

Termination of Long-Term Portion of Summer 2008 RFP

In light of the current financial crisis, the potential effects on the overall economy, and the resulting uncertainty in our business and the related markets, all of which factors are likely to affect System resource needs and the evaluation of long-term resource acquisitions, Entergy Services, Inc. (ESI), on behalf of the Entergy Operating Companies, is terminating all long-term resource procurement efforts at this time, including the long-term portion of the Summer 2008 RFP, based on the following considerations:

- **Demand and Energy Requirements** – At this time, it is uncertain what effect the financial crisis will have on the overall economy, including power demand and energy growth.
- **New Build Cost Uncertainty** – Tighter lending conditions are already stalling economic growth and construction demand. As a result, several of the key inputs to constructing new power plants, such as material and labor costs, have been significantly affected and will likely continue to be affected going forward.
- **Condition of Financial Debt Markets** – The deterioration of credit markets in the United States and globally is impairing the ability of most businesses, even those with strong financial capabilities, to raise capital and has imposed substantial additional cost on the issuance of short- and long-term bonds, and it appears that access to capital may worsen in the near term. ESI is closely monitoring the capital markets; however, it is uncertain what effects recent events may have on various issues such as market liquidity and the cost of debt for businesses across the board.
- **Uncertainty of Market Value of Resources** – All of the factors detailed above create substantial uncertainty as to the value of long-term resources and support a decision to re-evaluate a variety of issues and re-engage the long-term market in the future.

Based on the factors detailed above as well as various other considerations, ESI is terminating all current long-term resource procurement efforts for all Entergy Operating Companies, including the long-term portion of the Summer 2008 RFP, effective immediately. ESI will refund all Proposal Submittal Fees paid by bidders associated with long-term proposals submitted in response to the Summer 2008 RFP.

ESI will focus at this time on the procurement of limited-term and short-term resources to meet the needs of the Entergy Operating Companies and their customers (including the limited-term portion of the Summer 2008 RFP). This temporary suspension of long-term resource procurements will remain in place while ESI monitors and evaluates the market and the needs of the Entergy System to determine when a new long-term procurement process should be initiated. ESI also will continue to evaluate market opportunities as they may arise on a case by case basis consistent with previous practice.