FACT SHEET
Entergy Gulf States, Inc.
Entergy Gulf States, Louisiana, L.L.C.
Entergy Texas, Inc.
Docket Nos. EC07-66-000, *et al.*
July 19, 2007

The Federal Energy Regulatory Commission today approved Entergy Gulf States, Inc.'s (EGS) proposed separation into two separate utilities—Entergy Gulf States Louisiana, L.L.C. (EGS-LA) and Entergy Texas, Inc. (EGS-TX). The Commission also approved the reassignment of all EGS' tariffs and rate schedules to EGS-LA and EGS-TX.

The Commission found the proposal is consistent with the public interest and otherwise meets the requirements of section 203: The transaction will not adversely affect rates, competition or regulation; and will not result in inappropriate cross-subsidization of a non-utility associate company. Noting that the plan is an internal reorganization and allocates facilities, assets and liabilities to successor companies, the Commission determined that there are adequate assurances in place and the plan will not result in cross-subsidization.

<u>Background</u>

- EGS, a wholly-owned subsidiary of Entergy Corporation, serves retail and wholesale electric customers in Texas and Louisiana. Under the proposed separation plan, there would be no change in ownership or control as both EGS-LA and EGS-TX will continue to be controlled by Entergy Corporation. The companies will continue to provide transmission service to customers under the Entergy Operating Companies' open access transmission tariff, which is administered by the Southwest Power Pool (SPP) the Independent Coordinator of Transmission (ICT) for Entergy

- The parties sought the separation "to better align EGS's Louisiana and Texas operations to serve customers in those states and to operate consistent with state-specific regulatory requirements . . ."

- The cost of transmission services for EGS-TX and EGS-LA will not be affected by the separation.

- Wholesale customers are not affected because they are served under cost-based long-term contracts on file with the Commission.