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ENTERGY CORP /DE/
Form 35-CERT
August 29, 2002

UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C.

* * * * *	
In the Matter of	*
	*
ENTERGY CORPORATION,	*
ENTERGY ENTEPRISES, INC., et al.	*
	*
File No. 70-9123	*
	*
(Public Utility Holding Company	*
Act of 1935)	*
* * * * *	

CERTIFICATE
PURSUANT TO RULE 24

Pursuant to Rule 24 promulgated by the Securities and Exchange Commission (SEC) under the Public Utility Holding Company Act of 1935, as amended (Act), as modified by the application-declaration, as amended, in the above referenced file and the related orders dated June 22, 1999 (June 1999 Order) and August 21, 2000 (the August 2000 Order), this is to certify that the following transactions were carried out during the three (3) months ended June 30, 2002 (the quarter) by Entergy Corporation's Non-utility Companies¹ (Non-Reg Companies), pursuant to the authorization of the SEC. Capitalized terms used in this Certificate, unless otherwise defined, have the meanings set forth in the June 1999 Order and/or the August 2000 Order.

Authorized Transactions

Pursuant to the June 1999 Order or the August 2000 Order, as applicable, (a) the Non-Reg Companies are authorized to conduct development activities with respect to various investment opportunities for Entergy Corporation (Entergy), (b) the Non-Reg Companies are authorized to provide various consulting services

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to other Non-Reg Companies and to non-associates, including to market to non-associates the Entergy System's expertise and capabilities in energy-related areas, and to market to non-associates intellectual property developed or acquired by System companies, (c) the Non-Reg Companies are authorized to provide various management, administrative and support services to associate companies, excluding certain associate companies (Excepted Companies²), (d) Entergy is authorized to create O&M Subs to provide various operations and maintenance services to non-associate or associate companies, (e) Entergy is authorized to create one or more New Subsidiaries, (f) Entergy and the Non-Reg Companies are authorized to make Non-utility Loans to certain Non-Reg Companies, (g) the Non-Reg Companies are authorized to issue Other Securities of any type to Entergy, to other Non-Reg Companies or to third parties, (h) the Non-Reg Companies are authorized to pay dividends to their immediate parent companies from capital accounts or other unearned surplus, and (i) Entergy and the Non-Reg Companies are authorized to provide guarantees or other forms of credit support (Guarantees) to or for the benefit of Non-Reg Companies through December 31, 2005, in an aggregate principal amount not to exceed \$2 billion at any one time outstanding (excluding any Guarantees previously issued and outstanding under the June 1999 Order.)

During the quarter, Entergy and the Non-Reg Companies participated in the following authorized transactions:

I. Administrative, Consulting, Management, and Other Services to Associate Companies

During the quarter, Entergy Enterprises Inc. (Enterprises) provided certain management and support services, at cost, to its associate companies, Entergy Power, Inc. (EPI), Entergy

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Technology Holding Company (ETHC), Entergy Technology Company (ETC), Entergy Holdings, Inc., Entergy Business Solutions, LLC, Entergy Thermal LLC, Entergy Global Investments, Inc., Entergy UK Enterprises Ltd., Entergy Operations Services, Inc. (EOSI), Entergy Procurement Exchange Corporation, Entergy Solutions Management Services LLC, Entergy Solutions Select Ltd., Entergy Commerce, Inc., Entergy Power Development Corporation (EPDC), Entergy International Ltd. LLC, Bom Jardin Energetica LTDA, Entergy Power Operations Corp., Entergy Power Operations U.S., Inc., EWO Wind II LLC, Entergy Power Crete Corporation, Entergy Nuclear, Inc. (ENI), Entergy Nuclear Operations, Inc., Entergy Nuclear Generation Corporation (ENGC), Entergy Nuclear Indian Point 3 LLC (IP3), Entergy Nuclear FitzPatrick, LLC, Entergy Nuclear Indian Point 2 LLC (IP2), TLG Services, Inc. (TLG), Entergy MHK Retail, LLC, Entergy Solutions Ltd., Entergy Solutions Essentials Ltd, Entergy Power RS Corp., Entergy Power Ventures LP, EWO Marketing, LP, Entergy-Koch Trading Ltd., Entergy Power E&C Holdings, LLC, Warren Power, LLC, and Entergy Power Gas Operations Corp. Enterprises' billings to all such associate companies included direct costs incurred plus, to the extent applicable, an indirect loading based upon current month administrative charges.

Enterprises billed, at cost, EPI (\$175,118) for consulting and other support services related to the marketing of EPI capacity and energy to third parties at wholesale, preparation of contracts and regulatory filings, oversight of plant operations and maintenance by plant operators, and procurement of transmission services. In regard to ETHC (\$172,877), ETC (\$346,644), Entergy Holdings, Inc. (\$79,989), Entergy Thermal LLC (\$89,061), Entergy Business Solutions, LLC (\$14,718), EPDC (\$655,552), Entergy International Ltd. LLC (\$907,184), Entergy

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Global Investments, Inc. (\$31,607), Entergy MHK Retail, LLC (\$2,172), Entergy UK Enterprises Ltd. (\$271,045), Entergy Operations Services, Inc. (\$179,821), Entergy Procurement Exchange Corporation (\$13,972), Entergy Solutions Management Services LLC (\$175,542), Entergy Solutions Select Ltd. (\$1,709,714), Entergy Solutions Essentials Ltd. (\$13,266), Entergy Commerce, Inc. (\$22,045), Bom Jardin Energetica LTDA (\$5,272), Entergy Power Operations Corporation (\$107,053), Entergy Power Operations U.S., Inc. (\$175,315), EWO Wind II LLC (\$186,436), Entergy Power Crete Corporation (\$233,020), Entergy Solutions Ltd (\$888,038), Entergy Power RS Corp. (\$406,553), EWO Marketing, LP (\$221,373), Entergy-Koch Trading Ltd. (\$902,121), Entergy Power Ventures LP, (\$887,449), Entergy Power E&C Holdings, LLC (\$145,394), Warren Power, LLC (\$186,436), Entergy Power Gas Operations Corp. (\$1,126), ENGC (\$1,918,161), Entergy Nuclear Indian Point 3 LLC (\$2,009,146), Entergy Nuclear FitzPatrick LLC (\$1,754,764), Entergy Nuclear Indian Point 2 LLC (\$2,073,825), TLG Services, Inc. (\$81,122), ENI (\$1,670,471), and Entergy Nuclear Operations, Inc. (\$1,226), these services were primarily related to management oversight, administrative services, support services, and/or project development.

During the quarter, Entergy Solutions Management Services LLC provided management/administrative and consulting services to Entergy Solutions Ltd. and to Entergy Solutions Select Ltd. The amounts billed, at cost, during this quarter were \$463,766 and \$209,049, respectively.

During the quarter, Entergy Solutions Supply Ltd. provided management/administrative and consulting services to Entergy Solutions Ltd. and to Entergy Solutions Select Ltd. The amounts billed, at cost, during this quarter were a \$24,156 credit and \$693,899, respectively.

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During the quarter, Entergy Retail Texas, Inc. provided management/administrative and consulting services to Entergy Solutions Select, Ltd. The amount billed, at cost, during this quarter was a \$ 3,969 credit.

During the quarter, Entergy-Koch LP (EKLP) provided management/administrative support services, consulting services and services related to the marketing of energy commodities to third parties at wholesale to EWO Marketing LP. The amount billed, at cost, to EWO Marketing LP for such services during the quarter was \$975,315. EKLP also provided management oversight services related to the marketing of energy commodities to third parties at wholesale; the preparation of contracts and regulatory filings; the procurement of transmission services; and administrative support to Entergy-Koch Trading LP. The amount billed, at cost, to Entergy-Koch Trading LP for such services during the quarter was \$1,015,000.

II. Consulting Services Provided to Non-Associate Companies

Enterprises, under contract with a hydroelectric partnership, continues to provide an array of technical services/support and maintenance for a hydroelectric transmission line. Certain Entergy Services, Inc. personnel are providing the services. Enterprises is paid a fixed annual fee plus market based rates for performing maintenance on the transmission line owned by the partnership. The partnership was charged \$14,688 for services rendered during the quarter.

During the quarter, no other Consulting Services were provided by Non-Reg Companies to non-associate companies.

III. Non-utility Loans Made by Entergy to Non-Reg Companies, or Between Non-Reg Companies

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During the quarter, Entergy Power Development Corporation made unsecured loans to Entergy Power Castelnou S.L., Entergy Power Development Espana S.L., Entergy Power Holding Espana S.L., and Entergy Power Projects Espana S.L. for the purpose of meeting their expenses related to development activities in the amounts of \$8,980, \$148,170, \$4,490, and \$17,960, respectively.

During the quarter, no other Non-utility Loans subject to reporting in this Certificate were made by Entergy to Non-Reg Companies or between Non-Reg Companies.

IV. Other Securities Issuances by Non-Reg Companies

During the quarter, no Other Securities issuances subject to reporting in this Certificate were made by Non-Reg Companies.

V. Formation and Capitalization of New Subsidiaries and O&M

Subs

During the quarter, the following companies claimed status as New Subsidiaries in accordance with the June 1999 Order: Entergy Power Spain LLC, which was formed to hold Entergy's investments in certain European electric generation projects under development; Entergy Mississippi Turbine Company, which was formed to perform project development services including the acquisition of purchase rights to certain turbine-generators intended to be used for future domestic EWG projects.

During the quarter, the foregoing companies were capitalized as follows: Entergy Power Spain LLC was capitalized with \$1,000; Entergy Mississippi Turbine Company was capitalized with \$1,000 of common stock.

During the quarter the following companies changed their status: Crete Energy Ventures, LLC changed its status to EWG from 'New Subsidiary'; Entergy Nuclear Vermont Yankee LLC changed its

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status to EWG from `New Subsidiary'; EP Edegel, Inc. and EWO Holdings LLC each changed its status to `New Subsidiary' as a result of relinquishing its status as a `Foreign Utility Company' (FUCO).

During the quarter, no other amounts were expended to form and initially capitalize any New Subsidiary or O&M Sub.

VI. Nature and Extent of O&M Services Provided

During the quarter, ENI provided decommissioning management services to a large non-associate nuclear operating utility in the Northeast and other services to non-associate companies related to the operation, maintenance, and decommissioning of nuclear generation facilities. The total amount billed for all such services was \$524,257 consisting of certain incentive fees and reimbursable expenses. Also, during the quarter, ENI provided license renewal management services to non-associate nuclear utility customers. The total amount billed for all such services were \$253,180, consisting of market-based fees and reimbursable expenses. Also, during the quarter, ENI billed ENGC, at cost, \$754,400 for license renewal management services. In addition, during the quarter, ENI billed TLG, at cost, \$124,174 for O&M Services, including professional advice, and technical support primarily related to the decommissioning of nuclear electric generating facilities.

During the quarter, Entergy Nuclear Fuels Company billed, at cost, ENGC (\$18,037), IP3 (\$18,037), JAF (\$18,037), and IP2 (\$18,037) for O&M Services related to the procurement of nuclear fuels and fuel services for their nuclear EWG affiliates.

During the quarter, Entergy Nuclear Operations, Inc. (ENOI) billed, at cost, ENI (\$2,919,598), TLG (\$341,739), ENGC (\$20,030,880), IP3 (\$26,526,639), JAF (\$24,949,612) and IP2

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(\$26,969,068) for O&M Services, including professional advice and technical support primarily related to the operation, maintenance or decommissioning of nuclear electric generating facilities.

In addition, during the quarter, EOSI provided power project related O&M Services to several non-associate customers, including professional advice, technical expertise and maintenance services. Specifically, EOSI's services to non-associate customers included performing preventive maintenance on substations; providing O&M consulting services; providing project management, engineering, ground testing, procurement and construction services on transmission and substation facilities. The total amounts billed for all such services during the quarter were \$3,706,531 consisting, in each case, of market-based fees and reimbursable expenses. Also, during the quarter, EOSI provided O&M Services related to construction management support to EntergyShaw, LLC, for which it was billed, at cost, the amount of \$27,805.

During the quarter, Entergy Power Operations U.S. Inc. provided O&M Services, at cost, to Entergy Power RS Corporation relating to construction management and administrative support of its electric generating facilities; to Warren Power, LLC relating to long-term operations and maintenance, and administrative support of its electric generating facilities; and to Entergy Power Ventures LP relating to administrative support of its co-owned electric generating facilities. These affiliate companies were billed, at cost, \$1,068, \$161,738, and \$19,140, respectively.

Entergy represents that no Excepted Company has subsidized the operations of any Non-Reg Company and that the rendering of O&M Services by O&M Subs is in compliance with the applicable rules, regulations and orders of the SEC and has not adversely

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affected the services provided by any Excepted Company to its customers.

VII. Payment of Dividends By Certain Non-Reg Companies

During the quarter, Entergy Power, Inc. distributed to its parent, Entergy Corporation, \$2,600,000 as a return of capital from unearned or capital surplus.

During the quarter, Entergy International Holdings Ltd LLC paid \$2,000,000 as a distribution out of capital to its parent, Entergy Corporation. During the quarter, Entergy International Ltd LLC paid \$2,000,000 as a distribution out of capital to its parent, Entergy International Holdings Ltd LLC.

During the quarter, Entergy Power Warren Corporation I paid \$5,000,000 as a return of capital from unearned capital or surplus to its parent, Entergy Power Generation Corporation.

During the quarter, Entergy Mississippi Turbine Company paid \$41,965,706 as a return of capital from unearned capital or surplus to its parent, Entergy Power Development Corporation.

During the quarter, no other dividends or distributions subject to reporting in this Certificate were paid by Non-Reg Companies.

VIII. Reorganizations

The Entergy Non-Reg Companies' organizational structure as of June 30, 2002 is included in Exhibit 1.

No reorganizations of Entergy's ownership interests in Non-Reg Companies subject to reporting in this Certificate were effected during the quarter.

IX. Outstanding Guarantees Issued by Entergy or by Non-utility Companies

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As of the end of the quarter, the total outstanding amount of Guarantees issued pursuant to the August 2000 Order by Entergy or by Non-Reg Companies (to the extent reportable herein) to or for the benefit of Non-Reg Companies was \$507,133,144, excluding Guarantees previously issued and outstanding under the June 1999 Order in the amount of \$40,205,000.

X. Financial Statements

Entergy Corporation and Subsidiaries' Consolidated unaudited Balance Sheet and Income Statement for the quarter ended June 30, 2002 are included in Exhibit 2.

IN WITNESS WHEREOF, the Undersigned Company has caused this certificate to be executed on this 29th day of August 2002.

ENTERGY CORPORATION

/s/ Steven C. McNeal
Steven C. McNeal
Vice President and Treasurer

1 Non-utility Companies are defined in the August 2000 Order as "exempt wholesale generators" ("EWGs"), "foreign utility companies" ("FUCOs"), "exempt telecommunications companies" ("ETCs"), "O&M Subs", "Authorized Subsidiary Companies", "New Subsidiaries" and "Energy-related Companies".

2 The Excepted Companies are Entergy's retail operating companies (Entergy Arkansas Inc., Entergy Louisiana Inc., Entergy Mississippi Inc., Entergy New Orleans Inc. and Entergy Gulf States Inc.), System Energy Resources, Inc., System Fuels, Inc., Entergy Operations, Inc., Entergy Services, Inc., and any other subsidiaries that Entergy may create whose activities and operations are primarily related to the domestic sale of electric energy at retail or at wholesale to affiliates or the provision of goods or services thereto.