2007/08 WINTER DRAWDOWNS SCHEDULE

Entergy will draw down lakes Hamilton and Catherine to 5 feet below their summertime levels; however, Lake Catherine will be temporarily drawn down 8 feet for approximately a four-week period in November and December for maintenance on Carpenter Dam’s spillway.

Entergy operates these lakes and associated lands subject to the license issued and administered by the Federal Energy Regulatory Commission.

Entergy will gradually lower both lakes to the 5-foot mark Nov. 3-9, and will temporarily lower Lake Catherine an additional 3 feet beginning Nov. 18. The scheduled maintenance of the Carpenter Dam spillway is expected to be completed in time to raise Lake Catherine back to the 5-foot winter drawdown stage beginning Dec. 10. Entergy will return the lakes to their normal summertime levels in early March 2008.

Entergy will gradually make these level adjustments at a rate of approximately 6-12 inches per day. The water released at the dams will be used to generate emission-free, low-cost hydroelectric power.

In addition to facilitating shoreline maintenance and inspection, the annual drawdown is part of a plan to help control nuisance aquatic vegetation which, in past summers, clogged much of the upper portion of Lake Hamilton.

Entergy coordinates the upcoming winter’s drawdown annually with the Arkansas Game and Fish Commission. Fisheries, vegetation and facility management, and downstream water needs are the key factors considered in deciding the drawdown’s depth and timing. This summer’s annual aquatic vegetation inspection indicated Entergy’s aquatic vegetation management plan has again been effective in combating the excessive growth of water milfoil and naiad in Lake Hamilton.

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<th>LAKE HAMILTON</th>
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<tr>
<td>Start</td>
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<td>(Return to Normal Summertime Level – March 2008)</td>
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<tr>
<th>LAKE CATHERINE</th>
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<td>Phase 1</td>
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<td>Phase 2</td>
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<td>Stable at 8’</td>
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<tr>
<td>Return to 5’</td>
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<td>(Return to Normal Summertime Level – March 2008)</td>
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Just Do It – And Save $150

Do it because it’s discounted. Do it because it’s the right thing to do. Or, do it because you’ll need to have it done when you sell your lakefront property. But JUST DO IT! Contact us now to permit your dock into your name, if it’s not in your name already.

On lakes Hamilton and Catherine, all shoreline facilities (boat docks, piers, etc.) must have permits from Entergy in the current property owner’s name. And, starting November 5th, you will be required to provide a copy of your dock permit when you sell your lakefront property so the buyer can request the permit transfer at closing.

New Process to Transfer Permits

On lakes Hamilton and Catherine, all shoreline facilities (boat docks, piers, etc.) must have permits from Entergy in the current property owner’s name. This requirement has been in place for years. Unfortunately, when properties sell, transferring permits from the seller to the buyer is sometimes overlooked. This is a problem for Entergy and a potential problem for property owners, particularly those buying lakefront properties. We recognize that the parties involved need a more efficient and effective process for ensuring transferal of permits.
Life on the Lakes

The New Faces of Entergy Hydro Operations

There are some new guys in town. Some familiar faces have left and some new faces have arrived. You may not know it yet, but some well-known members have left our hydro operations team. Both Patsy McKnight and Henry Jones have recently retired. We are going to miss their day-to-day presence and the wisdom they hold.

If you have called our offices during the last 16 years, you know the sweet and always helpful voice of Patsy. Patsy joined Entergy in 1991 and has been a great asset to both Entergy and our customers. Meet Patsy just once and you will know that she loves serving others.

Henry’s retirement comes after more than 36 years of dedicated service with many notable results. He was manager of hydro operations since 2003. He has been apart of the hydro operations team since 1998 when he came on to coordinate our successful federal relicensing effort on the dams and lakes.

Both Patsy and Henry are well known for their sincere concern for those around them. We wish them good luck and many years of happy retirement. They will continue to live in the Hot Springs area, where they will continue to serve the community.

Now let us introduce those who have recently joined our team. Bruce Bryan is the new manager of hydro operations, as of March 15th. Bruce is responsible for not only hydro plants but also several other gas plants in Arkansas. He has been with Entergy for 26 years with extensive experience in a variety of technical and management assignments. He moved here from New Orleans where he was manager of plant engineering support for Entergy’s Louisiana plants.

If you are from the Hot Springs area you may already know Patsy’s replacement, Tammy Afeld, whose title will be administrative assistant. She is a long-time resident of Hot Springs, where she was recently employed at Simmons and Associates. Tammy will add a lot to our team with her previous work experience, which includes five years of law firm experience as a legal secretary and six years of additional experience in the administrative/accounting fields.

Another fairly recent addition to our team is Kimberly Bogart. Kimberly joined Entergy in June of this year. She fills a technical support specialist position created this year to focus on the geographic information systems and database systems that help us manage our shoreline permitting responsibilities. Kimberly worked for the Arkansas Geographic Information office before joining Entergy. Kimberly’s talents in program management, geographic information systems and quality control will greatly improve our team’s effectiveness.

Entergy’s hydro operations team is fortunate to have all three of these new team members and the talents they bring. For those who are new to life on the lakes, the rest of the hydro operations staff includes Bobby Pharr, process superintendent; Ted Smethers, senior technical support specialist; and Blake Hogue, lakes and property coordinator. Bobby is responsible for overall management of Entergy’s hydroelectric facilities – Carpenter and Remmel Dams and associated Lakes Hamilton and Catherine. Blake Hogue is responsible for the overall management of the lands and shoreline around lakes Hamilton and Catherine. Ted Smethers helps with shoreline and lake issues when time allows after taking care of his primary responsibilities of emergency planning, license compliance and generation planning.

Together Entergy has a solid and very competent team available to assist you as you enjoy the lakes.
**Drawdown cont. from page 1**

The 2006-2007 drawdown was 3 feet for both lakes. Due to the recent success with vegetation control and to allow for long-range planning, Entergy will tentatively plan future drawdown seasons to continue on an alternating pattern of 3- and 5-foot drawdowns. Alternating the drawdown depths will help prevent any one vegetation species from adapting to a particular depth. Annual inspections will continue to verify this plan is working, and adjustments to the long-range plan will be made as needed to do what is best for overall lake management.

Boaters should use caution while on the lakes during the drawdown period because additional shallow areas will exist and winter rains can increase the amount of debris washed into the lakes. Owners of boats and floating docks should also take precautions to ensure boats and docks are able to adjust to the drawdown. Failure to do so may cause damage to docks and boats. Some docks will be able to rest on the lakebed with little or no problem. If the shoreline is steep or rocky in a particular area, dock owners may need to temporarily move docks to deeper water. If relocating a dock, be sure it does not restrict navigation or become a boating hazard.

Entergy will not require a permit for the temporary relocation of docks due to the drawdown, but the dock must be returned to its permitted location once the lake returns to its summertime level. Entergy also recommends using a licensed electrician to make any alterations to wiring in conjunction with the drawdown.

Dredging of the lakebed and modifications or new construction of shoreline facilities, boat ramps or seawalls during the drawdown will require a permit from Entergy. Applications for construction to be performed during the brief 8-foot drawdown period on Lake Catherine should be sent to Entergy Hydro as soon as possible to allow enough time for Entergy’s evaluation. Note that some requests require state agency approvals that can unavoidably add several months to the processing time.

Lakefront property owners should begin now making special accommodations for their facilities due to the upcoming drawdowns. This may include plans to relocate floating docks to deep water or reinforce seawalls. Owners should be aware that some poorly built or deteriorated seawalls could collapse due to the pressure of the soil on the wall when the water level lowers. To help retain the soil and protect the retaining wall, it may be necessary to reduce pressure by adding anchorage, improving soil drainage, or other measures. Owners should contact a professional engineer or reputable contractor to find out if any actions are needed to maintain permitted facilities.

Entergy will work closely with the Garland County Sheriff’s Marine Patrol during this time to watch for unauthorized activities to protect the lakebed, shorelines and archeological artifacts. This is required by Entergy’s Historical Properties Management Plan, which is part of Entergy’s federal license for Project 271.

For questions regarding the drawdowns or Entergy’s Shoreline Management Plan contact Hydro Operations at (501) 844-2148, visit our website at www.entergy.com/hydro.

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**New Process, cont. from page 1**

The following improved process has been established with local realtors and title companies to become effective on November 5th: 1. Copy of a valid facility permit is obtained by the realtor when listing property for sale. Copies may be obtained from the seller or Entergy. Issues with unpermitted facilities should be resolved by seller and Entergy prior to listing. This may mean receiving a permit or removing the encroachment. 2. Permit(s) for all existing facilities are included with disclosure information for property. 3. The buyer verifies facilities attached to property match the seller’s permit documentation. 4. Seller’s permit is brought to closing. 5. At closing, the title company provides a transfer application packet to the buyer for completion. 6. The title company sends a transfer application with a copy of the previous owner’s permit, proof of ownership, and discounted $100 fee to Entergy. 7. Entergy re-issues a permit to the new owner.

There are many benefits of this new process. The buyer is informed about facility permit status before closing, thereby reducing surprises. Entergy maintains good facility ownership records. There is reduced risk for involved parties when all permit conditions are understood. Permits transferred this way at closing will guarantee the buyer the lowest processing fee of $100, instead of $250 when transferred more than 60 days after closing.

Note that sales of condo units will not usually require a permit transfer because the dock permit will be held by the property owners’ association. In these cases, it may be necessary only for the buyer to see a copy of the dock permits in order to satisfy their interests. A copy of this could be provided by the POA or Entergy.

Thank you for your patience and understanding in accepting this new process. Visit our website at www.entergy.com/hydro to view the buyer’s transfer application packet.
Life on the Lakes

The Cost of a Unique Opportunity

Life on the lakes is more than a catchy title for a newsletter. It’s a lifestyle, a unique opportunity in the Land of Opportunity. Lakes Hamilton and Catherine offer those who live adjacent to them majestic soaring eagles, Great Blue herons silently stalking in the morning, sunrises and sunsets in the palettes of four seasons, and more serenity than an Arkansas outdoor enthusiast can shake a stick at.

Being able to get up on a whim, walk across the back yard and take the boat out for a run on a beautiful body of water is a luxury most only dream of.

When Harvey Couch built Remmel and Carpenter Dam, he knew that the dams would produce more than just electricity. There are now more than 4,000 residences along the shoreline filled with people enjoying living life on the lakes.

Early last century, there were no lakes Hamilton and Catherine, only the Ouachita River. The lakes are a part of Project 271, a hydroelectric project licensed by the Federal Energy Regulatory Commission (FERC). Though Entergy owns the associated lakebeds and shoreline lands, it operates both dams in accordance with FERC rules and regulations. Our license not only puts requirements on how we operate the dams but on how we manage the lakes and shoreline. The FERC license allows, but does not require, Entergy to permit certain types of shoreline use and occupancy such as docks, seawalls, piers, etc. If Entergy chooses to allow lakefront property owners use of the shoreline, as we do, Entergy is required to develop a permitting program that protects and enhances the scenic, recreational and environmental values of the project.

When FERC renewed Entergy’s license in 2003, the renewal included several new responsibilities for Entergy staff. The new license requires Entergy to manage the shoreline in accordance with a Shoreline Management Plan (SMP) and a Historic Properties Management Plan (HPMP). The SMP ensures that the public’s use of the shoreline protects the scenic, recreational and environmental values of the project. The HPMP ensures that shoreline use does not significantly impact historic cultural resources, such as the 150 archeological sites that are associated with the project. Each and every shoreline structure application must be individually evaluated to make sure the proposed use is consistent with both of these plans and, upon approval, is then mapped using Geographic Information System technology. These new requirements and the increased development along the shoreline have increased the costs associated with the permitting program.

The FERC license grants Entergy the authority to charge reasonable fees to recover the cost of administering its shoreline permitting program. Currently Entergy charges only a one-time permitting process fee. This fee, unfortunately, covers only about a quarter of the costs associated with managing the shoreline permitting program. To recover the entire cost, Entergy is evaluating charging an annual fee for lakefront property with docks.

The timing and amount of this fee are as yet undetermined, but we thought you should know the matter is under consideration. If you have questions or input, we, as always, value your opinion. Our contact information is (501) 844-2148 or you can email us at kbogar1@entergy.com.

We will communicate more on this topic as additional information becomes available.

Just Do It, cont. from page 1

We know that many docks are on the lakes without valid permit agreements. We are finding them every day. Until January 1, 2008 we will offer a one-time discount on our permitting fee that is normally $250. This discounted fee is $100 either for permits that were never transferred or for permits to document existing “grandfathered” docks that were never permitted before.

Application forms for single-family dock permits can be printed by following the links from www.entergy.com/hydro. Be sure to note that you are permitting an existing dock. Provide all requested documentation with your application, except the “Adjacent Property Owner Comment Forms.” Neighbor feedback is not needed for existing facilities.

Don’t miss the discount! If you can’t find your permit and are not sure you have a written permit in your name for your dock or other facility, contact Hydro Operations at (501) 844-2148 or e-mail Blake Hogue at bhogue@entergy.com.

Check us out at www.entergy.com/hydro
Entergy Park Update

On March 3, 2003, Entergy donated 30 acres on Lake Hamilton to the City of Hot Springs for development of Entergy Park, the first city park ever built in the city of Hot Springs’ District 6. A five-year master plan for the park and associated trails is now in year four, with all elements on schedule, thanks to teamwork, governmental support, good planning and many contributions of time and materials. The park, near Carpenter Dam and Garvan Woodland Gardens, has become a true natural treasure to those who enjoy life on the lakes.

Park amenities completed as of February 2007 include: The main entrance and gate, the entry road, two interior park roads with parking, utilities, restrooms, a small pavilion on the peninsula point, .2-mile wildlife observation trail and a quarter-mile north loop trail (both wheelchair accessible), a pond with a fishing pier and a waterfall, two playgrounds — one for 5-12-year-olds and one for 2-5 year-olds, a kiosk displaying trail information, two fishing piers on Lake Hamilton, a 30-foot diameter pavilion with picnic tables, asphalt trails that connect the playgrounds, two half-mile natural-surface loop trails (one around the lakefront and the other around the water tower).

Ongoing construction activities include: asphalt trail access to the Arkansas Game & Fish Commission lake piers with a wood boardwalk across the end of the cove, a natural-surface connector trail from the pavilion on the point to the fishing piers, three free-standing covered picnic tables, invasive plants have been eradicated, and a three-slip courtesy dock has been donated by Larry Diggs Construction, Inc.

Future already-funded development amenities include: A second large pavilion and an accessible asphalt/boardwalk trail from Sunnybrook Landing to the fishing piers on Lake Hamilton.

Future as-yet-unfunded development amenities include: Accessible boardwalk from the upper parking lot to fishing piers on Lake Hamilton (plans have been sent to AG&FC for review and possible assistance), an overlook on the wildlife observation trail, a sensory garden, another natural surface hiking & biking trail and landscaping.

With a recent Outdoor Recreation Grant award of $70,000, the City of Hot Springs has received approximately $820,000 in state and federal grants from various sources, such as Arkansas State Parks and Tourism, Arkansas Game and Fish Commission, Congressman Mike Ross, the Women’s Chamber of Commerce and the Hot Springs Garland County Beautification Commission. The City of Hot Springs has contributed approximately $155,000 in cash and another $300,000 in city-assisted services, such as road and trail dirt work, restroom foundation, pond excavation and engineering project oversight.

Community support from local businesses, civic organizations and individuals has added another $280,000 in donated materials, equipment and labor. Examples of private contributions include: utility trenching services, rip-rap installation, wrought iron gate design and construction, interpretive signage, waterfall design and construction oversight, stamped concrete foundation and structure assembly of the pavilion on the point, invasive plant removal, tree pruning and a courtesy boat dock.

Entergy Park is scheduled for completion by December 2008. If you haven’t seen the park lately, please stop by to see this scenic treasure, an example of what can be accomplished through teamwork and perseverance.

Protecting our Natural Resources

The shorelines and lakebeds of lakes Hamilton and Catherine are valuable natural resources. They provide a unique and beautiful environment in which not only lakefront property owners swim and enjoy, but also fish and wildlife live and thrive.

Entergy’s Shoreline Management Plan is designed to help protect the lakes’ natural resources. The city of Hot Springs and Garland County are also doing their part to protect the lake environment with new stormwater runoff requirements for construction sites. Basically, any ground-disturbing construction site of any size near the lake shall have a Stormwater Prevention Plan and use management practices such as silt fencing or vegetative buffers to reduce runoff pollutants. For more information about stormwater runoff requirements, contact the City of Hot Springs stormwater coordinator at 501-321-6778 or the Garland County Department of Environmental Services inspector at 501-760-5918.
Visit Us on the Web

Entergy Hydro Operations has a web site where you can obtain information such as:

- General Information about the Lakes
- Shoreline Facility Permit Information
- Real Time Lake Level and River Flow Information
- Past “Life on the Lakes” Newsletters
- Water Safety Information
- Many Related Links

You can also find how to subscribe to our E-mail water release updates.

Check us out at www.entergy.com/hydro

Do you prefer emails?

In the future we hope to be sending more newsletter information via e-mail. Please send your e-mail address to Kimberly Bogart at kbogar1@entergy.com to ensure you continue receiving all the latest lake-related information.