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DEWEY & LEBOEUF

August 20, 2008

VIA E-MAIL

Honorable Gerald L. Lynch
Honorable David L. Prestemon
Administrative Law Judge
New York State
Department of Public Service
Three Empire State Plaza
Albany, NY 12223-1350

Re: Case 08-E-0077 – Entergy Corporation, et al. - Joint Petition For a Declaratory Ruling Regarding a Corporate Reorganization, or, in the Alternative, an Order Approving the Transaction and an Order Approving Debt Financing

Dear Judges Lynch and Prestemon:

On behalf of Entergy Nuclear FitzPatrick, LLC, Entergy Nuclear Indian Point 2, LLC, Entergy Nuclear Indian Point 3, LLC, Entergy Nuclear Operations, Inc., NewCo and Entergy Corporation (collectively, the "Petitioners"), the undersigned counsel hereby respectfully submit this letter in response to Your Honors' email, dated August 14, 2008 and the Ruling on Discovery, Process, Schedule and Scope of Issues, dated August 14, 2008 ("August 14 Ruling"), requesting the Petitioners advise Your Honors when the Petitioners believe they have provided final discovery responses consistent with the terms of the August 14 Ruling (responses to Oswego County's first set of information requests aside). Specifically, Your Honors requested the Petitioners notify Your Honors when the Petitioners have: (i) provided reasonable responses to all follow up discovery questions authorized by the July 23, 2008 Ruling Concerning Discovery and Seeking Comments on a Proposed Process and Schedule ("July 23 Ruling"), that were unrelated to the August 1 meeting; (ii) reasonably documented all the discovery responses provided in whole or in part at the August 1 meeting and provided copies of those to Your Honors and all parties; and (iii) provided reasonable responses to all discovery requests tendered for or at the August 1 meeting that were answered in whole or in part after August 1. The Petitioners' responses to items (i) through (iii) above follow.

Responses to All Follow Up Discovery Questions Authorized by the July 23, 2008 Ruling Concerning Discovery that were Unrelated to the August 1 Meeting.

The July 23 Ruling granted Westchester County and the Office of the Attorney General ("Attorney General") a limited extension of the discovery period of five calendar days from receipt of responses to their outstanding discovery requests (as of the July 23 Ruling), as necessary to ensure they received full and direct responses to those questions (Westchester County and the Attorney General were not permitted to open new lines of discovery after July 22, 2008). The Petitioners responded to all of Westchester County's outstanding discovery requests (as of the July 23 Ruling) on July 25, 2008. The Petitioners responded to the majority of the Attorney General's outstanding discovery requests (as of the July 23 Ruling) on July 25, 2008 and served a response to the final outstanding discovery request on July 29, 2008.

On August 4, 2008, Westchester County served its second set of information requests, which contained thirty-three (33) "follow-up" questions, WC-20 (EN-125) through WC-52 (EN-157).[1] The Attorney General did not serve "follow-up" discovery requests as permitted by the July 23 Ruling.

On August 13, 2008, the Petitioners served their responses to Westchester County's second set of information requests, responding to all requests that were relevant and/or authorized by the July 23 Ruling.

Discovery Responses Provided in Whole or in Part at the August 1 Meeting.

The nature and purpose of the August 1, 2008 meeting was to allow the parties to meet with knowledgeable representatives of Petitioners in order for the parties to gain clarification on certain of Petitioners' discovery responses. The meeting was not for the purpose of producing written discovery requests or responses. To facilitate the August 1 meeting, the Petitioners requested the active parties provide them a list of responses/issues that needed clarification in order for the Petitioners to have the appropriate people available for the meeting and to allow them to prepare for the meeting. The Department of Public Service Staff ("Staff") sent a letter to the Petitioners on July 23, 2008 detailing the issues which required clarification. On July 25, 2008, Westchester County emailed the Petitioners a general list of issues that it wanted to discuss at the August 1 meeting. Also on July 25, 2008, IBEW, Local 97 informed the Petitioners via email that they wanted to ask follow-up questions regarding the draft Amended

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[1] Several of the requests contained in Westchester County's second set of information requests were irrelevant to this proceeding and/or were not authorized by the July 23 Ruling (i.e., they opened new lines of discovery and cannot reasonably be considered to seek clarification of previous responses). See, e.g., WC-25 (EN-130), WC-26 (EN-131), WC-27 (EN-132), WC-28 (EN-133), WC-29 (EN-134), WC-46 (EN-151), WC-47 (EN-152), WC-48 (EN-153), WC-49 (EN-154), WC-51 (EN-156) and WC-52 (EN-157).

and Restated Operating Agreement that was attached to DPS-16 (EN-47). No other parities sent specific questions to the Petitioners prior to the August 1 meeting.

The Petitioners treated the questions contained in Staff's July 23 letter as written discovery requests (DPS-25 (EN-120) through DPS-29 (EN-124)) and served responses to those requests on all active parties and Your Honors on July 25, 2008.[2] These requests were discussed at the August 1 meeting and the statements made by Petitioners in this regard were consistent with their written responses.

The Petitioners also addressed at the August 1 meeting the general issues raised by Westchester County, which included: i) changes to the proposed financing; ii) changes in the corporate structure; iii) changes in the terms and conditions or financial projections relating to Indian Point 2, Indian Point 3 and Fitzpatrick; iv) the treatment of decommissioning funds; and v) Enexus' plans and ability to deal with extended outages at the New York plants. The Petitioners' representatives responded to the issues raised at the meeting to the best of their ability. Furthermore, it should be noted that all of these issues were addressed in either the responses to requests made at the August 1 meeting (see below), or the responses to Westchester County's second set of information requests.

Additionally, the Petitioners responded to the questions IBEW Local 97 had regarding the draft Amended and Restated Operating Agreement. Oswego County asked questions at the meeting regarding Petitioners' commitment with regard to emergency planning payments, Payment in Lieu of Tax Agreements, Power Purchase Agreements and Emergency/Radiological planning. Questions identical (or substantially similar) to the questions asked at the meeting have been memorialized in writing as part of Oswego County's first set of information requests. Your Honors will be provided copies of the Petitioners' responses to those requests, which are forthcoming.

Discovery Requests Tendered for or at the August 1 Meeting that were Answered in Whole or in Part After August 1.

At the August 1 meeting, the parties requested the Petitioners provide them certain information. Each request is discussed in turn.

Financial Sensitivities

Staff requested the Petitioners provide the parties financial sensitivities for the Enexus. These sensitivities, which were previously provided to the parties as part of the Peittioners' response to AG-18 (EN-18S), were sent via email to all of the parties in attendance to the August 1 meeting on August 6, 2008. The Petitioners also sent the parties on August 7, 2008

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[2] Petitioners served a revised response to DPS-26 (EN-121R) on July 30, 2008.

additional information related to the financial sensitivities. Those emails were forwarded to Your Honors on August 11, 2008.

Form 10, Amendment No. 1

At the August 1 meeting, the Petitioners were asked to provide a copy of the Form 10, Amendment No. 1. A copy of Amendment No. 1 to the Form 10 was provided to the parties (and Your Honors) on August 6, 2008. Additional information regarding the Form 10 Amendment No. 1 was also provided via email to the parties (and Your Honors) on August 8 and 14, 2008.

Financial Support Agreement

Staff requested the Petitioners provide the parties with a copy of the proposed $700 million financial support agreement. A copy of support agreement was previously provided to the parties as Attachment 1 to DPS-6 (EN-25). The Petitioners resent that attachment to the parties via email on August 6, 2008. That email was forwarded to Your Honors on August 11, 2008.

NRC Safety Evaluation and NRC Standards

Staff requested the Petitioners provide the parties copies of the Nuclear Regulatory Commission ("NRC") Safety Evaluation and related orders, and a description of the standards used by the NRC in reviewing the financial issues related to the indirect transfer of the operating licenses for the Entergy non-utility nuclear facilities. On August 14, 2008, the Petitioners, via email, provided the parties who had executed the Exhibit 1 to the June 17, 2008 Procedural Ruling and General Protective Order (and Your Honors), the proprietary (i.e., Information Claimed Exempt) version of the NRC Safety Evaluation, the NRC standards, and a memorandum regarding the same. That email (and attachments) was forwarded to the parties who have not executed the Exhibit 1, except that a public version of the NRC Safety Evaluation was substituted for the proprietary (Information Claimed Exempt) version.

Conference Call Regarding Decommissioning Accounting Issues

During the August 1 meeting, Staff had questions concerning the accounting of decommissioning assets/liabilities. The Petitioners' representatives attempted to address Staff's questions at the meeting, but Staff requested a separate conference call to discuss the accounting issues in more detail as their questions were technical and complex. On August 15, 2008, the Petitioners arranged a conference call with Staff (including John Roberts, Paul Eddy, Robert Visalli and Patrick Piscitelli) and David Gibbs, Director of Financial Planning and Reporting for Entergy Services, Inc. Mr. Gibbs responded to questions to further clarify the accounting procedures for the decommissioning trusts.

Organizational/Successor Chart

Westchester County requested the Petitioners provide the parties an updated organizational chart showing successor information. On August 13, 2008, the requested information was provided to the parties and Your Honors.

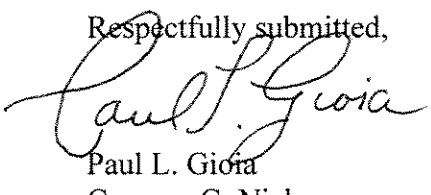
NRC Filings

At the meeting, Riverkeeper requested the Petitioners provide the parties a copy of the spent fuel management plan and any updates to the decommissioning cost study. The Petitioners agreed to provide the parties a copy of the information when it is finalized and filed with the NRC.

In addition to the items listed above, as previously mentioned, Westchester County asked questions at the meeting concerning the proposed financing and corporate structure, the financial projections, and decommissioning. Those questions were reduced to writing as part of Westchester County's second set of information requests, which were served on the Petitioners on August 4, 2008. The Petitioners provided the parties and Your Honors with the written discovery responses to Westchester County's second set of information requests, WC-20 (EN-125) through WC-52 (EN-157), on August 13, 2008. Furthermore, Petitioners will provide Your Honors with the written discovery responses to Oswego County's first set of information requests, OC-1 (EN-158) through OC-5 (EN-162). The Petitioners, therefore, believe that they have reasonably responded to all relevant issues raised at the August 1 meeting.

Based on the foregoing, the Petitioners respectfully request Your Honors close discovery and commence the comment period.[3] If you have any questions, please do not hesitate to contact us.

Respectfully submitted,



Paul L. Gioia
Gregory G. Nickson

PLG:gn (100050)

cc: Honorable Jaclyn A. Brilling (via hand delivery)
Active Party List (via e-mail)

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[3] The Petitioners note that as the reorganization progresses, additional information will be generated (e.g., further amendments to the Form 10 and financial term sheets). The Petitioners will provide the additional information to the parties as it becomes available. Please note, however, that such information will not materially change the proposals currently before the New York State Public Service Commission, but will merely provide greater detail of those proposals.