UNITED STATES BANKRUPTCY COURT

EASTERN DISTRICT OF LOUISIANA

IN RE:	*	**NO. 05-17697**
ENTERGY NEW ORLEANS, INC.	*	
	*	**CHAPTER 11**
DEBTOR		
	*	**SECTION "B"**

* * * * * * * *

STIPULATION BETWEEN ENTERGY NEW ORLEANS, INC. AND ENTERGY SERVICES, INC.

Entergy New Orleans, Inc. (the "Debtor" or "ENOI") and Entergy Services, Inc. ("ESI"), by and through their respective attorneys, enter into this Stipulation (the "Franchise Fee Stipulation") and state:

1. On September 29, 2005, the Debtor filed its Motion for an Order Authorizing the Debtor to Pay Certain Taxes and Franchise Fees owed to the City of New Orleans as of the Petition Date (the "Authority Motion," dkt. 46).

2. This Stipulation only relates to that portion of the Authority Motion concerning the pre-petition Franchise Fee (as defined in the Authority Motion). Prior to the filing of the Debtor's Petition, the Debtor owed a franchise fee payment to the City of New Orleans ("City") in the amount of $3,491,973.59 for the period of August, 2005 (the "August Franchise Fee"). On September 15, 2005, in accordance with standard practice, ESI issued a check to the City on behalf of ENOI in payment of the August Franchise Fee. The check was delivered on behalf of ENOI to the City on September 19, 2005, but the City did not cash the check until after the filing of the Debtor's bankruptcy petition. Subsequently, on October 5, 2005, the Debtor funded to

ESI a reimbursement in the amount of the August Franchise Fee which ESI had paid on behalf of the Debtor. This reimbursement occurred during the confusion that existed at the time as a result of Hurricane Katrina, the flooding of the City of New Orleans, the further emergency events surrounding Hurricane Rita and the displacement of Entergy personnel from their offices, and the difficulties of accessing bank and accounting records.

3. Notwithstanding that the Authority Motion seeks approval of the Debtor's payment of the August Franchise Fee and that ESI is not party to the Authority Motion, the Debtor has made demand on ESI to refund to the Debtor the amount of the August Franchise Fee that the Debtor reimbursed to ESI after the filing of the Debtor's Petition.

4. Without admitting that it must do so, ESI agrees to entry of a judgment approving this Stipulation and refunding to the Debtor the amount of the August Franchise Fee plus interest thereon from October 5, 2005, through the date of payment calculated at the rate charged under the Debtor's DIP Credit Agreement for debtor in possession financing. There shall be reserved to ESI all of its rights, claims, and causes of actions which it may have as a result of the refund of the August Franchise Fee to the Debtor. ESI shall have thirty (30) calendar days from the date of entry of an order approving this Stipulation to file a proof of claim for the amount of the August Franchise Fee reserving to the Debtor and any party in interest any and all rights to object to such a proof of claim except as to its timeliness.

5. The Debtor hereby withdraws that portion of the Authority Motion which sought approval for the Franchise Fee payment.

6. This Stipulation has been provided to counsel for the Bank of New York, as Successor Trustee, Financial Guaranty Insurance Company, and the Official Committee of Unsecured Creditors, each of which has indicated that there is no opposition to this Stipulation

insofar as it relates to the relief in favor of Debtor. Such consents are not to be construed as an agreement with the factual recitation contained herein and the Debtor or any other party in interest shall not be bound by any factual recitation contained in this Stipulation.

Dated: September 26, 2006.

By Attorneys:

JONES WALKER WAECHTER
POITEVENT CARRERE &
DENEGRE, L.L.P.
201 St. Charles Avenue, 49th Floor
New Orleans, Louisiana 70170
Telephone: 504/582-8000
Facsimile: 504/589-8150

By: /s/ R. Patrick Vance
R. Patrick Vance (#13008)
Elizabeth J. Futrell (#5863)
Nan Roberts Eitel (#19910)
Tara Richard (#26356)

Attorneys for Entergy New Orleans, Inc.

By Attorneys:

KANTROW, SPAHT, WEAVER & BLITZER
(A PROFESSIONAL LAW CORPORATION)
P. O. Box 2997
Baton Rouge, Louisiana 70821-2997
Telephone: 225/383-4703
Facsimile: 225/343-0630

By: /s/David S. Rubin
David S. Rubin, Esq. (#11525)

and -

J. Ronald Trost, Esq.
CRONIN & VRIS, L.L.P.
380 Madison Avenue, 24th Floor
New York, New York 10017
Phone: 212/692-0004
Facsimile: 212/883-1314

- and -

Ewell E. Eagan, Jr., Esq. (No. 5239)
Wendy Hickok Robinson, Esq. (No. 25225)
GORDON, ARATA, McCOLLAM,
DUPLANTIS & EAGAN, L.L.P.
201 St. Charles Ave., 40th Floor
New Orleans, Louisiana 70170-4000
Phone: 504/582-1111
Facsimile: 504/582-1121

Attorneys for Entergy Services, Inc.

CERTIFICATE

I hereby certify that the above and foregoing pleading has been sent via U.S. mail and/or email (directly or via PACER) this day to all persons shown on the attached mailing matrix.

Baton Rouge, Louisiana this 26th day of September, 2006.

/s/David S. Rubin
David S. Rubin

173529

R. Patrick Vance
Jones Walker
201 St. Charles Avenue
New Orleans, LA 70170-5100

Slate Dabney
King & Spalding
1185 Avenue of the Americas
New York, NY 10036
Robert L. Redfearn, Jr.
Simon Peragine Smith & Redfearn
1100 Poydras Street
30th Floor - Energy Centre
New Orleans, LA 70163

Douglas Draper
Heller Draper Hayden Patrick Horn
7910 Wrenwood Blvd., Suite D
Baton Rouge, LA 70809

Paul J. Ricotta
Mintz Levin Cohn Ferris Glovsky
One Financial Center
Boston, MA 02111

Patrick Johnson, Jr.
Lemle & Kelleher
601 Poydras Street, Suite 2100
New Orleans, LA 70130

J. Kenton Parsons
Roedel Parsons Koch Blache
8440 Jefferson Highway, Suite 301
Baton Rouge, LA 70809-7652
William McCarron, Jr.
Pension Benefit Guaranty Corp.
Office of General Counsel
1200 K. Street, N.W.
Washington, DC 20005-4026

Jerry F. Coffey, Esq.
Union Power Partners, LP
100 S. Ashley, Suite 1400
Tampa, FL 33602
Norma Rosner Iacovo
Associate General Counsel
Tenaska Power Services Co.
1701 E. Lamar Blvd., Suite 100
Arlington, TX 76006

Robert Gravolet
Office of the United States Trustee
Eastern District of Louisiana
P. O. Box 1000020
Houston, TX 77208-0020

Marguerite K. Kingsmill
Kingsmill Riess
600 Travis Street, Suite 7070
Houston, TX 77002

Andrew A. Braun
Geiger Laborde & Laperouse
5222 Summa Court, Suite 3
Baton Rogue, LA 70809

Rudy J. Cerone
McGlinchey Stafford
1001 McKinney, Suite 1500
Houston, TX 77002

Walter J. Wilkerson
Wilkerson & Henry
650 Poydras Street, Suite 1913
New Orleans, LA 70130

Michael Fontham
Stone Pigman Walther Wittmann
546 Carondelet Street
New Orleans, LA 70130-3588

John S. Brannon
Thompson & Knight
1700 Pacific Avenue, Suite 3300
Dallas, TX 75201

Edward P. Zujkowski
Emmet Marvin & Martin
120 Broadway 32nd Floor
New York, NY 10271

James M. Garner
Sher Garner Cahill Richter Klein
5353 Essen Lane, Suite 650
Baton Rouge, LA 70809

Marc D. Winsberg
Schonekas Winsberg Evans McGoey
400 Poydras Street, Suite 1440
New Orleans, LA 70130

Robert J. Stefani, Jr.
King LeBlanc & Bland
201 St. Charles Avenue - 45th Fl
New Orleans, LA 70170

Joe E. Marshall
Munsch Hardt Kopf & Harr
1445 Ross Avenue, Suite 4000
Dallas, TX 75202-2790

Maria Ross
Thelen Reid & Priest
875 Third Avenue
New York, NY 10022-6255

Robert D. Albergotti
Haynes and Boone
901 Main Street, Suite 3100
Dallas, TX 75202-3789

Clinton A. Vince
Sullivan & Worcester
1666 K Street NW
Washington, DC 20006
Robin Cheatham
Adams & Reese
One Shell Square
701 Poydras Street, Suite 4500
New Orleans, LA 70139

John F. Higgins
Porter & Hedges
1000 Main Street, 36th Floor
Houston, TX 77002

Robert T. Cosgrove, Esq.
Burns Wall Smith and Mueller
303 East 17th Avenue, Suite 800
Denver, CO 80203

Gregory W. Nye
Bingham McCutchen
One State Street
Hartford, CT 06103