



Vermont Yankee
Vernon, Vt.

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Contact: Rob Williams
802-258-4181 (office)
802-380-3638 (mobile)
Rwill23@entergy.com

Press Release

Entergy Files Suit in U.S. District Court to Overturn Discriminatory Vermont Law

Vernon, Vt. – Entergy Corporation (NYSE: ETR) today announced that two of its subsidiaries, Entergy Nuclear Vermont Yankee, LLC and Entergy Nuclear Operations, Inc., have filed suit in U.S. District Court for the District of Vermont seeking to overturn legislation passed by the Vermont legislature during its 2012 session and signed into law by Governor Peter Shumlin.

The legislation imposes a new levy on Vermont Yankee, based upon its generation of electricity, that increases its obligations to the State from approximately \$5 million annually to an estimated \$12.8 million per year, approximately two and one-half times the amount previously paid.

In 2003, Vermont Yankee entered into a revenue sharing agreement with the state as a condition of the Vermont Public Service Board's issuance of a Certificate of Public Good for a power up-rate. The terms of the agreement were spelled out in a memorandum of understanding (MOU) that expired in March 2012. This agreement resulted in Vermont Yankee making annual payments ranging from several hundred thousand to several million dollars between 2003 and

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2012. In 2005, Vermont Yankee entered into a second MOU with the state related to the Public Service Board's approval of a Certificate of Public Good for dry-cask storage of used nuclear fuel at the station site. This MOU stipulated that Vermont Yankee would make annual payments of approximately \$2.6 million through March of 2012.

Earlier this year, the Vermont legislature decided to amend the law to impose the new levy in order to replace the annual payments Vermont Yankee would no longer be making after the expiration of the MOUs. "Vermont Yankee fulfilled its obligations under the MOUs," said Michael Twomey, Vice President of External Affairs for Entergy Wholesale Commodities. "The State should not be permitted to transform negotiated – and expired – agreements into a new, illegal charge."

The lawsuit contends that the legislation is expressly preempted by federal law and is unconstitutional under several provisions of the U.S. Constitution. While Vermont Yankee is contesting the new levy, it is proposing to pay approximately \$5 million on an annual basis, which is roughly what would have been due previously, until the matter is decided.

Entergy Corporation is an integrated energy company engaged primarily in electric power production and retail distribution operations. Entergy owns and operates power plants with approximately 30,000 megawatts of electric generating capacity, including more than 10,000 megawatts of nuclear power, making it one of the nation's leading nuclear generators. Entergy

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delivers electricity to 2.8 million utility customers in Arkansas, Louisiana, Mississippi and Texas.

Entergy has annual revenues of more than \$11 billion and approximately 15,000 employees.