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November 16, 1995

*LICENSED TO PRACTICE BEFORE THE U.S. PATENT & TRADEMARK OFFICE

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 Chairman, Atomic Safety and Licensing Board
 U.S. Nuclear Regulatory Commission
 Washington, D.C. 20555

Dr. Peter S. Lam
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 U.S. Nuclear Regulatory Commission
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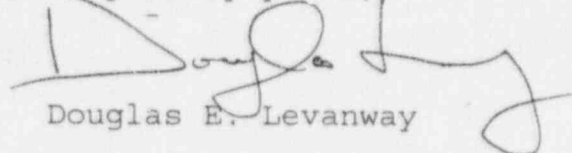
Dr. Richard F. Cole
 Atomic Safety and Licensing Board
 U.S. Nuclear Regulatory Commission
 Washington, D.C. 20555

Re: In the Matter of Gulf States Utilities Company
 (River Bend Station, Unit 1)
 Docket No. 50-458-OLA
 Our File No. 1550-21751

Gentlemen:

In accordance with its obligation to keep the Commission fully and accurately informed of all material developments affecting its application, Gulf States Utilities is forwarding to the Atomic Safety and Licensing Board a copy of a an opinion rendered by United States District Judge Frank J. Polozola on October 24, 1995 in Cajun Electric Power Cooperative, Inc. v. Gulf States Utilities Company, Civil Action 89-474-B in the United States District Court for the Middle District of Louisiana. Gulf States Utilities is also forwarding a copy of a Form 8-K submitted to the Securities and Exchange Commission on October 25, 1995.

Very truly yours,



Douglas E. Levanway

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DEL:saf
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 Enclosures

DS03

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cc: Mike Thompson
Joe Blount
Bob McGehee

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF LOUISIANA

FILED
U.S. DISTRICT COURT
MIDDLE DISTRICT OF LOUISIANA
25 OCT 24 PM 10:17

CAJUN ELECTRIC POWER
COOPERATIVE, INC.

CIVIL ACTION

IN CHARGE: MARTIN
CLERK

VERSUS

NUMBER 89-474-B

GULF STATES UTILITIES
COMPANY

OPINION

Cajun Electric Power Cooperative, Inc. ("Cajun") filed this suit against Gulf States Utilities Company ("GSU") seeking rescission of the River Bend Joint Ownership Participation and Operating Agreement ("JOA") and, in the alternative, for breach of contract.¹ The Court bifurcated the rescission claim from the breach of contract claim. After a bench trial which exceed four months, during which numerous witnesses testified and thousands of pages of documents were introduced into evidence, the Court took the matter under advisement.

Cajun contends that the JOA should be rescinded because: (1) GSU fraudulently induced it to execute the agreement; and, (2) there was error as to the principal cause for which it executed the JOA with GSU. GSU denies any liability to Cajun, and specifically denies that: (1) it was guilty of any fraudulent conduct for which the JOA should be rescinded; and, (2) the JOA should be rescinded because of error. GSU also asserted certain defenses, including a

¹ For purposes of this opinion, the terms "action for rescission" or "action for nullity" are used interchangeably. See La. Civ. Code Ann. art. 2032 (West 1987).

claim that Cajun's suit for rescission had prescribed.²

The Court has subject matter jurisdiction in this action pursuant to 28 U.S.C. § 1332, and thus must apply Louisiana law in reaching its decision in this case.

For more detailed reasons which will be set forth in a written opinion to be filed at a later date,³ the Court finds that as a matter of fact and law Cajun has failed to prove that: (1) GSC fraudulently induced it to execute the JOA; and, (2) there was error as to the principal cause of the JOA. The Court also finds in the alternative that Cajun's nullity action was barred by the five-year prescriptive period set forth in Louisiana Civil Code article 2032.⁴

The Clerk of Court shall withhold entering a final judgment in this case until the Court's detailed reasons are filed in the record and an appropriate order is issued by the Court pursuant to Rule 54(b) of the Federal Rules of Civil Procedure.

Baton Rouge, Louisiana. October 27, 1995.

Frank J. Polosola

FRANK J. POLOSOLA
UNITED STATES DISTRICT JUDGE

² The Court has previously ruled that a five-year prescriptive period applied in this case under Louisiana Civil Code article 2032. See *Cajun Elec. Power Coop., Inc. v. Gulf States Utils. Co.*, 818 F. Supp. 71 (M.D. La. 1994).

³ In reaching its decision and in formulating its factual conclusions in this case, the Court took into consideration the credibility of the witnesses who testified at the trial, whether in person, by video or written deposition.

⁴ See case cited *supra* note 2.

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date earliest event reported) October 25, 1995

<u>Commission File Number</u>	<u>Registrant, State of Incorporation, Address and Telephone Number</u>	<u>I.R.S. Employer Identification No.</u>
1-11299	ENTERGY CORPORATION (a Delaware corporation) 639 Loyola Avenue New Orleans, Louisiana 70113 Telephone (504) 529-5262	13-5550175
1-2703	GULF STATES UTILITIES COMPANY (a Texas corporation) 350 Pine Street Beaumont, Texas 77701 Telephone (409) 838-6631	74-0662730

Form 8-K
October 25, 1995

Item 5. Other Materially Important Events

Entergy Corporation and Gulf States Utilities Company

U.S. District Judge Frank Polozola, on Tuesday, October 24, issued a memorandum opinion ruling in favor of Gulf States Utilities on Cajun Electric Power Cooperative's fraud claims involving its decision to invest in the River Bend nuclear plant. The court also found that Cajun's claim had not been timely filed. In his ruling Judge Polozola said that he would issue detailed reasons for his decision in a further written opinion to be filed at a later date. The court did not indicate when the formal written opinion would be filed.

Entergy's representatives, as the court and the Louisiana Public Service Commission have urged, will continue to discuss the possibility of settling the remaining issues in the litigation with all parties involved. Should settlement discussions prove unsuccessful, the second phase of the lawsuit involving breach of contract issues may ultimately be tried unless Cajun's trustee in bankruptcy decides to forego the claim.

Judge Polozola retains jurisdiction over the bankruptcy case where he will decide major River Bend issues and maintaining overall supervision of the case. Bankruptcy Judge Gerald Schiff will handle normal bankruptcy issues arising in the case.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Entergy Corporation

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

Gulf States Utilities Company

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

Dated: October 25, 1995