

amount of Entergy Mississippi Collateral Bonds (as defined below), which \$55 million is not included in the \$900 million referenced above). The net proceeds from the sale of Tax-exempt Bonds would be applied to financing, or refinancing tax-exempt bonds issued for the purpose of financing, the Facilities. Entergy Mississippi further proposes, under the Facilities Agreement, to purchase, acquire, construct and install the Facilities unless the Facilities are already in operation. Under the Facilities Agreements, Entergy Mississippi would be obligated to make payments sufficient to pay the principal or redemption price of, premium, if any, and the interest on, and other amounts owing with respect to, the Tax-exempt Bonds, together with related expenses.

The Tax-exempt Bonds of a particular series (a) would have a maturity ranging from one year to 50 years, (b) may be subject to optional and/or mandatory redemption, in whole or in part, at par or at premiums above their principal amount, (c) may be entitled to mandatory or optional sinking fund provisions, (d) may be issued at fixed or floating rates of interest, (e) may provide for reset of the coupon under a remarketing arrangement, (f) may be called from existing investors by a third party, (g) may be backed by a municipal bond insurance policy, (h) may be supported by credit support such as a bank letter of credit and reimbursement agreement, (i) may be supported by a lien subordinate to EMI's Mortgage and Deed of Trust, as amended and supplemented both in the past and in the future ("Mortgage"), on the Facilities related to those Tax-exempt Bonds and (j) may be supported by the issuance and pledge of Bonds issued as collateral security for those Tax-exempt Bonds ("Collateral Bonds"). The maturity dates, interest rates, redemption and sinking fund provisions and conversion features, if any, with respect to Tax-exempt Bonds of a particular series, as well as any associated placement, underwriting or selling agent fees, commissions and discounts, if any, would be established by negotiation or competitive bidding.

Entergy Mississippi also proposes to enter into arrangements to issue up to \$300 million in aggregate principal amount of municipal securities ("Municipal Securities") (including the possible issuance and pledge by Entergy Mississippi of up to \$350 million in aggregate principal amount of Entergy Mississippi Municipal Collateral Bonds (as defined below), which \$350 million is not included in the \$900 million referenced above). Entergy Mississippi proposes, from time to time through

March 31, 2007, to enter into one or more agreements, either directly or through an affiliate ("Municipal Securities Agreements"), with one or more issuing governmental authorities ("Municipal Entities"), under which a Municipal Entity could issue securities to the public on behalf of Entergy Mississippi or loan money to Entergy Mississippi through a bank, an affiliate of Entergy Mississippi, or other person. The net proceeds from the sale of Municipal Securities would be applied to finance certain costs of Entergy Mississippi. Under any Municipal Securities Agreement, Entergy Mississippi would be obligated to make payments sufficient to provide for payment by the Municipal Entity of the principal or redemption price of, premium, if any, and interest on, and other amounts owing with respect to the Municipal Securities, together with related expenses.

The Municipal Securities of a particular series (a) would have a maturity ranging from one year to fifty years, (b) may be subject to optional and/or mandatory redemption, in whole or in part, at par or at premiums above their principal amount, (c) may be entitled to mandatory or optional sinking fund provisions, (d) may be issued at fixed or floating rates of interest, (e) may provide for reset of the coupon under a remarketing arrangement, (f) may be called from existing investors by a third party, (g) may be backed by a municipal securities insurance policy, (h) may be supported by credit support such as a bank letter of credit and reimbursement agreement, (i) may be supported by a lien subordinate to the Mortgage on certain of EMI's facilities and other assets, and (j) may be supported by the issuance and pledge of Bonds issued as collateral security for them ("Municipal Collateral Bonds"). The maturity dates, interest rates, redemption and sinking fund provisions and conversion features, if any, with respect to Municipal Securities of a particular series as well as any associated placement, underwriting or selling agent fees, commissions and discounts, if any, would be established by negotiation or competitive bidding.

Entergy Mississippi also proposes to (a) acquire the equity securities of one or more financing subsidiaries and/or special-purpose subsidiaries, organized solely to facilitate financing, (b) to guarantee the securities issued by those financing subsidiaries and/or special purpose subsidiaries, and (c) to have the financing subsidiaries and/or special purpose subsidiaries pay Entergy

Mississippi, either directly or indirectly, dividends out of capital.

#### **Entergy Gulf States, Inc. (70-10158)**

Entergy Gulf States, Inc. ("Entergy Gulf States"), 350 Pine Street, Beaumont, Texas 77701, an electric utility subsidiary of Entergy Corporation, a registered holding company under the Act, has filed an application-declaration under sections 6(a), 7, 9(a), 10, 12(c), 12(d), 12(e), 32 and 33 of the Act and rules 42, 53, and 54 under the Act.

Entergy Gulf States seeks authorization to issue and sell, from time to time through March 31, 2007, up to \$2 billion combined aggregate principal amount of (a) its first mortgage bonds ("Bonds") including first mortgage bonds of the medium term note series ("MTNs"), (b) its preferred stock ("Preferred Stock"), (c) its preference stock ("Preference Stock"), (d) unsecured long-term indebtedness ("Long-term Debt"), and (e) directly or indirectly through one or more financing subsidiaries, other forms of preferred or equity-linked securities ("Equity Interests").

The Bonds and MTNs (a) may be subject to optional and/or mandatory redemption, in whole or in part, at par or at premiums above their principal amount, (b) may be entitled to mandatory or optional sinking fund provisions, (c) may be issued at fixed or floating rates of interest, (d) may provide for reset of the coupon under a remarketing arrangement, (e) may be called from existing investors by a third party, (f) may be backed by a bond insurance policy and (g) would have a maturity ranging from one year to fifty years. The maturity dates, interest rates, redemption and sinking fund provisions and conversion features, if any, of the Bonds of a particular series, as well as any associated placement, underwriting or selling fees, commissions and discounts, would be established by negotiation or competitive bidding. The maturity dates, interest rates, redemption and sinking fund provisions and conversion features, if any, of Bonds of a particular series, or MTNs of a particular sub-series, as well as any associated placement, underwriting or selling agent fees, commissions and discounts, would be established by negotiation or competitive bidding.

The Preferred Stock or Equity Interests may be issued in one or more series with whatever rights, preferences and priorities, including those related to redemption, are designated in the instrument creating each series. The Preferred Stock or Equity Interests may be redeemable or may be perpetual.