



Hot Topics

Important issues for Entergy's customers, employees, investors and other stakeholders.

Addressing the Needs of Low Income Customers

Entergy is committed to sustained efforts to help low-income residents of the middle South by advocating change and supporting actions that offer substantive, lasting solutions.

Entergy's Customers

Entergy serves one of the most poverty stricken regions of the nation. Approximately 25 % of Entergy's 2.7 million customers fall below the poverty line. The latest poverty report released by the Census showed that the number of Americans living in poverty was higher in 2004 (12.7 percent) than in 1974 (11.2 percent) with the poverty rates for American families and children rising also. The four states that Entergy serves were in the top five with the highest statewide poverty rates: Mississippi #1, Arkansas #2, Louisiana #4, and Texas #5.

According to statistics released by the Children's Defense Fund, three of the nation's ten counties with the highest child poverty rates are in Louisiana and Mississippi. Eleven of the thirty-eight counties with child poverty rates higher than even the poorest U.S. cities are rural counties in Arkansas, Louisiana, and Mississippi – all in Entergy's service area.

According to the federal government, household energy needs consume a far greater percentage of the budgets for low income households than for non-low income households. Low-income households can spend up to 40 percent of their monthly income on energy vs. 3.5 percent spent by other households. Approximately 34 percent of low income households have an elderly resident and 24 percent of low income households have young children.

Entergy's Commitment

Our 2006 goals focused on three major areas:

- Improving the flow of assistance funds to needy customers
- Providing customers with tools to help manage their bills
- Working to help move customers to self-sufficiency

To accomplish these goals it takes a team. Entergy's low-income initiatives are championed in each jurisdiction by a group of employees dedicated to improving the lives of our low-income, elderly, and disabled customers in our region. Through the Champions, we build and maintain partnerships with local low-income advocates and agencies and pursue common interests and consensus on issues like energy affordability and housing.

Customer Assistance Fund

For more than three decades, Entergy has provided our employees, retirees, customers and shareholders with a way to assist needy families around them. These Customer Assistance Funds (CAF) enable donors to add a donation to their utility bill payments and to know that every cent they give goes to help people in their neighborhoods. The funds are passed along to nonprofit organizations within the Entergy service area to provide elderly and disabled low-income customers with payment assistance for their utility bills when they experience financial emergencies. Entergy shareholders will match new contributions up to \$500,000 annually.

Weatherization Assistance Program

To reduce burden on the poor, Entergy often partners with local non-profit and government agencies, throughout its five jurisdictions, to help low income customers reduce their utility bills by making their homes more energy efficient. The DOE Weatherization Assistance Program has served as the nation's core program for delivering energy conservation services to low income Americans since 1976, when Congress created the program in Title IV of the Energy Conservation and Production Act. While the federal program is the largest and most comprehensive in the nation, Entergy has taken an important role in the mid-South to address sub-standard housing and weatherization needs in local communities.

Entergy works in partnership with low income agencies and state and local government weatherization programs to offer both funding and expertise. In addition, DOE awards grants to states, which in turn award grants to local agencies, usually community action agencies or other nonprofit or government organizations, to perform the actual weatherization services. In addition, Entergy actively lobbies for increased funding from the federal government on behalf of its customers and state and local governments.

LIHEAP

Recognizing the needs of low income customers in its service area, Entergy has begun a grassroots effort to tell Congress that consumers are suffering from the rising cost of fuel and some are simply unable to pay their bills. Nationwide, the federally funded Low Income Home Energy Assistance Program (LIHEAP) and other federal energy assistance programs only reach 15 percent of the people eligible to receive them. Rising natural gas prices and extremely cold weather have affected consumers in all parts of Entergy's service territory, and higher gas prices contribute to higher electricity prices for cooling in the summer. Faced with these circumstances, Entergy customers rely on LIHEAP as one of the primary payment assistance programs available to help them when heating and cooling costs exceed their ability to pay.

However, the current LIHEAP appropriation formula is heavily biased in favor of areas with heating – not cooling – needs. Thus, Entergy believes that additional funding is required to help residents of Southern states obtain year-round assistance with high bills. Entergy relentlessly supports increased funding for LIHEAP and is dogged in its commitment to help those in need in the communities we serve.

Community Outreach

- Entergy distributed over 200,000 pieces of information in 2006. Request for materials from advocates, community action agencies, and faith-based organizations, just to mention a few, more than doubled over last year.
- Advocate Power Newsletter which is distributed to over 20,000.
- Community events
- Faith-based programs
- "Beat the Heat"
- Distributed over 3500 fans and 150+ air conditioners

Grants

Energy provides grants through three sources to non-profit organizations targeted to assist low-income customers:

- The Entergy Charitable Foundation was announced at the 2000 Low Income Summit by our CEO, Wayne Leonard. The purpose as he stated: *Entergy is committed to helping our neighbors, and the **Entergy Charitable Foundation** is another of the many steps we are taking to fight the effects of poverty.*

- Funds provided to the state teams for local organizations - Examples include: Consumer Education Programs and Expos - Summer and Winter
- Jurisdiction Contribution Committees - Examples include:
Weatherization/Housing Support: Revolving loan fund resulted in construction of 29 new housing units. In 2006 \$330,000 dollars have been added by the Louisiana Housing CDC. This represents a 28% increase and brings the total to \$1.2 million

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