

ENTL...Y ARKANSAS, INC.
NUCLEAR DECOMMISSIONING FUNDS
PROJECTED BEFORE TAX RETURNS

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DESCRIPTION	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>SHORT TERM RATE:</u>										
Federal Funds Rate (1)	3.21%	5.03%	5.20%	4.75%	4.94%	5.00%	5.00%	5.00%	5.00%	5.00%
Treasury Note, 2 -Year (1)	3.85%	5.03%	5.26%	5.10%	5.25%	5.31%	5.31%	5.31%	5.31%	5.31%
<u>MUNICIPAL BOND RATE:</u>										
Bond Buyer 20 Municipals (1)	4.40%	4.67%	5.08%	5.44%	5.76%	5.82%	5.82%	5.82%	5.82%	5.82%
<u>TAXABLE BOND RATE:</u>										
Moody's Corporate Composite (4)	5.65%	6.32%	6.87%	7.01%	7.27%	7.32%	7.32%	7.32%	7.32%	7.32%
Moody's Aaa Corporate Bond (1)	5.24%	5.87%	6.39%	6.54%	6.80%	6.85%	6.85%	6.85%	6.85%	6.85%
Moody's Baa Corporate Bond (1)	6.06%	6.76%	7.34%	7.48%	7.74%	7.79%	7.79%	7.79%	7.79%	7.79%
<u>EQUITY RETURN:</u>										
Consumer Price Index - Urban (1)	2.01%	2.06%	2.11%	2.16%	2.20%	2.25%	2.29%	2.34%	2.39%	2.44%
Percent Equities Historically Outperform CPIU (2)	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%
Total Equity Return	9.11%	9.16%	9.21%	9.26%	9.30%	9.35%	9.39%	9.44%	9.49%	9.54%
Dividend Component (3)	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%
Capital Gain Component	7.21%	7.26%	7.31%	7.36%	7.40%	7.45%	7.49%	7.54%	7.59%	7.64%

NOTES:

1. See Attachment 8 - Global Insights Forecasts
2. See Attachment 9 - Inflation Adjusted Equity Index and Average Compound Returns
3. Agrees with dividend assumptions in Callan 2000 asset allocation study for ANO
4. Average of Moody's Aaa & Baa Corporates

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<u>DESCRIPTION</u>	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<u>SHORT TERM RATE:</u>											
Federal Funds Rate (1)	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Treasury Note, 2 -Year (1)	5.31%	5.31%	5.30%	5.30%	5.30%	5.29%	5.29%	5.29%	5.29%	5.30%	5.30%
<u>MUNICIPAL BOND RATE:</u>											
Bond Buyer 20 Municipals (1)	5.82%	5.82%	5.82%	5.82%	5.82%	5.82%	5.82%	5.82%	5.82%	5.82%	5.82%
<u>TAXABLE BOND RATE:</u>											
Moody's Corporate Composite (4)	7.32%	7.32%	7.32%	7.32%	7.32%	7.32%	7.32%	7.32%	7.32%	7.32%	7.32%
Moody's Aaa Corporate Bond (1)	6.85%	6.85%	6.85%	6.85%	6.85%	6.85%	6.85%	6.85%	6.85%	6.85%	6.85%
Moody's Baa Corporate Bond (1)	7.79%	7.79%	7.79%	7.79%	7.79%	7.79%	7.79%	7.79%	7.79%	7.79%	7.79%
<u>EQUITY RETURN:</u>											
Consumer Price Index - Urban (1)	2.49%	2.54%	2.59%	2.65%	2.70%	2.75%	2.81%	2.87%	2.93%	2.99%	3.05%
Percent Equities Historically Outperform CPIU (2)	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%	7.10%
Total Equity Return	9.59%	9.64%	9.69%	9.75%	9.80%	9.85%	9.91%	9.97%	10.03%	10.09%	10.15%
Dividend Component (3)	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%
Capital Gain Component	7.69%	7.74%	7.79%	7.85%	7.90%	7.95%	8.01%	8.07%	8.13%	8.19%	8.25%

NOTES:

1. See Attachment 8 - Global Insights Forecast
2. See Attachment 9 - Inflation Adjusted Equity Index and Average Compound Return
3. Agrees with dividend assumptions in Callan 2001 asset allocation study for ANC
4. Average of Moody's Aaa & Baa Corporate

ENTENGY ARKANSAS, INC.
NUCLEAR DECOMMISSIONING FUNDS
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<u>DESCRIPTION</u>	<u>2026</u>
<u>SHORT TERM RATE:</u>	
Federal Funds Rate (1)	5.00%
Treasury Note, 2 -Year (1)	5.30%
<u>MUNICIPAL BOND RATE:</u>	
Bond Buyer 20 Municipals (1)	5.82%
<u>TAXABLE BOND RATE:</u>	
Moody's Corporate Composite (4)	7.32%
Moody's Aaa Corporate Bond (1)	6.85%
Moody's Baa Corporate Bond (1)	7.79%
<u>EQUITY RETURN:</u>	
Consumer Price Index - Urban (1)	3.12%
Percent Equities Historically Outperform CPIU (2)	7.10%
Total Equity Return	10.22%
Dividend Component (3)	1.90%
Capital Gain Component	8.32%

NOTES:

1. See Attachment 8 - Global Insights Forecast
2. See Attachment 9 - Inflation Adjusted Equity Index and Average Compound Return
3. Agrees with dividend assumptions in Callan 2001 asset allocation study for ANC
4. Average of Moody's Aaa & Baa Corporate

Attachment 9

**INFLATION ADJUSTED TOTAL EQUITY RETURN INDEX
AND AVERAGE COMPOUND (GEOMETRIC) RETURNS
LARGE COMPANY STOCKS
1926 TO YEAR INDICATED**

<u>1926 To Year</u>	<u>Equity Index Net of Inflation (A)</u>	<u>Average Annual Compound Real Returns</u>
1980	29.201	6.33%
1981	25.489	5.95%
1982	29.792	6.14%
1983	35.165	6.33%
1984	35.947	6.26%
1985	45.781	6.58%
1986	53.631	6.75%
1987	54.053	6.65%
1988	60.466	6.73%
1989	75.977	7.00%
1990	69.333	6.74%
1991	87.822	7.02%
1992	91.893	6.98%
1993	98.369	6.98%
1994	97.059	6.86%
1995	130.085	7.20%
1996	154.953	7.36%
1997	203.190	7.66%
1998	257.121	7.90%
1999	303.094	8.03%
2000	266.472	7.73%
2001	231.215	7.43%
2002	175.925	6.94%
2003	222.231	7.17%
2004	238.625	7.18%
2005	242.070	7.10%

(A) Source: Ibbotson Associates 2006 Yearbook