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UNITED STATES  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 10**  
**GENERAL FORM FOR REGISTRATION OF SECURITIES**  
**PURSUANT TO SECTION 12(b) OR 12(g) OF**  
**THE SECURITIES EXCHANGE ACT OF 1934**

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**ENEXUS ENERGY CORPORATION**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**

(State or Other Jurisdiction  
of Incorporation or Organization)

**26-2511058**

(I.R.S. Employer  
Identification No.)

**Enexus Energy Corporation**

**c/o Entergy Corporation**

**639 Loyola Avenue**

**New Orleans, Louisiana**

(Address of Principal Executive Offices)

**70113**

(Zip Code)

**504-576-4000**

(Registrant's telephone number, including area code)

Copies to:

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Entergy Corporation  
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New Orleans, Louisiana 70113  
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**Securities to be registered**  
**pursuant to Section 12(b) of the Act:**

<b>Title of each class to be so registered</b>	<b>Name of each exchange on which each class is to be registered</b>
Common Stock, par value \$0.01 per share	New York Stock Exchange

**Securities to be registered**  
**pursuant to Section 12(g) of the Act**

None

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☒

Smaller reporting company ☐

(Do not check if a smaller reporting company)

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**INFORMATION REQUIRED IN REGISTRATION STATEMENT  
CROSS-REFERENCE SHEET BETWEEN INFORMATION STATEMENT AND  
ITEMS OF FORM 10**

Our information statement is filed as Exhibit 99.1 to this Form 10. For your convenience, we have provided below a cross-reference sheet identifying where the items required by Form 10 can be found in the information statement.

<b><u>Item No.</u></b>	<b><u>Caption</u></b>	<b><u>Location in Information Statement</u></b>
Item 1.	Business	See "Summary," "Risk Factors," "The Separation," "Unaudited Pro Forma Financial Information of Enexus Energy," "Management's Discussion and Analysis of Results of Operations and Financial Condition," "Business" and "Certain Relationships and Related Party Transactions"
Item 1A.	Risk Factors	See "Risk Factors"
Item 2.	Financial Information	See "Summary," "Unaudited Pro Forma Financial Information of Enexus Energy" "Selected Historical Combined Financial Data" and "Management's Discussion and Analysis of Results of Operations and Financial Condition"
Item 3.	Properties	See "Employees, Properties and Facilities, Government Regulation and Legal Proceedings—Properties and Facilities"
Item 4.	Security Ownership of Certain Beneficial Owners and Management	See "Security Ownership of Certain Beneficial Owners and Management"
Item 5.	Directors and Executive Officers	See "Management"
Item 6.	Executive Compensation	See "Management," "Compensation Discussion and Analysis" and "Executive Compensation"
Item 7.	Certain Relationships and Related Transactions	See "Unaudited Pro Forma Financial Information of Enexus Energy," "Management's Discussion and Analysis of Results of Operations and Financial Condition," "Management" and "Certain Relationships and Related Party Transactions"
Item 8.	Legal Proceedings	See "Environmental Matters," "Employees, Properties and Facilities, Government Regulation and Legal Proceedings—Legal Proceedings" and "Certain Relationships and Related Party Transactions—Agreements with Enenergy—Separation and Distribution Agreement—Transfer of Assets and Assumption of Liabilities"
Item 9.	Market Price of and Dividends on the Registrant's Common Equity and Related Shareholder Matters	See "Summary," "The Separation," "Dividend Policy" and "Capitalization"

Item 10.	Recent Sales of Unregistered Securities	Not Applicable
Item 11.	Description of Registrant's Securities to be Registered	See "The Separation," "Dividend Policy" and "Description of Enexus Energy Stock"
Item 12.	Indemnification of Directors and Officers	See "Management" and "Description of Enexus Energy Stock"
Item 13.	Financial Statements and Supplementary Data	See "Unaudited Pro Forma Financial Information of Enexus Energy" and "Index to Financial Statements" and the financial statements referenced therein
Item 14.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	Not Applicable
Item 15.	Financial Statements and Exhibits	See "Unaudited Pro Forma Financial Information of Enexus Energy" and "Index to Financial Statements" and the financial statements referenced therein

(a) List of Financial Statements and Schedules

The following financial statements are included in the information statement and filed as part of this Registration Statement on Form 10:

Combined Financial Statements of Entergy Nuclear, including Report of Independent Registered Public Accounting Firm

Schedules not mentioned above have been omitted because the information required to be set forth therein is not applicable or the information is otherwise included in the financial statements or notes thereto.

(b) Exhibits                      The following documents are filed as exhibits hereto:

<b><u>Exhibit</u></b>	<b><u>Description</u></b>
<b><u>No.</u></b>	
2.1	Form of Separation and Distribution Agreement by and between Enexus Energy Corporation and Entergy Corporation*
3.1	Form of Amended and Restated Certificate of Incorporation of Enexus Energy Corporation*
3.2	Form of Amended and Restated By-Laws of Enexus Energy Corporation*
10.1	Form of Tax Sharing Agreement by and between Enexus Energy Corporation and Entergy Corporation*
10.2	Form of Transition Services Agreement by and between Enexus Energy Corporation and Entergy Corporation*
10.3	Form of Employee Matters Agreement by and among Enexus Energy Corporation, Entergy Corporation and EquaGen LLC*
10.4	Form of Joint Venture Formation Agreement by and among Enexus Energy Corporation, Entergy Corporation, Entergy EquaGen, Inc., Enexus EquaGen, LLC and EquaGen LLC*
10.5	Form of EquaGen LLC Limited Liability Company Agreement by and among Entergy EquaGen, Inc., Enexus EquaGen, LLC and EquaGen LLC*
10.6	Form of Amended and Restated Operating Agreement*

- 10.7 Form of Shared Services Agreement by and between EquaGen LLC and Entergy Operations, Inc.\*
- 10.8 Form of Shared Services Agreement by and between EquaGen LLC and Entergy Services, Inc.\*
- 10.9 Form of Corporate Services Agreement by and between EquaGen LLC and Entergy Services, Inc.\*
- 11.1 Statement re: Computation of Per Share Earnings(1)
- 21.1 Subsidiaries of Enexus Energy Corporation\*
- 99.1 Information Statement of Enexus Energy Corporation, subject to completion, dated May 12, 2008

\* To be filed by amendment.

(1) Information required to be presented in Exhibit 11.1 is provided on pages 54-55 of the Information Statement of Enexus Energy Corporation, filed hereto as Exhibit 99.1, in the section entitled "Unaudited Pro Forma Financial Information of Enexus Energy."

## **SIGNATURES**

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

### **ENEXUS ENERGY CORPORATION**

By: /s/ Richard J. Smith

Name: Richard J. Smith

Title: *Chief Executive Officer and President*

Dated: May 12, 2008

## EXHIBIT INDEX

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10.4	Form of Joint Venture Formation Agreement by and among Enexus Energy Corporation, Entergy Corporation, Entergy EquaGen, Inc., Enexus EquaGen, LLC and EquaGen LLC*
10.5	Form of EquaGen LLC Limited Liability Company Agreement by and between Entergy EquaGen, Inc., Enexus EquaGen, LLC and EquaGen LLC*
10.6	Form of Amended and Restated Operating Agreement*
10.7	Form of Shared Services Agreement by and between EquaGen LLC and Entergy Operations, Inc.*
10.8	Form of Shared Services Agreement by and between EquaGen LLC and Entergy Services, Inc.*
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, 2008

Dear Entergy Corporation Shareholder:

I am pleased to inform you that on \_\_\_\_\_, 2008, the board of directors of Entergy Corporation ("Entergy") approved the distribution of all the shares of common stock of Enexus Energy Corporation ("Enexus Energy"), a wholly-owned subsidiary of Entergy, to Entergy shareholders. Enexus Energy holds or will hold certain of the assets and liabilities associated with Entergy's non-utility nuclear business.

This distribution is to be made pursuant to a plan initially approved by the board of directors of Entergy on November 3, 2007 (i) to separate Entergy's non-utility nuclear business from the rest of Entergy's businesses and (ii) for Entergy and Enexus Energy to enter into a nuclear services joint venture immediately prior to the separation. Upon the distribution, Entergy shareholders will own 100% of the common stock of Enexus Energy. In addition, Entergy and Enexus Energy will each own 50% of a joint venture called EquaGen LLC, which will operate Enexus Energy's plants. Entergy's board of directors believes that creating a separate non-utility nuclear company will increase value to, and is in the best interests of, our shareholders.

The distribution of Enexus Energy common stock will occur on \_\_\_\_\_, 2008 by way of a pro rata dividend to Entergy shareholders of record on \_\_\_\_\_, 2008, the record date of the distribution. Each Entergy shareholder will be entitled to receive \_\_\_\_\_ share(s) of Enexus Energy common stock for each share of Entergy common stock held by such shareholder at the close of business on the record date. Enexus Energy common stock will be issued in book-entry form only, which means that no physical stock certificates will be issued. No fractional shares of Enexus Energy common stock will be issued. If you would otherwise have been entitled to a fractional share of Enexus Energy common stock in the distribution, you will receive the cash value of such fractional share instead. Shareholder approval of the distribution is not required, and you are not required to take any action to receive your Enexus Energy common stock. The distribution is intended to be tax-free to Entergy shareholders, except for cash received in lieu of any fractional share interests.

Following the distribution, you will own shares in both Entergy and Enexus Energy. The number of Entergy shares you own will not change as a result of this distribution. Entergy's common stock will continue to trade on the New York Stock Exchange and the Chicago Stock Exchange under the symbol "ETR." We intend to apply to have Enexus Energy's common stock listed on the New York Stock Exchange under the ticker symbol \_\_\_\_\_.

The information statement, which is being mailed to all holders of Entergy common stock on the record date for the distribution, describes the distribution in detail and contains important information about Enexus Energy, its business, financial condition and operations. We urge you to read the information statement carefully. You are not required to take any specific action.

We want to thank you for your continued support of Entergy and we look forward to your future support of Enexus Energy.

Sincerely,

J. Wayne Leonard  
*Chairman of the Board and Chief Executive Officer*



, 2008

Dear Future Enexus Energy Corporation Shareholder:

It is our pleasure to welcome you as a future shareholder of our company, Enexus Energy Corporation ("Enexus Energy"). We are excited about our future as one of the largest nuclear power generators in the United States.

We are a nuclear generating company with a strong operational track record and the necessary scale to operate as an independent generating company. We own six operating nuclear power plants located in the Northeast United States and Michigan and sell the electric power generated by those plants primarily to wholesale customers. Our 50/50 joint venture with Entergy Corporation, which will be called EquaGen LLC, will operate and provide services to our six operating nuclear power plants. We also offer, or expect to offer, operations, management and decommissioning services to nuclear power plants owned by other third-parties in the United States. Additionally, we believe we will be a leader in every aspect of the nuclear life cycle, including operations, license renewals, decommissioning estimates, acquisitions and dry fuel installations.

For the year ended December 31, 2007, we generated operating revenues of approximately \$2.0 billion, operating income of approximately \$714 million and net income of approximately \$486 million.

We intend to apply to have our common stock listed on the New York Stock Exchange under the ticker symbol .

We invite you to learn more about Enexus Energy by reviewing the enclosed information statement. We urge you to read the information statement carefully. We look forward to our future and to your support as a holder of Enexus Energy common stock.

Sincerely,

Richard J. Smith  
*Chief Executive Officer*



Preliminary Information Statement  
(Subject to Completion, Dated May 12, 2008)



**Information Statement**  
**Distribution**  
**by**  
**ENTERGY CORPORATION**  
**to Entergy Corporation Shareholders of**  
**Common Stock of**  
**ENEXUS ENERGY CORPORATION**

This information statement is being furnished in connection with the distribution by Entergy Corporation, a Delaware corporation ("Entergy"), to its shareholders of all of the shares of common stock, par value \$0.01 per share, of Enexus Energy Corporation, a Delaware corporation ("Enexus Energy"). Currently we are a wholly-owned subsidiary of Entergy that holds or will hold certain of the assets and liabilities associated with Entergy's non-utility nuclear business. To implement the distribution, Entergy will distribute all of the shares of our common stock on a pro rata basis to the holders of Entergy common stock as of \_\_\_\_\_, 2008, the record date for the distribution. Each of you, as a holder of Entergy common stock, will receive \_\_\_\_\_ share(s) of Enexus Energy common stock for each share of Entergy common stock that you held at the close of business on the record date for the distribution. The distribution will be made on \_\_\_\_\_, 2008. Immediately after the distribution is completed, Enexus Energy will be a separate, publicly-traded company.

**No vote of Entergy shareholders is required in connection with this distribution. We are not asking you for a proxy, and you are requested not to send us a proxy.**

**No consideration is to be paid by Entergy shareholders in connection with this distribution.** Entergy shareholders will not be required to pay any consideration for the shares of our common stock they receive in the distribution, and they will not be required to surrender or exchange shares of their Entergy common stock or take any other action in connection with the distribution. The number of shares of Entergy common stock owned by you will not change as a result of the distribution.

**All of the outstanding shares of our common stock currently are owned by Entergy.** Accordingly, there currently is no public trading market for our common stock. We intend to file an application to list our common stock on the New York Stock Exchange under the ticker symbol \_\_\_\_\_. Assuming that our common stock is approved for listing on the New York Stock Exchange, we anticipate that a limited market, commonly known as a "when-issued" trading market, for our common stock will develop on or shortly before the record date for the distribution and will continue up to and through the distribution date, and we anticipate that "regular-way" trading of our common stock will begin on the first trading day following the distribution date.

**In reviewing this information statement, you should carefully consider the matters described under the caption "Risk Factors" beginning on page 21 of this information statement.**

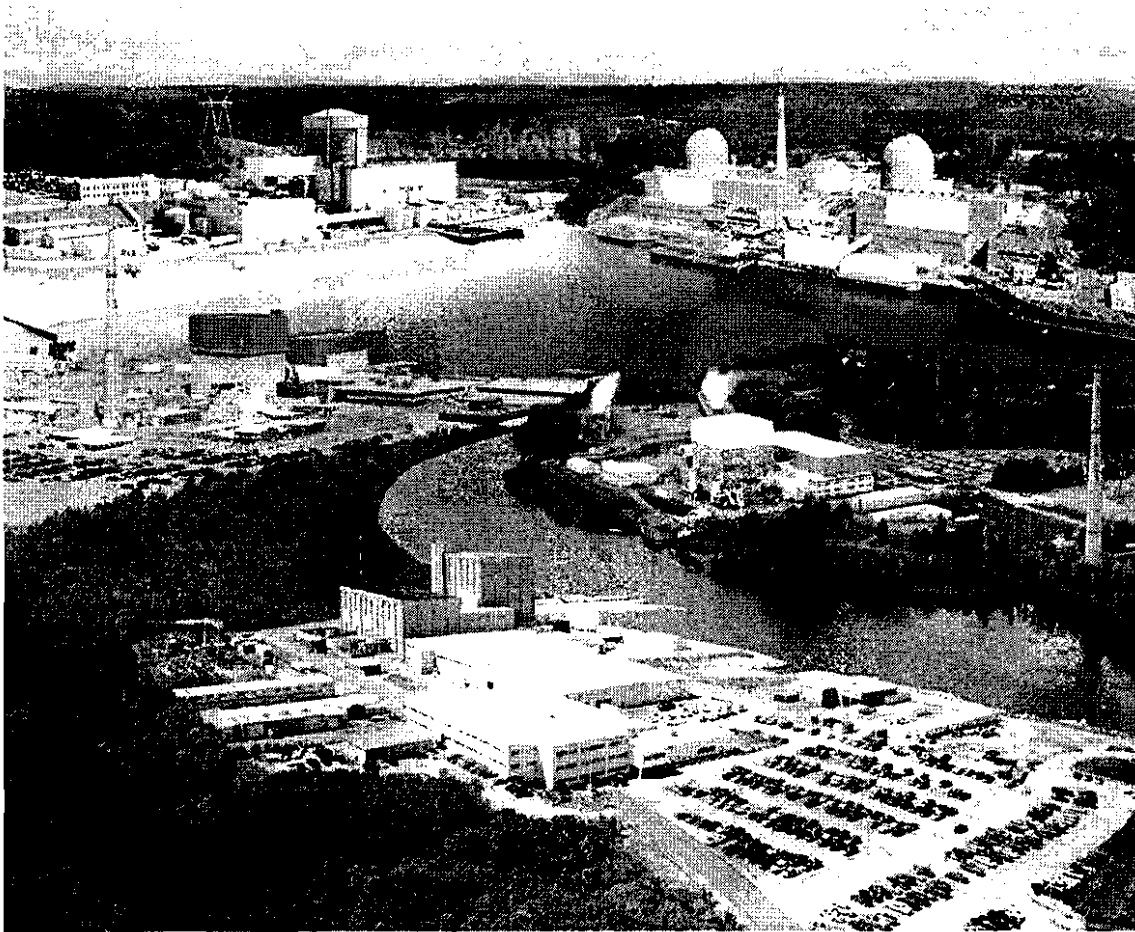
**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of any of the securities of Enexus Energy, or determined whether this information statement is truthful or complete. Any representation to the contrary is a criminal offense.**

**This information statement does not constitute an offer to sell or the solicitation of an offer to buy any securities.**

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The date of this information statement is \_\_\_\_\_, 2008.  
This information statement was first mailed to Entergy shareholders on or about \_\_\_\_\_, 2008.

# eneXus



The above picture is a photo montage of our six operating nuclear power plants, clockwise from the bottom of the picture: (1) Pilgrim Nuclear Station near Plymouth, Massachusetts; (2) James A. FitzPatrick in Oswego County, New York; (3) Palisades Power Plant in Covert, Michigan; (4) Indian Point Energy Center Units 2 and 3 in Westchester County, New York; and (5) Vermont Yankee in Vernon, Vermont.

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## TRADEMARKS, TRADE NAMES AND SERVICE MARKS

Certain trademarks, trade names and logos of third parties may appear in this information statement. The display of such third parties' trademarks, trade names and logos is for informational purposes only, and is not intended for marketing or promotional purposes or as an endorsement of their business or of any of their products or services.

## MARKET AND INDUSTRY DATA AND FORECASTS

This information statement includes industry data and forecasts that we have prepared based, in part, upon industry data and forecasts obtained from industry publications, surveys and publicly-available websites. Third party industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. The statements regarding, for example, our industry, industry trends and our industry position in this information statement are based on information derived from market studies, research reports and publicly-available websites.

## DEFINITIONS

Certain abbreviations or acronyms used in the text and notes are defined below:

<b><u>Abbreviation or Acronym</u></b>	<b><u>Term</u></b>
Average Price Realized per MWh	As reported revenue per MWh billed for all non-utility nuclear operation
BTU	British Thermal Unit
capacity factor	Actual plant output divided by maximum potential plant output for the period
CERCLA	Comprehensive Environmental Response, Compensation, and Liability Act of 1980
CO <sub>2</sub>	Carbon dioxide
Code	Internal Revenue Code
DOE	United States Department of Energy
EITF	Financial Accounting Standards Board's Emerging Issues Task Force
Entergy	Entergy Corporation and its direct and indirect subsidiaries
EPA	United States Environmental Protection Agency
FASB	Financial Accounting Standards Board
FCA	Forward capacity auction
FCM	Forward capacity market
FEMA	Federal Emergency Management Agency
FERC	Federal Energy Regulatory Commission
firm liquidated damages	Transaction that requires receipt or delivery of energy at a specified delivery point (usually at a market hub not associated with a specific asset); if a party fails to deliver or receive energy, the defaulting party must compensate the other party as specified in the contract
FitzPatrick	James A. FitzPatrick nuclear power plant, located in Oswego County, New York
forced outage rate	A measure of lost production due to unplanned unit outages
FSP	FASB Staff Position
GW	Gigawatt
GWh billed	Total number of GWh billed to all customers
Indian Point 2	Indian Point Energy Center Unit 2 nuclear power plant, located in Westchester County, New York
Indian Point 3	Indian Point Energy Center Unit 3 nuclear power plant, located in Westchester County, New York
Indian Point Energy Center installed capacity	Indian Point Energy Center Unit 2 and Unit 3 The optimal output, measured in MW, of a nuclear power plant when the plant is operating at its design conditions
IRS	Internal Revenue Service
ISO	Independent System Operator
ISO-NE	ISO New England, the market into which Vermont Yankee and Pilgrim sell power
Joint Venture Agreements	Refers to both the Formation Agreement and the Limited Liability Company Agreement of EquaGen LLC
kW	Kilowatt
kWh	Kilowatt-hour(s)
LSE	Load serving entity
MISO	Midwest ISO, the market into which Palisades sells power
MMBtu	One million British Thermal Units
MW	Megawatt(s), which equals one thousand kilowatt(s)
MWh	Megawatt-hour(s)
NEIL	Nuclear Electric Insurance Limited

NERC	North American Electric Reliability Corporation, a self-regulatory organization, overseen by the FERC, that was formed in 1968 by the electric utility industry to promote the reliability and adequacy of bulk power supply
net MW in operation	Installed capacity owned and operated
net revenue	Operating revenues less fuel and fuel-related expenses
New York Rest of State	The regions, other than New York City, that are administered by the NYISO
NO <sub>x</sub>	Mono-nitrogen oxides (NO and NO <sub>2</sub> )
NPDES	National Pollutant Discharge Elimination System
NRC	Nuclear Regulatory Commission
NYDEC	New York State Department of Environmental Conservation
NYISO	New York ISO, the market into which Indian Point 2, Indian Point 3 and FitzPatrick sell power
NYPA	New York Power Authority
NYPSC	New York State Public Service Commission
Operating Agreements	Refers collectively to each operating agreement between each wholly-owned subsidiary that owns our nuclear power plants and Entergy Nuclear Operations, Inc. to be entered into in connection with the separation
Palisades	Palisades power plant, located in Covert, Michigan
peak load	The amount of power required to supply customers at times when the need is greatest
Pilgrim	Pilgrim Nuclear Station nuclear power plant, located near Plymouth, Massachusetts
PPA	Purchased power agreement
PRP	Potentially responsible party (a person or entity that may be responsible for remediation of environmental contamination)
PUHCA 2005	Public Utility Holding Company Act of 2005, which repealed the Public Utility Holding Company Act of 1935
Refueling outage duration	Number of days lost for scheduled refueling outage during the period
RGGI	Regional Greenhouse Gas Initiative
SEC	Securities and Exchange Commission
SFAS	Statement of Financial Accounting Standards as promulgated by the FASB
Shared Services Agreements	Refers collectively to the services agreements between EquaGen LLC and certain subsidiaries of Entergy to be entered into in connection with the separation
SO <sub>2</sub>	Sulfur dioxide
TWh	Terawatt-hour(s), which equals one billion kilowatt-hours
unforced capacity	Unforced capacity is the percentage of installed capacity available after a unit's forced outage rate is calculated
unit-contingent	Transaction under which power is supplied from a specific generation asset; if the asset is unavailable, the seller is not liable to the buyer for any damages
unit-contingent with guarantee of availability	Provides for payment to the power purchaser of contract damages, if incurred, in the event the seller fails to deliver power as a result of the failure of the specified generation unit to generate power at or above a specified availability threshold
VANR	Vermont Agency of Natural Resources
Vermont Yankee	Vermont Yankee nuclear power plant, located in Vernon, Vermont

## SUMMARY

*This summary highlights selected information from this information statement relating to our company, our separation from Entergy and the distribution of our common stock by Entergy to its shareholders. For a more complete understanding of our business and the separation and distribution, you should carefully read the entire information statement.*

*Except as otherwise indicated or unless the context otherwise requires, the information included in this information statement assumes the completion of all the transactions referred to in this information statement in connection with the separation and distribution. Except as otherwise indicated or unless the context otherwise requires, "Enexus Energy," "we," "us," "our" and "our company" refer to Enexus Energy Corporation and its consolidated subsidiaries, including EquaGen LLC; "EquaGen" refers to EquaGen LLC and its consolidated subsidiaries, a joint venture with equal ownership between us and Entergy; "our business" refers to our business as will be conducted by Enexus Energy; and "Entergy Nuclear Operations" refers to Entergy Nuclear Operations, Inc. which, after the separation will change its name to EquaGen Nuclear LLC and will become a subsidiary of EquaGen LLC. Unless otherwise indicated, information is presented as of May 12, 2008.*

## Our Company

We own six operating nuclear power plants, five of which are located in the Northeast United States, with the sixth located in Michigan. Our nuclear power plants have nearly 5,000 MW of electric generation capacity and we are primarily focused on selling the power produced by those plants to wholesale customers. Our strategy is focused on providing safe and reliable electric power to our customers, while taking advantage of market trends and strategic investments that are consistent with our core values and value enhancing for our shareholders. We are the only publicly-traded, virtually emissions-free, nuclear generating company in the United States and it is our belief that nuclear power is an important part of solving the problems of global climate change and energy independence.

The Northeast United States is a region that is experiencing a combination of high natural gas prices and constraints on the growth of supply, a dynamic that we believe has contributed to power prices that are among the highest in the country. Due to these factors, as well as potential carbon dioxide legislation, we expect power prices in the Northeast to remain high over the next several years, providing us the opportunity to realize growth in our revenues and operating income.

We will operate and maintain our nuclear power plants through EquaGen, in which we hold a 50% ownership interest. Entergy Nuclear Operations, which will become a subsidiary of EquaGen immediately prior to the separation, will be responsible for (i) operating and making capital improvements to each nuclear power plant, and (ii) complying with permits and approvals, applicable laws and regulations, the applicable NRC operating license and the budgets approved by us for each plant all in accordance with the Operating Agreement for each plant. We also offer, or expect to offer, operations, management and decommissioning services to nuclear power plants owned by other third-parties in the United States. Through EquaGen, we believe we have a strong track record of maintaining, improving and safely operating nuclear power plants. Additionally, we believe we will be a leader in every aspect of the nuclear life cycle, including operations, license renewals, decommissioning estimates, acquisitions and dry fuel installations.

For the year ended December 31, 2007, we generated operating revenues of approximately \$2.0 billion, operating income of approximately \$714 million and net income of approximately \$486 million.

Our headquarters are located at \_\_\_\_\_, Jackson, Mississippi and our general telephone number is \_\_\_\_\_. We maintain an Internet site at <http://www.enexusenergy.com>. Our website and the information contained on that site, or connected to that site, are not incorporated by reference into this information statement.

## Our Strengths

We believe that we are well positioned to execute our business successfully because of the following competitive strengths:

- *We have a strong track record of safety and security, and a reputation as a strong nuclear operator with fleet capability factors in the top quartile of the industry.* We have achieved positive results in periodic evaluations of the safety and security at our nuclear power plants, and we have a proven track record as a strong nuclear operator with repeated success in acquiring underperforming assets and materially improving key efficiency factors and performance.
- *Our nuclear power plants are located in robust power markets.* Our Northeast nuclear power plants are located primarily in the New York and New England power markets, and sell power into the West and Hudson Valley regions of the NYISO and the Massachusetts and Vermont regions of the ISO-NE. These regions had among the highest average power prices in the United States during 2007. We believe that the New York and New England power markets are experiencing a combination of a supply/demand imbalance, high natural gas prices and robust capacity markets, which are factors that we believe will benefit us.
- *We believe we are well positioned to benefit from carbon dioxide regulation.* The core generating functions of our nuclear-fueled power plants do not emit carbon dioxide. By contrast, we expect other non-nuclear power plants that typically set the price of power in the markets in which we operate will be required to incur costs to comply with expected carbon dioxide regulation because those power plants emit carbon dioxide. Because those increased costs are expected to result in higher power prices in our markets, we expect to generate increased net revenue as a result.
- *We expect to generate additional cash flow growth as long-term contracts with below-market prices expire and power is sold at higher market prices or we renegotiate contracts at higher prevailing market rates.* The majority of the existing long-term contracts on our five Northeast power plants expire by the end of 2012. Most of those existing contracts have contract prices that are lower than currently prevailing market prices. As our existing contracts expire, we expect to benefit from the expected increase in power prices in the New York and New England markets.
- *Relative to generators that utilize fossil fuels, an environment of potentially rising fuel cost is expected to have a smaller adverse effect on our net revenue.* Because our fuel costs as a percentage of our total revenues are much less compared to generators who utilize fossil fuels, a rising fuel cost environment will have a smaller effect on our net revenue (operating revenues less fuel and fuel-related expenses).
- *We expect EquaGen to provide us with operational diversity and growth opportunities.* We have a strong track record as a nuclear operating company and believe we will be a leader in every aspect of the nuclear life cycle, including operations, license renewal, decommissioning estimates and acquisitions. In addition to operating our nuclear power plants, we also expect to offer nuclear services, including decommissioning, plant relicensing and plant operations, to third parties. As a diversified and experienced nuclear operator, we expect to be well positioned to grow our operating business by being able to offer sophisticated nuclear operating expertise, as well as ancillary nuclear services, to third parties.
- *We have a strong and experienced management team.* We will be led by a strong management team consisting of leaders in the power industry with extensive nuclear industry expertise and established track records of success.
- *We do not expect a need to add funds to the decommissioning trusts for our plants to meet current NRC requirements.* We believe that the decommissioning funds for our nuclear generating stations

and the expected earnings on those funds are sufficient to meet current NRC requirements. Consequently, we do not expect a need in the future to contribute additional funds to the decommissioning trusts associated with our plants.

### **Our Strategy**

Our strategy is guided by a set of core values that informs all of our decisions.

- *We are committed to safe, secure, reliable nuclear operations.* Providing safe, secure, reliable nuclear power is our top priority. Our highly skilled work force has a proven track record of safely operating nuclear power plants.
- *Our primary focus will be on nuclear power.* We believe that nuclear power is an important part of solving the problems of global climate change and energy independence. To that end, we will look for ways to make disciplined strategic investments in nuclear power in the future.
- *Our decision-making process will be guided by our point of view.* Power and commodity markets are key drivers of our business. Due to the dynamic nature of these markets, our decision-making process will be guided by our short- and long-term view on the direction of power and commodity markets. We believe that this point of view approach to decision-making will provide us with the flexibility to capitalize on opportunities in an evolving marketplace and will guide a wide range of strategic decisions in a fluid, real-time manner, including:
  - *Hedging contracts.* We do not have a pre-determined target hedge level for our nuclear generation portfolio. The size and duration of our power hedging contracts, especially as our existing hedging contracts begin to expire, will, to a large extent, be determined by our point of view on future market power prices and how they compare to the price and terms offered by hedge counterparties at a particular time.
  - *Capital investment.* We remain open to pursuing diversity in our asset base. Our point of view on power and commodity markets at a particular time will help us evaluate the economic suitability of specific fuels, technologies, geographic regions and dispatch types. We expect that every opportunity, including greenfield development and asset acquisitions, will be evaluated utilizing this point of view approach to decision-making.
- *We believe that a creative and skilled work force is a critical element of our performance.* We seek to attract, train and retain best-in-class leaders in the power industry who are creative and dedicated to our core values.
- *We are committed to operating our company in a financially responsible manner.* We aim to maintain sufficient financial liquidity and an appropriate capital structure and credit rating to support safe, secure and reliable operations even in volatile market environments. We expect to return cash flows that are greater than needed for investment to shareholders in a timely manner. We anticipate that our primary manner of returning capital to shareholders will be through share repurchase programs.
- *We are committed to operating our company in a socially responsible manner.* We are dedicated members of the communities in which we live and have a history of giving back to those communities. We are dedicated to considering environmental effects in all of our investment decisions and continuing our strong tradition of community involvement.

### **Summary of Risk Factors**

An investment in our common stock involves risks associated with our business, regulatory and legal matters. The following list of risk factors is not exhaustive. Please read carefully the risks relating to these and



other matters described under “Risk Factors” beginning on page 21 and “Forward-Looking Statements” beginning on page 37.

#### **Risks Relating to our Business**

- Ownership and operation of nuclear power plants create business, regulatory, financial and waste disposal risks that may have a material adverse effect on our business.
- The nuclear power plants we own will be exposed to price risk to the extent they must compete for the sale of energy and capacity, and this may harm our profitability.
- We face exposure to changes in commodity prices, which can affect the value of assets and operating costs and which may not be adequately hedged against adverse changes.
- We are dependent on EquaGen for the operation of our nuclear power plants. We will not be able to easily replace this service provider, or the expertise of its employees, for the operation of our nuclear power plants, and, if our long-term operating contracts are breached or otherwise terminated, we may be materially adversely affected.
- New or existing safety concerns regarding operating nuclear power plants and nuclear fuel could lead to restrictions upon the operations at our nuclear power plants.
- We may incur substantial costs to fulfill obligations related to environmental and other matters.

#### **Risks Relating to the Separation**

- We may be unable to achieve some or all of the benefits that we expect to achieve from our separation from Entergy.
- We are being separated from Entergy, our parent company, and, therefore, we have no operating history as a separate, publicly-traded company.
- We may be unable to make, on a timely basis, the changes necessary to operate as a separate, publicly-traded company, and we may experience increased costs after the separation or as a result of the separation.
- Our agreements with Entergy or EquaGen and their other businesses may not reflect terms that would have resulted from arm’s-length negotiations among unaffiliated third parties.
- We will be responsible for certain contingent and other corporate liabilities related to the existing non-utility nuclear business of Entergy.
- Following the spin-off, we will have substantial indebtedness, which could negatively affect our financing options and liquidity position.

#### **Risks Relating to our Common Stock**

- There is no existing market for our common stock, and a trading market that will provide you with adequate liquidity may not develop for our common stock. In addition, once our common stock begins trading, the market price of our shares may fluctuate widely.
- Substantial sales of common stock may occur in connection with this distribution, which could cause our stock price to decline.
- Provisions in our certificate of incorporation, our by-laws, Delaware law and certain agreements we will enter into as part of the separation may prevent or delay an acquisition of our company, which could decrease the trading price of our common stock.

### **The Separation**

On November 3, 2007, the board of directors of Entergy unanimously authorized management of Entergy to pursue a plan to separate its non-utility nuclear business from the rest of Entergy, which we refer to as "the separation" in this information statement. The separation will occur through a distribution to Entergy's shareholders of all of the shares of common stock of Enexus Energy, which will hold the assets and liabilities of the non-utility nuclear business of Entergy. Following the distribution, Entergy shareholders will own 100% of the shares of our common stock. Immediately prior to the separation, we will also enter into a nuclear services joint venture with Entergy, with equal percentage ownership.

The Entergy board of directors believes that the separation will increase the value of Entergy's non-utility nuclear business in both the short- and long-term, which value the Entergy board of directors does not believe has been fully recognized by the investment community. Entergy believes that the separation of the non-utility nuclear business will improve both companies' strategic, operational and financial flexibility. Although there can be no assurance, Entergy believes that, over time, the common stock of both Entergy and our company should have a greater aggregate market value, assuming the same market conditions, than Entergy has in its current configuration.

Before our separation from Entergy, we will enter into the Separation and Distribution Agreement, the Joint Venture Agreements and several other agreements with Entergy or EquaGen to effect the separation and provide a framework for our relationships with Entergy, Entergy's other businesses and EquaGen after the separation. These agreements will govern the relationships among us, EquaGen, Entergy and Entergy's other businesses subsequent to the completion of the separation and provide for the allocation among us, EquaGen, Entergy and Entergy's other businesses, of the assets, liabilities and obligations (including employee benefits and tax-related assets and liabilities) relating to the non-utility nuclear business attributable to periods prior to, at and after our separation from Entergy. For more information on the Separation and Distribution Agreement and related agreements, see the section entitled "Certain Relationships and Related Party Transactions."

We currently expect that in connection with the separation, we will incur up to \$4.5 billion of debt in the form of publicly or privately issued debt securities. We expect to transfer to Entergy up to approximately \$4.0 billion in the form of either cash proceeds from the issuance of debt securities or a portion of such debt securities, or both, in partial consideration for Entergy's transfer to us of the non-utility nuclear business. Entergy has informed us that it expects to use our debt securities it has received to reduce or retire Entergy debt by exchanging our debt with certain holders of Entergy Corporation debt. We will not receive any proceeds from the portion of our debt securities that are transferred to Entergy. The amount to be paid to Entergy, the amount and term of the debt we will incur, and the type of debt and entity that will incur the debt have not been finally determined, but will be determined prior to the separation. A number of factors could affect this final determination, and the amount of debt ultimately incurred could be different from the amount disclosed in this information statement. Additionally, we intend to enter into one or more credit facilities or other financing arrangements meant to support our working capital and general corporate needs and collateral obligations arising from hedging and normal course of business requirements. For more information on our planned financing arrangements, please see the sections entitled "Unaudited Pro Forma Financial Information of Enexus Energy," "Management's Discussion and Analysis of Results of Operations and Financial Condition" and "Description of Material Indebtedness."

### **EquaGen**

In connection with the separation, Entergy Nuclear, Inc., currently a wholly-owned subsidiary of Entergy, will become a limited liability company and change its name to EquaGen LLC. We and Entergy will each own a 50% interest in EquaGen immediately prior to completion of the distribution of our common stock. EquaGen is expected to operate the nuclear assets owned by us, and to provide certain services to the regulated nuclear utility operations of Entergy and to third parties. EquaGen will allow certain nuclear operations expertise currently in place at each of Entergy's nuclear power plants to be accessible by both us and Entergy after the separation.

Upon completion of the transactions contemplated by the Joint Venture Agreements, EquaGen will own:

- Entergy Nuclear Operations, currently a wholly-owned subsidiary of Entergy and the current NRC-licensed operator of our nuclear power plants. Entergy Nuclear Operations will remain the operator of our nuclear power plants after the separation and is expected to change its name to EquaGen Nuclear LLC; and
- TLG Services, Inc., currently a wholly-owned subsidiary of Entergy that provides decommissioning and other consulting services to Entergy and to other companies in the nuclear industry. TLG Services, Inc. is expected to change its name to TLG Services, LLC.

### **The Internal Reorganization Prior to the Distribution**

To accomplish the separation and related transactions, on the terms and subject to the conditions of the Separation and Distribution Agreement, the Joint Venture Agreements and the other agreements we will enter into, we and Entergy will engage in a number of transactions, including:

- *Internal business transfers.* Entergy will reorganize its corporate structure by means of transfers of equity interests of certain of its subsidiaries so that we hold all of the assets of the non-utility nuclear business and certain assets in the non-utility nuclear services business, and EquaGen holds primarily the non-utility nuclear services business.
- *EquaGen.* We and Entergy will each own a 50% membership interest in EquaGen.
- *Debt financing.* We currently expect that in connection with the separation, we will incur up to \$4.5 billion of debt in the form of publicly or privately issued debt securities and enter into one or more credit facilities or other financing arrangements.
- *Repayment of intercompany debt, transfer to Entergy.* We expect to transfer to Entergy up to approximately \$4.0 billion in the form of either cash proceeds from the issuance of debt securities or a portion of such debt securities, or both, in partial consideration for Entergy's transfer to us of the non-utility nuclear business.

### **Reasons for the Separation**

The Entergy board of directors regularly reviews Entergy's various businesses to ensure that Entergy's resources are being put to use in a manner that is in the best interests of Entergy and its shareholders. Entergy believes that the separation of the non-utility nuclear business is the best way to unlock the full value of Entergy's businesses in both the short- and long-term and provides each of Entergy and us with certain opportunities and benefits that would not otherwise be available to Entergy and us. The following are the factors that the Entergy board of directors considered in approving the separation:

- Enables equity investors to invest directly in our business;
- Optimizes capital structure;
- Isolates the commodity and other risks of the non-utility nuclear business from the regulated utility business;
- Creates more effective management incentives; and
- Allows us and Entergy to focus on opportunities for each company, including M&A opportunities.

Neither we nor Entergy can assure you that, following the separation, any of these benefits will be realized to the extent anticipated or at all. For more information regarding the reasons for the separation, please see "The Separation—Reasons for the Separation."

## Questions and Answers about Enexus Energy and the Separation

***Why am I receiving this document?***

Entergy is delivering this document to you because Entergy's records show that you were a holder of Entergy common stock on the record date for the distribution of our shares of common stock. As such, you are entitled to receive                      share(s) of our common stock for each share of Entergy common stock that you held on the record date at p.m. Eastern Time. No action is required for you to participate in the distribution. The distribution will take place on                      , 2008.

***How will the separation of Enexus Energy work?***

The separation will be accomplished through a series of transactions in which the equity interests of the entities that hold all of the assets and liabilities of Entergy's non-utility nuclear business will be transferred to us and our common stock will be distributed by Entergy to its shareholders on a pro rata basis as a dividend.

In addition, immediately prior to the separation, we will enter into a joint venture with equal ownership, referred to as EquaGen, with Entergy. EquaGen will operate and provide services to our six operating nuclear power plants, and also is anticipated to provide certain services to Entergy's regulated nuclear utility operations.

***Why is the separation of Enexus Energy structured as a distribution?***

Entergy believes that a tax-free distribution of shares of our common stock to the Entergy shareholders is a tax-efficient way to separate its non-utility nuclear business from the rest of its business in a manner that will create long-term value for Entergy shareholders.

***When will the distribution occur?***

We expect that Entergy will distribute our shares of common stock on                      , 2008 to holders of record of Entergy common stock on                      , 2008, the record date.

***What do shareholders need to do to participate in the distribution?***

Nothing, but we urge you to read this entire information statement carefully. Shareholders who hold Entergy common stock as of the record date will not be required to take any action to receive our common stock in the distribution. No shareholder approval of the distribution is required or sought. We are not asking you for a proxy, and you are requested not to send us a proxy. You will not be required to make any payment or to surrender or exchange your shares of Entergy common stock or take any other action to receive your shares of our common stock.

If you own Entergy common stock as of the close of business on the record date, Entergy, with the assistance of BNY Mellon Shareowner Services, the distribution agent, will electronically issue shares of our common stock to you or to your brokerage firm on your behalf by way of direct registration in book-entry form. BNY Mellon Shareowner Services will mail you a book-entry account statement that reflects your shares of our common stock, or your bank or brokerage firm will credit your account for the shares.

Following the distribution, shareholders whose shares are held in book-entry form may request that their shares of our common stock held in book-entry form be transferred to a brokerage or other account at any time, without charge.

***Will I receive physical certificates representing shares of Enexus Energy common stock following the separation?***

No. Following the separation, neither Entergy nor we will be issuing physical certificates representing shares of Enexus Energy common stock. Instead, Entergy, with the assistance of BNY Mellon Shareowner Services, the distribution agent, will electronically issue shares of our common stock to you or to your bank or brokerage firm on your behalf by way of direct registration in book-entry form. BNY Mellon Shareowner Services will mail you a book-entry account statement that reflects your shares of our common stock, or your bank or brokerage firm will credit your account for the shares. A benefit of issuing stock electronically in book-entry form is that there will be none of the physical handling and safekeeping responsibilities that are inherent in owning physical stock certificates.

***What if I hold shares of Entergy common stock in Entergy's Share Purchase and Dividend Reinvestment Plan?***

If you hold shares of Entergy common stock in Entergy's share purchase and dividend reinvestment plan, the shares of our common stock you will receive in the distribution will be distributed to your account for Entergy's share purchase and dividend reinvestment plan. If you do not want to hold our stock in your account for Entergy's share purchase and dividend reinvestment plan, instructions will be provided to you on how to transfer such shares to a different account.

***Can Entergy decide to cancel the distribution of the common stock even if all the conditions have been met?***

Yes. The distribution is subject to the satisfaction or waiver of certain conditions, including receipt of certain regulatory approvals. See the section entitled "The Separation—Conditions to the Distribution." Until the distribution date, Entergy has the right to terminate the distribution, even if all of the conditions are satisfied, if at any time Entergy's board of directors determines that the distribution is not in the best interests of Entergy and its shareholders or that market conditions are such that it is not advisable to separate the non-utility nuclear business from Entergy and its other businesses.

***Does Enexus Energy plan to pay regular dividends?***

No. Currently, we do not anticipate paying a regular dividend. The declaration and payment of dividends by us in the future will be subject to the sole discretion of our board of directors and will depend upon many factors, including our financial condition, earnings, capital requirements of our operating subsidiaries, covenants associated with certain of our debt obligations, legal requirements, regulatory constraints and other factors deemed relevant by our board of directors.

***Will Enexus Energy incur any debt in the separation?***

Yes. We currently expect that in connection with the separation, we will incur up to \$4.5 billion of debt in the form of publicly or privately issued debt securities. We expect to transfer to Entergy up to approximately \$4.0 billion in the form of either cash proceeds from the issuance of debt securities or a portion of such debt securities, or both, in partial consideration for Entergy's transfer to us of the non-utility nuclear business. Entergy has informed us that it expects to use our debt securities it has received to reduce or retire Entergy debt by exchanging our debt with certain holders of Entergy Corporation debt. We will not receive any proceeds from the portion of our debt securities that are transferred to Entergy. The amount to be paid to Entergy, the amount and term of the debt we will incur, and the type of debt and entity that will incur the debt have not been finally determined, but will be determined prior to the separation. A number of factors could

	<p>affect this final determination, and the amount of debt ultimately incurred could be different from the amount disclosed in this information statement. Additionally, we intend to enter into one or more credit facilities or other financing arrangements meant to support our working capital and general corporate needs and collateral obligations arising from hedging and normal course of business requirements.</p>
<b><i>What will the separation cost?</i></b>	<p>Entergy expects to incur pre-tax separation costs of approximately \$       million, of which approximately \$       will be allocated to us. Over the 12 months following our separation, the portion of these pre-tax costs expected to be recorded in our financial statements is approximately \$       to \$       million.</p>
<b><i>What are the U.S. federal income tax consequences of the distribution to Entergy shareholders?</i></b>	<p>The distribution is conditioned upon Entergy's receipt of a private letter ruling from the IRS and the opinion of Entergy's tax counsel, Cooley Godward Kronish LLP, in each case to the effect that the distribution, together with certain related transactions, will qualify as a tax-free distribution for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code. Assuming the distribution so qualifies, for U.S. federal income tax purposes, no gain or loss will be recognized by you, and no amount will be included in your income, upon the receipt of shares of our common stock pursuant to the distribution. You will generally recognize gain or loss with respect to cash received in lieu of a fractional share of our common stock. Please see the section entitled "The Separation—Material U.S. Federal Income Tax Consequences of the Distribution."</p>
<b><i>What will Enexus Energy's relationship be with Entergy following the separation?</i></b>	<p>Before the separation of Enexus Energy from Entergy, we will enter into the Separation and Distribution Agreement, the Joint Venture Agreements and several other agreements with Entergy or EquaGen to effect the separation and provide a framework for our relationships with Entergy, Entergy's other businesses, and EquaGen after the separation. These agreements will govern the relationship among us, EquaGen, Entergy, and Entergy's other businesses subsequent to the completion of the separation, and provide for the allocation among us, EquaGen, Entergy and Entergy's other businesses, of the assets, liabilities and obligations (including employee benefits and tax-related assets and liabilities) relating to the non-utility nuclear business attributable to periods prior to, at and after our separation from Entergy. We cannot assure you that these agreements will be on terms as favorable to us as agreements with unaffiliated third parties might be. For additional information regarding the separation agreements please see the sections entitled "Risk Factors" and "Certain Relationships and Related Party Transactions," included elsewhere in this information statement.</p>
<b><i>What if I want to sell my Entergy common stock or my Enexus Energy common stock?</i></b>	<p>You should consult with your financial advisors, such as your stockbroker, bank or tax advisor. Neither Entergy nor Enexus Energy makes any recommendations on the purchase, retention or sale of shares of Entergy common stock or the Enexus Energy common stock to be distributed.</p>
<b><i>What is "regular-way" and "ex-distribution" trading?</i></b>	<p>Beginning on or shortly before the record date and continuing up to and through the distribution date, we expect that there will be two markets in Entergy common stock: a "regular-way" market and an</p>

	<p>“ex-distribution” market. Shares of Entergy common stock that trade on the “regular-way” market will trade with an entitlement to shares of our common stock distributed pursuant to the distribution. Shares that trade on the “ex-distribution” market will trade without an entitlement to shares of our common stock distributed pursuant to the distribution. On the first trading day following the distribution date, all shares of Entergy will trade “ex-distribution.”</p> <p>If you decide to sell any shares before the distribution, you should make sure your stockbroker, bank or other nominee understands whether you want to sell your Entergy common stock or your entitlement to Enexus Energy common stock or both pursuant to the distribution.</p>
<p><b><i>How will I determine the tax basis I will have in the Enexus Energy shares I receive in the distribution?</i></b></p>	<p>Shortly after the distribution is completed, Entergy will provide U.S. taxpayers with information to enable them to compute their tax bases in both Entergy and Enexus Energy shares and other information they will need to report their receipt of Enexus Energy common stock on their 2008 federal income tax returns as a tax-free transaction. Generally, your aggregate basis in the stock you hold in Entergy and shares of our stock received in the distribution (including any fractional interests to which you would be entitled) will equal the aggregate basis of Entergy common stock held by you immediately before the distribution, allocated between your Entergy common stock and Enexus Energy common stock you receive in the distribution in proportion to the relative fair market value of each on the date of the distribution.</p> <p>You should consult your tax advisor about the particular consequences of the distribution to you, including the application of state, local and foreign tax laws.</p>
<p><b><i>Where will I be able to trade shares of Enexus Energy common stock?</i></b></p>	<p>There is not currently a public market for our common stock. We intend to apply to list our common stock on the New York Stock Exchange under the ticker symbol . We anticipate that trading in shares of our common stock will begin on a “when-issued” basis on or shortly before the record date and will continue up to and through the distribution date and that “regular-way” trading in shares of our common stock will begin on the first trading day following the distribution date. If trading begins on a “when-issued” basis, you may purchase or sell our common stock up to and through the distribution date, but your transaction will not settle until after the distribution date. We cannot predict the trading prices for our common stock before, on or after the distribution date.</p>
<p><b><i>What will happen to the listing of Entergy common stock?</i></b></p>	<p>Nothing. Entergy common stock will continue to be traded on the New York Stock Exchange and the Chicago Stock Exchange under the symbol “ETR” following the distribution.</p>
<p><b><i>Will the number of Entergy shares I own change as a result of the distribution?</i></b></p>	<p>No. The number of shares of Entergy common stock you own will not change as a result of the distribution.</p>
<p><b><i>Will the distribution affect the market price of my Entergy shares?</i></b></p>	<p>Yes. As a result of the distribution, we expect the trading price of shares of Entergy common stock immediately following the distribution to be lower than the trading price immediately prior to the distribution because the trading price will no longer reflect the value of the non-utility nuclear business. We and Entergy anticipate that until</p>

the market has fully analyzed the value of Entergy without the non-utility nuclear business, the market price of a share of Entergy common stock may fluctuate significantly. In addition, although we have been advised that Entergy believes that, over time following the distribution, the common stock of Entergy and Enxus Energy should have a higher aggregate market value, assuming the same market conditions that exist as of the date of this information statement, than if Entergy were to remain under its current configuration, there can be no assurance of that, and thus the combined trading prices of a share of Entergy common stock and Enxus Energy common stock after the distribution may be equal to, greater than or less than the trading price of a share of Entergy common stock before the distribution.

***Are there risks to owning Enxus Energy common stock?***

Yes. Our business is subject to both general and specific risks relating to our business, our capital structure, the industry in which we operate, our relationships with Entergy and with EquaGen and our status as a separate publicly-traded company. Our business is also subject to risks relating to the separation. These risks are described in the "Risk Factors" section of this information statement beginning on page 21. We encourage you to read that section and the other information in this information statement carefully.

***Where can I obtain more information?***

Before the separation, if you have any questions relating to the separation or Entergy common stock, you should contact:

Entergy Corporation  
Investor Relations  
639 Loyola Ave  
New Orleans, LA 70113

Tel.: 504-576-4000  
Toll-free: 1-800-ENTERGY  
Fax: 504-576-2879  
[www.entergy.com](http://www.entergy.com)

After the separation, to take place on \_\_\_\_\_, 2008, if you have any questions relating to the separation or our common stock, you should contact:

Enxus Energy Corporation  
Investor Relations  
Jackson, MS

Tel.:  
Toll-free:  
Fax:  
[www.enxusenergy.com](http://www.enxusenergy.com)



### Terms of the Separation

The following is a summary of the material terms of the separation, distribution and other related transactions.

<b>Distributing company</b>	Entergy Corporation. After the distribution, Entergy will not own any shares of our common stock.
<b>Distributed company</b>	Enexus Energy, a Delaware corporation and a wholly-owned subsidiary of Entergy that holds or will hold the assets and liabilities of Entergy's non-utility nuclear business. After the distribution, Enexus Energy will be a separate, publicly-traded company.
<b>Distribution ratio</b>	Each holder of Entergy common stock will receive                      share(s) of our common stock for each share of Entergy common stock held on the record date,                      , 2008. Cash will generally be distributed in lieu of fractional shares, as described below.
<b>Distributed securities</b>	All of the shares of Enexus Energy common stock owned by Entergy, which will be 100% of our common stock outstanding immediately prior to the distribution, will be distributed pro rata to Entergy's shareholders. Based on approximately                      shares of Entergy common stock outstanding on                      , 2008 and the distribution ratio of                      share(s) of Enexus Energy common stock for each share of Entergy common stock, approximately                      shares of our common stock will be distributed to Entergy shareholders. The number of our shares that Entergy will distribute to its shareholders will be reduced to the extent that cash payments are to be made in lieu of the issuance of fractional shares of our common stock.
<b>Fractional shares</b>	Entergy will not distribute any fractional shares of our common stock to its shareholders. Instead, BNY Mellon Shareowner Services, the distribution agent, will aggregate fractional shares into whole shares, sell the whole shares in the open market at prevailing market prices and distribute the aggregate net cash proceeds of the sales pro rata to each holder of Entergy common stock who otherwise would have been entitled to receive a fractional share in the distribution. Recipients of cash in lieu of fractional shares will not be entitled to any interest on the amounts of payment made in lieu of fractional shares. The receipt of cash in lieu of fractional shares generally will be taxable to the recipient shareholders as described in the section entitled "The Separation—Material U.S. Federal Income Tax Consequences of the Distribution."
<b>Record date</b>	The record date for the distribution is the close of business on                      , 2008.
<b>Distribution date</b>	The distribution will take place on                      , 2008.
<b>Distribution</b>	On the distribution date, Entergy, with the assistance of BNY Mellon Shareowner Services, the distribution agent, will electronically issue shares of our common stock to you or to your bank or brokerage firm on your behalf by way of direct registration in book-entry form. You will not be required to make any payment, surrender or exchange your shares of Entergy common stock or take any other action to receive your shares of our common stock.

If you sell shares of Entergy common stock in the “regular-way” market through the distribution date, you will be selling your right to receive shares of Enexus Energy common stock in the distribution.

Registered shareholders will receive additional information from the distribution agent shortly after the distribution date. Following the distribution, shareholders may request that their shares of Enexus Energy common stock held in book-entry form be transferred to a brokerage or other account at any time, without charge. Beneficial shareholders that hold shares through a brokerage firm will receive additional information from their brokerage firms shortly after the distribution date.

#### **Conditions to the distribution**

The distribution of our common stock is subject to the satisfaction or, if permissible under the Separation and Distribution Agreement, waiver by Entergy of the following conditions, among other conditions described in this information statement:

- the Securities and Exchange Commission, or SEC, shall have declared effective our registration statement on Form 10, of which this information statement is a part, under the Securities Exchange Act of 1934, as amended, or the Exchange Act, and no stop order relating to the registration statement shall be in effect;
- all permits, registrations and consents required under the securities or blue sky laws of states or other political subdivisions of the United States or of other foreign jurisdictions in connection with the distribution shall have been received;
- all required federal and state regulatory approvals (including approvals by the NRC, FERC, New York State Public Service Commission and Vermont Public Service Board) in connection with the distribution and related transactions (including the internal reorganizations by us and Entergy, the formation of EquaGen and debt financing transactions preceding the distribution) shall have been received;
- the debt financing transactions shall have been completed;
- Entergy shall have received a private letter ruling from the IRS substantially to the effect that the distribution, together with certain related transactions, qualifies as a reorganization for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code;
- Entergy shall have received a legal opinion of Entergy’s tax counsel, Cooley Godward Kronish LLP, substantially to the effect that the distribution, together with certain related transactions, will qualify as a reorganization for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code;
- the listing of our common stock on the New York Stock Exchange shall have been approved, subject to official notice of issuance; and

- no order, injunction or decree issued by any court of competent jurisdiction or other legal restraint or prohibition preventing consummation of the distribution or any of the transactions related thereto, including the debt financing, the transfers of assets and liabilities contemplated by the Separation and Distribution Agreement or the formation of EquaGen, shall be in effect.

The fulfillment of these conditions does not create any obligation on Entergy's part to effect the distribution, and the Entergy board of directors has reserved the right, in its sole discretion, to amend, modify or abandon the distribution and related transactions at any time prior to the distribution date. Entergy has the right not to complete the distribution if, at any time, the Entergy board of directors determines, in its sole discretion, that the distribution is not in the best interests of Entergy or its shareholders or that market conditions are such that it is not advisable to separate the non-utility nuclear business from Entergy.

**Stock exchange listing**

We intend to file an application to list our shares of common stock on the New York Stock Exchange under the ticker symbol . We anticipate that, on or prior to the record date for the distribution, trading of shares of our common stock will begin on a "when-issued" basis and will continue up to and through the distribution date. For additional information, see the section entitled "The Separation—Trading after the Record Date and before the Distribution Date."

**Transfer agent**

BNY Mellon Shareowner Services

Tel.:

**Enexus Energy debt**

We currently expect that in connection with the separation, we will incur up to \$4.5 billion of debt in the form of publicly or privately issued debt securities. We expect to transfer to Entergy up to approximately \$4.0 billion in the form of either cash proceeds from the issuance of debt securities or a portion of such debt securities, or both, in partial consideration for Entergy's transfer to us of the non-utility nuclear business. Entergy has informed us that it expects to use our debt securities it has received to reduce or retire Entergy debt by exchanging our debt with certain holders of Entergy Corporation debt. We will not receive any proceeds from the portion of our debt securities that are transferred to Entergy. The amount to be paid to Entergy, the amount and term of the debt we will incur, and the type of debt and entity that will incur the debt have not been finally determined, but will be determined prior to the separation. A number of factors could affect this final determination, and the amount of debt ultimately incurred could be different from the amount disclosed in this information statement. Additionally, we intend to enter into one or more credit facilities or other financing arrangements meant to support our working capital and general corporate needs and collateral obligations arising from hedging and normal course of business requirements.

For more information on our planned financing arrangements, please see the sections entitled "Unaudited Pro Forma Financial Information of Enexus Energy," "Management's Discussion and Analysis of

**Risks relating to ownership of our common stock and the distribution**

Results of Operations and Financial Condition” and “Description of Material Indebtedness.”

Our business is subject to both general and specific risks relating to our business, our capital structure, the industry in which we operate, our relationships with Entergy and EquaGen and our status as a separate, publicly-traded company. Our business is also subject to risks relating to the separation. You should read carefully the section entitled “Risk Factors” beginning on page 21 in this information statement, as well as the other information contained in this information statement.

**Tax consequences**

Assuming the distribution, together with certain related transactions, qualifies as a reorganization for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code, no gain or loss will be recognized by a shareholder, and no amount will be included in the income of a shareholder, upon the receipt of shares of our common stock pursuant to the distribution. However, a shareholder will generally recognize gain or loss with respect to any cash received in lieu of a fractional share of our common stock as described in the section entitled “The Separation—Material U.S. Federal Income Tax Consequences of the Distribution.”

**Certain agreements with Entergy**

Before our separation from Entergy, we will enter into the Separation and Distribution Agreement, the Joint Venture Agreements and several other agreements with Entergy or EquaGen to effect the separation and distribution and provide a framework for our relationship with Entergy, Entergy’s other businesses and EquaGen after the separation. These agreements will govern the relationship among us, EquaGen, Entergy, and Entergy’s other businesses subsequent to the completion of the separation and provide for the allocation among us, EquaGen, Entergy, and Entergy’s other businesses of assets, liabilities and obligations (including employee benefits and tax-related assets and liabilities) relating to the non-utility nuclear business attributable to periods prior to, at and after our separation from Entergy. We cannot assure you that these agreements will be on terms as favorable to us as agreements with unaffiliated third parties might be. For a discussion of these arrangements, see the sections entitled “Risk Factors” and “Certain Relationships and Related Party Transactions.”

### Summary Historical and Unaudited Pro Forma Combined Financial Data

The following table presents summary historical and pro forma financial data, as well as other data. The income statement data and cash flow statement data for each of the years in the three years ended December 31, 2007 and the balance sheet data as of December 31, 2007 and December 31, 2006 have been derived from our audited Combined Financial Statements included elsewhere in this information statement. The historical financial data should be read in conjunction with our historical financial statements and "Management's Discussion and Analysis of Results of Operations and Financial Condition" and "Unaudited Pro Forma Financial Information of Enxus Energy" included elsewhere in this information statement.

The unaudited pro forma financial data have been derived from our historical financial statements and adjusted to give effect to the separation and the related transactions. These adjustments are described under "Unaudited Pro Forma Financial Information of Enxus Energy." Our historical and unaudited pro forma financial data are not necessarily indicative of our future performance or of what our financial position and results of operations would have been if we had operated as a separate, stand-alone entity during the periods shown.

	As of and for the Year Ended December 31,			
	Pro Forma	Historical		
	2007	2007	2006	2005
(in thousands, except for operating statistics)				
<b>Income Statement Data:</b>				
Operating Revenues	\$2,029,666	\$2,029,666	\$1,544,873	\$1,421,547
Fuel and fuel-related expenses	168,860	168,860	141,026	132,796
Other operation and maintenance expenses	784,383	784,383	651,950	613,468
Other operating expenses	184,435	184,435	153,742	142,485
Depreciation and amortization	99,265	99,265	71,755	58,540
Decommissioning expense	78,607	78,607	35,537	33,202
Operating Income	714,116	714,116	490,863	441,056
Interest expense	417,634	118,172	108,488	90,706
Other income	73,127	102,127	82,734	65,336
Income Before Income Taxes	369,609	698,071	465,109	415,686
Income taxes	97,813	212,023	188,318	160,328
Net Income	271,796	486,048	276,791	255,358
<b>Balance Sheet Data:</b>				
Cash and cash equivalents	\$795,260	\$428,859	\$383,809	
Property, plant and equipment, net	3,362,998	3,362,998	2,250,817	
Total assets	7,439,000	7,018,119	5,352,054	
Loans payable - associated companies	-	1,256,627	868,815	
Long-term debt, including current maturities	4,738,788	238,788	325,794	
Shareholders' equity	(669,124)	2,302,583	1,939,828	

As of December 31, 2007, we had, on a pro forma basis, negative shareholders' equity of \$669 million as a result of the separation transactions, primarily because we expect to receive net assets with a book value of \$2.3 billion and plan to issue and transfer to Entergy \$3.0 billion of debt securities.

	As of and for the Year Ended December 31,			
	Pro Forma	Historical		
	2007	2007	2006	2005
	(in thousands, except for operating statistics)			
<b>Cash Flow Statement Data:</b>				
Cash flows from operating activities		\$837,784	\$807,629	\$560,702
Cash flows from investing activities		(883,396)	(450,219)	(368,496)
Cash flows from financing activities		90,662	(185,942)	(119,932)
<b>Other Cash Flow Data:</b>				
Construction/capital expenditures		(\$259,977)	(\$302,865)	(\$161,149)
Nuclear fuel purchases		(225,684)	(100,015)	(164,564)
<b>Operating Statistics:</b>				
Net MW in operation at December 31		4,998	4,200	4,105
Average price realized per MWh		\$52.69	\$44.33	\$42.26
GWh billed		37,570	34,847	33,641
Capacity factor		89%	95%	93%
Refueling outage days		123	58	71

	As of and for the Year Ended December 31,			
	Pro Forma	Historical		
	2007	2007	2006	2005
	(in thousands)			
<b>EBITDA</b>				
Net Income	\$271,796	\$486,048	\$276,791	\$255,358
add back: Income taxes	97,813	212,023	188,318	160,328
subtract: Other income	73,127	102,127	82,734	65,336
add back: Interest expenses	417,634	118,172	108,488	90,706
Operating Income	714,116	714,116	490,863	441,056
add back: Depreciation and amortization	99,265	99,265	71,755	58,540
add back: Miscellaneous other income	(29,715)	(715)	(427)	(1,504)
<b>EBITDA</b>	<b>\$783,666</b>	<b>\$812,666</b>	<b>\$562,191</b>	<b>\$498,092</b>

EBITDA, which we define as earnings before interest, taxes, depreciation and amortization and interest and dividend income, is a non-GAAP financial measure. There are material limitations to using a measure such as EBITDA, including the difficulty associated with comparing results among more than one company and the inability to analyze certain significant items, including depreciation and interest expense, that directly affect our net income or loss. EBITDA should be considered in addition to, but not as a substitute for, other measures of financial performance prepared in accordance with GAAP. We consider EBITDA to be important because it provides our board of directors, management and investors with an understanding of our financial performance and our ability to make capital expenditures.

We understand that, although EBITDA is frequently used by securities analysts, lenders and others in their evaluation of companies, EBITDA has limitations as an analytical tool, and you should not consider it in

isolation, or as a substitute for an analysis of our results as reported under U.S. GAAP. Some of these limitations are:

- EBITDA does not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;
- EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- EBITDA does not reflect interest expense, or the cash requirements necessary to service interest or principal payments on our indebtedness;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized often will have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements; and
- Other companies in our industry may calculate EBITDA differently than we do, limiting its usefulness as a comparative measure.

## RISK FACTORS

*You should carefully consider each of the following risk factors and all of the other information set forth in this information statement. The risk factors generally have been separated into three groups: (i) risks relating to our business, (ii) risks relating to the separation, and (iii) risks relating to ownership of our common stock. Based on the information currently known to us, we believe that the following information identifies the material risk factors affecting our company in each of these categories of risks. However, the risks and uncertainties our company faces are not limited to those set forth in the risk factors described below. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition or results of operations. In addition, past financial performance may not be a reliable indicator of future performance and historical trends should not be used to anticipate results or trends in future periods.*

### **Risks Relating to our Business**

***Ownership and operation of nuclear power plants create business, regulatory, financial and waste disposal risks that may have a material adverse effect on our business.***

We and our subsidiaries are subject to the risks arising from owning and operating nuclear power plants. These include:

- ***Capacity factors.*** Capacity factors, defined as actual plant output divided by maximum potential plant output for the period, significantly affect our results of operations. Nuclear plant operations involve substantial fixed operating costs, as well as non-fixed costs associated with plant operating conditions and issues. Consequently, to be successful, we must consistently operate our nuclear power plants at high capacity factors. Lower capacity factors negatively affect our margins by requiring us to spread the fixed costs over fewer units of production and to purchase additional energy in the spot or forward markets in order to satisfy our supply needs. For sales of power on a unit-contingent basis coupled with a guarantee of availability, power is supplied from a specific generation asset; if the asset is unavailable, we are not liable to the purchaser for any damages, unless the actual availability over a specified period of time is below an availability threshold specified in the contract. In the event our plants were operating below these guaranteed availability thresholds, we would be subject to price risk for the undelivered power. Additionally, as of March 31, 2008, 5% of our planned generation for 2008 was sold forward on a firm liquidated damages basis. Under a firm liquidated damages contract, the transaction requires receipt or delivery of energy at a specified delivery point (usually at a market hub not associated with a specific asset); if we fail to deliver energy, we must compensate the other party as specified in the contract.
- ***Refueling and other outages.*** Outages at nuclear power plants to replenish fuel require the plant to be "turned off." Refueling outages generally are planned to occur once every 18 to 24 months and historically average approximately 30 days in duration. When refueling outages last longer than anticipated or a plant experiences unplanned outages, capacity factors decrease and maintenance costs increase. As a result, we may face lower margins due to higher costs and lower energy sales for unit-contingent contracts or potentially higher energy replacement costs for firm liquidated damages contracts and for unit-contingent contracts with capacity guarantees that are not met due to extended or unplanned outages.
- ***Cost and supply of nuclear fuel.*** Our nuclear power plants rely on a limited number of suppliers to provide uranium fuel (and its conversion, enrichment and fabrication) required for the operation of the plant. It will be necessary for us to enter into additional arrangements to acquire nuclear fuel and related services in the future. Uranium market supply became extremely limited in 2006 and 2007 and market prices have been highly volatile during this period. Market prices for uranium concentrates have risen from about \$7 per pound in December 2000 to a 2007 range of \$70 to \$135 per pound. The costs of obtaining supplies have therefore increased greatly for nuclear fuel users. Our financial performance is dependent on the continued performance by suppliers of their



obligations under their long-term agreements. Our financial results could be materially adversely affected if any one supplier fails to fulfill its contractual obligations and we are unable to find other suppliers that can perform under terms that allow us to achieve the same level of profitability. As a result of the failure of a major supplier to meet its contractual obligations, we may face higher costs to secure other suppliers, which may result in potential disruptions to our business and have a material adverse effect on our results of operations, financial condition and liquidity.

- *Nuclear regulatory risk.* Under the Atomic Energy Act and Energy Reorganization Act, the NRC heavily regulates nuclear power plants. The NRC may modify, suspend or revoke licenses, shut down a nuclear facility and impose civil penalties for failure to comply with the Atomic Energy Act, related regulations or the terms of the licenses for nuclear facilities. A change in the Atomic Energy Act or the applicable regulations or licenses may require a substantial increase in capital expenditures or may result in increased operating or decommissioning costs and could materially adversely affect our results of operations, financial condition and liquidity. Events at nuclear power plants owned by others, as well as those owned by us, may cause the NRC to initiate such actions. As a result, if an incident did occur at any nuclear generating unit—whether owned by us or not—it could materially adversely affect our results of operations, financial condition and liquidity.
- *Operational risk.* All six of our operating nuclear power plants began commercial operations in the 1970s. Older equipment may require significant capital expenditures to keep each of our nuclear power plants operating efficiently. This equipment is also likely to require periodic upgrading and improvement. Operations at any of the nuclear generating units owned by us could degrade to the point where the affected unit needs to be shut down or operated at less than full capacity. If this were to happen, identifying and correcting the causes may require significant time and expense. A decision may be made to close a unit rather than incur the expense of restarting it or returning the unit to full capacity. This could result in lost revenue, increased fuel and purchased power expense to meet supply commitments and penalties for failure to perform under our contracts with customers.
- *Spent nuclear fuel storage.* We regularly incur costs for the on-site storage of spent nuclear fuel. The approval of a national repository for the storage of spent nuclear fuel, such as the one proposed for Yucca Mountain, Nevada, and the timing of such facility opening, may affect the costs associated with storage of spent nuclear fuel. In addition, the availability of a repository for spent nuclear fuel may affect the ability to fully decommission the nuclear units.
- *Nuclear accident risk.* Accidents and other unforeseen problems at nuclear power plants have occurred both in the United States and elsewhere. The consequences of an accident can be severe and include personal injury, loss of life and property damage. The Price-Anderson Act limits each reactor owner's public liability (off-site) for a single nuclear incident to the payment of retrospective premiums into a secondary insurance pool of up to approximately \$100.6 million per reactor. With 104 reactors currently operating in the United States, this translates to a total public liability cap of approximately \$10.4 billion per incident. The limit is subject to change to account for the effects of inflation, a change in the primary limit of insurance coverage, and changes in the number of licensed reactors. As required by the Price-Anderson Act, we carry the maximum available amount of primary nuclear liability insurance with American Nuclear Insurers (currently \$300 million for each operating site). Claims for any nuclear incident exceeding that amount are covered under the retrospective premiums paid into the secondary insurance pool. As a result, in the event of a nuclear incident that causes damages (off-site) in excess of the \$300 million in primary liability insurance coverage, each owner of a nuclear plant reactor will be required to pay a retrospective premium, equal to its proportionate share of the loss in excess of the \$300 million primary level, up to a maximum of \$100.6 million per reactor per incident. The retrospective premium payment is currently limited to \$15 million per year per reactor until the aggregate public liability for each licensee is paid up to the \$100.6 million cap. Nuclear accident damage to on-site facilities is covered by Nuclear Electric Insurance Limited up to the limits of the primary and excess property policies in force at the time of the accident. We maintain property insurance for our nuclear units in

excess of the NRC's minimum requirement of \$1.06 billion per site for nuclear power plant licensees. For additional details, see "Employees, Properties and Facilities, Government Regulation and Legal Proceedings—Regulations Generally Applicable to Our Business—Price-Anderson Act."

- *Decommissioning.* Owners of nuclear generating plants have an obligation to decommission those plants. We maintain decommissioning trust funds for this purpose. In connection with the acquisition of certain of our nuclear power plants, we or our predecessor also acquired decommissioning trust funds that are funded in accordance with NRC regulations. An early plant shutdown, poor investment results or higher than anticipated decommissioning costs could cause trust fund assets to be insufficient to meet the decommissioning obligations, with the result that we may be required to provide additional funds or credit support to satisfy regulatory requirements for decommissioning.

***The nuclear power plants we own will be exposed to price risk to the extent they must compete for the sale of energy and capacity, and this may harm our profitability.***

We are not guaranteed any rate of return on our capital investments in our business. In particular, the sale of capacity and energy from our nuclear power plants, unless otherwise contracted, is subject to the fluctuation of market power prices. On a blended basis, as of December 31, 2007, we have sold forward 89%, 78% and 51% of our generation portfolio's planned energy output and installed capacity for 2008, 2009 and 2010, respectively. The obligations under most of these agreements are contingent on a unit being available to generate power. For some unit-contingent obligations, however, there is also a guarantee of availability that provides for the payment to the power purchaser of contract damages, if incurred, in the event we fail to deliver power as a result of the failure of the specified generation unit to generate power at or above a specified availability threshold. In addition, for those obligations that are not unit-contingent, we will be required to pay the purchaser the difference between the market price at the delivery point and the contract price, and the amount of such payments could be substantial.

Market prices may fluctuate substantially, sometimes over relatively short periods of time, and at other times market prices may experience sustained increases or decreases. Demand for electricity and its fuel stock can fluctuate dramatically, creating periods of substantial under- or over-supply. During periods of over-supply, prices might be depressed. Also, from time to time, there may be political pressure, or pressure from regulatory authorities with jurisdiction over wholesale and retail energy commodity and transportation rates, to impose price limitations, bidding rules and other mechanisms to address price volatility and other issues in these markets.

Among the factors that could affect market prices for electricity and fuel, all of which are beyond our control to a significant degree, are:

- prevailing market prices for natural gas, uranium (and its conversion, enrichment and fabrication), coal, oil and other fuels used in electric generation plants, including associated transportation costs, and supplies of such commodities;
- seasonality;
- availability of competitively priced alternative energy sources and the requirements of a renewable portfolio standard;
- changes in production and storage levels of natural gas, lignite, coal and crude oil and refined products;
- liquidity in the general wholesale electricity market;
- the actions of external parties, such as the FERC and local independent system operators, as well as other state and Federal energy regulatory policies, that may impose price limitations and other mechanisms to address some of the volatility in the energy markets;
- transmission or transportation constraints, inoperability or inefficiencies;
- the general demand for electricity;

- weather conditions affecting demand for electricity or availability of hydroelectric power or fuel supplies;
- the rate of growth in demand for electricity as a result of population changes, regional economic conditions and the implementation of conservation programs;
- regulatory policies of state agencies that affect the willingness of our customers to enter into long-term contracts generally, and contracts for energy in particular;
- increases in supplies due to actions of our current competitors or new market entrants, including the development of new generation facilities, expansion of existing generating facilities, the disaggregation of vertically integrated utilities and improvements in transmission that allow additional supply to reach our markets;
- union and labor relations;
- changes in federal and state energy and environmental laws and regulations, including but not limited to the effect that proposed emission controls such as the Regional Greenhouse Gas Initiative might have on prices; and
- natural disasters, wars, embargoes, terrorist actions and other catastrophic events.

***We face exposure to changes in commodity prices, which can affect the value of assets and operating costs and which may not be adequately hedged against adverse changes.***

To manage our near-term financial exposure related to commodity price fluctuations, we enter into contracts to hedge portions of our purchase and sale commitments and our requirements for uranium (and its conversion, enrichment and fabrication) within established risk management guidelines. As part of this strategy, we utilize fixed-price forward physical purchase and sales contracts. The coverage may vary over time, and we may also elect to not hedge certain volumes during certain years. To the extent we do not have hedged positions, fluctuating commodity prices can materially adversely affect our results of operations, financial condition and liquidity.

Although we devote a considerable amount of management time and effort to these risk management strategies, we cannot eliminate all the risks associated with these activities. As a result of these and other factors, we cannot predict with precision the effects that risk management decisions may have on our results of operations, financial condition and liquidity.

Currently, some of the agreements to sell the power produced by our nuclear power plants contain provisions that require an Entergy subsidiary to provide collateral to secure our obligations under the agreements. The Entergy subsidiary generally would be required to provide collateral either based upon the difference between the current market and contracted power prices in the regions where we sell power or based on an independent fixed dollar amount. The primary form of collateral to satisfy these requirements would be an Entergy Corporation guaranty. Cash and letters of credit are also acceptable forms of collateral. As of December 31, 2007, based on power prices at that time, Entergy had in place as collateral \$702 million of Entergy Corporation guarantees for wholesale transactions, including \$63 million of guarantees that support letters of credit. The assurance requirement is estimated to increase by an amount up to \$294 million if gas prices increase \$1 per MMBtu in both the short- and long-term markets.

In connection with the separation, we expect to replace these Entergy corporation guarantees related to power sale collateral requirements with a combination of letters of credit, cash, guarantees issued by us or liens on our property. Reductions in our credit quality or changes in the market prices of energy commodities could change the form of collateral or increase the cash collateral required to be posted in connection with hedging and risk management activities, which could materially adversely affect our results of operations, financial condition and liquidity.

Our hedging and risk management activities are exposed to the risk that counterparties that owe us money, energy or other commodities will not fulfill their obligations to us. If the counterparties to these

arrangements fail to perform, we might be forced to acquire alternative hedging arrangements or honor the underlying commitment at then-current market prices. In such event, we might incur losses in addition to amounts, if any, already paid to the counterparties.

***We are dependent on EquaGen for the operation of our nuclear power plants. We will not be able to easily replace this service provider, or the expertise of its employees, for the operation of our nuclear power plants, and, if our long-term operating contracts are breached or otherwise terminated, we may be materially adversely affected.***

Immediately prior to the separation, we will form a joint venture with equal ownership with Entergy called EquaGen. The Joint Venture Agreements set out the terms governing the formation and management of EquaGen. EquaGen is expected to operate and maintain our nuclear power plants.

The terms governing the operation and maintenance of each of our nuclear power plants are set forth in the Operating Agreements. Under the Operating Agreements, Entergy Nuclear Operations will be responsible for operating and making capital improvements to each of our nuclear power plants and maintaining permits and approvals in accordance with good utility practice, applicable laws and regulations, the applicable NRC Operating License and the budgets approved by us for each of our six operating nuclear power plants. Entergy Nuclear Operations will operate as an NRC-licensed entity, and any new operator would have to be approved by the NRC prior to replacement. We will be dependent on Entergy Nuclear Operations for the operation of our plants, and we will not be able to easily replace Entergy Nuclear Operations for the operation of our plants without additional expense. If the Operating Agreements are breached or otherwise terminated, we may be materially adversely affected. For example, the Operating Agreements and the Joint Venture Agreements provide that if EquaGen is operating four or fewer of our nuclear power plants, then the Operating Agreements for the remaining nuclear power plants will be terminated if the Board of EquaGen has not exercised its right to override the automatic termination. If the Board of EquaGen decided to not override automatic termination of the Operating Agreements, we may (if Entergy elects to exercise its rights under the Joint Venture Agreements) be obligated to either purchase the subsidiaries of EquaGen that carry on its "third party" business, or purchase Entergy's 50% membership interest in EquaGen. We may not have sufficient cash to fulfill these obligations, if they are triggered, or we may experience pressure on our liquidity as a result of the obligation to purchase either the subsidiaries of EquaGen or Entergy's 50% membership interest in EquaGen.

EquaGen will also enter into Shared Services Agreements with subsidiaries of Entergy. Under these agreements, EquaGen will obtain certain management and technical services that it in turn provides to us through the Operating Agreements with Entergy Nuclear Operations.

***New or existing safety concerns regarding operating nuclear power plants and nuclear fuel could lead to restrictions upon the operations at our nuclear power plants.***

New and existing concerns have been expressed in public forums about the safety of nuclear power plants and nuclear fuel, in particular in the Northeast United States, which is where five of our six nuclear power plants are located. These concerns have led to, and are expected to continue to lead to, various proposals to federal regulators as well as some state and local governing bodies in some localities where we own nuclear power plants for legislative and regulatory changes that could lead to the shut-down of nuclear units, denial of license extension applications, municipalization of nuclear power plants, restrictions on nuclear power plants as a result of unavailability of sites for spent nuclear fuel storage and disposal, or other adverse effects on owning and operating nuclear power plants. If any of the existing proposals, or any proposals that may arise in the future, relating to legislative and regulatory changes becomes effective, it could have a material adverse effect on our results of operations, financial condition and liquidity.

***We may incur substantial costs to fulfill obligations related to environmental and other matters.***

Our business is subject to extensive environmental regulation by local, state and federal authorities. These laws and regulations affect the manner in which we conduct our operations and make capital expenditures. These laws and regulations also affect how we manage air emissions, discharges to water, solid

and hazardous waste storage and disposal, cooling and service water intake, the protection of threatened and endangered species, hazardous materials transportation and similar matters. Federal, state and local authorities continually revise these laws and regulations, and the laws and regulations are subject to judicial interpretation and to the permitting and enforcement discretion vested in the implementing agencies. Developing and implementing plans for facility compliance with these requirements can lead to capital, personnel and operation and maintenance expenditures. Violations of these requirements can subject us to enforcement actions, capital expenditures to bring existing facilities into compliance, additional operating costs or operating restrictions to achieve compliance, remediation and clean-up, civil penalties, criminal prosecution and exposure to third-parties' claims for alleged health or property damages or for violations of applicable permits or standards. In addition, we are subject to liability under these laws for the costs of remediation of environmental contamination of property now or formerly owned or operated by us and of property contaminated by hazardous substances we generate.

For example, we will face increased costs as a result of joining a groundwater monitoring initiative program after the detection of radioactive material, primarily tritium, in groundwater at several plants in the United States, including our Indian Point Energy Center. In addition to tritium, other radionuclides, such as strontium, have been detected in on-site groundwater at Indian Point Energy Center. Lower levels of tritium have also been found at the Pilgrim and Palisades plants, and those sites are currently in the investigatory phase to address these findings. In cooperation with regulators and interested parties, we have completed a comprehensive site characterization and groundwater investigation at Indian Point Energy Center. Remedial actions are underway and we expect them to be completed in 2008. In October 2007, the EPA announced that it was consulting with the NRC and the New York State Department of Environmental Conservation regarding Indian Point Energy Center. The EPA stated that after reviewing data it confirmed with the New York State Department of Environmental Conservation that there have been no violations of federal standards for radionuclides in drinking water supplies.

As another example, in November 2003, the New York State Department of Environmental Conservation issued a draft permit indicating that closed cycle cooling would be considered the "best technology available" for minimizing alleged adverse environmental impacts attributable to the intake of cooling water at Indian Point 2 and Indian Point 3. The draft permit would require us to take certain steps to assess the feasibility of retrofitting the site to install cooling towers because we have announced our intent to apply for NRC license renewal at Indian Point 2 and Indian Point 3. Upon its becoming effective, the draft permit would also require the facilities to take an annual 42 unit-day outage (coordinated with the existing refueling outage schedule) and provide a payment into a New York State Department of Environmental Conservation account until the start of cooling tower construction. We are participating in the administrative process to request that the draft permit be modified prior to final issuance and we oppose any requirement to install cooling towers or to begin annual outages at Indian Point 2 and Indian Point 3. We notified the New York State Department of Environmental Conservation that the cost of retrofitting Indian Point 2 and Indian Point 3 with cooling towers likely would cost, in 2003 dollars, at least \$740 million in capital costs and an additional \$630 million in lost generation during construction. Due to fluctuations in power pricing and because a retrofitting of this size and complexity has never been undertaken, significant uncertainties exist in these estimates and, therefore, could be materially higher than estimated.

We may not be able to obtain or maintain all required environmental regulatory approvals. If there is a delay in obtaining any required environmental regulatory approvals, or if we fail to obtain, maintain or comply with any such approval, the operation of our facilities could be stopped or become subject to additional costs. For more information, reference is made to "Environmental Matters" and "Employees, Properties and Facilities, Government Regulation and Legal Proceedings—Regulations Generally Applicable to Our Business."

***We rely on power transmission facilities that we do not own or control and are subject to transmission constraints within the New England, New York and Midwest markets. If these facilities fail to provide us with adequate transmission capacity, we may be restricted in our ability to deliver wholesale electric power to our customers and we may either incur additional costs or forgo revenues.***

We depend on transmission facilities operated by the Independent System Operator New England, the New York Independent System Operator and the Midwest Independent System Operator in New England, New York and the Midwest, respectively, and on transmission systems owned and operated by others to deliver the wholesale power we sell from our power generation plants to our customers. If transmission is disrupted, if the transmission capacity infrastructure is inadequate or if the rules related to transmission service are materially altered, our ability to sell and deliver wholesale power may be materially adversely affected, causing us to incur additional costs or forego revenues.

***Protecting against potential terrorist activities requires significant capital expenditures and a successful terrorist attack could materially adversely affect our business.***

As power generators, we face heightened risk of an act or threatened act of terrorism, either a direct act against one of our generation facilities or an inability to operate as a result of systemic damage resulting from an act against the transmission and distribution infrastructure that we use to transport our power. In particular, we may experience increased capital and operating costs to implement increased security for our nuclear power plants, such as additional physical facility security and additional security personnel. We may be required to expend material amounts of capital to repair any facilities, the expenditure of which could materially adversely affect results of operations, financial condition and liquidity.

***Market performance and other changes may decrease the value of EquaGen benefit plan assets, which then could require significant additional funding.***

EquaGen will maintain pension and postretirement benefit plans on behalf of certain of its employees. The performance of the capital markets affects the values of the assets held in trust under pension and postretirement benefit plans such as those that will be maintained by EquaGen. A decline in the market value of the assets of those plans may increase the funding requirements relating to the associated benefit plan liabilities. Additionally, changes in interest rates will affect the liabilities under those pension and postretirement benefit plans; as interest rates decrease, the liabilities increase, potentially requiring additional funding. The funding requirements of the obligations related to those pension and postretirement benefit plans can also increase as a result of changes in retirements, life expectancy assumptions, or federal regulations. These considerations could adversely affect our financial condition because we will be responsible, under the Joint Venture Agreements, the Operating Agreements or otherwise, for the funding obligations under those plans. See "Management's Discussion and Analysis of Results of Operations and Financial Condition—Critical Accounting Estimates—Qualified Pension and Other Postretirement Benefits" and Note 7 to the financial statements.

***The decommissioning trust fund assets for our nuclear power plants may not be adequate to meet decommissioning obligations if one or more of our nuclear power plants is retired earlier than the anticipated shutdown date, and market performance and other changes may decrease the value of assets in the decommissioning trusts, which then could require significant additional funding.***

In connection with the purchase of certain of our nuclear power plants, we received decommissioning trusts to fund our obligation to decommission those plants, whereas for the Indian Point 3 and FitzPatrick plants purchased in 2000, we executed decommissioning agreements with the seller of those plants that specify our decommissioning obligations. Under the decommissioning agreements, the seller of those nuclear power plants retained the decommissioning trusts and the decommissioning liabilities for those nuclear power plants. The performance of the capital markets affects the values of the debt and equity securities held in the decommissioning trusts. We have significant decommissioning obligations and there are significant assets in these trusts. These assets are subject to market fluctuations and will yield uncertain returns, which may fall below our projected return rates. A decline in the market value of the assets may increase the funding

requirements of these obligations. Additionally, changes in interest rates affect our decommissioning obligations; as interest rates decrease, the liabilities increase, potentially requiring additional funding. Further, regulatory changes, including increased decommissioning costs, may also increase the funding requirements of the obligations related to our decommissioning of plants.

In addition, under NRC regulations, we are permitted to project the NRC-required decommissioning amount and the amount in each of our nuclear power plant's decommissioning trusts. The projections are made based on the scheduled shutdown date and the mid-point of the subsequent decommissioning process for each of our nuclear power plants, with the earliest scheduled shutdown being Vermont Yankee in 2012. As a result, if the projected amount of our decommissioning trusts exceeds the projected NRC-required decommissioning amount, then our decommissioning obligations are considered to be funded in accordance with NRC regulations. With respect to the decommissioning trusts for Vermont Yankee, Indian Point 2 and Palisades, the total amount in each of those trusts as of December 31, 2007 would not have been sufficient to initiate and complete the immediate near-term decommissioning of the respective unit as of such date, but rather the funds would have been sufficient to place the unit in a condition of safe storage or "SAFSTOR" status pending future completion of decommissioning. For example, if we had decided to shutdown and immediately begin decommissioning one of those nuclear power plants on December 31, 2007, our trust funds for the plant would have been insufficient and we would have been required to rely on other capital resources to fund the entire decommissioning obligations unless the completion of decommissioning could be deferred during many years of "SAFSTOR" status. Thus, if we decide to shutdown one of our nuclear power plants earlier than the scheduled shutdown date, we may be unable to rely upon only the decommissioning trust to fund the entire decommissioning obligations, which would require us to obtain funding from other sources. As a result, under these circumstances, our liquidity and financial condition could be materially adversely affected.

***A failure to obtain renewed licenses for the continued operation of our generating units could have a material adverse effect on our operations and lead to an increase in decommissioning costs and depreciation rates.***

The operating licenses for Vermont Yankee, Pilgrim, Indian Point 2, FitzPatrick and Indian Point 3 expire in 2012 to 2015. License renewal applications are pending for five of our nuclear power plants, and are the subject of public and local political debate. Various parties, including the New York State Attorney General, have expressed opposition to the pending license renewal applications. If the NRC does not renew the operating licenses for one or more of these plants, our results of operations could be materially adversely affected by loss of revenue associated with the plant or plants, increased depreciation rates and accelerated decommissioning costs.

***We depend upon our senior management and the senior management of EquaGen, and our business may be adversely affected if we cannot retain senior management.***

Our business is highly regulated and very complex and the operation of our business requires specialized industry, technical and regulatory knowledge. As a result, our success depends upon the retention of our experienced senior management and the senior management of EquaGen with specialized experience with nuclear generation, operation and services. We might not be able to find qualified replacements for the members of our senior management team if their services were no longer available to us; accordingly, the loss of critical members of our senior management team could have a material adverse effect on our ability to effectively implement our business plan.

***Our business, financial condition and results of operations could be adversely affected by strikes, work stoppages or a slow down by employees and contractors at EquaGen, and we may face difficulties in competing for qualified workers as our workforce retires.***

As of March 31, 2008, approximately 50.7% of the employees at Entergy Nuclear Operations who operate and maintain our nuclear power plants and, at some sites, provide security services to our nuclear power plants, were covered by collective bargaining agreements. In the event that the union employees or contractors strike, participate in a work stoppage or slowdown or engage in other forms of labor strife or disruption, we could experience reduced power generation or outages if Entergy Nuclear Operations does not

have sufficient personnel to operate or provide security services for the plants. Entergy Nuclear Operations has strike contingency plans to assure safe operation of its plants and compliance with NRC requirements, but whether Entergy Nuclear Operations will have adequate personnel, by direct employment, contract, or otherwise, in such circumstances is uncertain. Strikes, work stoppages or slowdowns, or the inability to negotiate future collective bargaining agreements on favorable terms could have a material adverse effect on our results of operations, financial condition and liquidity.

In addition, a number of our employees at our plants are close to retirement. The market for skilled nuclear power plant employees is very competitive because of the technical skills and knowledge necessary to operate a nuclear power plant. As our workforce retires, we will face increased costs to recruit and retain new employees, and if we are unable to replace our retiring workers, we could experience potential knowledge and expertise gaps.

***Maintenance, expansion and refurbishment of our nuclear power plants involve material risks that could result in unplanned power outages or reduced output and could have a material adverse effect on our results of operations, financial condition and liquidity.***

Many of our facilities are older and require periodic upgrading and improvement. Any unexpected failure, including failure associated with breakdowns, forced outages or any unanticipated capital expenditures could result in reduced profitability. The unexpected requirement of large capital expenditures could have a material adverse effect on our results of operations, financial condition and liquidity. Operations at any of our nuclear power plants could degrade to the point where we have to shutdown the plant or operate at less than full capacity. If this were to happen, identifying and correcting the causes may require significant time and expense. We may choose to close a plant rather than incur the expense of restarting it or returning the plant to full capacity. In either event, we may lose revenue and incur increased expense to meet our contractual commitments. Moreover, we are becoming more dependent on fewer suppliers for key parts of our nuclear power plants that may need to be replaced or refurbished. This dependence on a reduced number of suppliers could result in replacement delays in obtaining qualified parts and, therefore, greater expense for us.

***Our business is subject to substantial governmental regulation and may be adversely affected by legislative, regulatory or market design changes, as well as liability under, or any future inability to comply with, existing or future regulations or requirements.***

Our business is subject to extensive federal, state and local laws and regulation. Compliance with the requirements under these various regulatory regimes may cause us to incur significant additional costs, and failure to comply with such requirements could result in the shutdown of the non-complying facility, the imposition of liens, fines and/or civil or criminal liability.

Public utilities under the Federal Power Act are required to obtain FERC acceptance of their rate schedules for wholesale sales of electricity. Each of our nuclear power plants, as well as Entergy Nuclear Power Marketing, LLC, is a "public utility" under the Federal Power Act by virtue of making wholesale sales of electric energy. FERC has granted these generating and power marketing companies the authority to sell electricity at market-based rates. FERC's orders that grant our generating and power marketing companies market-based rate authority reserve the right to revoke or revise that authority if FERC subsequently determines that we can exercise market power in transmission or generation, create barriers to entry, or engage in abusive affiliate transactions. In addition, our market-based sales are subject to certain market behavior rules, and if any of our generating and power marketing companies were deemed to have violated one of those rules, they would be subject to potential disgorgement of profits associated with the violation and/or suspension or revocation of their market-based rate authority and potential penalties of up to \$1 million per day per violation. If our generating or power marketing companies were to lose their market-based rate authority, such companies would be required to obtain FERC's acceptance of a cost-of-service rate schedule and could become subject to the accounting, record-keeping, and reporting requirements that are imposed on utilities with cost-based rate schedules. This could have an adverse effect on the rates we charge for power from our facilities.



We are also affected by legislative and regulatory changes, as well as changes to market design, market rules, tariffs, cost allocations, and bidding rules imposed by the existing Independent System Operators. The Independent System Operators that oversee most of the wholesale power markets impose, and in the future may continue to impose, mitigation, including price limitations, offer caps and other mechanisms to address some of the volatility and the potential exercise of market power in these markets. These types of price limitations and other regulatory mechanisms may have an adverse effect on the profitability of our generation facilities that sell energy and capacity into the wholesale power markets.

The regulatory environment applicable to the electric power industry has undergone substantial changes over the past several years as a result of restructuring initiatives at both the state and federal levels. These changes are ongoing and we cannot predict the future design of the wholesale power markets or the ultimate effect that the changing regulatory environment will have on our business. In addition, in some of these markets, interested parties have proposed material market design changes, including the elimination of a single clearing price mechanism and claims that the competitive marketplace is not working because energy prices in wholesale markets exceed the marginal cost of operating nuclear power plants, as well as proposals to re-regulate the markets, impose a generation tax or require divestiture by generating companies to reduce their market share. Other proposals to re-regulate may be made and legislative or other attention to the electric power market restructuring process may delay or reverse the deregulation process, which could require material changes to our business planning models. If competitive restructuring of the electric power markets is reversed, discontinued or delayed, our results of operations, financial condition and liquidity could be materially adversely affected.

#### **Risks Relating to the Separation**

***We may be unable to achieve some or all of the benefits that we expect to achieve from our separation from Entergy.***

We may be unable to achieve the full strategic and financial benefits that we expect will result from our separation from Entergy or such benefits may be delayed or may not occur at all. For example, there can be no assurance that analysts and investors will regard our corporate structure as clearer and simpler than the current Entergy corporate structure or place a greater value on our company as a stand-alone company than on our business being a part of Entergy. As a result, in the future, the aggregate market price of Entergy's common stock and our common stock as separate companies may be less than the market price per share of Entergy's common stock had the separation and distribution not occurred.

***We are being separated from Entergy, our parent company, and, therefore, we have no operating history as a separate, publicly-traded company.***

The historical and pro forma financial information included in this information statement does not necessarily reflect the financial condition, results of operations or cash flows that we would have achieved as a separate, publicly-traded company during the periods presented or those that we will achieve in the future primarily as a result of the following factors:

- Prior to our separation, our business was operated by Entergy as part of its broader corporate organization, rather than as a separate, publicly-traded company. Entergy or one of its affiliates performed various corporate functions for us, including, but not limited to, accounts payable, cash management, treasury, tax administration, legal, regulatory, certain governance functions (including compliance with the Sarbanes-Oxley Act of 2002 and internal audit) and external reporting. Our historical and pro forma financial results reflect allocations of corporate expenses from Entergy for these and similar functions. These allocations may be inconsistent with what we have determined the allocations should be had we operated as a separate, publicly-traded company.
- Currently, our business is integrated with the other businesses of Entergy. Historically, we have shared economies of scope and scale in costs, employees, vendor relationships and certain customer relationships. While we expect to enter into the Joint Venture Agreements and short-term transition

agreements that will govern certain commercial and other relationships among us, Entergy, EquaGen and Entergy's other businesses, those contractual arrangements may not capture the benefits our business has enjoyed as a result of being integrated with Entergy and its other businesses. The loss of these benefits of scope and scale may have an adverse effect on our business, results of operations, financial condition and liquidity following the completion of the separation.

- Subsequent to the completion of our separation, the borrowing costs for our business may be higher than Entergy's borrowing costs and our borrowing costs as reflected in our historical financial statements prior to our separation. Please see the section entitled "Description of Material Indebtedness."

***We may be unable to make, on a timely basis, the changes necessary to operate as a separate, publicly-traded company, and we may experience increased costs after the separation or as a result of the separation.***

Following the completion of our separation, Entergy or EquaGen will be contractually obligated to provide to us only those services specified in the agreements we enter into with Entergy or EquaGen in connection with the separation. If any services provided by Entergy are not covered by the various agreements we will enter into with Entergy, we may be unable to replace, on comparable terms, the services that Entergy previously provided to us. Also, upon the expiration or termination of the Joint Venture Agreements, the Operating Agreements, the Shared Services Agreements or other agreements, many of the services that are covered in such agreements will be provided internally or by unaffiliated third parties, and we expect that in some instances we may incur higher costs to obtain such services than we incurred under the terms of such agreements. In addition, if Entergy or EquaGen does not continue to perform effectively the services that are called for under the Joint Venture Agreements, the Operating Agreements, the Shared Services Agreements and the other agreements, we may not be able to operate our business effectively and our profitability may decline. For more information, please see the section entitled "Certain Relationships and Related Party Transactions."

***Our agreements with Entergy or EquaGen and their other businesses may not reflect terms that would have resulted from arm's-length negotiations among unaffiliated third parties.***

The agreements we entered into with Entergy or EquaGen, including the Separation and Distribution Agreement, the Joint Venture Agreements and the other agreements, were prepared in the context of our separation from Entergy while we were still part of Entergy and, accordingly, may not reflect terms that would have resulted from arm's-length negotiations among unaffiliated third parties. For more information, please see the section entitled "Certain Relationships and Related Party Transactions."

***We will be responsible for certain contingent and other corporate liabilities related to the existing non-utility nuclear business of Entergy.***

Under the Separation and Distribution Agreement, we will assume and be responsible for certain contingent and other corporate liabilities related to the existing non-utility nuclear business of Entergy (including associated costs and expenses, whether arising prior to, at or after the distribution). In addition, under the Tax Sharing Agreement, we will assume and be responsible for certain tax liabilities. We may be required to indemnify Entergy for these liabilities, which may have a material adverse effect on our results of operations, liquidity and financial condition. In addition, we may also be responsible for sharing other liabilities, if any, which do not relate to either our business or the business of Entergy. For a more detailed description of the Separation and Distribution Agreement, the Tax Sharing Agreement and treatment of certain historical Entergy contingent and other corporate liabilities, see "Management's Discussion and Analysis of Results of Operations and Financial Condition — Tax Sharing Agreement — Post-Separation," "Certain Relationships and Related Party Transactions — Agreements with Entergy — Separation and Distribution Agreement" and "Certain Relationships and Related Party Transactions — Agreements with Entergy — Tax Sharing Agreement."

***Following the spin-off, we will have substantial indebtedness, which could negatively affect our financing options and liquidity position.***

Because of the debt we intend to incur, we expect that, on a pro forma basis as of December 31, 2007, we had approximately \$4.7 billion of indebtedness and annual interest expense of approximately \$418 million.

The extent to which we are leveraged could:

- reduce our credit rating and limit our ability to obtain additional financing in the future for working capital, capital expenditures and acquisitions;
- limit our ability to refinance our indebtedness on terms acceptable to us or at all;
- require us to dedicate a significant portion of our cash flow from operations to paying the principal of and interest on our indebtedness, thereby reducing funds available for other corporate purposes and also limiting our ability to service our debt in the future;
- restrict actions we may take when operating our business, including restrictions on entering into new contracts or requirements to post cash collateral or otherwise support existing hedging or forward sale agreements; and
- make us more vulnerable to economic downturns, limit our ability to withstand competitive pressures, and restrict our ability to react to changes in the economy or our industry.

***Our financing arrangements will subject us to various restrictions that could limit our operating flexibility.***

We expect that our credit facilities and other financing arrangements will contain covenants and other restrictions that, among other things, will require us to satisfy certain financial tests and maintain certain financial ratios and restrict our ability to incur additional indebtedness. In addition, we expect that both our debt securities and the credit facilities might restrict our ability to incur debt, pay dividends and create liens. The restrictions and covenants in our anticipated financing arrangements, and in future financing arrangements, may limit our ability to respond to market conditions, provide for capital investment needs or take advantage of business opportunities by limiting the amount of additional borrowings we may incur. See "Management's Discussion and Analysis of Results of Operations and Financial Condition—Liquidity and Capital Resources."

***We may not have access to capital on acceptable terms, and if we are not able to obtain sufficient financing, we may be unable to maintain or grow our business.***

Following the separation, our credit ratings are expected to be below investment grade, which is below the current ratings of Entergy. Differences in credit ratings affect the interest rate charged on financings, as well as the amounts of indebtedness and types of financing structures that may be available to us. Regulatory restrictions and the terms of our indebtedness will limit our ability to raise capital through our subsidiaries, pledge the stock of our subsidiaries, encumber the assets of our subsidiaries and cause our subsidiaries to guarantee our indebtedness. We may not be able to raise the capital we require on acceptable terms, if at all. If we are not able to obtain sufficient financing, we may be unable to maintain or grow our business. In addition, our financing costs may be higher than they were as part of Entergy as reflected in our historical financial statements. Further, issuances of equity securities will be subject to limitations imposed on us in the Tax Sharing Agreement.

***The ownership by our executive officers and some of our directors of shares of common stock, options or other equity awards of Entergy may create, or may create the appearance of, conflicts of interest.***

Because of their current or former positions with Entergy, substantially all of our executive officers, including our chief executive officer, and some of our non-employee director nominees own shares of Entergy common stock, options to purchase shares of Entergy common stock or other equity awards based on Entergy common stock. Upon Entergy's distribution of all of our outstanding common stock to Entergy shareholders, these options and other equity awards will be converted into options and other equity awards based in part on Entergy common stock and in part on our common stock. Accordingly, following Entergy's distribution of all

of our outstanding common stock to Entergy shareholders, these officers and non-employee directors will own shares of both Entergy and our common stock and hold options to purchase and other equity awards based on shares of common stock of both Entergy and us. The individual holdings of common stock, options to purchase common stock and other equity awards based on common stock of Entergy may be significant for some of these persons compared to these persons' total assets. Ownership by our directors and officers, after the separation, of common stock, options to purchase common stock and other equity awards based on common stock of Entergy may create, or may create the appearance of, conflicts of interest when these directors and officers are faced with decisions that could have different implications for Entergy than the decisions do for us.

***If the distribution, together with certain related transactions, were to fail to qualify as a reorganization for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code, then our shareholders and/or Entergy could be required to pay U.S. federal income taxes.***

Entergy has requested a private letter ruling from the IRS, substantially to the effect that the distribution of our common stock to its shareholders will qualify as a tax-free distribution for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code. A private letter ruling from the IRS generally is binding on the IRS.

The IRS, however, will not rule on some requirements necessary for tax-free treatment under Section 355 of the Code. Therefore, in addition to obtaining the ruling from the IRS, Entergy has made it a condition to the distribution that Entergy obtain an opinion of Entergy's tax counsel, Cooley Godward Kronish LLP, that the distribution will qualify as a tax-free distribution for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code. The opinion will rely on the ruling as to matters covered by the ruling. In addition, the opinion will be dependent on, among other things, certain assumptions and representations as to factual matters made by Entergy and us. The opinion will not be binding on the IRS or the courts, and the IRS or the courts may not agree with the opinion. For more information regarding the tax opinion and the private letter ruling, please see the section entitled "The Separation—Material U.S. Federal Income Tax Consequences of the Distribution."

Notwithstanding receipt by Entergy of the ruling and opinion of counsel, the IRS could assert that the distribution does not qualify for tax-free treatment for U.S. federal income tax purposes. If the IRS' challenge to tax-free treatment were successful, our initial public shareholders and Entergy could be subject to significant U.S. federal income tax liability. In general, Entergy would be subject to tax as if it had sold the common stock of our company in a taxable sale for its fair market value and our initial public shareholders would be subject to tax as if they had received a taxable distribution equal to the fair market value of our common stock that was distributed to them.

Our company could be materially adversely affected by a potential indemnity liability to Entergy if the distribution is not treated as a reorganization for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code. In general, under the terms of the Tax Sharing Agreement we will enter into with Entergy in connection with the separation, if the distribution failed to qualify as a reorganization for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code and such failure was not the result of actions taken after the distribution by Entergy or us, we and Entergy would be responsible for % and %, respectively, of any taxes imposed on Entergy as a consequence. If the failure was the result of actions taken after the distribution by Entergy or us, the party responsible for the failure would be responsible for all taxes imposed on Entergy as a consequence. For a more detailed discussion, see "Certain Relationships and Related Party Transactions—Agreements with Entergy—Tax Sharing Agreement." Our indemnification obligations to Entergy and its subsidiaries, officers and directors are not limited by any maximum amount. If we are required to indemnify Entergy and its subsidiaries and their respective officers and directors under the circumstances set forth in the Tax Sharing Agreement, we may be subject to substantial liabilities.

***Our company and Entergy might not be able to engage in desirable strategic transactions and equity issuances following the distribution.***

Entergy's and our ability to engage in significant stock transactions could be limited or restricted after the distribution in order to preserve the tax treatment of the distribution with respect to Entergy. Even if the distribution, together with certain related transactions, otherwise qualifies as a reorganization for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code, it would be taxable to Entergy (but not to Entergy shareholders) under Section 355(e) of the Code, if the distribution were deemed to be part of a plan (or series of related transactions) pursuant to which one or more persons acquired directly or indirectly stock representing a 50% or greater interest, by vote or value, in the stock of either Entergy or us. Current U.S. federal income tax law creates a presumption that the distribution would be taxable to Entergy, but not to its shareholders, if either we or Entergy were to engage in, or enter into an agreement to engage in, a transaction that would result in a 50% or greater change, by vote or value, in Entergy's or our stock ownership during the four-year period that begins two years before the date of the distribution, unless it is established that the transaction is not pursuant to a plan or series of transactions related to the distribution. Treasury regulations generally provide that whether a transaction and a distribution are part of a plan is determined based on all of the facts and circumstances, including, but not limited to, certain specific factors. These restrictions may prevent Entergy and us from entering into transactions that might be advantageous to their respective shareholders, such as issuing equity securities to satisfy financing needs or acquiring businesses or assets with equity securities. Thus, even if the distribution, together with certain related transactions, qualify as a reorganization for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code, if acquisitions of Entergy stock or Enexus Energy stock after the distribution cause Section 355(e) of the Code to apply, Entergy would recognize taxable gain as described above, but the distribution would result in no recognition of income, gain or loss by any Entergy shareholder (except as a result of cash received in lieu of a fractional share of our common stock).

The Tax Sharing Agreement imposes liability on us if we take actions that cause the distribution to fail to qualify as a tax-free transaction, including, in certain cases, redeeming equity securities, selling or otherwise disposing of a substantial portion of our assets or acquiring businesses or assets with equity securities, in each case, for a period of 24 months from the day after the distribution. Moreover, the Tax Sharing Agreement generally provides that we will be responsible for any taxes imposed on Entergy or us as a result of the failure of the distribution, together with certain related transactions, to qualify as a reorganization for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code if such failure is attributable to certain post-distribution actions taken by or in respect of us (including our subsidiaries) or our shareholders, such as the acquisition of us by a third party at a time and in a manner that would cause such failure. For more information, please see the sections entitled "The Separation—Material U.S. Federal Income Tax Consequences of the Distribution" and "Certain Relationships and Related Party Transactions—Agreements with Entergy—Tax Sharing Agreement."

### **Risks Relating to our Common Stock**

***There is no existing market for our common stock, and a trading market that will provide you with adequate liquidity may not develop for our common stock. In addition, once our common stock begins trading, the market price of our shares may fluctuate widely.***

There is currently no public market for our common stock. It is anticipated that, on or prior to the record date for the distribution, trading of shares of our common stock will begin on a "when-issued" basis and will continue up to and through the distribution date. However, there can be no assurance that an active trading market for our common stock will develop as a result of the distribution or be sustained in the future.

We cannot predict the prices at which our common stock may trade after the distribution. The market price of our common stock may fluctuate widely, depending upon many factors, some of which may be beyond our control, including:

- a shift in our investor base;

- the price and availability of capacity and/or energy in the markets we serve;
- our quarterly or annual earnings, or those of other companies in our industry;
- actual or anticipated fluctuations in our operating results due to the seasonality of our business and other factors related to our business;
- changes in accounting standards, policies, guidance, interpretations or principles;
- announcements by us or our competitors of significant acquisitions or dispositions;
- the failure of securities analysts to cover our common stock after the distribution;
- changes in earnings estimates by securities analysts or our ability to meet those estimates;
- the operating and stock price performance of other comparable companies;
- overall market fluctuations; and
- general economic conditions.

Stock markets in general have experienced volatility that has often been unrelated to the operating or financial performance of a particular company. These broad market fluctuations may adversely affect the trading price of our common stock.

***Substantial sales of common stock may occur in connection with this distribution, which could cause our stock price to decline.***

The shares of our common stock that Entergy distributes to its shareholders generally may be sold immediately in the public market. Although we have no actual knowledge of any plan or intention on the part of any shareholder to sell our common stock following the separation, it is possible that some Entergy shareholders, including possibly some of our largest shareholders, may sell our common stock received in the distribution for reasons such as that our business profile or market capitalization as a separate, publicly-traded company does not fit their investment objectives. Moreover, index funds tied to the Standard & Poor's 500 Index, the Russell 1000 Index and other indices hold shares of Entergy common stock. To the extent our common stock is not included in these indices after the distribution, certain of these index funds may likely be required to sell the shares of our common stock that they receive in the distribution. The sales of significant amounts of our common stock or the perception in the market that this will occur may result in the lowering of the market price of our common stock.

***Provisions in our certificate of incorporation, our by-laws, Delaware law and certain of the agreements we will enter into as part of the separation may prevent or delay an acquisition of our company, which could decrease the trading price of our common stock.***

Our certificate of incorporation, by-laws and Delaware law contain provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids unacceptably expensive to the raider and to encourage prospective acquirers to negotiate with our board of directors rather than to attempt a hostile takeover. These provisions include, among others:

- a board of directors that is divided into three classes with staggered terms;
- rules regarding how shareholders may present proposals or nominate directors for election at shareholder meetings;
- the right of our board of directors to issue preferred stock without shareholder approval; and
- limitations on the right of shareholders to remove directors.

Delaware law also imposes some restrictions on mergers and other business combinations between us and any holder of 15% or more of our outstanding common stock. For more information, see the section entitled "Description of Enexus Energy Stock—Certain Anti-takeover Effects."

We believe these provisions are important for a new public company and protect our shareholders from coercive or otherwise potentially unfair takeover tactics by requiring potential acquirers to negotiate with our board of directors and by providing our board of directors with more time to assess any acquisition proposal. These provisions are not intended to make our company immune from takeovers. However, these provisions apply even if the offer may be considered beneficial by some shareholders and could delay or prevent an acquisition that our board of directors determines is not in the best interests of our company and our shareholders.

In addition, certain provisions in the agreements we will enter into as part of the separation may prevent or delay an acquisition of our company. The Operating Agreements and the Joint Venture Agreements provide that if EquaGen is operating four or fewer of our nuclear power plants, then the remaining Operating Agreements are terminated if the Board of EquaGen has not exercised its right to override the automatic termination. If the Board of EquaGen decided to not override automatic termination of the Operating Agreements, we may be obligated (if Entergy elects to exercise its rights under the Joint Venture Agreements) to either purchase the subsidiaries of EquaGen that carry on its “third party” business, or purchase Entergy’s 50% membership interest in EquaGen. For more information, see the section entitled “Certain Relationships and Related Party Transactions — Agreements with Entergy — Joint Venture Agreements — Exercise Event.” We may not have sufficient cash to fulfill these obligations, if they are triggered, or we may experience pressure on our liquidity as a result of the obligation to purchase either the subsidiaries of EquaGen or Entergy’s 50% membership interest in EquaGen. Because these provisions survive the acquisition of our company by a third party, a potential acquirer might wish to forgo an acquisition if it wished to terminate the Operating Agreements but not be obligated to purchase Entergy’s 50% membership interest in EquaGen or EquaGen’s “third-party business” subsidiaries.

## FORWARD-LOOKING STATEMENTS

*Our reports, filings and other public announcements may contain or incorporate by reference statements that do not directly or exclusively relate to historical facts. Such statements are “forward-looking statements.” You can typically identify forward-looking statements by the use of forward-looking words, such as “may,” “will,” “could,” “project,” “believe,” “anticipate,” “expect,” “estimate,” “continue,” “potential,” “plan,” “forecast” and other similar words. Those statements represent our intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors. Many of those factors are outside our control and could cause actual results to differ materially from the results expressed or implied by those forward-looking statements. Those factors include those set forth in the section entitled “Risk Factors,” as well as the following:*

- our ability to manage our operation and maintenance costs, including through EquaGen;
- changes in regulation, including the application of market power criteria by the FERC;
- the economic climate and, particularly, growth in the Northeast United States;
- variations in weather and the occurrence of storms and disasters;
- the performance of our generating plants and, particularly, the capacity factors at our nuclear generating facilities;
- changes in the financial markets during the periods covered by the forward-looking statements, particularly those affecting the availability of capital and our ability to refinance existing debt, execute our share repurchase program and fund investments and acquisitions;
- actions of rating agencies, including the ratings of debt, general corporate ratings and changes in the rating agencies’ ratings criteria;
- changes in inflation and interest rates;
- our ability to develop and execute on a point of view regarding future prices of energy-related commodities;
- our ability to purchase and sell assets at attractive prices and on other attractive terms;
- prices for power generated by our generating facilities, the ability to hedge, sell power forward or otherwise reduce the market price risk associated with those facilities, and our ability to meet credit support requirements for fuel and power supply contracts;
- volatility and changes in markets for electricity, natural gas, uranium and other energy-related commodities;
- changes in regulation of nuclear generating facilities and nuclear materials and fuel, including possible shutdown of nuclear generating facilities, particularly those in the Northeast United States;
- uncertainty regarding the establishment of interim or permanent sites for spent nuclear fuel storage and disposal;
- resolution of pending or future applications for license extensions or modifications of nuclear generating facilities;
- changes in law resulting from new federal or state energy legislation;
- changes in environmental, safety, tax and other laws to which we and our subsidiaries are subject;
- advances in technology;
- the potential effects of threatened or actual terrorism and war;
- the effects of our strategies to reduce tax payments;
- the effects of litigation and government investigations;



- changes in accounting standards and corporate governance;
- our and EquaGen's ability to attract and retain talented management and directors;
- the outcomes of litigation and regulatory investigations, proceedings or inquiries;
- the results of financing efforts, including our ability to obtain financing on favorable terms, which can be affected by various factors, including our credit ratings and general economic conditions;
- declines in the market prices of equity securities and resulting funding requirements for our defined benefit pension plans;
- changes in the results of the decommissioning trust fund earnings or in the timing of or cost to decommission;
- the ability to successfully complete merger, acquisition or divestiture plans, regulatory or other limitations imposed as a result of a merger, acquisition or divestiture, and the success of the business following a merger, acquisition or divestiture;
- the final resolutions or outcomes with respect to our contingent and other corporate liabilities related to the non-utility nuclear business and any related actions for indemnification made pursuant to the Separation and Distribution Agreement;
- our ability to operate effectively as a separate, publicly-traded company; and
- the costs associated with becoming compliant with the Sarbanes-Oxley Act of 2002 as a stand-alone company and the consequences of failing to implement effective internal controls over financial reporting as required by Section 404 of the Sarbanes-Oxley Act of 2002 by the date that we must comply with that section of the Sarbanes-Oxley Act.

In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than we have described. We undertake no obligation, except as may otherwise be required by the federal securities laws, to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

## THE SEPARATION

### General

On November 3, 2007, the board of directors of Entergy initially approved a plan to separate its non-utility nuclear business into a separate, publicly-traded company, and for our company to enter into a nuclear services joint venture with Entergy, with equal percentage ownership.

In furtherance of this plan, on \_\_\_\_\_, 2008, Entergy's board of directors approved the distribution of all of the shares of our common stock held by Entergy to holders of Entergy common stock. The distribution of the shares of our common stock will take place on \_\_\_\_\_, 2008. On the distribution date, each holder of Entergy common stock will receive share(s) of our common stock for each share of Entergy common stock held at the close of business on the record date, as described below. Following the distribution, Entergy shareholders will own 100% of our common stock.

You will not be required to make any payment, surrender or exchange your shares of Entergy common stock or take any other action to receive your shares of our common stock.

The distribution of our common stock as described in this information statement is subject to the satisfaction or waiver of certain conditions, including final approval of Entergy's board of directors. We cannot provide any assurances that the distribution will be completed or approved by Entergy's board of directors. For a more detailed description of these conditions, see the section entitled "—Conditions to the Distribution."

### Joint Venture

We will establish a joint venture with equal ownership, referred to in this information statement as Equagen, with Entergy. Entergy Nuclear, Inc., currently a wholly-owned subsidiary of Entergy, will become a limited liability company and change its name to Equagen LLC. We and Entergy will each own a 50% interest in Equagen immediately prior to completion of the distribution of our common stock. Equagen is expected to operate the nuclear assets owned by us, and to provide certain services to the regulated nuclear utility operations of Entergy and to third parties. Equagen will allow certain nuclear operations expertise currently in place at each of Entergy's nuclear power plant facilities to be accessible by both us and Entergy after the separation.

Upon completion of the transactions contemplated by the Joint Venture Agreements, Equagen will own:

- Entergy Nuclear Operations, currently a wholly-owned subsidiary of Entergy and the current NRC-licensed operator of our nuclear power plants. Entergy Nuclear Operations is expected to become a Delaware limited liability company and change its name to Equagen Nuclear LLC in connection with the separation. Entergy Nuclear Operations shall remain the operator of our plants after the separation; and
- TLG Services, Inc., currently a wholly-owned subsidiary of Entergy that provides decommissioning and other consulting services to Entergy and to other companies in the nuclear industry. TLG Services, Inc. is expected to become a Delaware limited liability company and change its name to TLG Services, LLC in connection with the separation.

### The Number of Shares You Will Receive

For each share of Entergy common stock that you owned at the close of business on \_\_\_\_\_, 2008, the record date, you will receive \_\_\_\_\_ share(s) of our common stock on the distribution date. Entergy will not distribute any fractional shares of our common stock to its shareholders. Instead, the transfer agent will aggregate fractional shares into whole shares, sell the whole shares in the open market at prevailing market prices and distribute the aggregate net cash proceeds of the sales pro rata to each holder of Entergy Common Stock who otherwise would have been entitled to receive a fractional share in the distribution. Recipients of

cash in lieu of fractional shares will not be entitled to any interest on the amounts of payment made in lieu of fractional shares.

### **When and How You Will Receive the Distributed Shares**

Entergy will distribute the shares of our common stock on \_\_\_\_\_, 2008, the distribution date. BNY Mellon Shareowner Services will serve as transfer agent and registrar for our common stock and as distribution agent in connection with the distribution.

If you own Entergy common stock as of the close of business on the record date, the shares of our common stock that you are entitled to receive in the distribution will be issued electronically, as of the distribution date, to you or to your bank or brokerage firm on your behalf by way of direct registration in book-entry form. Registration in book-entry form refers to a method of recording stock ownership when no physical share certificates are issued to shareholders, as is the case in this distribution.

**If you sell shares of Entergy common stock in the “regular-way” market prior to the distribution date, you will be selling your right to receive shares of our common stock in the distribution.** For more information please see the section entitled “—Trading between the Record Date and through the Distribution Date.”

Commencing on or shortly after the distribution date, if you hold physical stock certificates that represent your shares of Entergy common stock and you are the registered holder of the Entergy shares represented by those certificates, the distribution agent will mail to you an account statement that indicates the number of shares of our common stock that have been registered in book-entry form in your name. If you have any questions concerning the mechanics of having shares of our common stock registered in book-entry form, we encourage you to contact BNY Mellon Shareowner Services at the address and telephone number set forth on page 16 of this information statement.

Most Entergy shareholders hold their shares of Entergy common stock through a bank or brokerage firm. In such cases, the bank or brokerage firm would be said to hold the stock in “street name” and ownership would be recorded on the bank’s or brokerage firm’s books. If you hold your Entergy common stock through a bank or brokerage firm, your bank or brokerage firm will credit your account for the shares of our common stock that you are entitled to receive in the distribution. If you have any questions concerning the mechanics of having shares of our common stock held in “street name,” we encourage you to contact your bank or brokerage firm.

BNY Mellon Shareowner Services, as distribution agent, will not deliver any fractional shares of our common stock in connection with the distribution. Instead, BNY Mellon Shareowner Services will aggregate all fractional shares and sell the shares in the open market at prevailing market prices on behalf of the holders who otherwise would be entitled to receive fractional shares. The aggregate net cash proceeds of these sales, which generally will be taxable for U.S. federal income tax purposes, will be distributed pro rata (based on the fractional shares such holder would otherwise be entitled to receive) to each holder who otherwise would have been entitled to receive a fractional share in the distribution. For more information on the tax consequences, please see the section entitled “—Material U.S. Federal Income Tax Consequences of the Distribution” below for an explanation of the tax consequences of the distribution. If you physically hold Entergy common stock certificates and are the registered holder, you will receive a check from the distribution agent in an amount equal to your pro rata share of the aggregate net cash proceeds of the sales. We estimate that it will take approximately two weeks from the distribution date for the distribution agent to complete the distributions of the aggregate net cash proceeds. If you hold your Entergy stock through a bank or brokerage firm, your bank or brokerage firm will receive on your behalf your pro rata share of the aggregate net cash proceeds of the sales and will electronically credit your account for you.

### **Results of the Separation**

After our separation from Entergy, we will be a separate, publicly-traded company. Immediately following the distribution, we expect to have approximately \_\_\_\_\_ shareholders of record, based on the