

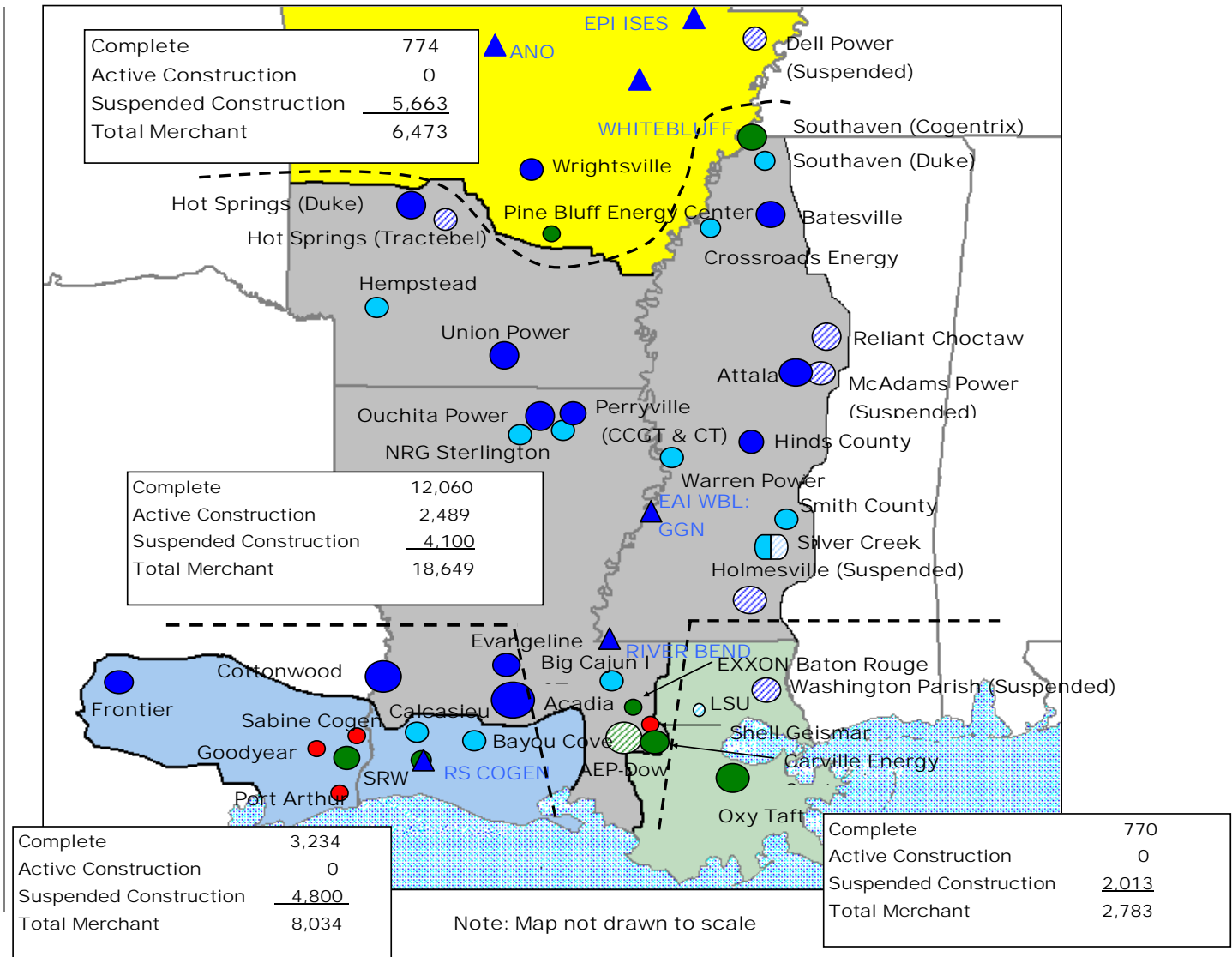
Rebuilding Utility Infrastructure: Challenges and Opportunities



Growing Merchant Capacity in Entergy's Control Area

**More than 19,000
Megawatts of New
Generation is
Already Operating
in Entergy's Area**

- CCGT (Complete)
- CCGT (Under Const.)
- Cogen/CCGT (Complete)
- Cogen/CCGT (Under Const.)
- Cogen (Complete)
- CT (Complete)
- CT (Under Const.)



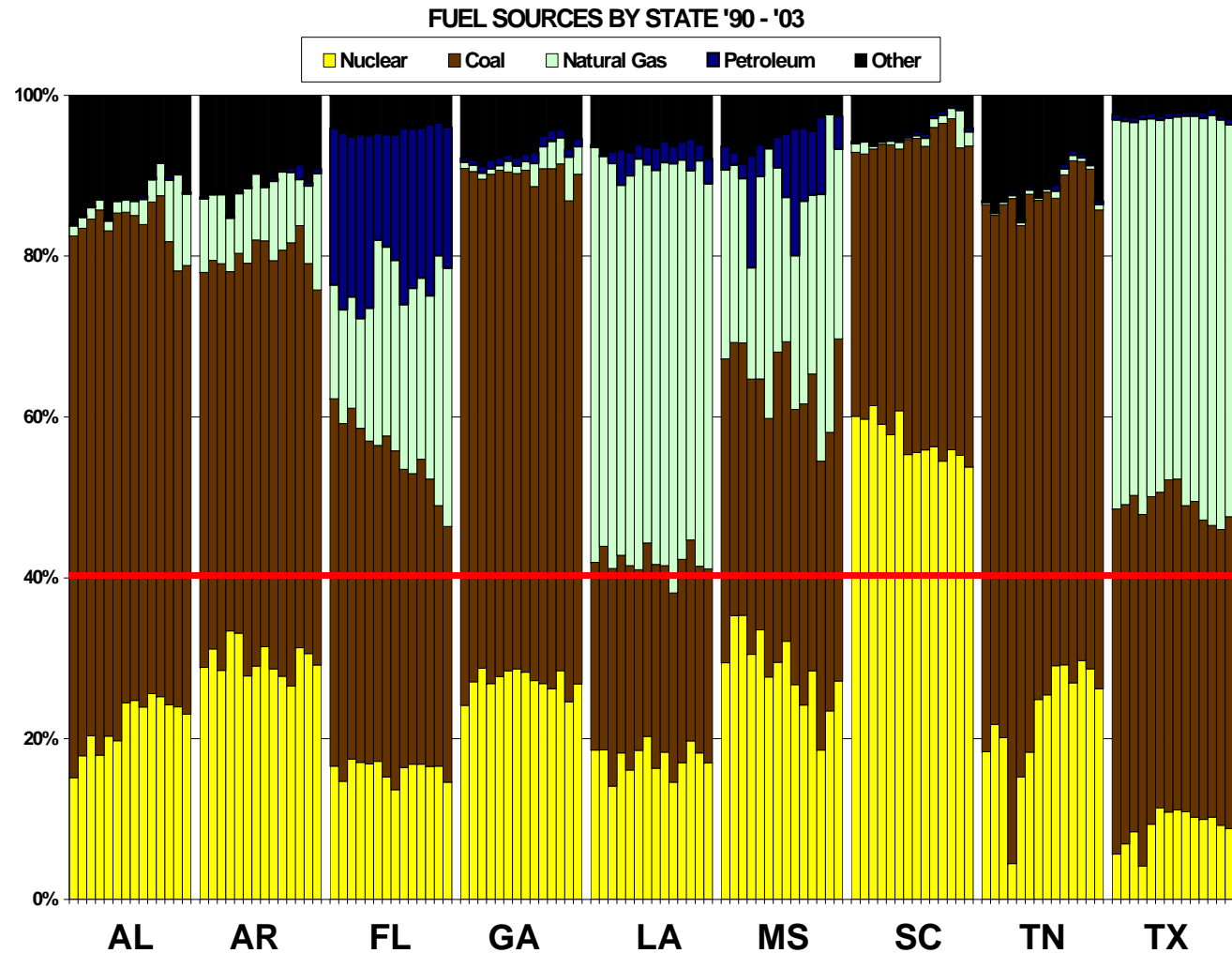
Source: Internal Analysis

Louisiana's Fuel Costs Are Driven by Natural Gas Prices

Recent fuel cost increases in Louisiana have been caused by skyrocketing natural gas prices.

A majority of Louisiana's generating output was fired by natural gas.

Only about 40% of Louisiana's generating output was fired by stable fuel sources such as coal or nuclear.

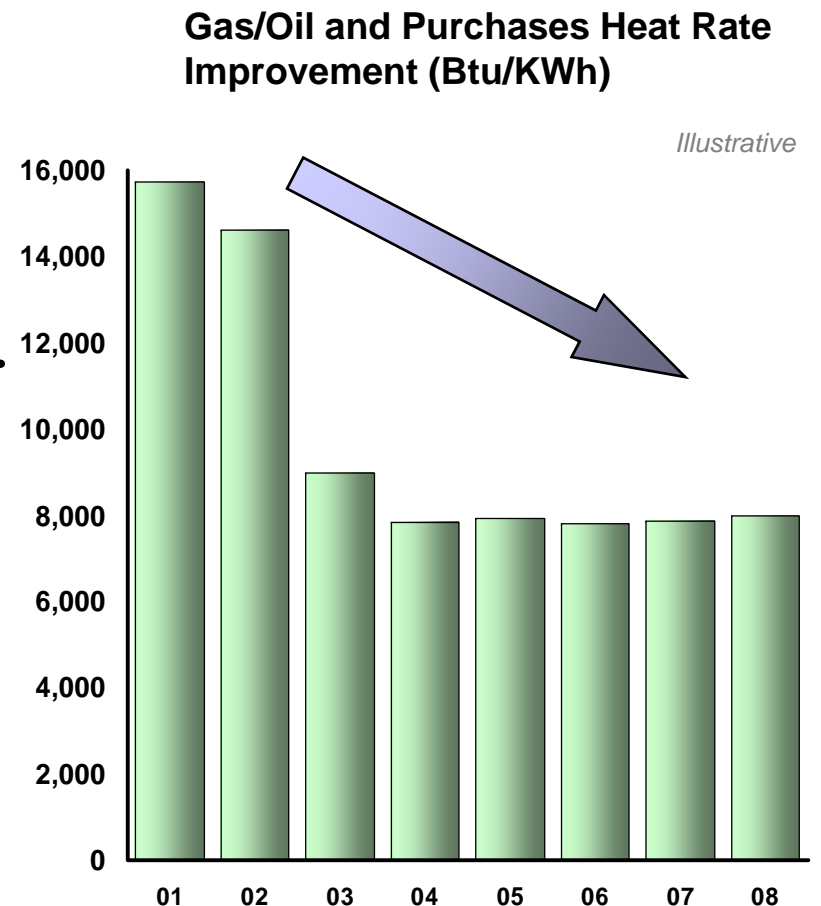
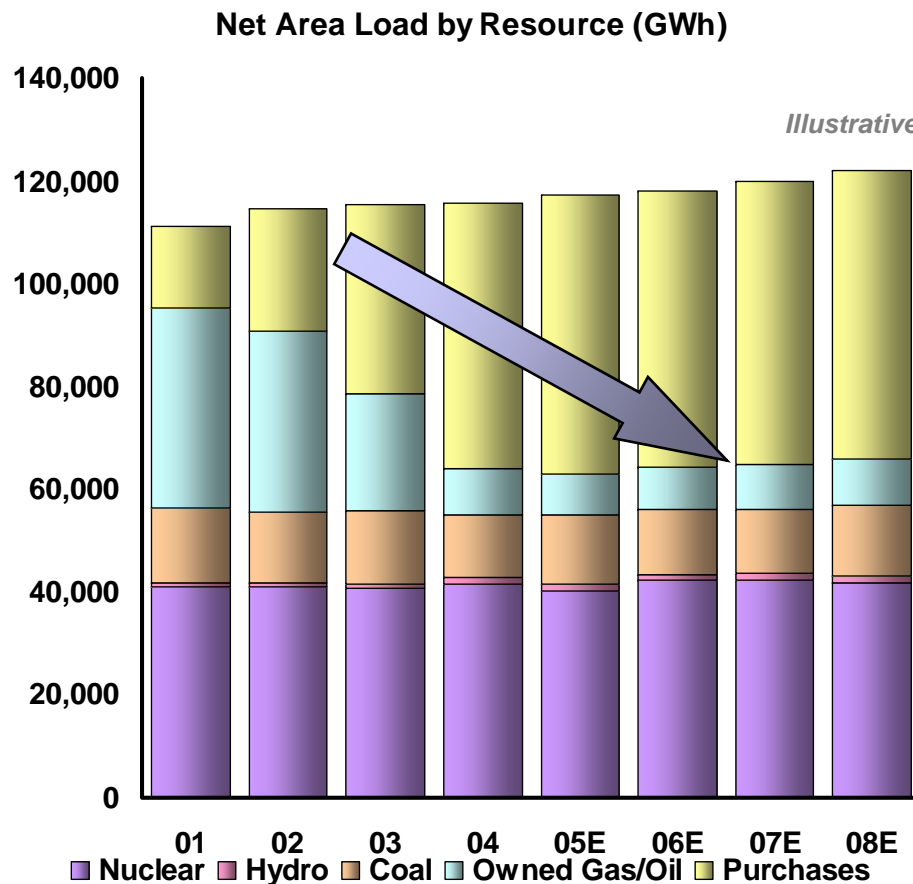


Market Opportunities

Lower Generation Costs

We have reduced our dependence on older, less efficient gas resources...

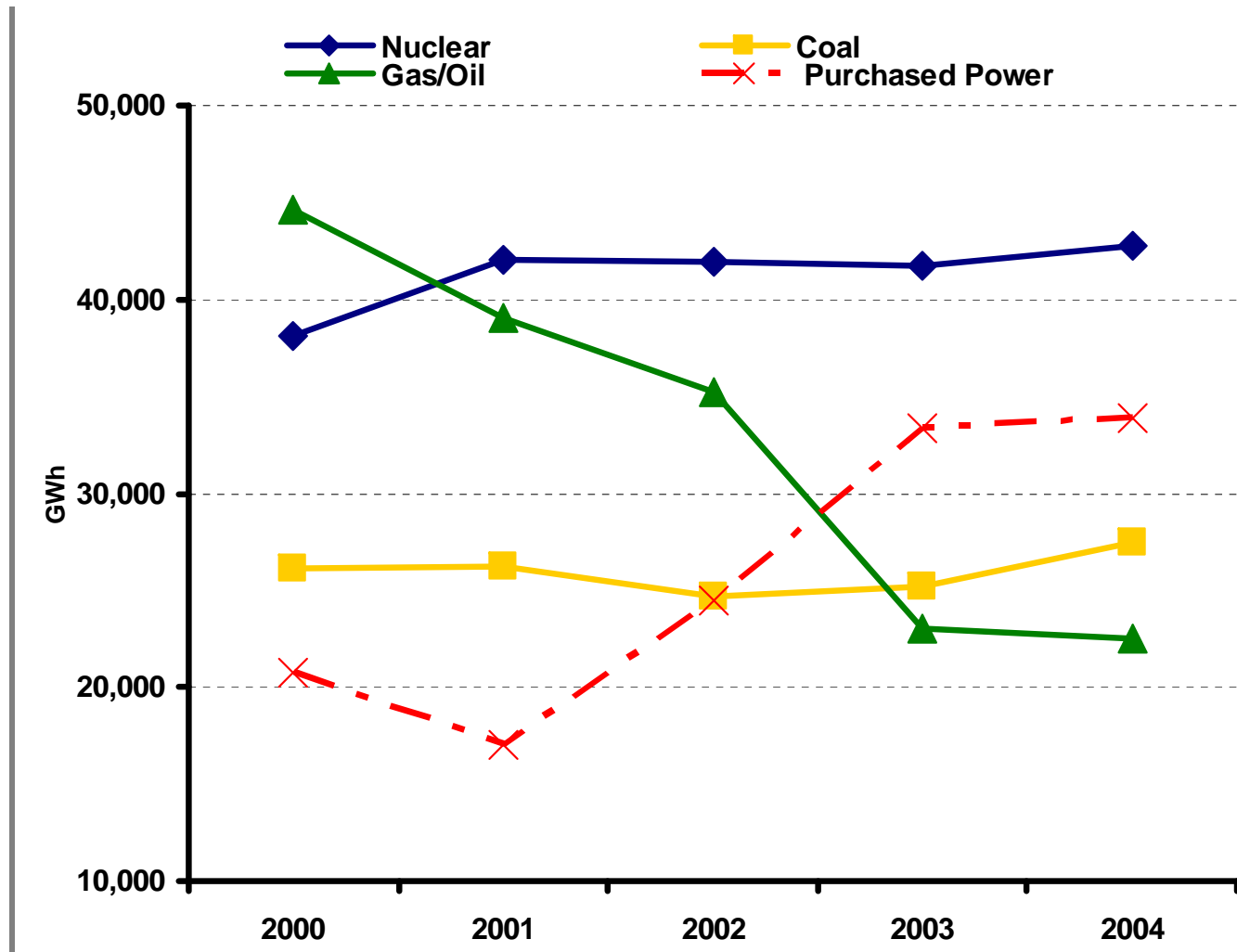
... via market opportunities, reducing the implied heat rate, lowering fuel costs.



Annual Energy Production by Source Reflects Progress

2004 was characterized by the most nuclear production ever, the most coal production ever, the most purchased power ever, and the least gas & oil production ever

These efforts are allowing Entergy to lower its fuel costs for customers.



Storm Restoration Cost

Company	Estimated Costs* (U.S. \$ in millions)
Entergy Gulf States - LA	195
Entergy Gulf States - TX	380
Entergy Louisiana	510
Entergy Mississippi	120
Entergy New Orleans	275
Other	20
Total	1,500

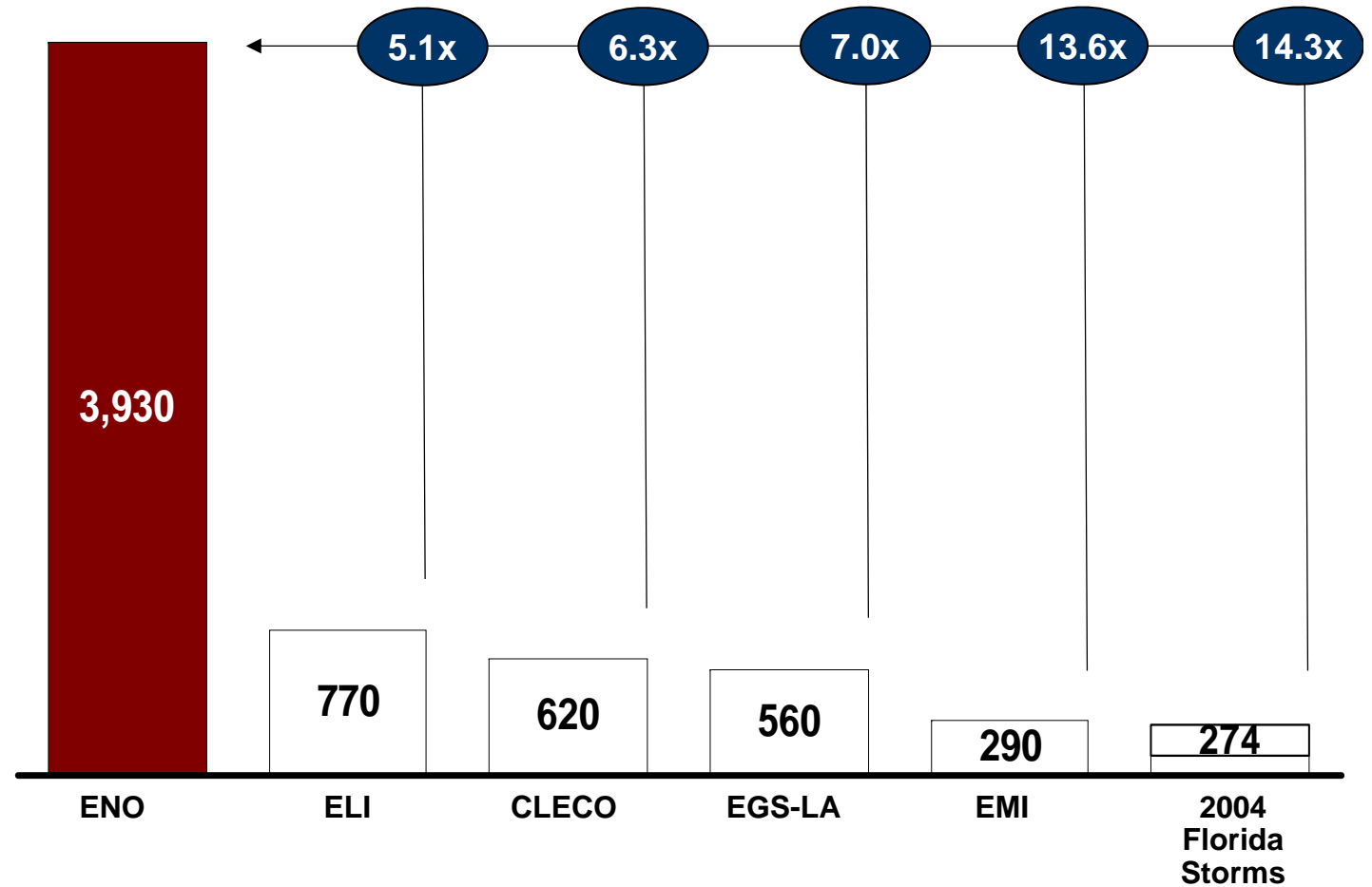
* Based on Jan 19, 2006 Earnings Release

Estimated Restoration Costs per Customer

The scope of costs are incredible by nearly any measure.

What is most striking is that the costs per customers are many multiples of the total costs for the four storms that ravaged Florida in 2004.

Estimated Restoration Cost
Cost Per Customer



Recovery Initiatives

- **Insurance Coverage - \$400M**
 - Oil Insurance Limited \$250M
 - AIG/Lloyd's \$150M
- **Federal Relief**
 - Community Development Block Grants
- **Rate Relief**

Use of CDBG Funds

- **Governmentally-owned (munis) and private non-profit (coops) electricity providers are eligible for Federal disaster relief assistance under the Stafford Act. Investor owned utilities are not.**
- **This disparate treatment is unwarranted.**
- **CDBG has been used on occasion to fund a variety of disaster relief costs that were ineligible under the Stafford Act**
- **CDBG provided assistance to New England investor-owned utilities after 1998 Ice Storms, and to Con Edison after the 9/11 terrorist attack.**
- **Mississippi plans to use CDBG funds for disaster relief to investor owned electric utilities.**

Media Treatment

“Despite the obstacles, Entergy, the USA’s No. 3 electric utility, has, by most accounts, exceeded expectations by restoring power in just about a week to most of the 1.1 million homes and businesses that lost it.”

**USA
TODAY**

“Entergy workers made their first foray into New Orleans to begin the gargantuan task of assessing the damage to the city’s electrical system. Their arrival was a glimmer of encouragement in the vista of despair.”

The Times-Picayune

“In some respects, Entergy has never performed better.”

The New York Times

Media Treatment



The Clarion-Ledger, Jackson, MS