



July 2009
Request For Proposals (RFP)
For
Baseload Supply-Side Resources

Entergy Services, Inc.
July 30, 2009

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The statements contained in this RFP are made subject to the Reservation of Rights set forth in this RFP and subject to the terms and acknowledgements set forth in the Proposal Submission Agreement.

1. GENERAL INFORMATION

1.1. Introduction and Overview

Entergy Services, Inc. (“ESI”) is issuing this July 2009 Request for Proposals for Baseload Supply-Side Resources (“July 2009 Baseload RFP” or “RFP”) seeking fixed price baseload products with flexible dispatch on behalf of the following participating Entergy Operating Companies (Entergy Gulf States Louisiana, L.L.C. (“EGSL”), Entergy Louisiana, LLC (“ELL”), Entergy Mississippi, Inc. (“EMI”), and Entergy Texas, Inc. (“ETI”)) to solicit proposals for the delivery of electric capacity and energy for the purposes of serving the electric requirements of their customers. This RFP can be accessed at ESI’s RFP Website:

<https://emo-web.no.entergy.com/ENTRFP/index.htm>

ESI invites proposals from all potential suppliers that are capable of meeting the conditions identified in this RFP, including proposals from other electric utilities, marketers, wholesale generators, independent power producers and Qualifying Facilities (“QFs”). In this RFP, ESI will be market testing a self-supply alternative in the form of a cost-based purchase power agreement (“PPA”) offered by an Entergy regulated affiliate pursuant to Service Schedule MSS-4 of the Entergy System Agreement. See below for more information. ***Entergy competitive affiliates will not be eligible to participate in this RFP.*** No bid fees will be required.

ESI may procure up to 350 MW through this RFP to the extent that proposals received are judged to be feasible and meet supply objectives as determined by ESI.

ESI will market-test a self-supply alternative in this RFP. The self-supply alternative consists of a potential 336 MW, cost-based purchase of wholesale baseload capacity from Entergy Arkansas, Inc. (“EAI”) (the alternative to be market tested will be referred to as the “EAI WBL”). The EAI WBL consists of a portion of the output from various baseload generation resources, including EAI’s Arkansas Nuclear One (“ANO”) Units 1 and 2; the Independence Steam Electric Station (“ISES”) Unit 1, White Bluff Units 1 and 2, and EAI’s share of the Grand Gulf nuclear facility. EAI will sell these resources to the participating Operating Companies pursuant to the pricing of Service Schedule MSS-4 of the Entergy System Agreement. The Entergy Operating Committee has determined that, subject to the results of this RFP and the receipt of timely regulatory approvals, the Entergy Operating Companies participating in this resource will include EGSL, ELL, EMI and ETI.

In order to ensure that this RFP is conducted in a fair and impartial manner, ESI has retained Potomac Economics, an independent consulting firm, as the Independent Monitor (“IM”). The role of the IM is defined in the Scope of Work Activities for the Independent Monitor, which is posted on the RFP Website. Generally, and without modifying the Scope of Work Activities, the role of the IM will be to (1) oversee the design and implementation of the RFP solicitation, evaluation, selection, and contract negotiation processes to ensure that they will be impartial and objective; and (2) provide an objective, third-party perspective concerning ESI’s efforts to ensure that all proposals are treated in a consistent fashion and that no undue

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preference is provided to any “Bidder”, including to the EAI WBL self-supply alternative being market tested in this RFP.

Bidders wishing to communicate with the IM may contact Steve Surina at Potomac Economics by email: stevesurina@potomaceconomics.com or phone: (703)-383-0146.

1.2. Summary Descriptions of Product Sought

ESI is seeking flexible baseload capacity from existing resources through the purchase of up to 350 MW from a Flexible Baseload Liquidated Damages (“LD”) product (the “Flexible Baseload LD Product”) with scheduling flexibility or through a 7x24 Firm Liquidated Damages (“LD”) around-the-clock must take product (the “7x24 Firm LD Product”). ***Of the two products being sought, the Flexible Baseload LD Product is preferred.*** The “Definitive Agreements” for both products will be executed in the form of a Confirmation as amended under the terms of Service Schedule C of the most recent WSPP Agreement. The Term Sheets included in this RFP establish certain key terms and conditions for the Flexible Baseload LD and 7x24 Firm LD Products. Bidders are advised to carefully review the Term Sheets. Some terms and conditions differ from baseload capacity products sought in previous RFPs. No model contracts will be provided.

A summary of the product description is provided below.

1.2.1. Product Types and Capacity Quantity

ESI is seeking the following baseload products:

- Flexible Baseload LD Product – baseload product with scheduling flexibility but subject to the requirement that Buyer schedule the capacity quantity at a minimum capacity factor of 80% on an annual basis for each year of the Delivery Term; and
- 7x24 Firm LD – daily around-the-clock must-take product

Bidders may submit mutually exclusive proposals for the products listed above. Such proposals may be submitted in two forms, as follows:

(1) Fixed Price -- Proposals may be submitted with a fixed price, stated in a single \$/MWh levelized price for the full three-year term beginning January 1, 2010. Such proposals are preferred because of the cost certainty they provide.

(2) Fixed Heat Rate -- Alternatively, proposals may be submitted with a fixed heat rate, expressed in Btu/kWh, plus a Fixed Gas Basis Adder, expressed in \$/MMBtu, which will be added to the *Gas Price* (as defined below). The Fixed Gas Basis Adder is the sum of all costs that bidder is adding to the *Gas Price*. In a Fixed Heat Rate proposal, the Fixed Gas Basis Adder will be the bidder’s exclusive compensation for transportation, taxes, and all other costs, except the *Gas Price*, associated with the procurement or delivery of natural gas in connection with a

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contract resulting from this RFP. For purposes of this RFP, the Gas Price shall be defined as follows:

Gas Price. The levelized (i.e., single value) NYMEX Henry Hub forward gas price for the full three-year term beginning January 1, 2010.

For a proposal with Fixed Heat Rate pricing, the *Gas Price* will be determined as of the date following regulatory approval and then fixed for the entire Delivery Term. Once the *Gas Price* is established, it will remain the same for the entire Delivery Term.

All Bidders that submit proposals for any product will be expected to maintain the pricing until the execution and approval, including applicable regulatory approvals of Definitive Agreements, which will likely not occur until late 2009. Fixed Heat Rate proposals will initially be evaluated based on the *Gas Price* (as defined above) as of August 14, 2009. The Fixed Heat Rate (and associated Fixed Gas Basis Adder, if applicable) shall be applied to the *Gas Price* as of August 14, 2009 to determine the fixed \$/MWh energy price for purposes of evaluation. **It is important to note that, due to the uncertainty of the final fixed price of any Fixed Heat Rate products proposed by bidders in this RFP and the possibility of changes in the pricing for natural gas between the receipt of proposals in August 2009 and the final execution and approval of any definitive agreements in late 2009, ESI, in its sole discretion and on behalf of the Entergy Operating Companies, reserves the right to reject any Fixed Heat Rate proposals selected for final negotiation due to an increase in the price of natural gas. ESI also reserves the right to terminate a definitive agreement up to the date on which regulatory approval is received in the event that such increases in the price of natural gas occur.**

Flexible Baseload LD Product

The Flexible Baseload LD Product consists of a limited-term purchase of flexible baseload capacity on a 7x24 basis with a firm commitment by Buyer to schedule the capacity quantity at a minimum capacity factor of 80% on an annual basis for each year of the Delivery Term. Although this product provides for a minimum 80% annual capacity factor, Bidders may, in the Special Considerations portion of the Proposal Submission Form, offer a lower minimum annual capacity factor that will provide Buyer greater scheduling flexibility; such flexibility is preferred. This product is expected to be available in all hours of the Delivery Term and is subject to the terms and conditions of WSPP Schedule C. Buyer will require scheduling rights that provide the capability to dispatch the energy to any level within a range from the maximum capacity available under the proposal down to zero (0) MW upon two (2) hours' prior notice subject to the minimum annual capacity factor.

Pricing for this product will be based on (i) a scheduling option premium, proposed by the Bidder and expressed in \$/kW-year, and either (ii) an energy payment based on a Guaranteed Energy Price expressed in \$/MWh, *which is preferred*, **or** a fixed heat rate, expressed in

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Btu/kWh, plus a Fixed Gas Basis Adder, expressed in \$/MMBtu, which will be added to the *Gas Price* (as defined hereinabove).

Bidders must offer a Delivery Term of three (3) years. The Delivery Term Start Date will be January 1, 2010. ESI is seeking proposals for up to a targeted amount of 350 MW of Flexible Baseload LD capacity. Proposals may not be less than 50 MW, and no proposal shall exceed 350 MW.

7x24 Firm LD

The 7x24 Firm LD product consists of a limited-term purchase of firm capacity subject to the terms and conditions of WSPP Schedule C.

Pricing for this product will be based on an energy payment based on either a Guaranteed Energy Price expressed in \$/MWh, *which is preferred*, **or** a fixed heat rate, expressed in Btu/kWh, plus a Fixed Gas Basis Adder, expressed in \$/MMBtu, which will be added to the *Gas Price* (as defined hereinabove).

Bidders must offer a Delivery Term of three (3) years. The Delivery Term Start Date will be January 1, 2010. ESI is seeking proposals for up to a targeted amount of 350 MW of 7x24 Firm LD capacity. Proposals may not be less than 50 MW and no proposal shall exceed 350 MW.

1.2.2. Delivery Term

Three (3) years – January 1, 2010 to December 31, 2012.

1.2.3. Transmission / Delivery Point

Bidders are responsible for securing and paying the costs of all transmission to the Delivery Point¹. For any generating unit located inside the Entergy Control Area, the Delivery Point shall be an interconnection point with the Entergy Control Area. For any generating unit located outside of the Entergy Control Area, the Delivery Point shall be Into Entergy. Bidders will be responsible for ensuring Service Schedule transactions are scheduled as firm power consistent with the most recent rules adopted by the applicable NERC regional reliability council.

¹ “Entergy Control Area” means the Control Area of the Entergy System. “Delivery Point” means the point at which deliveries of capacity and energy under a Definitive Agreement are required to be made and will be measured which, for any generating unit located inside the Entergy Control Area, will be the Interconnection Point, and, for any generating unit located outside of the Entergy Control Area, will be a delivery point on the Interface. “Interconnection Point” means the point at which two systems or Control Areas meet or intersect, where power can flow from one system to another, or the delivery point at which facilities interconnect a generating unit to transmission within a control area or system, as the context requires. “Interface” or “Entergy Interface” means the border of the Entergy System which contains Interconnection Points, where energy can be delivered to the Entergy System at Interconnection Points, if the applicable generating unit is located outside the Entergy Control Area.

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1.3. Demand Response Programs/Services, Energy Efficiency, and Renewables

ESI is not soliciting demand response, energy efficiency, or renewable products or services in this RFP. ESI is not willing to accept information regarding such products and services in response to this RFP. ESI is currently evaluating responses to a recent Request for Information issued to present interested parties an opportunity to provide ESI with information regarding renewable energy sources that would be deliverable to the Entergy System. ESI's Renewable RFI Website can be accessed at <http://www.entergy.com/esi/renewables.aspx>.

2. INSTRUCTIONS TO BIDDERS

2.1. RFP Schedule

The Schedule for this RFP is shown below:

- Solicitation Document posted -- July 30, 2009
- Bidders' Conference Call -- 10:30 a.m. CPT on August 4, 2009
- Proposals Due -- no later than 5:00 p.m. CPT on August 14, 2009
- Preliminary Screening Analysis completed -- on or about August 21, 2009
- Review Preliminary Results with Staff -- on or about August 24, 2009
- Complete Economic Evaluation and select final proposals -- on or about August 28, 2009
- Complete commercial negotiations and execute Definitive Agreements -- on or about September 22, 2009
- Obtain regulatory approvals -- 4th Qtr 2009
- Start Date for any Definitive Agreements -- January 1, 2010

Details regarding the Bidders' Conference Call are as follows:

Time:	10:30 a.m. CPT
Date:	Tuesday, August 4, 2009
Dial-in:	(888) 895-4286
Participant Code:	512497

This information will also be posted on the ESI RFP website. Bidders should contact the RFP Administrator (see contact information below) with any questions regarding the RFP process.

Bidders are strongly encouraged to participate in the Bidders' Conference Call. By no later than Monday, August 3, 2009, ESI requests that bidders notify ESI by electronic mail to the RFP Administrator of the names of all individuals representing the bidder who are planning to participate in the Bidders' Conference Call. The RFP Administrator can be reached via e-mail at esirfp1@entergy.com

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Bidders wishing to contact the LPSC Staff at any time during the RFP process should communicate with Staff counsel Melissa Watson (225-342-9888, melissa.watson@la.gov) or Staff consultant Matt Kahal (410-992-7500, mkahal@exeterassociates.com). However, to the extent that Bidders have technical questions regarding the RFP process itself, such questions should be directed to the RFP Administrator to ensure that correct information regarding the RFP process is provided.

2.2. Solicitation Procedures

The proposal (Appendix C and Proposal Submission Agreement) must be submitted with the complete name of the party expected to execute any resulting contract with ESI and executed by a person who is duly authorized to bind the Bidder to a contract.

The proposal (originals) must be received by ESI no later than 5:00 p.m. CPT on August 14, 2009 at the address shown below. Fax or email submissions are acceptable if followed by originals delivered by a secured mailing service within two working days of the proposal due date to the following:.

RFP Administrator
Attn: Vicki Spitznagle
Entergy Services, Inc.
Parkwood II Bldg., Suite 300
10055 Grogans Mill Road
The Woodlands, TX 77380
Email: esirfp1@entergy.com
Fax: 281-297-5347

ESI will have an RFP “Hotline” available from August 10, 2009 to August 14, 2009, from 8:00 a.m. to 5:00 p.m. CPT each day, to assist Bidders only with respect to **technical questions regarding the proposal submission process** (the “RFP Hotline”). The number for the RFP Hotline is 281-297-3758.

All questions regarding the RFP, whether they arise before, during or after the Bidders’ Conference Call, must be submitted in writing to the RFP Administrator (using the contact information noted above). In order to provide all interested parties with access to information elicited through the submission of questions, ESI intends to provide written responses to all written questions, and to post the questions and answers on the ESI RFP website. While ESI personnel will orally address written questions submitted during the Conference, the written response may contain information that is different from or in addition to information that will be provided orally, and the written response shall be deemed to supersede the oral response. Bidders are encouraged to submit written questions to the RFP Administrator prior to the Bidders’ Conference Call. The IM will obtain, review, and may comment on copies of all written communications between ESI and Bidders in advance of ESI’s issuance of such communications.

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Subject to ESI's consideration of confidentiality concerns as described in the next two paragraphs below, ESI intends to post all questions submitted by Bidders, as well as ESI's responses to these questions, on the RFP Website. As a result, all questions must be submitted in writing. ESI's objective in posting these questions and answers is to ensure that all Bidders have equal access to information that potentially is relevant to their proposals. Bidders are urged to submit questions as early as possible, in consideration of the proposal submission deadlines set forth in Section 2.1. During the proposal submission period, ESI expects to provide answers only to questions that are specific to an actual proposal submission issue.

ESI does not expect that, in response to Bidders' questions, it will be required to provide information that is confidential to ESI or any of the participating Entergy Operating Companies. If, however, ESI determines that (1) a Bidder's question calls for an answer that would contain such confidential information and (2) the provision to Bidders of such confidential information is necessary and appropriate, then ESI will notify the IM and will respond to that question in writing via certified mail to all Bidders who have timely executed and returned to ESI the confidentiality agreement posted on the RFP Website.

Similarly, ESI does not expect Bidders to submit questions that contain information the Bidder considers confidential. If a Bidder believes that certain information included in a question the Bidder intends to submit should be treated as confidential, the Bidder is strongly urged, first, to attempt to exclude from the question all of the information the Bidder believes to be confidential, whether by redaction or other means, and then to submit the question. Alternatively, if the Bidder believes that it is necessary or advisable to submit the question without redacting confidential information, then the Bidder should, without providing any confidential information, notify the RFP Administrator in writing of the purpose of the question and the nature of the confidential information contained therein, such that ESI can determine whether the Bidder's question requires the disclosure, either by the Bidder or by ESI, of confidential information, or whether such disclosure is unnecessary or can be avoided for purposes of the RFP process.

If ESI determines that the disclosure of information confidential to the Bidder is necessary and appropriate, ESI will notify the IM, and the confidentiality agreement that is posted on the RFP Website will be executed between ESI and such Bidder so that such question may be submitted. In the event that a question containing information the Bidder considers to be confidential is submitted timely to ESI, ESI will send a copy of the question and answer to that Bidder by express mail.

ESI, its agents and representatives, and the IM will treat as confidential all proposals submitted by Bidders. Bidders should submit their proposals with the knowledge and understanding that, regardless of confidentiality, any information submitted by Bidders is subject to disclosure to regulatory commission(s) and their staffs or any other governmental authority or judicial body with jurisdiction relating to these matters and may be subject to legal discovery. The process for protection of proposal information is further described in Appendix D.

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2.3. Proposal Requirements

2.3.1. Threshold Requirements

The proposal must contain clear and complete pricing information as specified in the applicable Term Sheet. ESI has provided direction regarding the form and type of products that are to be solicited, and any proposal offering a pricing structure or product other than specified in the Proposal Submission Form will be rejected as non-conforming.

The proposal must be signed by an officer or other similarly situated representative of the Bidder who is duly authorized to sign and submit the proposal.

Each Bidder is advised that ESI will not negotiate any material terms in the applicable term sheet unless (a) a resource is otherwise attractive but not physically capable of meeting a requirement specified in the term sheet and (b) the Bidder has explained the fact of and basis for this situation in the Special Considerations section of its proposal.

ESI reserves the right either to (1) reject incomplete, non-conforming or unclear proposals from further consideration or (2) communicate with Bidders to clarify proposal terms or request additional information.

2.3.2. Credit/Collateral Requirements

The specific credit/collateral requirements for Bidders are located in Appendix A. It is the responsibility of the Bidder and/or its credit support provider to demonstrate financial security to ESI's satisfaction. All proposals must specify, in detail, all credit terms expected for the purchaser and the Bidder's ability and plans to meet the Bidder credit requirements. Proposals that fail to provide specific credit provisions will be rejected as non-conforming.

The credit and collateral requirements of the RFP apply only to Bidders and are designed to protect the Buyer from the risk of a Bidder's non-performance. However, in certain situations, it may be appropriate for the Buyer to provide credit support. Given that ESI is soliciting proposals for fixed price products, the potential credit support could be significant and could adversely affect the participating Operating Company(ies)'s creditworthiness and, hence, the economics of the proposals. Although the participating Operating Companies do not anticipate posting collateral, Bidders must indicate any expected credit/collateral requirements for the participating Operating Companies as part of their proposal submissions.

2.3.3. Fuel Supply Arrangements

Bidders are responsible for incorporating into their proposals all fuel costs to support their LD proposals. For Fixed Heat Rate proposals, Bidders shall be responsible for securing all fuel to support their proposals and fixing the price of such fuel over the full Delivery Term.

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2.3.4. Environmental Regulation Compliance

Bidders are expected to include all costs to comply with existing applicable environmental regulations in their proposals.

For Environmental Changes in Law with respect to the emission of carbon dioxide (“CO2”), the Buyer will allow pass through of compliance costs equal to a predetermined rate for CO2 emissions of 541 lb/MWh multiplied by a yet to be determined published index for CO2 allowances. The predetermined rate for CO2 is based on the expected CO2 emission rate of the resources included within the self-supply alternative. Bidders are expected to adjust the pricing terms of their proposals, as necessary, to account for the emission rates of the resource(s) that will be used to supply the proposal and the Bidders’ perspective of CO2 compliance costs. Each proposal will be evaluated based on the predetermined emissions rates and consistent assumptions regarding CO2 compliance cost.

2.4. Proposal Evaluation

The proposal evaluation process will be conducted by several teams consisting of employees of ESI’s System Planning and Operations (“SPO”) organization and certain employees of ESI that will conduct the credit evaluation of the proposals (Credit Evaluation Team). The Economic Evaluation Team (“EET”) will be responsible for carrying out the economic evaluation of proposals received in response to the RFP as described below. Each evaluation team will be provided the appropriate proposal information necessary to conduct the evaluation.

A fundamental economic analyses based on spreadsheet models will be used to perform the economic evaluation of the proposals. The proposals will be ranked from the one offering the lowest delivered cost to the highest, on a dollar per megawatt-hour basis (\$/MWh) levelized over the 3 year term using a consistent discount rate across all proposals. The proposals for these products will be compared to the relevant market information available to the Economic Evaluation Team (i.e., 7x24 Into Entergy products, dispatchable CCGT products which could provide comparable dispatch, etc.). The Entergy Operating Committee will select the proposal, or proposals, if any, that best meet the supply objectives to customers. The Economic Evaluation Team may perform, and ESI specifically reserves the right to perform, additional analyses of the proposals, including but not limited to production cost analyses.

ESI will consider non-price factors including the effect of the addition of an incremental fixed block of energy on the operational requirements and capabilities of the System with respect to the need to maintain a sufficient amount of capability to meet the flexible capability needs imposed by the imbalance service provisions of Entergy’s Open Access Transmission Tariff, intra-day and intra-hour changes in retail and wholesale customer loads, and “puts” of energy from QFs; and, any other factors that, with the concurrence of the IM, are determined to be appropriate for a complete evaluation of the proposals to ensure that they will provide benefits to the participating Operating Companies’ customers.

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ESI reserves the right to perform supplemental analyses, if necessary, during the economic evaluation process. The request to perform such supplemental analyses will be discussed with and approved by the IM.

ESI will use the economic results along with qualitative information to develop a ranking of all proposals relative to their ability to meet the supply objective of balancing reliability, cost, and risk mitigation.

The overall proposal evaluation process will be conducted in a carefully controlled manner using procedures, methods, evaluation criteria, and assumptions that will be developed prior to the receipt of proposals. ESI will document key assumptions and model constructs and provide this documentation to the IM before the receipt of proposals. However, the evaluation teams will retain the discretion, subject to overview by the IM, to use the evaluation methods and assumptions that they consider appropriate to identify those proposals that best meet the planning objectives of the Entergy System. Given that circumstances may require adjustment of the proposal evaluation process, this document should be viewed as a general framework for evaluation and not as a prescriptive procedure.

2.5. Regulatory Approval

Certain of the capacity and/or energy resources selected as a result of this RFP process may require certification or other approval from the retail regulators of the participating Entergy Operating Companies, or may require authorization from the FERC under applicable law or regulations. Thus, the Definitive Agreement(s) with the selected Bidder(s) may be conditioned on, and/or provide a termination right with respect to the failure to obtain, any such regulatory approvals in form and content acceptable to the participating Entergy Operating Company(ies) in its (their) sole and absolute discretion.

Bidders will be responsible for having or obtaining and maintaining all necessary permits, licenses, and/or approvals associated with their proposals, other than any necessary regulatory approvals from federal, state, and local agencies that exercise jurisdiction over the participating Entergy Operating Companies.

3. PROTECTION OF CONFIDENTIAL INFORMATION

ESI will utilize procedures designed to preserve, to the extent practicable, the confidentiality of the Bidders' proposals and any confidential information contained in such proposals, including, but not limited to, the identities of Bidders and the proposal prices and other terms and conditions of their proposals. These procedures are intended to provide

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reasonable assurance to Bidders that, except as noted below with respect to legal or regulatory requirements, information contained in their proposals will be disclosed only to the relevant members of the proposal evaluation teams and select agents and consultants.

The proposal evaluation teams will prepare reports that summarize proposals and the results of analysis. These summary reports will be reviewed by senior advisors and other decision-makers of ESI and the participating Entergy Operating Companies. In addition, once a proposal has been selected for negotiation, all information relating to such proposal will be provided to the appropriate negotiation team and to appropriate executives and other decision-makers of ESI and the participating Entergy Operating Companies. All ESI and Entergy Operating Company personnel and other agents and consultants having access to confidential information as described above will be contractually and/or professionally bound to protect the confidentiality of confidential Bidder information and to use it for no other purpose besides activities related to the RFP process and resource evaluation processes more generally. ESI and the participating Entergy Operating Companies, however, disclaim any liability to a Bidder for damages of any kind resulting from disclosure of any Bidder or proposal information.

Proposals or other information or correspondence submitted in response to this RFP will not be returned to Bidders. At the conclusion of this RFP process (including regulatory review of specific transactions entered into as a result of this RFP), all proposals will be either destroyed or archived by ESI, subject to the procedures described in this section providing for the treatment of such proposals as confidential and subject to any applicable Codes of Conduct.

All information contained in a proposal (a) may be required to be disclosed by ESI or any Entergy Operating Company pursuant to (i) applicable law, rule, or regulation or (ii) any legal proceeding involving ESI or any affiliates; and (b) may be subject to review by one or more of the regulatory commissions having jurisdiction over ESI and/or any of the participating Entergy Operating Companies, and/or their staffs in connection with regulatory proceedings, or any other Governmental Authority with jurisdiction relating to these matters, and may be subject to legal discovery. By submitting a proposal, the Bidder agrees to allow ESI to (a) use any of the information contained in the proposal as information, testimony or evidence in any proceeding before any such regulatory commissions, or in any proceeding before any other governmental authority with jurisdiction relating to these matters; and (b) disclose any of the information contained in the proposal when required to do so as described above; provided, however, that in the event such information is to be so disclosed, ESI will use its reasonable efforts to attempt to obtain from such authority, or other entity to whom such disclosure is being made, approval of a confidentiality agreement or protective order or other mechanism to protect the confidentiality of such information and to limit its dissemination. ESI makes no assurance of the outcome of any such attempt, and advises Bidders that some merchants, QFs, and others who have intervened in regulatory proceedings pertaining to potential acquisitions of resources in connection with previous RFPs and in other proceedings in which ESI and/or one or more of the participating Entergy Operating Companies are involved have sought access to confidential Bidder information.

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4. RESERVATION OF RIGHTS

A Bidder's proposal will be deemed accepted only when a Definitive Agreement has been executed and delivered by ESI (on behalf of the participating Entergy Operating Companies) and by the chosen Bidder. Although ESI intends to enter into transactions for resources that offer sufficiently attractive economic and/or reliability benefits, it has no obligation to accept any proposal, whether or not the stated price in such proposal is the lowest price offered in the RFP process, and may reject any proposal, in its sole discretion, for any reason.

By participating in the RFP process, each Bidder agrees that (a) except to the extent of any representations and warranties contained in a Definitive Agreement, any and all information furnished by or on behalf of ESI or the participating Entergy Operating Companies in connection with this RFP is being or will be provided without any representation or warranty, express or implied, as to the accuracy or completeness of such information, and (b) except as otherwise provided in a Definitive Agreement, neither ESI, the participating Entergy Operating Companies, nor any of their representatives or advisors will have any liability to any Bidder or its representatives relating to or arising from the use of or reliance upon any such information or any errors or omissions therein.

This RFP does not commit ESI or the participating Entergy Operating Companies to pay any costs incurred by the Bidder in the preparation of a proposal in response to this RFP, or to procure or contract for any products or services. ESI and the participating Entergy Operating Companies reserve the right to modify or withdraw this RFP, to negotiate with any or all qualified Bidders to resolve technical or contractual specifications, or to reject any or all responses and to terminate negotiations at any time. ESI, the participating Entergy Operating Companies, and their representatives and advisors may, and expressly reserve the right to, at any time and from time to time, without prior notice and without assigning any reason therefore:

- ❖ cancel, modify or withdraw this RFP, reject any and all proposals, and terminate negotiations at any time during the RFP process;
- ❖ discuss with any Bidder and its advisors the terms of any proposal submitted by the Bidder and obtain clarification from any Bidder and its advisors concerning the proposal;
- ❖ consider all proposals to be the property of ESI, subject to the provisions of this RFP relating to confidentiality and/or any applicable confidentiality agreement that may be executed in connection with this RFP process, and destroy or archive any information or materials provided in the proposal submission process (currently, ESI intends to retain all proposal information until any related regulatory approval processes to which that information relates have been completed);
- ❖ request from any or all Bidders information that is not explicitly detailed in this RFP but which is necessary for evaluation of the proposal;

The statements contained in this RFP are made subject to the Reservation of Rights set forth in this RFP and subject to the terms and acknowledgements set forth in the Proposal Submission Agreement.

- ❖ determine which proposals to accept, pursue or reject;
- ❖ evaluate and consider opportunities to acquire resources offered outside the formal RFP process from parties who are not Entergy competitive affiliates as such opportunities arise, with the understanding that any decision to commit to these resources would be fully subject to any applicable review and approval by the appropriate regulatory bodies;
- ❖ reject any proposals that are not complete or contain irregularities, or waive irregularities in any proposal that is submitted;
- ❖ reject any proposals determined by ESI to have been made with the intent or effect of creating artificial prices, terms, or conditions;
- ❖ elect not to accept proposals that provide the lowest cost based on the criteria and analyses described in this RFP if a proposal review identifies issues detrimental to the participating Entergy Operating Companies or the Entergy System which are not specifically identified in the criteria and analyses described;
- ❖ determine which Bidders to allow to participate in the RFP process, including disqualifying a Bidder due to a change in the qualifications of the Bidder or in the event that ESI determines or believes that the Bidder has failed to conform with the requirements of this RFP;
- ❖ invite further submissions of proposals from all eligible RFP participants;
- ❖ modify any of the dates, times or places specified in this RFP;
- ❖ to terminate a Definitive Agreement up to the date on which regulatory approval is received;
- ❖ conduct negotiations with any or all Bidders or other persons; or
- ❖ sign one or more Definitive Agreements with any Bidder that submits a proposal or with any other person or entity or enter into no Definitive Agreements related to this RFP.

If at any time ESI determines that there is a defect in the RFP process or a deviation from the requirements of this RFP, or that collusive or fraudulent bidding has occurred or appears to have occurred, ESI may suspend the RFP process in whole or in part as to any Bidder or Bidders.

Under all circumstances, each Bidder is responsible for all costs and expenses it incurs in connection with the RFP process. Under no circumstances, including ESI's termination of the RFP process at any time, will ESI or the participating Entergy Operating Companies be responsible for any costs or expenses of any Bidder incurred in connection with the RFP process.

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Appendix A

Credit / Collateral Requirements

The Bidder or its credit support provider must be able to demonstrate the financial ability to perform and support its obligations under a Definitive Agreement executed in response to this RFP to the satisfaction of ESI in its sole and absolute discretion. In keeping with the LPSC's specific directive that proposals must be supported by credit-worthy entities, ESI prefers that Bidder or its credit support provider possess an investment level credit rating from a major rating agency at the time of the proposal. The Bidder must be able to provide audited year-end financial statements for all specific entities proposing to contract with ESI, including any credit support providers, within 120 days following the end of each fiscal year. In the event that a Bidder's financial condition changes over the term of a Definitive Agreement, the credit/collateral requirements may be adjusted accordingly. Credit requirements may decline over time due to shorter duration of exposure.

Supplier exposure will be calculated using standard industry practices incorporating outstanding accounts receivable, accounts payable and mark to market valuations, such as those methods described within the EEI Master Power Purchase and Sale Agreement.

As a general rule, credit exposure that may require collateralization will for a fixed price and/or a fixed volume contract change by approximately \$800,000 for every \$1.00/MWh change in energy price for every year of 100 MW under contract (on a net present value basis.) For example, a five-year, 100 MW, 7x24 PPA and a five-year, 500 MW, 7x24 PPA would require an approximate \$4 million and \$20 million change in collateral support, respectively, for every \$1.00/MWh change in the forward price curve.

Credit exposure and requisite collateralization for variable price and/or a variable volume contract will be determined on a case-by-case basis but will take into consideration replacement costs, contract term, market prices and their volatility, market/asset heat rates and their volatility, expected capacity factors and their volatility, volume under contract, and other variables.

Bidders or the credit providers not having an investment level credit rating might also be required to post an Independent Amount

For any supplier exposure that is either (i) in excess of the allowed Bidder's Maximum Uncollateralized Supplier Exposure amount (as defined in Figure 1) or (ii) arises from ESI's belief that the Bidder's ability to perform or creditworthiness has become unacceptable, Bidder must be able to provide satisfactory performance assurances. Bidder must be willing to grant a present and continuing security interest in any performance assurances or cash equivalent collateral. All potential forms of performance assurance must be detailed in Bidder's proposal submission from and must be approved by ESI before entering into a Definitive Agreement.

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ESI may take into consideration a portion of the Bidder’s exposure to Buyer as incurred in the proposal; ESI reserves the right to adjust Performance Collateral Requirements in the event that a proposal contains a distinct timing mismatch in regards to Bidder contractual performance requirements and payments to be made by Buyer. Form of collateralization for Performance Collateral Requirements will be subject to, among other things, the valuation of such collateral requirements and the Bidder Credit Rating.

Figure 1
Credit Evaluation – Maximum Uncollateralized Supplier Exposure
for the participating Entergy Operating Companies
Based Upon Evaluated Credit Rating Class
(\$millions)

	Bidder Credit Rating				
	AAA thru AA-	A+ thru A-	BBB+ thru BBB	BBB-	Non-Investment Grade
Upper limit of Maximum Supplier Exposure	Up to 100	Up to 100	Up to 75	Up to 50	Up to 3

Bidders not having an investment level credit rating might be required to post an Independent Amount.

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Appendix B

Product Package A

Summary of Principal Terms Flexible Baseload LD Product

ESI is seeking proposals from Sellers for the purchase of Flexible Baseload LD products at “into Entergy” delivery points, including rights to capacity and energy, for the purposes of serving the electric needs of customers of Entergy Operating Companies.² The unique nature of the products and structure of the contemplated transactions require that some terms and conditions in this RFP differ from those in previous RFPs. Bidders are advised that the terms and conditions set out below apply only to this RFP.

	<u>Basic Information</u>	<u>Additional Information</u>
Product Description	The Flexible Baseload LD Product consists of a limited-term purchase of flexible baseload capacity on a 7x24 basis with a firm commitment by Buyer to schedule the capacity quantity at a minimum capacity factor of 80% on an annual basis for each year of the Delivery Term.	If Seller wishes to submit proposals for more than one Flexible Baseload LD Product from the same resource, please submit a separate Proposal Submission Form for each proposal. Although this product provides for a minimum 80% annual capacity factor, Bidders may, in the Special Considerations portion of the Proposal Submission Form, offer a lower minimum annual capacity factor that will accord Buyer greater scheduling flexibility; such flexibility is preferred.

² Capitalized terms used herein and not otherwise defined will have the respective meanings assigned to such terms in the RFP Glossary or the WSPP Model Confirmation, as applicable.

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	<u>Basic Information</u>	<u>Additional Information</u>
Delivery Term	A three (3)-year delivery term starting on January 1, 2010. Any proposed delivery term other than the three (3)-year delivery term described above will not be considered for evaluation.	The parties will be under no obligation to renew or extend this Transaction.
Capacity Quantity	ESI is seeking proposals for up to a targeted amount of 350 MW of 7x24 Flexible Baseload LD capacity. Proposals may not be less than 50 MW and no proposal shall exceed 350 MW.	The amount must be specified as net Capacity and energy at the Delivery Point. The amount specified by Seller must be available in each month of the Delivery Term.

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Availability Requirement	Seller's failure to meet supply energy when scheduled by Buyer will subject Seller to liquidated damages as provided for in the most recent WSPP Agreement.	
Option Premium:	Option Premium is to be proposed by the Seller and expressed in \$/kW-year.	This Option Premium is for the ability to have scheduling flexibility, subject to a firm commitment by Buyer to schedule the capacity quantity at a minimum capacity factor of 80% on an annual basis for each year of the Delivery Term.

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Energy Pricing	Energy Pricing for this product will be based on an energy payment based on either a Guaranteed Energy Price expressed in \$/MWh, <i>which is preferred</i> , or a fixed heat rate, expressed in Btu/kWh, plus a Fixed Gas Basis Adder, expressed in \$/MMBtu, which will be added to the <i>Gas Price</i> (as defined in the RFP Main Document and in this Appendix).	Gas Price shall be defined as: The levelized (i.e., single value) NYMEX Henry Hub forward gas price for the 3-year period beginning January 1, 2010. Fixed Heat Rate proposals will initially be evaluated based on the Gas Price (as defined above) as of August 14, 2009. The <i>Gas Price</i> for any proposal utilizing Fixed Heat Rate pricing shall be established on the date following regulatory approval to determine the \$/MWh energy price applicable for the entire Delivery Term.
Scheduling/Dispatch	<p>Buyer shall schedule energy in all applicable hours of the Delivery Period and Seller shall be required to deliver such energy in all applicable hours.</p> <p>Buyer will require scheduling rights that provide the capability to dispatch the energy down to zero (0) with two (2) hours' prior notice, subject to the minimum annual capacity factor.</p> <p>WSPP scheduling provisions as amended shall apply. Seller shall be responsible for the tagging of the Product. Both Buyer and Seller will verify the accuracy of the tagging of all energy to be delivered under the proposed transaction.</p>	<p>Buyer commits to schedule the capacity quantity at a minimum capacity factor of 80% on an annual basis for each year of the Delivery Term.</p> <p>The energy shall be scheduled no later than the prescheduling deadline of 11:00 a.m. CPT on the Business Day before the next delivery day or otherwise agreed to by Buyer and Seller.</p>
Transmission Service/Delivery Point	Firm transmission Into Entergy.	Seller shall be responsible for ensuring Service Schedule transactions are scheduled as firm power consistent with the most recent rules adopted by the applicable NERC regional reliability council.
Fuel Supply	Seller shall arrange, procure, supply, transport and deliver fuel for the generating unit during the Delivery Term. For Fixed Heat Rate proposals, Bidders shall be responsible for securing all fuel to support their proposals and fixing the price of such	

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	fuel over the full Delivery Term.	
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<p>Environmental Change in Law</p>	<p>ESI will consider proposals for Buyer to bear all or a portion of the CO₂ emission allowance cost increases Seller reasonably incurs in the generation of power for Buyer due exclusively to environmental changes in law with respect to CO₂ emissions. Buyer will not allow the pass through of other costs associated with an environmental or other change in law. ESI makes no commitment and is under no obligation to accept any such proposal or agree to assume any such change-in-law cost risk. Any acceptance of environmental change in law costs by Buyer will be predicated on, among other things, full regulatory recovery by Buyer of these costs and a right of Buyer to terminate the contract or its participation in further sharing of environmental change in law costs in the event the costs exceed an agreed maximum.</p>	
<p>Contract Terms and Conditions</p>	<p>The Definitive Agreement for the Flexible Baseload LD Products will be executed in the form of a Confirmation as amended under the terms of Service Schedule C of the most recent WSPP Agreement. Certain additional provisions will be included in the Agreement as allowed under the WSPP Agreement:</p> <ul style="list-style-type: none"> • Payment netting shall be required; • All transactions shall be governed by New York law; • Buyer shall pay only the undisputed invoice amounts by the invoice due date; • Seller shall be responsible for the tagging of the Product. Both Buyer and Seller will verify the accuracy of the tagging of all energy to be delivered under the proposed transaction. <p>ESI will not negotiate any material terms and conditions specified in this Term Sheet. Seller is responsible for</p>	<p>Bidder must be a member of the WSPP. For more information, please refer to the WSPP website: www.wspp.org</p>

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	<p>reviewing all terms and conditions specified in this Term Sheet and taking these terms and conditions into consideration in developing its proposal.</p> <p>Among other assignment rights, Buyer will have the right to assign its rights and obligations under the Definitive Agreement should Buyer's obligation to serve retail load be assigned to another entity by operation of a change in law[; <u>provided, however,</u> that the credit quality of such assignee shall be at least equal to Buyer's then current credit quality, and such assignee agrees in writing to be bound by all terms and conditions of the Definitive Agreement.</p>	
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The statements contained in this RFP are made subject to the Reservation of Rights set forth in this RFP and subject to the terms and acknowledgements set forth in the Proposal Submission Agreement.

<p>Conditions and Regulatory Approvals</p>	<p>Buyer's obligations under the transaction are contingent upon fulfillment of the following conditions prior to the date that is (i) with respect to clauses (a) and (b) below, the day prior to the date for commencement of the delivery period, and (ii) with respect to clause (c) below, 30 days prior to the date on which the Delivery Period commences. Buyer's conditions include (a) Buyer obtaining from certain Governmental Authority(ies) either regulatory approval of the purchase or transaction that Buyer deems acceptable, including approval of full recovery (through base rates and/or the fuel adjustment charge) of all costs associated with the agreement pursuant to a finding that the participation of Buyer is prudent and in the public interest, or such other regulatory treatment that Buyer deems acceptable; (b) Buyer compliance with any other applicable laws and obtaining any other approvals it requires in form and substance satisfactory to it; and (c) Seller obtaining firm transmission service as required for delivery of energy to the Delivery Point. In addition, Buyer's and Seller's obligations will be contingent upon Seller, at least 30 days prior to the date on which the Delivery Period commences, having obtained all approvals Seller must obtain with respect to operation of the facility and performance of its obligations, including any FERC-required approvals. Buyer will have a termination right if the condition described in clause (a) has not been fulfilled prior to the date for commencement of the Delivery Period. In such instance, Buyer may terminate the agreement at any time (x) on or before December 31, 2009, if Buyer has not obtained the regulatory approvals or rate recovery treatment described in clause (a) above on or before December 31, 2009, or (y) within 31 days after the denial of such approvals or treatment, if such approvals are or treatment is denied on or prior to November 30, 2009. Each party must schedule all regulatory and other approvals it must obtain and use reasonable best efforts to obtain such approvals.</p>	<p>Buyer may apply to the governmental authorities having jurisdiction for approval of the purchase, and/or may request rate recovery of the associated costs based on a finding that Buyer's participation in the transaction is prudent or that recovery of the costs associated with the transaction may be allowed in a particular manner.</p> <p>The transaction is in the public's interest and therefore prudent.</p>
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Management Approval	The transaction will be subject to review and approval by the Entergy Operating Committee and other applicable bodies or organizations of the Entergy Corporation or its subsidiaries (e.g., the Entergy Corporate Risk office, applicable Board of Directors) that must consent to or authorize the transaction.	
Credit	Seller will be expected to meet the credit requirements detailed in the RFP and Appendix A, all of which will be more fully developed in the Definitive Agreement.	
Termination Rights	The Definitive Agreement will contain provisions entitling a party to (i) terminate the Definitive Agreement upon the occurrence of an event of default by the other party (the “Defaulting Party”) and (ii) calculate and receive applicable termination damages in accordance with the Definitive Agreement.	
Confidentiality Section	Each Party will be required to keep the terms and the provisions of the Definitive Agreement confidential and prohibited from disclosing such terms to any third party except in accordance with the terms of the applicable confidentiality agreement or provisions.	

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July 2009 Baseload RFP

Product Package B

Summary of Principal Terms 7x24 Firm LD Product

ESI is seeking proposals from Sellers for the purchase of 7x24 Firm LD products at “into Entergy” delivery points, including rights to capacity and energy, for the purposes of serving the electric needs of customers of Entergy Operating Companies³. The unique nature of the products and structure of the contemplated transactions require that some terms and conditions in this RFP differ from those in previous RFPs. Bidders are advised that the terms and conditions set out below apply only to this RFP.

	<u>Basic Information</u>	<u>Additional Information</u>
Product Description	Firm Capacity delivered into Entergy with liquidated damages. This product will be scheduled 7x24 on a Business-Day ahead, must-take basis.	
Delivery Term	A three (3)-year delivery term starting on January 1, 2010. Any proposed delivery term other than the three (3)-year delivery term described above will not be considered for evaluation.	The parties will be under no obligation to renew or extend this Transaction.
Capacity Quantity	ESI is seeking proposals for up to a targeted amount of 350 MW of 7x24 Firm LD capacity. Proposals may not be less than 50 MW and no proposal shall exceed 350 MW.	The amount must be specified as net Capacity and energy at the Delivery Point. The amount specified by Seller must be available in each month of the Delivery Term
Availability Requirement	Seller’s failure to meet supply energy when scheduled by Buyer will subject Seller to liquidated damages as provided for in the most recent WSPP Agreement.	
Energy Price	Energy Pricing for this product will be based on an energy payment based on either a Guaranteed Energy Price expressed in \$/MWh, <i>which is preferred</i> , <i>or</i> a fixed heat rate, expressed	Gas Price shall be defined as: The levelized (i.e., single value) NYMEX Henry Hub forward gas price for the 3-year period

³ Capitalized terms used herein and not otherwise defined will have the respective meanings assigned to such terms in the RFP Glossary or the WSPP Model Confirmation, as applicable.

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	<u>Basic Information</u>	<u>Additional Information</u>
	in Btu/kWh, plus a Fixed Gas Basis Adder, expressed in \$/MMBtu, which will be added to the <i>Gas Price</i> (as defined in the RFP Main Document and in this Appendix)	beginning January 1, 2010. Fixed Heat Rate proposals will initially be evaluated based on the Gas Price (as defined above) as of August 14, 2009. The <i>Gas Price</i> for any proposal utilizing Fixed Heat Rate pricing shall be established on the date following regulatory approval to determine the \$/MWh energy price applicable for the entire Delivery Term.
Scheduling	<p>Buyer shall schedule energy in all applicable hours of the Delivery Period and Seller shall be required to deliver such energy in all applicable hours.</p> <p>WSPP scheduling provisions as amended shall apply. Seller shall be responsible for the tagging of the Product. Both Buyer and Seller will verify the accuracy of the tagging of all energy to be delivered under the proposed transaction.</p>	The energy shall be scheduled not later than the prescheduling deadline of 11:00 a.m. CPT on the Business Day before the next delivery day or otherwise agreed to by Buyer and Seller.
Transmission Service/Delivery Point	Firm transmission Into Entergy.	Seller shall be responsible for ensuring Service Schedule transactions are scheduled as firm power consistent with the most recent rules adopted by the applicable NERC regional reliability council.
Fuel Supply	Seller shall arrange, procure, supply, transport and deliver fuel for the generating unit during the Delivery Term. For Fixed Heat Rate proposals, Bidders shall be responsible for securing all fuel to support their proposals and fixing the price of such fuel over the full Delivery Term.	

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	<u>Basic Information</u>	<u>Additional Information</u>
Environmental Change in Law	<p>ESI will consider proposals for Buyer to bear all or a portion of the CO2 emission allowance cost increases Seller reasonably incurs in the generation of power for Buyer due exclusively to environmental changes in law with respect to CO2 emissions. Buyer will not allow the pass through of other costs associated with an environmental or other change in law. ESI makes no commitment and is under no obligation to accept any such proposal or agree to assume any such change-in-law cost risk. Any acceptance of environmental change in law costs by Buyer will be predicated on, among other things, full regulatory recovery by Buyer of these costs and a right of Buyer to terminate the contract or its participation in further sharing of environmental change in law costs in the event the costs exceed an agreed maximum.</p>	
Contract Terms and Conditions	<p>The Definitive Agreement for the 7x24 Firm LD Products will be executed in the form of a Confirmation as amended under the terms of Service Schedule C of the most recent WSPP Agreement. Certain additional provisions will be included in the Agreement as allowed under the WSPP Agreement:</p> <ul style="list-style-type: none"> • Payment netting shall be required; • All transactions shall be governed by New York law; • Buyer shall pay only the undisputed invoice amounts by the invoice due date; • Seller shall be responsible for the tagging of the Product. Both Buyer and Seller will verify the accuracy of the tagging of all energy to be delivered under the proposed transaction. <p>ESI will not negotiate any material terms and conditions</p>	<p>Bidder must be a member of the WSPP. For more information, please refer to the WSPP website: www.wspp.org</p>

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	<u>Basic Information</u>	<u>Additional Information</u>
	<p>specified in this Term Sheet. Seller is responsible for reviewing all terms and conditions specified in this Term Sheet and taking these terms and conditions into consideration in developing its proposal.</p> <p>Buyer will have the right to assign the rights under the Definitive Agreement should Buyer's obligation to serve retail load be assigned to another entity by operation of a change in law; <u>provided, however</u>, that the credit quality of such assignee shall be at least equal to Buyer's then current credit quality, and such assignee agrees in writing to be bound by all terms and conditions of the Definitive Agreement.</p>	
Conditions and Regulatory Approvals	<p>Buyer's obligations under the transaction are contingent upon fulfillment of the following conditions prior to the date that is (i) with respect to clauses (a) and (b) below, the day prior to the date for commencement of the delivery period, and (ii) with respect to clause (c) below, 30 days prior to the date on which the Delivery Period commences. Buyer's conditions include: (a) Buyer obtaining from certain Governmental Authority(ies) either regulatory approval of the purchase or transaction that Buyer deems acceptable, including approval of full recovery (through base rates and/or the fuel adjustment charge) of all costs associated with the agreement pursuant to a finding that the participation of Buyer is prudent and in the public interest, or such other regulatory treatment that Buyer deems acceptable; (b) Buyer compliance with any other applicable laws and obtaining any other approvals it requires in form and substance satisfactory to it; and (c) Seller obtaining firm transmission service as required for delivery of energy to the Delivery Point. In addition, Buyer's and Seller's obligations will be contingent upon Seller, at least 30 days prior to the date on which the Delivery Period commences,</p>	<p>Buyer may apply to the governmental authorities having jurisdiction for approval of the purchase, and/or may request rate recovery of the associated costs based on a finding that Buyer's participation in the transaction is prudent or that recovery of the costs associated with the transaction may be allowed in a particular manner.</p> <p>The transaction is in the public's interest and therefore prudent.</p>

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	<u>Basic Information</u>	<u>Additional Information</u>
	having obtained all approvals Seller must obtain with respect to operation of the facility and performance of its obligations, including any FERC-required approvals. Buyer will have a termination right if the condition described in clause (a) has not been fulfilled prior to the date for commencement of the Delivery Period. In such instance, Buyer may terminate the agreement at any time (x) on or before December 31, 2009, if Buyer has not obtained the regulatory approvals or rate recovery treatment described in clause (a) above on or before December 31, 2009, or (y) within 31 days after the denial of such approvals or treatment, if such approvals are or treatment is denied on or prior to November 30, 2009. Each party must schedule all regulatory and other approvals it must obtain and use reasonable best efforts to obtain such approvals.	
Management Approval	The transaction will be subject to review and approval by the Entergy Operating Committee and other applicable bodies or organizations of the Entergy Corporation or its subsidiaries (e.g., the Entergy Corporate Risk office, applicable Board of Directors) that must consent to or authorize the transaction	
Credit	Seller will be expected to meet the credit requirements detailed in the RFP and Appendix A, all of which will be more fully developed in the Definitive Agreement.	
Termination Rights	The Definitive Agreement will contain provisions entitling a party to (i) terminate the Definitive Agreement upon the occurrence of an event of default by the other party (the “Defaulting Party”) and (ii) calculate and receive applicable termination damages in accordance with the Definitive Agreement.	

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July 2009 Baseload RFP

	<u>Basic Information</u>	<u>Additional Information</u>
Confidentiality Section	Each Party will be required to keep the terms and the provisions of the Definitive Agreement confidential and prohibited from disclosing such terms to any third party except in accordance with the terms of the applicable confidentiality agreement or provisions.	

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July 2009 Baseload RFP