

**ENTERGY GULF STATES RECONSTRUCTION FUNDING I, LLC  
PRICING TERM SHEET  
\$329,500,000  
Senior Secured Transition Bonds, Series A**

**Syndicate:** Sole Lead Manager and Bookrunner: Morgan Stanley & Co. Incorporated  
Co-Managers: First Albany Capital Inc., Loop Capital Markets, LLC, and M.R. Beal & Company

**Expected Ratings:\* (Moody's/ S&P/ Fitch):** Aaa/AAA/AAA

**Closing Date / Settlement Date:** June 29, 2007

**Interest Payment Dates:** April 1 and October 1, commencing on April 1, 2008

**Applicable Time:** 10:43 a.m. on June 22, 2007

**Variable Pricing:** The Underwriters will offer the Senior Secured Transition Bonds, Series A, at variable prices. Sales of the Senior Secured Transition Bonds, Series A, will be made from time to time in negotiated transactions or otherwise at varying prices to be determined at the time of each such sale.

**Proceeds to Issuing Entity:** The total amount of proceeds to the Issuing Entity (as defined below) before deduction of expenses (estimated to be \$4,268,559) is \$328,098,371.

**Financial Advisory / Structuring Fee:** Morgan Stanley & Co. Incorporated, as financial advisor to the Issuing Entity, has rendered certain financial advisory/structuring services to the Issuing Entity and will receive an aggregate fee of \$1,013,900 for such services, which is included in estimated expenses.

| Tranche | Principal Amount Offered | Expected Weighted Average Life (years) | Scheduled Final Payment Date | Final Maturity Date | No. of Scheduled Semi-Annual Sinking Fund Payments | Coupon |
|---------|--------------------------|--|------------------------------|---------------------|--|--------|
| A-1     | \$93,500,000             | 2.99                                   | 10/1/2012                    | 10/1/2013           | 10   | 5.51%  |
| A-2     | \$121,600,000            | 7.99                                   | 10/1/2017                    | 10/1/2018           | 11   | 5.79%  |
| A-3     | \$114,400,000            | 12.24                                  | 4/1/2021                     | 6/29/2022           | 8  | 5.93%  |

*Entergy Gulf States Reconstruction Funding I, LLC (the "Issuing Entity") and Entergy Gulf States, Inc. ("EGSI") have jointly filed a registration statement (including a prospectus) with the Securities and Exchange Commission (the "SEC") for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the Issuing Entity and EGSI have filed with the SEC for more complete information about the Issuer and the offering. You may get these documents for free by visiting EDGAR on the SEC web site at [www.sec.gov](http://www.sec.gov). Alternatively, the Issuing Entity, Morgan Stanley & Co. Incorporated (the "Underwriter") or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling the Underwriter toll-free at 1-866-718-1649.*

\* A security rating is not a recommendation to buy, sell, or hold securities and should be evaluated independently of any other rating. The rating is subject to revision or withdrawal at any time by the assigning rating organization.

## EXPECTED AMORTIZATION SCHEDULE

| <u>Payment Date</u> | <u>Tranche A-1</u><br><u>Balance</u> | <u>Tranche A-2</u><br><u>Balance</u> | <u>Tranche A-3</u><br><u>Balance</u> |
|---------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Initial Principal   |                                      |                                      |                                      |
| Balance             | \$93,500,000                         | 121,600,000                          | 114,400,000                          |
| 4/1/2008            | 82,440,896                           | 121,600,000                          | 114,400,000                          |
| 10/1/2008           | 74,444,069                           | 121,600,000                          | 114,400,000                          |
| 4/1/2009            | 65,291,303                           | 121,600,000                          | 114,400,000                          |
| 10/1/2009           | 56,727,786                           | 121,600,000                          | 114,400,000                          |
| 4/1/2010            | 47,181,156                           | 121,600,000                          | 114,400,000                          |
| 10/1/2010           | 38,151,747                           | 121,600,000                          | 114,400,000                          |
| 4/1/2011            | 28,060,303                           | 121,600,000                          | 114,400,000                          |
| 10/1/2011           | 18,494,121                           | 121,600,000                          | 114,400,000                          |
| 4/1/2012            | 7,871,104                            | 121,600,000                          | 114,400,000                          |
| 10/1/2012           | -                                    | 119,340,600                          | 114,400,000                          |
| 4/1/2013            | -                                    | 108,150,770                          | 114,400,000                          |
| 10/1/2013           | -                                    | 97,413,906                           | 114,400,000                          |
| 4/1/2014            | -                                    | 85,589,454                           | 114,400,000                          |
| 10/1/2014           | -                                    | 74,193,674                           | 114,400,000                          |
| 4/1/2015            | -                                    | 61,702,761                           | 114,400,000                          |
| 10/1/2015           | -                                    | 49,613,805                           | 114,400,000                          |
| 4/1/2016            | -                                    | 36,412,962                           | 114,400,000                          |
| 10/1/2016           | -                                    | 23,583,733                           | 114,400,000                          |
| 4/1/2017            | -                                    | 9,637,453                            | 114,400,000                          |
| 10/1/2017           | -                                    | -                                    | 110,431,197                          |
| 4/1/2018            | -                                    | -                                    | 95,686,369                           |
| 10/1/2018           | -                                    | -                                    | 81,236,666                           |
| 4/1/2019            | -                                    | -                                    | 65,635,803                           |
| 10/1/2019           | -                                    | -                                    | 50,288,861                           |
| 4/1/2020            | -                                    | -                                    | 33,776,636                           |
| 10/1/2020           | -                                    | -                                    | 17,477,933                           |
| 4/1/2021            | -                                    | -                                    | -                                    |

**EXPECTED SINKING FUND SCHEDULE**

| <b><u>Payment Date</u></b> | <b><u>Tranche A-1</u></b> | <b><u>Tranche A-2</u></b> | <b><u>Tranche A-3</u></b> |
|----------------------------|---------------------------|---------------------------|---------------------------|
| Initial Principal          |                           |                           |                           |
| Balance                    | \$93,500,000              | \$121,600,000             | \$114,400,000             |
| 4/1/2008                   | 11,059,104                | —                         | —                         |
| 10/1/2008                  | 7,996,827                 | —                         | —                         |
| 4/1/2009                   | 9,152,766                 | —                         | —                         |
| 10/1/2009                  | 8,563,517                 | —                         | —                         |
| 4/1/2010                   | 9,546,631                 | —                         | —                         |
| 10/1/2010                  | 9,029,409                 | —                         | —                         |
| 4/1/2011                   | 10,091,443                | —                         | —                         |
| 10/1/2011                  | 9,566,182                 | —                         | —                         |
| 4/1/2012                   | 10,623,017                | —                         | —                         |
| 10/1/2012                  | 7,871,104                 | 2,259,400                 | —                         |
| 4/1/2013                   | —                         | 11,189,830                | —                         |
| 10/1/2013                  | —                         | 10,736,864                | —                         |
| 4/1/2014                   | —                         | 11,824,453                | —                         |
| 10/1/2014                  | —                         | 11,395,779                | —                         |
| 4/1/2015                   | —                         | 12,490,913                | —                         |
| 10/1/2015                  | —                         | 12,088,957                | —                         |
| 4/1/2016                   | —                         | 13,200,842                | —                         |
| 10/1/2016                  | —                         | 12,829,230                | —                         |
| 4/1/2017                   | —                         | 13,946,280                | —                         |
| 10/1/2017                  | —                         | 9,637,453                 | 3,968,803                 |
| 4/1/2018                   | —                         | —                         | 14,744,828                |
| 10/1/2018                  | —                         | —                         | 14,449,703                |
| 4/1/2019                   | —                         | —                         | 15,600,863                |
| 10/1/2019                  | —                         | —                         | 15,346,942                |
| 4/1/2020                   | —                         | —                         | 16,512,225                |
| 10/1/2020                  | —                         | —                         | 16,298,703                |
| 4/1/2021                   | —                         | —                         | 17,477,933                |