FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One)

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended September 30, 1994

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____________ to____________

Commission File Number	Registrant, State of Incorporation, Address and Telephone Number	I.R.S. Employer Identification No.
1-11299	ENTERGY CORPORATION (a Delaware corporation) 225 Baronne Street New Orleans, Louisiana 70112 Telephone (504) 529-5262	13-5550175
1-10764	ARKANSAS POWER & LIGHT COMPANY (an Arkansas corporation) 425 West Capitol Avenue, 40th Floor Little Rock, Arkansas 72201 Telephone (501) 377-4000	71-0005900
1-2703	GULF STATES UTILITIES COMPANY (a Texas corporation) 350 Pine Street Beaumont, Texas 77701 Telephone (409) 838-6631	74-0662730
1-8474	LOUISIANA POWER & LIGHT COMPANY (a Louisiana corporation) 639 Loyola Avenue New Orleans, Louisiana 70112 Telephone (504) 569-4000	72-0245590
0-320	MISSISSIPPI POWER & LIGHT COMPANY (a Mississippi corporation) 308 East Pearl Street Jackson, Mississippi 39201 Telephone (601) 969-2311	64-0205830
0-5807	NEW ORLEANS PUBLIC SERVICE INC. (a Louisiana corporation) 639 Loyola Avenue New Orleans, Louisiana 70112 Telephone (504) 569-4000	72-0273040
1-9067	SYSTEM ENERGY RESOURCES, INC. (an Arkansas corporation) Echelon One 1340 Echelon Parkway Jackson, Mississippi 39213 Telephone (601) 368-5000	72-0752777

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days.

Yes X No

Common Stock Outstanding		Outstanding at October 31, 1994
Entergy Corporation	($0.01 par value)	227,378,729

ENTERGY CORPORATION AND SUBSIDIARIES
INDEX TO QUARTERLY REPORT ON FORM 10-Q
September 30, 1994

This combined Form 10-Q is separately filed by Entergy Corporation, Arkansas Power & Light Company, Gulf States Utilities Company, Louisiana Power & Light Company, Mississippi Power & Light Company, New Orleans Public Service Inc., and System Energy Resources, Inc. Information contained herein relating to any individual company is filed by such company on its own behalf. Each company makes no representation as to information relating to the other companies. This combined Form 10-Q supplements and updates the Form 10-K for the calendar year ended December 31, 1993, and the Forms 10-Q for the quarters ended March 31, 1994 and June 30, 1994, filed by the individual registrants with the SEC, and should be read in conjunction therewith.

DEFINITIONS

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

Abbreviation or Acronym	Term
ALJ	Administrative Law Judge
ANO	Arkansas Nuclear One Steam Electric Generating Station
ANO 2	Unit No. 2 of ANO
AP&L	Arkansas Power & Light Company
APSC	Arkansas Public Service Commission
Availability Agreement	Agreement, dated as of June 21, 1974, as amended, among System Energy and AP&L, LP&L, MP&L, and NOPSI, and the assignments thereof
Capital Funds Agreement	Agreement, dated as of June 21, 1974, as amended, between System Energy and Entergy Corporation, and the assignments thereof
CCLM	Customer-Controlled Load Management (a DSM activity utilizing residential time-of-use rates)
City of New Orleans or City	New Orleans, Louisiana
Council	Council of the City of New Orleans, Louisiana
D.C. Circuit	United States Court of Appeals for the District of Columbia Circuit
DSM	Demand-Side Management (Least Cost Plan activities that influence electricity usage by customers)
Entergy Corporation	Entergy Corporation, a Delaware corporation, successor to Entergy Corporation, a Florida Corporation
Entergy Operations	Entergy Operations, Inc., a subsidiary of Entergy Corporation that has operating responsibility for ANO, Grand Gulf 1, River Bend, and Waterford 3
Entergy or System	Entergy Corporation and its various direct and indirect subsidiaries
Entergy Power	Entergy Power, Inc., a subsidiary of Entergy Corporation that markets capacity and energy from certain generating facilities to other parties, principally non-affiliates, for resale
Entergy Services	Entergy Services, Inc.
FERC	Federal Energy Regulatory Commission
First Quarter Form 10-Q	The combined Quarterly Report on Form 10-Q for the quarter ended March 31, 1994, of Entergy, AP&L, GSU, LP&L, MP&L, NOPSI, and System Energy
Form 10-K	The combined Annual Report on Form 10-K for the year ended December 31, 1993, of Entergy, AP&L, GSU, LP&L, MP&L, NOPSI, and System Energy
G&R Bonds	General and Refunding Mortgage Bonds issued and issuable by MP&L and NOPSI
Grand Gulf Station	Grand Gulf Steam Electric Generating Station
Grand Gulf 1	Unit No. 1 of the Grand Gulf Station
GSU	Gulf States Utilities Company
KWH	Kilowatt-Hour(s)
Least Cost Plan	Least Cost Integrated Resource Plan (combination of demand- and supply-side resources to be used by Entergy to satisfy electricity demand)
LP&L	Louisiana Power & Light Company
LPSC	Louisiana Public Service Commission
Merger	The combination transaction, consummated on December 31, 1993, by which GSU became a subsidiary of Entergy Corporation and Entergy Corporation became a Delaware Corporation
Money Pool	System Money Pool, which allows certain System companies to borrow from, or lend to, certain other System companies
MP&L	Mississippi Power & Light Company
MPSC	Mississippi Public Service Commission
1991 NOPSI Settlement	Agreement, retroactive to October 4,

	1991, among NOPSI, the Council and the Alliance for Affordable Energy, Inc. that settled certain Grand Gulf 1 prudence issues and pending litigation related to a resolution adopted by the Council disallowing the recovery by NOPSI of $135 million of previously deferred Grand Gulf 1-related costs
NOPSI	New Orleans Public Service Inc.
NRC	Nuclear Regulatory Commission
Owner Participant	A corporation that, in connection with the Waterford 3 sale and leaseback transactions, has acquired a beneficial interest in a trust, the Owner Trustee of which is the owner and lessor of undivided interests in Waterford 3
Owner Trustee	Each institution and/or individual acting as Owner Trustee under a trust agreement with an Owner Participant in connection with the Waterford 3 sale and leaseback transactions
PUCT	Public Utility Commission of Texas
Rate Cap	The level of GSU's retail electric base rates in effect at December 31, 1993 for the Louisiana retail jurisdiction, and the level in effect prior to the Texas Cities Rate Settlement for the Texas retail jurisdiction, which may not be exceeded for the five years following December 31, 1993
Reallocation Agreement	1981 Agreement, superseded in part by a June 13, 1985 decision of the FERC, among AP&L, LP&L, MP&L, NOPSI, and System Energy, relating to the sale of capacity and energy from the Grand Gulf Station
River Bend	River Bend Steam Electric Generating Station, owned 70% by GSU
Revised Plan	MP&L's Grand Gulf 1-related rate phase-in plan, originally approved by the MPSC in an order issued on September 16, 1985, as modified by the MPSC order issued September 29, 1988, to bring such plan into compliance with the requirements of SFAS No. 92
SEC	Securities and Exchange Commission
SFAS	Statement of Financial Accounting Standards as promulgated by the Financial Accounting Standards Board
SFAS 109	SFAS No. 109, "Accounting for Income Taxes"
Second Quarter Form 10-Q	The combined Quarterly Report on Form 10-Q for the quarter ended June 30, 1994, of Entergy, AP&L, GSU, LP&L, MP&L, NOPSI, and System Energy
System Agreement	Agreement, effective January 1, 1983, as subsequently modified by decisions of the FERC, among the System operating companies relating to the sharing of generating capacity and other power resources
System Energy	System Energy Resources, Inc.
System Fuels	System Fuels, Inc.
System operating companies	AP&L, GSU, LP&L, MP&L, and NOPSI, collectively
System or Entergy	Entergy Corporation and its various direct and indirect subsidiaries
Unit Power Sales Agreement	Agreement, dated as of June 10, 1982, as amended, among AP&L, LP&L, MP&L, NOPSI, and System Energy, relating to the sale of capacity and energy from System Energy's share of Grand Gulf 1
Waterford 3	Unit No. 3 of the Waterford Steam Electric Generating Station

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
September 30, 1994 and December 31, 1993
(Unaudited)

ASSETS	1994	1993
	(In Thousands)	
Utility Plant:		
Electric	$21,323,257	$20,848,844
Plant acquisition adjustment - GSU	424,540	380,117
Electric plant under leases	665,579	663,024
Property under capital leases - electric	167,304	175,276
Natural gas	161,811	156,452
Steam products	75,922	75,689
Construction work in progress	442,780	533,112
Nuclear fuel under capital leases	289,775	329,433
Nuclear fuel	44,101	17,760
Total	23,595,069	23,179,707
Less - accumulated depreciation and amortization	7,563,520	7,157,981
Utility plant - net	16,031,549	16,021,726
Other Property and Investments:		
Decommissioning trust funds	208,362	172,960
Other	192,915	183,597
Total	401,277	356,557
Current Assets:		
Cash and cash equivalents:		
Cash	118,682	27,345
Temporary cash investments - at cost, which approximates market	565,346	536,404
Total cash and cash equivalents	684,028	563,749
Special deposits	9,854	36,612
Notes receivable	15,795	17,710
Accounts receivable:		
Customer (less allowance for doubtful accounts of $6.7 million in 1994 and $8.8 million in 1993)	400,106	315,796
Other	68,513	81,931
Accrued unbilled revenues	285,842	257,321
Fuel inventory	86,294	110,204
Materials and supplies - at average cost	360,663	360,353
Rate deferrals	363,747	333,311
Prepayments and other	96,655	98,144
Total	2,371,497	2,175,131
Deferred Debits and Other Assets:		
Rate deferrals	1,545,303	1,876,051
SFAS 109 regulatory asset - net	1,390,075	1,385,824
Long-term receivables	244,790	228,030
Unamortized loss on reacquired debt	237,598	210,698
Other	592,310	622,680
Total	4,010,076	4,323,283
TOTAL	$22,814,399	$22,876,697

See Notes to Financial Statements.

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
September 30, 1994 and December 31, 1993
(Unaudited)

	1994	1993
	(In Thousands)	
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Common stock, $.01 par value, authorized 500,000,000 shares; issued 229,989,737 shares in 1994 and 231,219,737 shares in 1993	$2,300	$2,312
Paid-in capital	4,201,981	4,223,682
Retained earnings	2,345,156	2,310,082
Less - treasury stock (2,611,158 shares in 1994)	77,440	-
Total common shareholders' equity	6,471,997	6,536,076
Preference stock	150,000	150,000
Subsidiaries' preferred stock:		
Without sinking fund	550,955	550,955
With sinking fund	305,183	349,053
Long-term debt	7,288,021	7,355,962
Total	14,766,156	14,942,046
Other Noncurrent Liabilities:		
Obligations under capital leases	266,457	322,867
Other	296,551	296,876
Total	563,008	619,743
Current Liabilities:		
Currently maturing long-term debt	353,930	322,010
Notes payable	106,866	43,667
Accounts payable	373,245	413,727
Customer deposits	133,864	127,524
Taxes accrued	230,890	118,267
Accumulated deferred income taxes	52,666	44,637
Interest accrued	196,616	210,894
Dividends declared	13,858	13,404
Deferred revenue - gas supplier judgment proceeds	-	14,632
Deferred fuel cost	9,915	4,528
Obligations under capital leases	190,301	194,015
Other	235,411	233,009
Total	1,897,562	1,740,314
Deferred Credits:		
Accumulated deferred income taxes	3,812,618	3,849,439
Accumulated deferred investment tax credits	762,513	802,273
Other	1,012,542	922,882
Total	5,587,673	5,574,594
Commitments and Contingencies (Notes 1 and 2)		
TOTAL	$22,814,399	$22,876,697

See Notes to Financial Statements.

ENTERGY CORPORATION AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED INCOME
For the Three and Nine Months Ended September 30, 1994 and 1993
(Unaudited)

	Three Months Ended 1994	Three Months Ended 1993	Nine Months Ended 1994	Nine Months Ended 1993
	(In Thousands, Except Share Data)			
Operating Revenues:				
Electric	$1,776,982	$1,397,007	$4,668,907	$3,345,757
Natural gas	17,107	13,944	93,952	61,708
Steam products	11,435	-	35,002	-
Total	1,805,524	1,410,951	4,797,861	3,407,465
Operating Expenses:				
Operation and maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	430,718	305,928	1,103,157	664,824
Purchased power	72,169	72,679	306,798	208,212
Nuclear refueling outage expenses	14,960	12,079	46,949	42,764
Operation and maintenance	469,681	257,438	1,172,916	735,938
Depreciation and decommissioning	166,387	110,676	488,052	329,898
Taxes other than income taxes	71,446	48,599	214,365	145,643
Income taxes	130,795	150,033	254,101	252,744
Rate deferrals				
Rate deferrals	-	(25)	-	(1,651)
Amortization of rate deferrals	112,757	93,606	295,107	215,838
Total	1,468,913	1,051,013	3,881,445	2,594,210
Operating Income	336,611	359,938	916,416	813,255
Other Income (Deductions):				
Allowance for equity funds used during construction	2,603	1,451	9,273	5,777
Miscellaneous - net	(2,900)	13,894	14,991	43,928
Income taxes	(2,859)	(1,194)	(14,239)	(16,411)
Total	(3,156)	14,151	10,025	33,294
Interest Charges:				
Interest on long-term debt	160,928	121,503	480,189	368,332
Other interest - net	11,250	6,125	33,705	17,624
Allowance for borrowed funds used during construction	(2,228)	(953)	(7,397)	(3,974)
Preferred dividend requirements of subsidiaries and other	20,306	13,984	61,674	42,964
Total	190,256	140,659	568,171	424,946
Income before Cumulative Effect of a Change in Accounting Principle	143,199	233,430	358,270	421,603
Cumulative effect to January 1, 1993 of Accruing Unbilled Revenues (net of income taxes of $57,188)	-	-	-	93,841
Net Income	$143,199	$233,430	$358,270	$515,444
Earnings per average common share before cumulative effect of a change in accounting principle	$0.63	$1.34	$1.56	$2.41
Earnings per average common share	$0.63	$1.34	$1.56	$2.95
Dividends declared per common share	$0.45	$0.40	$1.35	$1.20
Average number of common shares outstanding	227,470,521	174,534,253	229,154,520	174,794,391

See Notes to Financial Statements.

ENTERGY CORPORATION AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED CASH FLOWS
For the Nine Months Ended September 30, 1994 and 1993
(Unaudited)

	1994	1993
	(In Thousands)	
Operating Activities:		
Net income	$358,270	$515,444
Noncash items included in net income:		
Cumulative effect of a change in accounting principle	-	(93,841)
Change in rate deferrals/excess capacity-net	307,313	158,287
Depreciation and decommissioning	488,052	329,898
Deferred income taxes and investment tax credits	7,582	16,022
Allowance for equity funds used during construction	(9,273)	(5,777)
Amortization of deferred revenues	(14,632)	(32,196)
Changes in working capital:		
Receivables	(99,413)	(148,980)
Fuel inventory	23,910	20,909
Accounts payable	(40,482)	(55,775)
Taxes accrued	112,623	90,085
Interest accrued	(14,278)	(13,001)
Other working capital accounts	43,981	(35,784)
Refunds to customers - gas contract settlement	-	(56,027)
Decommissioning trust contributions	(18,215)	(14,903)
Provision for estimated losses and reserves	(6,242)	39,741
Other	(18,596)	62,330
Net cash flow provided by operating activities	1,120,600	776,432
Investing Activities:		
Construction / capital expenditures	(481,178)	(279,561)
Allowance for equity funds used during construction	9,273	5,777
Nuclear fuel purchases	(109,838)	(62,170)
Proceeds from sale/leaseback of nuclear fuel	85,178	61,302
Investment in nonregulated/nonutility properties	199	(58,407)
Decrease in other temporary investments	-	17,012
Net cash flow used in investing activities	(496,366)	(316,047)
Financing Activities:		
Proceeds from the issuance of:		
First mortgage bonds	83,944	275,000
General and refunding mortgage bonds	-	285,000
Other long-term debt	63,590	80,299
Premium and expense on refinancing sale/leaseback bonds	(47,663)	-
Retirement of:		
First mortgage bonds	(103,800)	(475,615)
General and refunding mortgage bonds	(45,000)	(99,400)
Other long-term debt	(45,410)	(68,563)
Repurchase of common stock	(119,486)	(20,558)
Redemption of preferred stock	(43,860)	(44,000)
Common stock dividends paid	(309,469)	(208,908)
Changes in short-term borrowings	63,199	-
Net cash flow used in financing activities	(503,955)	(276,745)
Net increase in cash and cash equivalents	120,279	183,640
Cash and cash equivalents at beginning of period	563,749	379,792
Cash and cash equivalents at end of period	$684,028	$563,432

ENTERGY CORPORATION AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED CASH FLOWS
For the Nine Months Ended September 30, 1994 and 1993
(Unaudited)

	1994	1993
	(In Thousands)	
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest - net of amount capitalized	$496,933	$388,051
Income taxes	$131,607	$101,782
Noncash investing and financing activities:		
Capital lease obligations incurred	$69,520	$61,302
Excess of fair value of decommissioning trust assets over amount invested	$9,068	-

See Notes to Financial Statements.

ENTERGY CORPORATION AND SUBSIDIARIES
SELECTED OPERATING RESULTS
For the Three and Nine Months Ended September 30, 1994 and 1993
(Unaudited)

Description	Three Months Ended 1994	1993	Increase/ (Decrease)	%
	(In Millions)			
Electric Operating Revenues:				
Residential	$ 726.3	$ 598.5	$ 127.8	21
Commercial	435.8	334.4	101.4	30
Industrial	488.6	333.4	155.2	47
Governmental	42.7	39.4	3.3	8
Total retail	1,693.4	1,305.7	387.7	30
Sales for resale	112.2	91.1	21.1	23
Other	(28.6)	0.2	(28.8)	*
Total	$ 1,777.0	$1,397.0	$ 380.0	27
Billed Electric Energy Sales (Millions of KWH):				
Residential	8,848	6,916	1,932	28
Commercial	5,916	4,220	1,696	40
Industrial	10,675	6,592	4,083	62
Governmental	609	540	69	13
Total retail	26,048	18,268	7,780	43
Sales for resale	2,503	2,296	207	9
Total	28,551	20,564	7,987	39

Description	Nine Months Ended 1994	1993	Increase/ (Decrease)	%
	(In Millions)			
Electric Operating Revenues:				
Residential	$ 1,691.3	$1,241.9	$ 449.4	36
Commercial	1,147.2	805.1	342.1	42
Industrial	1,386.2	878.4	507.8	58
Governmental	122.3	101.9	20.4	20
Total retail	4,347.0	3,027.3	1,319.7	44
Sales for resale	272.3	225.3	47.0	21
Other	49.6	93.2	(43.6)	(47)
Total	$ 4,668.9	$3,345.8	$1,323.1	40
Billed Electric Energy Sales (Millions of KWH):				
Residential	20,716	14,788	5,928	40
Commercial	15,135	10,173	4,962	49
Industrial	30,481	18,479	12,002	65
Governmental	1,688	1,414	274	19
Total retail	68,020	44,854	23,166	52
Sales for resale	6,274	6,416	(142)	(2)
Total	74,294	51,270	23,024	45

Note: On December 31, 1993, GSU became a wholly-owned subsidiary of Entergy Corporation. In accordance with the purchase method of accounting, the 1993 third quarter and year to date operating results do not include GSU operating results.

* Decrease greater than 200 percent.

ARKANSAS POWER & LIGHT COMPANY
BALANCE SHEETS
September 30, 1994 and December 31, 1993
(Unaudited)

ASSETS	1994	1993
	(In Thousands)	
Utility Plant:		
Electric	$4,286,317	$4,098,355
Property under capital leases	59,190	62,139
Construction work in progress	111,961	197,005
Nuclear fuel under capital lease	100,060	93,606
Total	4,557,528	4,451,105
Less - accumulated depreciation and amortization	1,696,801	1,604,318
Utility plant - net	2,860,727	2,846,787
Other Property and Investments:		
Investment in subsidiary companies - at equity	11,232	11,232
Decommissioning trust fund	130,514	108,192
Other - at cost (less accumulated depreciation)	4,545	4,257
Total	146,291	123,681
Current Assets:		
Cash and cash equivalents:		
Cash	18,663	1,825
Temporary cash investments - at cost, which approximates market:		
Associated companies	4,904	-
Other	27,993	-
Total cash and cash equivalents	51,560	1,825
Accounts receivable:		
Customer (less allowance for doubtful accounts of $2.0 million in 1994 and $2.1 million in 1993)	81,652	65,641
Associated companies	30,441	18,312
Other	12,478	20,817
Accrued unbilled revenues	102,240	83,378
Fuel inventory - at average cost	25,015	51,920
Materials and supplies - at average cost	79,650	81,398
Rate deferrals	108,113	92,592
Deferred excess capacity	9,062	9,115
Prepayments and other	20,222	28,303
Total	520,433	453,301
Deferred Debits and Other Assets:		
Rate deferrals	389,260	475,387
Deferred excess capacity	21,517	28,465
SFAS 109 regulatory asset - net	211,835	234,015
Unamortized loss on reacquired debt	58,176	60,169
Other	116,448	112,300
Total	797,236	910,336
TOTAL	$4,324,687	$4,334,105

See Notes to Financial Statements.

ARKANSAS POWER & LIGHT COMPANY
BALANCE SHEETS
September 30, 1994 and December 31, 1993
(Unaudited)

CAPITALIZATION AND LIABILITIES

	1994	1993
	(In Thousands)	
Capitalization:		
Common stock, $0.01 par value, authorized 325,000,000 shares; issued and outstanding 46,980,196 shares in 1994 and 1993	$470	$470
Paid-in capital	590,844	590,844
Retained earnings	464,062	448,811
Total common shareholder's equity	1,055,376	1,040,125
Preferred stock:		
Without sinking fund	176,350	176,350
With sinking fund	61,027	70,027
Long-term debt	1,293,886	1,313,315
Total	2,586,639	2,599,817
Other Noncurrent Liabilities:		
Obligations under capital leases	97,976	94,861
Other	70,664	66,879
Total	168,640	161,740
Current Liabilities:		
Currently maturing long-term debt	28,020	3,020
Notes payable:		
Associated companies	-	21,395
Other	34,667	667
Accounts payable:		
Associated companies	38,010	45,177
Other	98,088	93,611
Customer deposits	16,839	15,241
Taxes accrued	86,239	43,013
Accumulated deferred income taxes	36,537	32,367
Interest accrued	31,870	31,410
Dividends declared	4,780	5,049
Co-owner advances	22,402	39,435
Deferred fuel cost	19,840	16,130
Nuclear refueling reserve	30,347	30,677
Obligations under capital leases	61,274	60,883
Other	25,446	25,730
Total	534,359	463,805
Deferred Credits:		
Accumulated deferred income taxes	816,232	876,618
Accumulated deferred investment tax credits	145,946	154,723
Other	72,871	77,402
Total	1,035,049	1,108,743
Commitments and Contingencies (Notes 1 and 2)		
TOTAL	$4,324,687	$4,334,105

See Notes to Financial Statements.

ARKANSAS POWER & LIGHT COMPANY
STATEMENTS OF INCOME
For the Three and Nine Months Ended September 30, 1994 and 1993
(Unaudited)

	Three Months Ended 1994	Three Months Ended 1993	Nine Months Ended 1994	Nine Months Ended 1993
	(In Thousands)			
Operating Revenues	$470,770	$519,822	$1,256,762	$1,250,213
Operating Expenses:				
Operation and maintenance:				
Fuel and fuel-related expenses	74,050	80,284	205,283	197,559
Purchased power	80,326	90,653	264,935	265,084
Nuclear refueling outage expenses	8,059	5,279	25,532	26,011
Other operation and maintenance	118,413	95,052	288,311	272,550
Depreciation and decommissioning	38,671	34,601	110,929	101,156
Taxes other than income taxes	7,961	6,750	25,584	20,491
Income taxes	30,569	40,680	45,487	45,226
Amortization of rate deferrals	56,558	65,039	130,283	130,359
Total	414,607	418,338	1,096,344	1,058,436
Operating Income	56,163	101,484	160,418	191,777
Other Income (Deductions):				
Allowance for equity funds used during construction	894	383	2,944	2,695
Miscellaneous - net	10,785	14,662	35,346	44,739
Income taxes	(4,250)	(6,838)	(13,934)	(24,233)
Total	7,429	8,207	24,356	23,201
Interest Charges:				
Interest on long-term debt	25,464	27,171	75,842	81,607
Other interest - net	2,410	1,080	6,730	3,097
Allowance for borrowed funds used during construction	(912)	(237)	(2,579)	(1,869)
Total	26,962	28,014	79,993	82,835
Income before Cumulative Effect of a Change in Accounting Principle	36,630	81,677	104,781	132,143
Cumulative Effect to January 1, 1993 of Accruing Unbilled Revenues (net of income taxes of $31,140)	-	-	-	50,187
Net Income	36,630	81,677	104,781	182,330
Preferred Stock Dividend Requirements and Other	4,781	5,267	14,530	15,828
Earnings Applicable to Common Stock	$31,849	$76,410	$90,251	$166,502

See Notes to Financial Statements.

ARKANSAS POWER & LIGHT COMPANY
STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 1994 and 1993
(Unaudited)

	1994	1993
	(In Thousands)	
Operating Activities:		
Net income	$104,781	$182,330
Noncash items included in net income:		
Cumulative effect of a change in accounting principle	-	(50,187)
Change in rate deferrals/excess capacity-net	77,607	65,517
Depreciation and decommissioning	110,929	101,156
Deferred income taxes and investment tax credits	(42,973)	(25,214)
Allowance for equity funds used during construction	(2,944)	(2,695)
Changes in working capital:		
Receivables	(38,663)	(22,383)
Fuel inventory	26,905	24,812
Accounts payable	(2,690)	2,100
Taxes accrued	43,226	24,449
Interest accrued	460	(395)
Other working capital accounts	586	(15,615)
Decommissioning trust contributions	(8,525)	(8,224)
Provision for estimated losses and reserves	5,206	8,862
Other	(17,073)	(15,022)
Net cash flow provided by operating activities	256,832	269,491
Investing Activities:		
Construction expenditures	(122,279)	(108,063)
Allowance for equity funds used during construction	2,944	2,695
Nuclear fuel purchases	(33,477)	(29,072)
Proceeds from sale/leaseback of nuclear fuel	33,477	29,072
Net cash flow used in investing activities	(119,335)	(105,368)
Financing Activities:		
Proceeds from issuance of:		
First mortgage bonds	-	115,000
Other long-term debt	27,992	47,299
Retirement of:		
First mortgage bonds	(800)	(135,889)
Other long-term debt	(28,761)	(46,350)
Redemption of preferred stock	(9,000)	(9,000)
Changes in short-term borrowings	12,605	(4,000)
Dividends paid:		
Common stock	(75,000)	(37,700)
Preferred stock	(14,798)	(16,095)
Net cash flow provided by financing activities	(87,762)	(86,735)
Net increase in cash and cash equivalents	49,735	77,388
Cash and cash equivalents at beginning of period	1,825	-
Cash and cash equivalents at end of period	$51,560	$77,388
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest - net of amount capitalized	$73,515	$79,265
Income taxes	$54,117	$54,293
Noncash investing and financing activities:		
Capital lease obligations incurred	$41,122	$29,072
Excess of fair value of decommissioning trust assets over amount invested	$8,872	-

See Notes to Financial Statements.

ARKANSAS POWER & LIGHT COMPANY
SELECTED OPERATING RESULTS
For the Three and Nine Months Ended September 30, 1994 and 1993
(Unaudited)

Description	Three Months Ended 1994	1993	Increase/ (Decrease)	%
	(In Millions)			
Electric Operating Revenues:				
Residential	$ 170.5	$ 197.9	($27.4)	(14)
Commercial	95.2	103.0	(7.8)	(8)
Industrial	100.5	107.1	(6.6)	(6)
Governmental	4.7	5.0	(0.3)	(6)
Total retail	370.9	413.0	(42.1)	(10)
Sales for resale	99.9	96.9	3.0	3
Other	0.0	9.9	(9.9)	(100)
Total	$ 470.8	$ 519.8	($49.0)	(9)
Billed Electric Energy Sales (Millions of KWH):				
Residential	1,802	2,041	(239)	(12)
Commercial	1,260	1,329	(69)	(5)
Industrial	1,587	1,605	(18)	(1)
Governmental	63	68	(5)	(7)
Total retail	4,712	5,043	(331)	(7)
Sales for resale	3,711	2,980	731	25
Total	8,423	8,023	400	5

Description	Nine Months Ended 1994	1993	Increase/ (Decrease)	%
	(In Millions)			
Electric Operating Revenues:				
Residential	$ 402.1	$ 420.5	($ 18.4)	(4)
Commercial	236.3	236.1	0.2	-
Industrial	253.9	253.1	0.8	-
Governmental	12.9	12.8	0.1	1
Total retail	905.2	922.5	(17.3)	(2)
Sales for resale	313.7	291.8	21.9	8
Other	37.9	35.9	2.0	6
Total	$1,256.8	$1,250.2	$ 6.6	1
Billed Electric Energy Sales (Millions of KWH):				
Residential	4,381	4,517	(136)	(3)
Commercial	3,177	3,136	41	1
Industrial	4,392	4,247	145	3
Governmental	178	177	1	1
Total retail	12,128	12,077	51	-
Sales for resale	12,218	10,895	1,323	12
Total	24,346	22,972	1,374	6

GULF STATES UTILITIES COMPANY
BALANCE SHEETS
September 30, 1994 and December 31, 1993
(Unaudited)

ASSETS	1994	1993
	(In Thousands)	
Utility Plant:		
Electric	$6,879,066	$6,825,989
Natural gas	43,556	42,786
Steam products	75,922	75,689
Property under capital leases	84,142	86,039
Construction work in progress	94,476	50,080
Nuclear fuel under capital leases	81,464	94,828
Total	7,258,626	7,175,411
Less - accumulated depreciation and amortization	2,458,358	2,323,804
Utility plant - net	4,800,268	4,851,607
Other Property and Investments:		
Decommissioning trust fund	20,712	17,873
Other - at cost (less accumulated depreciation)	29,738	29,360
Total	50,450	47,233
Current Assets:		
Cash and cash equivalents:		
Cash	18,748	3,012
Temporary cash investments - at cost, which approximates market:		
Associated companies	13,515	-
Other	89,809	258,337
Total cash and cash equivalents	122,072	261,349
Accounts receivable:		
Customer (less allowance for doubtful accounts of $0.7 million in 1994 and $2.4 million in 1993)	145,636	117,369
Associated companies	11,651	-
Other	19,855	18,371
Accrued unbilled revenues	42,051	32,572
Deferred fuel costs	18,930	5,883
Accumulated deferred income taxes	29,064	28,425
Fuel inventory	27,198	23,448
Materials and supplies - at average cost	89,234	86,831
Rate deferrals	97,850	90,775
Prepayments and other	21,404	20,523
Total	624,945	685,546
Deferred Debits and Other Assets:		
Rate deferrals	532,532	638,015
SFAS 109 regulatory asset - net	427,634	432,411
Long-term receivables	239,327	218,079
Unamortized loss on reacquired debt	65,802	70,970
Other	189,723	193,490
Total	1,455,018	1,552,965
TOTAL	$6,930,681	$7,137,351

See Notes to Financial Statements.

GULF STATES UTILITIES COMPANY
BALANCE SHEETS
September 30, 1994 and December 31, 1993
(Unaudited)

	1994	1993
	(In Thousands)	
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Common stock, no par value, authorized 200,000,000 shares; issued and outstanding 100 shares in 1994 and 1993	$114,055	$114,055
Paid-in capital	1,152,344	1,152,304
Retained earnings	367,323	666,401
Total common shareholder's equity	1,633,722	1,932,760
Preference stock	150,000	150,000
Preferred stock:		
Without sinking fund	136,444	136,444
With sinking fund	96,143	101,004
Long-term debt	2,318,375	2,368,639
Total	4,334,684	4,688,847
Other Noncurrent Liabilities:		
Obligations under capital leases	129,021	152,359
Other	66,214	65,259
Total	195,235	217,618
Current Liabilities:		
Currently maturing long-term debt	50,425	425
Accounts payable:		
Associated companies	37,221	2,745
Other	98,236	109,840
Customer deposits	22,916	21,958
Taxes accrued	37,435	22,856
Interest accrued	63,308	59,516
Nuclear refueling reserve	8,425	22,356
Obligations under capital leases	37,720	41,713
Other	114,283	97,741
Total	469,969	379,150
Deferred Credits:		
Accumulated deferred income taxes	1,259,262	1,222,999
Accumulated deferred investment tax credits	91,090	94,455
Deferred River Bend finance charges	88,495	106,765
Other	491,946	427,517
Total	1,930,793	1,851,736
Commitments and Contingencies (Notes 1 and 2)		
TOTAL	$6,930,681	$7,137,351

See Notes to Financial Statements.

GULF STATES UTILITIES COMPANY
STATEMENTS OF INCOME
For the Three and Nine Months Ended September 30, 1994 and 1993
(Unaudited)

	Three Months Ended 1994	Three Months Ended 1993	Nine Months Ended 1994	Nine Months Ended 1993
	(In Thousands)			
Operating Revenues:				
Electric	$530,209	$559,296	$1,371,328	$1,364,027
Natural gas	3,887	4,818	25,714	23,349
Steam products	11,435	10,493	35,002	33,632
Total	545,531	574,607	1,432,044	1,421,008
Operating Expenses:				
Operation and maintenance:				
Fuel, fuel-related expenses and gas purchased for resale	154,881	185,138	393,240	430,452
Purchased power	44,330	27,294	159,389	101,600
Nuclear refueling outage expenses	2,707	3,360	7,747	10,080
Other operation and maintenance	171,054	103,401	376,616	293,403
Depreciation and decommissioning	48,786	47,276	145,862	141,830
Taxes other than income taxes	24,623	24,322	58,633	72,869
Income taxes	17,458	50,359	34,210	55,656
Amortization of rate deferrals	16,839	15,425	49,576	45,689
Total	480,678	456,575	1,225,273	1,151,579
Operating Income	64,853	118,032	206,771	269,429
Other Income (Deductions):				
Allowance for equity funds used during construction	417	126	1,056	383
Miscellaneous - net	(78,886)	5,786	(70,653)	14,978
Income taxes	31,590	(1,678)	27,407	(9,572)
Total	(46,879)	4,234	(42,190)	5,789
Interest Charges:				
Interest on long-term debt	48,804	50,925	146,554	153,538
Other interest - net	1,172	1,335	6,409	5,924
Allowance for borrowed funds used during construction	(340)	(149)	(847)	(472)
Total	49,636	52,111	152,116	158,990
Income (Loss) before Extraordinary Items and the Cumulative Effect of Accounting Changes	(31,662)	70,155	12,465	116,228
Extraordinary Items (net of income taxes)	-	(974)	-	(1,259)
Cumulative Effect to January 1, 1993, of Accruing Unbilled Revenues (net of income taxes of $ 6,940)	-	-	-	10,660
Net Income (Loss)	(31,662)	69,181	12,465	125,629
Preferred and Preference Stock Dividend Requirements and Other	7,506	7,921	22,442	28,118
Earnings (Loss) Applicable to Common Stock	($39,168)	$61,260	($9,977)	$97,511

See Notes to Financial Statements.

GULF STATES UTILITIES COMPANY
STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 1994 and 1993
(Unaudited)

	1994	1993
	(In Thousands)	
Operating Activities:		
Net income	$12,465	$125,629
Noncash items included in net income:		
Extraordinary items	-	1,259
Cumulative effect of a change in accounting principle	-	(10,660)
Change in rate deferrals	80,138	45,689
Depreciation and decommissioning	145,862	141,830
Deferred income taxes and investment tax credits	16,257	53,452
Allowance for equity funds used during construction	(1,056)	(383)
Changes in working capital:		
Receivables	(50,881)	(35,524)
Fuel inventory	(3,750)	4,468
Accounts payable	22,872	(2,336)
Taxes accrued	14,579	38,151
Interest accrued	3,792	3,878
Other working capital accounts	15,330	(15,214)
Decommissioning trust contributions	(2,217)	(2,217)
Purchased power settlement	-	(169,300)
Other	24,946	(5,491)
Net cash flow provided by operating activities	278,337	173,231
Investing Activities:		
Construction expenditures	(101,952)	(82,454)
Allowance for equity funds used during construction	1,056	383
Nuclear fuel purchases	(25,205)	(2,118)
Proceeds from sale/leaseback of nuclear fuel	25,205	2,118
Refund of escrow account and other property	-	6,710
Net cash flow used in investing activities	(100,896)	(75,361)
Financing Activities:		
Proceeds from the issuance of:		
Preference stock	-	146,625
First mortgage bonds	-	338,379
Other long-term debt	-	21,440
Retirement of:		
First mortgage bonds	-	(360,200)
Other long-term debt	(425)	(18,398)
Redemption of preferred and preference stock	(4,850)	(172,408)
Dividends paid:		
Common stock	(289,100)	-
Preferred and preference stock	(22,343)	(28,525)
Net cash flow used in financing activities	(316,718)	(73,087)
Net increase (decrease) in cash and cash equivalents	(139,277)	24,783
Cash and cash equivalents at beginning of period	261,349	197,741
Cash and cash equivalents at end of period	$122,072	$222,524
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest - net of amount capitalized	$136,957	$143,875
Income taxes	$137	-
Noncash investing and financing activities:		
Capital lease obligations incurred	$18,721	$2,302
Deficiency of fair value of decommissioning trust assets over amount invested	($200)	-

See Notes to Financial Statements.

GULF STATES UTILITIES COMPANY
SELECTED OPERATING RESULTS
For the Three and Nine Months Ended September 30, 1994 and 1993
(Unaudited)

Description	Three Months Ended 1994	1993	Increase/ (Decrease)	%
	(In Millions)			
Electric Department Operating Revenues:				
Residential	$ 192.2	$ 218.4	($ 26.2)	(12)
Commercial	115.6	126.4	(10.8)	(9)
Industrial	162.8	174.4	(11.6)	(7)
Governmental	6.4	6.9	(0.5)	(7)
Total retail	477.0	526.1	(49.1)	(9)
Sales for resale	36.3	10.9	25.4	233
Other	16.9	22.3	(5.4)	(24)
Total Electric Department	$ 530.2	$ 559.3	($ 29.1)	(5)
Billed Electric Energy Sales (Millions of KWH):				
Residential	2,502	2,639	(137)	(5)
Commercial	1,743	1,756	(13)	(1)
Industrial	3,851	3,736	115	3
Governmental	77	78	(1)	(1)
Total retail	8,173	8,209	(36)	-
Sales for resale	1,340	249	1,091	438
Total Electric Department	9,513	8,458	1,055	12
Steam Department	426	418	8	2
Total	9,939	8,876	1,063	12

Description	Nine Months Ended 1994	1993	Increase/ (Decrease)	%
	(In Millions)			
Electric Department Operating Revenues:				
Residential	$ 448.7	$ 464.5	($ 15.8)	(3)
Commercial	312.7	318.6	(5.9)	(2)
Industrial	475.7	494.6	(18.9)	(4)
Governmental	19.1	20.1	(1.0)	(5)
Total retail	1,256.2	1,297.8	(41.6)	(3)
Sales for resale	75.1	24.3	50.8	209
Other	40.0	41.9	(1.9)	(5)
Total Electric Department	$1,371.3	$1,364.0	$ 7.3	1
Billed Electric Energy Sales (Millions of KWH):				
Residential	5,775	5,589	186	3
Commercial	4,512	4,332	180	4
Industrial	11,237	10,758	479	4
Governmental	225	224	1	-
Total retail	21,749	20,903	846	4
Sales for resale	2,590	510	2,080	408
Total Electric Department	24,339	21,413	2,926	14
Steam Department	1,257	1,210	47	4
Total	25,596	22,623	2,973	13

LOUISIANA POWER & LIGHT COMPANY
BALANCE SHEETS
September 30, 1994 and December 31, 1993
(Unaudited)

	1994	1993
	(In Thousands)	
ASSETS		
Utility Plant:		
Electric	$4,754,371	$4,646,020
Electric plant under lease	226,395	225,083
Construction work in progress	100,690	133,536
Nuclear fuel under capital lease	52,413	61,375
Nuclear fuel	5,065	3,823
Total	5,138,934	5,069,837
Less - accumulated depreciation and amortization	1,575,308	1,496,107
Utility plant - net	3,563,626	3,573,730
Other Property and Investments:		
Nonutility property	20,060	20,060
Decommissioning trust fund	26,802	22,109
Investment in subsidiary company - at equity	14,230	14,230
Other	1,032	984
Total	62,124	57,383
Current Assets:		
Cash and cash equivalents:		
Cash	13,157	-
Temporary cash investments - at cost, which approximates market:		
Associated companies	4,815	-
Other	55,835	33,489
Total cash and cash equivalents	73,807	33,489
Special deposits	4,683	19,077
Accounts receivable:		
Customer (less allowance for doubtful accounts of $1.2 million in 1994 and of $1.1 million in 1993)	82,159	66,575
Associated companies	4,319	2,952
Other	11,444	10,656
Accrued unbilled revenues	71,768	64,314
Accumulated deferred income taxes	2,510	6,031
Materials and supplies - at average cost	87,108	87,204
Rate deferrals	28,422	28,422
Prepayments and other	29,080	16,510
Total	395,300	335,230
Deferred Debits and Other Assets:		
Rate deferrals	32,368	54,031
SFAS 109 regulatory asset - net	357,214	349,703
Unamortized loss on reacquired debt	44,705	47,853
Other	48,140	46,068
Total	482,427	497,655
TOTAL	$4,503,477	$4,463,998

See Notes to Financial Statements.

LOUISIANA POWER & LIGHT COMPANY
BALANCE SHEETS
September 30, 1994 and December 31, 1993
(Unaudited)

	1994	1993
	(In Thousands)	
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Common stock, no par value, authorized 250,000,000 shares; issued and outstanding 165,173,180 shares in 1994 and 1993	$1,088,900	$1,088,900
Capital stock expense and other	(5,529)	(6,109)
Retained earnings	134,409	89,849
Total common shareholder's equity	1,217,780	1,172,640
Preferred stock:		
Without sinking fund	160,500	160,500
With sinking fund	112,793	126,302
Long-term debt	1,477,964	1,457,626
Total	2,969,037	2,917,068
Other Noncurrent Liabilities:		
Obligations under capital leases	18,546	27,508
Other	48,480	28,909
Total	67,026	56,417
Current Liabilities:		
Currently maturing long-term debt	320	25,315
Notes payable:		
Associated companies	-	52,041
Other	19,200	-
Accounts payable:		
Associated companies	29,141	33,523
Other	56,260	76,284
Customer deposits	54,457	52,234
Taxes accrued	54,977	15,110
Interest accrued	37,365	42,141
Dividends declared	5,523	5,938
Deferred revenue - gas supplier judgment proceeds	-	14,632
Deferred fuel cost	11,644	605
Obligations under capital leases	33,867	33,867
Other	12,528	9,741
Total	315,282	361,431
Deferred Credits:		
Accumulated deferred income taxes	870,810	834,899
Accumulated deferred investment tax credits	183,698	188,843
Deferred interest - Waterford 3 lease obligation	25,844	25,372
Other	71,780	79,968
Total	1,152,132	1,129,082
Commitments and Contingencies (Notes 1 and 2)		
TOTAL	$4,503,477	$4,463,998

See Notes to Financial Statements.

LOUISIANA POWER & LIGHT COMPANY
STATEMENTS OF INCOME
For the Three and Nine Months Ended September 30, 1994 and 1993
(Unaudited)

	Three Months Ended 1994	Three Months Ended 1993	Nine Months Ended 1994	Nine Months Ended 1993
	(In Thousands)			
Operating Revenues	$502,458	$545,487	$1,327,927	$1,302,913
Operating Expenses:				
Operation and maintenance:				
Fuel and fuel-related expenses	113,688	120,692	257,314	233,279
Purchased power	83,942	99,256	289,279	289,488
Nuclear refueling outage expenses	4,195	4,591	13,671	13,789
Other operation and maintenance	100,800	86,306	260,575	244,857
Depreciation and decommissioning	38,499	35,537	113,342	106,446
Taxes other than income taxes	14,377	11,823	42,733	35,707
Income taxes	39,015	54,375	80,171	96,547
Amortization of rate deferrals	8,118	8,118	21,664	21,664
Total	402,634	420,698	1,078,749	1,041,777
Operating Income	99,824	124,789	249,178	261,136
Other Income (Deductions):				
Allowance for equity funds used during construction	766	545	2,855	1,869
Miscellaneous - net	(154)	198	287	848
Income taxes	150	361	190	2,601
Total	762	1,104	3,332	5,318
Interest Charges:				
Interest on long-term debt	31,264	30,818	93,561	93,691
Other interest - net	2,839	3,169	8,467	9,077
Allowance for borrowed funds used during construction	(546)	(381)	(1,996)	(1,266)
Total	33,557	33,606	100,032	101,502
Net Income	67,029	92,287	152,478	164,952
Preferred Stock Dividend Requirements and Other	5,848	6,069	17,668	18,816
Earnings Applicable to Common Stock	$61,181	$86,218	$134,810	$146,136

See Notes to Financial Statements.

LOUISIANA POWER & LIGHT COMPANY
STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 1994 and 1993
(Unaudited)

	1994	1993
	(In Thousands)	
Operating Activities:		
Net income	$152,478	$164,952
Noncash items included in net income:		
Change in rate deferrals	21,664	21,663
Depreciation and decommissioning	113,342	106,446
Deferred income taxes and investment tax credits	31,788	44,430
Allowance for equity funds used during construction	(2,855)	(1,869)
Amortization of deferred revenues	(14,632)	(32,196)
Changes in working capital:		
Receivables	(25,193)	(39,410)
Accounts payable	(24,406)	(30,916)
Taxes accrued	39,867	42,703
Interest accrued	(4,776)	(4,406)
Other working capital accounts	17,969	(3,862)
Refunds to customers - gas contract settlement	-	(56,027)
Decommissioning trust contributions	(3,796)	(3,000)
Other	3,051	16,922
Net cash flow provided by operating activities	304,501	225,430
Investing Activities:		
Construction expenditures	(107,708)	(98,021)
Allowance for equity funds used during construction	2,855	1,869
Net cash flow used in investing activities	(104,853)	(96,152)
Financing Activities:		
Proceeds from the issuance of:		
First mortgage bonds	-	100,000
Other long-term debt	19,946	33,000
Changes in short-term borrowings	(32,841)	-
Retirement of:		
First mortgage bonds	(25,000)	(100,919)
Other long-term debt	(240)	(21,983)
Redemption of preferred stock	(13,510)	(18,500)
Dividends paid:		
Common stock	(90,400)	(81,400)
Preferred stock	(17,285)	(19,265)
Net cash flow used in financing activities	(159,330)	(109,067)
Net increase in cash and cash equivalents	40,318	20,211
Cash and cash equivalents at beginning of period	33,489	22,782
Cash and cash equivalents at end of period	$73,807	$42,993
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest - net of amount capitalized	$100,081	$101,463
Income taxes	$32,400	$20,967
Noncash investing and financing activities:		
Capital lease obligations incurred	$9,677	-
Excess of fair value of decommissioning trust assets over amount invested	$184	-

See Notes to Financial Statements.

LOUISIANA POWER & LIGHT COMPANY
SELECTED OPERATING RESULTS
For the Three and Nine Months Ended September 30, 1994 and 1993
(Unaudited)

Description	Three Months Ended 1994	1993	Increase/ (Decrease)	%
	(In Millions)			
Electric Operating Revenues:				
Residential	$ 196.4	$ 213.9	($ 17.5)	(8)
Commercial	102.6	105.2	(2.6)	(2)
Industrial	170.9	171.8	(0.9)	(1)
Governmental	8.4	7.8	0.6	8
Total retail	478.3	498.7	(20.4)	(4)
Sales for resale	10.4	19.8	(9.4)	(47)
Other	13.8	27.0	(13.2)	(49)
Total	$ 502.5	$ 545.5	($43.0)	(8)
Billed Electric Energy Sales (Millions of KWH):				
Residential	2,493	2,674	(181)	(7)
Commercial	1,356	1,370	(14)	(1)
Industrial	4,305	4,122	183	4
Governmental	112	103	9	9
Total retail	8,266	8,269	(3)	-
Sales for resale	275	519	(244)	(47)
Total	8,541	8,788	(247)	(3)

Description	Nine Months Ended 1994	1993	Increase/ (Decrease)	%
	(In Millions)			
Electric Operating Revenues:				
Residential	$ 460.8	$ 440.5	$ 20.3	5
Commercial	275.4	257.1	18.3	7
Industrial	499.9	476.5	23.4	5
Governmental	24.2	21.9	2.3	11
Total retail	1,260.3	1,196.0	64.3	5
Sales for resale	26.1	38.7	(12.6)	(33)
Other	41.5	68.2	(26.7)	(39)
Total	$1,327.9	$1,302.9	$ 25.0	2
Billed Electric Energy Sales (Millions of KWH):				
Residential	5,864	5,693	171	3
Commercial	3,502	3,330	172	5
Industrial	12,261	11,856	405	3
Governmental	318	297	21	7
Total retail	21,945	21,176	769	4
Sales for resale	620	1,038	(418)	(40)
Total	22,565	22,214	351	2

MISSISSIPPI POWER & LIGHT COMPANY
BALANCE SHEETS
September 30, 1994 and December 31, 1993
(Unaudited)

ASSETS	1994	1993
	(In Thousands)	
Utility Plant:		
Electric	$1,460,766	$1,389,229
Construction work in progress	63,444	62,699
Total	1,524,210	1,451,928
Less - accumulated depreciation and amortization	575,410	577,728
Utility plant - net	948,800	874,200
Other Property and Investments:		
Investment in subsidiary company - at equity	5,531	5,531
Other	4,754	4,760
Total	10,285	10,291
Current Assets:		
Cash	9,107	7,999
Notes receivable	6,216	7,118
Accounts receivable:		
Customer (less allowance for doubtful accounts of $2.1 million in 1994 and $2.5 million in 1993)	52,803	33,155
Associated companies	7,348	7,342
Other	3,975	3,672
Accrued unbilled revenues	50,049	57,414
Fuel inventory - at average cost	3,594	8,652
Materials and supplies - at average cost	20,236	20,886
Rate deferrals	99,538	96,935
Prepayments and other	7,268	13,763
Total	260,134	256,936
Deferred Debits and Other Assets:		
Rate deferrals	409,690	504,428
Notes receivable	5,463	9,951
Other	29,196	20,931
Total	444,349	535,310
TOTAL	$1,663,568	$1,676,737

See Notes to Financial Statements.

MISSISSIPPI POWER & LIGHT COMPANY
BALANCE SHEETS
September 30, 1994 and December 31, 1993
(Unaudited)

	1994	1993
	(In Thousands)	
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Common stock, no par value, authorized 15,000,000 shares; issued and outstanding 8,666,357 shares in 1994 and 1993	$199,326	$199,326
Capital stock expense and other	(1,762)	(1,864)
Retained earnings	241,330	236,337
Total common shareholder's equity	438,894	433,799
Preferred stock:		
Without sinking fund	57,881	57,881
With sinking fund	31,770	46,770
Long-term debt	490,187	516,156
Total	1,018,732	1,054,606
Other Noncurrent Liabilities:		
Obligations under capital leases	589	686
Other	11,377	6,231
Total	11,966	6,917
Current Liabilities:		
Currently maturing long-term debt	50,965	48,250
Notes payable:		
Associated companies	-	11,568
Other	30,000	-
Accounts payable:		
Associated companies	25,555	29,181
Other	33,296	12,157
Customer deposits	22,290	21,474
Taxes accrued	33,613	24,252
Accumulated deferred income taxes	44,975	41,758
Interest accrued	11,958	23,171
Dividends declared	1,797	1,985
Other	8,843	17,303
Total	263,292	231,099
Deferred Credits:		
Accumulated deferred income taxes	304,884	311,616
Accumulated deferred investment tax credits	35,818	37,193
SFAS 109 regulatory liability - net	18,851	23,626
Other	10,025	11,680
Total	369,578	384,115
Commitments and Contingencies (Notes 1 and 2)		
TOTAL	$1,663,568	$1,676,737

See Notes to Financial Statements.

MISSISSIPPI POWER & LIGHT COMPANY
STATEMENTS OF INCOME
For the Three and Nine Months Ended September 30, 1994 and 1993
(Unaudited)

	Three Months Ended 1994	Three Months Ended 1993	Nine Months Ended 1994	Nine Months Ended 1993
	(In Thousands)			
Operating Revenues	$234,274	$264,419	$651,481	$673,392
Operating Expenses:				
Operation and maintenance:				
Fuel and fuel-related expenses	53,097	62,435	117,710	103,784
Purchased power	59,155	66,810	182,035	213,493
Other operation and maintenance	41,327	39,018	118,543	111,018
Depreciation and amortization	9,513	8,011	27,270	24,009
Taxes other than income taxes	11,275	10,157	32,011	29,991
Income taxes	11,427	20,504	23,280	35,831
Amortization of rate deferrals	24,805	17,588	74,414	52,765
Total	210,599	224,523	575,263	570,891
Operating Income	23,675	39,896	76,218	102,501
Other Income (Deductions):				
Allowance for equity funds used during construction	365	237	1,386	632
Miscellaneous - net	(337)	703	(85)	1,258
Income taxes	129	(274)	32	(481)
Total	157	666	1,333	1,409
Interest Charges:				
Interest on long-term debt	11,461	13,028	34,657	39,749
Other interest - net	1,751	782	5,025	2,276
Allowance for borrowed funds used during construction	(236)	(169)	(889)	(451)
Total	12,976	13,641	38,793	41,574
Income before Cumulative Effect of a Change in Accounting Principle	10,856	26,921	38,758	62,336
Cumulative Effect to January 1, 1993 of Accruing Unbilled Revenues (net of income taxes of $19,456)	-	-	-	32,706
Net Income	10,856	26,921	38,758	95,042
Preferred Stock Dividend Requirements and Other	1,797	2,216	5,827	6,985
Earnings Applicable to Common Stock	$9,059	$24,705	$32,931	$88,057

See Notes to Financial Statements.

MISSISSIPPI POWER & LIGHT COMPANY
STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 1994 and 1993
(Unaudited)

	1994	1993
	(In Thousands)	
Operating Activities:		
Net income	$38,758	$95,042
Noncash items included in net income:		
Cumulative effect of a change in accounting principle	-	(32,706)
Change in rate deferrals	92,135	60,650
Depreciation and amortization	27,270	24,009
Deferred income taxes and investment tax credits	(22,092)	(16,423)
Allowance for equity funds used during construction	(1,386)	(632)
Changes in working capital:		
Receivables	(12,592)	(30,788)
Fuel inventory	5,058	2,964
Accounts payable	17,513	(3,320)
Taxes accrued	9,361	17,789
Interest accrued	(11,213)	(7,664)
Other working capital accounts	428	(5,935)
Other	11,129	6,818
Net cash flow provided by operating activities	154,369	109,804
Investing Activities:		
Construction expenditures	(100,369)	(39,148)
Allowance for equity funds used during construction	1,386	632
Net cash flow used in investing activities	(98,983)	(38,516)
Financing Activities:		
Proceeds from issuance of:		
General and refunding bonds	24,534	185,000
Other long-term debt	15,652	-
Retirement of:		
First mortgage bonds	(18,000)	(137,672)
General and refunding bonds	(30,000)	(55,000)
Other long-term debt	(16,045)	(230)
Redemption of preferred stock	(15,000)	(15,000)
Dividends paid:		
Common stock	(28,000)	(34,100)
Preferred stock	(5,851)	(7,122)
Changes in short-term borrowings	18,432	-
Net cash flow used in financing activities	(54,278)	(64,124)
Net increase in cash and cash equivalents	1,108	7,164
Cash and cash equivalents at beginning of period	7,999	34,008
Cash and cash equivalents at end of period	$9,107	$41,172
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest - net of amount capitalized	$48,664	$48,211
Income taxes	$19,007	$31,169

See Notes to Financial Statements.

MISSISSIPPI POWER & LIGHT COMPANY
SELECTED OPERATING RESULTS
For the Three and Nine Months Ended September 30, 1994 and 1993
(Unaudited)

Description	Three Months Ended 1994	1993	Increase/ (Decrease)	%
	(In Millions)			
Electric Operating Revenues:				
Residential	$ 115.7	$ 126.4	($ 10.7)	(8)
Commercial	78.1	78.1	0.0	-
Industrial	47.9	47.7	0.2	-
Governmental	7.4	8.2	(0.8)	(10)
Total retail	249.1	260.4	(11.3)	(4)
Sales for resale	14.1	25.0	(10.9)	(44)
Other	(28.9)	(21.0)	(7.9)	(38)
Total	$ 234.3	$ 264.4	($ 30.1)	(11)
Billed Electric Energy Sales (Millions of KWH):				
Residential	1,363	1,442	(79)	(5)
Commercial	977	928	49	5
Industrial	795	735	60	8
Governmental	90	99	(9)	(9)
Total retail	3,225	3,204	21	1
Sales for resale	397	724	(327)	(45)
Total	3,622	3,928	(306)	(8)

Description	Nine Months Ended 1994	1993	Increase/ (Decrease)	%
	(In Millions)			
Electric Operating Revenues:				
Residential	$ 266.8	$ 266.6	$ 0.2	-
Commercial	198.4	189.0	9.4	5
Industrial	137.0	130.0	7.0	5
Governmental	21.3	21.4	(0.1)	-
Total retail	623.5	607.0	16.5	3
Sales for resale	37.7	43.5	(5.8)	(13)
Other	(9.7)	22.9	(32.6)	(142)
Total	$ 651.5	$ 673.4	($ 21.9)	(3)
Billed Electric Energy Sales (Millions of KWH):				
Residential	3,208	3,105	103	3
Commercial	2,409	2,208	201	9
Industrial	2,200	2,009	191	10
Governmental	254	250	4	2
Total retail	8,071	7,572	499	7
Sales for resale	970	1,090	(120)	(11)
Total	9,041	8,662	379	4

NEW ORLEANS PUBLIC SERVICE INC.
BALANCE SHEETS
September 30, 1994 and December 31, 1993
(Unaudited)

	1994	1993
	(In Thousands)	
ASSETS		
Utility Plant:		
Electric	$488,098	$476,976
Natural gas	118,256	113,666
Construction work in progress	8,065	15,205
Total	614,419	605,847
Less - accumulated depreciation and amortization	338,597	330,268
Utility plant - net	275,822	275,579
Other Investments:		
Investment in subsidiary company - at equity	3,259	3,259
Current Assets:		
Cash and cash equivalents:		
Cash	2,841	1,176
Temporary cash investments - at cost, which approximates market:		
Associated companies	7,950	10,034
Other	45,385	32,107
Total cash and cash equivalents	56,176	43,317
Accounts receivable:		
Customer (less allowance for doubtful accounts of $0.8 million in 1994 and 1993)	33,964	35,801
Associated companies	1,346	1,378
Other	697	876
Accrued unbilled revenues	19,734	19,643
Deferred electric fuel and resale gas costs	2,639	6,323
Materials and supplies - at average cost	10,969	11,885
Rate deferrals	29,824	24,587
Prepayments and other	6,140	2,994
Total	161,489	146,804
Deferred Debits and Other Assets:		
Rate deferrals	181,454	204,190
SFAS 109 regulatory asset - net	9,725	9,004
Other	9,666	8,769
Total	200,845	221,963
TOTAL	$641,415	$647,605

See Notes to Financial Statements.

NEW ORLEANS PUBLIC SERVICE INC.
BALANCE SHEETS
September 30, 1994 and December 31, 1993
(Unaudited)

	1994	1993
	(In Thousands)	
CAPITALIZATION AND LIABLITIES		
Capitalization:		
Common stock, $4 par value, authorized 10,000,000 shares; issued and outstanding 8,435,900 shares in 1994 and 1993	$33,744	$33,744
Paid-in capital	36,201	36,156
Retained earnings subsequent to the elimination of the accumulated deficit of $13.9 million on November 30, 1988	112,507	100,556
Total common shareholder's equity	182,452	170,456
Preferred stock:		
Without sinking fund	19,780	19,780
With sinking fund	3,450	4,950
Long-term debt	164,148	188,312
Total	369,830	383,498
Other Noncurrent Liabilities:		
Accumulated provision for losses	17,491	18,062
Other	7,864	3,351
Total	25,355	21,413
Current Liabilities:		
Currently maturing long-term debt	24,200	15,000
Accounts payable:		
Associated companies	20,228	23,080
Other	21,145	22,011
Customer deposits	17,362	16,617
Accumulated deferred income taxes	2,728	4,968
Taxes accrued	6,838	5,161
Interest accrued	4,512	5,472
Other	18,644	7,367
Total	115,657	99,676
Deferred Credits:		
Accumulated deferred income taxes	92,895	105,096
Accumulated deferred investment tax credits	11,034	11,592
Other	26,644	26,330
Total	130,573	143,018
Commitments and Contingencies (Notes 1 and 2)		
TOTAL	$641,415	$647,605

See Notes to Financial Statements.

NEW ORLEANS PUBLIC SERVICE INC.
STATEMENTS OF INCOME
For the Three and Nine Months Ended September 30, 1994 and 1993
(Unaudited)

	Three Months Ended 1994	Three Months Ended 1993	Nine Months Ended 1994	Nine Months Ended 1993
	(In Thousands)			
Operating Revenues:				
Electric	$120,354	$140,666	$306,826	$321,650
Natural gas	13,220	13,944	68,238	61,708
Total	133,574	154,610	375,064	383,358
Operating Expenses:				
Operation and maintenance:				
Fuel, fuel-related expenses and gas purchased for resale	23,814	27,158	83,773	73,967
Purchased power	42,999	47,016	115,940	123,479
Other operation and maintenance	23,444	21,242	63,404	63,809
Depreciation and amortization	4,903	4,290	14,356	12,884
Taxes other than income taxes	7,206	7,344	21,137	20,352
Income taxes	8,829	15,076	17,003	23,203
Rate deferrals:				
Rate deferrals	-	(25)	-	(1,651)
Amortization of rate deferrals	6,438	2,861	19,171	11,050
Total	117,633	124,962	334,784	327,093
Operating Income	15,941	29,648	40,280	56,265
Other Income (Deductions):				
Allowance for equity funds used during construction	60	40	297	74
Miscellaneous - net	499	385	1,483	1,523
Income taxes	(192)	(156)	(901)	(140)
Total	367	269	879	1,457
Interest Charges:				
Interest on long-term debt	3,959	4,707	12,423	15,109
Other interest - net	461	403	1,399	1,143
Allowance for borrowed funds used during construction	(45)	(36)	(221)	(69)
Total	4,375	5,074	13,601	16,183
Income before Cumulative Effect of a Change in Accounting Principle	11,933	24,843	27,558	41,539
Cumulative Effect to January 1, 1993 of Accruing Unbilled Revenues (net of income taxes of $6,592)	-	-	-	10,948
Net Income	11,933	24,843	27,558	52,487
Preferred Stock Dividend Requirements and Other	329	432	1,162	1,335
Earnings Applicable to Common Stock	$11,604	$24,411	$26,396	$51,152

See Notes to Financial Statements.

NEW ORLEANS PUBLIC SERVICE INC.
STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 1994 and 1993
(Unaudited)

	1994	1993
	(In Thousands)	
Operating Activities:		
Net income	$27,558	$52,487
Noncash items included in net income:		
Cumulative effect of a change in accounting principle	-	(10,948)
Change in rate deferrals	17,499	10,456
Depreciation and amortization	14,356	12,884
Deferred income taxes and investment tax credits	(15,705)	78
Allowance for equity funds used during construction	(297)	(74)
Net pension expense	-	3,260
Changes in working capital:		
Receivables	1,957	(15,645)
Accounts payable	(3,718)	(5,719)
Taxes accrued	1,677	3,594
Interest accrued	(960)	(898)
Other working capital accounts	13,534	(29,502)
Other	5,050	1,585
Net cash flow provided by operating activities	60,951	21,558
Investing Activities:		
Construction expenditures	(16,269)	(13,320)
Allowance for equity funds used during construction	297	74
Net cash flow used in investing activities	(15,972)	(13,246)
Financing Activities:		
Proceeds from the issuance of general and refunding bonds	-	100,000
Retirement of:		
First mortgage bonds	-	(41,135)
General and refunding bonds	(15,000)	(44,400)
Redemption of preferred stock	(1,500)	(1,500)
Dividends paid:		
Common stock	(14,400)	(11,700)
Preferred stock	(1,220)	(1,393)
Net cash flow used in financing activities	(32,120)	(128)
Net increase in cash and cash equivalents	12,859	8,184
Cash and cash equivalents at beginning of period	43,317	46,070
Cash and cash equivalents at end of period	$56,176	$54,254
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest - net of amount capitalized	$14,213	$17,372
Income taxes	$32,115	$17,954

See Notes to Financial Statements.

NEW ORLEANS PUBLIC SERVICE INC.
SELECTED OPERATING RESULTS
For the Three and Nine Months Ended September 30, 1994 and 1993
(Unaudited)

Description	Three Months Ended 1994	1993	Increase/ (Decrease)	%
	(In Millions)			
Electric Operating Revenues:				
Residential	$ 51.4	$ 60.2	($ 8.8)	(15)
Commercial	44.3	48.1	(3.8)	(8)
Industrial	6.6	6.8	(0.2)	(3)
Governmental	15.8	18.5	(2.7)	(15)
Total retail	118.1	133.6	(15.5)	(12)
Sales for resale	2.2	3.5	(1.3)	(37)
Other	0.1	3.6	(3.5)	(97)
Total	$120.4	$140.7	($20.3)	(14)
Billed Electric Energy Sales (Millions of KWH):				
Residential	688	759	(71)	(9)
Commercial	580	593	(13)	(2)
Industrial	138	130	8	6
Governmental	268	270	(2)	(1)
Total retail	1,674	1,752	(78)	(4)
Sales for resale	61	96	(35)	(36)
Total	1,735	1,848	(113)	(6)

Description	Nine Months Ended 1994	1993	Increase/ (Decrease)	%
	(In Millions)			
Electric Operating Revenues:				
Residential	$ 113.0	$ 114.2	($ 1.2)	(1)
Commercial	124.4	122.9	1.5	1
Industrial	19.7	18.8	0.9	5
Governmental	44.8	45.9	(1.1)	(2)
Total retail	301.9	301.8	0.1	-
Sales for resale	6.7	9.3	(2.6)	(28)
Other	(1.8)	10.6	(12.4)	(117)
Total	$306.8	$321.7	($14.9)	(5)
Billed Electric Energy Sales (Millions of KWH):				
Residential	1,488	1,473	15	1
Commercial	1,535	1,499	36	2
Industrial	392	367	25	7
Governmental	713	690	23	3
Total retail	4,128	4,029	99	2
Sales for resale	191	281	(90)	(32)
Total	4,319	4,310	9	-

SYSTEM ENERGY RESOURCES, INC.
BALANCE SHEETS
September 30, 1994 and December 31, 1993
(Unaudited)

	1994	1993
	(In Thousands)	
ASSETS		
Utility Plant:		
Electric	$3,036,792	$3,027,537
Electric plant under lease	439,184	437,941
Construction work in progress	39,472	41,442
Nuclear fuel under capital lease	55,838	79,625
Total	3,571,286	3,586,545
Less - accumulated depreciation	741,534	669,666
Utility plant - net	2,829,752	2,916,879
Other Investments:		
Decommissioning trust fund	30,333	24,787
Current Assets:		
Cash and cash equivalents:		
Cash	-	2,424
Temporary cash investments - at cost, which approximates market:		
Associated companies	32,635	46,601
Other	186,303	147,107
Total cash and cash equivalents	218,938	196,132
Accounts receivable:		
Associated companies	59,750	57,216
Other	3,517	2,057
Materials and supplies - at average cost	70,802	69,765
Recoverable income taxes	53,000	63,400
Prepayments and other	4,297	4,835
Total	410,304	393,405
Deferred Debits and Other Assets:		
Recoverable income taxes	6,749	29,289
SFAS 109 regulatory asset - net	386,553	384,317
Unamortized loss on reacquired debt	55,647	17,258
Other	133,652	125,131
Total	582,601	555,995
TOTAL	$3,852,990	$3,891,066

See Notes to Financial Statements.

SYSTEM ENERGY RESOURCES, INC.
BALANCE SHEETS
September 30, 1994 and December 31, 1993
(Unaudited)

	1994	1993
	(In Thousands)	
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Common stock, no par value, authorized 1,000,000 shares; issued and outstanding 789,350 shares in 1994 and 1993	$789,350	$789,350
Paid-in capital	7	7
Retained earnings	175,969	228,574
Total common shareholder's equity	965,326	1,017,931
Long-term debt	1,543,037	1,511,914
Total	2,508,363	2,529,845
Other Noncurrent Liabilities:		
Obligations under capital leases	838	24,679
Other	18,050	18,229
Total	18,888	42,908
Current Liabilities:		
Currently maturing long-term debt	200,000	230,000
Accounts payable:		
Associated companies	6,071	1,928
Other	22,603	18,223
Taxes accrued	25,722	20,952
Interest accrued	47,472	48,929
Obligations under capital leases	55,000	55,000
Other	1,830	2,805
Total	358,698	377,837
Deferred Credits:		
Accumulated deferred income taxes	791,276	775,630
Accumulated deferred investment tax credits	111,242	113,849
Other	64,523	50,997
Total	967,041	940,476
Commitments and Contingencies (Notes 1 and 2)		
TOTAL	$3,852,990	$3,891,066

See Notes to Financial Statements.

SYSTEM ENERGY RESOURCES, INC.
STATEMENTS OF INCOME
For the Three and Nine Months Ended September 30, 1994 and 1993
(Unaudited)

	Three Months Ended 1994	Three Months Ended 1993	Nine Months Ended 1994	Nine Months Ended 1993
	(In Thousands)			
Operating Revenues	$150,949	$155,071	$450,015	$473,228
Operating Expenses:				
Operation and maintenance:				
Fuel and fuel-related expenses	11,440	10,081	35,661	40,423
Other operation and maintenance	26,829	33,525	74,320	80,880
Depreciation and decommissioning	23,026	22,749	68,993	68,167
Taxes other than income taxes	5,637	6,768	19,155	19,648
Income taxes	18,148	17,956	55,896	58,248
Total	85,080	91,079	254,025	267,366
Operating Income	65,869	63,992	195,990	205,862
Other Income (Deductions):				
Allowance for equity funds used during construction	101	245	735	506
Miscellaneous - net	2,025	1,519	4,641	4,565
Income taxes	569	4,069	(470)	6,359
Total	2,695	5,833	4,906	11,430
Interest Charges:				
Interest on long-term debt	42,076	45,780	123,950	138,176
Other interest - net	1,732	1,131	6,189	3,337
Allowance for borrowed funds used during construction	(178)	(128)	(938)	(313)
Total	43,630	46,783	129,201	141,200
Net Income	$24,934	$23,042	$71,695	$76,092

See Notes to Financial Statements.

SYSTEM ENERGY RESOURCES, INC.
STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 1994 and 1993
(Unaudited)

	1994	1993
	(In Thousands)	
Operating Activities:		
Net income	$71,695	$76,092
Noncash items included in net income:		
Depreciation and decommissioning	68,993	68,167
Deferred income taxes and investment tax credits	16,535	16,375
Allowance for equity funds used during construction	(735)	(506)
Amortization of debt discount	3,388	3,358
Amortization of loss on reacquired debt	1,750	-
Changes in working capital:		
Receivables	(3,994)	5,069
Accounts payable	8,469	(8,195)
Taxes accrued	4,770	8,083
Interest accrued	(1,457)	324
Other working capital accounts	(1,474)	(1,410)
Recoverable income taxes	32,940	61,771
Decommissioning trust contributions	(3,764)	(3,679)
Provision for estimated losses and reserves	-	29,403
Other	9,755	(1,438)
Net cash flow provided by operating activities	206,871	253,414
Investing Activities:		
Construction expenditures	(12,254)	(10,646)
Allowance for equity funds used during construction	735	506
Nuclear fuel purchases	(54)	(32,230)
Proceeds from sale/leaseback of nuclear fuel	-	32,230
Net cash flow used in investing activities	(11,573)	(10,140)
Financing Activities:		
Proceeds from the issuance of first mortgage bonds	59,410	60,000
Retirement of first mortgage bonds	(60,000)	(60,000)
Premium and expenses paid on refinancing sale/leaseback bonds	(47,602)	-
Common stock dividends paid	(124,300)	(210,100)
Net cash flow used in financing activities	(172,492)	(210,100)
Net increase in cash and cash equivalents	22,806	33,174
Cash and cash equivalents at beginning of period	196,132	181,795
Cash and cash equivalents at end of period	$218,938	$214,969
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid (received) during the period for:		
Interest - net of amount capitalized	$125,519	$137,517
Income taxes (refund)	($3,477)	($36,534)
Noncash investing and financing activities:		
Capital lease obligations incurred	-	$32,230
Excess of fair value of decommissioning trust assets over amount invested	$212	-

See Notes to Financial Statements.

ENTERGY CORPORATION AND SUBSIDIARIES
ARKANSAS POWER & LIGHT COMPANY
GULF STATES UTILITIES COMPANY
LOUISIANA POWER & LIGHT COMPANY
MISSISSIPPI POWER & LIGHT COMPANY
NEW ORLEANS PUBLIC SERVICE INC.
SYSTEM ENERGY RESOURCES, INC.

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

NOTE 1. COMMITMENTS AND CONTINGENCIES

Cajun - River Bend

Entergy Corporation and GSU

GSU has significant business relationships with Cajun Electric Power Cooperative, Inc. (Cajun), including co-ownership of River Bend and Big Cajun 2 Unit 3. GSU and Cajun own 70% and 30% undivided interests in River Bend, respectively, and 42% and 58% undivided interests in Big Cajun 2 Unit 3, respectively.

In June 1989, Cajun filed a civil action against GSU in the United States District Court for the Middle District of Louisiana (District Court). Cajun stated in its complaint that the object of the suit is to annul, rescind, terminate, and/or dissolve the Joint Ownership Participation and Operating Agreement entered into on August 28, 1979 (Operating Agreement) relating to River Bend. Cajun alleges fraud and error by GSU, breach of its fiduciary duties owed to Cajun, and/or GSU's repudiation, renunciation, abandonment, or dissolution of its core obligations under the Operating Agreement, as well as the lack or failure of cause and/or consideration for Cajun's performance under the Operating Agreement. The suit seeks to recover Cajun's alleged $1.6 billion investment in the unit as damages, plus attorneys' fees, interest, and costs. Two member cooperatives of Cajun have brought an independent action to declare the Operating Agreement void, based upon failure to get prior LPSC approval alleged to be necessary. GSU believes the suits are without merit and is contesting them vigorously.

A trial without jury on the portion of the suit by Cajun to rescind the Operating Agreement began on April 12, 1994, and is continuing. No assurance can be given as to the outcome of this litigation. If GSU were ultimately unsuccessful in this litigation and were required to make substantial payments, GSU would probably be unable to make such payments and would probably have to seek relief from its creditors under the Bankruptcy Code. If GSU prevails in this litigation, no assurance can be provided that Cajun's weak financial condition will allow funding of all required costs of Cajun's ownership in River Bend.

During 1992, Cajun notified GSU that it would not fund its full share of costs related to the fourth refueling outage at River Bend, completed in September 1992. Cajun has also not funded its full share of the costs associated with certain additional repairs and improvements at River Bend completed during that refueling outage. GSU has paid the costs associated with such repairs and improvements without waiving any rights against Cajun. GSU believes that Cajun is obligated to pay its share of such costs under the terms of the applicable contract. Cajun has filed a suit seeking a declaration that it does not owe such funds and seeking injunctive relief against GSU. GSU is contesting such suit.

In September 1992, GSU received a letter from Cajun alleging that the operating and maintenance costs for River Bend are "far in excess of industry averages" and that "it would be imprudent for Cajun to fund these excessive costs." Cajun further stated that until it is satisfied it would fund a maximum of $700,000 per week under protest during the remainder of 1992. In a December 1992 letter, Cajun stated that it would also withhold costs associated with certain additional repairs, the majority of which were incurred during the fifth refueling outage completed in July 1994.

In a letter dated October 21, 1994, and at a subsequent meeting, Cajun representatives advised Entergy Corporation and GSU that on October 25, 1994, Cajun would exhaust its 1994 budget for operating and maintenance expenses for River Bend, and that it would not make any further payments to GSU in 1994 for River Bend operating, maintenance or capital costs. Cajun also advised that it does not expect the Rural Electrification Administration (which provided funding to Cajun for its investment in River Bend) to permit it to budget funds in 1995 to pay its share of operating and maintenance expenses or capital costs for River Bend. However, Cajun stated that it will continue to fund its share of the nuclear decommissioning trust payments for River Bend, as well as insurance and safety-related expenses. GSU estimates that the unpaid portion of Cajun's River Bend operating, maintenance, and capital costs for the remainder of 1994 will aggregate approximately $10 million. Cajun's share of

River Bend annual operating (including nuclear fuel) and maintenance expenses and capital costs was approximately $69 million in 1993.

In view of Cajun's stated expectation that it will fund only a limited portion of its share of River Bend related operating, maintenance, and capital costs in 1994 and for the foreseeable future, GSU has notified Cajun that it will (i) credit GSU's share of expenses for Big Cajun 2, Unit 3 against amounts due from Cajun to GSU and (ii) seek to market Cajun's share of the power from River Bend and apply the proceeds to the amounts due from Cajun to GSU. On November 2, 1994, Cajun discontinued GSU's entitlement of energy from Big Cajun 2, Unit 3. In response, on November 3, 1994, GSU filed pleadings in District Court seeking an order requiring Cajun to provide GSU with the energy from Big Cajun 2, Unit 3 to which GSU is entitled, and holding that GSU is entitled to credit amounts due from GSU to Cajun for Big Cajun 2, Unit 3 against amounts due from Cajun to GSU with respect to River Bend. The District Court held a hearing on this motion on November 7, 1994. The matter is pending.

During the period in which Cajun is not paying its share of River Bend costs, GSU intends to fund all costs necessary for the safe, continuing operation of the unit. The responsibilities of Entergy Operations as the licensed operator of River Bend, for safely operating and maintaining the unit are not affected by Cajun's actions.

The total resulting from Cajun's failure to fund repair projects, Cajun's funding limitation on refueling outages, and the weekly funding limitation by Cajun was $36.6 million as of September 30, 1994, compared with $33.3 million as of December 31, 1993. These amounts are reflected in long-term receivables with an offsetting reserve in other deferred credits. Cajun's weak financial condition may affect the ultimate collectibility of the amounts owed to GSU, including any amounts that may be awarded in litigation.

GSU has been informed that Cajun has serious financial problems including a finding during 1994 of imprudence by the LPSC on Cajun's participation in the River Bend nuclear project. Cajun's weak financial condition could have a material adverse effect on GSU, including the possibility of an NRC action with respect to the operation of River Bend and a need to bear additional costs associated with the co-owned facilities.

In September 1994, in connection with Entergy Corporation's analysis of certain preacquisition contingencies, Entergy Corporation increased its acquisition adjustment and GSU recorded a loss provision associated with the River Bend litigation between GSU and Cajun and certain underpayments by Cajun of River Bend costs, in accordance with SFAS No. 5, "Accounting for Contingencies." See Note 8 for additional information on provisions for preacquisition contingencies recorded during the third quarter of 1994.

Cajun - Transmission Service

Entergy Corporation and GSU

GSU and Cajun are parties to FERC proceedings related to transmission service charge disputes. In April 1992, FERC issued a final order. In May 1992, GSU and Cajun filed motions for rehearings which are pending consideration by FERC. In June 1992, GSU filed a petition for review in the United States Court of Appeals regarding certain of the issues decided by FERC. In August 1993, the United States Court of Appeals rendered an opinion reversing the FERC order regarding the portion of such disputes relating to the calculations of certain credits and equalization charges under GSU's service schedules with Cajun. The opinion remanded the issues to FERC for further proceedings consistent with its opinion. In January 1994, FERC denied GSU's request to collect a surcharge while FERC considers the court's remand, which GSU has appealed.

GSU interprets the FERC order and the United States Court of Appeals' decision to mean that Cajun would owe GSU approximately $91 million as of September 30, 1994. GSU further estimates that if it prevails in its May 1992 motion for rehearing, Cajun would owe GSU approximately $127 million as of September 30, 1994. If Cajun were to prevail in its May 1992 motion for rehearing to FERC, and if GSU were not to prevail in its May 1992 motion for rehearing to FERC, and if FERC does not implement the court's remand as GSU contends is required, GSU estimates it would owe Cajun approximately $83 million as of September 30, 1994. The above amounts are exclusive of a $7.3 million payment by Cajun on December 31, 1990, which the parties agreed to apply to the disputed transmission service charges. GSU and Cajun further agreed that their positions at FERC would remain unaffected by the $7.3 million payment. Pending FERC's ruling on the May 1992 motions for rehearing, GSU has continued to bill Cajun utilizing the historical billing methodology and has booked underpaid transmission charges, including interest, in the amount of $156 million as of September 30, 1994. This amount is reflected in long-term receivables with an offsetting reserve in other deferred credits.

Financial Condition

GSU

Although GSU received partial rate relief relating to River Bend, GSU's financial position was strained from 1986 to 1990 by its inability to earn a return on and fully recover its investment and other costs associated with River Bend. Issues to be finally resolved in PUCT rate proceedings and appeals thereof, as discussed in Note 2, combined with the application of accounting standards, may result in substantial write-offs and charges that could result in substantial net losses being reported in 1994, and subsequent periods, with resulting substantial adverse adjustments to common shareholder's equity. Future earnings will continue to be adversely affected by the lack of full recovery and return on the investment and other costs associated with River Bend.

Capital Requirements and Financing

Entergy, AP&L, GSU, LP&L, MP&L, NOPSI, and System Energy

Construction expenditures (excluding nuclear fuel) for the years 1994, 1995, and 1996, and long-term debt and preferred stock maturities and cash sinking fund requirements for the period 1994-1996, are estimated to total (in millions):

	Construction Expenditures			Long-term Debt and Preferred Stock Maturities and Cash Sinking Fund Requirements
	1994	1995	1996	1994-1996
Entergy	$614	$560	$550	$1,414
AP&L	$177	$172	$175	$ 112
GSU	$135	$128	$119	$ 214
LP&L	$142	$143	$142	$ 165
MP&L	$116	$ 63	$ 63	$ 228
NOPSI	$ 24	$ 26	$ 26	$ 81
System Energy	$ 18	$ 22	$ 23	$ 615

The System plans to meet the above requirements with internally generated funds, including collections under the System operating companies' rate phase-in plans, and cash on hand, supplemented by the issuance of long-term debt and preferred stock. See pages 130-131, 205-206, 240-241, 271-272, and 301 of the Form 10-K and Notes 4 and 5 for information on the possible issuance of preferred stock, common stock, and long-term debt, and the possible retirement, redemption, purchase, or other acquisition of outstanding securities by the System operating companies and System Energy.

Nuclear Insurance, Spent Nuclear Fuel, and Decommissioning Costs

Entergy Corporation, AP&L, GSU, LP&L, and System Energy

See pages 96-97, 133-134, 174-175, 208, and 304 of the Form 10-K for information on nuclear liability, property and replacement power insurance, and related NRC regulations.

See pages 97-98, 134, 175, 208-209, and 304-305 of the Form 10-K for information on the disposal of spent nuclear fuel, other high-level radioactive waste, and decommissioning costs associated with ANO, River Bend, Waterford 3, and Grand Gulf 1. Decommissioning costs for ANO, Waterford 3, and Grand Gulf 1 have been recently revised to be approximately $806.3 million, $320.1 million, and $365.9 million, respectively. In March 1994, AP&L filed with the APSC an interim update of the ANO cost study, which reflected significant increases in costs of low-level radioactive waste disposal. On October 5, 1994, the APSC issued an order approving AP&L's updated decommissioning costs to be included in rates through a rate rider. As of January 1994, LP&L began funding $4.8 million annually to fund the increased estimated costs for decommissioning Waterford 3. In August 1994, LP&L filed its recently revised cost study in connection with the LPSC's investigation of LP&L's rates (see Note 2). In October 1994, GSU presented the 1991 update to the 1985 original decommissioning cost study in the current Texas Cities rate proceeding.

The staff of the SEC has questioned certain of the current accounting practices of the electric utility industry, regarding the recognition, measurement, and classification of decommissioning costs for nuclear generating stations in the financial statements of electric utilities. In response to these questions, the Financial Accounting Standards Board has agreed to review the accounting for removal costs, including decommissioning. If current electric utility industry accounting practices for such decommissioning are changed, annual provisions for decommissioning could increase, the estimated cost for decommissioning could be recorded as a liability rather than as accumulated depreciation, and trust fund income from the external decommissioning trusts could be reported as investment income rather than as a reduction to decommissioning expense.

ANO Matters

Entergy Corporation and AP&L

See pages 30, 77, and 123 of the Form 10-K for information on leaks in certain steam generator tubes at ANO 2 that were discovered and repaired during an outage in March 1992. During a refueling outage in September 1992, a comprehensive inspection of all steam generator tubing was conducted and necessary repairs were made. During a mid-cycle outage in May 1993, a scheduled special inspection of certain steam generator tubing was conducted by Entergy Operations, and additional repairs were made. Entergy Operations operated ANO 2 with no further steam generator inspections until the refueling outage that was completed on April 23, 1994. Inspections during the outage revealed additional cracks; however, most were smaller than those seen in earlier inspections, except for one relatively large crack. Based upon results of these inspections and an inconclusive pressure test, Entergy Operations plans to inspect the steam generator tubes during a mid-cycle outage tentatively scheduled for January 1995. The operations and power output of the unit have not been materially adversely affected.

Environmental Issues

GSU

GSU has been notified by the U. S. Environmental Protection Agency (EPA) that it has been designated as a potentially responsible party for the cleanup of sites on which GSU and others have or have been alleged to have disposed of material designated as hazardous waste. GSU is currently negotiating with the EPA and state authorities regarding the cleanup of some of these sites. Several class action and other suits have been filed in state and federal courts seeking relief from GSU and others for damages caused by the disposal of hazardous waste and for asbestos-related disease allegedly resulting from exposure on GSU premises. While the amounts at issue in the cleanup efforts and suits may be substantial, GSU believes that its results of operations and financial condition will not be materially affected by the outcome of the suits.

As of September 30, 1994, GSU has accrued cumulative amounts related to the cleanup of six sites at which GSU has been designated a potentially responsible party, totaling $27.7 million since 1990. Through September 30, 1994, GSU has expended $7.3 million cumulatively on the cleanup, resulting in a remaining recorded liability of $20.4 million as of September 30, 1994.

LP&L

In 1993, the Louisiana Department of Environmental Quality issued new rules for solid waste regulation, including waste water impoundments. LP&L has determined that certain of its power plant waste water sites are affected by these regulations and has chosen to close them rather than retrofit and permit them. In September 1994, LP&L recorded a liability of $9.7 million for costs related to the closure of these waste water sites.

Waterford 3 Lease Obligations

LP&L

In September 1989, LP&L entered into three substantially identical, but entirely separate, transactions for the sale and leaseback of three undivided portions (aggregating approximately 9.3%) of its 100% ownership interest in Waterford 3. See pages 210-211 of the Form 10-K and Note 5 below for further information.

Upon the occurrence of certain events, LP&L may be obligated to pay amounts sufficient to permit the Owner Participants to withdraw from the lease transactions, and LP&L may be required to assume the outstanding bonds issued by the Owner Trustee to finance, in part, its acquisition of the undivided interests in Waterford 3. These events include failure, at specified dates, to maintain equity capital of at least 30% of adjusted capitalization and a fixed charge coverage ratio of at least 1.50. As of September 30, 1994, LP&L's total equity capital was 49.34% of adjusted capitalization, and its fixed charge coverage ratio was 3.01.

LP&L did not exercise its option to repurchase the undivided interests in Waterford 3 on the fifth anniversary (September 1994) of the closing date of the sale and leaseback transactions. As a result, LP&L was required to provide collateral to the Owner Participants for the equity portion of certain amounts payable by LP&L under the lease. Such collateral was in the form of a new series of first mortgage bonds in the aggregate principal amount of $208.2 million issued by LP&L in September 1994, under its first mortgage bond indenture.

Reimbursement Agreement

System Energy

Under the provisions of the Reimbursement Agreement, as amended, and letters of credit related to the Grand Gulf 1 sale and leaseback transactions, System Energy has agreed to a number of covenants relating to the maintenance of equity at not less than 33%, and common equity at not less than 29%, of adjusted capitalization, and a fixed charge coverage ratio of at least 1.60. As of September 30, 1994, System Energy's equity and common equity, in each case, approximated 34% of its adjusted capitalization, and its fixed charge coverage ratio was 1.96.

Failure by System Energy to perform its covenants under the Reimbursement Agreement could give rise to a draw under the letters of credit and/or an early termination of the letters of credit. If such letters of credit were not replaced in a timely manner, a default under System Energy's related leases could result.

See Note 2, "FERC Audit - Proposed Settlement," for information on a proposed settlement, which, if ultimately sustained and implemented, would cause System Energy to fall below the required equity and fixed charge coverage covenant levels. System Energy has obtained the consent of the banks (parties to the Reimbursement Agreement) to waive these covenants for the 12-month period beginning with the earlier of a write-off or the first refund, if such write-off or refund occurs prior to December 31, 1994. System Energy believes the conditions included in the proposed settlement are covered by the waiver. The waiver is conditioned upon System Energy not paying any common stock dividends to Entergy Corporation until the equity ratio covenant is once again met. If the proposed settlement had been in effect as of September 30, 1994, System Energy's common equity would have been approximately 32% of its adjusted capitalization, and its fixed charge coverage ratio would have been approximately 1.27. System Energy expects that after the 12-month waiver period, it will be in compliance with the equity and fixed charge covenants. Also, see pages 296-297 of the Form 10-K for further information.

System Fuels

AP&L, LP&L, MP&L, NOPSI, and System Energy

See pages 133, 207, 242-243, 274, and 305 of the Form 10-K for information on certain commitments and contingencies of System Fuels, and related commitments and contingencies of AP&L, LP&L, MP&L, NOPSI, and System Energy, respectively, in connection with System Fuels' fuel procurement programs.

Internal Revenue Service Tax Audit

Entergy

In August 1994, Entergy received an IRS report covering the federal income tax audit of Entergy Corporation and subsidiaries for the years 1988 - 1990. The report asserts an $80 million tax deficiency for the 1990 consolidated federal income tax returns related primarily to the application of accelerated investment tax credits associated with Waterford 3 and Grand Gulf nuclear plants. Entergy believes there is no tax deficiency and is vigorously contesting the proposed assessment.

Other

Entergy Corporation and System Energy

See pages 96 and 302 of the Form 10-K for information on Entergy Corporation's commitments to System Energy under the Capital Funds Agreement.

AP&L, LP&L, MP&L, NOPSI, and System Energy

See pages 302-303 of the Form 10-K for information on System Energy relating to the Unit Power Sales, Availability, and Reallocation Agreements. See also pages 132-133, 206-207, 242, and 273-274 of the Form 10-K for information on commitments and potential liabilities of AP&L, LP&L, MP&L, and NOPSI, respectively, relating to these agreements.

NOTE 2. RATE AND REGULATORY MATTERS

River Bend

Entergy Corporation and GSU

In May 1988, the PUCT granted GSU a permanent increase in annual revenues of $59.9 million resulting from the inclusion in rate base of approximately $1.6 billion of company-wide River Bend plant investment and approximately $182 million of related Texas retail jurisdiction deferred River Bend costs (Allowed Deferrals). In addition, the PUCT disallowed as imprudent $63.5 million of company-wide River Bend plant costs and placed in abeyance, with no finding of prudence, approximately $1.4 billion of company-wide River Bend plant investment and approximately $157 million of Texas retail jurisdiction deferred River Bend operating and carrying costs. The PUCT affirmed that the ultimate rate treatment of such amounts would be subject to future demonstration of the prudence of such costs. GSU and intervening parties appealed this order (Rate Appeal) and GSU filed a separate rate case asking that the abeyed River Bend plant costs be found prudent (Separate Rate Case). Intervening parties filed suit in a Texas district court to prohibit the Separate Rate Case. The district court's decision was ultimately appealed to the Texas Supreme Court, which ruled in 1990 that the prudence of the purported abeyed costs could not be relitigated in a separate rate proceeding. The Texas Supreme Court's decision stated that all issues relating to the merits of the original PUCT order, including the prudence of all River Bend-related costs, should be addressed in the Rate Appeal.

In October 1991, the Texas district court in the Rate Appeal issued an order holding that, while it was clear the PUCT made an error in assuming it could set aside $1.4 billion of the total costs of River Bend and consider them in a later proceeding, the PUCT, nevertheless, found that GSU had not met its burden of proof related to the amounts placed in abeyance. The court also ruled that the Allowed Deferrals should not be included in rate base under a 1991 decision regarding El Paso Electric Company's similar deferred costs. The court further stated that the PUCT had erred in reducing GSU's deferred costs by $1.50 for each $1.00 of revenue collected under the interim rate increases authorized in 1987 and 1988. The court remanded the case to the PUCT with instructions as to the proper handling of the Allowed Deferrals. GSU's motion for rehearing was denied and, in December 1991, GSU filed an appeal of the October 1991 district court order. The PUCT also appealed the October 1991 district court order, which served to supersede the district court's judgment, rendering it unenforceable under Texas law.

In September 1993, the Texas Third District Court of Appeals (the Appellate Court) remanded the October 1991 district court decision to the PUCT "to reexamine the record evidence to whatever extent necessary to render a final order supported by substantial evidence and not inconsistent with our opinion." The Appellate Court held that the PUCT's failure to include the company-wide $1.4 billion of River Bend construction costs in rate base was not based on substantial evidence. The Appellate Court also held that GSU's deferred operating and maintenance costs associated with the allowed portion of River Bend should be included in rate base, but that its deferred River Bend carrying costs should not be included in rate base.

In May 1994, the Appellate Court withdrew its September 1993 opinion and entered a substitute opinion. In August 1994, the Appellate Court issued a third opinion in the Rate Appeal, further revising its September 1993 opinion. In the August 1994 opinion, the Appellate Court affirmed the district court's decision that there was substantial evidence to support the PUCT's 1988 decision not to include the abeyed construction costs in GSU's rate base. While acknowledging that the PUCT had exceeded its authority when it attempted to defer a decision on the inclusion of those costs in rate base in order to allow GSU a further opportunity to demonstrate the prudence of those costs in a subsequent proceeding, the Appellate Court found that GSU had suffered no harm or lack of due process as a result of the PUCT's error. Accordingly, the Appellate Court held that the PUCT's action had the effect of disallowing the company-wide $1.4 billion of River Bend construction costs for ratemaking purposes. In its August 1994 opinion, the Appellate Court repeated its earlier decision that GSU's deferred operating and maintenance costs associated with the allowed portion of River Bend should be included in rate base and changed that order to provide that GSU's deferred River Bend carrying costs included in the Allowed Deferrals should also be included in rate base. The Appellate Court's August 1994 opinion affirmed the PUCT's original order in this case.

The Appellate Court's August 1994 opinion was entered by two judges, with a third judge dissenting. The dissenting opinion states that the result of the majority opinion is, among other things, to deprive GSU of due process at the PUCT because the PUCT never reached a finding on the $1.4 billion of construction costs.

In October 1994, the Appellate Court denied GSU's motion for rehearing on the August 1994 opinion as to the $1.4 billion in River Bend construction costs and other matters. GSU plans to appeal the Appellate Court's decision to the Texas Supreme Court.

As of September 30, 1994, the River Bend plant costs disallowed for retail ratemaking purposes in Texas, the River Bend plant costs held in abeyance, and the related operating and carrying cost deferrals totaled (net of taxes) approximately $14 million, $297 million (both net of depreciation), and $170 million, respectively. Allowed Deferrals were approximately $90 million, net of taxes and amortization, as of September 30, 1994. GSU estimates it has collected approximately $153 million of revenues as of September 30, 1994, as a result of the originally ordered rate treatment by the PUCT of these deferred costs. If recovery of the Allowed Deferrals is not upheld, future revenues based upon those allowed deferrals could also be lost, and no assurance can be given as to whether or not refunds of revenue received based upon such deferred costs previously recorded will be required.

No assurance can be given as to the timing or outcome of the remands or appeals described above. Pending further developments in these cases, GSU has made no write-offs or reserves for the River Bend-related costs. Management believes, based on advice from Clark, Thomas & Winters, a Professional Corporation, legal counsel of record in the Rate Appeal, that it is reasonably possible that the case will be remanded to the PUCT, and the PUCT will be allowed to rule on the prudence of the abeyed River Bend plant costs. Rate Caps imposed by the PUCT's regulatory approval of the Merger could result in GSU being unable to use the full amount of a favorable decision to immediately increase rates; however, a favorable decision could permit some increases and/or limit or prevent decreases during the period the Rate Caps are in effect. At this time, management and legal counsel are unable to predict the amount, if any, of the abeyed and previously disallowed River Bend plant costs that ultimately may be disallowed by the PUCT. A net of tax write-off as of September 30, 1994, of up to $311 million could be required based on an ultimate adverse ruling by the PUCT on the abeyed and disallowed costs.

In prior proceedings, the PUCT has held that the original cost of nuclear power plants will be included in rates to the extent those costs were prudently incurred. Based upon the PUCT's prior decisions, management believes that its River Bend construction costs were prudently incurred and that it is reasonably possible that it will recover in rate base, or otherwise through means such as a deregulated asset plan, all or substantially all of the abeyed River Bend plant costs. However, management also recognizes that it is reasonably possible that not all of the abeyed River Bend plant costs may ultimately be recovered.

As part of its direct case in the Separate Rate Case, GSU filed a cost reconciliation study prepared by Sandlin Associates, management consultants with expertise in the cost analysis of nuclear power plants, which supports the reasonableness of the River Bend costs held in abeyance by the PUCT. This reconciliation study determined that approximately 82% of the River Bend cost increase above the amount included by the PUCT in rate base was a result of changes in federal nuclear safety requirements and provided other support for the remainder of the abeyed amounts.

There have been four other rate proceedings in Texas involving nuclear power plants. Investment in the plants ultimately disallowed ranged from 0% to 15%. Each case was unique, and the disallowances in each were made on a case-by-case basis for different reasons. Appeals of most, if not all, of these PUCT decisions are currently pending.

The following factors support management's position that a loss contingency requiring accrual has not occurred, and its belief that all, or substantially all, of the abeyed plant costs will ultimately be recovered:

1. The $1.4 billion of abeyed River Bend plant costs have never been ruled imprudent and disallowed by the PUCT.
2. Sandlin Associates' analysis which supports the prudence of substantially all of the abeyed construction costs.
3. Historical inclusion by the PUCT of prudent construction costs in rate base.
4. The analysis of GSU's internal legal staff, which has considerable experience in Texas rate case litigation.

Additionally, management believes, based on advice from Clark, Thomas, & Winters, a Professional Corporation, legal counsel of record in the Rate Appeal, that it is reasonably possible that the Allowed Deferrals will continue to be recovered in rates. Management also believes, based on advice from Clark, Thomas, & Winters, a Professional Corporation, legal counsel of record in the Rate Appeal, that it is reasonably possible that the deferred costs related to the $1.4 billion of abeyed River Bend plant costs will be recovered in rates to the extent that the $1.4 billion of abeyed River Bend plant is recovered. However, a net of tax write-off of the $170 million of deferred costs related to the $1.4 billion of abeyed River Bend plant costs would be required if they are not allowed to be recovered in rates.

See pages 103 and 180 of the Form 10-K for the accounting treatment of preacquisition contingencies, including any River Bend write-down.

FERC Audit - Proposed Settlement

Entergy Corporation and System Energy

In December 1990, FERC Division of Audits issued an audit report for System Energy for the years 1986 through 1988. The report recommended that System Energy (1) write off, and not recover in rates, approximately $95 million of Grand Gulf 1 costs included in utility plant related to certain System income tax allocation procedures alleged to be inconsistent with FERC's accounting requirements, and (2) compute refunds for the years 1987 to date to correct for resulting overcollections from AP&L, LP&L, MP&L, and NOPSI.

In August 1992, FERC issued an opinion and order (August 4

Order) which found that System Energy overstated its Grand Gulf 1 utility plant account by approximately $95 million as indicated in FERC's report. The order required System Energy to make adjusting accounting entries and refunds, with interest, to AP&L, LP&L, MP&L, and NOPSI within 90 days from the date of the order. System Energy filed a request for rehearing, and in October 1992, FERC issued an order allowing additional time for its consideration of the request. In addition, it deferred System Energy's refund obligation until 30 days after FERC issues an order on rehearing.

In June 1994, System Energy, AP&L, LP&L, MP&L, and NOPSI reached a tentative settlement with the FERC staff and other parties. The proposed settlement was filed with FERC on October 7, 1994. FERC has not approved the proposed settlement, and therefore, the effects of the settlement have not been recorded. The proposed settlement would require System Energy to refund or credit approximately $61.7 million to AP&L, LP&L, MP&L, and NOPSI, which would in turn make refunds or credits to their customers (except for those portions attributable to AP&L's and LP&L's retained share of Grand Gulf 1 costs). Additionally, System Energy would refund or credit a total of approximately $62 million, plus interest, to AP&L, LP&L, MP&L, and NOPSI over the period through June 2004. The proposed settlement would also require the write-off of certain related unamortized balances of deferred investment tax credits by AP&L, LP&L, MP&L, and NOPSI. Had the proposed settlement been effective in the third quarter of 1994, it would have reduced Entergy Corporation's consolidated net income for the quarter and nine months ended September 30, 1994, by approximately $68.2 million, offset by the write-off of the unamortized balances of related deferred investment tax credits of approximately $69.4 million ($2.9 million for Entergy Corporation; $27.3 million for AP&L; $31.5 million for LP&L; $6 million for MP&L; and $1.7 million for NOPSI). Pursuant to the proposed settlement, System Energy would also reclassify from utility plant to other deferred debits approximately $81 million of other Grand Gulf 1 costs. Although excluded from rate base, System Energy would be permitted to recover such costs over a 10 year period. Interest on the $62 million refund and the loss of the return on the $81 million of other Grand Gulf 1 costs will reduce Entergy's and System Energy's net income by approximately $10 million annually over the next 10 years. There can be no assurance that FERC will ultimately approve the settlement in its current form.

As a result of the charges associated with the refunds, System Energy requires the consent of certain banks (parties to the Reimbursement Agreements) to waive temporarily the fixed charge coverage and equity ratio covenants in the letters of credit and Reimbursement Agreement related to the Grand Gulf 1 sale and leaseback transaction. System Energy has obtained the consent of the banks to waive these covenants, for the 12-month period beginning with the earlier of a write-off or the first refund, if such refund occurs prior to December 31, 1994. System Energy believes the conditions included in the proposed settlement are covered by the waiver. The waiver is conditioned upon System Energy not paying any common stock dividends to Entergy Corporation until the equity ratio covenant is once again met. Absent a waiver, System Energy's failure to perform these covenants could cause a draw under the letters of credit and/or early termination of the letters of credit. If the letters of credit were not replaced in a timely manner, a default or early termination of System Energy's leases could result.

Texas Cities Rate Settlement

Entergy Corporation and GSU

In June 1993, 13 cities within GSU's Texas service area instituted an investigation to determine whether GSU's current rates were justified. In October 1993, the general counsel of the PUCT instituted an inquiry into the reasonableness of GSU's rates. In November 1993, a settlement agreement was filed with the PUCT which provided for an initial reduction in GSU's annual retail base revenues in Texas of approximately $22.5 million effective for electric usage on or after November 1, 1993, and a second reduction of $20 million effective September 1994. Pursuant to the settlement, GSU reduced rates with a $20 million one-time bill credit in December 1993, and refunded approximately $3 million to Texas retail customers on bills rendered in December 1993. The PUCT approved the settlement agreement on July 21, 1994. The cities' rate inquiries were settled earlier on the same terms.

Filings with the PUCT and Texas Cities

Entergy Corporation and GSU

In March 1994, the Texas Office of Public Utility Counsel and certain cities served by GSU instituted a second investigation of the reasonableness of GSU's rates. In June 1994, GSU provided the cities with information that GSU believes supports the current rate level. GSU filed the same information with the PUCT in June 1994, pursuant to provisions of the Merger. In August 1994, the cities' consultants issued a report that indicated GSU's current rates were approximately $40 to $50 million in excess of current requirements. GSU can provide no assurance as to the ultimate outcome in this matter, and any resulting rate reduction could be applied retroactively to March 31, 1994, in accordance with the Merger agreement.

In September 1994, various cities adopted ordinances directing GSU to reduce its Texas retail rates by $45.9 million. GSU has appealed the cities' ordinances to the PUCT where the reasonableness of GSU's rates will be reviewed. Hearings are scheduled to begin in November 1994.

LPSC Investigation

Entergy Corporation, GSU, and LP&L

In May 1994, GSU made the required first post-Merger earnings analysis filing with the LPSC, which indicated a revenue deficiency of $46.4 million. On September 22, 1994, LPSC consultants recommended that GSU base rates be reduced by $30 million. On November 7, 1994, LPSC consultants filed additional testimony which recommended lowering GSU's rate reduction to $10.8 million from the previously recommended $30 million rate reduction. Hearings are scheduled to begin on November 14, 1994.

Recognizing that LP&L was subject to a rate freeze until March 1994, the LPSC requested LP&L to explain its "relatively high cost of debt" compared to other electric utilities subject to LPSC jurisdiction. LP&L responded to this request, and in an August 1993 report to the LPSC, the LPSC's legal consultants acknowledged LP&L's rationale for its cost of debt in comparison to two other utilities subject to the LPSC's jurisdiction. In October 1993, the LPSC approved a schedule to conduct a review of LP&L's rates and rate structure upon the expiration of LP&L's rate freeze. Discovery is currently underway and hearings are scheduled to begin in December 1994. In August 1994, LP&L filed a performance-based formula rate plan with the LPSC. The proposed formula rate plan would continue existing LP&L rates at current levels, while providing financial incentive to reduce costs and maintain high levels of customer satisfaction and system reliability. A performance rating adjustment feature of the plan would allow LP&L the opportunity to earn a higher rate of return if it improves performance over time. Conversely, if performance declines, the rate of return LP&L could earn would be lowered. This provides financial incentive for LP&L to maintain continuous improvement in all three performance categories (customer price, customer satisfaction, and customer reliability). Under the proposed plan, if LP&L's earnings fall within a bandwidth around a benchmark rate of return, there would be no adjustment in rates. If LP&L's earnings are above the bandwidth, the proposed plan would automatically reduce LP&L's base rates. Alternatively, if LP&L's earnings are below the bandwidth, the proposed plan would automatically increase LP&L's base rates. The reduction or increase in base rates would be an amount representing 50% of the difference between the earned rate of return and the nearest limit of the bandwidth. In no event would the annual adjustment in rates exceed 2% of LP&L's retail revenues. Hearings are scheduled to begin in February 1995.

February 1994 Ice Storm

Entergy Corporation, AP&L, and MP&L

In early February 1994, an ice storm left more than 221,000 Entergy customers without electric power across the System's four-state service area. The storm was the most severe natural disaster ever to affect the System, causing damage to transmission and distribution lines, equipment, poles, and facilities in certain areas, primarily in Mississippi. Repair costs totaled approximately $110.3 million, $28.6 million, and $73.8 million for the System, AP&L, and MP&L, respectively, with $79.8 million, $17.0 million, and $61.0 million of these amounts capitalized as plant-related costs. The remaining balances have been charged against the respective companies' regulatory storm damage reserves, except for MP&L which recorded a deferred debit. Estimated construction expenditures (see Note 1) reflect the above amounts. On April 15, 1994, MP&L filed for rate recovery of costs related to the ice storm. MP&L's filing, as subsequently amended, requested recovery of the revenue requirement associated with MP&L's ice storm costs recorded through April 30, 1994, representing approximately 86% of the total estimated ice storm costs. MP&L intends to make another ice storm rate filing with the MPSC by early 1995 to recover ice storm costs recorded by MP&L after April 30, 1994. In August 1994, MP&L and the MPSC's Public Utilities Staff (MPUS) entered into a stipulation with respect to the recovery of ice storm costs recorded through April 30, 1994, and in September 1994, the MPSC approved the stipulation. Under the stipulation, MP&L will implement for five years, an ice storm rider schedule, which went into effect on September 29, 1994, that will increase rates approximately $8 million annually. At the end of the five year period, the revenue requirement associated with the undepreciated ice storm capitalized costs will be included in MP&L's base rates to the extent that this revenue requirement does not result in MP&L's rate of return on rate base being above the benchmark rate of return under MP&L's formula rate plan.

NOPSI Rate Reduction/Credit

Entergy Corporation and NOPSI

See pages 27 and 266-268 of the Form 10-K for information regarding the 1991 NOPSI Settlement and a 1992 gas rate settlement. Under the terms of the 1991 NOPSI Settlement and a 1992 gas rate settlement, NOPSI agreed that during the period October 1, 1992 through October 31, 1996, the Council will have the right to investigate the appropriateness of NOPSI's rates if NOPSI's return on equity on its operations (calculated in accordance with the applicable provisions of the 1991 NOPSI Settlement and a 1992 gas rate settlement) for twelve month periods subsequent to September 30, 1992, were to exceed 13.76%, and after rate hearing(s), to impose a credit on NOPSI's customers' bills over the ensuing twelve month period in an amount that would have allowed NOPSI, during the relevant test year, to earn a return on equity incident to its operations of no less than 12.76%.

On July 7, 1994, NOPSI and the Council agreed that, based on the test year ended September 30, 1993, NOPSI's earnings exceeded its revenue requirement by $24.95 million and in accordance with the terms of the 1991 NOPSI Settlement and a 1992 gas rate settlement, there would be a prospective base rate reduction for twelve months commencing July 14, 1994. The reduction, because of a rate freeze, will be accomplished by means of a credit (to be expressed on a per KWH basis) to customers' bills. The per kilowatt hour credit will be calculated by dividing test year overearnings by test year KWH consumption and applied to kilowatt hour usage during the period ending July 13, 1995. In the first quarter of 1994, NOPSI recorded a $14.3 million reserve for the anticipated revenue reduction, which reduced net income by $8.8 million (net of tax). The reserve has been and will continue to be reduced by the actual credits prospectively applied to customers bills in accordance with the terms of the July 7, 1994 agreement.

Management believes that any rate investigation by the Council in accordance with the 1991 settlement agreement and a 1992 gas rate settlement which may propose a base rate reduction to be in effect after the expiration of the rate freeze should reflect, as an offset, any rate reduction credit then in effect as a result of overearnings during the rate freeze period. NOPSI can provide no assurance as to the level of return on common equity that will be achieved from operations, nor the amount of rate reduction/credit, if any, prior to or after the end of the rate freeze. On November 1, 1994, NOPSI filed with the Council an analysis of its earnings for the test year ended September 30, 1994, which indicated a rate reduction/credit of approximately $24 million is required. The Council is expected to order a hearing in the fourth quarter of 1994 to render a final decision on the actual amount, method, and timing of the credit.

LPSC Fuel Cost Review

GSU

In November 1993, the LPSC ordered a review of GSU's fuel costs. The LPSC stated that fuel costs for the period October 1988 through September 1991 (Phase 1) would be reviewed based on the number of outages at River Bend and the findings in the June 1993 PUCT fuel reconciliation case. In July 1994, the LPSC made a decision in the Phase 1 fuel review case and ordered GSU to refund approximately $27 million to its customers. Under the order, a refund of $13.1 million, which was not contested under a recent Louisiana Supreme Court decision as discussed below, was made through a billing credit on August bills. In August 1994, GSU appealed the remaining portion of the LPSC ordered refund to the district court. GSU has made no reserve for the remaining portion, pending outcome of the district court appeal.

In February 1990, the LPSC disallowed the pass-through to ratepayers for the portion of GSU's cost to purchase power from Nelson Industrial Steam Company (NISCO) representing the excess of NISCO's purchase price of the units over GSU's depreciated cost of the units. GSU appealed the 1990 order. In March 1994, the Louisiana Supreme Court ruled in favor of the LPSC. GSU recorded an estimated refund provision of $13.1 million, before related income taxes of $5.3 million.

PUCT Fuel Cost Review

GSU

For information on the June 1993 PUCT fuel reconciliation case, see page 164 of the Form 10-K. In June 1994, GSU filed a petition with the PUCT for the reconciliation of over- and under-recovery of fuel and purchased power expenses for the period October 1, 1991, through December 31, 1993, in accordance with the Texas Merger settlement agreement. GSU is required to reconcile its fuel costs from the end of the period of its last fuel reconciliation through the Merger closing date to reflect the fuel and purchased power costs GSU incurred as a stand-alone company. GSU believes there was a net under-recovery of approximately $4.6 million for the period but has indicated that it does not propose to surcharge the under-recovery at this time. A prehearing conference was held on July 18, 1994, at which time a procedural schedule was adopted which provides for hearings to begin on January 9, 1995.

NOTE 3. LINES OF CREDIT AND RELATED BORROWINGS

See pages 89, 129, 169, 203, 239, 270, and 300 of the Form 10-K for information on Entergy Corporation's, the System operating companies', and System Energy's short-term borrowing authorizations, including the Money Pool, and certain limitations thereon, and lines of credit with banks. On March 25, 1994, GSU received SEC authorization to participate in the Money Pool. GSU is authorized to effect short-term borrowings of up to $125 million, subject to increase to as much as $455 million after further SEC approval. On April 21, 1994, AP&L, LP&L, and MP&L received SEC approval to increase their short-term borrowing limits to $200 million (from $125 million), $200 million (from $125 million), and $113 million (from $100 million), respectively. As of September 30, 1994, the System operating companies and System Energy had no outstanding borrowings from the Money Pool. As of September 30, 1994, Entergy Corporation, the System operating companies, and System Energy had outstanding short-term borrowings from banks as follows (in millions):

Company	Banks
Entergy Corporation	-
AP&L	$34.0
GSU	-
LP&L	$19.2
MP&L	$30.0
NOPSI	-
System Energy	-

As of September 30, 1994, GSU had unused lines of credit for short-term borrowings of $5.0 million.

NOTE 4. PREFERRED AND COMMON STOCK

Entergy Corporation

Entergy Corporation periodically repurchases shares of its outstanding common stock either on the open market or through negotiated purchases or tender offers. Stock repurchases are made from time to time depending upon market conditions and authorization of the Entergy Corporation Board of Directors. During the first nine months of 1994, 4,035,000 shares of common stock were repurchased and were accounted for as treasury stock using the average cost method at a cost of $119.5 million. In August 1994, 1,230,000 shares of the common stock repurchased were retired.

AP&L

During the first nine months of 1994, AP&L redeemed the following series of preferred stock pursuant to sinking fund requirements:

Redemption Date	Series	Par Value	Shares
1/1/94	13.28% Series	$25	200,000
6/1/94	9.92% Series	$25	80,000
7/1/94	10.60% Series	$100	20,000

On November 1, 1994, AP&L redeemed, pursuant to sinking fund requirements, 25,000 shares of its 8.52% Series Preferred Stock, $100 par value.

GSU

GSU has requested, but not yet received, SEC authorization to issue and sell, through December 31, 1995, up to $700 million aggregate principal amount of preferred stock and/or first mortgage bonds and medium term notes. The proceeds will be used for general corporate purposes and the repayment and/or redemption of certain outstanding securities. On March 15, 1994, GSU redeemed, pursuant to sinking fund requirements, 22,500 shares of its Adjustable Rate Series B Preferred Stock, $100 par value.

LP&L

During the first nine months of 1994, LP&L redeemed the following series of preferred stock pursuant to sinking fund requirements:

Redemption Date	Series	Par Value	Shares
2/1/94	12.64% Series	$25	300,000
5/2/94	14.72% Series	$25	416
7/1/94	10.72% Series	$25	240,000

On October 1, 1994, LP&L redeemed, pursuant to sinking fund requirements, 61,121 shares of its 13.12% Series Preferred Stock, $25 par value, which represented the remaining outstanding shares of this series.

MP&L

During the first nine months of 1994, MP&L redeemed the following series of preferred stock pursuant to sinking fund requirements:

Redemption Date	Series	Par Value	Shares
1/1/94	9.76% Series	$100	70,000
3/1/94	12.00% Series	$100	10,000
7/1/94	9.00% Series	$100	70,000

NOPSI

On March 1, 1994, NOPSI redeemed 15,000 shares of its 15.44% Series Preferred Stock, $100 par value.

NOTE 5. LONG-TERM DEBT

AP&L

AP&L has SEC authorization to enter into arrangements for the issuance and sale, through December 31, 1996, of up to $200 million aggregate principal amount of tax-exempt bonds. The proceeds have been or will be used to acquire and construct certain pollution control or sewage and solid waste disposal facilities at AP&L's generating plants or to refinance outstanding tax-exempt bonds issued for that purpose. On June 22, 1994, AP&L entered into arrangements with Pope County, Arkansas, and Jefferson County, Arkansas, for the issuance and sale of $19.5 million of 6.30% Pollution Control Revenue Refunding Bonds (Pope Bonds) due 2016 and $9.2 million of 6.30% Pollution Control Revenue Refunding Bonds (Jefferson Bonds) due 2018, respectively. Funds provided by the issuance of the Pope Bonds and Jefferson Bonds were used on July 15, 1994, to redeem $16.6 million of Pope County, Arkansas Pollution Control Revenue Bonds 7.375% due 2006, $2.9 million of Pope County, Arkansas Pollution Control Revenue Bonds 7.25% due 2008, and $9.2 million of Jefferson County, Arkansas Pollution Control Revenue Bonds 7.25% due 2008. During the first nine months of 1994, AP&L redeemed the following first mortgage bonds pursuant to sinking fund requirements:

Redemption Date	Series	Principal (in thousands)
2/1/94	8.75% Series Due 1998	$400
5/1/94	6.25% Series Due 1996	$200
8/1/94	9.75% Series Due 2000	$200

GSU

GSU has requested, but not yet received, SEC authorization to issue and sell, through December 31, 1995, up to $700 million aggregate principal amount of its first mortgage bonds, medium term notes and/or preferred stock. The proceeds will be used for general corporate purposes and the repayment or redemption of certain outstanding securities. GSU has also requested, but not yet received, SEC authorization to enter into arrangements for the issuance and sale, through December 31, 1995, of up to $250 million aggregate principal amount of tax-exempt bonds for the financing or refinancing of certain sewage and/or solid waste disposal facilities. The proceeds from the sale of tax-exempt bonds will be used to finance certain sewage and/or solid waste disposal or pollution control facilities or to refinance outstanding tax-exempt bonds issued for that purpose. In addition, GSU has requested, but has not yet received, SEC authorization to purchase or otherwise acquire its outstanding pollution control revenue bonds and/or industrial development revenue bonds through December 31, 1995. On July 1, 1994, GSU redeemed, pursuant to sinking fund requirements, $0.425 million of Iberville Parish 7.0% Series Pollution Control Revenue Bonds.

LP&L

LP&L has requested, but not yet received, SEC authorization to undertake the refunding of approximately $310 million of intermediate-term and long-term bonds issued by the Owner Trustee to acquire interests in Waterford 3 in 1989. Such bonds became optionally redeemable in July 1994. On July 20, 1994, LP&L entered into arrangements with the Parish of St. Charles, Louisiana, for the issuance of $20.4 million of its 6-7/8% Environmental Revenue Bonds due 2024. During the first nine months of 1994, LP&L redeemed, pursuant to sinking fund requirements, $0.2 million of various series of its pollution control and industrial revenue bond obligations. On June 1, 1994, LP&L retired $25 million of its 4.625% Series First Mortgage Bonds upon maturity.

MP&L

On April 1, 1994, MP&L retired $30 million of its 9.9% Series G&R Bonds upon maturity. On April 20, 1994, MP&L entered into arrangements with Warren County, Mississippi and Washington County, Mississippi for the issuance of $16.0 million principal amount of 7% Pollution Control Revenue Refunding Bonds due 2022, the proceeds of which were used to redeem $8.1 million principal amount of 8.5% Warren County Pollution Control Revenue Bonds and $7.9 million principal amount of 7.5% Washington County Pollution Control Revenue Bonds on May 13, 1994. On July 14, 1994, MP&L issued $25 million of its 8.25% Series G&R Bonds due 2004. A portion of the net proceeds from the issuance and sale of these G&R Bonds was used on July 15, 1994, to retire $18 million of MP&L's 11.11% Series G&R Bonds upon maturity.

NOPSI

On May 2, 1994, NOPSI redeemed, pursuant to sinking fund requirements, $15 million of its 10.95% Series G&R Bonds.

System Energy

On January 11, 1994, System Energy refinanced $435 million aggregate principal amount of secured lease obligation bonds originally issued as part of the financing for the sale and leaseback of undivided portions of Grand Gulf 1. The secured lease obligation bonds of $356 million, 7.43% series due 2011 and $79 million, 8.2% series due 2014 are indirectly secured by liens on, and a security interest in, certain ownership interests and the respective leases relating to Grand Gulf 1. On April 28, 1994, System Energy issued $60 million of its 7-5/8% Series First Mortgage Bonds due 1999. On May 2, 1994, System Energy redeemed, pursuant to mandatory and optional sinking fund requirements, $60 million of its 11% Series First Mortgage Bonds due 2000.

NOTE 6. RETAINED EARNINGS

On October 28, 1994, Entergy Corporation's Board of Directors declared a common stock dividend of 45 cents per share payable on December 1, 1994.

NOTE 7. NEW ACCOUNTING STANDARDS

SFAS 115

The System adopted the provisions of SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities," effective January 1, 1994. As a result, as of September 30, 1994, the System has recorded on the balance sheet an additional $9.1 million in decommissioning trust funds, representing the amount by which the fair value of the securities held in such funds exceeds the amounts recovered in rates and deposited in the funds and the related earnings on the amounts deposited. Due to the regulatory treatment for decommissioning trust funds, the System recorded an offsetting amount in unrealized gains on investment securities as a regulatory liability in other deferred credits.

SFAS 116

In the third quarter of 1994, the System adopted the provisions of SFAS No. 116, "Accounting for Contributions Received and Contributions Made." As a result, the System recorded a liability of approximately $10.8 million for contribution commitments.

NOTE 8. PREACQUISITION CONTINGENCIES

Entergy Corporation and GSU

See pages 103 and 180 of the Form 10-K for a discussion of accounting for preacquisition contingencies in connection with the Merger. Entergy Corporation has completed its analyses with respect to certain GSU preacquisition contingencies and has revised the allocation of the purchase price for a number of preacquisition contingencies. In September 1994, GSU wrote-off assets or recorded liabilities totaling approximately $67.8 million net of tax for the Cajun-River Bend litigation, unfunded Cajun-River Bend costs, environmental cleanup costs, obsolete spare parts, and Louisiana River Bend rate deferrals previously disallowed by the LPSC (see pages 86 and 165 of the Form 10-K). Entergy Corporation is continuing its analyses of certain other preacquisition contingencies and additional adjustments to the allocation of the purchase price may occur in the fourth quarter of 1994.

NOTE 9. RESTRUCTURING COSTS

Entergy, AP&L, GSU, LP&L, MP&L, and NOPSI

During the third quarter of 1994, Entergy announced a restructuring program related to certain of its operating units. The program is designed to reduce costs, improve operating efficiencies, and increase shareholder value in order to enable Entergy to become a low-cost producer. The program includes reductions in the number of employees and the consolidation of offices and facilities. In the third quarter of 1994, AP&L, GSU, LP&L, MP&L, and NOPSI recorded restructuring charges of $7.9 million, $6.1 million, $3.3 million, $2.2 million, and $2.8 million respectively. These charges primarily include employee severance costs related to the expected termination of approximately 1,084 employees. As of September 30, 1994, no employees have been terminated and no termination benefits have been paid under this restructuring program.

Additionally, GSU recorded $23.8 million in the third quarter of 1994 for remaining severance and augmented retirement benefits related to the Merger.

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In the opinion of Entergy Corporation, AP&L, GSU, LP&L, MP&L, NOPSI, and System Energy, the accompanying unaudited condensed financial statements contain all adjustments (consisting primarily of normal recurring accruals and reclassifying previously reported amounts to conform to current classifications) necessary for a fair statement of the results for the interim periods presented. However, the business of AP&L, GSU, LP&L, MP&L, and NOPSI is subject to seasonal fluctuations with the peak period occurring during the summer months. The results for the interim periods presented should not be used as a basis for estimating results of operations for a full year.

In accordance with the purchase method of accounting, the 1993 third quarter and first nine months results of operations for Entergy Corporation reported in its Statements of Consolidated Income and Cash Flows do not include GSU's results of operations. However, the Results of Operations discussion in "Management's Financial Discussion & Analysis" is presented with GSU's 1993 results of operations included for comparative purposes. This information is not necessarily indicative of the results of operations that would have occurred had the Merger been consummated for the period for which it is being given effect, nor is it necessarily indicative of future operating results.

ENTERGY CORPORATION AND SUBSIDIARIES
ARKANSAS POWER & LIGHT COMPANY
GULF STATES UTILITIES COMPANY
LOUISIANA POWER & LIGHT COMPANY
MISSISSIPPI POWER & LIGHT COMPANY
NEW ORLEANS PUBLIC SERVICE INC.
SYSTEM ENERGY RESOURCES, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

LIQUIDITY AND CAPITAL RESOURCES

Entergy, AP&L, GSU, LP&L, MP&L, NOPSI, and System Energy

Liquidity is important to Entergy due to the capital intensive nature of its business, which requires large investments in long-lived assets. While large capital expenditures for the construction of new generating capacity are not currently planned, the System does require significant capital resources for the periodic maturity of certain series of debt and preferred stock and ongoing construction expenditures. See Note 1 for additional information on the System's capital and refinancing requirements in 1994 - 1996. Net cash flow from operations for Entergy, the System operating companies, and System Energy for the nine months ended September 30, 1994 and 1993, was as follows (in millions):

Company	Nine Months Ended 9/30/94	Nine Months Ended 9/30/93
Entergy *	$1,120.6	$776.4
AP&L	$ 256.8	$269.5
GSU	$ 278.3	$173.2
LP&L	$ 304.5	$225.4
MP&L	$ 154.4	$109.8
NOPSI	$ 61.0	$ 21.6
System Energy	$ 206.9	$253.4

* Entergy's net cash flow from operations for the nine months ended September 30, 1993, excludes GSU because the Merger was not yet consummated.

In the first nine months of 1994, as in recent years, cash from operations, supplemented by cash on hand, was sufficient to meet substantially all investing and financing requirements, including capital expenditures, dividends, and debt/preferred stock maturities. (However, MP&L substantially increased its short-term borrowings because of unexpected costs incurred as a result of an ice storm.) Entergy's ability to fund most of its capital requirements with cash from operations results, in part, from continued efforts to streamline operations and reduce costs as well as collections under the Grand Gulf 1 rate phase-in plans, which exceed current cash requirements for Grand Gulf 1-related costs. (In the income statement, these revenue collections are offset by the amortization of previously deferred costs; therefore, there is no effect on net income.) The System operating companies and System Energy have the ability, subject to regulatory approval, to meet capital requirements through future debt or preferred stock issuances, as discussed below. Also, to the extent current market interest and dividend rates allow, the System operating companies and System Energy may continue to refinance high-cost debt and preferred stock prior to maturity.

Productive investment of excess funds is necessary to enhance the long-term value of Entergy Corporation's common stock. Entergy Corporation expects to invest approximately $150 million per year in nonregulated and nonutility businesses. See "Significant Factors and Known Trends - Nonregulated Investments" for additional information. In October 1994, Entergy Corporation invested $50 million in the Hub River Company which is constructing a generating station near Karachi, Pakistan.

Entergy Corporation's current primary capital requirements are to periodically invest in, or make loans to, its subsidiaries. Entergy Corporation expects to meet these requirements in 1994 - 1996 with internally generated funds and cash on hand. Entergy Corporation also pays dividends on its common stock, which aggregated $309.5 million in the first nine months of 1994. Declarations of dividends on common stock are made at the discretion of Entergy Corporation's Board of Directors (Board). Management will recommend future dividend increases to the Board only if such increases are justified by sustained earnings growth of Entergy Corporation and its subsidiaries. Entergy Corporation receives funds through dividend payments from its subsidiaries. During the first nine months of 1994, these common stock dividend payments totaled $621.2 million. Certain restrictions may limit the amount of these distributions (see page 94 of the Form 10-K and Note 2).

Entergy Corporation has a program to repurchase shares of its outstanding common stock. The timing and amount of such repurchases depend upon market conditions and authorization from the Board. See Note 4 for additional information. Entergy Corporation has requested, but not yet received, SEC authorization for a $300 million bank line of credit, the proceeds of which are expected to be used for common stock repurchases, investments in nonregulated and nonutility businesses, and other activities. Certain parties have intervened in this proceeding, and the application is pending.

Earnings coverage tests, bondable property additions, and equity ratio requirements (in the case of System Energy) limit the amount of mortgage bonds and preferred stock that can be issued by each of the System operating companies and System Energy. Based on the most restrictive applicable tests as of September 30, 1994, and an assumed annual interest or dividend rate of 9.25%, each of the System operating companies and System Energy could have issued bonds or preferred stock in the following amounts (in millions):

Company	Bonds	Preferred Stock
AP&L	$239	$348
GSU	$ -	$ -
LP&L	$ 87	$513
MP&L	$246	$ 81
NOPSI	$ 88	$ 88
System Energy	$295	*

* System Energy's charter does not provide for the issuance of preferred stock.

In addition, the System operating companies and System Energy have the conditional ability to issue bonds against the retirement of bonds, in some cases without meeting an earnings coverage test. As a result of the charges recorded in the third quarter of 1994 as discussed in Notes 8 and 9, GSU is currently precluded from issuing first mortgage bonds under its earnings coverage test. However, GSU has the ability to issue up to approximately $526 million of first mortgage bonds against previously retired bonds. AP&L may also issue preferred stock to refund outstanding preferred stock without meeting an earnings coverage test. GSU has no earnings coverage limitations on the issuance of preference stock. For information on the System operating companies' and System Energy's regulatory authorizations to issue and acquire securities, see Notes 4 and 5, and pages 90-94, 129-131, 170-172, 204-206, 239-241, 271-272, and 301 of the Form 10-K. See Note 3 for information on the System's short-term borrowings.

Entergy Corporation and GSU

In September 1994, Entergy Corporation completed its analyses with respect to certain preacquisition contingencies and revised the allocation of the purchase price for a number of preacquisition contingencies. In accordance with the purchase method of accounting, Entergy Corporation increased its acquisition adjustment and GSU reduced net income by approximately $67.8 million net of tax. See Notes 2 and 8 for additional information on provisions for preacquisition contingencies recorded in September 1994.

See Notes 1 and 2, and Part II, Item 1. "Legal Proceedings," regarding litigation with Cajun and River Bend rate appeals. Substantial write-offs or charges resulting from adverse rulings in these matters could result in substantial additional net losses being reported by GSU in 1994, and subsequent periods, with resulting substantial adverse adjustments to common shareholder's equity. Also, adverse resolution of these matters could adversely affect GSU's ability to continue to pay dividends and obtain financing, which could in turn affect GSU's liquidity.

Entergy Corporation and System Energy

In connection with the financing of Grand Gulf 1, Entergy Corporation has undertaken to provide System Energy with sufficient capital to (1) maintain System Energy's equity capital at an amount equal to at least 35% of System Energy's total capitalization (excluding short-term debt), (2) permit the continuation of commercial operation of Grand Gulf 1, and (3) enable System Energy to pay in full all borrowings of System Energy, whether at maturity, on prepayment, on acceleration or otherwise. In addition, Entergy Corporation has agreed to make certain cash capital contributions, if required, to enable System Energy to make payments when due on its long-term debt.

System Energy

The financial condition of System Energy significantly depends on the continued commercial operation of Grand Gulf 1 and on the receipt of payments from AP&L, LP&L, MP&L, and NOPSI. Such payments are System Energy's only source of operating revenues.

In addition, System Energy's financial condition could be affected by the outcome of a pending FERC audit matter. As discussed in Note 2, FERC Division of Audits issued a report in December 1990 that recommended that System Energy write off and not recover in rates approximately $95 million of Grand Gulf 1 costs included in utility plant, and compute refunds for overcollections from AP&L, LP&L, MP&L, and NOPSI.

In June 1994, System Energy, AP&L, LP&L, MP&L, and NOPSI reached a tentative settlement with the FERC staff and certain other parties. The proposed settlement was filed with FERC on October 7, 1994. FERC has not approved the proposed settlement, and therefore, the effects of the settlement have not been recorded. The proposed settlement, which is subject to approval by FERC, would require System Energy to refund or credit approximately $61.7 million to AP&L, LP&L, MP&L, and NOPSI, which would in turn make refunds or credits to their customers (except for those portions attributable to AP&L's and LP&L's retained share of Grand Gulf 1 costs). Additionally, System Energy would refund or credit a total of approximately $62 million, plus interest, to AP&L, LP&L, MP&L, and NOPSI over the period through June 2004. Interest on the $62 million refund and loss of the return on certain Grand Gulf 1 costs will reduce Entergy's and System Energy's net income by approximately $10 million annually over the next 10 years. However, there can be no assurance that FERC will ultimately approve the settlement in its current form. See Note 2 for additional information. Also, see Note 1 for certain restrictions on the payment of common dividends by System Energy in connection with the proposed settlement.

NOPSI

As discussed in Note 2, under the terms of the 1991 NOPSI Settlement and a 1992 gas rate settlement, the Council has the right to review NOPSI's return on equity annually through October 31, 1996. Also, NOPSI is currently operating under electric and gas base rate freezes through October 31, 1996.

On July 7, 1994, NOPSI and the Council agreed that, based on the test year ended September 30, 1993, NOPSI's earnings exceeded its revenue requirement by $24.95 million and in accordance with the terms of the 1991 NOPSI Settlement and a 1992 gas rate settlement, there would be a prospective base rate reduction for twelve months commencing July 14, 1994. The reduction, because of a rate freeze, will be accomplished by means of a credit (to be expressed on a per KWH basis) to customers' bills.

On November 1, 1994, NOPSI filed with the Council an analysis of its earnings for the test year ended September 30, 1994, which indicated a rate reduction/credit of approximately $24 million is required.

RESULTS OF OPERATIONS

ENTERGY

On December 31, 1993, GSU became a subsidiary of Entergy Corporation. In accordance with the purchase method of accounting, the nine months ended September 1993 results of operations for Entergy Corporation and subsidiaries reported in its Statements of Consolidated Income and Cash Flows do not include GSU's results of operations. However, the following discussion is presented with GSU's 1993 results of operations included for comparative purposes.

In the third quarter of 1994, Entergy recorded certain one-time, non-recurring charges which significantly affected results of operations as discussed below. These one-time charges included, among other things, Merger related costs and restructuring costs (see Note 9).

Net Income

Consolidated net income decreased $151.5 million in the third quarter of 1994 due primarily to decreased revenues, increased merger-related costs, certain restructuring costs, and decreased miscellaneous income - net, partially offset by a decrease in interest expense as explained below.

Consolidated net income decreased in the first nine months of 1994 due primarily to the one-time recording in 1993 of the cumulative effect of the change in accounting principle for unbilled revenues for AP&L, MP&L, GSU, and NOPSI. Excluding the effect of the change in accounting principle, net income decreased in the first nine months of 1994 by approximately $150.2 million. This resulted from a decrease in retail revenues, increased merger related costs, certain restructuring costs, and decreased miscellaneous income - net, partially offset by a decrease in interest on long-term debt and preferred dividend requirements as a result of continued debt refinancing and stock redemption activities.

Significant factors affecting the results of operations and causing variances between the third quarter and first nine months of 1994 and 1993 are discussed under "Revenues and Sales," "Expenses," and "Other" below.

Revenues and Sales

See Entergy's "Selected Operating Results" for information on operating revenues by source and KWH sales.

Electric operating revenues decreased $178.5 million in the third quarter due primarily to lower retail energy sales and decreased unbilled revenues resulting from cooler than normal summer weather as compared to 1993. Additionally, revenues were lower due to decreased fuel adjustment revenues and rate reductions at GSU and MP&L, and decreased fuel adjustment revenues at NOPSI. Electric operating revenues decreased $31.0 million in the first nine months of 1994 due primarily to rate reductions at GSU, MP&L, and NOPSI, and decreased unbilled revenues, partially offset by increased retail energy sales.

Gas operating revenues increased $8.9 million in the first nine months of 1994 due primarily to increased retail sales resulting from colder than normal winter weather, partially offset by lower gas sales in the third quarter of 1994 due to a warmer than normal spring.

Expenses

Fuel for electric generation and fuel-related expenses decreased $60.3 million in the third quarter of 1994 due primarily to decreased energy sales as discussed in "Revenues and Sales" above.

Purchased power decreased $27.0 million in the third quarter of 1994 due primarily to decreased power purchases from nonassociated utilities due to changes in generation requirements for the System operating companies resulting primarily from decreased energy sales and fuel-related costs.

Other operation and maintenance expenses increased in the third quarter of 1994 due primarily to increased GSU merger related costs, as discussed in Note 9, increased storm damage costs and environmental reserves, and recognition of certain restructuring costs.

Nuclear refueling outage expenses decreased $5.9 million in the first nine months of 1994 due primarily due to Grand Gulf outage expenses incurred in the third quarter of 1993 and lower outage expense accruals at River Bend.

Income taxes decreased in the third quarter and first nine months of 1994 due primarily to lower pre-tax book income.

The amortization of rate deferrals increased $33.6 million in the first nine months of 1994 due primarily to collection of more Grand Gulf 1-related costs from customers in 1994 as compared to 1993.

Interest expense decreased $7.7 million in the third quarter and $31.5 million for in the first nine months of 1994 due primarily to the refinancing of high cost debt.

Preferred dividend requirements decreased $1.6 million in the third quarter and $9.4 million for the first nine months of 1994 due primarily to stock redemption activities.

Other

Miscellaneous income - net decreased $22.6 million in the third quarter and $43.9 million in the first nine months of 1994 due primarily to amortization of plant acquisition adjustments related to the Merger, the early adoption of SFAS No. 116, as discussed in Note 7, and reduced Grand Gulf 1 carrying charges at AP&L.

AP&L

Net Income

Net income decreased in the third quarter of 1994 due primarily to decreased operating revenues and increased operating and maintenance expenses.

Net income decreased in the first nine months of 1994 due primarily to the one-time recording in the first quarter of 1993 of the cumulative effect of the change in accounting principle for unbilled revenues. Excluding the effect of the change in accounting principle, net income decreased $27.4 million. This decrease is due primarily to increased operation and maintenance expense as a result of restructuring costs and storm damage activity in the second and third quarters of 1994.

Significant factors affecting the results of operations and causing variances between the third quarters and first nine months of 1994 and 1993 are discussed under "Revenues and Sales" and "Expenses" below.

Revenues and Sales

See AP&L's "Selected Operating Results" for information on operating revenues by source and KWH sales.

Electric operating revenues decreased in the third quarter of 1994 due to lower retail energy sales. Electric operating revenues also decreased due to decreased collections of Grand Gulf 1-related costs and lower fuel adjustment revenues, which do not impact net income. Total sales increased in the third quarter due primarily to increased sales for resale to associated companies, caused by changes in generation availability and requirements among the System operating companies, partially offset by lower retail sales due to a cooler summer than prior year.

Electric operating revenues and sales increased in the first nine months of 1994 due primarily to an increase in sales for resale to associated companies caused by changes in generation availability and requirements among the System operating companies, and increased commercial and industrial sales, partially offset by decreased collections of Grand Gulf 1-related costs and decreased recovery of fuel-related costs, which do not impact net income.

Expenses

Purchased power decreased in the third quarter of 1994 as a result of lower prices, partially offset by an increase in the amount of power purchased. Other operation and maintenance expense increased in the third quarter and first nine months of 1994 due primarily to storm damage costs and restructuring costs as discussed in Note 9. Depreciation and decommissioning expense increased in the third quarter and first nine months of 1994 due primarily to additions and upgrades to the ANO isometric drawing and financial management systems, and to additions and replacements to the ANO steam generator and plant monitoring systems. The amortization of rate deferrals decreased in the third quarter of 1994 due primarily to reduced Grand Gulf 1 carrying charges.

Total income taxes decreased in the third quarter and first nine months of 1994 due to lower pretax income.

Other

Miscellaneous income - net decreased in the third quarter of 1994 due primarily to reduced Grand Gulf 1 carrying charges.

GSU

Net Income

Net income decreased in the third quarter and first nine months of 1994 primarily due to write-offs associated with certain preacquisition contingencies as discussed in Note 8, and additional merger related costs, and restructuring costs as discussed in Note 9.

Significant factors affecting the results of operations and causing variances between the third quarter and first nine months of 1994 and 1993 are discussed under "Revenues and Sales" and "Expenses" below.

Revenue and Sales

See GSU's "Selected Operating Results" for information on operating revenues by source and KWH sales.

Operating revenues decreased in the third quarter of 1994 due primarily to lower retail revenues partially offset by increased sales for resale. The decrease in electric operating revenues was primarily due to a decrease in fuel recovery revenue, current and prior year rate reductions in Texas and a cooler summer than the prior year, which offset the increase in wholesale revenues. Energy sales increased due to higher sales for resale as a result of GSU's participation in the System power pool.

Operating revenues increased slightly in the first nine months of 1994 due primarily to increased wholesale revenues associated with higher sales for resale partially offset by lower retail revenues. The decrease in retail revenues is primarily due to a decrease in fuel recovery revenue and a November 1993 rate reduction in Texas, partially offset by favorable weather in the first and second quarters as compared to the prior year. Sales for resale increased as a result of GSU's participation in the System power pool.

Expenses

Purchased power increased in the third quarter and first nine months of 1994 due to GSU's participation in joint dispatching through the System power pool resulting from increased energy sales as discussed above. In addition, the increase in purchased power expense for the first nine months of 1994 was also due to the recording of a provision for refund of disallowed purchased power costs resulting from a Louisiana Supreme Court ruling in the second quarter as discussed in Note 2. Fuel, fuel-related expenses and gas purchased for resale decreased in the third quarter of 1994 primarily due to lower gas prices. Operation and maintenance expenses increased in the third quarter and first nine months of 1994 due primarily to charges associated with certain preacquisition contingencies as discussed in Note 8, additional merger related costs, and restructuring costs as discussed in Note 9.

Income taxes decreased in the third quarter and first nine months of 1994 due primarily to lower pretax income.

Taxes other than income taxes decreased in the first nine months of 1994 due to a $15.1 million franchise tax refund.

Other

Miscellaneous income - net decreased in the third quarter and first nine months of 1994 due primarily to certain preacquisition contingencies as discussed in Note 8, including Cajun River Bend litigation, the write-off of previously disallowed rate deferrals, and obsolete spare parts.

Income taxes decreased in the third quarter and first nine months of 1994 due primarily to the charges discussed above.

LP&L

Net Income

Net income decreased in the third quarter of 1994 due primarily to decreased operating revenues and increased other operation and maintenance expenses. For the first nine months of 1994 net income decreased primarily due to higher operation and maintenance expenses.

Significant factors affecting the results of operations and causing variances between the third quarters and first nine months of 1994 and 1993 are discussed under "Revenues and Sales" and "Expenses" below.

Revenues and Sales

See LP&L's "Selected Operating Results" for information on operating revenues by source and KWH sales.

Electric operating revenues were lower in the third quarter of 1994 primarily due to decreased retail and wholesale revenues. The decrease in retail energy sales is primarily due to a cooler summer than the prior year which reduced sales to residential and commercial customers partially offset by higher industrial sales. Lower sales for resale to associated and nonassociated companies also contributed to the decrease in electric operating revenues for the third quarter of 1994. In addition, completion of the amortization of the proceeds resulting from litigation with a gas supplier resulted in decreased other operating revenues for the third quarter and first nine months of 1994.

Electric operating revenues were slightly higher during the first nine months of 1994 primarily due to higher fuel adjustment revenues, which do not affect net income, and increased retail energy sales, partially offset by lower wholesale and other operating revenues.

Expenses

Operating expenses decreased for the third quarter of 1994 primarily due to lower purchased power and income tax expense partially offset by higher other operation and maintenance expenses. Other operation and maintenance expense increased primarily due to the impact of expenses related to restructuring costs as discussed in Note 9 and power plant waste water site closures as discussed in Note 1. Purchased power decreased primarily due to lower cost. The decrease in income tax expense reflects lower pretax book income for the third quarter of 1994.

Operating expenses increased slightly for the first nine months of 1994 primarily due to higher fuel and other operation and maintenance expense partially offset by lower income tax expense. The increase in fuel expense for the first nine months of 1994 is primarily due to an increase in deferred fuel expense related to the over-recovery of fuel cost in the current period. Other operation and maintenance expense increased for the first nine months of 1994 primarily due to third quarter expenses related to restructuring costs as discussed in Note 9, and power plant waste water site closures as discussed in Note 1. The decrease in income tax expense reflects lower pretax book income for the first nine months of 1994.

MP&L

Net Income

Net income decreased in the third quarter of 1994 due primarily to decreased electric operating revenues.

Net income decreased in the first nine months of 1994 due primarily to the one-time recording in the first quarter of 1993 of the cumulative effect of the change in accounting principle for unbilled revenues. Excluding the effect of the change in accounting principle, net income decreased by $23.6 million. This decrease for the first nine months of 1994 is primarily due to decreased electric operating revenues.

Significant factors affecting the results of operations and causing variances between the third quarters and first nine months of 1994 and 1993 are discussed under "Revenues and Sales" and "Expenses" below.

Revenues and Sales

See MP&L's "Selected Operating Results" for information on operating revenues by source and KWH sales.

Electric operating revenues decreased in the third quarter primarily due to the impact of the incentive rate plan that went into effect in March 1994, a cooler summer than the prior year period, and lower wholesale revenues. During the first nine months of 1994, electric operating revenues decreased primarily due to the second quarter incentive rate plan, partially offset by higher energy sales and higher fuel adjustment revenues that do not effect net income. In addition to the factors cited above for revenues, accrued unbilled revenues decreased due to a change in the cycle billing dates offset by an increase in billed revenues. This decrease was partially offset by increased retail energy sales resulting from increased commercial and industrial sales.

Expenses

Fuel for electric generation and fuel-related expenses decreased in the third quarter of 1994 due primarily to improved generating efficiency at certain MP&L plants. Fuel for electric generation and fuel-related expenses increased in the first nine months of 1994 due primarily to an increase in generation requirements resulting primarily from increased energy sales as discussed in "Revenues and Sales" above.

Purchased power expense decreased in the third quarter and first nine months of 1994 due primarily to changes in generation availability and requirements among the System operating companies. A lower per unit price for power purchased also contributed to the decrease in purchased power in the third quarter of 1994.

The amortization of rate deferrals increase in the third quarter and first nine months of 1994 reflected the fact that MP&L, based on the Revised Plan, collected more Grand Gulf 1-related costs from its customers in the third quarter and first nine months of 1994 than it recovered in the same period in 1993.

Income taxes decreased in the first nine months due primarily to lower pretax income.

NOPSI

Net Income

Net income decreased in the third quarter of 1994 due primarily to lower operating revenues partially offset by lower operating expenses.

Net income decreased for the first nine months of 1994 due primarily to the one-time recording of the cumulative effect of the change in accounting principle for unbilled revenues in 1993. Excluding the effect of the change in accounting principle, net income decreased for the first nine months of 1994 by $14 million. This decrease is due primarily to the recording of a reserve for revenue reduction as a result of a review of NOPSI's return on equity in accordance with the 1991 NOPSI Settlement and a 1992 gas rate settlement.

Significant factors affecting the results of operations and causing variances between the third quarters and first nine months of 1994 and 1993 are discussed under "Revenues and Sales" and "Expenses" below.

Revenues and Sales

See NOPSI's "Selected Operating Results" for information on operating revenues by source and KWH sales.

Electric operating revenues decreased in the third quarter due primarily to a decrease in energy sales and lower fuel adjustment revenues. The decrease in electric operating revenues in the first nine months of 1994 was due primarily to the recording of a reserve as discussed in "Net Income" above. Electric energy sales decreased in the third quarter due primarily to a decrease in residential sales resulting from a cooler summer than the prior year. Electric energy sales were flat for the first nine months of 1994 due primarily to a slight increase in retail sales resulting from a colder winter and warmer spring weather than in the previous year, offset by a decrease in sales for resale.

For the first nine months of 1994, gas operating revenues increased due primarily to increased gas sales in the first quarter as a result of a colder winter than the prior year, partially offset by lower second and third quarter gas sales.

Expenses

Fuel for electric generation and fuel-related expenses decreased in the third quarter of 1994 due primarily to a decrease in energy sales as discussed in "Revenue and Sales" above, and lower gas fuel costs. The decrease in fuel price for the third quarter of 1994 was partially offset by an increase in deferred fuel expense due to the over-recovery of fuel costs in the current period. For the first nine months of 1994 fuel for electric generation and fuel-related expenses increased due to higher deferred fuel expense partially offset by lower fuel costs relating to a change in the fuel mix from oil in the prior year to gas in the current period.

Purchased power expense decreased in the third quarter and first nine months of 1994 due primarily to changes in generation requirements among the System operating companies and lower costs.

Gas purchased for resale decreased for the third quarter of 1994 due to decreased gas sales.

Income taxes decreased in the third quarter and first nine months due primarily to lower pretax income.

The increase in the amortization of rate deferrals in the third quarter and the first nine months of 1994 is primarily a result of the collection of larger amounts of previously deferred costs under the 1991 NOPSI Settlement.

SYSTEM ENERGY

Net Income

Net income increased in the third quarter of 1994 due primarily to an adjustment in the third quarter of 1993 related to the recording of a reserve for revenues in the third quarter of 1993 as a result of a FERC investigation of the return on equity of System Energy's formula wholesale rates and a reduction in interest expense due to the refinancing of high-cost debt.

Net income decreased in the first nine months of 1994 due primarily to a lower rate of return on System Energy's decreasing investment in Grand Gulf 1, partially offset by a decrease in interest expense due to refinancing of high-cost long-term debt.

Significant factors affecting the results of operations and causing variances between the third quarters and first nine months of 1994 and 1993 are discussed under "Revenues and Sales" and "Expenses" below.

Revenues

Operating revenues recover operating expenses, depreciation and capital costs attributable to Grand Gulf 1. The capital costs are computed by allowing a return on System Energy's common equity funds allocable to its net investment in Grand Gulf 1 and adding to such amount System Energy's effective interest cost for its debt allocable to its investment in Grand Gulf 1.

Operating revenues decreased in the third quarter of 1994 due primarily to a lower return on System Energy's decreasing investment in Grand Gulf 1 (caused by depreciation of the unit) and increased expenses in connection with Grand Gulf 1 refueling outage in the third quarter of 1993.

Operating revenues decreased in the first nine months due primarily to a lower return on System Energy's decreasing investment in Grand Gulf 1 and a decrease in fuel expenses.

Expenses

Fuel for electric generation and fuel-related expenses increased in the third quarter primarily due to per unit price.

Fuel for electric generation and fuel-related expenses decreased in the first nine months primarily due to a lower per unit cost for nuclear fuel as a result of a favorable market for uranium.

Income taxes decreased in the first nine months due primarily to lower pretax income and adjustments to the SFAS 109 deferred tax balances.

Interest expense decreased in the first nine months of 1994 due primarily to the refinancing of high-cost long-term debt.

SIGNIFICANT FACTORS AND KNOWN TRENDS

Entergy Corporation and GSU

Entergy Corporation-GSU Merger

On December 31, 1993, Entergy completed the Merger and became one of the nation's largest electric utilities. With GSU as its fifth retail operating company, Entergy gained size, expanded market area, economies of scale, an additional nuclear unit (River Bend), and a more price-competitive fuel mix. As a result of the Merger, Entergy estimates $850 million in fuel cost savings and $670 million in operation and maintenance expense savings over the next decade. It is possible that common shareholders may experience some dilution in earnings in the short term as a result of the Merger. However, Entergy Corporation believes that the Merger will be beneficial to common shareholders over the longer term, both in terms of the strategic benefits and the economies and efficiencies expected to be produced. For further information, see pages 103-104 and 180 of the Form 10-K and "Litigation and Regulatory Proceedings" below.

Entergy Corporation, AP&L, GSU, LP&L, MP&L, and NOPSI

Competition

Entergy welcomes competition in the electric energy business and believes that a more competitive environment should benefit our shareholders, customers, and employees. However, competition presents Entergy with many challenges. The following have been identified by Entergy as its major competitive challenges.

Retail and Wholesale Rate Issues

Increasing competition in the utility industry brings an increased need to stabilize or reduce retail rates. The retail regulatory environment is shifting from traditional rate-base regulation to incentive rate regulation. Incentive and performance-based rate plans encourage efficiencies and productivity while permitting utilities and their customers to share in the results. Retail wheeling, which requires utilities to "wheel" or move power from third parties to their own retail customers, is evolving. As a result, the retail market is expected to become more competitive. In the wholesale rate area, FERC approved in 1992, with certain modifications, the proposal of AP&L, LP&L, MP&L, NOPSI, and Entergy Power to sell wholesale power at market-based rates and to provide to electric utilities "open access" to the System's transmission system (subject to certain requirements). GSU was later added to this filing. Various intervenors in the proceeding filed petitions for review with the D.C. Circuit. See Part II, Item 1. "Legal Proceedings," for information on a ruling by the D.C. Circuit regarding Entergy's open access transmission rates. Open access and market pricing, once it takes effect, will increase marketing opportunities for the System, but will also expose the System to the risk of loss of load or reduced revenues due to competition with alternative suppliers.

In connection with the Merger, AP&L agreed with the APSC not to request any general retail rate increases that would take effect before November 1998, with certain exceptions. For further information, see pages 82-83 and 125-126 of the Form 10-K.

On March 31, 1994, North Little Rock, Arkansas, awarded AP&L a wholesale electric contract that will provide estimated revenues of $347 million over 11 years. Under the contract, the price per KWH was reduced 18%, retroactive to March 1, 1994, with increases in price through the year 2004. AP&L, which has been serving North Little Rock for over 40 years, was awarded the contract after intense bidding with several competitors. FERC accepted the contract, but one of AP&L's competitors has requested a rehearing and has filed complaints against AP&L and North Little Rock challenging the contract.

In connection with the Merger, GSU agreed with the LPSC and PUCT to a five-year Rate Cap on retail electric rates, and to pass through to retail customers the fuel savings and a certain percentage of the nonfuel savings created by the Merger. Under the terms of their respective Merger agreements, the LPSC and PUCT will review GSU's base rates during the first post-Merger earnings analysis for reasonableness of its return on equity. In May 1994 and June 1994, GSU made its first post-Merger earnings analysis filings with the LPSC and PUCT, respectively, which GSU believes support the current levels of rates. For further information, see pages 82-83 and 163-164 of the Form 10-K. See Note 2 for information on recent filings by certain Texas cities seeking a reduction in GSU's rates.

Cogeneration projects developed or considered by certain of GSU's industrial customers over the last several years have resulted in GSU developing and securing approval of rates lower than the rates previously approved by the PUCT and LPSC for such industrial customers. Such rates are designed to retain such customers, and to compete for and develop new loads, and do not presently recover GSU's full cost of service. The pricing agreements at non-full cost of service based rates fully recover all related costs but provide only a minimal return. Substantially all of such pricing agreements expire no later than 1997. During the first nine months of 1994, KWH sales to GSU's industrial customers at less than full cost of service, which make up approximately 28% of the total industrial class, increased 15%. Sales to the remaining industrial customers increased 1%.

LP&L's five year rate freeze expired in March 1994. At the same time, approximately $46 million of annual rate relief that was included in LP&L's retail rates also expired. In October 1993, the LPSC approved a schedule to conduct a review of LP&L's rates and rate structure upon the expiration of LP&L's rate freeze. Discovery is currently underway and hearings are scheduled to begin in December 1994. In August 1994, LP&L filed a performance-based formula rate plan with the LPSC. The proposed formula rate plan would continue existing LP&L rates at current levels, while providing financial incentive to reduce costs and maintain high levels of customer satisfaction and system reliability. Hearings are scheduled to begin in February 1995. See Note 2 for additional information.

In February 1994, the MPSC conducted a general review of MP&L's current rates and in March 1994, the MPSC issued a final order adopting a formula rate plan for MP&L that will allow for periodic small adjustments in rates based on a comparison of earned to benchmark returns and upon certain performance factors. The order also adopted previously agreed-upon stipulations of a required return on equity of 11% and certain accounting adjustments that result in a 4.3% ($28.1 million) reduction in MP&L's June 30, 1993, test-year operating revenues. Pursuant to the MPSC's order, on March 18, 1994, MP&L filed rates designed to provide for this reduction in operating revenues for the test year. These rates are effective for service rendered on or after March 25, 1994. See pages 83-84 and 235-236 of the Form 10-K for further information.

In connection with the Merger, MP&L agreed with its retail regulator not to request any general retail rate increases that would take effect before November 1998, with certain exceptions. For further information, see pages 82-83 and 236 of the Form 10-K, and Part II, Item 1. "Legal Proceedings."

In light of the rate issues discussed above, Entergy is aggressively reducing costs to avoid potential earnings erosions that might result as well as to successfully compete by becoming a low-cost producer.

In December 1992, AP&L, LP&L, MP&L, and NOPSI each filed a Least Cost Plan with their respective retail regulators, and GSU is currently working with the PUCT regarding integrated resource planning. However, in response to an increasingly competitive electric utility environment, AP&L, LP&L, MP&L, and NOPSI have announced their intentions to revise their Least Cost Plan activities. In this regard, AP&L, GSU, LP&L, MP&L, and NOPSI intend to adopt the ratepayer impact measure test as their primary economic criterion for DSM programs rather than the total resource cost test that had been used in developing the initial Least Cost Plans. Therefore, absent overriding customer, strategic, or public interests, AP&L, GSU, LP&L, MP&L, and NOPSI will propose those DSM programs that have the potential for lower rates to all customers, rather than DSM programs that, while providing direct benefits to participants, may result in higher rates for everyone, including non-participants. In addition, AP&L, GSU, LP&L (outside the city of New Orleans), and MP&L will no longer seek a pre-approved cost recovery rider as a mechanism for recovering program costs, lost contributions and incentives. See Part II, Item 1. "Legal Proceedings," for information on filings made by AP&L, LP&L, and MP&L with their respective regulators in connection with proposed changes to their Least Cost Plans. Notwithstanding the changes noted above, LP&L and NOPSI intend to implement the DSM programs already approved by the Council. However, LP&L and NOPSI intend to pursue appropriate changes in the Council ordinance establishing the Least Cost Plans framework and planning criteria.

The Energy Policy Act of 1992

The Energy Policy Act of 1992 (Energy Act) is changing the business of transmitting and distributing electricity. The Energy Act encourages competition and affords utilities the opportunities, and the risks, associated with an open and more competitive market environment. The Energy Act increases competition in the wholesale energy market through the creation of exempt wholesale generators (EWGs). Entergy is competing in this market through its independent power subsidiary, Entergy Power Development Corporation. The Energy Act also gives FERC the authority to order investor-owned utilities to provide transmission access to or for other utilities, including EWGs. In addition, the Energy Act allows utilities to own and operate foreign generation, transmission, and distribution facilities. See "Nonregulated Investments" below for further information.

Entergy Corporation and GSU

Litigation and Regulatory Proceedings

See Note 1 and Part II, Item 1. "Legal Proceedings," for information on litigation with Cajun concerning Cajun's ownership interest in River Bend and the possible material adverse effects on GSU's financial condition in the event that GSU is ultimately unsuccessful in this litigation, including a possible filing under the bankruptcy laws.

See Note 2 for information on the possibility of material adverse effects on GSU's financial condition and results of operations as a result of substantial write-offs and/or refunds in connection with outstanding appeals and remands regarding approximately $1.4 billion of abeyed company-wide River Bend plant costs and approximately $187 million ($170 million net of tax) of Texas retail jurisdiction deferred River Bend operating and carrying costs.

System Energy

FERC Audit - Proposed Settlement

See Note 2 for information with respect to a proposed settlement between System Energy and FERC in connection with a decision issued by FERC in August 1992.

Entergy Corporation

Nonregulated Investments

Entergy Corporation continues to seek new opportunities to expand its electric energy business, including expansion into related nonutility businesses. These opportunities include new domestic ventures such as Entergy Systems and Service, Inc. (Entergy SASI), the region's only full-service provider of energy-efficient lighting and related services, previously established ventures in Argentina, and planned investments in Asia, Central America and South America. Entergy Corporation expects to invest approximately $150 million per year in nonregulated business opportunities. Additional shareholder and/or regulatory approvals may be required for such acquisitions to take place.

In the first nine months of 1994, Entergy Corporation's nonregulated investments reduced consolidated net income by approximately $19.3 million. In the near term, these investments are not likely to have a positive effect on earnings; but management believes that these investments could contribute to future earnings growth.

Entergy Corporation and AP&L

ANO Matters

See pages 30, 77, and 123 of the Form 10-K for information on leaks in certain steam generator tubes at ANO 2 that were discovered and repaired during an outage in March 1992. During a refueling outage in September 1992, a comprehensive inspection of all steam generator tubing was conducted and necessary repairs were made. During a mid-cycle outage in May 1993, a scheduled special inspection of certain steam generator tubing was conducted by Entergy Operations and additional repairs were made. Entergy Operations operated ANO 2 with no further steam generator inspections until the refueling outage which was completed on April 23, 1994. Inspections during the outage revealed additional cracks; however, most were smaller than those seen in earlier inspections, except for one relatively large crack. Based upon results of these inspections and an inconclusive pressure test, Entergy Operations plans to inspect the steam generator tubes during a mid-cycle outage tentatively scheduled for January 1995. The operations and power output of the unit have not been materially adversely affected.

GSU

Deregulated Portion of River Bend

As of September 30, 1994, GSU had not recovered a significant amount of its investment in, or received any return associated with, the portion of River Bend included in the deregulated asset plan in Louisiana and the portion of River Bend placed in abeyance as part of the Texas rate order which went into effect in July 1988. See pages 157 and 165 of the Form 10-K for further information. Future earnings will continue to be limited as long as the limited recovery of the investment and lack of return continues.

For the nine months ended September 30, 1994, GSU recorded revenues resulting from the sale of electricity from the deregulated asset plan of approximately $26.2 million. Operation and maintenance expenses, including fuel, were approximately $31.3 million, and depreciation expense associated with the deregulated asset plan investment was approximately $12.3 million for the nine months ended September 30, 1994. For the first nine months of 1994, GSU recorded nonfuel revenue of $24.3 million (included in the $26.2 million of total deregulated asset plan revenue discussed above) which, absent the deregulated asset plan, would not have been realized. The operation and maintenance expenses and depreciation expense allocated to the deregulated asset plan as detailed above would have been incurred at River Bend with or without the deregulated asset plan. The future impact of the deregulated asset plan on GSU's results of operations and financial position will depend on River Bend's future operating costs, the unit's efficiency and availability, and the future market for energy over the remaining life of the unit. Based on current estimates of the factors discussed above, GSU anticipates that future revenues from the deregulated asset plan will fully recover all related costs.

LPSC Fuel Cost Review

In November 1993, the LPSC ordered a review of GSU's fuel costs. The LPSC stated that fuel costs for the period October 1988 through September 1991 (Phase 1) would be reviewed based on the number of outages at River Bend and the findings in the June 1993 PUCT fuel reconciliation case. In July 1994, the LPSC made a decision in the GSU/Louisiana Phase 1 fuel review case and ordered GSU to refund approximately $27 million to its customers. Under the order, a refund of $13.1 million, which was not contested under a recent Louisiana Supreme Court decision as discussed in Note 2, was made through a billing credit on August bills. In August 1994, GSU appealed the remaining portion of the LPSC ordered refund to the district court. GSU has made no reserve for the remaining portion, pending outcome of the district court appeal.

Accounting for Decommissioning Costs

The Financial Accounting Standards Board has agreed to review the accounting for removal costs, which includes the accounting for decommissioning of nuclear plants. This project could possibly change the System's, as well as the entire utility industry's, accounting for such costs.

Item 1. Legal Proceedings

River Bend

Entergy Corporation and GSU

See Note 2 and also see pages 20-22, 80-82, and 160-163 of the Form 10-K, pages 44-46 of the First Quarter Form 10-Q, and pages 44-47 and 70-71 of the Second Quarter Form 10-Q, for a discussion of outstanding appeals and remands regarding approximately $1.4 billion of abeyed company-wide River Bend plant costs and approximately $157 million of Texas retail jurisdiction deferred River Bend operating and carrying costs.

See Note 1 and also see pages 40-42, 94-95, and 172-173 of the Form 10-K, pages 39-40 and 70 of the First Quarter Form 10-Q, and pages 39-40 of the Second Quarter Form 10-Q, for a discussion of proceedings between GSU and Cajun.

LPSC Fuel Cost Review

GSU

See pages 23 and 165 of the Form 10-K, page 49 of the First Quarter Form 10-Q, and pages 50 and 71 of the Second Quarter Form 10-Q, for a discussion of an LPSC ordered refund to GSU customers. In August 1994, GSU appealed the contested portion of the LPSC ordered refund to the district court.

Cajun/Jefferson Davis

GSU

See page 40 of the Form 10-K for a discussion of a suit brought against GSU by Cajun and Jefferson Davis for failing to provide transmission services. On March 21, 1994, FERC issued an order affirming the ALJ and dismissing Cajun's complaint, finding that GSU properly exercised its contractual right to refuse to provide the service. On August 3, 1994, FERC denied rehearing. On August 12, 1994, Cajun filed a petition for review of FERC's orders in the United States Court of Appeals for the District of Columbia Circuit. The matter is pending.

Least Cost Planning

AP&L, GSU, LP&L, MP&L, and NOPSI

See pages 8-9, 19, 23, 25-27, 76, 122, 197, 232, and 264 of the Form 10-K, page 67 of the First Quarter Form 10-Q, and page 72 of the Second Quarter Form 10-Q, for a discussion of Least Cost Planning. On July 1, 1994, AP&L filed a motion requesting that the APSC approve the withdrawal of AP&L's Least Cost Plan filed December 1, 1992, and July 1, 1993, and to rescind its directive that AP&L file another Least Cost Plan in March 1995. On October 5, 1994, the APSC issued an order that suspended the individual dockets and established a new one. Hearings are scheduled to begin in April 1995.

On September 28, 1994, LP&L and NOPSI filed a report with the Council that discussed Entergy's Least Cost Plan activities in other jurisdictions and described the motivations for these activities. LP&L and NOPSI also filed a motion requesting that the Council defer the filing of a new Least Cost Plan, which the existing Least Cost Plan Ordinance required on December 1, 1994. On October 6, 1994, the Council approved an amendment to the City Code that rescinded the December 1, 1994 filing requirement and allowed the Council to set a future date for a new filing. The Council's actions also established that there would be a set of hearings to consider a wide range of Least Cost Plan issues, and that a new filing date would be established following these hearings. These rulings do not affect the ongoing DSM programs that LP&L and NOPSI are currently implementing in the City.

System Agreement

Entergy Corporation, AP&L, LP&L, MP&L, and NOPSI

See pages 67-68 of the First Quarter Form 10-Q, and page 73 of the Second Quarter Form 10-Q for a discussion related to FERC's proceeding to consider whether the System Agreement permits certain out-of-service generating units to be included in reserve equalization calculations under Service Schedule MSS-1 of that agreement. Entergy submitted testimony on September 23, 1994, describing the impacts (not including interest) on Service Schedule MSS-1 calculations during the period 1987 through 1993. LP&L and MP&L would have been overbilled by $10.6 and $8.8 million , respectively, and AP&L and NOPSI would have been underbilled by $6.3 and $13.1 million, respectively.

Merger-Related Proceedings

Entergy Corporation and GSU

a) See pages 19, 83, and 163 of the Form 10-K, page 69 of the First Quarter Form 10-Q, and page 74 of the Second Quarter Form 10-Q, for information on a GSU cost-of-service study filed with the PUCT and Texas Cities. In August 1994, the cities' consultants issued a report that indicated GSU's current rates were approximately $40 to $50 million in excess of current requirements. In September 1994, various cities adopted ordinances directing GSU to reduce its rates on a Texas retail basis by $45.9 million. GSU has appealed the cities' ordinances to the PUCT where the reasonableness of GSU's rates will be reviewed. The PUCT has scheduled a hearing on the merits for November 21, 1994. Final action by the PUCT is expected in March 1995. GSU can provide no assurance as to the ultimate outcome in this matter; however, any rate reduction could be retroactive to March 31, 1994.

b) See page 38 of the Form 10-K, page 69 of the First Quarter Form 10-Q, and page 74 of the Second Quarter Form 10-Q, for information on parties contesting FERC's order approving the Merger.

On August 9, 1994, Cajun filed a motion for remand and partial summary grant of its petition for review. Cajun argued that FERC's orders approving the Merger relied on the Entergy transmission service tariff and because of the D.C. Circuit's opinion finding the transmission tariff to be flawed (see "Open Access Transmission" below), the Court should summarily grant Cajun's petition for review, in part, and remand these matters to FERC for further proceedings. Entergy responded that judicial economy would best be served by holding the case in abeyance until FERC addresses the transmission tariff.

On September 6, 1994, Occidental Chemical Corporation (OCC) and Arkansas Electric Energy Consumers (AEEC) filed a motion for remand and partial summary disposition, to FERC for a full evidentiary hearing on Merger competition issues. OCC and AEEC opposed any delay of a remand by holding the proceedings in abeyance because it would allegedly serve to prolong the present potential for anticompetitive harm. Entergy opposed the OCC and AEEC motion in a response filed on September 16, 1994, arguing that OCC and AEEC provided no basis for FERC to hold an evidentiary hearing on the competitive impacts of the Merger. FERC also opposed the OCC and AEEC motion, requesting again that the Court hold the proceedings in abeyance. The motions filed by Cajun, OCC and AEEC are pending.

c) As discussed on page 38 of the Form 10-K, petitions for review of the SEC order approving various aspects of the Merger were filed with the D.C. Circuit in February 1994 by Houston Industries Incorporated, Houston Lighting and Power Company, and Cajun. These petitions have been consolidated. In September 1994, the SEC filed a motion with the D.C. Circuit seeking a remand of the Merger proceedings to the SEC to permit the agency to supplement or amend its findings and order regarding the Merger's anti-competitive effects in light of the July 12, 1994, opinion of the D.C. Circuit which overturned certain findings of FERC regarding the Entergy System's "open access" transmission tariff (see page 75 of the Second Quarter Form 10-Q). The matter is pending before the D.C. Circuit.

d) See page 31 of the Form 10-K for information on Cajun's suit claiming that the NRC erred by issuing two license amendments for River Bend. On August 23, 1994, the NRC issued an order disallowing GSU's appeal in the ASLB proceeding and upholding the ASLB's January 27, 1994 order. A hearing on the proceeding before the ASLB on Cajun's contention has been set for May 9, 1995.

FERC Audit - Proposed Settlement

Entergy Corporation and System Energy

See Note 2 and also see pages 16, 84-85, and 296-297 of the Form 10-K, pages 46-47 of the First Quarter Form 10-Q, and pages 47-48, and 75 of the Second Quarter Form 10-Q, for information on a proposed settlement of a FERC audit of System Energy. On October 7, 1994, System Energy filed with FERC for approval of the proposed settlement.

Open Access Transmission

Entergy Corporation, AP&L, GSU, LP&L, MP&L, and NOPSI

See page 17 of the Form 10-K and page 75 of the Second Quarter Form 10-Q for a discussion of various petitions filed with the United States Court of Appeals for the District of Columbia Circuit related to FERC's 1992 orders regarding open access transmission and the sale of wholesale power at market-based rates. On August 23, 1994, Entergy submitted a letter to FERC in connection with the D.C. Circuit's remand. Entergy committed to revise its transmission service tariff to facilitate the expeditious resolution of the case and to provide "comparability of service" over the Entergy transmission network. Entergy further committed that the revised transmission service tariff would withdraw the specific provisions regarding recovery of stranded investment found problematic by the D.C. Circuit. To date, Entergy has not sought recovery of stranded investment costs in rates under the transmission tariffs and the remand to FERC is not expected to result in refunds of any amounts that have been collected pursuant to transmission tariffs.

LPSC Investigation/Formula Rate Plan

Entergy Corporation and LP&L

See Note 2 and pages 75, 84, and 199 of the Form 10-K, pages 48 and 71 of the First Quarter Form 10-Q, and pages 49 and 76 of the Second Quarter Form 10-Q, for a discussion of an LPSC investigation and a subsequent LP&L formula rate plan filing with the LPSC.

Incentive Rate Plan

Entergy and MP&L

See pages 25-26, 83-84, and 235-236 of the Form 10-K and page 76 of the Second Quarter Form 10-Q for a discussion of MP&L's incentive rate plan approved by the MPSC. On October 6, 1994, Mississippi Valley Gas filed a motion with the Mississippi Supreme Court to voluntarily dismiss its appeal.

February 1994 Ice Storm

Entergy Corporation, AP&L, and MP&L

See Note 2 for a discussion of MP&L's rate recovery of the February 1994 ice storm damages.

NRC Fine

Entergy Corporation and LP&L

On August 19, 1994, the NRC notified Entergy Operations that it will be fined $112,500 for violations at Waterford 3. Entergy Operations discovered and reported the problems which would have affected several engineered safety features related to the ventilation and filtration systems following a loss of their normal power supply. The problems were traced to a system design change installed in various systems between October 1992 and April 1993. Entergy Operations did not contest the fine.

Spent Nuclear Fuel

Entergy Corporation, AP&L, GSU, LP&L, and System Energy

See pages 29, 97-98, 134, 175, 208-209, and 304 of the Form 10-K for information regarding spent nuclear fuel. Entergy Operations and System Fuels joined in lawsuits against the Department of Energy (DOE), seeking clarification of the DOE's responsibility to receive spent nuclear fuel beginning in 1998.

The original suits, filed June 20, 1994, asked for a ruling that the Nuclear Waste Policy Act requires the DOE to begin taking title to the spent fuel and start removing it from nuclear power plants in 1998, a mandate for and court monitoring of DOE's nuclear waste management program to enable fuel acceptance beginning in 1998, and the potential for escrow of customer payments to the Nuclear Waste Fund.

Municipalities

Entergy Corporation, LP&L and MP&L

On August 24, 1994, the Terrebonne Parish Council adopted an ordinance authorizing the Terrebonne Parish Consolidated Government (Government) to enter into negotiations with LP&L to settle a pending lawsuit filed by LP&L on March 27, 1992, against the Government and its Department of Utilities, pertaining to alleged unlawful actions in usurping certain service locations of LP&L. This ordinance also authorizes the Government to seek court action to expropriate LP&L's facilities in the city of Houma, but only in the event a settlement is not reached with respect to the pending lawsuit. The matter is pending.

On October 11, 1994, twelve Mississippi cities filed a complaint in state court against MP&L and eight electric power associations seeking a judgment from the court declaring unconstitutional certain Mississippi statutes that establish the procedure that must be followed before a municipality can acquire the facilities and certificate rights of a utility serving in the municipality. Specifically, the suit requests that the court declare unconstitutional certain 1987 amendments to the Mississippi Public Utilities Act that require that the MPSC cancel a utility's certificate to serve in the municipality before a municipality may acquire a utility's facilities located in the municipality. The suit also requests that the court find that Mississippi municipalities can serve any consumer in the boundaries of the municipality (and within one mile thereof). Such a finding would be contrary to a number of Mississippi Supreme Court decisions that have held that a municipality cannot serve in another utility's service area even where the municipal boundaries extend into such service area. The matter is pending.

Sales/Use Tax Issues

Entergy Corporation, GSU, LP&L, and NOPSI

The Louisiana Supreme Court (Court) recently issued an opinion (in a case in which none of the System companies is a party), holding, in part, that the Louisiana state legislature's suspension of state sales and use tax exemptions also has the effect of suspending exemptions from local sales and use taxes. The Court has granted an application for rehearing on this issue and, therefore, its decision is not yet final. However, if the Court's decision is not changed, previously exempt sales of electricity and gas, fuels and other items used to generate electricity in Louisiana by GSU, LP&L, and NOPSI, as well as other items exempt from sales and use taxes, could be subject to local sales and use taxes. If the Court's decision were to have retroactive application, GSU, LP&L, and NOPSI could be liable for back sales and use taxes. The final outcome of this matter cannot yet be determined, but a unfavorable result could have a material adverse effect upon Entergy, GSU, LP&L, and NOPSI. The matter is pending.

See page 43 of the Form 10-K and page 77 of the Second Quarter Form 10-Q for a discussion of disputes and litigation between LP&L and tax authorities in St. Charles Parish, Louisiana (Parish), with respect to sales, use and lease taxes allegedly applicable to nuclear fuel.

On October 13, 1994, Parish tax authorities sued LP&L and Entergy in the Civil District Court of Orleans Parish, Louisiana, claiming that $1.4 million of sales and use and lease taxes paid under protest by LP&L with respect to newly acquired nuclear fuel were not, in fact, paid under protest and should be disposed of by Parish, and that unspecified additional taxes, interest, and penalties are due. LP&L presently has a suit pending in Parish seeking to recover the $1.4 million in taxes paid under protest, and will contest the suit in Orleans Parish, which LP&L and Entergy believes is without merit.

Item 5. Other Information

River Bend Unplanned Outage

Entergy Corporation and GSU

On September 8, 1994, River Bend automatically shut down due to false high water signals. As River Bend was ready to begin operations on October 10, 1994, seepage was detected from some high pressure water lines. The lines were repaired and the unit was placed back in service on October 21, 1994. On October 28, 1994, the unit was shut down because of water leakage from a recirculating pump seal. The seal was repaired and the unit was placed back in service on November 3, 1994.

Nonregulated Investments

Entergy Corporation

As discussed on page 3 of the Form 10-K and Page 75 of the First Quarter Form 10-Q, Entergy continues to consider opportunities to expand its business, including opportunities in overseas power development. In October 1994, Entergy Corporation invested $50 million in the Hub River Company which is constructing a generating station near Karachi, Pakistan.

Common Stock Price Range and Dividends

Entergy Corporation

The shares of Entergy Corporation's common stock are listed on the New York, Chicago, and Pacific Stock Exchanges. The high and low sales prices of Entergy Corporation's common stock for the third quarter of 1994, as reported by The Wall Street Journal as composite transactions, were $26 1/4 and $22 5/8, respectively, per share.

For the twelve months ended September 30, 1994, Entergy Corporation paid common stock dividends in an aggregate amount of $1.80 per share. As of September 30, 1994, the consolidated book value of a share of Entergy Corporation's common stock was $28.46 and the last reported sale price of Entergy Corporation's common stock on September 30, 1994, was $23 1/4 per share.

Earnings Ratios

AP&L, GSU, LP&L, MP&L, NOPSI, and System Energy

The System operating companies and System Energy have calculated ratios of earnings to fixed charges and ratios of earnings to combined fixed charges and preferred dividends pursuant to Item 503 of Regulation S-K of the SEC as follows:

	Twelve Months Ended December 31,					September 30,
	1989	1990	1991	1992	1993	1994
Ratios of Earnings to						

Fixed Charges
(a)

AP&L	2.31	2.16	2.25	2.28	3.11(h)	2.37
GSU	1.16	.80(i)	1.56	1.72	1.54	.84(i)
LP&L	1.79	2.32	2.40	2.79	3.06	2.88
MP&L	1.04(e)	2.42	2.36	2.37	3.79(h)	2.26
NOPSI	1.89	2.73	5.66(g)	2.66	4.68(h)	3.18
System Energy	-(f)	2.10	1.74	2.04	1.87	1.93

	Twelve Months Ended December 31,					September 30,
	1989	1990	1991	1992	1993	1994
Ratios of Earnings to Combined Fixed Charges and Preferred Dividends (a)(b)(c)						
AP&L	1.88	1.81	1.87	1.86	2.54(h)	1.96
GSU (d)	.66(i)	.59(i)	1.19	1.37	1.21	.75(i)
LP&L	1.39	1.87	1.95	2.18	2.39	2.32
MP&L	1.00(e)	1.93	1.94	1.97	3.08(h)	1.86
NOPSI	1.62	2.36	4.97(g)	2.36	4.12(h)	2.76

(a) "Earnings," as defined by SEC Regulation S-K, represent the aggregate of (1) net income, (2) taxes based on income, (3) investment tax credit adjustments - net, and (4) fixed charges. "Fixed Charges" include interest (whether expensed or capitalized), related amortization, and interest applicable to rentals charged to operating expenses.

(b) "Preferred Dividends," as defined by SEC Regulation S-K, are computed by dividing the preferred dividend requirement by one hundred percent (100%) minus the effective income tax rate.

(c) System Energy's Amended and Restated Articles of Incorporation do not currently provide for the issuance of preferred stock.

(d) "Preferred Dividends" in the case of GSU also include dividends on preference stock.

(e) Earnings for the twelve months ended December 31, 1989 include the impact of the write-off of $60 million of deferred Grand Gulf 1-related costs pursuant to an agreement between MP&L and the MPSC.

(f) Earnings for the year ended December 31, 1989 were inadequate to cover fixed charges due to System Energy's cancellation and write-off of its investment in Grand Gulf 2 in September 1989. The amount of the coverage deficiency for fixed charges was $745.2 million.

(g) Earnings for the year ended December 31, 1991 include the $90 million effect of the 1991 NOPSI Settlement.

(h) Earnings for the year ended December 31, 1993 include $81 million, $52 million, and $18 million for AP&L, MP&L, and NOPSI, respectively, related to the change in accounting principle to provide for the accrual of estimated unbilled revenues.

(i) Earnings for the year ended December 31, 1990 for GSU were not adequate to cover fixed charges by $60.6 million. Earnings for the years ended December 31, 1990 and 1989, were not adequate to cover fixed charges and preferred dividends by $165.1 million and $190.8 million, respectively. Earnings in 1990 include a $205 million charge for the settlement of a purchase power dispute. Earnings for the twelve months ended September 30, 1994 were not adequate to cover fixed charges by $34.7 million. Earnings for the twelve months ended September 30, 1994 were not adequate to cover fixed charges and preferred dividends by $64.5 million.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits*

3(a) - Articles of Amendment dated August 1, 1994 and Restated Articles of Incorporation, as of December 21, 1983 of MP&L.

** 4(a) - Fiftieth Supplemental Indenture, dated as of September 1, 1994, supplementing and amending LP&L's Mortgage and Deed of Trust, dated as of April 1, 1994, as herefore supplemented and amended (filed as Exhibit A-4(c) to Rule 24 Certificate dated September 28, 1994 in File No. 70-7653).

23(a) - Consent of Friday, Eldredge & Clark.

23(b) - Consent of Monroe & Lemann (A Professional Corporation).

23(c) - Consent of Wise Carter Child & Caraway, Professional Association.

23(d) - Consent of Clark, Thomas & Winters.

23(e) - Consent of Sandlin Associates.

27(a) - Financial Data Schedule for Entergy Corporation and Subsidiaries as of September 30, 1994.

27(b) - Financial Data Schedule for AP&L as of September 30, 1994.

27(c) - Financial Data Schedule for GSU as of September 30, 1994.

27(d) - Financial Data Schedule for LP&L as of September 30, 1994.

27(e) - Financial Data Schedule for MP&L as of September 30, 1994.

27(f) - Financial Data Schedule for NOPSI as of September 30, 1994.

27(g) - Financial Data Schedule for System Energy as of September 30, 1994.

99(a) - AP&L's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Dividends, as defined.

99(b) - GSU's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Dividends, as defined.

99(c) - LP&L's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Dividends, as defined.

99(d) - MP&L's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Dividends, as defined.

99(e) - NOPSI's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Dividends, as defined.

99(f) - System Energy's Computation of Ratios of Earnings to Fixed Charges, as defined.

**99(g) - Annual Reports on Form 10-K of Entergy Corporation, AP&L, GSU, LP&L, MP&L, NOPSI, and System Energy for the fiscal year ended December 31, 1993, portions of which are incorporated herein by reference as described elsewhere in this document (filed with the SEC in File Nos. 1-11299, 1-10764, 1-2703, 1-8474, 0-320, 0-5807, and 1-9067, respectively).

**99(h) - Quarterly Report on Form 10-Q of Entergy Corporation, AP&L, GSU, LP&L, MP&L, NOPSI, and System Energy for the quarter ended March 31, 1994, portions of which are incorporated herein by reference as described elsewhere in this document (filed with the SEC in File Nos. 1-11299, 1-10764, 1-2703, 1-8474, 0-320, 0-5807, and 1-9067, respectively).

**99(i) - Quarterly Report on Form 10-Q of Entergy Corporation, AP&L, GSU, LP&L, MP&L, NOPSI, and System Energy for the quarter ended June 30, 1994, portions of which are incorporated herein by reference as described elsewhere in this document (filed with the SEC in File Nos. 1-11299, 1-10764, 1-2703, 1-8474, 0-320, 0-5807, and 1-9067, respectively).

99(j) - Earnings statement of AP&L for the twelve month period ended September 30, 1994, made generally available to security holders pursuant to Section 11(a) of the Securities Act of 1933, as amended.

99(k) - Earnings statement of MP&L for the twelve month period ended September 30, 1994, made generally available to security holders pursuant to Section 11(a) of the Securities Act of 1933, as amended.

**99(l) - Opinion of Clark, Thomas & Winters, a professional corporation, dated September 30, 1992 regarding the effect of the October 1, 1991 judgment in GSU v. PUCT in the District Court of Travis County, Texas (99-1 in Registration No. 33-48889).

**99(m) - Opinion of Clark, Thomas & Winters, a professional corporation, dated August 8, 1994 regarding recovery of costs deferred pursuant to PUCT order in Docket 6525 (filed as Exhibit 99(j) to Quarterly Report on Form 10-Q for the quarter ended June 30, 1994 in File No. 1-2703).

99(n) - Opinion of Clark, Thomas & Winters, a professional corporation, confirming its opinions dated September 30, 1992 and August 8, 1994.

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* Reference is made to a duplicate list of exhibits being filed as a part of Form 10-Q for the quarter ended September 30, 1994, which list, prepared in accordance with Item 102 of Regulation S-T of the Securities and Exchange Commission, immediately precedes the exhibits being filed with Form 10-Q for the quarter ended September 30, 1994.

** Incorporated herein by reference as indicated.

(b) Reports on Form 8-K

Entergy

A current report on Form 8-K, dated October 21, 1994, was filed with the SEC on October 28, 1994, reporting information under Item 5. "Other Materially Important Events."

GSU

A current report on Form 8-K, dated October 21, 1994, was filed with the SEC on October 28, 1994, reporting information under Item 5. "Other Materially Important Events."

EXPERTS

All statements in Part II of this Quarterly Report on Form 10-Q as to matters of law and legal conclusions, based on the belief or opinion of AP&L, LP&L, MP&L, NOPSI, and System Energy or otherwise, pertaining to the titles to properties, franchises and other operating rights of certain of the registrants filing this Quarterly Report on Form 10-Q, and their subsidiaries, the regulations to which they are subject and any legal proceedings to which they are parties are made on the authority of Friday, Eldredge & Clark, 2000 First Commercial Building, 400 West Capitol, Little Rock, Arkansas, as to AP&L; Monroe & Lemann (A Professional Corporation), 201 St. Charles Avenue, Suite 3300, New Orleans, Louisiana, as to LP&L and NOPSI; and Wise Carter Child & Caraway, Professional Association, Heritage Building, Jackson, Mississippi, as to MP&L and System Energy.

The statements attributed to Clark, Thomas & Winters, a professional corporation, as to legal conclusions with respect to GSU's rate regulation in Texas in Note 2 to Entergy Corporation and Subsidiaries Consolidated Financial Statements, "Rate and Regulatory Matters," have been reviewed by such firm and are included herein upon the authority of such firm as experts.

The statements attributed to Sandlin Associates regarding the analysis of River Bend construction costs of GSU in Note 2 to Entergy Corporation and Subsidiaries Consolidated Financial Statements, "Rate and Regulatory Matters," have been reviewed by such firm and are included herein upon the authority of such firm as experts.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. The signature for each undersigned company shall be deemed to relate only to matters having reference to such company or its subsidiaries.

ENTERGY CORPORATION
ARKANSAS POWER & LIGHT COMPANY
GULF STATES UTILITIES COMPANY
LOUISIANA POWER & LIGHT COMPANY
MISSISSIPPI POWER & LIGHT COMPANY
NEW ORLEANS PUBLIC SERVICE INC.
SYSTEM ENERGY RESOURCES, INC.

/s/ Lee W. Randall
Lee W. Randall
Vice President and
Chief Accounting Officer
(For each Registrant and for each as
Principal Accounting Officer)

Date: November 10, 1994

Exhibit 3(a)

RESTATED ARTICLES OF INCORPORATION

OF

MISSISSIPPI POWER & LIGHT COMPANY

Pursuant to the provisions of Section 64 of the Mississippi Business Corporation Law (Section 79-3-127, Mississippi Code of 1972, as amended), the undersigned Corporation adopts the following Restated Articles of Incorporation:

FIRST: The name of the Corporation is MISSISSIPPI POWER & LIGHT COMPANY.

SECOND: The period of its duration is ninety-nine (99) years.

THIRD: The purpose or purposes which the Corporation is authorized to pursue are:

To acquire, buy, hold, own, sell, lease, exchange, dispose of, finance, deal in, construct, build, equip, improve, use, operate, maintain and work upon:

(a) Any and all kinds of plants and systems for the manufacture, production, storage, utilization, purchase, sale, supply, transmission, distribution or disposition of electricity, natural or artificial gas, water or steam, or power produccd tbereby, or of ice and refrigeration of any and every kind;

(b) Any and all kinds of telephone, telegraph, radio, wireless and other systems, facilities and devices for the receipt and transmission of sounds and signals, any and all kinds of interurban, city and street railways and railroads and bus lines for the transportation of passengers and/or freight, transmission lines, systems, appliances, equipment and devices and tracks, stations, buildings and other structures and facilities;

(c) Any and all kinds of works, power plants, manufactories, structures, substations, systems, tracks, machinery, generators, motors, lamps, poles, pipes, wires, cables, conduits, apparatus, devices, equipment, supplies, articles and merchandise of every kind pertaining to or in anywise connected with the construction, operation or maintenance of telephone, telegraph, radio, wireless and other systems, facilities and devices for the receipt and transmission of sounds and signals, or of interurban, city and street railways and railroads and bus lines, or in anywise connected with or pertaining to the manufacture, production, purchase, use, sale, supply, transmission, distribution, regulation, control or application of electricity, natural or artificial gas, water, steam, ice, refrigeration and power or any other purposes;

To acquire, buy, hold, own, sell, lease, exchange, dispose of, transmit, distribute, deal in, use, manufacture, produce, furnish and supply street and interurban railway and bus service, electricity, natural or artificial gas, light, heat, ice, refrigeration, water and steam in any form and for any purposes whatsoever, and any power or force or energy in any form and for any purposes whatsoever;

To buy, sell, manufacture, produce and generally deal in milk, cream and any articles or substances used or usable in or in connection with the manufacture and production of ice cream, ices, beverages and soda fountain supplies; to buy, sell, manufacture, produce and generally deal in ice cream and ices;

To acquire, organize, assemble, develop, build up and operate constructing and operating and other organizations and systems, and to hire, sell, lease, exchange, turn over, deliver and dispose of such organizations and systems in whole or in part and as going organizations and systems and otherwise, and to enter into and perform contracts, agreements and undertakings of any kind in connection with any or all the foregoing powers;

To do a general contracting business;

To purchase, acquire, develop, mine, explore, drill, hold, own and dispose of lands, interests in and rights with respect to lands and waters and fixed and movable property;

To borrow money and contract debts when necessary for the transaction of the business of the Corporation or for the exercise of its corporate rights, privileges or franchises or for any other lawful purpose of its incorporation; to issue bonds, promissory notes, bills of exchange, debentures and other obligations and evidences of indebtedness payable at a specified time or times or payable upon the happening of a specified event or events, whether secured by mortgage, pledge or otherwise or unsecured, for money borrowed or in payment for property purchased or acquired or any other lawful objects;

To guarantee, purchase, hold, sell, assign, transfer, mortgage, pledge or otherwise dispose of the shares of the capital stock of, or any bonds, securities or evidences of indebtedness created by, any other corporation or corporations of the State of Mississippi or any other state or government and, while the owner of such stock, to exercise all the rights, powers and privileges of individual ownership with respect thereto including the right to vote thereon, and to consent and otherwise act with respect thereto;

To aid in any manner any corporation or association, domestic or foreign, or any firm or individual, any shares of stock in which or any bonds, debentures, notes, securities, evidences of indebtedness, contracts or obligations of which are held by or for the Corporation or in which or in the welfare of which the Corporation shall have any interest, and to do any acts designed to protect, preserve, improve or enhance the value of any property at any time held or controlled by the Corporation, or in which it may be at any time interested; and to organize or promote or facilitate the organization of subsidiary companies;

To purchase, hold, sell and transfer shares of its own capital stock, provided that the Corporation shall not purchase its own shares of capital stock except frorn surplus of its assets over its liabilities including capital; and provided, further, that the shares of its own capital stock owned by the Corporation shall not be voted upon directly or indirectly nor counted as outstanding for the purposes of any stockholders' quorum or vote;

In any manner to acquire, enjoy, utilize and to dispose of patents, copyrights and trade-marks and any licenses or other rights or interests therein and thereunder:

To purchase, acquire, hold, own or dispose of franchises, concessions, consents, privileges and licenses necessary for and in its opinion useful or desirable for or in connection with the foregoing powers;

To do all and everything necessary and proper for the accomplishment of the objects enumerated in these Restated Articles of Incorporation or any amendment thereof or necessary or incidental to the protection and benefits of the Corporation, and in general to carry on any lawful business necessary or not incidental to the attainment of the objects of the Corporation whether or not such business is similar in nature to the objects set forth in these Restated Articles of Incorporation or any amendment thereof.

To do any or all things herein set forth, to the same extent and as fully as natural persons might or could do, and in any part of the world, and as principal, agent, contractor or otherwise, and either alone or in conjunction with any other persons, firms, associations or corporations;

To conduct its business in all its branches in the State of Mississippi, other states, the District of Columbia, the territories and colonies of the United States, and any foreign countries, and to have one or more offices out of the State of Mississippi and to hold, purchase, mortgage and convey real and personal property both within and without the State of Mississippi; provided, however, that the Corporation shall not exercise any of the powers set forth herein for the purpose of engaging in business as a street railway, telegraph or telephone company unless prior tbereto this Article Third shall have been amended to set forth a description of the line and the points it will traverse.

FOURTH: The aggregate number of shares which the Corporation shall have authority to issue is 17,004,478 shares, divided into 2,004,476 shares of Preferred Stock of the par value of $100 per share and 15,000,000 shares of Common Stock without par value.

The preferences, limitations and relative rights in respect of the shares of each class and the variations in the relative rights and preferences as between series of any preferred or special class in series are as follows:

The Preferred Stock shall be issuable in one or more series from tirne to time and the shares of each series shall have the same rank and be identical with each other and shall have the same relative rights except with respect to the following:

(a) The number of shares to constitute each such series and the distinctive designation thereof;

(b) The annual rate or rates of dividends payable on shares of such series, the dates on which dividends shall be paid in each year and the date from which such dividends shall commence to accumulate;

(c) The amount or amounts payable upon redemption thereof; and

(d) The sinking fund provisions, if any, for the redemption or purchase of shares;

which different characterics of clauses (a), (b), (c) and (d) above may be stated and expressed with respect to each series in the resolution or resolutions providing for the issue of such series adopted by the Board of Directors or in these Restated Articles of Incorporation of any amendment thereof.

A series of 60,000 shares of Preferred Stock shall:

(a) be designated "4.36% Preferred Stock Cumulative, $100 Par Value";

(b) have a dividend rate of $4.36 per share per annum payable quarterly on February 1, May 1, August 1 and November 1 of each year, the first dividend date to be February 1, 1963, and such dividends to be cumulative from the last date to which dividends upon the 4.36% Preferred Stock Cumulative, $100 Par Value, of Mississippi Power & Light Company, a Florida corporation, are paid;

(c) be subject to redemption in the manner provided herein with respect to the Preferred Stock at the price of $105.36 per share if redeemed on or before February 1, 1964, and of $103.88 per share if redeemed after February 1, 1964, in each case plus an amount equivalent to the accumulated and unpaid dividends thereon, if any, to the date fixed for redemption.

A series of 44,476 shares of the Preferred Stock shall:

(a) be designated "4.56% Preferred Stock, Cumulative, $100 Par Value";

(b) have a dividend rate of $4.56 per share per annum payable quarterly on February 1, May 1, August 1 and November 1 of each year, the first dividend date to be February 1, 1963, and such dividends to be cumulative from the last date to which dividends upon the 4.56% Preferred Stock, Cumulative, $100 Par Value, of Mississippi Power & Light Company, a Florida corporation, are paid; and

(c) be subject to redemption in the manner provided herein with respect to the Preferred Stock at the price of $108.50 per share if redeemed on or before November 1, l964, and of $107.00 per share if redeemed after November 1, 1964, in each case plus an amount equivalent to the accumulated and unpaid dividends thereon, if any, to the date fixed for redemption.

A series of 100,000 shares of the Preferred Stock shall:

(a) be designated "4.92% Preferred Stock, Cumulative, $100 Par Value";

(b) have a dividend rate of $4.92 per share per annum payable quarterly on February 1, May 1, August 1 and November 1 of each year, the first dividend date to be February 1, 1966, and such dividends to be cumulative from the date of issue of said series; and

(c) be subject to redemption at the price of $106.30 per share if redeemed on or before January 1, 1971, of $104.38 per share if redeemed after January 1, 1971 and on or before January 1, 1976, and of $102.88 per share if redeemed after January 1, 1976, in each case plus an amount equivalent to the accumulated and unpaid dividends thereon, if any, to the date fixed for redemption.

A series of 75,000 shares of the Preferred Stock shall:

(a) be designated "9.16% Preferred Stock, Cumulative, $100 Par Value";

(b) have a dividend rate of $9.16 per share per annum payable quarterly on February 1, May 1, August 1 and November 1 of each year, the first dividend date to be November 1, 1970, and such dividends to be cumulative from the date of issue of said series; and

(c) be subject to redemption at the price of $110.93 per share if redeemed on or before August 1, 1975, of $108.64 per share if redeemed after August 1, 1975 and on or before August 1, 1980, of $106.35 per share if redeemed after August 1, 1980 and on or before August 1, 1985, and of $104.06 per share if redeemed after August 1, 1985, in each case plus an amount equivalent to the accumulated and unpaid dividends thereon, if any, to the date fixed for redemption; provided, however, that no share of the 9.16% Preferred Stock, Cumulative, $100 Par Value, shall be redeemed prior to August 1, 1975 if such redemption is for the purpose or in anticipation of refunding such share through the use, directly or indirectly, of funds borrowed by the Corporation, or through the use, directly or indirectly, of funds derived through the issuance by the Corporation of stock ranking prior to or on a parity with the 9.16% Preferred Stock, Cumulative, $100 Par Value, as to dividends or assets, if such borrowed funds have an effective interest cost to the Corporation (computed in accordance with generally aocepted financial practice) or such stock has an effective dividend cost to the Corporation (so computed) of less than the effective dividend cost to the Corporation of the 9.16% Preferred Stock, Cumulative, $100 Per Value.

A series of 100,000 shares of the Preferred Stock shall:

(a) be designated "7.44% Preferred Stock, Cumulative, $100 Par Value";

(b) have a dividend rate of $7.44 per share per annum payable quarterly on February 1, May 1, August 1 and November 1 of each year, the first dividend date to be May 1, 1973, and such dividends to be cumulative from February 14, 1973; and

(c) be subject to redemption at the price of $108.39 per share if redeemed on or before February 1, 1978, of $106.53 per share if redeemed after February 1, 1978 and on or before February 1, 1983, of $104.67 per share if redeemed after February 1, 1983 and on or before February 1, 1988, and of $102.81 per share if redeemed after February 1, 1988, in each case plus an amount equivalent to the accumulated and unpaid dividends thereon, if any, to the date fixed for redemption; provided, however, that no share of the 7.44% Preferred Stock, Cumulative, $100 Par Value, shall be redeemed prior to February 1, 1978 if such redemption is for the purpose or in anticipation of refunding such share through the use, directly or indirectly, of funds borrowed by the Corporation, or through the use, directly or indirectly, of funds derived through the issuance by the Corporation of stock ranking prior to or on a parity with the 7.44% Preferred Stock, Cumulative, $100 Par Value, as to dividends or assets, if such borrowed funds have an effective interest cost to the Corporation (computed in accordance with generally accepted financial practice) or such stock has an effective dividend cost to the Corporation (so computed) of less than the effective dividend cost to the Corporation of the 7.44% Preferred Stock, Cumulative, S100 Par Value.

A series of 200,000 shares of the Preferred Stock shall:

(a) be designated "17% Preferred Stock, Cumulative, $100 Par Value"

(b) have a dividend rate of $17.00 per share per annum payable quarterly on February 1, May 1, August 1 and November 1 of each year, the first dividend date to be November 1, 1981, and such dividends to be cumulative from the date of issuance;

(c) be subject to redemption at the price of $117.00 per share if redeemed on or before September 1, 1986, of $112.75 per share if redeemed after September 1, 1986 and on or before September 1, 1991, of $108.50 per share if redeemed after September 1, 1991 and on or before September 1, 1996, and of $104.25 per share if redeemed after September 1, 1996, in each case plus an amount equivalent to the accumulated and unpaid dividends thereon, if any, to the date fixed for redemption; provided, however, that no share of the 17% Preferred Stock Cumulative, $100 Par Value, shall be redeemed prior to September 1, 1986 if such redemption is for the purpose or in anticipation of refunding such share through the use, directly or indirectly, of funds borrowed by the Corporation or through the use, directly or indirectly, of funds derived through the issuance by the Corporation of stock ranking prior to or on a parity with the 17% Preferred Stock, Cumulative, $100 Par Value, as to dividends or assets if such borrowed funds have an effective interest cost to the Corporation (computed in accordance with generally accepted financial practice) or such stock; has an effective dividend cost to the Corporation (so computed) of less than the effective dividend cost to the Corporation of the 17% Preferred Stock, Cumulative, $100 Par Value; and

(d) be subject to redemption as and for a sinking fund as follows: On September 1, 1986 and on each September 1 thereafter (each such date being hereinafter referred to as a "17% Sinking Fund Redemption Date"), for so long as any shares of the 17% Preferred Stock, Cumulative, $100 Par Value, shall remain outstanding, the Corporation shall redeem, out of funds legally available therefor, 10,000 shares of the 17% Preferred Stock, Cumulative, $100 Par VaIue (or the number of shares then outstanding if less than 10,000) at the sinking fund redemption price of $100 per share plus, as to each share so redeemed, an amount equivalent to the accumulated and unpaid dividends thereon, if any, to the date of redemption (the obligation of the Corporation so to redeem the shares of the 17% Preferred Stock, Cumulative, $100 Par Value, being hereinafter referred to as the "17% Sinking Fund Obligation"); the 17% Sinking Fund Obligation shall be cumulative; if on any 17% Sinking Fund Redemption Date, the Corporation shall not have funds legally available therefor sufficient to redeem the full number of shares required to be redeemed on that date, the 17% Sinking Fund Obligation with respect to the shares not redeemed shall carry forward to each successive 17% Sinking Fund Redemption Date until such shares shall have been redeemed; whenever on any 17% Sinking Fund Redemption Date, the funds of the Corporation legally available for the satisfaction of the 17% Sinking Fund Obligation and all other sinking fund and similar obligations then existing with respect to any other class or series of its stock ranking on a parity as to dividends or assets with the 17% Preferred Stock, Cumulative, $100 Par Value (such Obligation and obligations collectively being hereinafter referred to as the "Total Sinking Fund Obligation") are insufficient to permit the Corporation to satisfy fully its Total Sinking Fund Obligation on that date, the Corporation shall apply to the satisfaction of its 17% Sinking Fund Obligation on that date that proportion of such legally available funds which is equal to the ratio of such 17% Sinking Fund Obligation to such Total Sinking Fund Obligation; in addition to the 17% Sinking Fund Obligation, the Corporation shall have the option, which shall be noncumulative, to redeem, upon authorization of the Board of Directors, on each 17% Sinking Fund Redemption Date, at the aforesaid sinking fund redemption price, up to 10,000 additional shares of the 17% Preferred Stock, Cumulative, $100 Par Value; the Corporation shall be entitled, at its election, to credit against its 17% Sinking Fund Obligation on any 17% Sinking Fund Redemption Date any shares of the 17% Preferred Stock, Cumulative, Stock Par Value (including shares of the 17% Preferred Stock, Cumulative, $100 Par Value optionally redeemed at the aforesaid sinking fund price) theretofore redeemed (other than shares of the 17% Preferred Stock, Cumulative, $100 Par Value redeemed pursuant to the 17% Sinking Fund Obligation) purchased or otherwise acquired and not previously credited against the 17% Sinking Fund Obligation.

A series of 100,000 shares of the Preferred Stock shall:

(a) be designated "14-3/4% Preferred Stock, Cumulative, $100 Par Value";

(b) have a divedend rate of $14.75 per share per annum payable quarterly on February 1, May 1, August 1 and November 1 of each year, the first dividend date to be May 1 1982, and such dividends to be cumulative from the date of issuance;

(c) be subject to redemption at the price of $114.75 per share if redeemed after the issuanoe and sale and on or before March 1, 1983, $113.11 per share if redeemed after March 1, 1983 and on or before March 1, 1984, $111.47 per share if redeemed after March 1, 1984 and on or before March 1, 1985, $109.83 per share if redeemed after March 1, 1985 and on or before March 1, 1986, $108.19 per share if redeemed after March 1, 1986 and on or before March 1, 1987, $106.56 per share if redeemed after March 1, 1987 and on or before March 1, 1988, $104.92 per share if redeemed after March 1, 1988 and on or before March 1, 1989, $103.28 per share if redeemed after March 1, 1989 and on or before March 1, 1990, $101.64 per share if redeemed after March 1, 1990 and on or before March 1, 1991, and $100.00 per share if redeemed after March 1, 1991, in each case plus an amount equivalent to the accumulated and unpaid dividends thereon, if any, to the date fixed for redemption; provided, however, that no share of the 14-3/4% Preferred Stock, Cumulative, $100 Par Value, shall be redeemed prior to March 1, 1987 if such redemption is for the purpose or in anticipation of refunding such share through the use, directly or indirectly, of funds borrowed by the Corporation, or through the use, directly or indirectly, of funds derived through the issuance by the Corporation of stock ranking prior to or on a parity with the 14-3/4% Preferred Stock, Cumulative, $100 Par Value, as to dividends or assets, if such borrowed funds have an effective interest cost to the Corporation (computed in accordance with generally accepted financial practice) or such stock has an effective dividend cost to the Corporation (so oomputed) of less than the effective dividend cost to the Corporation of the 14-3/4% Preferred Stock, Cumulative, $100 Par Value; and

(d) be subject to redemption as and for a sinking fund as follows. On March 1, 1990, 1991 and 1992 (each such date being hereinafteir referred to as a "14-3/4% Sinking Fund Redemption Date"), the Corporation shall redeem, out of funds legally available therefor, 33,333, 33,333 and 33,334 shares, respectively, of the 14-3/4% Preferred Stock, Cumulative, $100 Par Value, at the sinking fund redemption price of $100 per share plus, as to each share so redeemed, an amount equivalent to the accumulated and unpaid dividends thereon, if any, to the date of redemption (the obligation of the Corporation so to redeem the shares of the 14-3/4% Preferred Stock, Cumulative, $100 Par Value, being hereinafter referred to as the "14-3/4% Sinking Fund Obligation"); the 14-3/4% Sinking Fund Obligation shall be cumulative; if on any 14-3/4% Sinking Fund Redemption Date, the Corporation shall not have funds legally available therefor sufficient to redeem the full number of shares required to be redeemed on that date, the 14-3/4% Sinking Fund Obligation with respect to the shares not redeemed shall carry forward to each successive 14-3/4% Sinking Fund Redemption Date (or, in the event the 14-3/4% Sinking Fund

Obligation is not satisfied on March 1, 1992, to such date as soon thereafter as funds are legally available to satisfy the 14-3/4% Sinking Fund Obligation) until such shares shall have been redeemed; whenever on any 14-3/4% Sinking Fund Redemption Date, the funds of the Corporation legally available for the satisfaction of the 14-3/4% Sinking Fund Obligation and all other sinking fund and similar obligations then existing with respect to any other class or series of its stock ranking on a parity as to dividends or assets with the 14-3/4% Preferred Stock, Cumulative, $100 Par Value (such Obligation and obligations collectively being hereinafter referred to as the "Total Sinking Fund Obligation") are insufficient to permit the Corporation to satisfy fully its Total Sinking Fund Obligation on that date, the Corporation shall apply to the satisfaction of its 14-3/4% Sinking Fund Obligation on that date that proportion of such legally available funds which is equal to the ratio of such 14-3/4% Sinking Fund Obligation to such Total Sinking Fund Obligation.

A series of 100,000 shares of the Preferred Stock shall:

(a) be designated "12.00% Preferred Stock, Cumulative, $100 Par Value";

(b) have a dividend rate of $12.00 per share per annum payable quarterly on February 1, May 1, August 1 and November l of each year, the first dividend date to be May 1, 1983, and such dividends to be cumulative from the date of issuance;

(c) be subject to redemption at the price of $112.00 per share if redeemed on or before March 1, 1988, of $109.00 per share if redeemed after March 1, 1988 and on or before March 1, 1993, of $106.00 per share if redeemed after March 1, 1993 and on or before March 1, 1998, and of $103.00 per share if redeemed after March 1, 1998, in each case plus an amount equivalent to the accumulated and unpaid dividends thereon, if any, to the date fixed for redemption; provided, however, that no share of the 12.00% Preferred Stock, Cumulative, $100 Par Value, shall be redeemed prior to March 1, 1988 if such redemption is for the purpose or in anticipa tion of refunding such share through the use, directly or indirectly, of funds borrowed by the Corporation, or through the use, directly or indirectly, of funds derived through the issuance by the Corporation of stock ranking prior to or on a parity with the 12.00% Preferred Stock, Cumulative, $100 Par Value, as to dividends or assets, if such borrowed funds have an effective interest cost to the Corporation (computed in accordance with generally accepted financial practice) or such stock has an effective dividend cost to the Corporation (so computed) of less than 12.7497% to per annum; and

(d) be subject to redemption as and for a sinking fund as follows: on March 1, 1888 and on each March 1 thereafter (each such date being hereinafter referred to as a "12.00% Sinking Fund Redemption Date"), for so long as any shares of the 12.00% Preferred Stock, Cumulative, $100 Par Value, shall remain outstanding, the Corporation shall redeem, out of funds legally available therefor, 5,000 shares of the 12.00% Preferred Stock, Cumulative, $100 Par Value (or the number of shares then outstanding if less than 5,000) at the sinking fund redemption price of $100 per share plus, as to each share so redeemed, an amount equivalent to the accumulated and unpaid dividends thereon, if any, to the date of redemption (the obligation of the Corporation so to redeem the shares of the 12.00% Preferred Stock, Cumulative, $100 Par Value, being hereinafter referred to as the "12.00% Sinking Fund Obligation"); the 12.00% Sinking Fund Obligation shall be cumulative; if on any 12.00% Sinking Fund Redemption Date, the Corporation shall not have funds legally available therefor sufficient to redeem the full number of shares required to be redeemed on that date, the 12.00% Sinking Fund Obligation with respect to the shares not redeemed shall carry forward to each successive 12.00% Sinking Fund Redemption Date until such shares shall have been redeemed; whenever on any 12.00% Sinking Fund Redemption Date, the funds of the Corporation legally available for the satisfaction of the 12.00% Sinking Fund Obligation and all other sinking fund and similar obligations then existing with respect to any other class or series of its stock ranking on a parity as to dividends or assets with the 12.00% Preferred Stock Cumulative, $100 Par Value (such Obligation and obligations collectively being hereinafter referred to as the "Total Sinking Fund Obligation") are insufficient to permit the Corporation to satisfy fully its Total Sinking Fund Obligation on that date, the Corporation shall apply to the satisfaction of its 12.00% Sinking Fund Obligation on that date that proportion of such legally available funds which is equal to the ratio of such 12.00% Sinking Fund Obligation to such Total Sinking Fund Obligation; in addition to the 12.00% Sinking Fund Obligation, the Corporation shall have the option, which shall be noncumulative, to redeem, upon authorization of the Board of Directors, on each 12.00% Sinking Fund Redemption Date, at the aforesaid sinking fund redemption price, up to 5,000 additional shares of the 12.00% Preferred Stock

Cumulative, $100 Par Value; the Corporation shall be entitled, at its election, to credit against its 12.00% Sinking Fund Obligation on any 12.00% Sinking Fund Redemption Date any shares of the 12.00% Preferred Stock, Cumulative, $100 Par Value (including shares of the 12.00% Preferred Stock Cumulative, $100 Par Value optionally redeemed at the aforesaid sinking fund price) theretofore redeemed (other than shares of the 12.00% Preferred Stock, Cumulative, $100 Par Value redeemed pursuant to the 12.00% Sinking Fund Obligation) purchased or otherwise acquired and not previously credited against the 12.00% Sinking Fund Obligation.

Subject to the foregoing, the distinguishing characteristics of the Preferred Stock shall be:

(A) Each series of the Preferred Stock, pari passu with all shares of preferred stock of any class or series then outstanding, shall be entitled but only when and as declared by the Board of Directors, out of funds legally available for the payment of dividends in preference to the Common Stock, to dividends at tbe rate stated and expressed with respect to such series herein or by the resolution or resolutions providing for the issue of such series adopted by tbe Board of Directors; such dividends to be cumulative from such date and payable on such dates in each year as may be stated and expressed in said resolution, to stockholders of record as of a date not to exceed 40 days and not less than 10 days preceding the dividend payment dates so fixed.

(B) If and when dividends payable on any of the Preferred Stock of the Corporation at any time outstanding shall be in defauIt in an amount equal to four full quarterly payments or more per share, and thereafter until all dividends on any such preferred stock in default shall have been paid, the holders of the Preferred Stock pari passu with the holders of other preferred stock then outstanding, voting separately as a class, shall be entitled to elect the smallest number of directors necessary to constitute a majority of the full Board of Directors, and, except as provided in the following paragraph, the holders of the Comrnon Stock, voting separately as a class, shall be entitled to elect the remaining directors of the Corporation. The termns of office, as directors, of all persons who may be directors of the Corporation at the time shall terminate upon the election of a majority of the Board of Directors by the holders of the Preferred Stock except that if the holders of the Common Stock shall not have elected the remaining directors of the Corporation, then, and only in that event, the directors of the Corporation in office just prior to the election of a majority of the Board of Directors by the holders of the Preferred Stock shall elect the remaining directors of the Corporation. Thereafter, while such default continues and the majority of the Board of Directors is being elected by the holders of the Preferred Stock, the remaining directors, whether elected by directors, as aforesaid, or whether originally or later elected by holders of the Common Stock shall continue in office until their successors are elected by holders of the Common Stock and shall qualify.

If and when all dividends then in default on the Preferred Stock; then outstanding shall be paid (such dividends to be declared and paid out of any funds legally available therefor as soon as reasonably practicable), the holders of the Preferred Stock shall be divested of any special right with respect to the election of directors, and the voting power of the holders of the Preferred Stock and the holders of the Common Stock shall revert to the status existing before the first dividend payment date on which dividends on the Preferred Stock were not paid in full, but always subject to the same provisions for vesting such special rights in the bolders of the Preferred Stock in case of further like defaults in the payment of dividends thereon as described in the immediately foregoing paragraph. Upon termination of any such special voting right upon payment of all accumulated and unpaid dividends on the Preferred Stock, the terms of office of all persons who may have been elected directors of the Corporation by vote of the holders of the Preferred Stock as a class, pursuant to such special voting right shall forthwith terminate, and the resulting vacancies shall be filled by the vote of a majority of the remaining directors.

In case of any vacancy in the office of a director occurring among the directors elected by the holders of the Preferred Stock, voting separately as a class, the remaining directors elected by the holders of the Preferred Stock, by affirmative vote of a majority thereof, or the remaining director so elected if there be but one, may elect a successor or successors to hold office for the unexpired term or terms of the director or directors whose place or places shall be vacant. Likewise, in case of any vacancy in the office of a director occurring among the directors not elected by the holders of the Preferred Stock, the remaining directors not elected by the holders of the Preferred Stock, by affirmative vote of a majority thereof, or the remaining director so elected if there be but one, may elect a successor or successors to hold office for the unexpired term or terms of the director or directors whose place or places shall be vacant.

Whenever the right shall have accrued to the holders of the

Preferred Stock to elect directors, voting separately as a class, it shall be the duty of the President, a Vice-President or the Secretary of the Corporation forthwith to call and cause notice to be given to the shareholders entitled to vote of a meeting to be held at such time as the Corporation's officers may fix, not less than forty-five nor more than sixty days after the accrual of such right, for the purpose of electing directors. The notice so given shall be mailed to each holder of record of preferred stock at his last known address appearing on the books of the Corporation and shall set forth, among other things, (i) that by reason of the fact that dividends payable on preferred stock are in default in an amount equal to four full quarterly payments or more per share, the holders of the Preferred Stock, voting separately as a class, have the right to elect the smallest number of directors necessary to constitute a majority of the full Board of Directors of the Corporation, (ii) that any holder of the Preferred Stock has the right, at any reasonable time, to inspect, and make copies of, the list or lists of holders of the Preferred Stock maintained at the principal office of the Corporation or at the office of any Transfer Agent of the Preferred Stock, and (iii) either the entirety of this paragraph or the substance thereof with respect to the number of shares of the Preferred Stock required to be represented at any meeting, or adjournment thereof, called for the election of directors of the Corporation. At the first meeting of stockholders held for the purpose of electing directors during such time as the holders of the Preferred Stock shall have the special right, voting separately as a class, to elect directors, the presence in person or by proxy of the holders of a majority of the outstanding Common Stock shall be required to constitute a quorum of such class for the election of directors, and the presence in person or by proxy of the holders of a majority of the outstanding Preferred Stock shall be required to constitute a quorum of such class for the election of directors; provided, however, that in the absence of a quorum of the holders of the Preferred Stock, no election of directors shall be held, but a majority of the holders of the Preferred Stock who are present in person or by proxy shall have power to adjourn the election of the directors to a date not less than fifteen nor more than fifty days from the giving of the notice of such adjourned meeting hereinafter provided for; and provided, further, that at such adjourned meeting, the presence in person or by proxy of the holders of 35% of the outstanding Preferred Stock shall be required to constitute a quorum of such class for the election of directors. In the event such first meeting of stockholders shall be so adjourned, it shall be the duty of the President, a Vice-President or the Secretary of the Corporation, within ten days from the date on which such first meeting shall have been adjourned, to cause notice of such adjourned meeting to be given to the shareholders entitled to vote thereat, such adjourned meeting to be held not less than fifteen days nor more than fifty days from the giving of such second notice. Such second notice. shall be given in the form and manner hereinabove provided for with respect to the notice required to be given of such first meeting of stockholders, and shall further set forth that a quorum was not present at such first meeting and that the holders of 35% of the outstanding Preferred Stock shall be required to constitute a quorum of such class for the election of directors at such adjourned meeting. If the requisite quorum of holders of the Preferred Stock shall not be present at said adjourned meeting, then the directors of the Corporation then in office shall remain in office until the next Annual Meeting of the Corporation, or special meeting in lieu thereof and until their successors shall have been elected and shall qualify. Neither such first meeting nor such adjourned meeting shall be held on a date within sixty days of the date of the next Annual Meeting of the Corporation, or special meeting in lieu thereof. At each Annual Meeting of the Corporation, or special meeting in lieu thereof, held during such time as the holders of the Preferred Stock, voting separately as a class. shall have the right to elect a majority of the Board of Directors, the foregoing provisions of this paragraph shall govern each Annual Meeting, or special meeting in lieu thereof, as if said Annual Meeting or special meeting were the first meeting of stockholders held for the purpose of electing directors after the right of the holders of the Preferred Stock, voting separately as a class, to elect a majority of the Board of Directors, should have accrued the exception, that if, at any adjourned annual meeting, or special meeting in lieu thereof, the holders of 35% of the outstanding Preferred Stock are not present in person or by proxy, all the directors shall be elected by a vote of the holders of a majority of the Common Stock of the Corporation present or represented at the meeting.

(C) So long as any shares of the Preferred Stock are outstanding, the Corporation shall not, without the consent (given by vote at a meeting called for that purpose) of at least two-thirds of the total number of shares of the Preferred Stock then outstanding:

(1) create, authorize or issue any new stock which, after issuance would rank prior to the Preferred Stock as to dividends, in liquidation, dissolution, winding up or distribution, or create, authorize or issue any security convertible into shares of any such stock except for the purpose of providing funds for the redemption of all of the Preferred Stock then outstanding, such new stock or security not to be issued until such redemption shall have been

authorized and notice of such redemption given and the aggregate redemption price deposited as provided in paragraph (G) below; provided, however, that any such new stock or security shall be issued within twelve months after the vote of the Preferred Stock herein provided for authorizing the issuance of such new stock or security; or

(2) amend, alter, or repeal any of the rights, preferences or powers of the holders of the Preferred Stock so as to affect adversely any such rights, preferences or powers; provided, however, that if such amendment, alteration or repeal affects adversely the rights, preferences or powers of one or more, but not all, series of Preferred Stock at the time outstanding, only the consent of the holders of at least two-thirds of the total number of outstanding shares of all series so affected shall be required; and provided, further, that an amendment to increase or decrease the authorized amount of Preferred Stock or to create or authorize, or increase or decrease the amount of, any class of stock; ranking on a parity with the outstanding shares of the Preferred Stock as to dividends or assets shall not be deemed to affect adversely the rights, preferences or powers of the holders of the Preferred Stock or any series thereof.

(D) So long as any shares of the Preferred Stock are outstanding, the Corporation shall not, without the consent (given by vote at a meeting called for that purpose) of the holders of a majority of the total number of shares of the Preferred Stock then outstanding:

(1) merge or consolidate with or into any other corporation or corporations or sell or otherwise dispose of all or substantially all of the assets of the Corporation, unless such merger or consolidation or sale or other disposition, or the exchange, issuance or assumption of all securities to be issued or assumed in connection with any such merger or consolidation or sale or other disposition, shall have been ordered, approved or permitted under the Public Utility Holding Company Act of 1935; or

(2) issue or assume any unsecured notes, debentures or other securities representing unsecured indebtedness for purposes other than (i) the refunding of outstanding unsecured indebtedness theretofore issued or assumed by the Corporation resulting in equal or longer maturities, or (ii) the reacquisition, redemption or other retirement of all outstanding shares of the Preferred Stock, if immediately after such issue or assumption, the total principal amount of all unsecured notes, debentures or other securities representing unsecured indebtedness issued or assumed by the Corporation, including unsecured indebtedness then to be issued or assumed (but excluding the principal amount then outstanding of any unsecured notes, debentures, or other securities representing unsecured indebtedness having a maturity in excess of ten (10) years and in amount not exceeding 10% of the aggregate of (a) and (b) of this section below) would exceed ten per centum (10%) of the aggregate of (a) the total principal amount of all bonds or other securities representing secured indebtedness issued or assumed by the Corporation and then to be outstanding, and (b) the capital and surplus of the Corporation as then to be stated on the books of account of the Corporation. When unsecured notes, debentures or other securities representing unsecured debt of a maturity in excess of ten (10) years shall become of a maturity of ten (10) years or less, it shall then be regarded as unsecured debt of a maturity of less than ten (10) years and shall be computed with such debt for the purpose of determining the percentage ratio to the sum of (a) and (b) above of unsecured debt of a maturity of less than ten (10) years, and when provision shall have been made, whether through a sinking fund or otherwise, for the retirement, prior to their maturity, of unsecured notes, debentures, or other securities representing unsecured debt of a maturity in excess of ten (10) years, the amount of any such security so required to be retired in less than ten (10) years shall be regarded as unsecured debt of a maturity of less than ten (10) years (and not as unsecured debt of a maturity in excess of ten (10) years) and shall be computed with such debt for the purpose of determining the percentage ratio to the sum of (a) and (b) above of unsecured debt of a maturity of less than ten (10) years, provided, however, that the payment due upon the maturity of unsecured debt having an original single maturity in excess of ten (10) years or the payment due upon the latest maturity of any serial debt which had original maturities in excess of ten (10) years shall not, for purposes of this provision, be regarded as unsecured debt of a maturity of less than ten (10) years until such payment or payments shall be required to be made within three (3) years; furthermore, when unsecured notes, debentures or other securities representing unsecured debt of a maturity of less than ten (10) years shall exceed 10% of the sum of (a) and (b) above, no additional unsecured notes, debentures or other securities representing unsecured debt shall be issued or assumed (except for the purpose set forth in (i) or (ii) above) until such ratio is reduced to 10% of the sum of (a) and (b) above; or

(3) issue, sell or otherwise dispose of any shares of the Preferred Stock in addition to the 104,476 shares of the Preferred Stock originally authorized, or of any other class of stock ranking on a parity with the Preferred Stock as to dividends or in liquidation, dissolution, winding up or distribution, unless the gross income of the Corporation and Mississippi Power & Light Company, a Florida corporation, for a period of twelve (12) consecutive calendar months within the fifteen (15) calendar months immediately preceding the issuance, sale or disposition of such stock, determined in accordance with generally acccepted accounting practices (but in any event after deducting all taxes and the greater of (a) the amount for said period charged by the Corporation and Mississippi Power & Light Company, a Florida corporation, on their books to depreciation expense or (b) the largest amount required to be provided therefor by any mortgage indenture of the Corporation) to be available for the payment of interest, shall have been at least one and one-half times the sum of (i) the annual interest charges on all interest bearing indebtedness of the Corporation and (ii) the annual dividend requirements on all outstanding shares of the Preferred Stock and of all other classes of stock ranking prior to, or on a parity with, the Preferred Stock as to dividends or distributions, including the shares proposed to be issued; provided, that there shall be excluded from the foregoing computation interest charges on all indebtedness and dividends on all shares of stock which are to be retired in connection with the issue of such additional shares of the Preferred Stock or other class of stocks ranking prior to, or on a parity with, the Preferred Stock as to dividends or distributions; and provided, further, that in any case where such additional shares of the Preferred Stock, or other class of stock ranking on a parity with the Preferred Stock as to dividends or distributions, are to be issued in connection with the acquisition of additional property, the gross income of the property to be so acquired, computed on the same basis as the gross income of the Corporation, may be included on a pro forma basis in making the foregoing computation; or

(4) issue, sell, or otherwise dispose of any shares of the Preferred Stock, in addition to the 104,476 shares of the Preferred Stock originally authorized, or of any other class of stock ranking on a parity with the Preferred Stock as to dividends or distributions, unless the aggregate of the capital of the Corporation applicable to the Common Stock and the surplus of the Corporation shall be not less than the aggregate amount payable on the involuntary liquidation, dissolution, or winding up of the Corporation, in respect of all shares of the Preferred Stock and all shares of stock, if any, ranking prior thereto, or on a parity therewith, as to dividends or distributions, which will be outstanding after the issue of the shares proposed to be issued; provided, that if, for the purposes of meeting the requirements of this subparagraph (4), it becomes necessary to take into consideration any earned surplus of the Corporation, the Corporation shall not thereafter pay any dividends on shares of the Common Stock which would result in reducing the Corporation's Common Stock equity (as in paragraph (H) hereinafter defined) to an amount less than the aggregate amount payable, on involuntary liquidation, dissolution or winding up the Corporation, on all shares of the Preferred Stock and of any stock ranking prior to, or on a parity with, the Preferred Stock, as to dividends or other distributions, at the time outstanding.

(E) Each holder of Conunon Stock of the Corporation shall be entitled to one vote, in person or by proxy, for each share of such stock standing in his name on the books of the Corporation. Except as hereinbefore expressly provided in this Section Fourth, the holders of the Preferred Stock shall have no power to vote and shall be entitled to no notice of any meeting of the stockholders of the Corporation. As to matters upon which holders of the Preferred Stock are entitled to vote as hereinbefore expressly provided, each holder of such Preferred Stock shall be entitled to one vote, in person or by proxy, for each share of such Preferred Stock standing in his name on the books of the Corporation.

(F) In the event of any voluntary liquidation, dissolution or winding up of the Corporation, the Preferred Stock, pari passu with all shares of preferred stock of any class or series then outstanding, shall have a preference over the Common Stock until an amount equal to the then current redemption price shall have been paid. In the event of any involuntary liquidation, dissolution or winding up of the Corporation, which shall include any such liquidation, dissolution or winding up which may arise out of or result from the condemnation or purchase of all or a major portion of the properties of the Corporation, by (i) the United States Government or any authority, agency or instrumentality thereof, (ii) a state of the United States or any polltical subdivision, authority, agency, or instrumentality thereof, or (iii) a disrict, cooperative or other association or entity not organized for profit, the Preferred Stock, pari passu with all shares of preferred stock of any class or series then outstanding, shall also have a preference over the Common Stock until the full par value thereof and an amount equal to all accumulated and unpaid dividends thereon shall have been paid by dividends or distribution.

(G) Upon the affirmative vote of a majority of the shares of the issued and outstanding Common Stock at any annual meeting, or any special meeting called for that purpose, the Corporation may at any time redeem all of any series of said Preferred Stock or may from time to time redeem any part thereof, by paying in cash the redemption price then applicable thereto as stated and expressed with respect to such series in the resolution providing for the issue of such shares adopted by the Board of Directors of the Corporation, or in these Restated Articles of Incorporation or any amendment thereof, plus, in each case, an amount equivalent to the accumulated and unpaid dividends, if any, to the date of redemption. Notice of the intention of the Corporation to redeem all or any part of the Preferred Stock shall be mailed not less than thirty (30) days nor more than sixty (60) days before the date of redemption to each holder of record of Preferred Stock to be redeemed, at his post office address as shown by the Corporation's records, and not less than thirty (30) days' nor more than sixty (60) days' notioe of such redemption may be published in such manner as may be prescribed by resolution of the Board of Directors of the Corporation; and, in the event of such publication, no defect in the mailing of such notice shall affect the validity of the proceedings for the redemption of any shares of Preferred Stock so to be redeemed. Contemporaneously with the mailing or the publication of such notice as aforesaid or at any time thereafter prior to the date of redemption, the Corporation may deposit the aggregate redemption price (or the portion thereof not already paid in the redemption of such Preferred Stock so to be redeemed) with any bank or trust company in the City of New York, New York, or in the City of Jackson, Mississippi, named in such notice, payable to the order of the record holders of the Preferred Stock so to be redeemed, as the case may be, on the endorsement and surrender of their certificates, and thereupon said holders shall cease to be stockholders wlth respect to such shares; and from and after the making of such deposit such holders shall have no interest in or claim against the Corporation with respect to said shares, but shall be enlitled only to receive such moneys from said bank or trust company, with interest, if any, allowed by such bank or trust company on such moneys deposited as in this paragraph provided, on endorsement and surrender of their certificates, as aforesaid. Any moneys so deposited, plus interest thereon, if any, remaining unclaimed at the end of six years from the date fixed for redemption, if thereafter requested by resolution of the Board of Directors, shall be repaid to the Corporation, and in the event of such repayment to the Corporation, such holders of record of the shares so redeemed as shall not have made claim against such moneys prior to such repayment to the Corporation, shall be deemed to be unsecured creditors of the Corporation for an amount, without interest, equivalent to the amount deposited, plus interest thereon, if any, allowed by such bank or trust company, as above stated, for the redemption of such shares and so paid to the Corporation. Shares of the Preferred Stock which have been redeemed shall not be reissued. If less than all of the shares of the Preferred Stock are to be redeemed, the shares thereof to be redeemed shall be selected by lot, in such manner as the Board of Directors of the Corporation shall determine, by an independent bank or trust company selected for that purpose by the Board of Directors of the Corporation. Nothing herein contained shall limit any legal right of the Corporation to purchase or otherwise acquire any shares of the Preferred Stock; provided, however, that, so long as any shares of the Preferred Stock are outstanding, the Corporation shall not redeem, purchase or otherwise acquire less than all of the shares of the Preferred Stock, if, at the time of such redemption, purchase or other acquisition, dividends payable on the Preferred Stock shall be in default in whole or in part, unless, prior to or concurrently with such redemption, purchase or other acquisition, all such defaults shall be cured or unless such redemption, purchase or other acquisition shall have been ordered, approved or permitted under the Public Utility Holding Company Act of 1935; and provided further that, so long as any shares of the Preferred Stock are outstanding, the Corporation shall not make any payment or set aside any funds for payment into any sinking fund for the purchase or redemption of any shares of the Preferred Stock, if, at the time of such payment, or the setting apart of funds for such payment, dividends payable on the Preferred Stock shall be in default in whole or in part, unless, prior to or concurrently with such payment or the setting apart of funds for such payment, all such defaults shall be cured or unless such payment, or the setting apart of funds for such payment, shall bave been ordered, approved or permitted under the Public Utility Holding Company Act of 1935. Any shares of the Preferred Stock so redeemed, purchased or acquired shall retired and cancelled.

(H) For the purposes of this paragraph (H) and subparagraph (4) of paragraph (D) the term "Common Stock Equity" shall mean the aggregate of the par value of, or stated capital represented by, the outstanding shares (other than shares owned by the Corporation) of stock ranking junior to the Preferred Stock as to dividends and assets, of the premium on such junior stock and of the surplus (including earned surplus, capital surplus and surplus invested in plant) of the Corporation less (1) any amounts recorded on the books of the Corporation for utility plant and other plant in excess of the original cost thereof, (2) unamortized debt discount and expense, capital stock discount and expense and any other intangible items set forth on the asset side of the balance sheet as a result of accounting convention, (3) the excess, if any, of the aggregate amount payable on involuntary liquidation, dissolution or winding up of the affairs of the Corporation upon all outstanding preferred stock of the Corporation over the aggregate par or stated value thereof and any premiums thereon and (4) the excess, if any, for the period beginning with January 1, 1954, to the end of the month within ninety (90) days preceding the date as of which Common Stock Equity is determined, of the cumulative amount computed under re quirements contained in the Corporation's mortgage indentures relating to minimum depreciation provisions (this cumulative amount being the aggregate of the largest amounts separately computed for entire periods of differing coexisting mortgage indenture requirements), over the amount charged by the Corporation and Mississippi Power & Light Company, a Florida corporation, on their books for depreciation during such period, including the final fraction of a year; provided, however, that no deductions shall be required to be made in respect of items referred to in subdivisions (1) and (2) of this paragraph (H) in cases in which such items are being amortized or are provided for, or are being provided for, by reserves. For the purpose of this paragraph (H): (i) the term "total capitalization" shall mean the sum of the Common Stock Equity plus item three (3) in this paragraph (H) and the stated capital applicable to, and any premium on, outstanding stock of the Corporation not included in Common Stock Equity, and the principal amount of all outstanding debt of the Corporation maturing more than twelve months after the date of issue thereof; and (ii) the term "dividends on Common Stock" shall embrace dividends on Common Stock (other than dividends payable only in shares of Common Stock), distributions on, and purchases or other acquisitions for value of, any Common Stock of the Corporation or other stock if any, subordinate to its Preferred Stock. So long as any shares of the Preferred Stock are outstanding, the Corporation shall not declare or pay any dividends on the Common Stock, except as follows:

(a) If and so long as the Common Stock Equity at the end of the calendar month immediately preceding the date on which a dividend on Common Stock is declared is, or as a result of such dividend would become, less than 20% of total capitalization, the Corporation shall not declare such dividends in an amount which, together with all other dividends on Common Stock paid within the year ending with and including the date on which such dividend is payable, exceeds 50% of the net income of the Corporation available for dividends on the Common Stock for the twelve full calendar months immediately preceding the month in which such dividends are declared, except in an amount not exceeding the aggregate of dividends on Common Stock which under the restrictions set forth above in this subparagraph (a) could have been, and have not been, declared; and

(b) If and so long as the Common Stock Equity at the end of the calendar month immediately preceding the date on which a dividend on Common Stock is declared is, or as a result of such dividend would become, less than 25% but not less than 20% of total capitalization, the Corporation shall not declare dividends on the Common Stock in an amount which, together with all other dividends on Comrnon Stock paid within the year ending with and including the date on which such dividend is payable, exceeds 75% of the net income of the Corporation and Mississippi Power & Light Company, a Florida corporation, available for dividends on the Common Stock for the twelve full calendar months immediately preceding the month in which such dividends are declared, except in an amount not exceeding the aggregate of dividends on Common Stock which under the restrictions set forth above in subparagraph (a) and in this subparagraph (b) could have been and have not been declared; and

(c) If any time when the Common Stock Equity is 25% or more of total capitalization, the Corporation may not declare dividends on shares of the Common Stock which would reduce the Common Stock Equity below 25% of total capitalization, except to the extent provided in subparagraphs (a) and (b) above.

At anytime when the aggregate of all amounts credited subsequent to January 1, 1954, to the depreciation reserve account of the Corporation and Mississippi Power & Light Company, a Florida corporation, through charges to operating revenue deductions or otherwise on the books of the Corporation and Mississippi Power & Light Company, a Florida corporation, shall be less than the amount computed as provided in clause (aa) below, under requirements contained in the Corporation's mortgage indentures, then for the purposes of subparagraphs (a) and (b) above, in determining the earnings available for common stock dividends during any twelve-month period, the amount to be provided for depreciation in that period shall be (aa) the greater of the cumulative amount charged to depreciation expense on the books of the Corporation and Mississippi Power & Light Company, a Florida corporation, or the cumulative amount computer under requirements contained in the Corporation's mortgage indentures relating to minimum depreciation provisions (the latter cumulative amount being the aggregate of the largest amounts separately computed for entire periods of differing co- existing mortgage indenture requirements) for the period from

January 1, 1954, to and including said twelve-month period, less (bb) the greater of the cumulative amount charged to depreciation expense on the books of the Corporation and Mississippi Power & Light Company, a Florida corporation, or the cumulative amount computed under requirements contained in the Corporation's mortgage indentures relating to minimum depreciation provisions (the latter cumulative amount being the aggregate of the largest amounts separately computed for entire periods of differing coexisting mortgage indenture requirements) from January 1, 1954, up to but excluding said twelve-month period; provided that in the event any company other than Mississippi Power & Light Company, a Florida corporation, is merged into the Corporation the "cumulative amount computed under requirements contained in the Corporation's mortgage indentures relating to minimum depreciation provisions" referred to above shall be computed without regard, for the period perior to the merger, of property acquired in the merger, and the "cumulative amount charged to depreciation expense on the books of the Corporation" shall be exclusive of amounts provided for such property prior to the merger.

(I) The Board of Directors are hereby expressly authorized by resolution or resolutions to state and express the series and distinctive serial designation of any authorized and unissued shares of Preferred Stock proposed to be issued, the number of shares to constitute each such series, the annnal rate or rates of dividends payable on shares of each series together with the dates on which such dividends shall be paid in each year, the date from which such dividends shall commence to accumulate, the amount or amounts payable upon redemption and the sinking fund provisions, if any, for the redemption or purchase of shares.

(J) Dividends may be paid upon the Common Stock only when (i) dividends have been paid or declared and funds set apart for the payment of dividends as aforesaid on the Preferred Stock from thc date(s) after which dividends thereon became cumulative, to the beginning of the period then current, with respect to which such dividends on the Preferred Stock are usually declared, and (ii) all payments have been made or funds have been set aside for payments then or theretofore due under sinking fund provisions, if any, for the redemption or purchase of shares of any series of the Preferred Stock, but whenever (x) there shall have been paid or declared and funds shall have been set apart for the payment of all such dividends upon the Preferred Stock as aforesaid, and (y) all payments shall have been made or funds shall have been set aside for payments then or theretofore due under sinking fund provisions, if any, for the redemption or purchase of shares of any series of the Preferred Stock, then, subject to the limitations above set forth, dividends upon the Common Stock may be declared payable then or thereafter, out of any net earnings or surplus of assets over liabilities, including capital, then remaining. After the payment of the limited dividends and/or shares in distribution of assets to which the Preferred Stock is expressly entitled in preference to the Common Stock, in accordancc with the provisions hereinabove set forth, the Common Stock alone (subject to the rights of any class of stock hereafter authorized) shall receive all further dividends and shares in distribution.

(K) Subject to the limitations hereinabove set forth the Corporation from time to time may resell any of its own stock, purchased or otherwise acquired by it as hereinafter provided for, at such price as may be fixed by its Board of Directors or Executive Committee.

(L) Subject to the limitations hereinabove set forth the Corporation in order to acquire funds with which to redeem any outstanding Preferred Stock of any class, may issue and sell stock of any class then authorized but unissued, bonds, notes, evidences of indebtedness, or other securities.

(M) Subject to the limitations hereinabove set forth the Board of Directors of the Corporation may at any time authorize the conversion or exchange of the whole or any particular share of the outstanding preferred stock of any class with the consent of the holder thereof, into or for stock of any other class at the time of such consent authorized but unissued and may fix the terms and conditions upon which such conversion or exchange may be made; provided that without the consent of the holders of record of two-thirds of the shares of Common Stock outstanding given at a meeting of the holders of the Common Stock called and held as provided by the By-Laws or given in writing without a meeting, the Board of Directors shall not authorize the conversion or exchange of any preferred stock of any class into or for Common Stock or authorize the conversion or exchange of any preferred stock; of any class into or for preferred stock of any other class, if by such conversion or exchange the amount which the holders of the shares of stock so converted or exchanged would be entitled to receive either as dividends or shares in distribution of assets in preference to the Common Stock would be increased.

(N) A consolidation, merger or amalgamation of the Corporation with or into any other corporation or corporations shall not be deemed a distribution of assets of the Corporation within the meaning of any provisions of these Restated Articles of Incorporation.

(O) The consideration received by the Corporation from the sale of any additional stock without nominal or par value shall be entered in the Corporation's capital stock account.

(P) Subject to the limitations hereinabove set forth upon the vote of a majority of all the Directors of the Corporation and of a majority of the total number of shares of stock then issued and outstanding and entitled to vote, irrespective of class (or if the vote of a larger number or different proportion of shares is required by the laws of the State of Mississippi not withstanding the above agreement of the stockholders of the Corporation to the contrary, then upon the vote of the larger number or different proportion of shares so required), the Corporation may from time to time create or authorize one or more other classes of stock with such preferences, designations, rights, privileges, powers, restrictions, limitations and qualifi cations as may be determined by said vote, which may be the same as or different from the preferences, designations, rights, privileges, powers, restrictions, limitations and qualifications of the classes of stock of the Corporation then authorized. Any such vote authorizing the creation of a new class of stock may provide that all moneys payable by the Corporation with respect to any class of stock thereby authorized shall be paid in the money of any foreign country named therein or designated by the Board of Directors, pursuant to authority therein granted, at a fixed rate of exchange with the money of the United States of America therein stated or provided for and all such payments shall be made accordingly. Any such vote may authorize any shares of any class then authorized but unissued to be issued as shares of such new class or classes

(Q) Subject to the limitations hereinabove set forth, either the Preferred Stock or the Common Stock or both of said classes of stock, may be increased at any time upon vote of the holders of a majority of the total number of shares of the Corporation then issued and outstanding and entitled to vote thereon, irrespective of class.

(R) If any provisions in this Section Fourth shall be in conflict or inconsistent with any other provisions of these Restated Articles of Incorporation of the Corporation the provisions of this Section Fourth shall prevail and govern.

FIFTH: The Corporation will not commence business until at least $1,000 has been received by it as consideration for the issuance of shares.

SIXTH: Existing provisions limiting or denying to shareholders the preemptive right to acquire additional or treasury shares of the Corporation are:

No holder of any stock of the Corporation shall be entitled as of right to purchase or subscribe for any part of any unissued stock of the Corporation, or any additional stock of any class to be issued by reason of any increase of the authorized capital stock of the Corporation or of bonds, certificates of indebtedness, debentures, or other securities convertible into stock of the Corporation, but any such unissued stock or any such additional authorized issue of new stock, or of securities convertible into stock, may be issued and disposed of by the Board of Directors without offering to the stockholders then of record, or to any class of stockholders, any thereof on any terms.

SEVENTH: Existing provisions of the Restated Articles of Incorporation for the regulation of the internal affairs of the Corporation are:

(a) General authority is hereby conferred upon the Board of Directors to fix the consideration for which shares of stock of the Corporation without nominal or par value may be issued and disposed of, and the shares of stock of the Corporation without nominal or par value, whether authorized by these Restated Articles of Incorporation or by subsequent increase of the authorized number of shares of stock or by amendment of these Restated Articles of Incorporation by consolidation or merger or otherwise, and/or any securities convertible into stock of the Corporation without nominal or par value may be issued and disposed of for such consideration and on such terms and in such manner as may be fixed from time to time by the Board of Directors.

(b) The issue of the whole, or any part determined by the Board of Directors, of the shares of stock of the Corporation as partly paid, and subject to calls thereon until the whole thereof shall have been paid, is hereby authorized.

(c) The Board of Directors shall have power to authorize the payment of compensation to the directors for services to the Corporation, including fees for attendance at meetings of the Board of Directors or the Executive Committee and all other committees and to determine the amount of such compensation and fees.

(d) The Corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost or destroyed and the Board of

Directors may, in their discretion, require the owner of the lost or destroyed certificate, or his legal representative, to give bond in such sum as they may direct as indemnity against any claim that may be made against the Corporation, its officers, employees or agents by reason thereof; a new certificate may be issued without requiring any bond when, in the judgment of the directors, it is proper so to do.

If the Corporation shall neglect or refuse to issue such a new certificate and it shall appear that the owner thereof has applied to the Corporation for a new certificate in place thereof and has made due proof of the loss or destruction thereof and has given such notice of his application for such new certificate on such newspaper of general circulation, published in the State of Mississippi as reasonably should be approved by the Board of Directors, and in such other newspaper as may be required by the Board of Directors, and has tendered to the Corporation adequate security to indemnify the Corporation, its officers employees, or agents, and any person other than such applicant who shall thereafter appear to be the lawful owner of such alleged lost or destroyed certificate against damage, loss or expense because of the issuance of such new certificate, and the effect thereof as herein provided, then, unless there is adequate cause why such new certificate shall not be issued, the Corporation, upon the receipt of said indemnity, shall issue a new certificate of stock in place of such lost or destroyed certificate. In the event that the Corporation shall nevertheless refuse to issue a new certificate as aforesaid, the applicant may then petition any court of competent jurisdiction for relief against the failure of the Corporation to perform its obligations hereunder. In the event that the Corporation shall issue such new certificate, any person who shall thereafter claim any rights under the certificate in place of which such new certificate is issued, whether such new certificate is issued pursuant to the judgment or decree of such court or voluntarily by the Corporation after the publication of notice and the receipt of proof and indemnity as aforesaid, shall have recourse to such indemnity and the Corporation shall be discharged from all liability to such person by reason of such certificate and the shares represented thereby.

(e) No stockholder shall have any right to inspect any account, book or document of the Corporation, except as conferred by statute or authorized by the directors.

(f) A director of the Corporation shall not be disqualified by his office from dealing or contracting with the Corporation either as a vendor, purchaser or otherwise, nor shall any transaction or contract of the Corporation be void or voidable by reason of the fact that any director or any firm of which any director is a member or any corporation of which any director is a shareholder, officer or director, is in any way interested in such transaction or contract, provided that such transaction or contract is or shall be authorized, ratified or approved either (1) by a vote of a majority of a quorum of the Board of Directors or the Executive Committee, without counting in such majority or quorum any directors so interested or members of a firm so interested or a shareholder, officer or director of a corporation so interested, or (2) by the written consent, or by vote at a stockholders' meeting of the holders of record of a majority in number of all the outstanding shares of stock of the Corporation entitled to vote; nor shall any director be liable to account to the Corporation for any profits realized by or from or through any such transaction or contract of the Corporation, authorized, ratified or approved as aforesaid by reason of the fact that he or any firm of which he is a member or any corporation of which he is a shareholder, officer or director was interested in such transaction or contract. Nothing herein contained shall create any liability in the events above described or prevent the authorization, ratification or approval of such contract in any other manner provided by law.

(g) Any director may be removed, whether cause shall be assigned for his removal or not, and his place filled at any meeting of the stockholders by the vote of a majority of the outstanding stock of the Corporation entitled to vote. Vacancies in the Board of Directors, except vacancies arising from the removal of directors, shall be filed by the directors remaining in office.

(h) Any property of the Corporation not essential to the conduct of its corporate business and purposes may be sold, leased, exchanged or otherwise disposed of by authority of its Board of Directors and the Corporation may sell, lease or exchange all of its property and franchises or any of its property, franchises, corporate rights or privileges essential to the conduct of its corporate business and purposes upon the consent of and for such considerations and upon such terms as may be authorized by a majority of the Board of Directors and the holders of a majority of the outstanding shares of stock entitled to vote, expressed in writing or by vote at a meeting called for that purpose in the manner provided by the By-Laws of the Corporation for special meetings of stockholders; and at no time shall any of the plants, properties, easements, franchises (other than corporate franchises) or securities then owned by the Corporation be deemed to be property, franchises, corporate rights or privileges essential to the conduct of the corporate business and purposes of the Corporation.

Upon the vote or consent of the stockholders required to dissolve the Corporation, the Corporation shall have power, as the attorney and agent of the holders of all of its outstanding stock, to sell, assign and transfer all such stock to a new corporation organized under the laws of the United States, the State of Mississippi or any other state, and to receive as the consideration therefor shares of stock of such new corporation of the several classes into which the stock of the Corporation is then divided, equal in number to the number of shares of stock of the Corporation of said several classes then outstanding, such shares of said new corporation to have the same preferences, voting powers, restrictions and qualifications thereof as may then attach to the classes of stock of the Corporation then outstanding so far as the same shall be consistent with such laws of the United States or of the State of Mississippi or of such other state, except that the whole or any part of such stock or any class thereof may be stock with or without nominal or par value. In order to make effective such a sale, assignment and transfer, the Corporation shall have the right to transfer all its outstanding stock on its books and to issue and deliver new certificates therefor in such names and amounts as such new corporation may direct without receiving for cancellation the certificates for such stock previously issued and then outstanding. Upon completion of such sale, assignment and transfer, the holders of the stock of the Corporation shall have no rights or interests in or against the Corporation except the right, upon surrender of certificates for stock of the Corporation properly endorsed, if required, to receive from the Corporation certificates for shares of stock of such new corporation of the class corresponding to the class of the shares surrendered, equal in number to the number of shares of the stock of the Corporation so surrendered.

(i) Upon the written assent or pursuant to the affirmative vote in person or by proxy of the holders of a majority in number of the shares then outstanding and entitled to vote, irrespective of class, (1) any or every statute of the State of Mississippi hereafter enacted, whereby the rights, powers or privileges of the Corporation are or may be increased, diminished or in any way affected or whereby the rights, powers or privileges of the stockholders of corporations organized under the law under which the Corporation is organized, are increased, diminished or in any way affected or whereby effect is given to the action taken by any part, less than all, of the stockholders of any such corporation, shall, notwithstanding any provisions which may at the time be contained in these Restated Articles of Incorporation or any law, apply to the Corporation, and shall be binding not only upon the Corporation, but upon every stockholder thereof, to the same extent as if such statute had been in force at the date of the making and filing of these Restated Articles of Incorporation and/or (2) amendments of these Restated Articles of Incorporation authorized at the time of the making of such amendments by the laws of the State of Mississippi may be made.

EIGHTH: The Restated Articles of Incorporation correctly set forth without change the corresponding provisions of the Articles of Incorporation as heretofore amended and restated, and supersede the original Articles of Incorporation, and all amendments thereto, and prior Restated Articles of Incorporation and all amendments thereto.

DATED: December 21, 1983.

MISSISSIPPI POWER & LIGHT COMPANY

By: D. C. LUTKEN

Its President

[CORPORATE SEAL]

By: F. S. YORK, JR.

Its Secretary

STATE OF MISSISSIPPI
COUNTY OF HINDS

I, Bethel Ferguson, a Notary Public, do hereby certify that on this 21st day of December, 1983, personally appeared before me D. C. Lutken. who, being by me first duly sworn, declared that he is the President of Mississippi Power & Light Company, that he signed the foregoing document as President of the Corporation, and that the statements therein contained are true.

BETHEL FERGUSON
Notary Public

My commission expires July 23, 1987.

[NOTARY'S SEAL]

RESTATED ARTICLES OF INCORPORATION
of
MISSISSIPPI POWER & LIGHT COMPANY

Filing and Recording Data

Restated Articles of Incorporation filed with Secretary of State--December 21, 1983

Certificate of Restated Articles of Incorporation issued by Secretary of State--December 21, 1983

Certificate of Restated Articles of Incorporation and Restated Articles of Incorporation filed for record in the office of the Chancery Clerk of the First Judicial District of Hinds County, Mississippi, Book 189, Page 624--December 22, 1983.

MISSISSIPPI POWER & LIGHT COMPANY

Statement of Resolution Establishing Series of Shares

October 25, 1984

Pursuant to the provisions of Section 79-3-29 of the Mississippi Business Corporation Law, the undersigned Corporation submits the following statement for the purpose of establishing and designating a series of shares and fixing and determining the relative rights and preferences thereof:

1. The name of the corporation is Mississippi Power & Light Company.
2. The attached resolution establishing and designating a series of shares and fixing and determining the relative rights and preferences thereof was duly adopted by the Board of Directors of the Corporation on October 24, 1984.

Dated this the 25th day of October, 1984.

MISSISSIPPI POWER & LIGHT COMPANY

By/s/ William Cavanaugh, III
William Cavanaugh, III
President

By /s/ Frank S. York, Jr.
Frank S. York, Jr.
Senior Vice President,
Chief Financial Officer
and Secretary

STATE OF MISSISSIPPI

COUNTY OF MINDS

I, Joy L. Spears, a Notary Public, do hereby certify that on this October 25, 1984, personally appeared before me William Cavanaugh, III, who, being by me first duly sworn, declared that he is President of Mississippi Power & Light Company, that he executed the foregoing document as President of the Corporation, and that the statements therein contained are true.

/s/ Joy L. Spears
Joy L. Spears, Notary Public

My Commission Expires:

March 30, 1986

STATE OF MISSISSIPPI

COUNTY OF MINDS

I, Joy L. Spears, a Notary Public, do hereby certify that on this October 25, 1984, personally appeared before me Frank S. York, Jr., who, being by me first duly sworn, declared that he is Senior Vice President, Chief Financial Officer and Secretary of Mississippi Power & Light Company, that he executed the foregoing document as Senior Vice President, Chief Financial Officer and Secretary of the Corporation, and that the statements therein contained are true.

/s/ Joy L. Spears
Joy L. Spears, Notary Public

My Commission Expires:

March 30, 1986

RESOLVED That there is hereby established a series of the Preferred Stock of Mississippi Power & Light Company as follows:

A series of 150,000 shares of the Preferred Stock shall:

(a) be designated "16.16% Preferred Stock, Cumulative, $100 Par Value;"

(b) have a dividend rate of $16.16 per share per annum payable quarterly on February 1, May 1, August 1, and November 1 of each year, the first dividend date to be February 1, 1986, and such dividends to be cumulative from the date of issuance;

(c) be subject to redemption at the price of $116.16 per share if redeemed on or before November 1, 1989, of $112.12 per share if redeemed after November 1, 1989, and on or before November 1, 1994, of $108.08 per share if redeemed after November 1, 1994, and on or before November 1, 1999, and of $104.04 per share if redeemed after November 1, 1999, in each case plus an amount equivalent to the accumulated and unpaid dividends thereon, if any, to the date fixed for redemption; provided, however, that no share of the 16.16% Preferred Stock, Cumulative, $100 Par Value, shall be redeemed prior to November 1, 1989, if such redemption is for the purpose or in anticipation of refunding such share through the use, directly or indirectly, of funds borrowed by the Corporation, or through the use, directly or indirectly, of funds derived through the issuance by the Corporation of stock ranking prior to or on a parity with the 16.16% Preferred Stock, Cumulative, $100 Par Value, as to dividends or assets, if such borrowed funds have an effective interest cost to the Corporation (computed in accordance with generally accepted financial practice) or such stock has an effective dividend cost to the Corporation (so computed) of less than 16.2772% per annum; and

(d) be subject to redemption as and for a sinking fund as follows: on November 1, 1989 and on each November 1 thereafter (each such date being hereinafter referred to as a "16.16% Sinking Fund Redemption Date"), for so long as any shares of the 16.16% Preferred Stock, Cumulative, $100 Par Value, shall remain outstanding, the Corporation shall redeem, out of funds legally available therefor, 7,500 shares of the 16.16% Preferred Stock, Cumulative, $100 Par Value, (or the number of shares than outstanding if less than 7,500) at the sinking fund redemption price of $100 per share plus, as to each share so redeemed, an amount equivalent to the accumulated and unpaid dividends thereon, if any, to the date of redemption (the obligation of the Corporation so to redeem the shares of the 16.16% Preferred Stock, Cumulative, $100 Par Value, being hereinafter referred to as the "16.16% Sinking Fund Obligation"); the 16.16% Sinking Fund Obligation shall be cumulative; if on any 16.16% Sinking Fund Redemption Date, the Corporation shall not have funds legally available therefor sufficient to redeem the full number of shares required to be redeemed on that date, the 16.16% Sinking Fund Obligation with respect to the shares not redeemed shall carry forward to each successive 16.16% Sinking Fund Redemption Date until such shares shall have been redeemed; whenever on any 16.16% Sinking Fund Redemption Date, the funds of the Corporation legally available for the satisfaction of the 16.16% Sinking Fund Obligation and all other sinking fund and similar obligations than existing with respect to any other class or series of its stock ranking on a parity as to dividends or assets with the 16.16% Preferred Stock, Cumulative, $100 Par Value (such obligation and obligations collectively being hereinafter referred to as the "Total Sinking Fund Obligations"), are insufficient to permit the Corporation to satisfy fully its Total Sinking Fund Obligation on that date, the Corporation shall apply to the satisfaction on its 16.16% Sinking Fund Obligation on that date that proportion of such legally available funds which is equal to the ratio of such 16.16% Sinking Fund Obligation to such Total Sinking Fund Obligation; in addition to the 16.16% Sinking Fund Obligation, the Corporation shall have the option, which shall be noncumulative, to redeem, upon authorization of the Board of Directors, on each 16.16% Sinking Fund Redemption Date, at the aforesaid sinking fund redemption price, up to 7,500 additional shares of the 16.16% Preferred Stock, Cumulative $100 Par Value; the Corporation shall be entitled, at its election, to credit against its 16.16% Sinking Fund Obligation on any 16.16% Sinking Fund Redemption Date any shares of the Preferred Stock, Cumulative, $100 Par Value (including shares of the 16.16% Preferred Stock, Cumulative, $100 Par Value, optionally redeemed at the aforesaid sinking fund price) theretofore redeemed (other than shares of the 16.16% Preferred Stock, Cumulative, $100 Par Value, redeemed pursuant to the 16.16% Sinking Fund Obligation) purchased or otherwise acquired and not previously credited against the 16.16% Sinking Fund Obligation.

MISSISSIPPI POWER & LIGHT COMPANY

Statement of Resolution Establishing Series of Shares

July 24, 1986

Pursuant to the provisions of Section 79-3-29 of the Mississippi Code of 1972, the undersigned Corporation submits the following statement for the purpose of establishing and designating a series of shares and fixing and determining the relative rights and preferences thereof:

1. The name of the corporation is Mississippi Power & Light Company.
2. The attached resolution establishing and designating a series of shares and fixing and determining the relative rights and preferences thereof was duly adopted by the Board of Directors of the Corporation on July 24, 1986.

Dated this the 24th day of July, 1986.

MISSISSIPPI POWER & LIGHT COMPANY

By/s/ William Cavanaugh, III
William Cavanaugh, III
President

By /s/ Frank S. York, Jr.
Frank S. York, Jr.
Senior Vice President,
Chief Financial Officer
and Secretary

STATE OF MISSISSIPPI

COUNTY OF MINDS

I, Joseph L. Blount, a Notary Public, do hereby certify that on this July 24, 1986, personally appeared before me William Cavanaugh, III, who, being by me first duly sworn, declared that he is President of Mississippi Power & Light Company, a Mississippi corporation, that he executed the foregoing document as President of the Corporation, and that the statements therein contained are true.

/s/ Joseph L. Blount
Joseph L. Blount, Notary Public

My Commission Expires:

January 20, 1990

STATE OF MISSISSIPPI

COUNTY OF MINDS

I, Joseph L. Blount, a Notary Public, do hereby certify that on this July 24, 1986, personally appeared before me Frank S. York, Jr., who, being by me first duly sworn, declared that he is Senior Vice President, Chief Financial Officer and Secretary of Mississippi Power & Light Company, a Mississippi corporation, that he executed the foregoing document as Senior Vice President, Chief Financial Officer and Secretary of the Corporation, and that the statements therein contained are true.

/s/ Joseph L. Blount
Joseph L. Blount, Notary Public

My Commission Expires:

January 20, 1990

RESOLVED That there is hereby established a series of the Preferred Stock of Mississippi Power & Light Company as follows:

A series of 350,000 shares of the Preferred Stock shall:

(a) be designated "9% Preferred Stock, Cumulative, $100 Par Value;"

(b) have a dividend rate of $9.00 per share per annum payable quarterly on February 1, May 1, August 1, and November 1 of each year, the first dividend date to be November 1, 1986, and such dividends to be cumulative from the date of issuance;

(c) be subject to redemption at the price of $109.00 per share if redeemed on or before July 1, 1991, of $106.75 per share if redeemed after July 1, 1991, in each case plus an amount equivalent to the accumulated and unpaid dividends thereon, if any, to the date fixed for redemption; provided, however, that no share of the 9% Preferred Stock, Cumulative, $100 Par Value, shall be redeemed prior to July 1, 1991, if such redemption is for the purpose or in anticipation of refunding such share through the use, directly or indirectly, of funds borrowed by the Corporation, or through the use, directly or indirectly, of funds derived through the issuance by the Corporation of stock ranking prior to or on a parity with the 9% Preferred Stock, Cumulative, $100 Par Value, as to dividends or assets, if such borrowed funds have an effective interest cost to the Corporation (computed in accordance with generally accepted financial practice) or such stock has an effective dividend cost to the Corporation (so computed) of less than 9.9901% per annum; and

(d) be subject to redemption as and for a sinking fund as follows: on July 1, 1991, and on each July 1 thereafter (each such date being hereinafter referred to as a "9% Sinking Fund Redemption Date"), for so long as any shares of the 9% Preferred Stock, Cumulative, $100 Par Value, shall remain outstanding, the Corporation shall redeem, out of funds legally available therefor, 70,000 shares of the 9% Preferred Stock, Cumulative, $100 Par Value, (or the number of shares than outstanding if less than 70,000) at the sinking fund redemption price of $100 per share plus, as to each share so redeemed, an amount equivalent to the accumulated and unpaid dividends thereon, if any, to the date of redemption (the obligation of the Corporation so to redeem the shares of the 9% Preferred Stock, Cumulative, $100 Par Value, being hereinafter referred to as the "9% Sinking Fund Obligation"); the 9% Sinking Fund Obligation shall be cumulative; if on any 9.% Sinking Fund Redemption Date, the Corporation shall not have funds legally available therefor sufficient to redeem the full number of shares required to be redeemed on that date, the 9% Sinking Fund Obligation with respect to the shares not redeemed shall carry forward to each successive 9% Sinking Fund Redemption Date until such shares shall have been redeemed; whenever on any 9% Sinking Fund Redemption Date, the funds of the Corporation legally available for the satisfaction of the 9% Sinking Fund Obligation and all other sinking fund and similar obligations than existing with respect to any other class or series of its stock ranking on a parity as to dividends or assets with the 9% Preferred Stock, Cumulative, $100 Par Value (such obligation and obligations collectively being hereinafter referred to as the "Total Sinking Fund Obligations"), are insufficient to permit the Corporation to satisfy fully its Total Sinking Fund Obligation on that date, the Corporation shall apply to the satisfaction on its 9% Sinking Fund Obligation on that date that proportion of such legally available funds which is equal to the ratio of such 9% Sinking Fund Obligation to such Total Sinking Fund Obligation; the Corporation shall be entitled, at its election, to credit against its 9% Sinking Fund Obligation on any 9% Sinking Fund Redemption Date any shares of the Preferred Stock, Cumulative, $100 Par Value, theretofore redeemed (other than shares of the 9% Preferred Stock, Cumulative, $100 Par Value, redeemed pursuant to the 9% Sinking Fund Obligation) purchased or otherwise acquired and not previously credited against the 9% Sinking Fund Obligation.

MISSISSIPPI POWER & LIGHT COMPANY

Statement of Cancellation of Shares

September 1, 1986

Pursuant to the provisions of Section 79-3-133 of the Mississippi Code of 1972, the undersigned Corporation submits the following statement of cancellation of redeemable shares by redemption:

1. The name of the corporation is Mississippi Power & Light Company.

2. The number of redeemable shares cancelled through redemption is 20,000 shares of 17% preferred stock, cumulative, $100 par value.

3. The aggregate number of issued shares, itemized by class and series, after giving effect to such cancellation is as follows:

   (a) 6,275,000 shares of common stock, without par value;
   (b) 59,920 shares of 4.36% preferred stock, cumulative, $100 par value;
   (c) 43,888 shares of 4.56% preferred stock, cumulative, $100 par value;
   (d) 100,000 shares of 4.92% preferred stock, cumulative, $100 par value;
   (e) 75,000 shares of 9.16% preferred stock, cumulative, $100 par value;
   (f) 100,000 shares of 7.44% preferred stock, cumulative, $100 par value;
   (g) 180,000 shares of 17% preferred stock, cumulative, $100 par value;
   (h) 100,000 shares of 14.75% preferred stock, cumulative, $100 par value;
   (i) 100,000 shares of 12% preferred stock, cumulative, $100 par value;
   (j) 150,000 shares of 16.16% preferred stock, cumulative, $100 par value;
   (k) 350,000 shares of 9% preferred stock, cumulative, $100 par value;

4. The amount, expressed in dollars, of the stated capital of the Corporation, after giving effect to such cancellation is $270,205,800.00.

5. The Restated Articles of Incorporation of the Corporation provide that the cancelled shares shall not be reissued, and the number of shares which the Corporation has authority to issue, itemized by class, after giving effect to such cancellation, is as follows:

   (a) 15,000,000 shares of common stock, without par value, 6,275,000 of such shares being issued and outstanding at the date hereof; and
   (b) 1,984,476 shares of preferred stock, 1,258,808 shares of which are issued and outstanding as outlined above.

Dated this the 10th day of December, 1986.

MISSISSIPPI POWER & LIGHT COMPANY

By /s/ Frank S. York, Jr.
Frank S. York, Jr.
Senior Vice President,
Chief Financial Officer
and Secretary

By /s/ A. H. Mapp
A. H. Mapp
Assistant Secretary and
Assistant Treasurer

STATE OF MISSISSIPPI

COUNTY OF MINDS

I, Joy L. Spears, a Notary Public, do hereby certify that on this 10th day of December, 1986, personally appeared before me Frank S. York, Jr., who, being by me first duly sworn, declared that he is Senior Vice President, Chief Financial Officer and Secretary of Mississippi Power & Light Company, a Mississippi corporation, that he executed the foregoing document as Senior Vice President, Chief Financial Officer and Secretary of the Corporation, and that the statements therein contained are true.

/s/ Joy L. Spears
Joy L. Spears, Notary Public

My Commission Expires:

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STATE OF MISSISSIPPI

COUNTY OF MINDS

I, Joy L. Spears, a Notary Public, do hereby certify that on this 10th day of December, 1986, personally appeared before me A. H. Mapp, who, being by me first duly sworn, declared that he is Assistant Secretary and Assistant Treasurer of Mississippi Power & Light Company, a Mississippi corporation, that he executed the foregoing document as Senior Vice President, Chief Financial Officer and Secretary of the Corporation, and that the statements therein contained are true.

/s/ Joy L. Spears
Joy L. Spears, Notary Public

My Commission Expires:

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MISSISSIPPI POWER & LIGHT COMPANY

Statement of Cancellation of Shares

November 1, 1986

Pursuant to the provisions of Section 79-3-133 of the Mississippi Code of 1972, the undersigned Corporation submits the following statement of cancellation of redeemable shares by redemption:

1. The name of the corporation is Mississippi Power & Light Company.

2. The number of redeemable shares cancelled through redemption is 180,000 shares of 17% preferred stock, cumulative, $100 par value.

3. The aggregate number of issued shares, itemized by class and series, after giving effect to such cancellation is as follows:

   (a) 6,275,000 shares of common stock, without par value;
   (b) 59,920 shares of 4.36% preferred stock, cumulative, $100 par value;
   (c) 43,888 shares of 4.56% preferred stock, cumulative, $100 par value;
   (d) 100,000 shares of 4.92% preferred stock, cumulative, $100 par value;
   (e) 75,000 shares of 9.16% preferred stock, cumulative, $100 par value;
   (f) 100,000 shares of 7.44% preferred stock, cumulative, $100 par value;
   (g) 100,000 shares of 14.75% preferred stock, cumulative, $100 par value;
   (h) 100,000 shares of 12% preferred stock, cumulative, $100 par value;
   (i) 150,000 shares of 16.16% preferred stock, cumulative, $100 par value;
   (j) 350,000 shares of 9% preferred stock, cumulative, $100 par value;

4. The amount, expressed in dollars, of the stated capital of the Corporation, after giving effect to such cancellation is $252,205,800.00.

5. The Restated Articles of Incorporation of the Corporation provide that the cancelled shares shall not be reissued, and the number of shares which the Corporation has authority to issue, itemized by class, after giving effect to such cancellation, is as follows:

   (a) 15,000,000 shares of common stock, without par value, 6,275,000 of such shares being issued and outstanding at the date hereof; and
   (b) 1,804,476 shares of preferred stock, 1,078,808 shares of which are issued and outstanding as outlined above.

Dated this the 10th day of December, 1986.

MISSISSIPPI POWER & LIGHT COMPANY

By /s/ Frank S. York, Jr.
Frank S. York, Jr.
Senior Vice President,
Chief Financial Officer
and Secretary

By /s/ A. H. Mapp
A. H. Mapp
Assistant Secretary and
Assistant Treasurer

STATE OF MISSISSIPPI

COUNTY OF MINDS

I, Joy L. Spears, a Notary Public, do hereby certify that on this 10th day of December, 1986, personally appeared before me Frank S. York, Jr., who, being by me first duly sworn, declared that he is Senior Vice President, Chief Financial Officer and Secretary of Mississippi Power & Light Company, a Mississippi corporation, that he executed the foregoing document as Senior Vice President, Chief Financial Officer and Secretary of the Corporation, and that the statements therein contained are true.

/s/ Joy L. Spears
Joy L. Spears, Notary Public

My Commission Expires:

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STATE OF MISSISSIPPI

COUNTY OF MINDS

I, Joy L. Spears, a Notary Public, do hereby certify that on this 10th day of December, 1986, personally appeared before me A. H. Mapp, who, being by me first duly sworn, declared that he is Assistant Secretary and Assistant Treasurer of Mississippi Power & Light Company, a Mississippi corporation, that he executed the foregoing document as Senior Vice President, Chief Financial Officer and Secretary of the Corporation, and that the statements therein contained are true.

/s/ Joy L. Spears
Joy L. Spears, Notary Public

My Commission Expires:

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MISSISSIPPI POWER & LIGHT COMPANY

Statement of Cancellation of Shares

November 1, 1986

Pursuant to the provisions of Section 79-3-133 of the Mississippi Code of 1972, the undersigned Corporation submits the following statement of cancellation of redeemable shares by redemption:

1. The name of the corporation is Mississippi Power & Light Company.

2. The number of redeemable shares cancelled through redemption is 100,000 shares of 14.75% preferred stock, cumulative, $100 par value.

3. The aggregate number of issued shares, itemized by class and series, after giving effect to such cancellation is as follows:

   (a) 6,275,000 shares of common stock, without par value;
   (b) 59,920 shares of 4.36% preferred stock, cumulative, $100 par value;
   (c) 43,888 shares of 4.56% preferred stock, cumulative, $100 par value;
   (d) 100,000 shares of 4.92% preferred stock, cumulative, $100 par value;
   (e) 75,000 shares of 9.16% preferred stock, cumulative, $100 par value;
   (f) 100,000 shares of 7.44% preferred stock, cumulative, $100 par value;
   (g) 100,000 shares of 12% preferred stock, cumulative, $100 par value;
   (h) 150,000 shares of 16.16% preferred stock, cumulative, $100 par value;
   (i) 350,000 shares of 9% preferred stock, cumulative, $100 par value;

4. The amount, expressed in dollars, of the stated capital of the Corporation, after giving effect to such cancellation is $242,205,800.00.

5. The Restated Articles of Incorporation of the Corporation provide that the cancelled shares shall not be reissued, and the number of shares which the Corporation has authority to issue, itemized by class, after giving effect to such cancellation, is as follows:

   (a) 15,000,000 shares of common stock, without par value, 6,275,000 of such shares being issued and outstanding at the date hereof; and
   (b) 1,704,476 shares of preferred stock, 978,808 shares of which are issued and outstanding as outlined above.

Dated this the 10th day of December, 1986.

MISSISSIPPI POWER & LIGHT COMPANY

By /s/ Frank S. York, Jr.
Frank S. York, Jr.
Senior Vice President,
Chief Financial Officer
and Secretary

By /s/ A. H. Mapp
A. H. Mapp
Assistant Secretary and
Assistant Treasurer

STATE OF MISSISSIPPI

COUNTY OF MINDS

I, Joy L. Spears, a Notary Public, do hereby certify that on this 10th day of December, 1986, personally appeared before me Frank S. York, Jr., who, being by me first duly sworn, declared that he is Senior Vice President, Chief Financial Officer and Secretary of Mississippi Power & Light Company, a Mississippi corporation, that he executed the foregoing document as Senior Vice President, Chief Financial Officer and Secretary of the Corporation, and that the statements therein contained are true.

/s/ Joy L. Spears
Joy L. Spears, Notary Public

My Commission Expires:

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STATE OF MISSISSIPPI

COUNTY OF MINDS

I, Joy L. Spears, a Notary Public, do hereby certify that on this 10th day of December, 1986, personally appeared before me A. H. Mapp, who, being by me first duly sworn, declared that he is Assistant Secretary and Assistant Treasurer of Mississippi Power & Light Company, a Mississippi corporation, that he executed the foregoing document as Senior Vice President, Chief Financial Officer and Secretary of the Corporation, and that the statements therein contained are true.

/s/ Joy L. Spears
Joy L. Spears, Notary Public

My Commission Expires:

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MISSISSIPPI POWER & LIGHT COMPANY

Statement of Resolution Establishing Series of Shares

January 13, 1987

Pursuant to the provisions of Section 79-3-29 of the Mississippi Code of 1972, the undersigned Corporation submits the following statement for the purpose of establishing and designating a series of shares and fixing and determining the relative rights and preferences thereof:

1. The name of the corporation is Mississippi Power & Light Company.
2. The attached resolution establishing and designating a series of shares and fixing and determining the relative rights and preferences thereof was duly adopted by the Board of Directors of the Corporation on January 13, 1987.

Dated this the 13th day of January, 1987.

MISSISSIPPI POWER & LIGHT COMPANY

By /s/ D. C. Lutken
D. C. Lutken
President, Chairman of the Board and Chief Executive Officer

By /s/ G. A. Goff
G. A. Goff
Senior Vice President, Chief Financial Officer and Secretary

STATE OF MISSISSIPPI

COUNTY OF MINDS

I, Joy L. Spears, a Notary Public, do hereby certify that on this January 13, 1987, personally appeared before me D. C. Lutken, who, being by me first duly sworn, declared that he is President, Chairman of the Board and Chief Executive Officer of Mississippi Power & Light Company, a Mississippi corporation, that he executed the foregoing document as President, Chairman of the Board and Chief Executive Officer of the Corporation, and that the statements therein contained are true.

/s/ Joy L. Spears
Joy L. Spears, Notary Public

My Commission Expires:

____

STATE OF MISSISSIPPI

COUNTY OF MINDS

I, Joy L. Spears, a Notary Public, do hereby certify that on this January 13, 1987, personally appeared before me G. A. Goff, who, being by me first duly sworn, declared that he is Senior Vice President, Chief Financial Officer and Secretary of Mississippi Power & Light Company, a Mississippi corporation, that he executed the foregoing document as Senior Vice President, Chief Financial Officer and Secretary of the Corporation, and that the statements therein contained are true.

/s/ Joy L. Spears
Joy L. Spears, Notary Public

My Commission Expires:

____

RESOLVED That there is hereby established a series of the Preferred Stock of Mississippi Power & Light Company as follows:

A series of 350,000 shares of the Preferred Stock shall:

(a) be designated "9.76% Preferred Stock, Cumulative, $100 Par Value;"

(b) have a dividend rate of $9.76 per share per annum payable quarterly on February 1, May 1, August 1, and November 1 of each year, the first dividend date to be May 1, 1987, and such dividends to be cumulative from the date of issuance;

(c) be subject to redemption at the price of $109.76 per share if redeemed on or before January 1, 1988, of $108.68 per share if redeemed after January 1, 1988, and on or before January 1, 1989, of $107.60 per share if redeemed after January 1, 1989,, and on or before January 1, 1990, of $106.51 per share if redeemed after January 1, 1990, and on or before January 1, 1991, of $105.43 per share if redeemed after January 1, 1991, and on or before January 1, 1992, of $104.34 per share if redeemed after January 1, 1992, and on or before January 1, 1993, of $103.26 per share if redeemed after January 1, 1993, and on or before January 1, 1994, of $102.17 per share if redeemed after January 1, 1994, and on or before January 1, 1995, of $101.09 per share if redeemed after January 1, 1995, and on or before January 1, 1996, and of $100.00 per share if redeemed after January 1, 1996, in each case plus an amount equivalent to the accumulated and unpaid dividends thereon, if any, to the date fixed for redemption; provided, however, that no share of the 9.76% Preferred Stock, Cumulative, $100 Par Value, shall be redeemed prior to January 1, 1992, if such redemption is for the purpose or in anticipation of refunding such share through the use, directly or indirectly, of funds borrowed by the Corporation, or through the use, directly or indirectly, of funds derived through the issuance by the Corporation of stock ranking prior to or on a parity with the 9.76% Preferred Stock, Cumulative, $100 Par Value, as to dividends or assets, if such borrowed funds have an effective interest cost to the Corporation (computed in accordance with generally accepted financial practice) or such stock has an effective dividend cost to the Corporation (so computed) of less than 9.9165% per annum; and

(d) be subject to redemption as and for a sinking fund as follows: on January 1, 1993, and on each January 1 thereafter (each such date being hereinafter referred to as a "9.76% Sinking Fund Redemption Date"), for so long as any shares of the 9.76% Preferred Stock, Cumulative, $100 Par Value, shall remain outstanding, the Corporation shall redeem, out of funds legally available therefor, 70,000 shares of the 9.76% Preferred Stock, Cumulative, $100 Par Value, (or the number of shares than outstanding if less than 70,000) at the sinking fund redemption price of $100 per share plus, as to each share so redeemed, an amount equivalent to the accumulated and unpaid dividends thereon, if any, to the date of redemption (the obligation of the Corporation so to redeem the shares of the 9.76% Preferred Stock, Cumulative, $100 Par Value, being hereinafter referred to as the "9.76% Sinking Fund Obligation"); the 9.76% Sinking Fund Obligation shall be cumulative; if on any 9.76% Sinking Fund Redemption Date, the Corporation shall not have funds legally available therefor sufficient to redeem the full number of shares required to be redeemed on that date, the 9.76% Sinking Fund Obligation with respect to the shares not redeemed shall carry forward to each successive 9.76% Sinking Fund Redemption Date until such shares shall have been redeemed; whenever on any 9.76% Sinking Fund Redemption Date, the funds of the Corporation legally available for the satisfaction of the 9.76% Sinking Fund Obligation and all other sinking fund and similar obligations than existing with respect to any other class or series of its stock ranking on a parity as to dividends or assets with the 9.76% Preferred Stock, Cumulative, $100 Par Value (such obligation and obligations collectively being hereinafter referred to as the "Total Sinking Fund Obligations"), are insufficient to permit the Corporation to satisfy fully its Total Sinking Fund Obligation on that date, the Corporation shall apply to the satisfaction on its 9.76% Sinking Fund Obligation on that date that proportion of such legally available funds which is equal to the ratio of such 9.76% Sinking Fund Obligation to such Total Sinking Fund Obligation; the Corporation shall be entitled, at its election, to credit against its 9.76% Sinking Fund Obligation on any 9.76% Sinking Fund Redemption Date any shares of the Preferred Stock, Cumulative, $100 Par Value, theretofore redeemed (other than shares of the 9.76% Preferred Stock, Cumulative, $100 Par Value, redeemed pursuant to the 9.76% Sinking Fund Obligation) purchased or otherwise acquired and not previously credited against the 9.76% Sinking Fund Obligation.

FURTHER RESOLVED That the officers of the Company are hereby authorized and directed to execute, file, publish and record all such statements and other documents, and to do and perform all such other and further acts and things, as in the judgment of the officer or officers taking such action may be necessary or desirable for the purpose of causing the immediately preceding resolution to become fully effective and of causing said resolution to become and constitute an amendment of the Restated

Articles of Incorporation of the Company, all in the manner and to the extent required by the Mississippi Business Corporation Law.

MISSISSIPPI POWER & LIGHT COMPANY

Articles of Amendment Under Miss. Code Ann.

Section 79-4-6.31 (Supp. 1987)

March 8, 1988

The undersigned corporation, pursuant to Section 79-4-6.31 of the Mississippi Code of 1972, as amended, submits the following document and sets forth:

1. The name of the corporation is Mississippi Power & Light Company.
2. The reduction in the number of authorized shares, itemized by class and series, is 5,000 shares of 12% Preferred Stock, Cumulative, $100 Par Value.
3. The total number of authorized shares, itemized by class and series, remaining after reduction of the shares is as follows:
   (a) 15,000,000 shares of common stock, without par value, 6,275,000 of such shares being issued and outstanding at the date hereof; and
   (b) 1,699,476 shares of preferred stock, 1,323,808 shares of which are issued and outstanding in the following series:
      (i) 59,920 shares of 4.36% preferred stock, cumulative, $100 par value;
      (ii) 43,888 shares of 4.56% preferred stock, cumulative, $100 par value;
      (iii) 100,000 shares of 4.92% preferred stock, cumulative, $100 par value;
      (iv) 75,000 shares of 9.16% preferred stock, cumulative, $100 par value;
      (v) 100,000 shares of 7.44% preferred stock, cumulative, $100 par value;
      (vi) 95,000 shares of 12% preferred stock, cumulative, $100 par value;
      (vii) 150,000 shares of 16.16% preferred stock, cumulative, $100 par value;
      (viii) 350,000 shares of 9% preferred stock, cumulative, $100 par value;
      (ix) 350,000 shares of 9.76% preferred stock, cumulative, $100 par value; and

Dated this the 8th day of March, 1988.

MISSISSIPPI POWER & LIGHT COMPANY

By /s/ G. A. Goff
G. A. Goff
Senior Vice President,
Chief Financial Officer
and Secretary

By /s/ J. R. Martin
J. R. Martin
Treasurer and Assistant
Secretary

MISSISSIPPI POWER & LIGHT COMPANY

Articles of Amendment Under Miss. Code Ann.

Section 79-4-6.31 (Supp. 1988)

January 19, 1989

The undersigned corporation, pursuant to Section 79-4-6.31 of the Mississippi Code of 1972, as amended, submits the following document and sets forth:

1. The name of the corporation is Mississippi Power & Light Company.
2. The reduction in the number of authorized shares, itemized by class and series, is 1,500 shares of 12% Preferred Stock, Cumulative, $100 Par Value.
3. The total number of authorized shares, itemized by class and series, remaining after reduction of the shares is as follows:

(a) 15,000,000 shares of common stock, without par value, 7,579,400 of such shares being issued and outstanding at the date hereof; and

(b) 1,699,476 shares of preferred stock, 1,323,808 shares of which are issued and outstanding in the following series:

(i) 59,920 shares of 4.36% preferred stock, cumulative, $100 par value;

(ii) 43,888 shares of 4.56% preferred stock, cumulative, $100 par value;

(iii) 100,000 shares of 4.92% preferred stock, cumulative, $100 par value;

(iv) 75,000 shares of 9.16% preferred stock, cumulative, $100 par value;

(v) 100,000 shares of 7.44% preferred stock, cumulative, $100 par value;

(vi) 93,500 shares of 12% preferred stock, cumulative, $100 par value;

(vii) 150,000 shares of 16.16% preferred stock, cumulative, $100 par value;

(viii) 350,000 shares of 9% preferred stock, cumulative, $100 par value;

(ix) 350,000 shares of 9.76% preferred stock, cumulative, $100 par value; and

Dated this the 19th day of January, 1989.

MISSISSIPPI POWER & LIGHT COMPANY

By /s/ G. A. Goff
G. A. Goff
Senior Vice President,
Chief Financial Officer
and Secretary

REGISTERED AGENT/OFFICE STATEMENT OF CHANGE
(Mark appropriate box)

X DOMESTIC X PROFIT

FOREIGN NONPROFIT

1. Name of Corporation:
Mississippi Power & Light Company

Federal Tax ID: 64-0205830

2. Current street address of registered office:
308 East Pearl Street
Jackson, Mississippi 39201

3. New street address of registered office: (No change)

4. Name of current registered agent:
Donald C. Lutken or Robert C. Grenfell

5. Name of new registered agent:
Michael B. Bemis or Robert C. Grenfell

6. (Mark appropriate box)
(X) The undersigned hereby accepts designation as registered agent for service of process.

/s/ Michael B. Bemis
/s/ Robert C. Grenfell

( ) Statement of written consent if attached.

7. ( ) Nonprofit. The street address of the registered office and the street address of the principal office of its registered agent will be identical.
(X) Profit. The street address of the registered office and the street address of the business office of its registered agent will be identical.

8. The corporation has been notified of the change of registered office.

Mississippi Power & Light Company
Corporate Name

By: Michael B. Bemis, President and COO /s/ Michael B. Bemis
PRINTED NAME/CORPORATE TITLE SIGNATURE

MISSISSIPPI POWER & LIGHT COMPANY

Articles of Amendment Under Miss. Code Ann.

Section 79-4-6.31 (Supp. 1988)

March 30, 1989

The undersigned corporation, pursuant to Section 79-4-6.31 of the Mississippi Code of 1972, as amended, submits the following document and sets forth:

1. The name of the corporation is Mississippi Power & Light Company.
2. The reduction in the number of authorized shares, itemized by class and series, is 8,500 shares of 12% Preferred Stock, Cumulative, $100 Par Value.
3. The total number of authorized shares, itemized by class and series, remaining after reduction of the shares is as follows:

   (a) 15,000,000 shares of common stock, without par value, 7,579,400 of such shares being issued and outstanding at the date hereof; and
   (b) 1,699,476 shares of preferred stock, 1,323,808 shares of which are issued and outstanding in the following series:

      (i) 59,920 shares of 4.36% preferred stock, cumulative, $100 par value;
      (ii) 43,888 shares of 4.56% preferred stock, cumulative, $100 par value;
      (iii) 100,000 shares of 4.92% preferred stock, cumulative, $100 par value;
      (iv) 75,000 shares of 9.16% preferred stock, cumulative, $100 par value;
      (v) 100,000 shares of 7.44% preferred stock, cumulative, $100 par value;
      (vi) 85,000 shares of 12% preferred stock, cumulative, $100 par value;
      (vii) 150,000 shares of 16.16% preferred stock, cumulative, $100 par value;
      (viii) 350,000 shares of 9% preferred stock, cumulative, $100 par value;
      (ix) 350,000 shares of 9.76% preferred stock, cumulative, $100 par value; and

Dated this the 30th day of March, 1989.

MISSISSIPPI POWER & LIGHT COMPANY

By /s/ G. A. Goff
G. A. Goff
Senior Vice President,
Chief Financial Officer
and Secretary

MISSISSIPPI POWER & LIGHT COMPANY

Articles of Amendment Under Miss. Code Ann.

Section 79-4-6.31 (Supp. 1988)

March 30, 1989

The undersigned corporation, pursuant to Section 79-4-6.31 of the Mississippi Code of 1972, as amended, submits the following document and sets forth:

1. The name of the corporation is Mississippi Power & Light Company.
2. The reduction in the number of authorized shares, itemized by class and series, is 5,800 shares of 12% Preferred Stock, Cumulative, $100 Par Value.
3. The total number of authorized shares, itemized by class and series, remaining after reduction of the shares is as follows:

(a) 15,000,000 shares of common stock, without par value, 7,579,400 of such shares being issued and outstanding at the date hereof; and

(b) 1,692,176 shares of preferred stock, 1,316,508 shares of which are issued and outstanding in the following series:

(i) 59,920 shares of 4.36% preferred stock, cumulative, $100 par value;

(ii) 43,888 shares of 4.56% preferred stock, cumulative, $100 par value;

(iii) 100,000 shares of 4.92% preferred stock, cumulative, $100 par value;

(iv) 75,000 shares of 9.16% preferred stock, cumulative, $100 par value;

(v) 100,000 shares of 7.44% preferred stock, cumulative, $100 par value;

(vi) 87,700 shares of 12% preferred stock, cumulative, $100 par value;

(vii) 150,000 shares of 16.16% preferred stock, cumulative, $100 par value;

(viii) 350,000 shares of 9% preferred stock, cumulative, $100 par value;

(ix) 350,000 shares of 9.76% preferred stock, cumulative, $100 par value; and

Dated this the 30th day of March, 1989.

MISSISSIPPI POWER & LIGHT COMPANY

By /s/ G. A. Goff
G. A. Goff
Senior Vice President,
Chief Financial Officer
and Secretary

ARTICLES OF CORRECTION
(Mark appropriate box)

X PROFIT NONPROFIT

The undersigned corporation, pursuant to Section 79-4-1.24 (if a profit corporation) or Section 79-11-113 (if a nonprofit corporation) of the Mississippi Code of 1972, as amended, hereby executes the following document and sets forth:

1. The name of the corporation is:
   Mississippi Power & Light Company

2. (Mark appropriate box.)
   (X) The document to be corrected is Articles of Amendment which became effective on March 31, 1989 (date).

   ( ) A copy of the document to be corrected is attached.

3. The aforesaid articles contain the following incorrect statement:
   See Attachment "A"

4. a. The reason such statement is incorrect is: The reduction in the number of shares of the class and series referred to in attachment A was incorrectly states as 8,500, and should have been 5,800, which incorrect statement is a component of certain other statements made in the Articles of Amendment, all as reflected in attachment "A".

   or

   b. The manner in which the execution of such document was defective was:

5. The correction is as follows: Attachment "B", a new executed form of Articles of Amendment, is substituted in its entirety for the Articles of Amendment referred to above.

6. The certificate of correction shall become effective on March 31, 1989.

By: Mississippi Power & Light Company /s/ G. A. Goff
printed name/corporation title G. A. Goff
Senior Vice President,
Chief Financial Officer
and Secretary

ATTACHMENT "A"

The following incorrect statements were included in the Articles of Amendment under Miss. Code Ann. Section 74-4-6.31 (Supp. 1988) dated March 30, 1989:

1. Paragraph 2 thereof provided as follows: "The reduction in the number of authorized shares, itemized by class and series, is 8,500 shares of 12% Preferred Stock, Cumulative, $100 par value."

2. Paragraph 3(b) provided in part as follows: "1,699,476 shares of preferred stock, 1,323,808 shares of which are issued and outstanding in the following series:

    (vi) 85,000 shares of 12% preferred stock, cumulative, $100 par value;

MISSISSIPPI POWER & LIGHT COMPANY

Articles of Amendment Under Miss. Code Ann.

Section 79-4-6.31 (Supp. 1988)

November 2, 1989

The undersigned corporation, pursuant to Miss. Code Ann. Section 79-4-6.31 (Supp. 1988), submits the following document and sets forth:

1. The name of the corporation is Mississippi Power & Light Company.
2. The reduction in the number of authorized shares, itemized by class and series, is 90,000 shares of 16.16% Preferred Stock, Cumulative, $100 Par Value.
3. The total number of authorized shares, itemized by class and series, remaining after reduction of the shares is as follows:

(a) 15,000,000 shares of common stock, without par value, 7,579,400 of such shares being issued and outstanding at the date hereof; and

(b) 1,602,176 shares of preferred stock, 1,226,508 shares of which are issued and outstanding in the following series:

(i) 59,920 shares of 4.36% preferred stock, cumulative, $100 par value;
(ii) 43,888 shares of 4.56% preferred stock, cumulative, $100 par value;
(iii) 100,000 shares of 4.92% preferred stock, cumulative, $100 par value;
(iv) 75,000 shares of 9.16% preferred stock, cumulative, $200 par value;
(v) 100,000 shares of 7.44% preferred stock, cumulative, $100 par value;
(vi) 87,700 shares of 12% preferred stock, cumulative, $100 par value;
(vii) 60,000 shares of 16.16% preferred stock, cumulative, $100 par value;
(viii) 350,000 shares of 9% preferred stock, cumulative, $100 par value;
(ix) 350,000 shares of 9.76% preferred stock, cumulative, $100 par value; and

Dated this the 2nd day of November, 1989.

MISSISSIPPI POWER & LIGHT COMPANY

By /s/ G. A. Goff
G. A. Goff
Senior Vice President,
Chief Financial Officer
and Secretary

MISSISSIPPI POWER & LIGHT COMPANY

Articles of Amendment Under Miss. Code Ann.

Section 79-4-6.31 (1972)

March 28, 1990

The undersigned corporation, pursuant to Miss. Code Ann. Section 79-4-6.31 (1972), submits the following document and sets forth:

1. The name of the corporation is Mississippi Power & Light Company.
2. The reduction in the number of authorized shares, itemized by class and series, is 10,000 shares of 12.009% Preferred Stock, Cumulative, $100 Par Value.
3. The total number of authorized shares, itemized by class and series, remaining after reduction of the shares is as follows:

(a) 15,000,000 shares of common stock, without par value, 7,579,400 of such shares being issued and outstanding at the date hereof; and

(b) 1,592,176 shares of preferred stock, 1,216,508 shares of which are issued and outstanding in the following series:

(i) 59,920 shares of 4.36% preferred stock, cumulative, $100 par value;

(ii) 43,888 shares of 4.56% preferred stock, cumulative, $100 par value;

(iii) 100,000 shares of 4.92% preferred stock, cumulative, $100 par value;

(iv) 75,000 shares of 9.16% preferred stock, cumulative, $200 par value;

(v) 100,000 shares of 7.44% preferred stock, cumulative, $100 par value;

(vi) 77,700 shares of 12% preferred stock, cumulative, $100 par value;

(vii) 60,000 shares of 16.16% preferred stock, cumulative, $100 par value;

(viii) 350,000 shares of 9% preferred stock, cumulative, $100 par value;

(ix) 350,000 shares of 9.76% preferred stock, cumulative, $100 par value; and

Dated this the 30th day of March, 1990.

MISSISSIPPI POWER & LIGHT COMPANY

By /s/ G. A. Goff
G. A. Goff
Senior Vice President,
Chief Financial Officer
and Secretary

MISSISSIPPI POWER & LIGHT COMPANY

Articles of Amendment Under Miss. Code Ann.

Section 79-4-6.31 (1972)

November 2, 1990

The undersigned corporation, pursuant to Miss. Code Ann. Section 79-4-6.31 (1972), submits the following document and sets forth:

1. The name of the corporation is Mississippi Power & Light Company.
2. The reduction in the number of authorized shares, itemized by class and series, is 15,000 shares of 16.16% Preferred Stock, Cumulative, $100 Par Value.
3. The total number of authorized shares, itemized by class and series, remaining after reduction of the shares is as follows:

(a) 15,000,000 shares of common stock, without par value, 7,579,400 of such shares being issued and outstanding at the date hereof; and

(b) 1,577,176 shares of preferred stock, 1,201,508 shares of which are issued and outstanding in the following series:

(i) 59,920 shares of 4.36% preferred stock, cumulative, $100 par value;
(ii) 43,888 shares of 4.56% preferred stock, cumulative, $100 par value;
(iii) 100,000 shares of 4.92% preferred stock, cumulative, $100 par value;
(iv) 75,000 shares of 9.16% preferred stock, cumulative, $100 par value;
(v) 100,000 shares of 7.44% preferred stock, cumulative, $100 par value;
(vi) 77,700 shares of 12% preferred stock, cumulative, $100 par value;
(vii) 45,000 shares of 16.16% preferred stock, cumulative, $100 par value;
(viii) 350,000 shares of 9% preferred stock, cumulative, $100 par value;
(ix) 350,000 shares of 9.76% preferred stock, cumulative, $100 par value; and

Dated this the 2nd day of November, 1990.

MISSISSIPPI POWER & LIGHT COMPANY

By /s/ G. A. Goff
G. A. Goff
Senior Vice President,
Chief Financial Officer
and Secretary

[Letterhead of Wise Carter Child & Caraway]

March 26, 1991

Ms. Sylvia Jacobs
Branch Supervisor-Corporations Business Services
Secretary of State of State of Mississippi
202 North Congress Street, Suite 601
Jackson, MS 39205

Re: Mississippi Power & Light Company
Articles of Amendment

Dear Ms. Jacobs:

I received your Notice of Return regarding the Articles of Amendment we recently filed for Mississippi Power & Light Company under Section 79-4-6.31 of the Mississippi Code. Your Notice of Return states that we must use Form C-3 provided in the Guide for Domestic Corporations published by the Mississippi Secretary of State.

I draw your attention to the fact that the Articles of Amendment we are filing are being filed under Section 79-4-6.31 (1989) of the Mississippi Code, and not Section 79-4-10.06. I agree that if we were filing Articles of Amendment under Section 79-4-10.06, the proper form to use would be Form C-3 provided by the Mississippi Secretary of State. However, the Articles of Amendment we are filing are being filed only because stock was redeemed by the corporation and is now being cancelled.

We have used the form enclosed with this letter numerous times in the past to file Articles of Amendment pursuant to Section 79-4-6.31, after consultation with Ray Bailey. It is my opinion that the form for the standard Articles of Amendment would not be appropriate for the type of amendment we are filing, and there is no place on the form to provide the information required under Section 79-4-6.31. Accordingly, I am returning our duplicate originals of the Articles of Amendment and request that you file one among the records in your office, and return the conformed copy, marked "Filed," to my attention at the above address.

If you have any questions, please feel free to call at the above direct dial number.

Very truly yours,

/s/ J. Michael Cockrell
J. Michael Cockrell

DMC/st
Enclosure

MISSISSIPPI POWER & LIGHT COMPANY

Articles of Amendment Under Miss. Code Ann.

Section 79-4-6.31 (1989)

March 18, 1991

The undersigned corporation, pursuant to Miss. Code Ann. Section 79-4-6.31 (1989), submits the following document and sets forth:

1. The name of the corporation is Mississippi Power & Light Company.
2. The reduction in the number of authorized shares, itemized by class and series, is (a) 80 shares of 4.36% preferred stock, cumulative, $100 par value; (b) 588 shares of 4.56% preferred stock, cumulative, $100 par value; and (c) 10,000 shares of 12% preferred stock, cumulative, $100 par value.
3. The total number of authorized shares, itemized by class and series, remaining after reduction of the shares is as follows:

(a) 15,000,000 shares of common stock, without par value, 7,579,400 of such shares being issued and outstanding at the date hereof; and

(b) 1,566,508 shares of preferred stock, 1,191,508 shares of which are issued and outstanding in the following series:

(i) 59,920 shares of 4.36% preferred stock, cumulative, $100 par value;

(ii) 43,888 shares of 4.56% preferred stock, cumulative, $100 par value;

(iii) 100,000 shares of 4.92% preferred stock, cumulative, $100 par value;

(iv) 75,000 shares of 9.16% preferred stock, cumulative, $100 par value;

(v) 100,000 shares of 7.44% preferred stock, cumulative, $100 par value;

(vi) 67,700 shares of 12% preferred stock, cumulative, $100 par value;

(vii) 45,000 shares of 16.16% preferred stock, cumulative, $100 par value;

(viii) 350,000 shares of 9% preferred stock, cumulative, $100 par value;

(ix) 350,000 shares of 9.76% preferred stock, cumulative, $100 par value; and

Dated this the 18th day of March, 1991.

MISSISSIPPI POWER & LIGHT COMPANY

By /s/ G. A. Goff
G. A. Goff
Senior Vice President,
Chief Financial Officer
and Secretary

MISSISSIPPI POWER & LIGHT COMPANY

Articles of Amendment Under Miss. Code Ann.

Section 79-4-6.31 (1989)

July 12, 1991

The undersigned corporation, pursuant to Miss. Code Ann. Section 79-4-6.31 (1989), submits the following document and sets forth:

1. The name of the corporation is Mississippi Power & Light Company.
2. The reduction in the number of authorized shares, itemized by class and series, is 70,000 shares of 9.00% Preferred Stock, Cumulative, $100 Par Value.
3. The total number of authorized shares, itemized by class and series, remaining after reduction of the shares is as follows:

(a) 15,000,000 shares of common stock, without par value, 7,579,400 of such shares being issued and outstanding at the date hereof; and

(b) 1,496,508 shares of preferred stock, 1,121,508 shares of which are issued and outstanding in the following series:

(i) 59,920 shares of 4.36% preferred stock, cumulative, $100 par value;
(ii) 43,888 shares of 4.56% preferred stock, cumulative, $100 par value;
(iii) 100,000 shares of 4.92% preferred stock, cumulative, $100 par value;
(iv) 75,000 shares of 9.16% preferred stock, cumulative, $100 par value;
(v) 100,000 shares of 7.44% preferred stock, cumulative, $100 par value;
(vi) 67,700 shares of 12% preferred stock, cumulative, $100 par value;
(vii) 45,000 shares of 16.16% preferred stock, cumulative, $100 par value;
(viii) 280,000 shares of 9% preferred stock, cumulative, $100 par value;
(ix) 350,000 shares of 9.76% preferred stock, cumulative, $100 par value; and

Dated this the 12th day of July, 1991.

MISSISSIPPI POWER & LIGHT COMPANY

By /s/ A. H. Mapp
A. H. Mapp
Assistant Treasurer and
Assistant Secretary

MISSISSIPPI POWER & LIGHT COMPANY

Articles of Amendment Under Miss. Code Ann.

Section 79-4-6.31 (1989)

November 19, 1991

The undersigned corporation, pursuant to Miss. Code Ann. Section 79-4-6.31 (1989), submits the following document and sets forth:

1. The name of the corporation is Mississippi Power & Light Company.
2. The reduction in the number of authorized shares, itemized by class and series, is 15,000 shares of 16.16% Preferred Stock, Cumulative, $100 Par Value.
3. The total number of authorized shares, itemized by class and series, remaining after reduction of the shares is as follows:

(a) 15,000,000 shares of common stock, without par value, 7,579,400 of such shares being issued and outstanding at the date hereof; and

(b) 1,481,508 shares of preferred stock, 1,106,508 shares of which are issued and outstanding in the following series:

(i) 59,920 shares of 4.36% preferred stock, cumulative, $100 par value;
(ii) 43,888 shares of 4.56% preferred stock, cumulative, $100 par value;
(iii) 100,000 shares of 4.92% preferred stock, cumulative, $100 par value;
(iv) 75,000 shares of 9.16% preferred stock, cumulative, $100 par value;
(v) 100,000 shares of 7.44% preferred stock, cumulative, $100 par value;
(vi) 67,700 shares of 12% preferred stock, cumulative, $100 par value;
(vii) 30,000 shares of 16.16% preferred stock, cumulative, $100 par value;
(viii) 280,000 shares of 9% preferred stock, cumulative, $100 par value;
(ix) 350,000 shares of 9.76% preferred stock, cumulative, $100 par value; and

Dated this the 19th day of November, 1991.

MISSISSIPPI POWER & LIGHT COMPANY

By /s/ A. H. Mapp
A. H. Mapp
Assistant Treasurer and
Assistant Secretary

MISSISSIPPI POWER & LIGHT COMPANY

Articles of Amendment Under Miss. Code Ann.

Section 79-4-6.31 (1989)

March 13, 1992

The undersigned corporation, pursuant to Miss. Code Ann. Section 79-4-6.31 (1989), submits the following document and sets forth:

1. The name of the corporation is Mississippi Power & Light Company.
2. The reduction in the number of authorized shares, itemized by class and series, is 10,000 shares of 12% Preferred Stock, Cumulative, $100 Par Value.
3. The total number of authorized shares, itemized by class and series, remaining after reduction of the shares is as follows:

(a) 15,000,000 shares of common stock, without par value, 7,579,400 of such shares being issued and outstanding at the date hereof; and

(b) 1,471,508 shares of preferred stock, 1,096,508 shares of which are issued and outstanding in the following series:

(i) 59,920 shares of 4.36% preferred stock, cumulative, $100 par value;
(ii) 43,888 shares of 4.56% preferred stock, cumulative, $100 par value;
(iii) 100,000 shares of 4.92% preferred stock, cumulative, $100 par value;
(iv) 75,000 shares of 9.16% preferred stock, cumulative, $100 par value;
(v) 100,000 shares of 7.44% preferred stock, cumulative, $100 par value;
(vi) 57,700 shares of 12% preferred stock, cumulative, $100 par value;
(vii) 30,000 shares of 16.16% preferred stock, cumulative, $100 par value;
(viii) 280,000 shares of 9% preferred stock, cumulative, $100 par value;
(ix) 350,000 shares of 9.76% preferred stock, cumulative, $100 par value; and

Dated this the 13th day of March, 1992.

MISSISSIPPI POWER & LIGHT COMPANY

By /s/ A. H. Mapp
Title: Assistant Secretary

MISSISSIPPI POWER & LIGHT COMPANY

Articles of Amendment Under Miss. Code Ann.

Section 79-4-6.31 (1989)

July 15, 1992

The undersigned corporation, pursuant to Miss. Code Ann. Section 79-4-6.31 (1989), submits the following document and sets forth:

1. The name of the corporation is Mississippi Power & Light Company.
2. The reduction in the number of authorized shares, itemized by class and series, is 70,000 shares of 9.00% Preferred Stock, Cumulative, $100 Par Value.
3. The total number of authorized shares, itemized by class and series, remaining after reduction of the shares is as follows:

(a) 15,000,000 shares of common stock, without par value, 8,666,357 of such shares being issued and outstanding at the date hereof; and

(b) 1,401,508 shares of preferred stock, 1,026,508 shares of which are issued and outstanding in the following series:

(i) 59,920 shares of 4.36% preferred stock, cumulative, $100 par value;
(ii) 43,888 shares of 4.56% preferred stock, cumulative, $100 par value;
(iii) 100,000 shares of 4.92% preferred stock, cumulative, $100 par value;
(iv) 75,000 shares of 9.16% preferred stock, cumulative, $100 par value;
(v) 100,000 shares of 7.44% preferred stock, cumulative, $100 par value;
(vi) 57,700 shares of 12% preferred stock, cumulative, $100 par value;
(vii) 30,000 shares of 16.16% preferred stock, cumulative, $100 par value;
(viii) 210,000 shares of 9% preferred stock, cumulative, $100 par value;
(ix) 350,000 shares of 9.76% preferred stock, cumulative, $100 par value; and

Dated this the 15th day of July, 1992.

MISSISSIPPI POWER & LIGHT COMPANY

By /s/ A. H. Mapp
Title: Assistant Secretary

MISSISSIPPI POWER & LIGHT COMPANY

Articles of Amendment - Statement of Resolution
Establishing Series of Shares

October 22, 1992

Pursuant to the provisions of Section 79-4-6.02(d) of the Mississippi Code of 1972 (Supp. 1989), Mississippi Power & Light Company submits the following statement for the purpose of establishing and designating a series of shares and fixing and determining the relative rights and preferences thereof:

1. The name of the corporation is Mississippi Power & Light Company.
2. The attached resolution establishing and designating a series of shares and fixing and determining the relative rights and preferences thereof was duly adopted by the Board of Directors of the Corporation on October 22, 1992.

Dated this the 22nd day of October, 1992.

MISSISSIPPI POWER & LIGHT COMPANY

By /s/ A. H. Mapp
Allan H. Mapp
Assistant Secretary and
Assistant Treasurer

MISSISSIPPI POWER & LIGHT COMPANY
Excerpts from the minutes of the Meeting
of the Board of Directors held on October 22, 1992

RESOLVED That there is hereby established a series of the Preferred Stock of Mississippi Power & Light Company as follows:

A series of 200,000 shares of the Preferred Stock shall:

(a) be designated as the "8.36% Preferred Stock, Cumulative, $100 Par Value";

(b) have a dividend rate of $8.36 per share per annum payable quarterly on February 1, May 1, August 1, and November 1 of each year, the first dividend date to be February 1, 1993, and such dividends to be cumulative from the date of issuance; and

(c) be subject to redemption at the price of $100 par share plus an amount equivalent to the accumulated and unpaid dividends thereon, if any, to the date fixed for redemption (except that no share of the 8.36% Preferred Stock shall be redeemed on or before October 1, 1997).

FURTHER RESOLVED That the officers of the Company are hereby authorized and directed to execute, file and publish and record all such statements and other documents, and to do and perform all such other and further acts and things, as in the judgment of the officer and officers taking such action may be necessary or desirable for the purpose of causing the immediately preceding resolution to become fully effective and of causing said resolution to become and constitute an amendment of the Restated Articles of Incorporation of the Company, all in the manner and to the extent required by the Mississippi Business Corporation Law.

MISSISSIPPI POWER & LIGHT COMPANY

Articles of Amendment Under Miss. Code Ann.

Section 79-4-6.31 (1989)

November 6, 1992

The undersigned corporation, pursuant to Miss. Code Ann. Section 79-4-6.31 (1989), submits the following document and sets forth:

1. The name of the corporation is Mississippi Power & Light Company.
2. The reduction in the number of authorized shares, itemized by class and series, is 15,000 shares of 16.16% Preferred Stock, Cumulative, $100 Par Value.
3. The total number of authorized shares, itemized by class and series, remaining after reduction of the shares is as follows:

(a) 15,000,000 shares of common stock, without par value, 8,666,357 of such shares being issued and outstanding at the date hereof; and

(b) 1,386,508 shares of preferred stock, 1,211,508 shares of which are issued and outstanding in the following series:

(i) 59,920 shares of 4.36% preferred stock, cumulative, $100 par value;
(ii) 43,888 shares of 4.56% preferred stock, cumulative, $100 par value;
(iii) 100,000 shares of 4.92% preferred stock, cumulative, $100 par value;
(iv) 75,000 shares of 9.16% preferred stock, cumulative, $100 par value;
(v) 100,000 shares of 7.44% preferred stock, cumulative, $100 par value;
(vi) 57,700 shares of 12% preferred stock, cumulative, $100 par value;
(vii) 15,000 shares of 16.16% preferred stock, cumulative, $100 par value;
(viii) 210,000 shares of 9% preferred stock, cumulative, $100 par value;
(ix) 350,000 shares of 9.76% preferred stock, cumulative, $100 par value; and
(x) 200,000 shares of 8.36% preferred stock, cumulative, $100 par value.

Dated this the 6th day of November, 1993.

MISSISSIPPI POWER & LIGHT COMPANY

By /s/ A. H. Mapp
Title: Assistant Secretary

MISSISSIPPI POWER & LIGHT COMPANY

Articles of Amendment Under Miss. Code Ann.

Section 79-4-6.31 (1989)

January 12, 1993

The undersigned corporation, pursuant to Miss. Code Ann. Section 79-4-6.31 (1989), submits the following document and sets forth:

1. The name of the corporation is Mississippi Power & Light Company.
2. The reduction in the number of authorized shares, itemized by class and series, is 70,000 shares of 9.76% Preferred Stock, Cumulative, $100 Par Value.
3. The total number of authorized shares, itemized by class and series, remaining after reduction of the shares is as follows:

   (a) 15,000,000 shares of common stock, without par value, 8,666,357 of such shares being issued and outstanding at the date hereof; and
   (b) 1,316,508 shares of preferred stock, 1,141,508 shares of which are issued and outstanding in the following series:

      (i) 59,920 shares of 4.36% preferred stock, cumulative, $100 par value;
      (ii) 43,888 shares of 4.56% preferred stock, cumulative, $100 par value;
      (iii) 100,000 shares of 4.92% preferred stock, cumulative, $100 par value;
      (iv) 75,000 shares of 9.16% preferred stock, cumulative, $100 par value;
      (v) 100,000 shares of 7.44% preferred stock, cumulative, $100 par value;
      (vi) 57,700 shares of 12% preferred stock, cumulative, $100 par value;
      (vii) 15,000 shares of 16.16% preferred stock, cumulative, $100 par value;
      (viii) 210,000 shares of 9% preferred stock, cumulative, $100 par value;
      (ix) 280,000 shares of 9.76% preferred stock, cumulative, $100 par value; and
      (x) 200,000 shares of 8.36% preferred stock, cumulative, $100 par value.

Dated this the 12th day of January, 1993.

MISSISSIPPI POWER & LIGHT COMPANY

By /s/ A. H. Mapp
Title: Assistant Secretary

MISSISSIPPI POWER & LIGHT COMPANY

Articles of Amendment Under Miss. Code Ann.

Section 79-4-6.31 (1989)

March 10, 1993

The undersigned corporation, pursuant to Miss. Code Ann. Section 79-4-6.31 (1989), submits the following document and sets forth:

1. The name of the corporation is Mississippi Power & Light Company.
2. The reduction in the number of authorized shares, itemized by class and series, is 10,000 shares of 12.00% Preferred Stock, Cumulative, $100 Par Value.
3. The total number of authorized shares, itemized by class and series, remaining after reduction of the shares is as follows:

   (a) 15,000,000 shares of common stock, without par value, 8,666,357 of such shares being issued and outstanding at the date hereof; and
   (b) 1,306,508 shares of preferred stock, 1,131,508 shares of which are issued and outstanding in the following series:

      (i) 59,920 shares of 4.36% preferred stock, cumulative, $100 par value;
      (ii) 43,888 shares of 4.56% preferred stock, cumulative, $100 par value;
      (iii) 100,000 shares of 4.92% preferred stock, cumulative, $100 par value;
      (iv) 75,000 shares of 9.16% preferred stock, cumulative, $100 par value;
      (v) 100,000 shares of 7.44% preferred stock, cumulative, $100 par value;
      (vi) 47,700 shares of 12% preferred stock, cumulative, $100 par value;
      (vii) 15,000 shares of 16.16% preferred stock, cumulative, $100 par value;
      (viii) 210,000 shares of 9% preferred stock, cumulative, $100 par value;
      (ix) 280,000 shares of 9.76% preferred stock, cumulative, $100 par value; and
      (x) 200,000 shares of 8.36% preferred stock, cumulative, $100 par value.

Dated this the 10th day of March, 1993.

MISSISSIPPI POWER & LIGHT COMPANY

By /s/ A. H. Mapp
Title: Assistant Secretary

MISSISSIPPI POWER & LIGHT COMPANY

Articles of Amendment Under Miss. Code Ann.

Section 79-4-6.31 (1989)

July 12, 1993

The undersigned corporation, pursuant to Miss. Code Ann. Section 79-4-6.31 (1989), submits the following document and sets forth:

1. The name of the corporation is Mississippi Power & Light Company.
2. The reduction in the number of authorized shares, itemized by class and series, is 70,000 shares of 9.00% Preferred Stock, Cumulative, $100 Par Value.
3. The total number of authorized shares, itemized by class and series, remaining after reduction of the shares is as follows:

   (a) 15,000,000 shares of common stock, without par value, 8,666,357 of such shares being issued and outstanding at the date hereof; and
   (b) 1,236,508 shares of preferred stock, 1,061,508 shares of which are issued and outstanding in the following series:

      (i) 59,920 shares of 4.36% preferred stock, cumulative, $100 par value;
      (ii) 43,888 shares of 4.56% preferred stock, cumulative, $100 par value;
      (iii) 100,000 shares of 4.92% preferred stock, cumulative, $100 par value;
      (iv) 75,000 shares of 9.16% preferred stock, cumulative, $100 par value;
      (v) 100,000 shares of 7.44% preferred stock, cumulative, $100 par value;
      (vi) 47,700 shares of 12% preferred stock, cumulative, $100 par value;
      (vii) 15,000 shares of 16.16% preferred stock, cumulative, $100 par value;
      (viii) 140,000 shares of 9% preferred stock, cumulative, $100 par value;
      (ix) 280,000 shares of 9.76% preferred stock, cumulative, $100 par value; and
      (x) 200,000 shares of 8.36% preferred stock, cumulative, $100 par value.

Dated this the 12th day of July, 1993.

MISSISSIPPI POWER & LIGHT COMPANY

By /s/ James W. Snider
Title: Assistant Secretary

MISSISSIPPI POWER & LIGHT COMPANY

Articles of Amendment Under Miss. Code Ann.

Section 79-4-6.31 (1989)

November 15, 1993

The undersigned corporation, pursuant to Miss. Code Ann. Section 79-4-6.31 (1989), submits the following document and sets forth:

1. The name of the corporation is Mississippi Power & Light Company.
2. The reduction in the number of authorized shares, itemized by class and series, is 15,000 shares of 16.16% Preferred Stock, Cumulative, $100 Par Value.
3. The total number of authorized shares, itemized by class and series, remaining after reduction of the shares is as follows:

(a) 15,000,000 shares of common stock, without par value, 8,666,357 of such shares being issued and outstanding at the date hereof; and

(b) 1,221,508 shares of preferred stock, 1,046,508 shares of which are issued and outstanding in the following series:

(i) 59,920 shares of 4.36% preferred stock, cumulative, $100 par value;

(ii) 43,888 shares of 4.56% preferred stock, cumulative, $100 par value;

(iii) 100,000 shares of 4.92% preferred stock, cumulative, $100 par value;

(iv) 75,000 shares of 9.16% preferred stock, cumulative, $100 par value;

(v) 100,000 shares of 7.44% preferred stock, cumulative, $100 par value;

(vi) 47,700 shares of 12% preferred stock, cumulative, $100 par value;

(vii) 140,000 shares of 9% preferred stock, cumulative, $100 par value;

(viii) 280,000 shares of 9.76% preferred stock, cumulative, $100 par value; and

(ix) 200,000 shares of 8.36% preferred stock, cumulative, $100 par value.

Dated this the 15th day of November, 1993.

MISSISSIPPI POWER & LIGHT COMPANY

By /s/ James W. Snider
Title: Assistant Secretary

MISSISSIPPI POWER & LIGHT COMPANY

Articles of Amendment Under Miss. Code Ann.

Section 79-4-10.06 (1989)

February 4, 1994

The undersigned corporation, pursuant to Section 79-4-10.06 of the Mississippi Code of 1972, as amended, submits the following document and sets forth:

1. The name of the corporation is Mississippi Power & Light Company.
2. As evidenced by the attached Stockholder's Written Approval of Amendment authorizing 1,500,000 additional shares of Preferred Stock of the par value of $100 per share, the following amendment of the Restated Articles of Incorporation, as amended (the "Charter"), was proposed by the Board of Directors of Mississippi Power & Light Company on October 29, 1993, was adopted by the stockholders of the Corporation entitled to vote on the amendment on February 4, 1994, in accordance with and in the manner prescribed by the laws of the State of Mississippi and the Charter of Mississippi Power & Light Company:

   The first paragraph in Article FOURTH of the Charter is amended to read as follows:

   > FOURTH: The aggregate number of shares which the Corporation shall have authority to issue is 17,721,508 shares, divided into 2,721,508 shares of Preferred Stock of the par value of $100 per share and 15,000,000 shares of Common Stock without par value.

3. Pursuant to the Laws of the State of Mississippi and the Charter of Mississippi Power & Light Company, the holders of Preferred Stock of the par value of $100 per share were not entitled to vote on the amendment as a separate voting group. The holders of the outstanding shares of common stock were the only stockholders entitled to vote on the amendment.

4. The number of shares of common stock of the corporation outstanding at the time of such adoption was 8,666,357; and the number of shares entitled to vote thereon was 8,666,357.

Dated this the 4th day of February, 1994.

MISSISSIPPI POWER & LIGHT COMPANY

By: /s/ Edwin Lupberger
Edwin Lupberger
Chairman of the Board and
Chief Executive Officer

By: /s/ Donald E. Meiners
Donald E. Meiners
President

MISSISSIPPI POWER & LIGHT COMPANY

Articles of Amendment Under Miss. Code Ann.

Section 79-4-6.31 (1989)

March 17, 1994

The undersigned corporation, pursuant to Miss. Code Ann. Section 79-4-6.31 (1989), submits the following document and sets forth:

1. The name of the corporation is Mississippi Power & Light Company.
2. The reduction in the number of authorized shares, itemized by class and series, is 10,000 shares of 12.00% Preferred Stock, Cumulative, $100 Par Value.
3. The total number of authorized shares, itemized by class and series, remaining after reduction of the shares is as follows:

(a) 15,000,000 shares of common stock, without par value, 8,666,357 of such shares being issued and outstanding at the date hereof; and

(b) 2,641,508 shares of preferred stock, 966,508 shares of which are issued and outstanding in the following series:

(i) 59,920 shares of 4.36% preferred stock, cumulative, $100 par value;
(ii) 43,888 shares of 4.56% preferred stock, cumulative, $100 par value;
(iii) 100,000 shares of 4.92% preferred stock, cumulative, $100 par value;
(iv) 75,000 shares of 9.16% preferred stock, cumulative, $100 par value;
(v) 100,000 shares of 7.44% preferred stock, cumulative, $100 par value;
(vi) 37,700 shares of 12% preferred stock, cumulative, $100 par value;
(vii) 140,000 shares of 9% preferred stock, cumulative, $100 par value;
(viii) 210,000 shares of 9.76% preferred stock, cumulative, $100 par value; and
(ix) 200,000 shares of 8.36% preferred stock, cumulative, $100 par value.

Dated this the 17th day of March, 1994.

MISSISSIPPI POWER & LIGHT COMPANY

By: /s/ J. W. Snider, Jr.
Assistant Secretary

MISSISSIPPI POWER & LIGHT COMPANY

Articles of Amendment Under Miss. Code Ann.

Section 79-4-6.31 (1989)

August 1, 1994

The undersigned corporation, pursuant to Miss. Code Ann. Section 79-4-6.31 (1989), submits the following document and sets forth:

1. The name of the corporation is Mississippi Power & Light Company.
2. The reduction in the number of authorized shares, itemized by class and series, is 70,000 shares of 9.00% Preferred Stock, Cumulative, $100 Par Value.
3. The total number of authorized shares, itemized by class and series, remaining after reduction of the shares is as follows:

(a) 15,000,000 shares of common stock, without par value, 8,666,357 of such shares being issued and outstanding at the date hereof; and
(b) 2,571,508 shares of preferred stock, 896,508 shares of which are issued and outstanding in the following series:

(i) 59,920 shares of 4.36% preferred stock, cumulative, $100 par value;
(ii) 43,888 shares of 4.56% preferred stock, cumulative, $100 par value;
(iii) 100,000 shares of 4.92% preferred stock, cumulative, $100 par value;
(iv) 75,000 shares of 9.16% preferred stock, cumulative, $100 par value;
(v) 100,000 shares of 7.44% preferred stock, cumulative, $100 par value;
(vi) 37,700 shares of 12% preferred stock, cumulative, $100 par value;
(vii) 70,000 shares of 9% preferred stock, cumulative, $100 par value;
(viii) 210,000 shares of 9.76% preferred stock, cumulative, $100 par value; and
(ix) 200,000 shares of 8.36% preferred stock, cumulative, $100 par value.

Dated this the 1st day of August, 1994.

MISSISSIPPI POWER & LIGHT COMPANY

By: /s/ J. W. Snider, Jr.
Assistant Secretary

Exhibit 23(a)

[Letterhead of Friday, Eldredge & Clark]

November 7, 1994

Entergy Corporation
225 Baronne Street
New Orleans, Louisiana 70112

Gentlemen:

We consent to the reference to our firm under the heading "Experts" in the Quarterly Report on Form 10-Q being filed on or about the date hereof by Entergy Corporation, Arkansas Power & Light Company ("AP&L"), Gulf States Utilities Company, Louisiana Power & Light Company, Mississippi Power & Light Company, New Orleans Public Service Inc. and System Energy Resources, Inc. We further consent to the incorporation by reference of such reference to our firm into AP&L's Registration Statements (Form S-3, File Nos. 33-36149, 33-48356 and 33-50289), and related Prospectuses pertaining to AP&L's First Mortgage Bonds and/or Preferred Stock and First Mortgage Bonds, respectively.

Very truly yours,

/s/ Friday, Eldredge & Clark

FRIDAY, ELDREDGE & CLARK

Exhibit 23(b)

[Letterhead of Monroe & Lemann]

November 7, 1994

Entergy Corporation
225 Baronne Street
New Orleans, Louisiana 70112

Gentlemen:

We consent to the reference to our firm under the heading "Experts" in the Quarterly Report on Form 10-Q being filed on or about the date hereof by Entergy Corporation, Arkansas Power & Light Company, Gulf States Utilities Company, Louisiana Power & Light Company ("LP&L"), Mississippi Power & Light Company, New Orleans Public Service Inc. ("NOPSI") and System Energy Resources, Inc. We further consent to the incorporation by reference of such reference to our firm into LP&L's Registration Statements on Form S-3, and the related prospectuses (File Nos. 33-50937, 33-46085 and 33-39221) pertaining to LP&L's First Mortgage Bonds and Preferred Stock, and into NOPSI's Registration Statement on Form S-3, and the related prospectus (File No. 33-57926) pertaining to NOPSI's General and Refunding Mortgage Bonds.

Very truly yours,

/s/ Monroe & Lemann

MONROE & LEMANN

Exhibit 23(c)

[Letterhead of Wise Carter Child & Caraway]

November 7, 1994

Entergy Corporation
225 Baronne Street
New Orleans, Louisiana 70112

Gentlemen:

We consent to the reference to our firm under the heading "Experts" in the Quarterly Report on Form 10-Q being filed on or about the date hereof by Entergy Corporation, Arkansas Power & Light Company, Gulf States Utilities Company, Louisiana Power & Light Company, Mississippi Power & Light Company ("MP&L"), New Orleans Public Service Inc., and System Energy Resources, Inc. ("System Energy"). We further consent to the incorporation by reference of such reference to our firm into System Energy's Registration Statement on Form S-3, and the related prospectus (File No. 33-47662) pertaining to System Energy's First Mortgage Bonds, and into MP&L's Registration Statements on Form S-3, and the related prospectuses (File Nos. 33-53004, 33-55826 and 33-50507) pertaining to MP&L's Preferred Stock.

Very truly yours,

WISE CARTER CHILD & CARAWAY,
Professional Association

By: /s/ Robert B. McGehee
Robert B. McGehee

Exhibit 23(d)

[Letterhead of Clark, Thomas & Winters]

CONSENT

We consent to the reference to our firm under the heading "Experts" in the Quarterly Report on Form 10-Q being filed on or about the date hereof by Entergy Corporation, Arkansas Power & Light Company, Gulf States Utilities Company ("GSU"), Louisiana Power & Light Company, Mississippi Power & Light Company, New Orleans Public Service Inc. and System Energy Resources, Inc. We further consent to the incorporation by reference in the registration statements of GSU on Form S-3 and Form S-8 (File Numbers 2-76551, 2-98011, 33-49739, and 33-51181) of such reference and Statements of Legal Conclusions.

/s/ Clark, Thomas & Winters
A Professional Corporation

CLARK, THOMAS & WINTERS,
A Professional Corporation

Austin, Texas
November 7, 1994

Exhibit 23(e)

CONSENT

We consent to the reference to our firm under the heading "Experts" in the Quarterly Report on Form 10-Q being filed on or about the date hereof by Entergy Corporation, Arkansas Power & Light Company, Gulf States Utilities Company ("GSU"), Louisiana Power & Light Company, Mississippi Power & Light Company, New Orleans Public Service Inc. and System Energy Resources, Inc. We further consent to the incorporation by reference of such reference to our firm into GSU's Registration Statements on Form S-3 and Form S-8 (File Numbers 2-76551, 2-98011, 33-49739 and 33-51181) of such reference and Statements.

/s/ Sandlin Associates

SANDLIN ASSOCIATES
Management Consultants

Pasco, Washington
November 7, 1994

CT

This schedule contains summary financial information extracted from
Entergy Corporation and Subsidiaries financial statements for the
quarter ended September 30, 1994 and is qualified in its entirety
by reference to such financial statements.

0000065984
ENTERGY CORPORATION
1,000

9-MOS
DEC-31-1993
SEP-30-1994
22,814,399
2,300
305,183
550,955
6,469,697
22,814,399
4,797,861
254,101
358,270
0
0
0
358,270
1.56
0

UT

This schedule contains summary financial information extracted from
AP&L's financial statements for the quarter ended September 30, 1994
and is qualified in its entirety by reference to such financial
statements.

0000007323
ARKANSAS POWER & LIGHT COMPANY
1,000

9-MOS
DEC-31-1993
SEP-30-1994
PER-BOOK
2,860,727
146,291
520,433
797,236
0
4,324,687
470
590,844
464,062
1,055,376
61,027
176,350
1,293,886
34,667
0
0
28,020
0
97,976
61,274
1,516,111
4,324,687
1,256,762
45,487
1,050,857
1,096,344
160,418
24,356
184,774
79,993
104,781
14,530
90,251
75,000
0
256,832
0
0

UT

This schedule contains summary financial information extracted from GSU's financial statements for the quarter ended September 30, 1994 and is qualified in its entirety by reference to such financial statements.

0000044570
GULF STATES UTILITIES COMPANY
1,000

9-MOS
DEC-31-1993
SEP-30-1994
PER-BOOK
4,800,268
50,450
624,945
1,455,018
0
6,930,681
114,055
1,152,344
367,323
1,633,722
96,143
136,444
2,318,375
0
0
0
50,425
0
129,021
37,720
2,528,831
6,930,681
1,432,044
34,210
1,191,063
1,225,273
206,771
(42,190)
164,581
152,116
12,465
22,442
(9,977)
289,100
0
278,337
0
0

UT

This schedule contains summary financial information extracted from LP&L's financial statements for the quarter ended September 30, 1994 and is qualified in its entirety by reference to such financial statements.

0000060527
LOUISIANA POWER & LIGHT COMPANY
1,000

9-MOS
DEC-31-1993
SEP-30-1994
PER-BOOK
3,563,626
62,124
395,300
482,427
0
4,503,477
1,088,900
(5,529)
134,409
1,217,780
112,793
160,500
1,477,964
19,200
0
0
320
0
18,546
33,867
1,462,507
4,503,477
1,327,927
80,171
998,578
1,078,749
249,178
3,332
252,510
100,032
152,478
17,668
134,810
90,400
0
304,501
0
0

UT

This schedule contains summary financial information extracted from MP&L's financial statements for the quarter ended September 30, 1994 and is qualified in its entirety by reference to such financial statements.

0000066901
MISSISSIPPI POWER & LIGHT COMPANY
1,000

9-MOS
DEC-31-1993
SEP-30-1994
PER-BOOK
948,800
10,285
260,134
444,349
0
1,663,568
199,326
(1,762)
241,330
438,894
31,770
57,881
490,187
30,000
0
0
50,965
0
589
0
563,282
1,663,568
651,481
23,280
551,983
575,263
76,218
1,333
77,551
38,793
38,758
5,827
32,931
28,000
0
154,369
0
0

UT

This schedule contains summary financial information extracted from
NOPSI's financial statements for the quarter ended September 30, 1994
and is qualified in its entirety by reference to such financial
statements.

0000071508
NEW ORLEANS PUBLIC SERVICE INC.
1,000

9-MOS
DEC-31-1993
SEP-30-1994
PER-BOOK
275,822
3,259
161,489
200,845
0
641,415
33,744
36,201
112,507
182,452
3,450
19,780
164,148
0
0
0
24,200
0
0
0
247,385
641,415
375,064
17,003
317,781
334,784
40,280
879
41,159
13,601
27,558
1,162
26,396
14,400
0
60,951
0
0

UT

This schedule contains summary financial information extracted from System Energy's financial statements for the quarter ended September 30, 1994 and is qualified in its entirety by reference to such financial statements.

0000202584
SYSTEM ENERGY RESOURCES, INC.
1,000

9-MOS
DEC-31-1993
SEP-30-1994
PER-BOOK
2,829,752
30,333
410,304
582,601
0
3,852,990
789,350
7
175,969
965,326
0
0
1,543,037
0
0
0
200,000
0
838
55,000
1,088,789
3,852,990
450,015
55,896
198,129
254,025
195,990
4,906
200,896
129,201
71,695
0
71,695
124,300
0
206,871
0
0

Exhibit 99(a)

Arkansas Power and Light Company
Computation of Ratios of Earnings to Fixed Charges and
Ratios of Earnings to Combined Fixed Charges and Preferred Dividends

	Twelve Months Ended December 31, 1989	1990	1991	1992	1993	September 30, 1994
	(In Thousands, Except for Ratios)					
Fixed charges, as defined:						
Interest on long-term debt	$89,027	$101,412	$100,533	$89,317	$77,980	$72,780
Interest on long-term debt - other	31,138	31,195	33,321	31,000	29,791	29,226
Interest on notes payable	828	1,027	--	117	349	1,161
Amortization of expense and premium on debt-net(cr)	1,557	1,792	1,112	1,359	2,702	4,475
Other interest	(6,295)	1,567	1,303	2,308	8,769	877
Interest applicable to rentals	22,349	24,233	21,969	17,657	16,860	14,697
Total fixed charges, as defined	138,604	161,226	158,238	141,758	136,451	123,216
Preferred dividends, as defined (a)	31,298	30,851	31,458	32,195	30,334	25,889
Combined fixed charges and preferred dividends, as defined	$169,902	$192,077	$189,696	$173,953	$166,785	$149,105
Earnings as defined:						
Net Income	$131,979	$129,765	$143,451	$130,529	$205,297	$127,749
Add:						
Provision for income taxes:						
Federal & State	8,440	50,921	44,418	57,089	58,162	65,883
Deferred - net	37,268	17,943	11,048	3,490	34,748	(14,084)
Investment tax credit adjustment - net	3,543	(12,022)	(1,600)	(9,989)	(10,573)	(10,639)
Fixed charges as above	138,604	161,226	158,238	141,758	136,451	123,216
Total earnings, as defined	$319,834	$347,833	$355,555	$322,877	$424,085	$292,125
Ratio of earnings to fixed charges, as defined	2.31	2.16	2.25	2.28	3.11	2.37
Ratio of earnings to combined fixed charges and preferred dividends, as defined	1.88	1.81	1.87	1.86	2.54	1.96

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(a) "Preferred dividends," as defined by SEC regulation S-K, are computed by dividing the preferred dividend requirement by one hundred percent (100%) minus the income tax rate.

Exhibit 99(b)

Gulf States Utilities Company
Computation of Ratios of Earnings to Fixed Charges and
Ratios of Earnings to Combined Fixed Charges and Preferred Dividends

	Twelve Months Ended December 31,					September 30,
	1989	1990	1991	1992	1993	1994
	(In Thousands, Except for Ratios)					
Fixed charges, as defined:						
Interest on mortgage bonds	$231,170	$218,462	$201,335	$197,218	$172,494	$166,498
Interest on notes payable	33,185	24,295	8,446	-	-	-
Interest on long-term debt - other	19,495	12,668	19,507	21,155	19,440	19,440
Other interest	13,331	18,380	29,169	26,564	10,561	7,743
Amortization of expense and premium on debt-net(cr)	2,280	2,192	1,999	3,479	8,104	8,842
Interest applicable to rentals	23,244	23,761	24,049	23,759	23,455	21,390
Total fixed charges, as defined	322,705	299,758	284,505	272,175	234,054	223,913
Preferred dividends, as defined (a)	241,829	104,484	90,146	69,617	65,299	29,817
Combined fixed charges and preferred dividends, as defined	$564,534	$404,242	$374,651	$341,792	$299,353	$253,730
Earnings as defined:						
Income (loss) from continuing operations before extraordinary items and the cumulative effect of accounting changes	$13,251	($36,399)	$112,391	$139,413	$69,462	($34,301)
Add:						
Income taxes	37,744	(24,216)	48,250	55,860	58,016	(409)
Fixed charges as above	322,705	299,758	284,505	272,175	234,054	223,913
Total earnings, as defined (b)	$373,700	$239,143	$445,146	$467,448	$361,532	$189,203
Ratio of earnings to fixed charges, as defined	1.16	0.80	1.56	1.72	1.54	0.84
Ratio of earnings to combined fixed charges and preferred dividends, as defined	0.66	0.59	1.19	1.37	1.21	0.75

(a) "Preferred dividends," as defined by SEC regulation S-K, are computed by dividing the preferred dividend requirement by one hundred percent (100%) minus the income tax rate.

(b) Earnings for the year ended December 31, 1990, for GSU were not adequate to cover fixed charges by $60.6 million. Earnings for the years ended December 31, 1990 and 1989, were not adequate adequate to cover fixed charges and preferred and preference dividends by $165.1 million and $190.8 million, respectively. Earnings in 1990 include a $205 million charge for the settlement of a purchased power dispute. Earnings for the twelve months ended September 30, 1994 were not adequate to cover fixed charges by $34.7 million. Earnings for the twelve months ended September 30, 1994 were not adequate to cover fixed charges and preferred dividends by $64.5 million.

Exhibit 99(c)

Louisiana Power and Light Company
Computation of Ratios of Earnings to Fixed Charges and
Ratios of Earnings to Combined Fixed Charges and Preferred Dividends

	Twelve Months Ended December 31, 1989	1990	1991	1992	1993	September 30, 1994
	(In Thousands, Except for Ratios)					
Fixed charges, as defined:						
Interest on mortgage bonds	$155,640	$101,996	$97,324	$68,247	$60,939	$58,627
Interest on long-term debt - other	25,400	52,361	61,492	60,425	63,694	65,875
Interest on notes payable	--	87	--	150	898	1,782
Interest on lease (nuclear)	9,475	8,756	7,086	5,092	4,574	5,038
Other interest charges	11,300	6,378	5,924	5,591	5,706	3,544
Amortization of expense and premium on debt-net (cr)	2,260	3,397	3,282	7,100	5,720	5,106
Interest applicable to rentals	4,415	4,150	4,295	4,271	3,945	4,991
Total fixed charges, as defined	208,490	177,125	179,403	150,876	145,476	144,963
Preferred dividends, as defined (a)	59,009	42,365	41,212	42,026	40,779	35,566
Combined fixed charges and preferred dividends, as defined	$267,499	$219,490	$220,615	$192,902	$186,255	$180,529
Earnings as defined:						
Net Income	$106,613	$155,049	$166,572	$182,989	$188,808	$176,333
Add:						
Provision for income taxes:						
Federal and State	29,069	62,236	8,684	36,465	70,552	74,342
Deferred Federal and State - net	7,840	(9,655)	67,792	51,889	43,017	25,302
Investment tax credit adjustment - net	20,822	26,646	8,244	(1,317)	(2,756)	(2,796)
Fixed charges as above	208,490	177,125	179,403	150,876	145,476	144,963
Total earnings, as defined	$372,834	$411,401	$430,695	$420,902	$445,097	$418,144
Ratio of earnings to fixed charges, as defined	1.79	2.32	2.40	2.79	3.06	2.88
Ratio of earnings to combined fixed charges and preferred dividends, as defined	1.39	1.87	1.95	2.18	2.39	2.32

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(a) "Preferred dividends," as defined by SEC regulation S-K, are computed by dividing the preferred dividend requirement by one hundred percent (100%) minus the income tax rate.

Exhibit 99(d)

Mississippi Power and Light Company
Computation of Ratios of Earnings to Fixed Charges and
Ratios of Earnings to Combined Fixed Charges and Preferred Dividends

	Twelve Months Ended December 31, 1989	1990	1991	1992	1993	September 30, 1994
	(In Thousands, Except for Ratios)					
Fixed charges, as defined:						
Interest on long-term debt	$60,995	$59,675	$59,440	$56,646	$48,029	$43,311
Interest on long-term debt - other	4,325	4,300	4,188	4,063	4,070	3,697
Interest on notes payable	1,031	1,512	953	36	7	1,242
Other interest charges	1,591	1,494	1,444	1,636	1,795	2,992
Amortization of expense and premium on debt-net(cr)	1,548	1,737	1,617	1,685	1,458	1,775
Interest applicable to rentals	533	596	574	521	1,264	1,496
Total fixed charges, as defined	70,023	69,314	68,216	64,587	56,623	54,513
Preferred dividends, as defined (a)	2,584	17,584	14,962	12,823	12,990	11,982
Combined fixed charges and preferred dividends, as defined	$72,607	$86,898	$83,178	$77,410	$69,613	$66,495
Earnings as defined:						
Net Income	$12,419	$60,830	$63,088	$65,036	$101,743	$45,458
Add:						
Provision for income taxes:						
Federal and State	370	4,027	(1,001)	4,463	54,418	47,021
Deferred Federal and State - net	(8,636)	35,721	32,491	20,430	539	(24,565)
Investment tax credit adjustment - net	(1,523)	(1,835)	(1,634)	(1,746)	1,036	1,014
Fixed charges as above	70,023	69,314	68,216	64,587	56,623	54,513
Total earnings, as defined	$72,653	$168,057	$161,160	$152,770	$214,359	$123,441
Ratio of earnings to fixed charges, as defined	1.04	2.42	2.36	2.37	3.79	2.26
Ratio of earnings to combined fixed charges and preferred dividends, as defined	1.00	1.93	1.94	1.97	3.08	1.86

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(a) "Preferred dividends," as defined by SEC regulation S-K, are computed by dividing the preferred dividend requirement by one hundred percent (100%) minus the income tax rate.

(b) Earnings for the twelve months ended December 31, 1989 include the impact of the write-off of $60 million of deferred Grand Gulf 1 - related costs pursuant to an agreement between MP&L and the MPSC.

Exhibit 99(e)

New Orleans Public Service Inc.
Computation of Ratios of Earnings to Fixed Charges and
Ratios of Earnings to Combined Fixed Charges and Preferred Dividends

	Twelve Months Ended December 31,					September 30,
	1989	1990	1991	1992	1993	1994
	(In Thousands, Except for Ratios)					
Fixed charges, as defined:						
Interest on mortgage bonds	$24,472	$24,472	$23,865	$22,934	$19,478	$16,792
Interest on notes payable	--	--	--	--	--	102
Other interest charges	2,422	831	793	1,714	1,016	1,046
Amortization of expense and premium on debt-net(cr)	579	579	565	576	598	723
Interest applicable to rentals	603	160	517	444	544	903
Total fixed charges, as defined	28,076	26,042	25,740	25,668	21,636	19,566
Preferred dividends, as defined (a)	4,633	4,020	3,582	3,214	2,952	2,987
Combined fixed charges and preferred dividends, as defined	$32,709	$30,062	$29,322	$28,882	$24,588	$22,553
Earnings as defined:						
Net Income	$14,464	$27,542	$74,699	$26,424	$47,709	$22,780
Add:						
Provision for income taxes:						
Federal and State	848	134	8,885	16,575	27,479	37,823
Deferred Federal and State - net	9,296	17,370	36,947	(340)	5,203	(17,191)
Investment tax credit adjustment - net	444	(75)	(591)	(170)	(744)	(725)
Fixed charges as above	28,076	26,042	25,740	25,668	21,636	19,566
Total earnings, as defined	$53,128	$71,013	$145,680	$68,157	$101,283	$62,253
Ratio of earnings to fixed charges, as defined	1.89	2.73	5.66	2.66	4.68	3.18
Ratio of earnings to combined fixed charges and preferred dividends, as defined	1.62	2.36	4.97	2.36	4.12	2.76

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(a) "Preferred dividends," as defined by SEC regulation S-K, are computed by dividing the preferred dividend requirement by one hundred percent (100%) minus the income tax rate.

(b) Earnings for the twelve months ended December 31, 1991 include the $90 million effect of the 1991 NOPSI Settlement.

Exhibit 99 (f)

System Energy Resources, Inc.
Computation of Ratios of Earnings to Fixed Charges and
Ratios of Earnings to Fixed Charges

	Twelve Months Ended December 31, 1989	1990	1991	1992	1993	September 30, 1994
	(In Thousands, Except for Ratios)					
Fixed charges, as defined:						
Interest on mortgage bonds	$148,402	$138,689	$126,351	$104,429	$91,472	$84,857
Interest on other long-term debt	91,295	91,955	92,187	92,189	93,346	85,735
Interest on lease nuclear	18,298	13,830	10,007	6,265	6,790	7,321
Interest on notes payable	0	0	0	0	0	46
Amortization of expense and premium on debt-net	7,326	10,532	7,495	6,417	4,520	6,300
Other interest charges	2,790	1,460	3,617	1,506	1,600	1,934
Total fixed charges, as defined	$268,111	$256,466	$239,657	$210,806	$197,728	$186,193
Earnings as defined:						
Net Income	($655,524)	$168,677	$104,622	$130,141	$93,927	$89,529
Add:						
Provision for income taxes:						
Federal and State	(168,440)	4,620	(26,848)	35,082	48,314	67,039
Deferred Federal and State - net	93,048	52,962	37,168	23,648	60,690	46,231
Investment tax credit adjustment - net	(14,321)	56,320	63,256	30,123	(30,452)	(30,240)
Fixed charges as above	268,111	256,466	239,657	210,806	197,728	186,193
Total earnings, as defined	($477,126)	$539,045	$417,855	$429,800	$370,207	$358,752
Ratio of earnings to fixed charges, as defined	(a)	2.10	1.74	2.04	1.87	1.93

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(a) Earnings for the twelve months ended December 31, 1989 were inadequate to cover fixed charges due to System Energy's cancellation and write-off of its investment in Grand Gulf 2 in September 1989. The amount of the coverage deficiency for fixed charges was $745.2 million.

ARKANSAS POWER & LIGHT COMPANY
STATEMENT OF INCOME
Twelve Months Ended September 30, 1994
(In Thousands)
(Unaudited)

Operating Revenues:	$1,598,117
Operating Expenses:	
Operation and maintenance:	
Fuel and fuel-related expenses	265,707
Purchased power	349,569
Nuclear refueling outage expenses	38,800
Other operation and maintenance	380,309
Depreciation and decommissioning	145,303
Taxes other than income taxes	33,719
Income taxes	19,007
Amortization of rate deferrals	160,840
Total	1,393,254
Operating Income	204,863
Other Income (Deductions):	
Allowance for equity funds used during construction	3,876
Miscellaneous - net	55,491
Income taxes	(22,152)
Total	37,215
Interest Charges:	
Interest on long-term debt	102,006
Other interest - net	15,452
Allowance for borrowed funds used during construction	(3,128)
Total	114,330
Net Income	127,748
Preferred Stock Dividend Requirements and Other	19,579
Earnings Applicable to Common Stock	$108,169

Exhibit 99(k)

MISSISSIPPI POWER & LIGHT COMPANY
STATEMENT OF INCOME
Twelve Months Ended September 30, 1994
(In Thousands)
(Unaudited)

Operating Revenues:	$873,895
Operating Expenses:	
Operation and maintenance:	
Fuel and fuel-related expenses	154,317
Purchased power	257,558
Other operation and maintenance	163,930
Depreciation and amortization	35,413
Taxes other than income taxes	43,898
Income taxes	20,523
Amortization of rate deferrals	99,219
Total	774,858
Operating Income	99,037
Other Income (Deductions):	
Allowance for equity funds used during construction	1,682
Miscellaneous - net	(395)
Income taxes	(2,949)
Total	(1,662)
Interest Charges:	
Interest on long-term debt	47,008
Other interest - net	6,009
Allowance for borrowed funds used during construction	(1,101)
Total	51,916
Net Income	45,459
Preferred Stock Dividend Requirements and Other	8,002
Earnings Applicable to Common Stock	$37,457

Exhibit 99(n)

[LETTERHEAD OF CLARK, THOMAS & WINTERS]

November 7, 1994

Gulf States Utilities Company
639 Loyola Avenue
New Orleans, LA 70112
Attn: Scott Forbes

Re: SEC Form 10-Q of Gulf States Utilities Company (the "Company") for the quarter ending September 30, 1994

Dear Mr. Forbes:

Our firm has rendered to the Company two opinion letters dated September 30, 1992 and August 8, 1994, concerning certain issues presented in the appeal of PUCT Docket No. 7195 now pending in the Texas Third District Court of Appeals. In connection with the above-referenced Form 10-Q, we confirm to you as of the date hereof that we continue to hold the opinions set forth in the letter dated August 8, 1994 and in the September 30, 1992 letter which addressed the recovery of $1.45 billion of abeyed construction costs.

CLARK, THOMAS & WINTERS
A Professional Corporation

/s/ Clark, Thomas & Winters,
A Professional Corporation

The opinion letters dated September 30, 1992 indicate that the amount of River Bend plant costs held in abeyance was $1.45 billion. The more correct amount, as indicated by the Company in its securities filings to which those opinions related, is $1.4 billion.