Agreement, dated as of May 1, 1980, among Entergy Mississippi, System Energy and SMEPA (B(3)(a) in 70-6337).

(a) 46 – Grand Gulf Unit No. 2 Supplementary Agreement, dated as of February 7, 1986, between System Energy and SMEPA (10(aaa) in 33-4033).

(a) 47 – 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) 48 – Post-Retirement Plan (10(a)37 to Form 10-K for the year ended December 31, 1983, in 1-3517).

(a) 49 – 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) 50 – 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) 51 – Revised Unit Power Sales Agreement (10(ss) in 33-4033).

(a) 52 – 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) 53 – 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) 54 – 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) 55 – 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) 56 – Fourth Amendment dated April 1, 1997 to Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement (D-5 to Form U5S for the year ended December 31, 1996).

(a) 57 – 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) 58 – 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) 59 – 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) 60 – 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) 61 – 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) 62 – 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) 63 – 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) 64 – Entergy Corporation Annual Incentive Plan (10(a) 54 to Form 10-K for the year ended December 31, 1989, in 1-3517).

+(a) 65 – Equity Ownership Plan of Entergy Corporation and Subsidiaries (A-4(a) to Rule 24 Certificate, dated May 24, 1991, in 70-7831).

+(a) 66 – 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) 67 – 1998 Equity Ownership Plan of Entergy Corporation and Subsidiaries (Filed with the Proxy Statement dated March 30, 1998).

+(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 – Supplemental Retirement Plan (10(a) 69 to Form 10-K for the year ended December 31, 1992 in 1-3517).

+(a) 71 – 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) 72 – 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) 73 – 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) 74 – 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) 75 – 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) 76 – System Executive Retirement Plan (10(a) 82 to Form 10-K for the year ended December 31, 1993 in 1-11299).

+(a) 77 – Jerry L. Maulden's Retirement Letter Agreement (10(a)77 to Form 10-K for the year ended December 31, 1998 in 1-11299).

+(a) 78 – Letter of Intent regarding the Employment of Wayne Leonard (10-(a)78 to Form 10-K for the year ended December 31, 1998 in 1-11299).

+(a) 79 – Letter to John Wilder offering Employment (10(b)62 to Form 10-K for the year ended December 31, 1998 in 1-9067).

*+(a)80 – Agreement between Entergy Corporation and Donald C. Hintz effective July 29, 1999

System Energy

(b) 1 through
(b) 14 – See 10(a)-12 through 10(a)-25 above.

(b) 15 through
(b) 28 – See 10(a)-26 through 10(a)-39 above.

(b) 29 – Reallocation Agreement, dated as of July 28, 1981, among System Energy and certain other System companies (B-1(a) in 70-6624).

(b) 30 – 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) 31 – Operating Agreement, dated as of May 1, 1980, between System Energy and SMEPA (B(2)(a) in 70-6337).

(b) 32 - 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 70-8511).

(b) 33 – Loan Agreement, dated as of October 15, 1998, between System Energy and Mississippi Business Finance Corporation (B-6(b) to Rule 24 Certificate dated November 12, 1998 in 70-8511).

(b) 34 – Loan Agreement, dated as of May 15, 1999, between System Energy and Mississippi Business Finance Corporation (B-6(c) to Rule 24 Certificate dated June 8, 1999 in 70-8511).

(b) 35 – 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) 36 – 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) 37 – 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) 38 – 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) 39 – Collateral Trust Indenture, dated as of January 1, 1994, among System Energy, GGIB 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) 40 – Substitute Power Agreement, dated as of May 1, 1980, among Entergy Mississippi, System Energy and SMEPA (B(3)(a) in 70-6337).

(b) 41 – Grand Gulf Unit No. 2 Supplementary Agreement, dated as of February 7, 1986, between System Energy and SMEPA (10(aaa) in 33-4033).

(b) 42 – 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) 43 – 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) 44 – Revised Unit Power Sales Agreement (10(ss) in 33-4033).

(b) 45 – 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) 46 – 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) 47 – 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) 48 – 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) 49 – 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) 50 – 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) 51 – 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) 52 – 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) 53 – 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) 54 – 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) 55 – 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) 56 – 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) 57 – 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) 58 – 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) 59 – Amended and Restated Reimbursement Agreement, dated as of December 1, 1988 as amended and restated as of December 20, 1999, among System Energy Resources, Inc., The Bank of Tokyo-Mitsubishi, Ltd., as Funding Bank and The Chase Manhattan Bank, as administrating bank, Union Bank of California, N.A., as documentation agent, and the Banks named therein, as Participating Banks (B-1(b) to Rule 24 Certificate dated March 3, 2000 in 70-7561).

+(b) 60 – Letter to John Wilder offering Employment (10(b)62 to Form 10-K for the year ended December 31, 1998 in 1-9067).

+(b) 61 – 1998 Equity Ownership Plan of Entergy Corporation and Subsidiaries (Filed with the Proxy Statement dated March 30, 1998).

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) 25 – See 10(a)-12 through 10(a)-25 above.

(c) 26 – Agreement, dated August 20, 1954, between Entergy Arkansas and the United States of America (SPA)(13(h) in 2-11467).

(c) 27 – Amendment, dated April 19, 1955, to the United States of America (SPA) Contract, dated August 20, 1954 (5(d)-2 in 2-41080).

(c) 28 – Amendment, dated January 3, 1964, to the United States of America (SPA) Contract, dated August 20, 1954 (5(d)-3 in 2-41080).

(c) 29 – Amendment, dated September 5, 1968, to the United States of America (SPA) Contract, dated August 20, 1954 (5(d)-4 in 2-41080).

(c) 30 – Amendment, dated November 19, 1970, to the United States of America (SPA) Contract, dated August 20, 1954 (5(d)-5 in 2-41080).

(c) 31 – Amendment, dated July 18, 1961, to the United States of America (SPA) Contract, dated August 20, 1954 (5(d)-6 in 2-41080).

(c) 32 – Amendment, dated December 27, 1961, to the United States of America (SPA) Contract, dated August 20, 1954 (5(d)-7 in 2-41080).

(c) 33 – Amendment, dated January 25, 1968, to the United States of America (SPA) Contract, dated August 20, 1954 (5(d)-8 in 2-41080).

(c) 34 – Amendment, dated October 14, 1971, to the United States of America (SPA) Contract, dated August 20, 1954 (5(d)-9 in 2-43175).

(c) 35 – Amendment, dated January 10, 1977, to the United States of America (SPA) Contract, dated August 20, 1954 (5(d)-10 in 2-60233).

(c) 36 – Agreement, dated May 14, 1971, between Entergy Arkansas and the United States of America (SPA) (5(e) in 2-41080).

(c) 37 – Amendment, dated January 10, 1977, to the United States of America (SPA) Contract, dated May 14, 1971 (5(e)-1 in 2-60233).

(c) 38 – 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) 39 – Agreement, dated April 3, 1972, between Entergy Services and Gulf United Nuclear Fuels Corporation (5(l)-3 in 2-46152).

(c) 40 – 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) 41 – 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) 42 – 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) 43 – Agreement, dated June 29, 1979, between Entergy Arkansas and City of Conway, Arkansas (5(r)-3 in 2-66235).

(c) 44 – 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) 45 – 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) 46 – 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) 47 — 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) 48 — 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) 49 — Amendment, dated December 28, 1979, to the Independence Steam Electric Station Ownership Agreement (5(r)-7(a) in 2-66235).

(c) 50 — 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) 51 — 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) 52 — 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) 53 — 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) 54 — 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) 55 — 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) 56 — Reallocation Agreement, dated as of July 28, 1981, among System Energy and certain other System companies (B-1(a) in 70-6624).

+(c) 57 — Post-Retirement Plan (10(b) 55 to Form 10-K for the year ended December 31, 1983, in 1-10764).

(c) 58 — 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) 59 — 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) 60 — Revised Unit Power Sales Agreement (10(ss) in 33-4033).

(c) 61 – 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) 62 – 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) 63 – 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) 64 – 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) 65 – 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) 66 – 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) 67 – 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) 68 – 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) 69 – 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) 70 – 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) 71 – 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) 72 – 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 Certificate, dated September 6, 1990, in 70-7684).

(c) 73 – 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) 74 – 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) 75 – 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) 76 – Entergy Corporation Annual Incentive Plan (10(a)54 to Form 10-K for the year ended December 31, 1989, in 1-3517).

+(c) 77 – Equity Ownership Plan of Entergy Corporation and Subsidiaries (A-4(a) to Rule 24 Certificate, dated May 24, 1991, in 70-7831).

+(c) 78 – 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) 79 – 1998 Equity Ownership Plan of Entergy Corporation and Subsidiaries (Filed with the Proxy Statement dated March 30, 1998).

+(c) 80 – 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) 81 – Supplemental Retirement Plan (10(a)69 to Form 10-K for the year ended December 31, 1992 in 1-3517).

+(c) 82 – 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) 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 – 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) 85 – 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).

+(c) 86 – 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) 87 – 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) 88 – System Executive Retirement Plan (10(a) 82 to Form 10-K for the year ended December 31, 1993 in 1-11299).

(c) 89 – 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) 90 – 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) 91 – 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) 92 – 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) 93 – Loan Agreement dated June 15, 1994, between Entergy Arkansas and Pope County, Arkansas (B-1(b) to Rule 24 Certificate in 70-8405).

(c) 94 – 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) 95 – 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).

(c) 96– Loan Agreement dated December 1, 1997, between Entergy Arkansas and Jefferson County, Arkansas (10(c)100 to Form 10-K for the year ended December 31, 1997 in 1-10764).

+(c) 97 – Letter to John Wilder offering Employment (10(b)62 to Form 10-K for the year ended December 31, 1998 in 1-9067).

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 Depositary and the Holders of Depository Receipts, relating to the Issue of 900,000 Depositary 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 – 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) 7 – 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) 8 – 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) 9 – 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) 10 – 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) 11 – 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) 12 – 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) 13 – 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) 14 – 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) 15 – 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) 16 – 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) 17 – 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) 18 – 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) 19 – 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) 20 – 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) 21 – 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) 22 – 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) 23 – 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) 24 – 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) 25 – 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) 26 – 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) 27 – 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) 28 – 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) 29 – 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) 30 – 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) 31 – 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) 32 – 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) 33 – 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) 34 – 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) 35 – 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) 36 – 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) 37 – 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) 38 – 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) 39 – 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) 40 – 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) 41 – 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) 42 – 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) 43 – 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) 44 – 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) 45 – Service Agreement with Entergy Services, dated as of December 31, 1993 (B-6(c) to Rule 24 Certificate in 70-8059).

+(d) 46 – 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) 47 – 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) 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).

(d) 49 – Agreement as to Expenses and Liabilities between Entergy Gulf States and Entergy Gulf States Capital I, dated as of January 28, 1997 (10(d)52 to Form 10-K for the year ended December 31, 1996 in 1-2703).

(d) 50 – Refunding Agreement dated as of May 1, 1998 between Entergy Gulf States and Parish of Iberville, State of Louisiana (B-3(a) to Rule 24 Certificate dated May 29, 1998 in 70-8721).

(d) 51 – Refunding Agreement dated as of May 1, 1998 between Entergy Gulf States and Industrial Development Board of the Parish of Calcasieu, Inc. (B-3(b) to Rule 24 Certificate dated January 29, 1999 in 70-8721).

(d) 52 – Refunding Agreement (Series 1999-A) dated as of September 1, 1999 between Entergy Gulf States and Parish of West Feliciana, State of Louisiana (B-3(c) to Rule 24 Certificate dated October 8, 1999 in 70-8721).

(d) 53 – Refunding Agreement (Series 1999-B) dated as of September 1, 1999 between Entergy Gulf States and Parish of West Feliciana, State of Louisiana (B-3(d) to Rule 24 Certificate dated October 8, 1999 in 70-8721).

+(d) 56 – 1998 Equity Ownership Plan of Entergy Corporation and Subsidiaries (Filed with the Proxy Statement dated March 30, 1998).

+(d) 57 – Letter to John Wilder offering Employment (10(b)62 to Form 10-K for the year ended December 31, 1998 in 1-9067).

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) 25 – See 10(a)-12 through 10(a)-25 above.

(e) 26 – 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) 27 – Reallocation Agreement, dated as of July 28, 1981, among System Energy and certain other System companies (B-1(a) in 70-6624).

(e) 28 – 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) 29 – Post-Retirement Plan (10(c)23 to Form 10-K for the year ended December 31, 1983, in 1-8474).

(e) 30 – 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) 31 – 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) 32 – Revised Unit Power Sales Agreement (10(ss) in 33-4033).

(e) 33 – Middle South Utilities, Inc. and Subsidiary Companies Intercompany Tax Allocation Agreement, dated April 28, 1988 (D-1 to Form U5S for the year ended December 31, 1987).

(e) 34 – 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) 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).

(e) 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).

(e) 37 – 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) 38 – 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) 39 – 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) 40 – 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) 41 – Entergy Corporation Annual Incentive Plan (10(a) 54 to Form 10-K for the year ended December 31, 1989, in 1-3517).

+(e) 42 – Equity Ownership Plan of Entergy Corporation and Subsidiaries (A-4(a) to Rule 24 Certificate, dated May 24, 1991, in 70-7831).

+(e) 43 – 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) 44 – 1998 Equity Ownership Plan of Entergy Corporation and Subsidiaries (Filed with the Proxy Statement dated March 30, 1998).

+(e) 45 – Supplemental Retirement Plan (10(a) 69 to Form 10-K for the year ended December 31, 1992 in 1-3517).

+(e) 46 – 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) 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 – 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) 49 – 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).

+(e) 50 – 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) 51 – 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) 52 – System Executive Retirement Plan (10(a) 82 to Form 10-K for the year ended December 31, 1993 in 1-11299).

(e) 53 – 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) 54 – 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) 55 – Refunding Agreement (Series 1999-A), dated as of June 1, 1999, between Entergy Louisiana and Parish of St. Charles, State of Louisiana (B-6(a) to Rule 24 Certificate dated July 6, 1999 in 70-9141).

(e) 56 – Refunding Agreement (Series 1999-B), dated as of June 1, 1999, between Entergy Louisiana and Parish of St. Charles, State of Louisiana (B-6(b) to Rule 24 Certificate dated July 6, 1999 in 70-9141).

(e) 57 – Refunding Agreement (Series 1999-C), dated as of October 1, 1999, between Entergy Louisiana and Parish of St. Charles, State of Louisiana (B-11(a) to Rule 24 Certificate dated October 15, 1999 in 70-9141).

(e) 58 – 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).

(e) 59 – Letter to John Wilder offering Employment (10(b)62 to Form 10-K for the year ended December 31, 1998 in 1-9067).

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) 25 – See 10(a)-12 - 10(a)-25above.

(f) 26 – 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) 27 – 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) 28 – 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) 29 – Refunding Agreement, dated as of May 1, 1999, between Entergy Mississippi and Independence County, Arkansas (B-6(a) to Rule 24 Certificate dated June 8, 1999 in 70-8719).

(f) 30 – Substitute Power Agreement, dated as of May 1, 1980, among Entergy Mississippi, System Energy and SMEPA (B-3(a) in 70-6337).

(f) 31 – 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) 32 – 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) 33 – 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) 34– 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) 35 – Reallocation Agreement, dated as of July 28, 1981, among System Energy and certain other System companies (B-1(a) in 70-6624).

+(f) 36 – Post-Retirement Plan (10(d) 24 to Form 10-K for the year ended December 31, 1983, in 0-320).

(f) 37 – 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) 38 – 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) 39 – Revised Unit Power Sales Agreement (10(ss) in 33-4033).

(f) 40 – 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) 41 – 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) 42 – 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) 43 – 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) 44 – 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) 45 – 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) 46 – 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) 47 – 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) 48 – Entergy Corporation Annual Incentive Plan (10(a) 54 to Form 10-K for the year ended December 31, 1989, in 1-3517).

+(f) 49 – Equity Ownership Plan of Entergy Corporation and Subsidiaries (A-4(a) to Rule 24 Certificate, dated May 24, 1991, in 70-7831).

+(f) 50 – 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) 51 – 1998 Equity Ownership Plan of Entergy Corporation and Subsidiaries (Filed with the Proxy Statement dated March 30, 1998).

+(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 – 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) 55 – 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) 56 – 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).

+(f) 57 – 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) 58 – 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) 59 – System Executive Retirement Plan (10(a) 82 to Form 10-K for the year ended December 31, 1993 in 1-11299).

+(f) 60 – Letter to John Wilder offering Employment (10(b)62 to Form 10-K for the year ended December 31, 1998 in 1-9067).

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 through
(g) 25 – See 10(a)-12 - 10(a)-25 above.

(g) 26 – Reallocation Agreement, dated as of July 28, 1981, among System Energy and certain other System companies (B-1(a) in 70-6624).

+(g) 27 – Post-Retirement Plan (10(e) 22 to Form 10-K for the year ended December 31, 1983, in 1-1319).

(g) 28 – 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) 29 – 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) 30 – Revised Unit Power Sales Agreement (10(ss) in 33-4033).

(g) 31 – 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) 32 – 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) 33 – 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) 34 – 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) 35 – 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) 36 – 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) 37 – Entergy Corporation Annual Incentive Plan (10(a)54 to Form 10-K for the year ended December 31, 1989, in 1-3517).

+(g) 38 – Equity Ownership Plan of Entergy Corporation and Subsidiaries (A-4(a) to Rule 24 Certificate, dated May 24, 1991, in 70-7831).

+(g) 39 – 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) 40 – 1998 Equity Ownership Plan of Entergy Corporation and Subsidiaries (Filed with the Proxy Statement dated March 30, 1998).

+(g) 41 – Supplemental Retirement Plan (10(a)69 to Form 10-K for the year ended December 31, 1992 in 1-3517).

+(g) 42 – 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) 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 – 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) 45 – 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).

+(g) 46 – 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) 47 – 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) 48 – System Executive Retirement Plan (10(a) 82 to Form 10-K for the year ended December 31, 1993 in 1-11299).

+(g) 49 – Letter to John Wilder offering Employment (10(b)62 to Form 10-K for the year ended December 31, 1998 in 1-9067).

(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.

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

(23) Consents of Experts and Counsel

*(a) The consent of PricewaterhouseCoopers LLP is contained herein at page 219.

***(24) Powers of Attorney**

(27) Financial Data Schedule

*(a) Financial Data Schedule for Entergy Corporation and Subsidiaries as of December 31, 1999.

*(b) Financial Data Schedule for Entergy Arkansas as of December 31, 1999.

*(c) Financial Data Schedule for Entergy Gulf States as of December 31, 1999.

*(d) Financial Data Schedule for Entergy Louisiana as of December 31, 1999.

*(e) Financial Data Schedule for Entergy Mississippi as of December 31, 1999.

*(f) Financial Data Schedule for Entergy New Orleans as of December 31, 1999.

*(g) Financial Data Schedule for System Energy as of December 31, 1999.

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* Filed herewith.
+ Management contracts or compensatory plans or arrangements.