

**EXHIBIT A  
TO THE CONFIRMATION ORDER**

**CHAPTER 11 PLAN OF REORGANIZATION OF ENTERGY  
NEW ORLEANS, INC., AS MODIFIED, DATED MAY 2, 2007**

**UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF LOUISIANA**

\* \* \* \* \*

**IN RE:**

**ENTERGY NEW ORLEANS, INC.**

**Debtor**

\* \* \* \* \*

**Case No. 05-17697**

**Chapter 11**

**Section "B"**

**FOURTH AMENDED CHAPTER 11 PLAN OF  
REORGANIZATION OF ENTERGY NEW ORLEANS, INC.,  
AS MODIFIED, DATED MAY 2, 2007**

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**FOURTH AMENDED CHAPTER 11 PLAN OF REORGANIZATION  
FOR ENTERGY NEW ORLEANS, INC., AS MODIFIED,  
DATED MAY 2, 2007**

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### **PLAN EXHIBITS**

Plan Exhibit 1.89	General Unsecured Claim Note
Plan Exhibit 1.99	Intercompany Note
Plan Exhibit 1.115	Other Employment and Incentive Compensation Programs
Plan Exhibit 6.2(a)	The Reorganized Debtor's Amended and Restated Articles of Incorporation and Bylaws
Plan Exhibit 6.2(b)	Initial Members of the Board of Directors and Initial Officers of the Reorganized Debtor
Plan Exhibit 8.1	List of Executory Contracts and Unexpired Leases to Be Rejected as of the Effective Date

Entergy New Orleans, Inc., the debtor and debtor-in-possession herein (the "Debtor" or "ENOI"), proposes the following Fourth Amended Chapter 11 Plan of Reorganization, as Modified (this "Plan" or the "Debtor's Plan") for the resolution of the outstanding claims against and equity interests in the Debtor. The Debtor is a proponent of the Plan within the meaning of section 1129 of the Bankruptcy Code, 11 U.S.C. § 1129. For a discussion of the Debtor's history, businesses, results of operations, historical financial information, projections and properties, and for a summary and analysis of the Debtor's Plan, reference is made to the Disclosure Statement Filed by the Debtor that accompanies the Debtor's Plan (the "Disclosure Statement" or the "Debtor's Disclosure Statement"). There also are other agreements and documents that are referenced in the Debtor's Plan or the Debtor's Disclosure Statement and that will be available for review.

## **ARTICLE I**

### **DEFINED TERMS AND RULES OF INTERPRETATION**

In addition to such other terms as may be defined in other Sections of this Plan, the following capitalized terms will have the following meanings:

**Section 1.1** "**2006 FRP Applications**" collectively means the 2006 Electric FRP Application and the 2006 Gas FRP Application, as each may be amended or modified from time to time by the Debtor.

**Section 1.2** "**2006 Electric FRP Application**" means the Debtor's 2006 Electric Formula Rate Plan Filing for the Evaluation Period Ended December 31, 2005, filed with the City Council on June 30, 2006, proceeding nos. UD-01-04 and UD-03-01, as may be amended or modified from time to time by the Debtor.

**Section 1.3** "**2006 Gas FRP Application**" means the Debtor's 2006 Gas Formula Rate Plan Filing for the Evaluation Period Ended December 31, 2005, filed with the City Council on June 30, 2006, proceeding nos. UD-01-04 and UD-03-01, as may be amended or modified from time to time by the Debtor.

**Section 1.4** "**2006 Storm Cost Recovery and Reserve Application**" means the Debtor's Application for Authorization to Implement Riders to Recover Costs

{N1621545.3}



Related to Hurricanes Katrina and Rita and to Adequately Fund a Storm Reserve of Entergy New Orleans, Inc, filed with the City Council on June 30, 2006, proceeding nos. UD-06-01 and 02, and includes both the Storm Cost Recovery Riders and Storm Reserve Riders, as the same may be amended or modified from time to time by the Debtor.

**Section 1.5** "4.36% Preferred Series" means the series of preferred stock issued by ENOI, and designated as the 4.36% Preferred Stock, Cumulative \$100 par value.

**Section 1.6** "4.75% Preferred Series" means the series of preferred stock issued by ENOI, and designated as the 4.75% Preferred Stock, Cumulative \$100 par value.

**Section 1.7** "5.56% Preferred Series" means the series of preferred stock issued by ENOI, and designated as the 5.56% Preferred Stock, Cumulative \$100 par value.

**Section 1.8** "Ad Hoc Bondholders Committee" means the ad hoc committee consisting of Bay Harbour Management, Bay Harbour 90-1, Ltd., Bay Harbour Master LTD, Institutional Benchmarks Master Fund Limited, MSS Distressed & Opportunities 2, BHCO Master, Ltd., Drawbridge Special Opportunities Advisors LLC, Drawbridge DSO Securities LLC, Drawbridge OSO Securities LLC, Drawbridge Global Macro Master Fund Ltd., Catalyst Credit Opportunity Master Fund LLP, LYXOR Catalyst Credit Opportunity Ltd., Catalyst Investment Management Co., LLC, Luminous Management, LLC, Luminous Energy Partners Master Fund, LTD, Luminous Asset Partners, LP, and J.P. Morgan Securities Inc., each in its capacity as a Bondholder.

**Section 1.9** "Ad Hoc Bondholders Committee Fees" means the obligations incurred by the Ad Hoc Bondholders Committee to reimburse the reasonable fees and expenses of (a) Kazowitz, Benson, Torres & Friedmann LLP, and (b) its local counsel, as the professionals retained by the Ad Hoc Bondholders Committee; *provided, however*, that (a) such Ad Hoc Bondholders Committee Fees shall not exceed \$250,000, and (b) the Debtor's payment of the Ad Hoc Bondholders Committee Fees shall be subject to a reasonableness review by the Bankruptcy Court either pursuant to the Fee Order, if applicable, or otherwise, in the Bankruptcy Court's discretion.

**Section 1.10** "Administrative Claim" means a Claim for costs and expenses of administration allowed under sections 503(b), 507(b) or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred after the Petition Date of preserving the Estate and operating the Debtor's business, including

Administrative Trade Claims and DIP Financing Claim; (b) the Professional Fee Claims; (c) the U.S. Trustee Fees; (d) the Administrative Claims, if any, of the PBGC; (e) the Bond Trustee's Claim and the Bond Trustee's Professional Fee Claim pursuant to the provisions of Section 4.2 of the Debtor's Plan; (f) the FGIC Professional Fee Claim pursuant to the provisions of 4.3 of the Debtor's Plan; (g) the Ad Hoc Bondholders Committee Fees; and (h) the Cure Amount Claims.

**Section 1.11** "Administrative Claim Bar Date" means the date by which, except as otherwise provided in the Debtor's Plan, all requests for payment of Administrative Claims are required to be Filed with the Bankruptcy Court.

**Section 1.12** "Administrative Claim Bar Date Order" means the Order of the Bankruptcy Court (which may be the Confirmation Order) establishing the Administrative Claim Bar Date.

**Section 1.13** "Administrative Trade Claim" means an Administrative Claim arising from or with respect to the sale of goods or rendition of services on or after the Petition Date in the ordinary course of the Debtor's business, including Administrative Claims of employees for ordinary course wages, expense reimbursement and health and welfare benefits.

**Section 1.14** "Affiliate" has the same meaning set forth in section 101(2) of the Bankruptcy Code.

**Section 1.15** "Allowed" means, (a) when used with respect to an Administrative Claim, all or any portion of an Administrative Claim (i) that has been allowed, or adjudicated in favor of the Holder by estimation or liquidation, by a Final Order, or (ii) that was incurred by the Debtor in the ordinary course of business during the Bankruptcy Case, or (iii) that is specifically deemed allowed pursuant to the Debtor's Plan; *provided, however*, that in no event shall a post-petition obligation that is contingent or Disputed and subject to liquidation through pending or prospective litigation, including, but not limited to, alleged obligations arising from personal injury, property damage, products liability, consumer complaints, employment law, secondary payor liability, or any other disputed legal or equitable claim based on tort, statute, contract, equity, or applicable state law, be considered to be an obligation which is payable in the ordinary course of business; or (b) when used with respect to a Claim other than an Administrative Claim, such Claim or any portion thereof (i) that has been allowed, or adjudicated in favor of the Holder by estimation or liquidation, by a Final Order, or (ii) as to which (x) no Proof of Claim has been Filed, and (y) the liquidated and noncontingent amount of which is included in the Schedules, other than a Claim that is included in the Schedules at zero, in an unknown amount, or as Disputed, or (iii) for which a Proof of Claim in a liquidated amount has been timely Filed with the Bankruptcy Court pursuant to the Bankruptcy Code, any Final Order of the Bankruptcy Court, or other applicable bankruptcy law, and as to which either (x) no objection to its allowance has been Filed within the periods of limitation fixed by the

Debtor's Plan, the Bankruptcy Code, or any Order of the Bankruptcy Court, or (y) any objection to its allowance has been settled or withdrawn, or has been denied by a Final Order, or (iv) that is expressly allowed in a liquidated amount in the Debtor's Plan, or (v) is specifically deemed allowed pursuant to the Debtor's Plan.

**Section 1.16** **"Ballot"** means the form to be distributed with the Debtor's Disclosure Statement to each Holder of an Impaired Claim, Preferred Interest, or Equity Interest on which the Holder shall indicate, among other things, acceptance or rejection of the Debtor's Plan.

**Section 1.17** **"Bankruptcy Case"** means this case no. 05-17697 in the Bankruptcy Court under chapter 11 of the Bankruptcy Code Filed on September 23, 2005.

**Section 1.18** **"Bankruptcy Causes of Action"** means all claims or causes of action of the Debtor against any and all third parties for the recovery of (a) transfers of Cash, offsets, debt forgiveness and other types or kinds of property, or the value thereof, recoverable exclusively pursuant to sections 544, 545, 547, 548, 549, 550 and 553 of the Bankruptcy Code, or otherwise applicable non-bankruptcy law, (b) any claims or causes of action of the Debtor for subordination under section 510 of the Bankruptcy Code or under other applicable laws, and (c) all claims or causes of action that arise under title 11 of the United States Code

**Section 1.19** **"Bankruptcy Code"** means title 11 section 101 *et seq.* of the United States Code, as amended from time to time.

**Section 1.20** **"Bankruptcy Court"** means the United States Bankruptcy Court for the Eastern District of Louisiana, having jurisdiction over the Bankruptcy Case, or if such court ceases to exercise jurisdiction over the Bankruptcy Case, such court or adjunct thereof that exercises jurisdiction over the Bankruptcy Case.

**Section 1.21** **"Bankruptcy Rules"** mean the Federal Rules of Bankruptcy Procedure as provided by the United States Supreme Court under section 2075 of title 28 of the United States Code, and any Local Rules of the Bankruptcy Court.

**Section 1.22** **"Bar Date"** means the last day for Filing proofs of claim, as established by the Bankruptcy Court.

**Section 1.23** **"Bar Date Order"** means the Order (P-653) that established the Bar Date, as the same may have been amended.

**Section 1.24** **"Bonds"** collectively means the (a) First Mortgage Bonds, 6.75% Thirteenth Series, due on October 15, 2017, in the principal amount of \$25,000,000, issued pursuant to the Bond Indenture and Mortgage on or about October 18, 2002, (b) First Mortgage Bonds 3.875% Fourteenth Series, due on August 1, 2008, in the original principal

amount of \$30,000,000, issued pursuant to the Bond Indenture and Mortgage on or about July 31, 2003, (c) First Mortgage Bonds, 5.25% Fifteenth Series, due on August 1, 2013, in the original principal amount of \$70,000,000, issued pursuant to the Bond Indenture and Mortgage on or about July 31, 2003, (d) Insured Quarterly First Mortgage Bonds, 5.65% Sixteenth Series, due on September 1, 2029, in the original principal amount of \$40,000,000, issued pursuant to the Bond Indenture and Mortgage on or about August 1, 2004, (e) Insured Quarterly First Mortgage Bonds, 5.60% Seventeenth Series, due on September 1, 2024, in the original principal amount of \$35,000,000, issued pursuant to the Bond Indenture and Mortgage on or about August 15, 2004, and (f) the First Mortgage Bonds, 4.98% Eighteenth Series, due on July 1, 2010, in the original principal amount of \$30,000,000, issued pursuant to the Bond Indenture and Mortgage on or about June 22, 2005.

**Section 1.25** **"Bond Claim"** means the Secured Claim arising on or with respect to the Bonds, which is comprised of the following: (a) the principal amount of \$229,935,000; plus (b) any unpaid interest as of the Effective Date (whether accruing before or after the Petition Date), notwithstanding any stipulation regarding interest contained in the DIP Financing Final Order or otherwise, at the non-default rate provided in the Bond Indenture and Mortgage through September 24, 2006, in the approximate amount of \$13,571,565, minus that portion of the FGIC Cure Amount Claim related to interest for such period; plus (c) if the Effective Date has not occurred by June 30, 2007, interest at the applicable non-default rate provided in the Bond Indenture and Mortgage on the amount in clause (b) from and after June 30, 2007 until paid; plus (d) interest on the outstanding principal amount of the Bonds at the applicable non-default rate provided in the Bond Indenture and Mortgage after September 24, 2006, net of any periodic Cash payments made by the Debtor on account of the Stipulation and Order, and, in each case to the extent applicable, minus that portion of the FGIC Cure Amount Claim related to interest for such period.

**Section 1.26** **"Bondholders"** collectively means the Holders of the Bond Claims as of the Voting Record Date (for purposes of soliciting votes on the Debtor's Plan), or on the Distribution Record Date (for purposes of distributions pursuant to the Debtor's Plan).

**Section 1.27** **"Bond Collateral"** collectively means all of Debtor's property and assets that collateralized and secured the Bond Claims as granted and provided for in the Bond Indenture and Mortgage immediately before the Petition Date, together with all repairs, replacements, additions, betterments and improvements made to such property and assets at any time, including but not limited to (irrespective of whether the Bond Trustee's security interest or Lien existed immediately before the Petition Date and/or pursuant to the DIP Financing Final Order) the Insurance Policies and Proceeds.

**Section 1.28** **"Bond Indenture and Mortgage"** collectively means that certain Mortgage and Deed of Trust, dated as of May 1, 1987, as supplemented or amended from time to time, by and between ENOI, as issuer, and Bank of Montreal Trust Company,

Mark G. McLaughlin and Z. George Klodnicki, as Co-Trustees, together with any and all supplements thereto.

**Section 1.29** "Bond Trustee" collectively means The Bank of New York (successor to Harris Trust Company of New York and Bank of Montreal Trust Company) as Trustee, and any co-trustee who serves pursuant to the Bond Indenture and Mortgage.

**Section 1.30** "Bond Trustee's Claim" means the Administrative Claim of the Bond Trustee in respect of its internal reasonable fees and expenses for services rendered by the Bond Trustee under the Bond Indenture and Mortgage until the Effective Date, subject to the provisions of Section 4.2 of the Debtor's Plan; *provided, however*, that the Bond Trustee's Claim shall not include the Bond Trustee's Professional Fee Claim or the Bond Claim.

**Section 1.31** "Bond Trustee's Professional Fee Claim" means any Claim of the Bond Trustee for reimbursement of the reasonable fees and expenses of the Bond Trustee's Professionals incurred in connection with the Debtor or the Bankruptcy Case through the Effective Date, subject to the provisions of Section 4.2 of the Debtor's Plan.

**Section 1.32** "Bond Trustee's Professionals" collectively means (a) Heller, Draper, Hayden, Patrick & Horn, LLP, (b) Emmet, Marvin & Martin, LLP, and (c) Houlihan, Lokey, Howard & Zukin.

**Section 1.33** "Business Day" means any day other than a Saturday, Sunday, or other day on which commercial banks in New Orleans, Louisiana are required or authorized to close by law or executive order.

**Section 1.34** "Capital One" means Capital One, National Association.

**Section 1.35** "Capital One Collateral" means all of the Debtor's interests in its accounts receivable from its retail electric and natural gas utility customers, as set forth in that certain Security Agreement, by and between the Debtor and Capital One, dated July 20, 2005, a copy of which is attached to Capital One's Proof of Claim.

**Section 1.36** "Capital One Secured Claim" means and includes all loans, advances, interest, indebtedness, liabilities, obligations, guarantees, covenants, and duties at any time owing by the Debtor to Capital One, whether or not evidenced by any note or other instrument and whether or not for the payment of money, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, together with all interest accruing thereon and any and all costs of collection, late fees, charges, expenses and attorney's fees, and such other obligations provided for in the agreements and documents between the Debtor and Capital One.

**Section 1.37** "Cash" means legal tender of the United States of America and equivalents thereof.

**Section 1.38** “Causes of Action” collectively means, without limitation, any and all actions, causes of action, liabilities, obligations, rights, suits, debts, sums of money, damages, judgments, claims and demands whatsoever, whether known or unknown, in law, equity or otherwise, including, without limitation, any and all Bankruptcy Causes of Action.

**Section 1.39** “CDBG Funds” means the Cash awarded or to be awarded to the Debtor in response to the Debtor's application for a grant pursuant to HUD's Community Development Block Grant Program.

**Section 1.40** “City Council” means The Council of the City of New Orleans, Louisiana.

**Section 1.41** “Claim” has the same meaning set forth in section 101(5) of the Bankruptcy Code.

**Section 1.42** “Class” means a category of Holders of Claims, Preferred Interests, or Equity Interests, as more fully described in Article II of the Debtor's Plan.

**Section 1.43** “Clerk” means the Clerk of the Bankruptcy Court.

**Section 1.44** “Confirmation” means the entry of an Order by the Bankruptcy Court confirming the Debtor's Plan.

**Section 1.45** “Confirmation Date” means the date on which the Clerk of the Bankruptcy Court enters the Confirmation Order on the Docket.

**Section 1.46** “Confirmation Hearing” means the hearing held by the Bankruptcy Court to consider confirmation of the Debtor's Plan pursuant to section 1129 of the Bankruptcy Code, as such hearing may be adjourned or continued from time to time.

**Section 1.47** “Confirmation Order” means the Order of the Bankruptcy Court confirming the Debtor's Plan pursuant to section 1129 of the Bankruptcy Code.

**Section 1.48** “Confirmation Procedures Order” means the Order granting the Debtor's Motion for Entry of an Order Approving (I) the Confirmation Hearing Notice, the Manner of Mailing and Service of the Solicitation Package and Confirmation Notice and Publication of the Confirmation Hearing Date, (II) the Voting Agent and Procedures for Voting and Tabulation of Ballots, (III) the Forms of Ballots, and (IV) the Procedures for Allowing Claims for Voting Purposes (P-1543).

**Section 1.49** **"Creditors' Committee"** means the Official Committee of Unsecured Creditors of the Debtor, as appointed by the U. S. Trustee pursuant to section 1102 of the Bankruptcy Code.

**Section 1.50** **"Cure Amount Claim"** means any Claim based upon the Debtor's defaults on an Executory Contract or Unexpired Lease that exist at the time that the Debtor assumes such Executory Contract or Unexpired Lease pursuant to section 365 of the Bankruptcy Code, including without limitation the FGIC Cure Amount Claim; *provided, however*, that Cure Amount Claim excludes any Claim (or any portion of any Claim) by an Affiliate of the Debtor to the extent that it is for amounts the Debtor owes for the period before the Petition Date pursuant to any Executory Contract assumed by the Debtor *other than* (a) the ISES PPA, (b) RB 30 PPA, (c) the WBL PPA, or (d) the UPSA.

**Section 1.51** **"Debtor"** has the meaning set forth in the introductory paragraph of the Debtor's Plan.

**Section 1.52** **"DIP Financing Claim"** means the Claims arising from or with respect to the DIP Financing Facility pursuant to the DIP Financing Final Order.

**Section 1.53** **"DIP Financing Facility"** means the credit facility pursuant to which Entergy Corporation has been advancing loans from time to time to the Debtor in accordance with that certain DIP Credit Agreement dated as of September 26, 2005 by and between Entergy Corporation and the Debtor, as it may be amended or modified from time to time, the documents entered into in connection therewith and the DIP Financing Final Order.

**Section 1.54** **"DIP Financing Final Order"** collectively means that certain Final Order (I) Authorizing Debtor To Use Cash Collateral and to Obtain Post Petition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, 363(c)(1), 363(c)(2), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) and 364(e), (II) Granting Adequate Protection to Pre-Petition Secured Parties Pursuant to 11 U.S.C. §§ 361, 362, 363 and 364, and (III) Approving Stipulation (P-456), as the same was thereafter extended by the Bankruptcy Court (P-1084), including the stipulation set forth on the record at the hearing held on December 7, 2005 (P-458) (as set forth in the transcript of such hearing), and the Order (P-739) approving the Motion for Order Approving Settlement with the Bank of New York, as Successor Trustee, Pursuant to Bankruptcy Rule 9019 (P-558).

**Section 1.55** **"Disbursing Agent"** means the Reorganized Debtor or an entity designated by the Reorganized Debtor to act as a Disbursing Agent pursuant to the Debtor's Plan.

**Section 1.56** **"Disclosure Statement"** or the **"Debtor's Disclosure Statement"** means the disclosure statement Filed by the Debtor that relates to this Plan, including, without limitation, all exhibits and schedules thereto, as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code.

**Section 1.57** **"Disputed"** means, as to any Administrative Claim or Claim against or Interest in the Debtor, (a) any Claim proof of which was required to be Filed by Order of the Bankruptcy Court, but as to which a Proof of Claim was not timely or properly Filed, (b) any Claim which was timely and properly Filed, but which has been or hereafter is listed on the Schedules as unliquidated, disputed or contingent, (c) any Administrative Claim, Claim or Interest which is disputed under the Debtor's Plan, or (d) any Administrative Claim, Claim or Interest, to which the Debtor, Creditors' Committee or, if not prohibited by the Debtor's Plan, any other party in interest, has interposed a timely objection, which objection has not been withdrawn or determined by a Final Order. Any Claim that is deemed Allowed pursuant the Debtor's Plan shall not be Disputed within the meaning of this definition

**Section 1.58** **"Distribution Record Date"** means the first Business Day after the Confirmation Date.

**Section 1.59** **"Docket"** means the docket in the Bankruptcy Case maintained by the Clerk.

**Section 1.60** **"Document Website"** means the internet site with the address [www.bmccorp.net](http://www.bmccorp.net), at which the Debtor's Plan, the Plan Exhibits, the Debtor's Disclosure Statement, and the schedules to the Debtor's Disclosure Statement will be available, without charge, to any party in interest and the public.

**Section 1.61** **"Effective Date"** means the first Business Day after which the conditions specified in Section 9.1 of the Debtor's Plan have been satisfied or waived.

**Section 1.62** **"ENOI"** has the meaning set forth in the introductory paragraph of the Debtor's Plan.

**Section 1.63** **"Entergy Arkansas"** means Entergy Arkansas, Inc., an Arkansas corporation, formerly named Arkansas Power & Light Company, and an ENOI Affiliate.

**Section 1.64** **"Entergy Corporation"** means Entergy Corporation, a Delaware Corporation, and the sole owner of the Equity Interests.

**Section 1.65** **"Entergy Gulf States"** means Entergy Gulf States, Inc., a Texas corporation, and an ENOI Affiliate.

**Section 1.66** **"Entergy Louisiana"** means Entergy Louisiana, LLC, a Texas limited liability company, and its predecessor Entergy Louisiana, Inc. (formerly named Louisiana Power & Light Company), both ENOI Affiliates.



**Section 1.67**     **"Entergy Mississippi"** means Entergy Mississippi, Inc., a Mississippi corporation, formerly named Mississippi Power & Light Company, and an ENOI Affiliate.

**Section 1.68**     **"Entergy Operations"** means Entergy Operations, Inc., a Delaware corporation that is directly owned by Entergy Corporation and is the nuclear plant operator for the nuclear plants that are owned by the regulated utilities of Entergy Corporation.

**Section 1.69**     **"Entergy Services"** means Entergy Services, Inc., a Delaware corporation, and an ENOI Affiliate.

**Section 1.70**     **"Entergy System"** means the generating resources and bulk transmission facilities that are jointly operated as a single, integrated electric system of the Operating Companies, the operation of which is subject to the System Agreement.

**Section 1.71**     **"Entergy System Money Pool"** means the intercompany cash management system currently in effect among Entergy Corporation (as a lender only), Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy Operations, Entergy Services, SERI and System Fuels in which these participants are authorized to loan excess available funds to, and borrow at specified maximum borrowing limits from, the other participants.

**Section 1.72**     **"Entity"** means any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, unincorporated organization, estate, trust, governmental unit or other entity, including the Debtor and the Office of the U.S. Trustee, whether singular or plural.

**Section 1.73**     **"Equity Interests"** collectively means a legal, equitable, or contractual Claim arising from any share or other instrument evidencing an ownership in the Debtor, whether or not transferable or denominated "stock" or any similar security, and any options, warrants, rights, convertible securities, liquidation preference or other right to acquire such shares or other instruments, or the right to payment or compensation based on such interest, including but not limited to, Claims arising from rescission of the purchase or sale of such stock ownership interest, or damages arising from the purchase or sale of interest of such stock ownership interest, or for reimbursement or contribution on account of such Claim; *provided, however*, Equity Interests exclude Preferred Interests.

**Section 1.74**     **"Estate"** means the estate created upon the commencement of the Bankruptcy Case by section 541 of the Bankruptcy Code.

**Section 1.75**     **"Executory Contract"** means a contract to which the Debtor is a party that is subject to assumption, assumption and assignment, or rejection under section 365 of the Bankruptcy Code.

**Section 1.76**     **"Excess Carriers"** collectively means excess insurance coverage that was placed through Underwriters at Lloyd's, London, and Hartford Steam Boiler Inspection & Insurance Company, a wholly owned subsidiary of American International Group.

**Section 1.77**     **"Exculpated Parties"** collectively means Released Parties.

**Section 1.78**     **"Fee Order"** means that certain Order entered August 17, 2006 (P-1081).

**Section 1.79**     **"FERC"** means the Federal Energy Regulatory Commission.

**Section 1.80**     **"FGIC"** means Financial Guaranty Insurance Company, the insurer of the Insured Bonds.

**Section 1.81**     **"FGIC Agreements"** collectively means the FGIC Insurance Agreements and the Surety Bonds.

**Section 1.82**     **"FGIC Cure Amount Claim"** means (a) \$4,216,340, plus (b) any interest payments FGIC made on the Insured Bonds after November 30, 2006 and before the Effective Date that is not paid to FGIC or the Bond Trustee pursuant to the Stipulation and Order, plus (c) if the Effective Date shall not have occurred on or before June 30, 2007, interest on the amounts in (a) and (b) of this Section 1.83 of the Debtor's Plan, net of any periodic Cash payments made by the Debtor in respect of such amounts under the Stipulation and Order, which additional interest shall begin to accrue on July 1, 2007, and shall accrue at the interest rate specified in Section 2.02 of the FGIC Insurance Agreements, until such amounts are paid.

**Section 1.83**     **"FGIC Insurance Agreements"** collectively means (a) that certain Insurance Agreement dated as of August 17, 2004 between the Debtor and FGIC related to financial guarantee insurance policy number 04010507, together with such financial guarantee insurance policy with respect to the Sixteenth Bond Series, and (b) that certain Insurance Agreement dated as of August 24, 2004 between the Debtor and FGIC related to financial guarantee insurance policy number 04010544, together with such financial guarantee insurance policy, with respect to the Seventeenth Bond Series.

**Section 1.84**     **"FGIC Professionals"** collectively means King & Spalding LLP, McGlinchey Stafford, PLLC and The Blackstone Group L.P.

**Section 1.85**     **"FGIC Professional Fee Claim"** means any Claim of FGIC for reimbursement of the reasonable fees and expenses of the FGIC Professionals incurred in connection with the Debtor or the Bankruptcy Case through the Effective Date, subject to the provisions of Section 4.3 of the Debtor's Plan.

**Section 1.86** "**File**," "**Filed**" or "**Filing**" means file, filed or filing with the Bankruptcy Court or its authorized designee in the Bankruptcy Case.

**Section 1.87** "**Final Order**" means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, as entered on the Docket in the Bankruptcy Case, or on the docket of any other court, the operation or effect of which has not been stayed, reversed, or amended, and as to which order or judgment (or any revision, modification, or amendment thereof) the time to appeal or seek review or rehearing or leave to appeal has expired and as to which no appeal or petition for review or rehearing or leave to appeal was filed or, if filed, no appeal or petition for review or rehearing remains pending; *provided, however*, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed with respect to such order or judgment shall not cause such order or judgment not to be a Final Order.

**Section 1.88** "**General Unsecured Claim**" means any Claim that arose before the Petition Date that is not an Administrative Claim, Cure Amount Claim, Priority Tax Claim, Other Priority Claim, Capital One Secured Claim, Bond Claim, Other Secured Claim, Intercompany Claim, Litigation Claim, Workers' Compensation Claim, Government Environmental Claim, or Odom Claim.

**Section 1.89** "**General Unsecured Claim Note**" and "**General Unsecured Claim Notes**" means, individually, each promissory note to be issued by the Reorganized Debtor to the Holder of an Allowed General Unsecured Claim, in accordance with Option B of Section 5.5 of the Debtor's Plan, and collectively, all such promissory notes, to be substantially in the form of Plan Exhibit 1.89.

**Section 1.90** "**Government Environmental Claim**" collectively means the Claims of the U.S. Government and/or the State of Louisiana for damages allegedly caused by the actions or inactions of the Debtor before the Petition Date, and that allegedly caused the death of pelicans.

**Section 1.91** "**Grand Gulf**" means Unit No. 1 of Grand Gulf Steam Electric Generating Station (nuclear), 90% owned or leased by SERI.

**Section 1.92** "**Holder**" means any Entity that holds a Claim or Interest.

**Section 1.93** "**HUD**" means the United States Department of Housing and Urban Development.

**Section 1.94** "**Impaired**" means, with respect to any Claim or Interest, that such Claim or Interest is impaired within the meaning of section 1124 of the Bankruptcy Code.

**Section 1.95** "**Insurance Policies and Proceeds**" collectively means (a) all of the past, present and future insurance policies entered into by any Entity (including,

without limitation, the Debtor, the Reorganized Debtor, Entergy Corporation, Entergy Services or any of the Affiliates of the Debtor or the Reorganized Debtor) for the benefit of the Debtor, whether or not currently in effect, to the extent they insure all or any part of the Bond Collateral, and (b) all of the proceeds of such insurance policies paid on account of the Bond Collateral, whether or not such proceeds have been paid to the Debtor or the Reorganized Debtor.

**Section 1.96**     **"Interests"** collectively means the Equity Interests and Preferred Interests.

**Section 1.97**     **"Insured Bonds"** collectively means the Sixteenth Bond Series and the Seventeenth Bond Series.

**Section 1.98**     **"Intercompany Claims"** collectively means any Claim by an ENOI Affiliate; *provided, however*, Intercompany Claims excludes (a) the DIP Financing Claim, (b) the Subordinated DIP Financing Claim, (c) any Administrative Claim, and (d) any Cure Amount Claim.

**Section 1.99**     **"Intercompany Note"** and **"Intercompany Notes"** means, individually, each promissory note to be issued by the Reorganized Debtor to the Holder of an Allowed Intercompany Claim in the principal amount of such Allowed Intercompany Claim, and collectively, all such promissory notes, to be substantially in the form of and having the terms set forth in Plan Exhibit 1.99, and otherwise consistent with the provisions of Section 5.6 of the Debtor's Plan.

**Section 1.100**    **"IRS"** means the Internal Revenue Service of the Department of Treasury of the United States of America.

**Section 1.101**    **"ISES PPA"** means that certain Master Power Purchase and Sale Agreement by and between ENOI, as purchaser, and Entergy Power, Inc., as seller, related to a portion of the power generated by Unit 2 of the Independence Steam Electric Station, a coal-fired electric generating station owned in part by Energy Power, Inc. Any Claim based upon the Debtor's defaults, if any, on the ISES PPA that exist at the time the Debtor assumes the ISES PPA pursuant to section 365 of the Bankruptcy Code shall be a Cure Amount Claim.

**Section 1.102**    **"Katrina Insurance Proceeds"** means the proceeds of any policy of insurance that provided coverage for any losses suffered by the Debtor that were incurred by or as a result of Hurricane Katrina and its aftermath, including primary non-nuclear property insurance coverage that was placed through OIL and certain excess insurance coverage that was placed through the Excess Carriers.

**Section 1.103**    **"Katrina Insurance Protocol"** means the protocol regarding the allocation and distribution of the Katrina Insurance Proceeds, approved by the Bankruptcy Court by Order dated May 25, 2006 (P-867); *provided, however*, that the

references in the Debtor's Plan do not indicate that the Katrina Insurance Protocol will survive the Effective Date.

**Section 1.104** "Lien" has the same meaning set forth in section 101(37) of the Bankruptcy Code.

**Section 1.105** "Litigation Claims" collectively means any Claim that has not been settled, compromised or otherwise resolved before the Effective Date, and (a) that arises from death, bodily injury, sickness, disease, medical monitoring or other personal injuries (whether physical, emotional or otherwise), whether or not such Claim relates, directly or indirectly, in whole or in part, to (i) asbestos or asbestos containing products for which the Debtor allegedly has liability, (ii) that arises out of allegations of property damage, products liability or similar legal theories of recovery, or (iii) that arises under any federal, state or local statute, rule, regulation or ordinance governing, regulating or relating to health, safety, hazardous substances or the environment, or (b) that is asserted in currently pending regulatory, administrative or adjudicatory proceedings, or appeals or further regulatory, administrative or adjudicatory proceedings resulting therefrom, commenced by or on behalf of ratepayers, or that is asserted in pending or subsequently filed lawsuits related to pending regulatory, administrative or adjudicatory proceedings resulting therefrom, that are commenced by or on behalf of ratepayers, including any such pending or subsequently filed lawsuits that were stayed, deferred, or dismissed without prejudice pending resolution of any such regulatory, administrative or adjudicatory proceedings; *provided, however*, Litigation Claims do not include (a) the Workers' Compensation Claims, (b) the Government Environmental Claim, or (c) the Odom Claim.

**Section 1.106** "LRA" means the Louisiana Recovery Authority.

**Section 1.107** "LRA Resolution" means the resolution, dated October 12, 2006, pursuant to which the LRA voted to recommend \$200 million in CDBG Funds for ENOI.

**Section 1.108** "Material Adverse Change" means the occurrence of an event that causes significant asset or property damage or a significant reduction in the Debtor's customer base or any event or circumstance that, in the reasonable judgment of the Debtor, is likely to have a material adverse effect on the Debtor's financial condition, business, performance, operations or properties of the Debtor, including but not limited to the Debtor's ability to obtain insurance coverage that is substantially similar to the coverage that existed as of the Petition Date for a substantially similar premium.

**Section 1.109** "Odom Claim" means the judgment rendered against the Debtor in *Odom v. Phillips et al.*, in the case that was pending before the Civil District Court for the Parish of Orleans, and any subsequent judgment that may be rendered therein, or as a result of any appeal or writ of review thereof.

**Section 1.110** "**OIL**" means Oil Insurance Limited, a mutual insurance company of which Entergy Corporation is a shareholder.

**Section 1.111** "**Operating Companies**" collectively means the Debtor, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, and Entergy Mississippi.

**Section 1.112** "**Order**" means an order or judgment of the Bankruptcy Court as entered on the Docket.

**Section 1.113** "**Ordinary Course Professionals Order**" collectively means the Order (P-433) that approved ENOI's Application for an Order *Nunc Pro Tunc* Authorizing the Employment and Compensation of Certain Professionals Utilized in the Ordinary Course of the Debtor's Business (P-261), together with any subsequent Order approving a subsequent application Filed by ENOI for an Order authorizing the employment and compensation of professionals utilized in the ordinary course of the Debtor's business.

**Section 1.114** "**Other Priority Claim**" means any Claim, other than an Administrative Claim or a Priority Tax Claim, that is entitled to priority in right of payment pursuant to section 507(a) of the Bankruptcy Code.

**Section 1.115** "**Other Retirement, Employment and Incentive Compensation Programs**" means the retirement (other than the Qualified Retirement Plan), employment, welfare, incentive, severance, and other plans for or agreements with one or more of ENOI's active and retired directors, officers and employees that existed on and after the Petition Date, as more fully described in Plan Exhibit 1.115.

**Section 1.116** "**Other Secured Claim**" means any Secured Claim other than the Capital One Secured Claim, the Bond Claims, and the DIP Financing Claim.

**Section 1.117** "**PBGC**" means the Pension Benefit Guaranty Corporation, a wholly-owned United States government corporation and an agency of the United States of America that administers the defined benefit pension plan termination insurance programs under Title IV of the Employee Retirement Income Security Act of 1974, as amended.

**Section 1.118** "**Petition Date**" means September 23, 2005.

**Section 1.119** "**Plan**" or the "**Debtor's Plan**" means this Chapter 11 Plan of Reorganization, Filed by the Debtor, as the same may be amended, together with the Plan Exhibits.

**Section 1.120** "**Plan Exhibits**" mean the exhibits that are attached to the Debtor's Plan, or will be Filed no later than ten (10) Business Days before the commencement of the Confirmation Hearing.

**Section 1.121** "**Post-Petition Bond Liens**" means the additional security interests and Liens granted to the Bond Trustee, on behalf of the Bondholders, pursuant to the DIP Financing Final Order, consisting solely of those security interests and Liens that encumber property other than the Bond Collateral. For the avoidance of doubt, the Post-Petition Bond Liens shall not include the security interests or Liens of the Bond Trustee on the Bond Collateral (including, but not limited to (irrespective of whether the Bond Trustee's security interest or Lien existed immediately before the Petition Date and/or pursuant to the DIP Financing Final Order), the Insurance Policies and Proceeds).

**Section 1.122** "**Preferred Interests**" collectively means the 4.36% Preferred Series, the 4.75% Preferred Series, and the 5.56% Preferred Series.

**Section 1.123** "**Priority Tax Claim**" means a Claim arising under United States federal, state or local Tax laws that is entitled to priority in payment pursuant to section 507(a)(8) of the Bankruptcy Code.

**Section 1.124** "**Professional**" means any professional employed in the Bankruptcy Case pursuant to sections 327 or 1103 of the Bankruptcy Code or any professional or other entity seeking compensation or reimbursement of expenses in connection with the Bankruptcy Case pursuant to section 503(b) of the Bankruptcy Code.

**Section 1.125** "**Professional Fee Claims**" mean the Claims of (a) any Professional in the Bankruptcy Case pursuant to sections 330 or 1103 of the Bankruptcy Code, or (b) any Professional or other entity seeking compensation or reimbursement of expenses in connection with the Bankruptcy Case pursuant to sections 503(b)(2), 503(b)(3), 503(b)(4) or 503(b)(5) of the Bankruptcy Code; *provided, however*, that Professional Fee Claims does not include the Bond Trustee's Claim, the Bond Trustee's Professional Fee Claim, the FGIC Professional Fee Claim, or the Ad Hoc Bondholders Committee Fees.

**Section 1.126** "**Proof of Claim**" means a proof of claim that was Filed in this Bankruptcy Case.

**Section 1.127** "**Qualified Retirement Plan**" means the Entergy Corporation Retirement Plan for Non-Bargaining Employees, a defined benefit plan that is qualified under section 401(a) of the Internal Revenue Code of 1986, as amended, that existed as of the Petition Date.

**Section 1.128** "**RB 30 PPA**" means that certain Master Power Purchase and Sale Agreement by and between ENOI, as purchaser, and Entergy Gulf States, as seller, related to a portion of the power generated by River Bend. Any Claim based upon the Debtor's defaults, if any, on the RB 30 PPA that exist at the time the Debtor assumes the RB 30 PPA pursuant to section 365 of the Bankruptcy Code shall be a Cure Amount Claim.

**Section 1.129** "**Released Parties**" means any of (or collectively, all of) FGIC, the Bond Trustee, the Creditors' Committee, Ad Hoc Bondholders Committee, the Debtor's Affiliates, and the Debtor's and such other parties' respective former and current

officers, directors, employees, agents, members (in their capacity as such), financial advisors, attorneys and other representatives.

**Section 1.130** "**Reorganized Debtor**" means the Debtor on and after the Effective Date.

**Section 1.131** "**Retiree Benefit**" means payments to any Entity for the purpose of providing or reimbursing payments for retired employees of the Debtor and of any other Entities as to which the Debtor is obligated to provide retiree benefits and the eligible spouses and eligible dependents of such retired employees, for medical, surgical, or hospital care benefits, or in the event of death of a retiree under any plan, fund or program (through the purchase of insurance or otherwise) maintained or established by the Debtor before the Petition Date, as such plan, fund or program was then in effect or as heretofore or hereafter amended.

**Section 1.132** "**Schedules**" collectively means the schedules of assets and liabilities, the list of Holders of Interests and the statement of financial affairs Filed by the Debtor under section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, and all amendments and modifications thereto through the Confirmation Date.

**Section 1.133** "**Secured Claim**" means an Allowed Claim that is secured by a Lien on the property of the Estate, as provided in section 506(a) of the Bankruptcy Code, which is valid, perfected and enforceable and not avoidable, to the extent of the value of such Lien, as determined by a Final Order of the Bankruptcy Court pursuant to section 506 of the Bankruptcy Code, or as otherwise agreed in writing by the Debtor or Reorganized Debtor and the Holder of such Claim.

**Section 1.134** "**SEC**" means the United States Securities and Exchange Commission.

**Section 1.135** "**Securities Act**" means the Securities Act of 1933, 15 U.S.C. §§ 77a-77aa, as now in effect or hereafter amended.

**Section 1.136** "**SERI**" means System Energy Resources, Inc., an Arkansas corporation, and an ENOI Affiliate.

**Section 1.137** "**Seventeenth Bond Series**" means the Insured Quarterly First Mortgage Bonds, 5.60% Seventeenth Series, due on September 1, 2024, in the original principal amount of \$35,000,000, issued pursuant to the Bond Indenture and Mortgage on or about August 15, 2004.

**Section 1.138** "**Sixteenth Bond Series**" means the Insured Quarterly First Mortgage Bonds, 5.65% Sixteenth Series, due on September 1, 2029, in the original principal amount of \$40,000,000, issued pursuant to the Bond Indenture and Mortgage on or about August 1, 2004.



**Section 1.139** "Stipulation of Amount and Nature of Claim" means a stipulation or other agreement between the Debtor or Reorganized Debtor and a Holder of a Claim or Interest, or an agreed Order of the Bankruptcy Court, establishing the amount and nature of a Claim.

**Section 1.140** "Stipulation and Order" means that certain Stipulation by and among the Debtor, the Bond Trustee and FGIC, Filed on December 8, 2006 (P-1469), and approved by the Bankruptcy Court on December 19, 2006 (P-1493).

**Section 1.141** "Storm Cost Recovery Riders" means those tariffs proposed in the 2006 Storm Restoration and Reserve Application whereby the Debtor seeks to recover certain of its gas and electric costs related to Hurricanes Katrina and Rita, as the same may be amended or modified from time to time by the Debtor.

**Section 1.142** "Storm Reserve Riders" means those tariffs proposed in the 2006 Storm Restoration and Reserve Application whereby the Debtor seeks to recover and reserve money dedicated to future storm restoration and rebuild costs for its gas and electric systems, as the same may be amended or modified from time to time by the Debtor.

**Section 1.143** "Subordinated DIP Financing Claim" means the Claim for repayment of the money advanced under the DIP Financing Facility to pay quarterly dividends on the 4 ¾% Preferred Series, which repayment obligation is subordinated according to an Order of the Bankruptcy Court (P-814).

**Section 1.144** "Surety Bonds" collectively means (a) that certain surety bond issued by FGIC dated August 17, 2004 related to financial guarantee insurance policy number 04010507, and (b) that certain surety bond issued by FGIC dated August 24, 2004 related to financial guarantee insurance policy number 04010544.

**Section 1.145** "System Agreement" means that certain Agreement, effective January 1, 1983, as modified, approved by the FERC on June 13, 1985, pursuant to which the Operating Companies share certain benefits and costs of joint operation of the Energy System.

**Section 1.146** "System Fuels" means System Fuels, Inc., a Louisiana corporation that is owned by Entergy Arkansas, Entergy Louisiana Properties, LLC, Entergy Mississippi and the Debtor.

**Section 1.147** "Tax" means (a) any net income, alternative or add-on minimum, gross income, gross receipts, sales, use, ad valorem, value added, transfer, franchise, profits, license, property, environmental or other tax, assessment or charge of any kind whatsoever (together in each instance with any interest, penalty, addition to tax or additional amount) imposed by any federal, state, local or foreign taxing authority, or (b) any liability for payment of any amounts of the foregoing types as a result of being a member of an affiliated, consolidated, combined or unitary group, or being a party to any agreement or arrangement

whereby liability for payment of any such amounts is determined by reference to the liability of any other entity.

**Section 1.148** "**Tax Claim**" means any Claim of a governmental unit, whether federal, state or local, for recovery of a tax of any kind whatsoever (including any interest, penalty or addition thereto) incurred or arising before the Effective Date, including but not limited to Claims of the kind specified in sections 502(i) and 507(a)(8) of the Bankruptcy Code.

**Section 1.149** "**Unexpired Lease**" means a lease to which the Debtor is a party that is subject to assumption, assumption and assignment or rejection under section 365 of the Bankruptcy Code.

**Section 1.150** "**Unimpaired**" means, with respect to any Claim or Interest, that such Claim or Interest is not impaired within the meaning of section 1124 of the Bankruptcy Code.

**Section 1.151** "**U.S. Government**" means the United States of America, but does not include the IRS.

**Section 1.152** "**Unsecured Debt Provision**" collectively means those provisions of the Amended and Restated Articles of Incorporation of Entergy New Orleans, Inc., effective November 15, 1999, that require, under the circumstances set forth therein, the Holders of the Preferred Interests to consent to the issuance or assumption of unsecured notes, debentures or other securities representing unsecured indebtedness, as provided in Article Fifth, paragraph 7(b), and Article Fifth, II, paragraph (D)(2).

**Section 1.153** "**UPSA**" means that certain Unit Power Sales Agreement, dated as of June 10, 1982, as amended and approved by FERC, among the Debtor, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and SERI, relating to the sale of capacity and energy from SERI's share of Grand Gulf. Any Claim based upon the Debtor's defaults, if any, on the UPSA that exist at the time the Debtor assumes the UPSA pursuant to section 365 of the Bankruptcy Code shall be a Cure Amount Claim.

**Section 1.154** "**U.S. Trustee Fees**" collectively means all fees and charges assessed against the Estate under chapter 123 of title 28, United States Code, 28 U.S.C. §§ 1911-1930.

**Section 1.155** "**Voting Record Date**" means the date, as established in the Confirmation Procedures Order as the date by Order of the Bankruptcy Court, for determining the Holders of Claims and Interests, who are entitled to vote on the Plan, in accordance with Bankruptcy Rule 3017(d).

**Section 1.156** "**WBL PPA**" means that certain Master Power Purchase and Sale Agreement by and between ENOI, as purchaser, and Entergy Arkansas, as seller, related to power generated by six solid fuel units (coal and nuclear) owned by Entergy

Arkansas. Any Claim based upon the Debtor's defaults, if any, on the WBL PPA that exist at the time the Debtor assumes the WBL PPA pursuant to section 365 of the Bankruptcy Code shall be a Cure Amount Claim.

**Section 1.157    "Workers' Compensation Claims"** collectively means all Claims against the Debtor for the payment of workers' compensation benefits under applicable law.

**Section 1.158    "Interpretation; Application of Definitions and Rules of Construction."** Wherever from the context it appears appropriate, each term stated in either the singular or the plural shall include both the singular and the plural and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and neuter. The rules of construction contained in section 102 of the Bankruptcy Code shall apply to the construction of the Debtor's Plan. A term used herein that is not defined herein, but that is used in the Bankruptcy Code, shall have the meaning ascribed to that term in the Bankruptcy Code. The headings in the Debtor's Plan are for convenience of reference only and shall not limit or otherwise affect the provisions of the Debtor's Plan.

Any reference in the Debtor's Plan to a document or instrument being in a particular form means that the document or instrument shall be in substantially such form. Any reference in the Debtor's Plan to an existing document or instrument means such document or instrument as it may have been amended, modified or supplemented from time to time. Unless otherwise specified, all Section, Article, schedule or exhibit references in the Debtor's Plan are to the respective Section in, Article of, schedule to, or exhibit to, the Debtor's Plan. The words "herein," "hereof," "hereto," "hereunder" and other words of similar import refer to the Debtor's Plan as a whole and not to any particular Section or clause contained in the Debtor's Plan. All Plan Exhibits are incorporated into the Debtor's Plan, and shall be deemed to be included in the Debtor's Plan, regardless of when such Plan Exhibits are Filed.

In computing any period of time prescribed or allowed by the Debtor's Plan, the provisions of Bankruptcy Rule 9006(a) shall apply as though the Debtor's Plan is an Order of the Bankruptcy Court.

## **ARTICLE II**

### **CLASSIFICATION OF CLAIMS AND INTERESTS**

**Section 2.1     Division of Claims.** For all purposes, including organization, voting, Confirmation and distributions pursuant to the Debtor's Plan, except as otherwise provided herein, all Claims (except for Administrative Claims and Priority Tax Claims) and Interests are classified as provided in Article II of the Debtor's Plan.

**Section 2.2     Allowed Claims and Interests.** A Claim or Interest is treated in a particular Class only to the extent such Claim or Interest is Allowed.

**Section 2.3     Classification of Claims and Interests.** Claims and Interests are classified as follows:

- (a) Class 1 consists of Other Priority Claims.
- (b) Class 2 consists of the Capital One Secured Claim.
- (c) Class 3 consists of the Bond Claims.
- (d) Class 4 consists of the Other Secured Claims.
- (e) Class 5 consists of General Unsecured Claims.
- (f) Class 6 consists of Intercompany Claims.
- (g) Class 7 consists of the Litigation Claims.
- (h) Class 8 consists of the Workers' Compensation Claims.
- (i) Class 9 consists of the Government Environmental Claim.
- (j) Class 10 consists of the Odom Claim.
- (k) Class 11A consists of the 4.36% Preferred Series, Class 11B consists of the 4.75% Preferred Series, and Class 11C consists of the 5.56% Preferred Series.
- (l) Class 12 consists of the Equity Interests.

## ARTICLE III

### **IDENTIFICATION OF UNIMPAIRED AND IMPAIRED CLASSES OF CLAIMS AND INTERESTS**

**Section 3.1     Unimpaired Classes of Claims and Interests.** The Claims and Interests in Class 1 (Other Priority Claims), Class 7 (Litigation Claims), Class 8 (Workers' Compensation Claims), Class 9 (Government Environmental Claim) are Unimpaired under the Debtor's Plan, and are deemed to have accepted the Debtor's Plan under the provisions of section 1126(f) of the Bankruptcy Code. The Debtor will not solicit acceptances of the Debtor's Plan from Holders of Claims or Interests in Class 1, Class 7, Class 8, or Class 9.

**Section 3.2     Impaired Classes of Claims and Interests.** The Claims and Interests in Class 2 (Capital One Secured Claim), Class 3 (Bond Claims), Class 4 (Other Secured Claims), Class 5 (General Unsecured Claims), Class 6 (Intercompany Claims), Class 10 (Odom Claim), Class 11A (the 4.36% Preferred Series), Class 11B (the 4.75% Preferred Series), Class 11C (the 5.56% Preferred Series), and Class 12 (Equity Interests) are Impaired under the Debtor's Plan, and the Debtor will solicit acceptances of the Debtor's Plan from the Holders of Claims and Interests in Class 2, Class 3, Class 4, Class 5, Class 6, Class 10, Class 11A, Class 11B, Class 11C and Class 12. Pursuant to the Confirmation Procedures Order and Section 5.3(d) of the Debtor's Plan, and consistent with the Bond Indenture and Mortgage and the FGIC Insurance Agreements, FGIC is entitled to vote to accept or reject the Debtor's Plan as if it were the Holder of the Insured Bonds.

## ARTICLE IV

### **TREATMENT OF CERTAIN UNCLASSIFIED ADMINISTRATIVE CLAIMS, CERTAIN FEES AND TAXES**

#### **Section 4.1     Unclassified Claims.**

##### **(a)     Payment of Administrative Claims**

**(i)     Administrative Claims in General.** Except as otherwise provided herein or unless otherwise agreed in a written agreement by and between the Holder of an Administrative Claim and the Debtor or Reorganized Debtor, each Holder of an Allowed Administrative Claim will receive from the Reorganized Debtor, in full satisfaction of its Administrative Claim, Cash equal to the Allowed amount of such Administrative Claim either (A) within fifteen (15) days of the Administrative Claims Bar Date, or (B) if the Administrative Claim is not Allowed on or before the Effective Date, within thirty (30) days after the date on which (i) an Order that Allows such Administrative Claim becomes a Final Order, or (ii) a Stipulation of Amount and Nature

of Claim is executed by the Reorganized Debtor and the Holder of such Administrative Claim.

(ii) **U.S. Trustee Fees.** On or before the Effective Date, fees payable pursuant to 28 U.S.C. § 1930(a)(6) will be paid by the Debtor or the Disbursing Agent in Cash. All fees payable pursuant to 28 U.S.C. § 1930(a)(6) will be paid by the Reorganized Debtor in accordance therewith until the closing of the Bankruptcy Case pursuant to section 350(a) of the Bankruptcy Code.

(iii) **Ordinary Course Liabilities.** Unless otherwise agreed in written agreement by and between the Holder of any such Claim and the Debtor, Allowed Administrative Claims based on liabilities incurred by the Debtor in the ordinary course of its business (including Administrative Trade Claims, Administrative Claims of governmental units for Taxes, including Tax audit Claims related to tax years commencing after the Petition Date, Allowed Administrative Claims of the PBGC, if any, and Allowed Administrative Claims arising from Executory Contracts and Unexpired Leases of the kind described in Section 8.2 of the Debtor's Plan, other than Cure Amount Claims) will be paid by the Reorganized Debtor pursuant to the terms and conditions of the particular transaction giving rise to such Administrative Claims. Allowed Cure Amount Claims will be paid in accordance with Section 8.2 of the Debtor's Plan, and Section 5.3 of the Debtor's Plan (with respect to the FGIC Cure Amount Claim) in each case without any further action by the Holders of such Administrative Claims.

(iv) **The DIP Financing Claim.** Unless otherwise agreed in written agreement by and between Entergy Corporation and the Debtor or Reorganized Debtor, within fifteen (15) days of the Effective Date, the DIP Financing Claim will be paid in full in Cash, without any further action by Entergy Corporation; *provided, however*, that the Bankruptcy Court will resolve any dispute regarding the amount of the DIP Financing Claim; *and further provided, however*, that the portion of the DIP Financing Claim constituting the Subordinated DIP Financing Claim will be paid as provided in Section 4.1(a)(v) of the Debtor's Plan.

(v) **The Subordinated DIP Financing Claim.** The Subordinated DIP Financing Claim will be paid in full in Cash, without any further action by Entergy Corporation, within ten (10) days from the date that all other Allowed Claims are paid when they are due under the Debtor's Plan.

#### **Section 4.2 Bond Trustee's Professional Fee Claim and the Bond Trustee's Claim.**

(a) **Bond Trustee's Professional Fee Claim.** The Bond Trustee's Professional Fee Claim shall be Allowed in accordance with the terms and procedures set forth in the Fee Order. Within fifteen (15) days after the Effective Date, the Bond Trustee will receive from the Reorganized Debtor Cash equal to the amount of such Allowed Bond Trustee's Professional Fee Claim (to the extent not previously paid by the Debtor) in full satisfaction of the Bond Trustee's Professional Fee Claim, and neither the Bond Trustee nor

the Bond Trustee's Professionals shall have any additional Claim against the Debtor or the Reorganized Debtor for services rendered by the Bond Trustee's Professionals in connection with the Bankruptcy Case through the Effective Date. The Bond Trustee's Professional Fee Claim in respect of its financial advisors, Houlihan, Lokey, Howard, Zukin ("Houlihan"), shall be deemed Allowed on the Effective Date in the following amounts, exclusive of amounts previously paid by the Debtor (it being agreed that the following amounts are reasonable): \$150,000 plus reasonable expenses for each month from the Petition Date through November 30, 2006; \$75,000 plus reasonable expenses for the month of December 2006; \$37,500 plus reasonable expenses per month from January 2007 through the month that the Confirmation Date occurs; and \$25,000 plus reasonable expenses per month thereafter through the month that the Effective Date occurs. The Debtor's payment of the Bond Trustee's Professional Fee Claim (including the fees and expenses of Houlihan) shall remain subject to a reasonableness review by the Bankruptcy Court pursuant to the Fee Order.

**(b) Bond Trustee's Claim.** The Bond Trustee's Claim shall be Allowed in accordance with the terms and procedures set forth in the Fee Order. Within fifteen (15) days after the Effective Date, the Bond Trustee will receive from the Reorganized Debtor Cash equal to the amount of such Allowed Bond Trustee's Claim (to the extent not previously paid by the Debtor) in full satisfaction of the Bond Trustee's Claim, and the Bond Trustee shall have no additional Claim against the Debtor or the Reorganized Debtor for services rendered or expenses incurred on or before the Effective Date in connection with the Bankruptcy Case. The Debtor's payment of the Bond Trustee's Claim shall remain subject to a reasonableness review by the Bankruptcy Court pursuant to the Fee Order.

**Section 4.3 FGIC Professional Fee Claim.** The FGIC Professional Fee Claim shall be Allowed in accordance with the terms and procedures set forth in the Fee Order, regardless of whether the applicable FGIC Professional has been previously determined to be a "Lender Professional" covered by the Fee Order. Within fifteen (15) days after the Effective Date, FGIC will receive from the Reorganized Debtor Cash equal to the amount of such Allowed FGIC Professional Fee Claim (to the extent not previously paid) in full satisfaction of the FGIC Professional Fee Claim, and neither FGIC nor the FGIC Professionals shall have any additional Claim against the Debtor or Reorganized Debtor for services rendered by the FGIC Professionals in connection with the Bankruptcy Case through the Effective Date. The FGIC Professional Fee Claim in respect of its financial advisors, The Blackstone Group, LP, shall be Allowed (regardless of whether The Blackstone Group, LP is determined to be a "Lender Professional" covered by the Fee Order) pursuant to the Debtor's Plan in the amount of \$750,000 plus reasonable expenses, it being agreed that \$750,000 is a reasonable fee; *provided, however*, that the Debtor's payment of the FGIC Professional Fee Claim (including the fees and expenses of The Blackstone Group, LP) shall remain subject to a reasonableness review by the Bankruptcy Court either pursuant to the Fee Order, if applicable, or otherwise, in the Bankruptcy Court's discretion.

#### **Section 4.4     Bar Dates for Administrative Claims.**

**(a)     General Bar Date Provisions.** Except as otherwise provided in the Debtor's Plan or the Administrative Claim Bar Date Order, requests for payment of Administrative Claims must be Filed on or before the Administrative Claim Bar Date and served pursuant to the procedures specified in the Administrative Claim Bar Date Order. Holders of Administrative Claims that are required to File and serve a request for payment of such Administrative Claims and that do not File and serve such a request by such date will be forever barred from asserting such Administrative Claims against the Debtor, the Reorganized Debtor, or their respective property, and such Administrative Claims will be deemed waived and released as of the Effective Date. Objections to such requests must be Filed and served on the Reorganized Debtor and the requesting party by the later of (i) one hundred and twenty (120) days after the Effective Date, and (ii) sixty (60) days after the Filing of the applicable request for payment of Administrative Claims.

#### **(b)     Bar Dates for Certain Administrative Claims.**

**(i)     Professional Fee Claims.** Professionals or other Entities asserting a Professional Fee Claim for services rendered before the Effective Date must File and serve on the Reorganized Debtor and such other Entities who are designated by the Bankruptcy Rules, the Confirmation Order, or other Order of the Bankruptcy Court, an application for final allowance of such Professional Fee Claims within sixty (60) days after the Effective Date; *provided, however*, that any Professional who may receive compensation or reimbursement of expenses pursuant to the Ordinary Course Professionals Order may continue to receive such compensation and reimbursement of expenses for services rendered before the Effective Date, without further Bankruptcy Court review or approval, pursuant to the Ordinary Course Professionals Order. Objections to any Professional Fee Claims, including any objections by the U.S. Trustee, must be Filed and served on the Reorganized Debtor and the requesting party by the later of (A) ninety (90) days after the Effective Date, and (B) thirty (30) days after the Filing of the applicable request for payment of the Professional Fee Claims. To the extent necessary, the Confirmation Order will amend and supersede any previously entered Order of the Bankruptcy Court, regarding the payment of Professional Fee Claims.

**(ii)     Ordinary Course Liabilities.** Holders of Administrative Claims based on liabilities incurred by the Debtor in the ordinary course of its business, including Administrative Trade Claims, Administrative Claims of governmental units for Taxes (including tax audit Claims arising after the Petition Date) and Administrative Claims arising from Executory Contracts and Unexpired Leases other than Cure Amount Claims will not be required to File or serve any request for payment of such Administrative Claims. Such Administrative Claims will be satisfied pursuant to Section 4.1(a)(iii) of the Debtor's Plan.

**(iii)     The DIP Financing Claim.** Entergy Corporation will not be required to File or serve any request for payment of the DIP Financing Claim, and such



Claim will be treated as an Allowed Claim and satisfied pursuant to Section 4.1(a)(iv) and (v) of the Debtor's Plan.

**(iv) The Bond Trustee's Professional Fee Claim, the Bond Trustee's Claim, the FGIC Professional Fee Claim and the FGIC Cure Amount Claim.** Except as provided in the Fee Order, the Bond Trustee and FGIC will not be required to File or serve any request for payment of the Bond Trustee's Professional Fee Claim, the Bond Trustee's Claim, or the FGIC Professional Fee Claim, and the foregoing Claims will be treated as Allowed Claims and satisfied pursuant to Sections 4.2 and 4.3 of the Debtor's Plan. FGIC shall not be required to File or serve any request for payment of the FGIC Cure Amount Claim which shall be paid pursuant to Section 5.3 of the Debtor's Plan.

**Section 4.5 Payment of Priority Tax Claims.** Unless otherwise agreed in a written agreement by and between the Holder of a Priority Tax Claim and the Debtor or Reorganized Debtor, pursuant to section 1129(a)(9)(C) of the Bankruptcy Code, each Holder of an Allowed Priority Tax Claim will receive, in full satisfaction of its Priority Tax Claim, deferred Cash payments over a period not exceeding six years from the date of assessment of such Priority Tax Claim. Except as to Priority Tax Claims held by the IRS, payments will be made in equal quarterly installments of principal (commencing on the later of the Effective Date and the first quarterly distribution date following the date such Claim becomes an Allowed Claim), plus simple interest accruing from the Effective Date at the rate publicly quoted on the Confirmation Date by The Wall Street Journal as the "base rate on corporate loans posted by at least 75% of the nation's 30 largest banks" on the unpaid portion of each Allowed Priority Tax Claim (or upon such other terms determined by the Bankruptcy Court to provide the Holders of such Priority Tax Claims with deferred Cash payments having a value, as of the Effective Date, equal to the allowed amount of such Priority Tax Claims). The Priority Tax Claims of the IRS will be paid in monthly payments that will bear interest at the rate provided by Internal Revenue Code sections 6621 and 6622, with the first such payment being due sixty days after assessment of the tax liabilities in question. The Reorganized Debtor will have the right to pay any Allowed Priority Tax Claim, or any remaining balance of such Priority Tax Claim, in full at any time on or after the Effective Date, without premium or penalty.

## ARTICLE V

### **TREATMENT OF CLASSIFIED CLAIMS AND INTERESTS**

**Section 5.1     Class 1 Claims (Other Priority Claims).** Class 1 consists of the Other Priority Claims. Unless otherwise agreed in a written agreement by and between the Holder of an Other Priority Claim and the Debtor or Reorganized Debtor, in full satisfaction of the Holder's Other Priority Claim, each Holder of an Other Priority Claim will receive Cash in an amount equal to the Allowed amount of such Holder's Other Priority Claim. If the Holder's Other Priority Claim is Allowed on or before the Effective Date, the Disbursing Agent will make the distribution to such Holder within fifteen (15) days of the Effective Date. If, however, the Holder's Other Priority Claim is not Allowed on or before the Effective Date, the Disbursing Agent will make the distribution to such Holder within fifteen (15) days after the earlier of the date on which (a) an Order allowing the Other Priority Claim becomes a Final Order, or (b) such Holder and the Debtor or Reorganized Debtor execute a Stipulation Regarding the Amount and Nature of the Claim.

**Section 5.2     Class 2 (Capital One Secured Claim).** Class 2 consists of the Capital One Secured Claim. Unless Capital One and the Debtor or Reorganized Debtor otherwise agree, in writing, in full satisfaction of the Capital One Secured Claim, Capital One will receive Cash in an amount equal to the Allowed amount of the Capital One Secured Claim. If the Capital One Secured Claim is Allowed on or before the Effective Date, the Disbursing Agent will make the distribution to Capital One within fifteen (15) days of the Effective Date. If, however, the Capital One Secured Claim is not Allowed on or before the Effective Date, the Disbursing Agent will make the distribution to Capital One within fifteen (15) days after the earlier of the date on which (a) an Order that allows the Capital One Secured Claim becomes a Final Order, or (b) Capital One and the Debtor or Reorganized Debtor execute a Stipulation Regarding the Amount and Nature of the Claim. In any event, payment in Cash of the Allowed Capital One Secured Claim is conditioned on the simultaneous execution and delivery by the Holder of the Lien in the Capital One Collateral of all necessary documentation to effect a full release of such Lien. Unless and until payment is made, the Capital One Collateral will continue to secure the Capital One Secured Claim until the Capital One Secured Claim is satisfied.

**Section 5.3     Class 3 (Bond Claims).**

(a) **Treatment.** Class 3 consists of the Bond Claims. On the Effective Date:

- (i) The Bond Collateral will continue to secure the Bond Claims as provided in the Bond Indenture and Mortgage, and the Bond Collateral will not be released, modified, cancelled or discharged under the Debtor's Plan or the Confirmation Order;

(ii) Immediately upon full payment of the DIP Financing Facility, without the necessity of any further notice or Order, the Post-Petition Bond Liens will be dissolved and released, and until the DIP Financing Facility is fully paid the Post-Petition Bond Liens shall remain in full force and effect;

(iii) The terms and conditions of the Bonds and the Bond Indenture and Mortgage (including without limitation the provisions of Section 9.05 of the Bond Indenture and Mortgage) and the FGIC Agreements will remain unaltered (and shall be supplemented by Section 5.3(c) of the Debtor's Plan), the Bond Claims shall become obligations of the Reorganized Debtor, and the Reorganized Debtor shall have, undertake and perform all obligations to pay interest and principal, in such amounts and as and when due, pursuant to the Debtor's Plan, the Bonds, the Bond Indenture and Mortgage and the FGIC Agreements;

(iv) Notwithstanding anything to the contrary, any and all defaults and events of defaults or events which, with the passage of time, the giving of notice or both, would constitute defaults or events of defaults or would otherwise give rise to the right to exercise remedies under the Bond Indenture and Mortgage or the Bonds, in each case occurring prior to the Effective Date, shall be deemed to be cured, without further action or notice (or, to the extent cure is not applicable, to be irrevocably waived as of the Petition Date in accordance with the terms thereof), by the treatment provided under the Debtor's Plan; and

(v) The Bond Claim shall be deemed Allowed pursuant to the Debtor's Plan, and the Disbursing Agent will distribute Cash to the Bond Trustee, for the benefit of the Bondholders, in an amount equal to the amounts set forth in clauses (b), (c) and (d) of the definition of Bond Claim in Section 1.25 of the Debtor's Plan.

**(b) The FGIC Agreements.** With respect to the FGIC Insurance Agreements and the Surety Bonds: (i) the legal, equitable, and contractual rights of FGIC and the Bond Trustee under the FGIC Insurance Agreements and the Surety Bonds shall remain unaltered and shall survive and be unaffected by entry of the Confirmation Order; (ii) the legal, equitable, and contractual obligations of ENOI under the FGIC Insurance Agreements shall remain unaltered and the FGIC Insurance Agreements shall become obligations of the Reorganized Debtor; and (iii) on the Effective Date, FGIC shall receive Cash in an amount equal to the FGIC Cure Amount Claim (which Claim shall be deemed Allowed pursuant to the Debtor's Plan) and, subject to the provisions of Section 4.3 of the Debtor's Plan, the FGIC Professional Fee Claim. Notwithstanding anything contained in the Debtor's Plan, FGIC's rights under the Bond Indenture and Mortgage, the FGIC Insurance Agreements, and/or applicable law (including, without limitation, any and all subrogation rights) are hereby expressly reserved; *provided, however*, notwithstanding anything to the contrary in this Section 5.3(b) of the Debtor's Plan, or any other provision of the Debtor's Plan, any and all defaults and events of defaults or events which, with the passage of time, the giving of notice or both, would constitute defaults or events of defaults or would otherwise give rise to the right to exercise remedies under the FGIC Insurance Agreements, in each case

occurring prior to the Effective Date, shall be deemed to be cured without further action or notice (or, to the extent cure is not applicable, to be irrevocably waived in accordance with the terms thereof), by the treatment provided under the Debtor's Plan.

**(c) Insurance Policies and Proceeds.** The Bond Trustee's Liens, security interests and rights in the Debtor's rights in the Insurance Policies and Proceeds (whether the Debtor, the Reorganized Debtor, Entergy Corporation and/or Entergy Services are named as the insured parties) be and are hereby found and declared (and the Confirmation Order shall so find and declare) to be valid and fully perfected, and such Liens, security interests and rights be and they are hereby acknowledged, reaffirmed, regranted and perfected as a continuing security interest in the form of a collateral assignment or otherwise. Notwithstanding anything in the Bond Indenture and Mortgage to the contrary, the Debtor and the Reorganized Debtor hereby grant to the Bond Trustee a security interest in the Debtor's and the Reorganized Debtor's rights with respect to such Insurance Policies and Proceeds, including the right to receive proceeds of the same from the named insured, whether such rights exist as general intangibles, accounts receivable or some other type of collateral, and the Debtor and the Reorganized Debtor will take all necessary action to evidence the perfection of such security interest. The Debtor and the Reorganized Debtor agree that, if it is not a named insured, it will cause the named insured to agree to receive and to distribute the Debtor's and the Reorganized Debtor's allocable share of the proceeds of such Insurance Policies and Proceeds in a manner consistent with the allocation provisions of the Katrina Insurance Protocol (whether in respect of insurance proceeds related to Hurricane Katrina or any other insurance proceeds as to which the Debtor and the Reorganized Debtor may now or in the future be entitled), and will provide notice to such named insured of the Bond Trustee's security interest in the Debtor's and the Reorganized Debtor's rights to receive such proceeds. The Confirmation Order shall set forth the foregoing provisions.

**(d) Insured Bonds Voting Rights.** Pursuant to Section 5.03(a) of the FGIC Insurance Agreements and Section 2.03 of the supplemental indentures for the Sixteenth Bond Series and Seventeenth Bond Series, FGIC is entitled to vote to accept or reject the Debtor's Plan as if it were the Holder of the Insured Bonds.

**(e) Ad Hoc Bondholders Committee Fees.** On the Effective Date, the Disbursing Agent will distribute Cash to the Ad Hoc Bondholders Committee, on behalf of the members of the Ad Hoc Bondholders Committee, in an amount equal to the Ad Hoc Bondholders Committee Fees. Notwithstanding the foregoing, the Debtor's payment of the Ad Hoc Bondholders Committee Fees shall be subject to a reasonableness review by the Bankruptcy Court either pursuant to the Fee Order, if applicable, or otherwise, in the Bankruptcy Court's discretion.

**Section 5.4 Class 4 (Other Secured Claims).** Class 4 consists of the Other Secured Claims. Except as otherwise agreed, in writing, by the Holder of an Other Secured Claim and the Debtor or Reorganized Debtor, on the later of the Effective Date and the date on which such Claim is Allowed, each Holder of an Allowed Other Secured Claim

will be entitled to receive treatment on account of such Allowed Other Secured Claim in the manner set forth in either Option A or B below, at the Debtor's election. The Debtor will be deemed to have elected Option B, except with respect to any Allowed Other Secured Claim as to which the Debtor elects Option A in a certification Filed within fifteen (15) days before the commencement of the Confirmation Hearing.

Option A: Each Holder of an Allowed Claim in Class 4 with respect to which the Debtor or Reorganized Debtor elects Option A will receive, in satisfaction of its Allowed Class 4 Claim, Cash equal to the Allowed amount of such Claim.

Option B: Each Allowed Claim in Class 4 with respect to which the Debtor or Reorganized Debtor elects Option B, or is deemed to have elected Option B, will be Unimpaired within the meaning of section 1123 of the Bankruptcy Code.

**Section 5.5 Class 5 (General Unsecured Claims).** Class 5 consists of General Unsecured Claims. Unless otherwise agreed in a written agreement by and between the Holder of a General Unsecured Claim and the Debtor or Reorganized Debtor, in full satisfaction of the General Unsecured Claim, each Holder of a General Unsecured Claim will receive one of the following alternative treatments:

Option A: If Class 5 votes to accept the Debtor's Plan in accordance with section 1126 of the Bankruptcy Code, each Holder of a General Unsecured Claim will receive Cash equal to the aggregate amount of (a) the Allowed amount of such Holder's General Unsecured Claim, and (b) interest on the principal amount of the Allowed amount of such Holder's General Unsecured Claim at the following per annum interest rates: (i) six percent (6%) from the Petition Date through December 31, 2005; (ii) eight percent (8%) from January 1, 2006 through December 31, 2006; and (iii) the applicable Louisiana judicial interest rate plus one percent (1%) from January 1, 2007, until paid. If the Holder's General Unsecured Claim is Allowed on or before the Effective Date, the Disbursing Agent will make the distribution to the Holder within fifteen (15) days of the Effective Date. If, however, the Holder's General Unsecured Claim is not Allowed on or before the Effective Date, the Disbursing Agent will make the distribution to such Holder within fifteen (15) days after the earlier of the date on which (a) an Order allowing the General Unsecured Claim becomes a Final Order, or (b) the Holder and the Debtor or Reorganized Debtor execute a Stipulation Regarding the Amount and Nature of the Claim.

Option B: If Class 5 votes to reject the Debtor's Plan in accordance with section 1126 of the Bankruptcy Code, each Holder of a General Unsecured Claim will receive an General Unsecured Claim Note in the principal amount of the Allowed amount of such Holder's General Unsecured Claim. The General Unsecured Claim Notes will mature on the third

anniversary of the Effective Date, and will bear interest at the following per annum rates: (i) from the Petition Date through December 31, 2005, at six percent (6%); (ii) from January 1, 2006 through December 31, 2006, at eight percent (8%); and (iii) from January 1, 2007, until paid, at the applicable Louisiana judicial interest rate plus one percent (1%); *provided, however*, that if the Holder has a General Unsecured Claim in the Allowed amount of \$1,000 or less, such Holder will receive Cash equal to the principal amount of the Allowed amount of such Holder's General Unsecured Claim, together with interest at the following per annum rates: (i) from the Petition Date through December 31, 2005, at six percent (6%); (ii) from January 1, 2006 through December 31, 2006, at eight percent (8%); and (iii) from January 1, 2007, until paid, at the applicable Louisiana judicial interest rate plus one percent (1%). If the Holder's General Unsecured Claim is Allowed on or before the Effective Date, the Reorganized Debtor will issue the General Unsecured Claim Note to the Holder, or make the distribution if the Holder's General Unsecured Claim is in the Allowed amount of \$1,000 or less, within fifteen (15) days of the Effective Date. If, however, the Holder's General Unsecured Claim is not Allowed on or before the Effective Date, the Reorganized Debtor will issue the General Unsecured Claim Note to the Holder, or make the Cash distribution if the Holder's General Unsecured Claim is in the Allowed amount of \$1,000 or less, within fifteen (15) days after the earlier of the date on which (i) an Order allowing the General Unsecured Claim becomes a Final Order, or (ii) the Holder and the Debtor or Reorganized Debtor execute a Stipulation Regarding the Amount and Nature of the Claim.

**Section 5.6 Class 6 (Intercompany Claims).** Class 6 consists of Intercompany Claims. In full satisfaction of the Intercompany Claims, each Holder of an Intercompany Claim will receive an Intercompany Note in the principal amount of the Allowed amount of such Holder's Intercompany Claim plus an amount equal to interest on such Allowed Claim at the following per annum rates: (a) from the Petition Date through December 31, 2005, at six percent (6%); (b) from January 1, 2006 through December 31, 2006, at eight percent (8%); and (c) from January 1, 2007, until the Effective Date, at the applicable Louisiana judicial interest rate plus one percent (1%). The Intercompany Notes will mature on the third anniversary of the Effective Date, or, at the Debtor's option, the earlier sale, transfer or other disposition of all or substantially all of the Reorganized Debtor's distribution assets. The Intercompany Notes will bear interest, until paid, at the applicable Louisiana judicial interest rate plus one percent (1%). If the Holder's Intercompany Claim is Allowed on or before the Effective Date, the Reorganized Debtor will issue the Intercompany Note to the Holder within fifteen (15) days of the Effective Date. If, however, the Holder's Intercompany Claim is not Allowed on or before the Effective Date, the Reorganized Debtor will issue the Intercompany Note to the Holder within fifteen (15) days after the earlier of the date on which (a) an Order allowing the Intercompany Claim becomes a Final Order, or (b) the Holder and the Debtor or Reorganized Debtor execute a Stipulation Regarding the Amount and Nature of the Claim;

*provided, however, that any Stipulation Regarding the Amount and Nature of Claims with respect to an Intercompany Claim shall require Bankruptcy Court approval, after notice and hearing.*

**Section 5.7 Class 7 (Litigation Claims).** Class 7 consists of the Litigation Claims. Unless otherwise agreed in a written agreement by and between the Holder of a Litigation Claim and the Debtor or Reorganized Debtor, each Litigation Claim is Unimpaired under the Debtor's Plan, shall not be discharged, and the legal, equitable and contractual rights to which such Litigation Claim entitles the Holder of such Claim shall be unaltered by the Debtor's Plan.

**Section 5.8 Class 8 (Workers' Compensation Claims).** Class 8 consists of Workers' Compensation Claims. The Disbursing Agent will pay all Workers' Compensation Claims that are Allowed and determined to be valid under applicable state law and the corresponding programs that the Debtor maintains, in accordance with the terms and conditions of such state law and such programs. Nothing in the Debtor's Plan shall be deemed to discharge, release, or relieve the Debtor or Reorganized Debtor from any current or future liability with respect to any Allowed Workers Compensation Claim, regardless of when the underlying injuries occurred.

**Section 5.9 Class 9 (Government Environmental Claim).** Class 9 consists of the Government Environmental Claim. On the Effective Date, the Government Environmental Claim will be deemed an Allowed Claim in the amount of \$250,000. In full satisfaction of the Allowed Government Environmental Claim, within fifteen (15) days of the Effective Date, the Disbursing Agent will make distributions of \$150,000 to the Louisiana Wildlife and Fisheries Foundation, and \$100,000 to the U.S. Fish & Wildlife Service.

**Section 5.10 Class 10 (Odom Claim).** Class 10 consists of the Odom Claim. The Odom Claim is a Disputed Claim, and the Holder(s) of the Odom Claim are subject to the injunction of Section 10.2 of the Debtor's Plan. Nevertheless, the Holder(s) of the Odom Claim and the Debtor may continue to prosecute and/or to defend the Odom Claim in the courts of the State of Louisiana, but the Holder(s) of the Odom Claim are and shall be enjoined from taking any action against the Debtor, the Reorganized Debtor, any insurer on any policy of insurance providing insurance in favor of the Debtor or Reorganized Debtor, or the property of any of them to collect or to further the collection of any portion of the Odom Claim, other than such action as may be allowed pursuant to other provisions of the Debtor's Plan. Upon entry of a final judgment that is not the subject of any appeal or writ of review and that has not been stayed by order of a court of competent jurisdiction, to the extent that such final judgment remains in full force and effect (a) the Odom Claim will become an Allowed Claim and will be entitled to the treatment afforded to General Unsecured Claims in Class 5, and (b) the Holder(s) of the Odom Claim may take any action to collect the Odom Claim allowed by non-bankruptcy law against any insurer on any policy of insurance in favor of the Debtor or Reorganized Debtor or any property of any such insurer.



**Section 5.11 Class 11 (Preferred Interests).** Class 11 consists of the Preferred Interests, including Class 11A, Class 11B, and Class 11C.

- (a) **Class 11A (4.36% Preferred Series).** The Holders of the 4.36% Preferred Series will be entitled to one of the following treatments:

Option A: If Class 11A votes in favor of the Debtor's Plan, (i) the 4.36% Preferred Series will remain outstanding, (ii) within fifteen (15) days of the Effective Date, the Disbursing Agent will pay to the Holders of the 4.36% Preferred Series any accumulated, unpaid dividends, and (iii) the Holders of the 4.36% Preferred Series will be entitled to the same rights and privileges that existed on the Effective Date; *provided, however*, on and after the Effective Date, the Unsecured Debt Provision will terminate and have no force or effect.

Option B: If, on the other hand, Class 11A does not vote in favor of the Debtor's Plan, in full satisfaction of the 4.36% Preferred Series, the Debtor will provide treatment to the Holders of the 4.36% Preferred which is fair and equitable with respect to the 4.36% Preferred Series. Upon the Effective Date (i) the 4.36% Preferred Series will be cancelled and rendered null and void, without any corporate action or any action under any applicable agreement, law, regulation, rule or order, and (ii) the obligations of the Debtor and Reorganized Debtor under any and all agreements and instruments related to the 4.36% Preferred Series, or executed in connection therewith, shall be discharged.

- (b) **Class 11B (4.75% Preferred Series).** The Holders of the 4.75% Preferred Series will be entitled to one of the following treatments:

Option A: If Class 11B votes in favor of the Debtor's Plan, (i) the 4.75% Preferred Series will remain outstanding, (ii) within fifteen (15) days of the Effective Date, the Disbursing Agent will pay to the Holders of the 4.75% Preferred Series any accumulated, unpaid dividends, and (iii) the Holders of the 4.75% Preferred Series will be entitled to the same rights and privileges that existed on the Effective Date; *provided, however*, on and after the Effective Date, the Unsecured Debt Provision will terminate and have no force or effect.

Option B: If, on the other hand, Class 11B does not vote in favor of the Debtor's Plan, in full satisfaction of the 4.75% Preferred Series, the Debtor will provide treatment to the Holders of the 4.75% Preferred which is fair and equitable with respect to the 4.75% Preferred Series. Upon the Effective Date, (i) the 4.75%



Preferred Series will be cancelled and rendered null and void, without any corporate action or any action under any applicable agreement, law, regulation, rule or order, and (ii) the obligations of the Debtor and Reorganized Debtor under any and all agreements and instruments related to the 4.75% Preferred Series, or executed in connection therewith, shall be discharged.

- (c) **Class 11C (5.56% Preferred Series).** The Holders of the 5.56% Preferred Series will be entitled to one of the following treatments:

Option A: If Class 11C votes in favor of the Debtor's Plan, (i) the 5.56% Preferred Series will remain outstanding, (ii) within fifteen (15) days of the Effective Date, the Disbursing Agent will pay to the Holders of the 5.56% Preferred Series any accumulated, unpaid dividends, and (iii) the Holders of the 5.56% Preferred Series will be entitled to the same rights and privileges that existed on the Effective Date; *provided, however*, on and after the Effective Date, the Unsecured Debt Provision will terminate and have no force or effect.

Option B: If, on the other hand, Class 11C does not vote in favor of the Debtor's Plan, in full satisfaction of the 5.56% Preferred Series, the Debtor will provide treatment to the Holders of the 5.56% Preferred which is fair and equitable with respect to the 5.56% Preferred Series. Upon the Effective Date (i) the 5.56% Preferred Series will be cancelled and rendered null and void, without any corporate action or any action under any applicable agreement, law, regulation, rule or order, and (ii) the obligations of the Debtor and Reorganized Debtor under any and all agreements and instruments related to the 5.56% Preferred Series, or executed in connection therewith, shall be discharged.

**Section 5.12 Class 12 (Equity Interests).** Class 12 consists of the Equity Interests. The Equity Interests are Impaired. The Holder of the Equity Interests shall retain such Equity Interests after the Effective Date, subject to the provisions of Section 6.4 of the Debtor's Plan.

## ARTICLE VI

### **MEANS FOR IMPLEMENTATION OF THE DEBTOR'S PLAN**

**Section 6.1 Continued Corporate Existence and Vesting of Assets in the Reorganized Debtor.** On and after the Effective Date, the Debtor will continue to exist as the Reorganized Debtor, with all the powers of such a legal entity under applicable law and without prejudice to any right to alter or terminate such existence (whether by merger, dissolution or otherwise) under applicable law. Except as otherwise provided in the Debtor's Plan (and subject to Section 6.2 of the Debtor's Plan), on and after the Effective Date, all property of the Debtor's Estate, and any property acquired by the Debtor or Reorganized Debtor under the Debtor's Plan, will vest in the Reorganized Debtor, free and clear of all Claims, Liens, charges, other encumbrances, and the Preferred Interests in Class 11A, Class 11B or Class 11C. On and after the Effective Date, the Reorganized Debtor may operate its business and may use, acquire and dispose of property and compromise or settle any Claims without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Debtor's Plan or the Confirmation Order. Without limiting the foregoing, the Reorganized Debtor will pay the charges that it incurs on or after the Effective Date for Professionals' fees, disbursements, expenses or related support services (including fees relating to the preparation of fee applications for such Professional) without application to the Bankruptcy Court.

**Section 6.2 Corporate Governance, Directors and Officers, Employment-Related Agreements and Compensation Programs.**

(a) **The Reorganized Debtor's Amended and Restated Articles of Incorporation and Bylaws.** As of the Effective Date, the Reorganized Debtor's Amended and Restated Articles of Incorporation and Bylaws will be substantially in the form of Plan Exhibit 6.2(a). Among other things, the Amended and Restated Articles of Incorporation and Bylaws (a) will no longer include the Unsecured Debt Provision, (b) will prohibit the issuance of nonvoting equity securities to the extent required by section 1123(a) of the Bankruptcy Code, (c) will provide for the restriction of dividends contained in Section 6.4 of the Debtor's Plan, and (d) will specify that the foregoing dividend restriction is not for the benefit of, and does not affect the rights of, the Preferred Interests for any purpose, including Article Fifth(J) of the Amended and Restated Articles of Incorporation. After the Effective Date, the Reorganized Debtor may further amend and restate its Amended and Restated Articles of Incorporation or Bylaws as permitted by the General Corporation Law of the State of Louisiana, subject to the terms and conditions of such constituent documents and in accordance with Section 9(b) of Ordinance No. 6822 Commission Council Series of the City of New Orleans,

adopted April 18, 1922 and known as the Settlement Ordinance, as same may be modified, repealed or superseded.

**(b) Directors and Officers of the Reorganized Debtor.** The initial members of the boards of directors and initial officers of the Reorganized Debtor will consist of the individuals identified on Plan Exhibit 6.2(b). Each such director and officer will serve from and after the Effective Date until his or her successor is duly elected and qualified or until his earlier death, resignation, disqualification or removal in accordance with the terms of the Amended and Restated Articles of Incorporation and Bylaws of the Reorganized Debtor and applicable state law. Plan Exhibit 6.2(b) identifies the initial term for each director in accordance with the provisions of the Amended and Restated Articles of Incorporation and Bylaws of the Reorganized Debtor.

**(c) The Qualified Retirement Plan and the Other Retirement, Employment and Incentive Compensation Programs.** As of the Effective Date, the Reorganized Debtor will have authority to maintain, amend or revise the Qualified Retirement Plan and the Other Retirement, Employment and Incentive Programs, subject to the terms and conditions thereof.

**(d) Corporate Action.** The following (which will occur and be deemed effective as of the date specified in the documents effectuating the same or, if no date is so specified, the Effective Date) will be deemed authorized and approved in all respects and for all purposes without any requirement of further action by the Holders of Preferred Interests or Equity Interests, or the directors of the Debtor or Reorganized Debtor or any other person or entity: (i) the adoption of the Amended and Restated Articles of Incorporation and Bylaws for the Reorganized Debtor; (ii) the initial selection of directors and officers for the Reorganized Debtor; (iii) the distribution of Cash pursuant to the Debtor's Plan; (iv) the declaration of accumulated unpaid dividends on the Preferred Interests being paid within fifteen (15) days of the Effective Date pursuant to Section 5.11(a) of the Debtor's Plan; and (v) the other matters provided for under the Debtor's Plan involving the corporate structure of the Debtor or Reorganized Debtor or corporate action to be taken by, or required of, the Debtor or Reorganized Debtor.

**Section 6.3 Entergy System Money Pool.** From and after the Effective Date, ENOI intends to be a participant in the Entergy System Money Pool. Such participation is authorized through November 30, 2007 by the SEC Orders (HCAR No. 27918, dated November 30, 2004), as filed with FERC under provisions of the Public Utility Holding Company Act of 2005, and participation thereafter will require a final order from FERC authorizing ENOI's issuance of short-term debt securities under the terms of the Entergy System Money Pool. The Confirmation Order shall provide that any and all money deposited, contributed to or loaned by the Reorganized Debtor into the Entergy System Money Pool (net of amounts borrowed by the Reorganized Debtor after the Effective Date and then outstanding but before reduction for any attempted or actual setoff by any participant in the Entergy System Money Pool or Entergy Services), and interest thereon, will be immediately returned to the Reorganized Debtor upon written notice to Entergy

Services, as agent for the Money Pool participants under the terms of the Entergy System Money Pool Agreement.

**Section 6.4 Limitation on Declaring and Paying Common Dividends to Equity Interests.** ENOI agrees it will not pay a common dividend in 2007 and 2008. In addition, for a period of three years after the Effective Date, the Reorganized Debtor agrees that it will not declare or pay any dividends on its common stock unless (a) the common equity ratio of its capital structure is at or above 40%, and (b) after giving effect to any such dividend, the common equity ratio will not fall below 40%. For purposes of determining the Reorganized Debtor's capital structure, there shall specifically be excluded from debt (x) the principal amount of the Intercompany Notes to be issued to Affiliates in accordance with Section 5.6 of the Debtor's Plan and (y) the principal amount of any securitization bonds issued in connection with the recovery of ENOI's storm costs. Notwithstanding the foregoing, the Reorganized Debtor's agreement to restrict dividend payments on common stock shall cease in the event and on the date that (i) the Reorganized Debtor sells all or substantially all of its distribution assets to the City of New Orleans or to a third party, or (ii) the credit rating of the Reorganized Debtor is published as investment grade by either Standard & Poor's or Moody's and the credit rating of the Reorganized Debtor's senior secured debt is published as investment grade by Standard & Poor's or Moody's; *provided, however*, that in the event that the Reorganized Debtor achieves investment grade credit rating, then for a period of three years after the Effective Date, no common dividend shall be paid if such payment would cause the credit rating of the Reorganized Debtor to drop below investment grade as stated in clause (ii) in the immediate preceding sentence. Nothing in Section 6.4 of the Debtor's Plan, or the Amended and Restated Articles of Incorporation provided for in Section 6.2(a) of the Debtor's Plan, will be considered to be for the benefit of, or affecting the rights of, the Preferred Interests.

**Section 6.5 Preservation of Causes of Action by the Debtor and the Reorganized Debtor.** Except as provided in the Debtor's Plan or in any contract, instrument, release or other agreement entered into or delivered in connection with the Debtor's Plan, in accordance with section 1123(b) of the Bankruptcy Code, the Reorganized Debtor will retain and may enforce any claims, demands, rights and Causes of Action that the Debtor or Estate may hold, to the extent not expressly released under the Debtor's Plan. The Reorganized Debtor may pursue such retained claims, demands, rights or Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtor. Further, the Reorganized Debtor retains its rights to File and pursue any adversary proceedings against any creditor or vendor related to debit balances or deposits owed to the Debtor. Notwithstanding the foregoing, in the context of the Debtor's Plan, the Debtor does not anticipate commencing any Bankruptcy Causes of Action which would provide for recovery from creditors who received preferential transfers under section 547 of the Bankruptcy Code, and is not aware of any other Bankruptcy Causes of Action it may have.

**Section 6.6     Stipulation Regarding the Amount and Nature of the Claim.** Except as provided in Section 5.6 of the Debtor's Plan with respect to the Intercompany Claims, from and after the Effective Date, the Reorganized Debtor will have authority to enter into a Stipulation Regarding the Amount and Nature of the Claim without the necessity of obtaining Bankruptcy Court approval.

**Section 6.7     Effectuating Documents; Further Transactions; Exemption from Certain Transfer Taxes.** The Chairman of the Board, Chief Executive Officer, President, any Executive Vice President, Chief Financial Officer, Chief Operating Officer, any Senior Vice President or any Vice President of each Debtor or Reorganized Debtor will be authorized to execute, deliver, file or record such contracts, instruments, releases and other agreements and documents and take such actions as may be necessary, appropriate or desirable to effectuate and implement the provisions of the Debtor's Plan. The Secretary or any Assistant Secretary of the Debtor or Reorganized Debtor will be authorized to certify or attest to any of the foregoing actions. Pursuant to section 1146(c) of the Bankruptcy Code, the following will not be subject to a stamp tax, real estate transfer tax, sales or use tax or similar Tax: (a) the creation of any mortgage, deed of trust, lien or other security interest; (b) the making or assignment of any lease or sublease; (c) any Restructuring Transaction; or (d) the making or delivery of any deed, bill of sale or other instrument of transfer or assignment or any plan of merger, consolidation, liquidation or dissolution under, in furtherance of or in connection with the Debtor's Plan.

## **ARTICLE VII**

### **PROVISIONS GOVERNING DISTRIBUTIONS**

**Section 7.1     Distribution for Allowed Claims as of the Effective Date.** Except as otherwise provided in Article VII of the Debtor's Plan, distributions to be made on the Effective Date to Holders of Claims that are Allowed on or before the Effective Date will be deemed made on the Effective Date if made on the Effective Date or as promptly thereafter as is practicable, but in any event within fifteen (15) days after the Effective Date unless (a) such Claim is a Cure Amount Claim associated with an Executory Contract or Unexpired Lease to be assumed pursuant to the Debtor's Plan about which there is dispute, in which case the paying on account of such Claim will be made in accordance with Section 8.2 of the Debtor's Plan, or (b) such distribution is returned to the Disbursing Agent as undeliverable in accordance with Section 7.3 of the Debtor's Plan.

**Section 7.2     Delivery of Distributions.**

(a) **Generally.** Except as provided in Section 7.2(b) of the Debtor's Plan with respect to the Bond Claims, the Disbursing Agent will make distributions to the Holders of Allowed Claims. With respect to the Holders of Bond Claims in Class 3, the Disbursing Agent will make distributions to the Bond Trustee.

**(b) Special Provisions Regarding Distributions to the Holders of Bond Claims.** The Disbursing Agent will make any distribution to Holders of an Allowed Bond Claims to the Bond Trustee for subsequent distribution to the Holders of the Bond Claims as of the Distribution Record Date in accordance with the Bond Indenture and Mortgage; *provided, however*, that distributions being made pursuant to Section 5.3(b)(iii) of the Debtor's Plan in respect of the FGIC Cure Amount Claim shall be paid directly to FGIC.

### **Section 7.3     Undeliverable Distributions.**

**(a) No Further Attempts at Delivery.** If any distribution to a Holder of an Allowed Claim other than a Bond Claims or an Allowed Preferred Interest is returned to the Disbursing Agent as undeliverable, then unless and until the Disbursing Agent is notified in writing of the Holder's then-current address: (i) such undeliverable distributions will remain in the possession of the Disbursing Agent, and no further attempt will be made to deliver such distribution; and (ii) no attempt will be made to deliver subsequent distributions to such Holder.

**(b) Forfeiture.** Any Holder of an Allowed Claim (other than a Bond Claim) or Allowed Preferred Interest that does not assert a claim for an undeliverable distribution by delivering to the Disbursing Agent a written notice setting forth such Holder's then-current address within one hundred and eighty (180) days after the later of (i) the Effective Date, and (ii) the last date on which a distribution was deliverable to the Holder, will have its claim for undeliverable distributions discharged and will be forever barred from asserting such claim or any claim for subsequent distributions against the Debtor, Reorganized Debtor, the Disbursing Agent, or their respective properties.

**(c) No Requirement to Attempt to Locate Holders.** Nothing contained in the Debtor's Plan will require the Disbursing Agent, the Debtor or Reorganized Debtor to attempt to locate any Holder of an Allowed Claim or Allowed Preferred Interest.

**Section 7.4     Exemption from Securities Laws.** The issuance of the Intercompany Notes and any other securities that may be deemed issued pursuant to the Debtor's Plan shall be exempt from any securities laws registration requirements to the fullest extent permitted by section 1145 of the Bankruptcy Code.

**Section 7.5     Means of Cash Payments.** Except as otherwise provided in the Debtor's Plan, Cash payments made pursuant to the Debtor's Plan will be in United States currency by checks drawn on the account of the Disbursing Agent, or by wire transfer from a domestic bank; *provided, however*, that Cash payments to foreign Holders of Allowed Claims and Allowed Preferred Interests may be made. If a check included in a distribution to a Holder of an Allowed Claim or Allowed Preferred Interest is not cashed within one hundred and eighty (180) days of the issuance thereof, the Disbursing Agent will void such check and such distribution will be treated as undeliverable as provided in Section 7.3(b) and (c) of the Debtor's Plan.

**Section 7.6     Setoffs.** Except with respect to (a) Claims of the Debtor released pursuant to the Debtor's Plan or any contract, instrument, release, or other agreement or document entered into or delivered in connection with the Debtor's Plan, (b) the DIP Financing Claim, and (c) Claims Allowed pursuant to the Debtor's Plan (including the Bond Claims, the Bond Trustee's Professional Fee Claim, the Bond Trustee's Claim, the FGIC Professional Fee Claim, the Ad Hoc Bondholders Committee Fees, and the FGIC Cure Amount Claim), the Debtor or Reorganized Debtor may, pursuant to section 553 of the Bankruptcy Code or applicable nonbankruptcy law, set off against any Allowed Claim and the distributions to be made pursuant to the Debtor's Plan on account of such Claim (before any distribution is made on account of such Claim) the Claims, rights and Causes of Action of any nature that the Debtor may hold against the Holder of such Allowed Claim; *provided, however*, that neither the failure to effect a setoff nor the allowance of any Claim hereunder will constitute a waiver or release by the Debtor or Reorganized Debtor of any claims, rights and Causes of Action that the Debtor may possess against such a Holder, which are preserved under the Debtor's Plan.

**Section 7.7     Distribution Record Date.**

**(a)     Allowed Claims (other than the Bond Claims) and Allowed Preferred Interests.** The Disbursing Agent will have no obligation to recognize the transfer of, or the sale of any participation in, any Allowed Claim or Allowed Preferred Interest that occurs after the Distribution Record Date and will be entitled for all purposes herein to recognize and make distributions only to those Holders of Allowed Claims and Allowed Preferred Interests that are Holders of such Claims and Preferred Interests, or participants therein, as of the Distribution Record Date.

**(b)     Allowed Bond Claims.** For the purpose of making any distributions under the Debtor's Plan, neither the Disbursing Agent nor the Bond Trustee will have any obligation to recognize the transfer or sale of any Bond Claims that occurs after the Distribution Record Date.

**(c)     Pending Transfers.** Except as otherwise provided in a Final Order of the Bankruptcy Code, the transferees of Claims that are transferred pursuant to Bankruptcy Rule 3001 before the Distribution Record Date will be treated as Holders of such Claims for all purposes, notwithstanding that any period provided by Bankruptcy Rule 3001 for objection to such a transfer has not expired before the Distribution Record Date.

**ARTICLE VIII**  
**TREATMENT OF EXECUTORY CONTRACTS**  
**AND UNEXPIRED LEASES**

**Section 8.1     Executory Contracts or Unexpired Leases to Be Rejected or Assumed.**

(a) **Generally.** Except as otherwise provided in the Debtor's Plan or in any contract, instrument, release or other agreement or document entered into in connection with the Debtor's Plan, each Executory Contract or Unexpired Lease that is listed on Plan Exhibit 8.1 will be deemed rejected pursuant to section 365 of the Bankruptcy Code. The Confirmation Order will constitute an Order of the Bankruptcy Court approving each such rejection, pursuant to section 365 of the Bankruptcy Code, as of the Effective Date; *provided, however*, that, with the exception of the FGIC Insurance Agreements, the ISES PPA, the RB 30 PPA, the WBL PPA, the UPSA, and that certain Master Leasing Agreement by and between BLC Corporation and ENOI, dated as of December 1, 1983, as amended and supplemented (each of which will be assumed on the Effective Date), at any time before March 1, 2007, the Debtor reserves the right to amend Plan Exhibit 8.1 to (i) delete any Executory Contract or Unexpired Lease listed therein, thus providing for its assumption pursuant to Article VIII of this Plan, or (ii) add any Executory Contract or Unexpired Lease thereto, thus providing for its rejection pursuant to this Section 8.1 of the Debtor's Plan. The Debtor will provide notice of any amendments to Plan Exhibit 8.1 to the Creditors' Committee and the parties to the Executory Contracts or Unexpired Leases affected thereby. Such notice be sent by overnight delivery or telecopy, and will include a Ballot and a form for Filing a Proof of Claim. Any Claims arising from cure amounts required to be paid in connection with the assumption of Executory Contracts with Affiliates or Unexpired Leases with Affiliates which are not Cure Amount Claims will be treated as Intercompany Claims in Section 5.6 of the Debtor's Plan.

(b) **Approval of Assumptions.** The Confirmation Order will constitute an Order of the Bankruptcy Court approving the assumption of each Executory Contract and Unexpired Lease that is not rejected pursuant to Section 8.1 of the Debtor's Plan, pursuant to section 365 of the Bankruptcy Code, as of the Effective Date. An Order of the Bankruptcy Court entered on or before the Confirmation Date will specify the procedures for providing notice to each party whose Executory Contract or Unexpired Lease is being assumed pursuant to the Debtor's Plan of: (i) the contract or lease being assumed; (ii) the Cure Amount Claim, if any, that the Debtor believes it would be obligated to pay in connection with such assumption; and (iii) the procedures for such party to object to the assumption of the applicable contract or lease or the amount of the proposed Cure Amount Claim.



**Section 8.2 Payments Related to the Assumption of Executory Contracts and Unexpired Leases.** To the extent that such Claims constitute monetary defaults, the Cure Amount Claims associated with each Executory Contract or Unexpired Lease to be assumed pursuant to the Debtor's Plan will be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, at the option of the Debtor: (a) by payment of the Cure Amount Claim in Cash on the Effective Date; or (b) on such other terms as are agreed to by the parties to such Executory Contract or Unexpired Lease. If there is a dispute regarding the amount of any Cure Amount Claim, or any other matter pertaining to assumption of such contract or lease, the payment of any Cure Amount Claim required by section 365(b)(1) of the Bankruptcy Code will be made following the entry of a Final Order resolving the dispute and approving the assumption.

**Section 8.3 Bar Date for Rejection Damages.** Notwithstanding anything in the Bar Date Order to the contrary, if the rejection of an Executory Contract or Unexpired Lease pursuant to Article VIII of this Plan gives rise to a Claim by the other party or parties to such contract or lease, such Claim will be forever barred and will not be enforceable against the Debtor, the Reorganized Debtor, the successor of any of them, or the property of any of them, unless a request for payment of Administrative Claim is Filed and served on the Reorganized Debtor pursuant to the procedures specified in the Confirmation Procedures Order, the notice of the entry of the Confirmation Order, or another Order of the Bankruptcy Court entered on the Docket within thirty (30) days after the Effective Date.

**Section 8.4 Obligations to Indemnify Directors, Officers and Employees.** The obligations of the Debtor or Reorganized Debtor to indemnify any person who is serving or has served as one of its directors, officers or employees by reason of such person's prior or future service in such a capacity or as a director, officer or employee of another corporation, partnership or other legal entity, to the extent provided in the applicable certificates of incorporation or bylaws, by statutory law or by written agreement, policies or procedures of or with the Debtor, will be deemed and treated as executory contracts that are assumed by the Debtor or Reorganized Debtor pursuant to the Debtor's Plan and section 365 of the Bankruptcy Code as of the Effective Date. Accordingly, such indemnification obligations will survive and be unaffected by entry of the Confirmation Order, irrespective of whether such indemnification is owed for an act or event occurring before, on or after the Petition Date.

**Section 8.5 Contracts and Leases Entered Into After the Petition Date.** Contracts and leases entered into after the Petition Date by the Debtor, including any Executory Contracts or Unexpired Leases assumed by the Debtor, will be performed by the Debtor or Reorganized Debtor liable thereunder in the ordinary course of its business. Accordingly, such contracts and leases (including any assumed Executory Contracts and Unexpired Leases) will survive and remain unaffected by entry of the Confirmation Order.

## **Section 8.6     Insurance Policies and Agreements.**

(a)     **Assumed Insurance Policies and Agreements.** To the extent that the insurance policies issued to, or insurance agreements entered into by, the Debtor before the Petition Date constitute executory contracts under section 365 of the Bankruptcy Code, then, notwithstanding anything contained in Article VIII to the contrary, the Debtor's Plan will constitute a motion to assume such insurance policies and agreements, and, subject to the occurrence of the Effective Date, the entry of the Confirmation Order will constitute approval of such assumption pursuant to section 365(a) of the Bankruptcy Code and a finding by the Bankruptcy Court that each such assumption is in the best interest of the Debtor, its estate, and all parties in interest in the Bankruptcy Case. Except as otherwise provided in Section 5.3(b) of the Debtor's Plan with respect to the FGIC Cure Amount Claim, unless otherwise determined by the Bankruptcy Court pursuant to a Final Order or agreed to by the parties thereto before the Effective Date, no payments are required to cure any defaults of the Debtor existing as of the Confirmation Date with respect to each such insurance policy or agreement.

(b)     **Reservation of Rights.** Except for the releases set forth in Section 10.3(b) of the Debtor's Plan, nothing contained in the Debtor's Plan will constitute a waiver of any claim, right or Cause of Action that the Debtor or the Reorganized Debtor may hold against an insurer under any policy of insurance or insurance agreement.

**Section 8.7     Assumption of the Bonds, the Bond Indenture and Mortgage, and the FGIC Insurance Agreements.** To the extent that the Bonds, the Bond Indenture and Mortgage, and the FGIC Insurance Agreements are executory contracts within the meaning of section 365 of the Bankruptcy Code, then, notwithstanding anything contained in Article VIII of the Debtor's Plan to the contrary, the Debtor's Plan will constitute a motion to assume the foregoing (as applicable). Subject to the occurrence of the Effective Date, the entry of the Confirmation Order on the Docket will (a) constitute approval of such assumption pursuant to section 365(a) of the Bankruptcy Code, (b) a finding by the Bankruptcy Court that each such assumption is in the best interest of the Debtor, its estate, and all parties in interest in the Bankruptcy Case, and (c) a determination by the Bankruptcy Court that each of the Bonds and the Bond Indenture and Mortgage and the FGIC Insurance Agreements are deemed assumed by the Debtor as of the Effective Date; *provided, however*, (a) that the payment of the FGIC Cure Amount Claim and the Allowed FGIC Professional Fee Claim shall constitute the cure of any default under the FGIC Insurance Agreements, such that no additional Cure Amount Claim shall exist with respect to the assumption of the FGIC Insurance Agreements, and (b) that the treatment provided under the Debtor's Plan in respect of the Bond Claims, Bond Trustee's Professional Fee Claims and the Bond Trustee's Claim shall constitute the cure of any default under the Bonds and the Bond Indenture and Mortgage, such that no additional Cure Amount Claim shall exist with respect to the assumption of the Bonds and the Bond Indenture and Mortgage.

**Section 8.8     Compensation and Benefit Programs.** Except as otherwise provided in a motion Filed before the Effective Date, all employment plans, practices, programs and policies maintained by the Debtor as of the Effective Date shall remain in full force and effect following the Effective Date, subject to any and all rights of the Debtor under applicable non-bankruptcy law to amend or terminate such plans, practices, programs and policies.

**Section 8.9     Retiree Benefits.** Payment of any Retiree Benefits (as such benefits existed on the Petition Date) shall be continued solely to the extent, and for the duration of the period, that the Debtor is contractually or legally obligated to provide such benefits, subject to any and all rights of the Debtor under applicable law (including, without limitation, the Debtor's right to amend or terminate such Retiree Benefits before or after the Effective Date).

## **ARTICLE IX**

### **CONDITIONS TO DEBTOR'S PLAN BECOMING EFFECTIVE AND IMPLEMENTATION OF THE DEBTOR'S PLAN**

**Section 9.1     Conditions to Debtor's Plan Becoming Effective.** The Debtor's Plan shall not be consummated, and the Effective Date shall not occur, until each of the following conditions has been satisfied or duly waived pursuant to Section 9.2 of the Debtor's Plan:

- (a) The Confirmation Order shall have been entered by the Bankruptcy Court in a form reasonably satisfactory to the Debtor, FGIC and the Bond Trustee, and no injunction shall be in existence with respect to the Confirmation Order.
- (b) The Debtor shall have received in Cash at least \$200 million in CDBG Funds.
- (c) The Debtor shall have received in Cash at least \$50 million in Katrina Insurance Proceeds.
- (d) The Stipulation and Order and the Fee Order shall remain in full force and effect and the Debtor shall have fully complied with all of its obligations thereunder.
- (e) No Material Adverse Change shall have occurred from and after the Confirmation Date.

**Section 9.2     Waiver of Conditions to the Effective Date.** One or more of the foregoing conditions to the Effective Date may be waived, in whole or in part, by the

Debtor at any time and without any Order of the Bankruptcy Court; *provided, however*, that FGIC and the Bond Trustee must consent to the waiver of the conditions set forth in Section 9.1(a) or Section 9.1(d) of the Debtor's Plan.

**Section 9.3     Filing Notice of Occurrence of Effective Date.** The Debtor shall File a notice of occurrence of the Effective Date within one (1) Business Day of the Effective Date, and such Notice must (a) state that all conditions to the Debtor's Plan becoming effective have been satisfied, (b) contain a written acknowledgement by FGIC and the Bond Trustee that the conditions set forth in Section 9.1(a) and Section 9.1(d) of the Debtor's Plan have been satisfied or waived in accordance with the Debtor's Plan, and (c) state the date of the Effective Date.

**Section 9.4     Failure of Conditions.** In the event that, on or before June 30, 2007, one or more of the conditions specified in Section 9.1 of the Debtor's Plan does not occur, or has not been waived as provided in Section 9.2 of the Debtor's Plan, the Confirmation Order shall be vacated, no distributions under the Debtor's Plan shall be made, and the Debtor and all Holders of Claims and Interests shall be restored to the *status quo ante* as of the day immediately preceding the Confirmation Date as though the Confirmation Date never occurred, and FGIC and the Bondholders shall have the right to withdraw (without any further Bankruptcy Court approval) any ballots cast with respect to the Debtor's Plan; *provided, however*, that the Debtor reserves the right to seek from the Bankruptcy Court, for reasonable cause, after notice and hearing, an extension of the June 30, 2007 deadline for the Effective Date to occur, subject to the following: (a) no extension of the Effective Date past December 31, 2007 shall occur unless and until the Debtor pays, after first obtaining Bankruptcy Court authority to pay (after notice and hearing), (i) the amounts set forth in clause (b) of the definition of Bond Claim in Section 1.25 of the Debtor's Plan to the Bond Trustee, and (ii) the FGIC Cure Amount Claim to FGIC; (b) no extension of the Effective Date past June 30, 2007 shall occur unless and until the Debtor pays the amounts set forth in clause (c) of the definition of Bond Claim in Section 1.25 of the Debtor's Plan to the Bond Trustee and continues to pay such amounts through the Effective Date; and (c) no extension of the Effective Date past June 30, 2008 shall occur without the prior written consent of FGIC and the Bond Trustee in their sole discretion.

## ARTICLE X

### **DISCHARGE AND INJUNCTION**

#### **Section 10.1 Discharge of Claims.**

(a) Except as otherwise expressly provided in the Debtor's Plan or the Confirmation Order, the rights afforded under the Debtor's Plan and the treatment of Claims under the Debtor's Plan will be in exchange for and in complete satisfaction, discharge and release of all Claims arising on or before the Effective Date. Except as provided in the Debtor's Plan or the Confirmation Order, as of the Effective Date, the Debtor's Plan shall discharge the Debtor from all Claims or other debts that arose on or before the Effective Date, and all debts of the kind specified in section 502(g), 502(h), or 502(i) of the Bankruptcy Code, whether or not (i) a Proof of Claim based on such debt is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code, (ii) a Claim based on such debt is Allowed pursuant to section 502 of the Bankruptcy Code, or (iii) the Holder of such Claim voted to accept the Debtor's Plan.

(b) In accordance with the foregoing, except as provided in the Debtor's Plan or the Confirmation Order, the Confirmation Order will be a judicial determination, as of the Effective Date, of a discharge of all Claims and other debts and liabilities against the Debtor, pursuant to sections 524 and 1141 of the Bankruptcy Code, and such discharge will void any judgment obtained against the Debtor at any time to the extent that such judgment relates to a discharged Claim.

(c) Solely with respect to the United States (which term shall include for purposes of the Debtor's Plan, all agencies of the United States), notwithstanding any other provision of the Debtor's Plan to the contrary, nothing in the Debtor's Plan or the Confirmation Order shall operate to expand the Debtor's discharge beyond those established by the Bankruptcy Code unless otherwise agreed to a written agreement, by and between the United States and the Debtor or Reorganized Debtor.

**Section 10.2 Injunction.** Except as otherwise expressly provided in the Debtor's Plan or the Confirmation Order, as of the Effective Date, any Entity that has held, currently holds or may hold a Claim or other debt, liability, or Preferred Interest that is discharged, released, waived, settled or deemed satisfied in accordance with the Debtor's Plan will be permanently enjoined from taking any of the following actions on account of any such Claims, debts, liabilities, or Preferred Interests: (a) commencing or continuing in any manner any action or Cause of Action or other proceeding against the Debtor, the Reorganized Debtor, or the property of either of them, other than to enforce any right that does not comply with, or is inconsistent with, the provisions of the Debtor's Plan; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtor, the Reorganized Debtor, or the property of either of them, other than as

permitted pursuant to (a) above; (c) creating, perfecting or enforcing any Lien or encumbrance of any kind against the Debtor, the Reorganized Debtor, or the property of either of them, other than as permitted pursuant to (a) above; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtor or Reorganized Debtor; and (e) commencing or continuing any action or Cause of Action, in any manner, in any place that does not comply with or is inconsistent with the Debtor's Plan; *provided, however*, (a) that such injunction shall not preclude the United States of America or any of its police or regulatory agencies from enforcing their police or regulatory powers, (b) that except in connection with a properly Filed Proof of Claim for an Allowed Claim, the foregoing proviso does not permit the United States of America or any of its police or regulatory agencies to obtain any monetary recovery from the Debtor or its property or interests in property with respect to any such Claim or other debt or liability that is discharged or Preferred Interest or Equity Interest, including, without limitation, any monetary claim or penalty in furtherance of a police or regulatory power, (c) in accordance with Section 11.2 of the Debtor's Plan, such injunction shall not preclude the City Council or the City of New Orleans from enforcing their police and regulatory powers, including with respect to regulatory actions based upon unresolved regulatory matters that arose before the Petition Date and that could result in orders to refund or credit ratepayers, or (d) except in connection with a properly Filed Proof of Claim for an Allowed Claim by the City Council or the City of New Orleans for their own account, the foregoing proviso (c) does not permit the City Council or the City of New Orleans or any of its police or regulatory agencies to obtain any monetary recovery from the Debtor or its property or interests in property with respect to any Claim or other debt or liability that is discharged, including, without limitation, any monetary claim or penalty in furtherance of a police or regulatory power.

### **Section 10.3 Releases.**

**(a) RELEASES BY THE BONDHOLDERS. AS OF THE EFFECTIVE DATE, IN CONSIDERATION OF THE OBLIGATIONS OF THE DEBTOR, THE REORGANIZED DEBTOR AND THE ESTATE UNDER THE DEBTOR'S PLAN, AND OTHER CONTRACTS, INSTRUMENTS, AGREEMENTS OR DOCUMENTS TO BE ENTERED INTO, OR DELIVERED IN CONNECTION WITH, THE DEBTOR'S PLAN, FGIC AND EACH HOLDER OF A BOND CLAIM, AND THEIR SUCCESSORS AND ASSIGNS, TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, AS SUCH LAW MAY BE EXTENDED SUBSEQUENT TO THE EFFECTIVE DATE, WILL BE DEEMED TO FOREVER RELEASE, WAIVE AND DISCHARGE ANY AND ALL CLAIMS, OBLIGATIONS, RIGHTS, CAUSES OF ACTION AND LIABILITIES, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR HEREAFTER ARISING, BASED IN WHOLE OR IN PART UPON ANY ACT OR OMISSION, TRANSACTION, OR OCCURRENCE TAKING PLACE ON, OR BEFORE, THE EFFECTIVE DATE IN ANY WAY RELATING TO THE DEBTOR,**

THIS BANKRUPTCY CASE OR THE DEBTOR'S PLAN THAT SUCH ENTITY HAS, HAD OR MAY HAVE (AS OF THE EFFECTIVE DATE) AGAINST ANY OF FGIC, THE BOND TRUSTEE, THE AD HOC BONDHOLDERS COMMITTEE AND EACH PARTIES' OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, MEMBERS (IN THEIR CAPACITY AS SUCH), FINANCIAL ADVISORS, ATTORNEYS AND OTHER REPRESENTATIVES.

(b) RELEASES BY THE DEBTOR AND THE REORGANIZED DEBTOR. AS OF THE EFFECTIVE DATE, IN CONSIDERATION OF THE OBLIGATIONS OF THE RELEASED PARTIES UNDER THE DEBTOR'S PLAN, AND OTHER CONTRACTS, INSTRUMENTS, AGREEMENTS OR DOCUMENTS TO BE ENTERED INTO, OR DELIVERED IN CONNECTION WITH, THE DEBTOR'S PLAN, THEIR PARTICIPATION IN THE NEGOTIATION AND IMPLEMENTATION OF THE DEBTOR'S PLAN AND THEIR SERVICES DURING THIS BANKRUPTCY CASE, THE DEBTOR, ON ITS OWN BEHALF AND ON BEHALF OF THE REORGANIZED DEBTOR AND ITS ESTATE, HEREBY FOREVER RELEASES, WAIVES AND DISCHARGES ANY AND ALL CLAIMS, OBLIGATIONS, RIGHTS, CAUSES OF ACTION AND LIABILITIES, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR HEREAFTER ARISING, BASED IN WHOLE OR IN PART UPON ANY ACT OR OMISSION, TRANSACTION, OR OCCURRENCE TAKING PLACE ON, OR BEFORE, THE EFFECTIVE DATE (INCLUDING WITHOUT LIMITATION ANY OF THE FOREGOING WHICH MAY BE ASSERTED DERIVATIVELY ON BEHALF OF THE DEBTOR, THE ESTATE OR THE REORGANIZED DEBTOR) IN ANY WAY RELATING TO THE DEBTOR, THIS BANKRUPTCY CASE OR THE DEBTOR'S PLAN THAT THE DEBTOR, ITS ESTATE OR THE REORGANIZED DEBTOR HAS, HAD OR MAY HAVE AGAINST ANY OF THE RELEASED PARTIES OTHER THAN (i) THE AFFILIATES OF THE DEBTOR, AND (ii) THE OFFICERS AND DIRECTORS OF THE AFFILIATES OF THE DEBTOR (IN THEIR CAPACITY AS SUCH).

**Section 10.4 Limitations of Releases.** The releases provided for in Section 10.3(a) of the Debtor's Plan shall be effective only as to those Bondholders that vote to accept the Debtor's Plan.

**Section 10.5 Term of the Automatic Stays.** Unless otherwise provided in the Debtor's Plan or the Confirmation Order, the automatic stay set forth in section 362 of the Bankruptcy Code shall remain in full force and effect until the Effective Date. Nothing in this Section 10.5 of the Debtor's Plan, however, shall be construed as a limitation of the permanent discharge and injunction provisions provided for in the Debtor's Plan.

**Section 10.6 Provisions as to the Qualified Retirement Plan.** Notwithstanding the provisions of Sections 10.1 and 10.2 of the Debtor's Plan, or any other provision of the Debtor's Plan, nothing in the Debtor's Plan, the Confirmation Order, or section 1141 of the Bankruptcy Code shall, or shall be construed to, discharge, release, or



relieve the Debtor or any other party, in any capacity, from any liability with respect to the Qualified Retirement Plan, or any other defined benefit plan sponsored by Entergy Corporation or any member of its controlled group, under any law, governmental policy, or regulatory provision; and further provided that the PBGC shall not be enjoined from enforcing such liability as a result of the provisions for satisfaction, release and discharge of Claims that are contained in the Debtor's Plan.

**Section 10.7 Release of Liens.** Except as otherwise provided in the Debtor's Plan or in any contract, instrument, release or other agreement or document entered into or delivered, on the Effective Date, all mortgages, deeds of trust, Liens or other security interests or encumbrances of any kind against the property of the Estate will be fully released and discharged, and all of the right, title and interest of any Holder of such mortgages, deeds of trust, Liens or other security interests, including any rights to any collateral thereunder, will revert to the Reorganized Debtor and its successors and assigns and the former Holder thereof will, upon request of the Debtor, execute such documents evidencing such release and discharge as the Debtor may reasonably request.

**Section 10.8 Exculpation.** AS OF THE EFFECTIVE DATE, THE EXCULPATED PARTIES SHALL NOT HAVE NOR INCUR LIABILITY TO ANY ENTITY FOR ANY ACTION TAKEN OR OMITTED TO BE TAKEN IN CONNECTION WITH OR RELATED TO THE FORMULATION, PREPARATION, DISSEMINATION, IMPLEMENTATION, CONFIRMATION, OR CONSUMMATION OF THE DEBTOR'S PLAN, THE DEBTOR'S DISCLOSURE STATEMENT, EARLIER VERSIONS OF SAME OR ANY CONTRACT, INSTRUMENT, RELEASE, OTHER AGREEMENT OR DOCUMENT CREATED OR ENTERED INTO, OR ANY OTHER ACTION TAKEN OR OMITTED TO BE TAKEN, IN CONNECTION WITH THE DEBTOR'S PLAN OR THIS BANKRUPTCY CASE; *PROVIDED, HOWEVER*, (a) THAT THE FOREGOING PROVISIONS OF THIS SECTION SHALL HAVE NO EFFECT ON THE LIABILITY OF ANY ENTITY THAT WOULD OTHERWISE RESULT FROM ANY SUCH ACTION OR OMISSION TO THE EXTENT THAT SUCH ACTION OR OMISSION IS DETERMINED IN A FINAL ORDER TO HAVE CONSTITUTED WILLFUL MISCONDUCT OR GROSS NEGLIGENCE, AND (b) THAT NOTHING IN THIS SECTION 10.8 OF THE DEBTOR'S PLAN SHALL, OR SHALL BE DEEMED TO, RELEASE THE EXCULPATED PARTIES FROM, OR EXCULPATE THE EXCULPATED PARTIES WITH RESPECT TO, THEIR RESPECTIVE OBLIGATIONS OR COVENANTS ARISING PURSUANT TO THE DEBTOR'S PLAN.



**ARTICLE XI**  
**REGULATION, RATES AND TARIFFS**  
**AND THE CDBG FUNDS**

**Section 11.1 Regulation.** The Debtor continues to be subject to both federal and local regulation. On and after the Effective Date, the Reorganized Debtor shall continue to be regulated by: (a) FERC; and (b) the City Council in accordance with the Home Rule Charter of the City of New Orleans, as amended through January 1, 1996, and other applicable statutes, ordinances, resolutions and regulations.

**Section 11.2 Rates and Tariffs.** The Debtor's Plan is not intended to impair, alter, modify, increase or decrease any prepetition or postpetition (a) rate, tariff, regulatory order or regulatory proceeding of FERC or the City Council, (b) agreement relating to any such rate, tariff, order or proceeding, (c) right of appeal, action or collateral challenge that the Debtor, FERC or the City Council might have with respect to any of the foregoing, or (d) the regulatory authority or jurisdiction of FERC or the City Council.

**Section 11.3 CDBG Funds.** Nothing in the Debtor's Plan shall alter the six (6) conditions to the Debtor's receipt of the CDBG Funds, as requested by the City Council, that are contained in the LRA Resolution, as follows:

- (a) CDBG Funds may only be used to offset the cost of restoration, reconstruction and rebuilding of ENOI's damaged electric and gas utility systems, and to offset such other unrecovered fixed costs as may be the responsibility of ratepayers;
- (b) CDBG Funds should be used to mitigate and/or eliminate possible rate increases to New Orleans utility ratepayers;
- (c) No CDBG Funds may be used to profit ENOI's parent, Entergy Corporation;
- (d) ENOI must agree that all restoration, reconstruction, and rebuilding costs claimed for CDBG Funds must be certified as reasonable and necessary through an independent process approved by the LRA;
- (e) ENOI must not claim in any forum capital assets paid for with CDBG Funds as additions to the rate base for ratemaking purposes or for the valuation of ENOI's assets in connection with the city's perpetual option to purchase set forth in the applicable 1922 Ordinances, as amended; and
- (f) Any CDBG Funds awarded to ENOI should be exempt from existing or future liens held by any of the Bondholders and, except to the extent necessary to

reimburse audited expenditures for restoration, reconstruction, and rebuilding, the Entergy Corporation debtor-in-possession loan to ENOI.

## **ARTICLE XII**

### **RETENTION OF JURISDICTION**

Until the entry of a final decree in accordance with Bankruptcy Rule 3022, the Bankruptcy Court shall have jurisdiction of all matters arising under, arising out of or relating to this Bankruptcy Case including, but not limited to, the following:

- (a) to insure that the purpose and intent of the Debtor's Plan are carried out;
- (b) to consider any modification of the Debtor's Plan under section 1127 of the Bankruptcy Code;
- (c) to hear and determine all Claims, controversies, defaults, suits and disputes against the Debtor, including, but not limited to, any Disputed Administrative Claim or Disputed Claim;
- (d) to hear, determine and enforce all Claims and Causes of Action;
- (e) to hear and determine all controversies, suits, defaults and disputes that may arise in connection with the interpretation, execution or enforcement of the Debtor's Plan;
- (f) to hear and determine all requests for compensation and/or reimbursement of expenses for services rendered or expenses incurred before the Effective Date which may be made after the Effective Date;
- (g) to hear and determine all objections to Administrative Claims, Claims, controversies, suits and disputes that may be pending at or initiated after the Effective Date, except as provided in the Confirmation Order;
- (h) to consider and act on the compromise and settlement of any Administrative Claim, Claim or Cause of Action on behalf of or against the Debtor;
- (i) to enforce and interpret by injunction or otherwise the terms and conditions of the Debtor's Plan;
- (j) to enter Final Order concluding and terminating this Bankruptcy Case;

(k) to correct any defect, cure any omission, or reconcile any inconsistency in the Debtor's Plan or Confirmation Order necessary or helpful to carry out the purposes and intent of the Debtor's Plan;

(l) to determine all questions and disputes regarding titles to the assets of the Debtor or Reorganized Debtor;

(m) to classify the Claims or Interests of any Holder and to re-examine Claims allowed for purposes of voting, and to determine objections to Administrative Claims, Claims and Interests;

(n) to consider and act on such other matters consistent with the Debtor's Plan as may be provided in the Confirmation Order;

(o) to enforce any injunction or stay whether arising under the Bankruptcy Code or Rules, or the Debtor's Plan; and/or

(p) to consider the rejection of executory contracts and/or leases that are not discovered before Confirmation and allow Claims for damages with respect to the rejection of any such executory contracts or leases within such future time as the Bankruptcy Court may direct.

## ARTICLE XIII

### MISCELLANEOUS

**Section 13.1 Creditors' Committee.** The Creditors' Committee shall continue to exist until the Effective Date.

**Section 13.2 Modification of the Debtor's Plan.** Subject to the restrictions on modification set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rules 2002 and 3019, the Debtor or Reorganized Debtor, as the case may be, reserves the right to alter, amend or modify the Debtor's Plan before its substantial consummation; *provided, however*, the prior written consent of FGIC and the Bond Trustee shall be required for any such alterations, amendments or modifications (whether or not deemed material, non-material or adversely affecting FGIC, the Bond Trustee, or the interests of the Bondholders) to the following: (a) Sections 4.1, 4.2, 4.3, 4.4, 5.3, 5.6, 6.3, 6.4, 6.6, 7.2, 7.6, 7.7, 8.1, 8.2, 8.6, 8.7, 13.2, 13.3, or 13.6 of the Debtor's Plan; (b) the definitions in Article I of the Debtor's Plan that are used in Sections 4.1, 4.2, 4.3, 4.4, 5.3, 5.6, 6.3, 6.4, 6.6, 7.2, 7.6, 7.7, 8.1, 8.2, 8.6, 8.7 13.2, 13.3, or 13.6 of the Debtor's Plan, (c) Articles IX and X of the Debtor's Plan, or (d) Plan Exhibit 1.99 (*i.e.*, the form of the Intercompany Note).

**Section 13.3 Revocation or Withdrawal of the Debtor's Plan.** The Debtor reserves the right to revoke or withdraw the Debtor's Plan at any time before the Confirmation Date by Filing a notice of withdrawal or revocation. The Filing of such notice of withdrawal or revocation shall constitute an automatic termination of the Debtor's exclusive periods for Filing a plan of reorganization and soliciting acceptances thereof. Further, the Filing of a notice of withdrawal by the Debtor after the Confirmation Date shall constitute an automatic termination of the Debtor's exclusive periods for Filing a plan of reorganization and soliciting acceptances thereof.

**Section 13.4 Plan Exhibits.** All Plan Exhibits are incorporated by reference and are intended to be an integral part of this document as though fully set forth in the Plan.

**Section 13.5 Service of Certain Plan Exhibits and Disclosure Statement Exhibits.** Because the Plan Exhibits are voluminous, not all of the Plan Exhibits are being served with copies of the Plan and the Debtor's Disclosure Statement. Any party in interest may obtain the Plan Exhibits from the Document Website.

**Section 13.6 Binding Effect.** The Debtor's Plan shall be binding upon and inure to the benefit of the Debtor, the Reorganized Debtor, the Holders of Claims, Preferred Interests, and Equity Interests, together with their respective successors and assigns, and with respect to Section 6.3 of the Debtor's Plan, Entergy Services and the Affiliates who participate in the Entergy System Money Pool

**Section 13.7 Successors and Assigns.** The rights, benefits and obligations of any Entity named or referred to in the Debtor's Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such Entity.

**Section 13.8 Headings.** Headings are used in the Debtor's Plan for convenience and reference only, and shall not constitute a part of the Debtor's Plan for any other purpose.

**Section 13.9 Governing Law.** Except to the extent that the Bankruptcy Code is applicable, the rights and obligations arising under the Debtor's Plan shall be governed by, and construed and enforced as provided in the laws of the State of Louisiana.

**Section 13.10 Notices.** All notices, requests, elections or demands to or upon the Reorganized Debtor in connection with the Debtor's Plan shall be in writing and shall be deemed to have been given when received or, if mailed, three (3) days after the date of mailing provided such writing shall have been sent by registered or certified mail, postage prepaid, return receipt requested, and sent to the following:

**To the Debtor or Reorganized Debtor:**

R. Patrick Vance  
Elizabeth J. Futrell  
Jones, Walker, Waechter, Poitevent,  
Carrere & Denegre, L.L.P.  
201 St. Charles Avenue  
New Orleans, Louisiana 70170-5100  
Attorneys for the Debtor

**To Entergy Corporation:**

J. Ronald Trost  
Cronin & Vris, LLP  
380 Madison Avenue, 24th Floor  
New York, NY 10017  
Attorneys for Entergy Corporation

and

Robert D. Sloan  
Executive Vice President and General Counsel  
Entergy Corporation  
639 Loyola Avenue  
L-ENT-26D  
New Orleans, LA 70113

**To the Creditors' Committee:**

Philip K. Jones, Jr.  
Liskow & Lewis, PLC  
701 Poydras Street, Suite 5000  
New Orleans, Louisiana 70139-5099  
Attorneys for the Creditors' Committee

**To the Bond Trustee:**

William H. Patrick, III  
Heller, Draper, Hayden, Patrick & Horn, L.L.C.  
650 Poydras Street, Suite 2500  
New Orleans, Louisiana 70130-6103  
Attorneys for The Bank of New York, as Bond Trustee

and

Edward P. Zujkowski  
Emmet, Marvin & Martin, LLP  
120 Broadway  
32nd Floor  
New York, New York 10271  
Attorneys for The Bank of New York, as Bond Trustee

and

Loretta A. Lundberg  
Vice President  
The Bank of New York, as Bond Trustee  
101 Barclay Street  
New York, New York 10286

**To FGIC:**

H. Slayton Dabney, Jr.  
George B. South, III  
King & Spalding LLP  
1185 Avenue of the Americas  
New York, NY 10036  
Attorneys for FGIC

and

Carolanne Gardner  
Financial Guaranty Insurance Company  
125 Park Ave., Fl. 6  
New York, NY 10017

**To the Ad Hoc Bondholders Committee:**

David S. Rosner  
Daniel A. Fliman  
Kasowitz, Benson, Torres & Friedman LLP  
1633 Broadway  
New York, NY 10019

**To the City Council:**

Basile J. Uddo  
3445 N. Causeway Blvd., Suite 724  
Metairie, LA 70002  
Attorney for the City Council

and

Clinton A. Vince  
Paul E. Nordstrom  
Sullivan & Worcester  
1666 K Street, NW  
Washington, D.C. 20006  
Advisors to the City Council

**To the U.S. Trustee's Office:**

Mr. Robert Gravolet, Jr.  
Office of the United States Trustee  
Texaco Center  
400 Poydras Street, Suite 2110  
New Orleans, Louisiana 70130

All notices and requests to Holders shall be sent to their last known addresses.

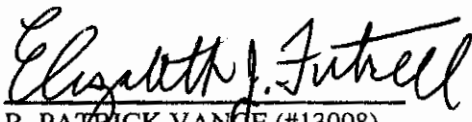
**Section 13.11 No Admissions.** Notwithstanding anything herein to the contrary, nothing contained in the Debtor's Plan shall be deemed an admission by any Entity with respect to any matter set forth herein.

**ARTICLE XIV**

**CRAMDOWN**

The Debtor may request Confirmation under section 1129(b) of the Bankruptcy Code, if any Impaired Class does not accept the Debtor's Plan pursuant to section 1126 of the Bankruptcy Code. The Debtor reserves the right to alter the treatment of any Class to effectuate a cramdown under section 1129(b) of the Bankruptcy Code.

Dated: As of May 2, 2007




R. PATRICK VANCE (#13008)  
ELIZABETH J. FUTRELL (05863)  
NAN ROBERTS EITEL (#19910)  
TARA G. RICHARD (#26356)  
JOSHUA J. LEWIS (#29950)  
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Attorneys for Entergy New Orleans, Inc.  
the debtor and debtor-in-possession

ENTERGY NEW ORLEANS, INC.

By:



**RODERICK K. WEST**  
President and Chief Executive Officer