

STATE OF NEW YORK

# Public Service Commission

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## **PSC SEEKS COMMENTS ON ENTERGY'S SPIN-OFF PLAN — New Options Regarding Ownership Transfer Put on Table —**

Albany, NY—03/04/10—The New York State Public Service Commission (Commission) today announced it would issue a notice soliciting comments on a set of conditions that could potentially be developed in connection with Entergy Corporation's plans to spin-off six nuclear power plants, including three in New York, to newly formed Enexus Energy Corporation.

The Commission discussed three principles which are designed to mitigate near-term liquidity risk related to debt covenants, enhance the company's long-term financial capabilities, and provide certain ratepayer benefits.

On March 2, the petitioners submitted a proposal to address the principles. As a result of the Commission's decision, comments will be sought on the discussed principles, as well as on the new proposal submitted by Entergy and its subsidiaries made in response to the principles.

An initial analysis presented to the Commission by its advisory staff today indicated that the March 2 proposal does not reasonably address the long-term financial viability of Enexus and will likely provide a small level of ratepayer benefits. The results of this analysis will be augmented as a more complete review is conducted and the comments of the parties are considered. Entergy's latest proposal can be found on the Commission's website.

It is anticipated that the administrative law judges in the proceeding will convene a conference amongst interested parties sometime next week. Comments will also be sought and analyzed and the matter brought back for final deliberations at the earliest possible Commission session.

The initial amended petition before the Commission called for the transfer of the James A. FitzPatrick Nuclear Station in Oswego County and the Indian Point Energy Center in Westchester County to Enexus. The proposed transaction would transfer indirect ownership interest to Enexus. In return, Entergy shareholders would eventually receive all of Enexus's capital stock and receive cash and reductions in outstanding debt worth approximately \$3.5 billion. Upon completion of the transaction, the shares of Entergy and Enexus would trade independently. Enexus and Entergy would be separate, unaffiliated entities.

The three New York plants that would be affected by the transaction have, as a result of Entergy's ownership, realized significant operational improvements with average capacity factors rising to more than 90 percent. The two operational Indian Point units also have significant strategic value as their continued operation moderates the downstate level of wholesale electric prices and reduces the amount of air pollutant emissions in the New York metropolitan area.

In addition to New York's approval, the transfer of indirect ownership of Entergy's non-utility nuclear plants requires 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 approvals on June 12, 2008, and July 28, 2008, respectively. Hearings in the Vermont case were completed in August 2008.

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 notice, when issued, may be obtained by going to the Commission Documents section of the Commission's Web site at [www.dps.state.ny.us](http://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).