

STATE OF NEW YORK

Public Service Commission

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PSC REJECTS ENTERGY SPIN-OFF PLAN **— Proposed Sale of 3 Nuclear Power Plants in NY Not in the Public Interest —**

New York, NY—03/25/10—The New York State Public Service Commission (Commission) today decided to reject the August 11, 2009 amended petition and March 2, 2010 supplemental proposals submitted by Entergy Corporation, together with its subsidiaries, to spin-off six nuclear power plants, including three in New York, to a new business entity, Enexus Energy Corporation.

In February, the Commission received an oral report from Department of Public Service advisory staff addressing the Entergy petition. In its oral report, advisory staff reported that the transaction, as proposed, was not in the public interest, and provided the Commission information regarding the implications of rejecting the proposal versus making changes to the proposed transaction to improve the long-term financial stability of the three nuclear power plants in New York and to provide ratepayer benefits.

Advisory staff reported that the proposed transaction was problematic because the amount of debt leverage employed to finance Enexus is excessive and the business risks of this new merchant nuclear plant enterprise are significant. The principles behind the conditions proposed by advisory staff were to assure the immediate financial viability of Enexus by mitigating near-term liquidity risk related to debt covenants through a reduction of the debt issued by Enexus, to assure Enexus's long-term financial capabilities through the maintenance of a specified bond rating or ratio of debt-to-equity market value, and to provide ratepayer benefits to compensate for the diminution of credit support that result from the transaction and Entergy's overall corporate strategy.

In response to the advisory staff report, Entergy submitted a number of proposals intended to address advisory staff's concerns. Earlier this month, the Commission directed all parties be given an opportunity to comment on both advisory staff's principles and Entergy's proposals. A technical conference was held on March 10, 2010 to allow active parties to publicly discuss the principles and proposals and to question both advisory staff and Entergy representatives. Comments were subsequently received on March 18, 2010.

The Commission's decision today to reject the proposed transaction was based upon its review of the entire record in this case, including the most recent comments. Under Commission rules, the petitioners have the option to seek a re-hearing or to file a new petition.

The petition rejected by the Commission called for the transfer of indirect ownership of the James A. FitzPatrick Nuclear Station in Oswego County and the Indian Point Energy Center in Westchester County from Entergy to Enexus. In return, Entergy shareholders would eventually have received all of Enexus's capital stock and Entergy would have received cash and reductions in outstanding debt worth approximately \$3 billion. Upon completion of the transaction, Entergy and Enexus would have been separate, unaffiliated entities, and the shares of Entergy and Enexus would have traded independently.

In addition to New York's approval, the transfer of indirect ownership of Entergy's non-utility nuclear plants required authorization from the Federal Energy Regulatory Commission (FERC), the Nuclear Regulatory Commission (NRC) and the Vermont Public Service Board. FERC and the NRC gave their initial approvals on June 12, 2008, and July 28, 2008, respectively. Final action has not been taken by the Vermont Public Service Board.

Through subsidiaries, Entergy owns and operates six non-utility nuclear generating plants that sell their output in competitive electric markets: FitzPatrick, Indian Point 2 and 3, Pilgrim Nuclear Power Station in Massachusetts, the Palisades Nuclear Plant in Michigan and the Vermont Yankee Nuclear Power Station.

The Commission's order implementing its decision today, when issued, may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.state.ny.us and entering Case Number 08-E-0077 in the input box labeled "Search for Case/Matter Number." Many libraries offer free Internet access. Commission orders may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500).