

STATE OF MISSISSIPPI



JIM HOOD ATTORNEY GENERAL

Entergy's blatant refusal to disclose documents forces lawsuit

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Jackson, MS - Citing the blatant and repeated refusal of Entergy Mississippi to turn over information about its questionable business practices, Attorney General Jim Hood was forced today to file a lawsuit to protect the ratepayers of Mississippi - charging Entergy with fraud, unjust enrichment, anti-trust violations and other illegal conduct.

Entergy has refused to comply with a lawful subpoena issued by the Office of Attorney General and a unanimous resolution passed by the Public Service Commissioners.

During a hearing in Hinds County Chancery Court in October, attorneys for Entergy essentially told the state and its ratepayers that nothing short of filing a lawsuit against the company would force it to release documents requested by the Attorney General's Office. General Hood has obliged their request.

"It is unfortunate that we must resort to a lawsuit to make Entergy do the right thing and assure its customers they are being treated fairly," General Hood said. "Entergy has done everything in its power to defend the indefensible in an attempt to keep these documents hidden."

General Hood noted that Entergy engaged in the same activity in Louisiana and was ordered to pay back Louisiana ratepayers \$106 million. Entergy signed an agreed order to pay back \$72 million for the same conduct the Attorney General is seeking to redress for the ratepayers in Mississippi.

The lawsuit charges that, as early as 1974, Entergy Mississippi "has been padding its invoices and forcing Mississippi to be a dumping ground for unloading on Mississippi the highest-priced power Entergy has to offer within its four-state system." Entergy Mississippi's actions have resulted in many hundreds of millions of dollars in increased electricity and fuel costs paid by Mississippi consumers, the suit states.

The Attorney General has charged Entergy with violating the Consumer Protection Act and Mississippi Public Service Commission regulations; with unjust enrichment; with violating Mississippi anti-trust statutes; and with fraud.

The lawsuit seeks to stop Entergy from engaging in these illegal activities and to give up

all profits it has gained from its conduct, as well as paying damages, restitution and penalties.

The Attorney General's Office has described Entergy's business practices as a "shell game," in which the utility buys electricity and fuel for Mississippi at inflated rates from its sister companies in neighboring states and then overcharges Mississippi customers. Entergy has a duty to purchase electricity at the lowest reliable rate available on the open market from other generators of electricity. Yet, Entergy has continued to purchase the most expensive electricity from its sister companies. In one purchase, Entergy's parent company sold Mississippi electricity for \$26 per 1,000 kilowatt hours and, at the same moment in time, purchased electricity on the open market from another energy generator at \$12 per 1,000 kilowatt hours and sold it to a publicly owned electricity provider at \$15 per 1,000 kilowatt hours.

General Hood noted that Entergy's practices are reminiscent "of the many inflated invoice cases I have prosecuted."

In three cases in Louisiana and Texas, Entergy has been accused of engaging in deceptive pricing schemes and of overcharging its customers, resulting in the refund of tens of millions of dollars. These cases provide reason to believe that Entergy is violating Mississippi laws. Specifically:

(more)

- In *Delany, et al v. Entergy Louisiana, Inc. and Entergy Corp.*, the company faced both an administrative proceeding and a class action lawsuit, and finally agreed to refund \$72 million in overcharges to ratepayers.
- In *Gordon v. Council of New Orleans*, the City Council ordered Entergy New Orleans to refund \$11.3 million in overcharges, which a state appeals court increased to \$34 million.
- In *Jenkins v. Energy Corp.*, the company is facing a class action lawsuit in Texas alleging that Entergy harmed customers by devising an improper pricing scheme to sell and deliver higher-priced electricity to customers while rejecting less expensive energy options.

The Attorney General's Office has statutory authority under the Mississippi Consumer Protection Act to investigate Entergy Mississippi's dealings and business practices.

[Click here to listen to the complete Press conference in Windows Media Player.](#)

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Court Document

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