ENTERGY ARKANSAS INC
Form 10-Q
November 06, 2012

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)
X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended September 30, 2012
OR
TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____________ to ____________

| Commission File Number | Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number, and IRS Employer Identification No. | Commission File Number | Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number, and IRS Employer Identification No. |
|---|---|---|---|
| 1-11299 | ENTERGY CORPORATION<br>(a Delaware corporation)<br>639 Loyola Avenue<br>New Orleans, Louisiana 70113<br>Telephone (504) 576-4000<br>72-1229752 | 1-31508 | ENTERGY MISSISSIPPI, INC.<br>(a Mississippi corporation)<br>308 East Pearl Street<br>Jackson, Mississippi 39201<br>Telephone (601) 368-5000<br>64-0205830 |
| 1-10764 | ENTERGY ARKANSAS, INC.<br>(an Arkansas corporation)<br>425 West Capitol Avenue<br>Little Rock, Arkansas 72201<br>Telephone (501) 377-4000<br>71-0005900 | 0-05807 | ENTERGY NEW ORLEANS, INC.<br>(a Louisiana corporation)<br>1600 Perdido Street<br>New Orleans, Louisiana 70112<br>Telephone (504) 670-3700<br>72-0273040 |
| 0-20371 | ENTERGY GULF STATES LOUISIANA, L.L.C.<br>(a Louisiana limited liability company)<br>446 North Boulevard<br>Baton Rouge, Louisiana 70802<br>Telephone (800) 368-3749<br>74-0662730 | 1-34360 | ENTERGY TEXAS, INC.<br>(a Texas corporation)<br>350 Pine Street<br>Beaumont, Texas 77701<br>Telephone (409) 981-2000<br>61-1435798 |

| | | | |
|---|---|---|---|
| 1-32718 | ENTERGY LOUISIANA, LLC<br>(a Texas limited liability company)<br>446 North Boulevard<br>Baton Rouge, Louisiana 70802<br>Telephone (800) 368-3749<br>75-3206126 | 1-09067 | SYSTEM ENERGY RESOURCES, INC.<br>(an Arkansas corporation)<br>Echelon One<br>1340 Echelon Parkway<br>Jackson, Mississippi 39213<br>Telephone (601) 368-5000<br>72-0752777 |

Table of Contents

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days.  Yes þ No o

Indicate by check mark whether the registrants have submitted electronically and posted on Entergy's corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes þ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.  See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Securities Exchange Act of 1934.

| | Large accelerated filer | Accelerated filer | Non-accelerated filer | Smaller reporting company |
|---|---|---|---|---|
| Entergy Corporation | Ö | | | |
| Entergy Arkansas, Inc. | | | Ö | |
| Entergy Gulf States Louisiana, L.L.C. | | | Ö | |
| Entergy Louisiana, LLC | | | Ö | |
| Entergy Mississippi, Inc. | | | Ö | |
| Entergy New Orleans, Inc. | | | Ö | |
| Entergy Texas, Inc. | | | Ö | |
| System Energy Resources, Inc. | | | Ö | |

Indicate by check mark whether the registrants are shell companies (as defined in Rule 12b-2 of the Exchange Act).  Yes o  No þ

| Common Stock Outstanding | | Outstanding at October 31, 2012 |
|---|---|---|
| Entergy Corporation | ($0.01 par value) | 177,732,990 |

Entergy Corporation, Entergy Arkansas, Inc., Entergy Gulf States Louisiana, L.L.C., Entergy Louisiana, LLC, Entergy Mississippi, Inc., Entergy New Orleans, Inc., Entergy Texas, Inc., and System Energy Resources, Inc. separately file this combined Quarterly Report on Form 10-Q.  Information contained herein relating to any individual company is filed by such company on its own behalf.  Each company reports herein only as to itself and makes no other representations whatsoever as to any other company.  This combined Quarterly Report on Form 10-Q supplements and updates the Annual Report on Form 10-K for the calendar year ended December 31, 2011 and the Quarterly Reports on Form 10-Q for the quarters ended March 31, 2012 and June 30, 2012, filed by the individual registrants with the SEC, and should be read in conjunction therewith.

Table of Contents

ENTERGY CORPORATION AND SUBSIDIARIES
INDEX TO QUARTERLY REPORT ON FORM 10-Q
September 30, 2012


| | Page Number |
|---|---|
| Forward-looking information | iii |
| Definitions | v |
| Entergy Corporation and Subsidiaries | |
| Management's Financial Discussion and Analysis | 1 |
| Consolidated Statements of Income | 24 |
| Consolidated Statements of Comprehensive Income | 25 |
| Consolidated Statements of Cash Flows | 26 |
| Consolidated Balance Sheets | 28 |
| Consolidated Statements of Changes in Equity | 30 |
| Selected Operating Results | 31 |
| Notes to Financial Statements | 32 |
| Part 1. Item 4. Controls and Procedures | 83 |
| Entergy Arkansas, Inc. and Subsidiaries | |
| Management's Financial Discussion and Analysis | 84 |
| Consolidated Income Statements | 90 |
| Consolidated Statements of Cash Flows | 91 |
| Consolidated Balance Sheets | 92 |
| Consolidated Statements of Changes in Common Equity | 94 |
| Selected Operating Results | 95 |
| Entergy Gulf States Louisiana, L.L.C. | |
| Management's Financial Discussion and Analysis | 96 |
| Income Statements | 105 |
| Statements of Comprehensive Income | 106 |
| Statements of Cash Flows | 107 |
| Balance Sheets | 108 |
| Statements of Changes in Equity | 110 |
| Selected Operating Results | 111 |
| Entergy Louisiana, LLC and Subsidiaries | |
| Management's Financial Discussion and Analysis | 112 |
| Consolidated Income Statements | 121 |
| Consolidated Statements of Comprehensive Income | 122 |
| Consolidated Statements of Cash Flows | 123 |
| Consolidated Balance Sheets | 124 |
| Consolidated Statements of Changes in Equity | 126 |
| Selected Operating Results | 127 |
| Entergy Mississippi, Inc. | |
| Management's Financial Discussion and Analysis | 128 |
| Income Statements | 135 |
| Statements of Cash Flows | 137 |
| Balance Sheets | 138 |
| Statements of Changes in Common Equity | 140 |
| Selected Operating Results | 141 |

Table of Contents

ENTERGY CORPORATION AND SUBSIDIARIES
INDEX TO QUARTERLY REPORT ON FORM 10-Q
September 30, 2012


| | Page Number |
|---|---|
| Entergy New Orleans, Inc. | |
| Management's Financial Discussion and Analysis | 142 |
| Income Statements | 148 |
| Statements of Cash Flows | 149 |
| Balance Sheets | 150 |
| Statements of Changes in Common Equity | 152 |
| Selected Operating Results | 153 |
| Entergy Texas, Inc. and Subsidiaries | |
| Management's Financial Discussion and Analysis | 154 |
| Consolidated Income Statements | 161 |
| Consolidated Statements of Cash Flows | 163 |
| Consolidated Balance Sheets | 164 |
| Consolidated Statements of Changes in Common Equity | 166 |
| Selected Operating Results | 167 |
| System Energy Resources, Inc. | |
| Management's Financial Discussion and Analysis | 168 |
| Income Statements | 171 |
| Statements of Cash Flows | 173 |
| Balance Sheets | 174 |
| Statements of Changes in Common Equity | 176 |
| Part II. Other Information | |
| Item 1. Legal Proceedings | 177 |
| Item 1A. Risk Factors | 177 |
| Item 2. Unregistered Sales of Equity Securities and Use of Proceeds | 177 |
| Item 5. Other Information | 178 |
| Item 6. Exhibits | 183 |
| Signature | 186 |

Table of Contents

## FORWARD-LOOKING INFORMATION

In this combined report and from time to time, Entergy Corporation and the Registrant Subsidiaries each makes statements as a registrant concerning its expectations, beliefs, plans, objectives, goals, strategies, and future events or performance. Such statements are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "may," "will," "could," "project," "believe," "anticipate," "intend," "expect," "estimate," "continue," "potential," "plan," "predict," "forecast," and other similar words or expressions are intended to identify forward-looking statements but are not the only means to identify these statements. Although each of these registrants believes that these forward-looking statements and the underlying assumptions are reasonable, it cannot provide assurance that they will prove correct. Any forward-looking statement is based on information current as of the date of this combined report and speaks only as of the date on which such statement is made. Except to the extent required by the federal securities laws, these registrants undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Forward-looking statements involve a number of risks and uncertainties. There are factors that could cause actual results to differ materially from those expressed or implied in the forward-looking statements, including those factors discussed or incorporated by reference in (a) Item 1A. Risk Factors in the Form 10-K, (b) Management's Financial Discussion and Analysis in the Form 10-K and in this report, and (c) the following factors (in addition to others described elsewhere in this combined report and in subsequent securities filings):

- resolution of pending and future rate cases and negotiations, including various performance-based rate discussions, Entergy's utility supply plan, and recovery of fuel and purchased power costs;
- the termination of Entergy Arkansas's and Entergy Mississippi's participation in the System Agreement in December 2013 and November 2015, respectively;
- regulatory and operating challenges and uncertainties associated with the Utility operating companies' proposal to move to the MISO RTO and the operations of the independent coordinator of transmission for Entergy's Utility service area;
- risks associated with the proposed spin-off and subsequent merger of Entergy's electric transmission business into a subsidiary of ITC Holdings Corp., including the risk that Entergy and the Utility operating companies may not be able to timely satisfy the conditions or obtain the approvals required to complete such transaction or such approvals may contain material restrictions or conditions, and the risk that if completed, the transaction may not achieve its anticipated results;
- changes in utility regulation, including the beginning or end of retail and wholesale competition, the ability to recover net utility assets and other potential stranded costs, and the application of more stringent transmission reliability requirements or market power criteria by the FERC;
- changes in regulation of nuclear generating facilities and nuclear materials and fuel, including possible shutdown of nuclear generating facilities, particularly those owned or operated by the Entergy Wholesale Commodities business, and the effects of new or existing safety or environmental concerns regarding nuclear power plants and nuclear fuel;
- resolution of pending or future applications, and related regulatory proceedings and litigation, for license renewals or modifications of nuclear generating facilities;
- the performance of and deliverability of power from Entergy's generation resources, including the capacity factors at its nuclear generating facilities;
- Entergy's ability to develop and execute on a point of view regarding future prices of electricity, natural gas, and other energy-related commodities;
- prices for power generated by Entergy's merchant generating facilities and the ability to hedge, meet credit support requirements for hedges, sell power forward, or otherwise reduce the market price risk associated with those facilities, including the Entergy Wholesale Commodities nuclear plants;

- the prices and availability of fuel and power Entergy must purchase for its Utility customers, and Entergy's ability to meet credit support requirements for fuel and power supply contracts;

Table of Contents

FORWARD-LOOKING INFORMATION (Concluded)

- volatility and changes in markets for electricity, natural gas, uranium, and other energy-related commodities;
- changes in law resulting from federal or state energy legislation or legislation subjecting energy derivatives used in hedging and risk management transactions to governmental regulation;
- changes in environmental, tax, and other laws, including requirements for reduced emissions of sulfur, nitrogen, carbon, mercury, and other substances, and changes in costs of compliance with environmental and other laws and regulations;
- uncertainty regarding the establishment of interim or permanent sites for spent nuclear fuel and nuclear waste storage and disposal;
- variations in weather and the occurrence of hurricanes and other storms and disasters, including uncertainties associated with efforts to remediate the effects of hurricanes, ice storms, or other weather events and the recovery of costs associated with restoration, including accessing funded storm reserves, federal and local cost recovery mechanisms, securitization, and insurance;
- effects of climate change;
- Entergy's ability to manage its capital projects and operation and maintenance costs;
- Entergy's ability to purchase and sell assets at attractive prices and on other attractive terms;
- the economic climate, and particularly economic conditions in Entergy's Utility service area and the Northeast United States and events that could influence economic conditions in those areas;
- the effects of Entergy's strategies to reduce tax payments;
- changes in the financial markets, particularly those affecting the availability of capital and Entergy's ability to refinance existing debt, execute share repurchase programs, and fund investments and acquisitions;
- actions of rating agencies, including changes in the ratings of debt and preferred stock, changes in general corporate ratings, and changes in the rating agencies' ratings criteria;
- changes in inflation and interest rates;
- the effect of litigation and government investigations or proceedings;
- advances in technology;
- the potential effects of threatened or actual terrorism, cyber-attacks or data security breaches, and war or a catastrophic event such as a nuclear accident or a natural gas pipeline explosion;
- Entergy's ability to attract and retain talented management and directors;
- changes in accounting standards and corporate governance;
- declines in the market prices of marketable securities and resulting funding requirements for Entergy's defined benefit pension and other postretirement benefit plans;
- changes in decommissioning trust fund values or earnings or in the timing of or cost to decommission nuclear plant sites;
- factors that could lead to impairment of long-lived assets; and
- the ability to successfully complete merger, acquisition, or divestiture plans, regulatory or other limitations imposed as a result of merger, acquisition, or divestiture, and the success of the business following a merger, acquisition, or divestiture.

Table of Contents

DEFINITIONS

Certain abbreviations or acronyms used in the text and notes are defined below:

| Abbreviation or Acronym | Term |
|---|---|
| AFUDC | Allowance for Funds Used During Construction |
| ALJ | Administrative Law Judge |
| ANO 1 and 2 | Units 1 and 2 of Arkansas Nuclear One (nuclear), owned by Entergy Arkansas |
| APSC | Arkansas Public Service Commission |
| ASLB | Atomic Safety and Licensing Board, the board within the NRC that conducts hearings and performs other regulatory functions that the NRC authorizes |
| ASU | Accounting Standards Update issued by the FASB |
| Board | Board of Directors of Entergy Corporation |
| capacity factor | Actual plant output divided by maximum potential plant output for the period |
| City Council or Council | Council of the City of New Orleans, Louisiana |
| D.C. Circuit | U.S. Court of Appeals for the District of Columbia Circuit |
| Entergy | Entergy Corporation and its direct and indirect subsidiaries |
| Entergy Corporation | Entergy Corporation, a Delaware corporation |
| Entergy Gulf States, Inc. | Predecessor company for financial reporting purposes to Entergy Gulf States Louisiana that included the assets and business operations of both Entergy Gulf States Louisiana and Entergy Texas |
| Entergy Gulf States Louisiana | Entergy Gulf States Louisiana, L.L.C., a company created in connection with the jurisdictional separation of Entergy Gulf States, Inc. and the successor company to Entergy Gulf States, Inc. for financial reporting purposes. The term is also used to refer to the Louisiana jurisdictional business of Entergy Gulf States, Inc., as the context requires. |
| Entergy Texas | Entergy Texas, Inc., a company created in connection with the jurisdictional separation of Entergy Gulf States, Inc. The term is also used to refer to the Texas jurisdictional business of Entergy Gulf States, Inc., as the context requires. |
| Entergy Wholesale Commodities (EWC) | Entergy's non-utility business segment primarily comprised of the ownership and operation of six nuclear power plants, the ownership of interests in non-nuclear power plants, and the sale of the electric power produced by those plants to wholesale customers |
| EPA | United States Environmental Protection Agency |
| ERCOT | Electric Reliability Council of Texas |
| FASB | Financial Accounting Standards Board |
| FERC | Federal Energy Regulatory Commission |
| FitzPatrick | James A. FitzPatrick Nuclear Power Plant (nuclear), owned by an Entergy subsidiary in the Entergy Wholesale Commodities business segment |
| Form 10-K | Annual Report on Form 10-K for the calendar year ended December 31, 2011 filed with the SEC by Entergy Corporation and its Registrant Subsidiaries |
| Grand Gulf | Unit No. 1 of Grand Gulf Nuclear Station (nuclear), 90% owned or leased by System Energy |
| GWh | Gigawatt-hour(s), which equals one million kilowatt-hours |
| Independence | Independence Steam Electric Station (coal), owned 16% by Entergy Arkansas, 25% by Entergy Mississippi, and 7% by Entergy Power |
| Indian Point 2 | Unit 2 of Indian Point Energy Center (nuclear), owned by an Entergy subsidiary in the Entergy Wholesale Commodities business segment |

| | |
|---|---|
| Indian Point 3 | Unit 3 of Indian Point Energy Center (nuclear), owned by an Entergy subsidiary in the Entergy Wholesale Commodities business segment |
| IRS | Internal Revenue Service |
| ISO | Independent System Operator |

Table of Contents

DEFINITIONS (Concluded)

| Abbreviation or Acronym | Term |
|---|---|
| kW | Kilowatt, which equals one thousand watts |
| kWh | Kilowatt-hour(s) |
| LPSC | Louisiana Public Service Commission |
| MISO | Midwest Independent Transmission System Operator, Inc., a regional transmission organization |
| MMBtu | One million British Thermal Units |
| MPSC | Mississippi Public Service Commission |
| MW | Megawatt(s), which equals one thousand kilowatts |
| MWh | Megawatt-hour(s) |
| Net MW in operation | Installed capacity owned and operated |
| NRC | Nuclear Regulatory Commission |
| NYPA | New York Power Authority |
| Palisades | Palisades Power Plant (nuclear), owned by an Entergy subsidiary in the Entergy Wholesale Commodities business segment |
| Pilgrim | Pilgrim Nuclear Power Station (nuclear), owned by an Entergy subsidiary in the Entergy Wholesale Commodities business segment |
| PPA | Purchased power agreement or power purchase agreement |
| PUCT | Public Utility Commission of Texas |
| Registrant Subsidiaries | Entergy Arkansas, Inc., Entergy Gulf States Louisiana, L.L.C., Entergy Louisiana, LLC, Entergy Mississippi, Inc., Entergy New Orleans, Inc., Entergy Texas, Inc., and System Energy Resources, Inc. |
| River Bend | River Bend Station (nuclear), owned by Entergy Gulf States Louisiana |
| RTO | Regional transmission organization |
| SEC | Securities and Exchange Commission |
| SPP | Southwest Power Pool |
| System Agreement | Agreement, effective January 1, 1983, as modified, among the Utility operating companies relating to the sharing of generating capacity and other power resources |
| System Energy | System Energy Resources, Inc. |
| TWh | Terawatt-hour(s), which equals one billion kilowatt-hours |
| Unit Power Sales Agreement | Agreement, dated as of June 10, 1982, as amended and approved by FERC, among Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy, relating to the sale of capacity and energy from System Energy's share of Grand Gulf |
| Utility | Entergy's business segment that generates, transmits, distributes, and sells electric power, with a small amount of natural gas distribution |
| Utility operating companies | Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and Entergy Texas |
| Vermont Yankee | Vermont Yankee Nuclear Power Station (nuclear), owned by an Entergy subsidiary in the Entergy Wholesale Commodities business segment |
| Waterford 3 | Unit No. 3 (nuclear) of the Waterford Steam Electric Station, 100% owned or leased by Entergy Louisiana |
| weather-adjusted usage | Electric usage excluding the effects of deviations from normal weather |

ENTERGY CORPORATION AND SUBSIDIARIES

MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS

Entergy operates primarily through two business segments: Utility and Entergy Wholesale Commodities.

- The Utility business segment includes the generation, transmission, distribution, and sale of electric power in portions of Arkansas, Mississippi, Texas, and Louisiana, including the City of New Orleans; and operates a small natural gas distribution business. As discussed in more detail in “Plan to Spin Off the Utility’s Transmission Business,” in the Form 10-K, in December 2011, Entergy entered into an agreement to spin off its transmission business and merge it with a newly-formed subsidiary of ITC Holdings Corp.
- The Entergy Wholesale Commodities business segment includes the ownership and operation of six nuclear power plants located in the northern United States and the sale of the electric power produced by those plants to wholesale customers. This business also provides services to other nuclear power plant owners. Entergy Wholesale Commodities also owns interests in non-nuclear power plants that sell the electric power produced by those plants to wholesale customers.

Hurricane Isaac

In August 2012, Hurricane Isaac caused extensive damage to portions of Entergy's service area in Louisiana, and to a lesser extent in Mississippi and Arkansas. The storm resulted in widespread power outages, significant damage primarily to distribution infrastructure, and the loss of sales during the power outages. Total restoration costs for the repair and/or replacement of Entergy's electric facilities in areas with damage from Hurricane Isaac are currently estimated to be in the range of $400 million to $500 million, as follows:

| Company | Hurricane Isaac Restoration Costs (In Millions) |
|---|---|
| Entergy Arkansas | $10 |
| Entergy Gulf States Louisiana | 70-90 |
| Entergy Louisiana | 240-300 |
| Entergy Mississippi | 30-40 |
| Entergy New Orleans | 50-60 |
| Total | $400-500 |

The Utility operating companies are considering all reasonable avenues to recover storm-related costs from Hurricane Isaac, including, but not limited to, accessing funded storm reserves; securitization or other alternative financing; and traditional retail recovery on an interim and permanent basis. Each Utility operating company is responsible for its restoration cost obligations and for recovering or financing its storm-related costs. Storm cost recovery or financing may be subject to review by applicable regulatory authorities.

Entergy has recorded accounts payable for the estimated costs incurred that were necessary to return customers to service. Entergy recorded corresponding regulatory assets of approximately $130 million and construction work in progress of approximately $270 million. Entergy recorded the regulatory assets in accordance with its accounting policies and based on the historic treatment of such costs in its service areas because management believes that recovery through some form of regulatory mechanism is probable. Because Entergy has not gone through the regulatory process regarding these storm costs, however, there is an element of risk, and Entergy is unable to predict with certainty the degree of success it may have in its recovery initiatives, the amount of restoration costs that it may ultimately recover, or the timing of such recovery.

1

Table of Contents
Entergy Corporation and Subsidiaries
Management's Financial Discussion and Analysis

Results of Operations

Third Quarter 2012 Compared to Third Quarter 2011

Following are income statement variances for Utility, Entergy Wholesale Commodities, Parent & Other, and Entergy comparing the third quarter 2012 to the third quarter 2011 showing how much the line item increased or (decreased) in comparison to the prior period:

| | Utility | Entergy Wholesale Commodities | Parent & Other (1) | Entergy |
|---|---|---|---|---|
| | | (In Thousands) | | |
| 3rd Qtr 2011 Consolidated Net Income | $528,459 | $130,862 | ($26,252) | $633,069 |
| | | | | |
| Net revenue (operating revenue less fuel expense, purchased power, and other regulatory charges/credits) | 189,220 | (46,721) | (2,626) | 139,873 |
| Other operation and maintenance expenses | 40,964 | 16,059 | (602) | 56,421 |
| Taxes other than income taxes | (2,248) | (617) | (130) | (2,995) |
| Depreciation and amortization | 13,902 | (15,664) | (79) | (1,841) |
| Other income | (5,287) | (2,847) | (365) | (8,499) |
| Interest expense | 9,485 | (2,227) | 12,951 | 20,209 |
| Other expenses | 3,442 | (5,097) | - | (1,655) |
| Income taxes | 346,341 | (29,926) | 35,219 | 351,634 |
| | | | | |
| 3rd Qtr 2012 Consolidated Net Income | $300,506 | $118,766 | ($76,602) | $342,670 |

(1) Parent & Other include eliminations, which are primarily intersegment activity.

Net income for Utility in the third quarter 2011 was significantly affected by a settlement with the IRS related to the mark-to-market income tax treatment of power purchase contracts, which resulted in a reduction in income tax expense. The net income effect was partially offset by a regulatory charge, which reduced net revenue in the third quarter 2011, because Entergy Louisiana is sharing the benefits with customers. See Note 3 to the financial statements in the Form 10-K for additional discussion of the settlement and benefit sharing.

Refer to "ENTERGY CORPORATION AND SUBSIDIARIES - SELECTED OPERATING RESULTS" for further information with respect to operating statistics.

Net Revenue

Utility

Following is an analysis of the change in net revenue comparing the third quarter 2012 to the third quarter 2011.

| | Amount (In Millions) |
|---|---|
| 2011 net revenue | $1,319 |
| Mark-to-market tax settlement sharing | 200 |
| Grand Gulf recovery | 31 |
| Retail electric price | 26 |
| Purchased power capacity | (12) |
| Net wholesale revenue | (15) |
| Volume/weather | (35) |
| Other | (6) |
| 2012 net revenue | $1,508 |

The mark-to-market tax settlement sharing variance results from a regulatory charge recorded in September 2011 because Entergy Louisiana is sharing the benefits of a settlement with the IRS related to the mark-to-market income tax treatment of power purchase contracts with customers. See Note 3 to the financial statements in the Form 10-K for additional discussion of the settlement and benefit sharing.

The Grand Gulf recovery variance is primarily due to increased recovery of higher expenses resulting from the Grand Gulf uprate.

The retail electric price variance is primarily due to an increase in the storm cost recovery rider at Entergy Mississippi, as approved by the MPSC for a five-month period effective August 2012, and an increase in the energy efficiency rider at Entergy Arkansas, as approved by the APSC, effective July 2012. The storm costs provision and costs related to the energy efficiency program are included in other operation and maintenance expenses and therefore the increased revenues have no effect on net income.

The purchased power capacity variance is primarily due to price increases for ongoing purchased power capacity and additional capacity purchases.

The net wholesale revenue variance is primarily due to lower margins on co-owner contracts and higher wholesale energy costs.

The volume/weather variance is primarily due to decreased electricity usage, including the effect of milder weather as compared to the prior period on residential and commercial sales. Hurricane Isaac, which hit the Utility's service area in August 2012, also contributed to the decrease in electricity usage. Billed retail electricity usage decreased a total of 1,290 GWh, or 4%, across all customer classes.

3

Table of Contents
Entergy Corporation and Subsidiaries
Management's Financial Discussion and Analysis

Entergy Wholesale Commodities

Following is an analysis of the change in net revenue comparing the third quarter 2012 to the third quarter 2011.

| | Amount (In Millions) |
|---|---|
| 2011 net revenue | $542 |
| Nuclear realized price changes | (48) |
| Nuclear volume | (22) |
| Other | 23 |
| 2012 net revenue | $495 |

As shown in the table above, net revenue for Entergy Wholesale Commodities decreased by $47 million, or 9%, in the third quarter 2012 compared to the third quarter 2011 primarily due to lower pricing in its contracts to sell power and lower volume in its nuclear fleet resulting from more unplanned and refueling outage days in 2012 compared to the same period in 2011 which was partially offset by the exercise of resupply options provided for in purchase power agreements whereby Entergy Wholesale Commodities may elect to supply power from another source when the plant is not running. Amounts related to the exercise of resupply options are included in the GWh billed in the table below. Partially offsetting the lower net revenue from the nuclear fleet was higher net revenue from the Rhode Island State Energy Center, which was acquired in December 2011.

Following are key performance measures for Entergy Wholesale Commodities for the third quarter 2012 and 2011:

| | 2012 | 2011 |
|---|---|---|
| Owned capacity | 6,612 | 6,016 |
| GWh billed | 12,002 | 11,255 |
| Average realized revenue per MWh | $51.88 | $56.02 |
| | | |
| Entergy Wholesale Commodities Nuclear Fleet | | |
| Capacity factor | 90% | 98% |
| GWh billed | 10,480 | 10,645 |
| Average realized revenue per MWh | $52.27 | $56.07 |
| Refueling Outage Days: | | |
| FitzPatrick | 15 | - |

Realized Revenue per MWh for Entergy Wholesale Commodities Nuclear Plants

See the Form 10-K for a discussion of Entergy Wholesale Commodities nuclear business’s average realized price per MWh, including the factors that influence it and the decrease in the annual average realized price per MWh to $54.73 in 2011 from $59.16 in 2010. Entergy Wholesale Commodities’ nuclear business is likely to continue to experience a decrease again in 2012 from 2011 because, as shown in the contracted sale of energy table in "Market and Credit Risk Sensitive Instruments," Entergy Wholesale Commodities has 89% of its planned nuclear energy output under contract for the remainder of 2012 for a minimum average contracted energy price of $47 per MWh. In addition, Entergy

Wholesale Commodities has 84% of its planned nuclear energy output under contract for 2013 for a minimum average contracted energy price of $45 per MWh.

Other Income Statement Items

Utility

Other operation and maintenance expenses increased from $478 million for the third quarter 2011 to $519 million for the third quarter 2012 primarily due to:

- the deferral in 2011 of $13 million of 2010 Michoud plant maintenance costs pursuant to the settlement of Entergy New Orleans' 2010 test year formula rate plan filing approved by the City Council in September 2011. See Note 2 to the financial statements in the Form 10-K for further discussion of the Entergy New Orleans 2010 test year formula rate plan filing and settlement;
- $11 million of costs incurred in 2012 related to the planned spin-off and merger of the Utility's transmission business;
- an increase of $10 million resulting from a temporary increase in the Entergy Mississippi storm damage reserve authorized by the MPSC effective August 2012;
- an increase of $7 million in energy efficiency costs at Entergy Arkansas. These costs are recovered through the energy efficiency rider and have no effect on net income;
- an increase of $7 million in compensation and benefits costs primarily due to decreasing discount rates and changes in certain actuarial assumptions resulting from a recent experience study. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefits costs; and
- the amortization of $4 million of Hurricane Rita storm costs in accordance with a rate order from the PUCT effective September 2012. See Note 2 to the financial statements for discussion of the PUCT order.

These increases were partially offset by a decrease of approximately $7 million as a result of the deferral or capitalization of storm restoration costs for Hurricane Isaac, which hit the Utility's service area in August 2012.

Depreciation and amortization expense increased primarily due to additions to plant in service.

Interest expense increased primarily due to a revision in 2011 caused by FERC's acceptance of a change in the treatment of funds received from independent power producers for transmission interconnection projects. Also contributing to the increase were net debt issuances by certain of the Utility operating companies.

Entergy Wholesale Commodities

Other operation and maintenance expenses increased from $229 million for the third quarter 2011 to $245 million for the third quarter 2012 primarily due to:

- an increase of $5 million in compensation and benefits costs primarily due to decreasing discount rates and changes in certain actuarial assumptions resulting from a recent experience study. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefits costs;
- an increase of $4 million due to the operations of the Rhode Island State Energy Center, which was acquired in December 2011; and
- other items, including additional material and supply costs.

Depreciation and amortization expense decreased primarily due to an adjustment resulting from a final court decision in the Entergy Nuclear Indian Point 2 lawsuit against the U.S. Department of Energy related to spent nuclear fuel disposal. The effects of recording the proceeds from the judgment reduced the plant in service balance with a corresponding $19 million reduction to previously-recorded depreciation expense. The litigation is discussed in more detail in Part II, Item 5, "Spent Nuclear Fuel."

5

Parent & Other

Interest expense increased primarily due to the issuance of $500 million of 4.7% senior notes by Entergy Corporation in January 2012 and a higher interest rate on outstanding borrowings under the Entergy Corporation credit facility.

Income Taxes

The effective income tax rate for the third quarter 2012 was 40.4%. The difference in the effective income tax rate versus the statutory rate of 35% for the third quarter 2012 is primarily due to state income taxes.

The effective income tax rate for the third quarter 2011 was (23.2%). The difference in the effective income tax rate versus the statutory rate of 35% for the third quarter 2011 was primarily due to a settlement with the IRS related to the mark-to-market income tax treatment of power purchase contracts, which resulted in a reduction in income tax expense of $422 million. See Note 3 to the financial statements in the Form 10-K for further discussion of the settlement.

Nine Months Ended September 30, 2012 Compared to Nine Months Ended September 30, 2011

Following are income statement variances for Utility, Entergy Wholesale Commodities, Parent & Other, and Entergy comparing the nine months ended September 30, 2012 to the nine months ended September 30, 2011 showing how much the line item increased or (decreased) in comparison to the prior period:

| | Utility | Entergy Wholesale Commodities | Parent & Other (1) | Entergy |
|---|---|---|---|---|
| | (In Thousands) | | | |
| 2011 Consolidated Net Income | $949,854 | $319,651 | ($62,159) | $1,207,346 |
| Net revenue (operating revenue less fuel expense, purchased power, and other regulatory charges/credits) | (6,473) | (149,942) | (4,871) | (161,286) |
| Other operation and maintenance expenses | 120,313 | 56,486 | 5,893 | 182,692 |
| Asset impairment | - | 355,524 | - | 355,524 |
| Taxes other than income taxes | 3,684 | 14,297 | (145) | 17,836 |
| Depreciation and amortization | 28,061 | (3,931) | (91) | 24,039 |
| Other income | 1,102 | 8,098 | (207) | 8,993 |
| Interest expense | 17,546 | 1,346 | 23,306 | 42,198 |
| Other expenses | 6,288 | (54,105) | - | (47,817) |
| Income taxes | 92,347 | (223,380) | 45,101 | (85,932) |
| 2012 Consolidated Net Income | $676,244 | $31,570 | ($141,301) | $566,513 |

(1) Parent & Other include eliminations, which are primarily intersegment activity.

Refer to "ENTERGY CORPORATION AND SUBSIDIARIES - SELECTED OPERATING RESULTS" for further information with respect to operating statistics.

As discussed in more detail in Note 11 to the financial statements, results of operations for the nine months ended September 30, 2012 include a $355.5 million ($223.5 million after-tax) impairment charge to write down the carrying values of Vermont Yankee and related assets to their fair values. Also, net income for Utility in the nine months ended September 30, 2012 was significantly affected by a settlement with the IRS related to the income tax treatment of the Louisiana Act 55 financing of the Hurricane Katrina and Hurricane Rita storm costs, which resulted in a reduction in income tax expense. The net income effect was partially offset by a regulatory charge, which reduced net revenue in the nine months ended September 30, 2012, because Entergy Louisiana and Entergy Gulf States Louisiana are sharing the benefits with customers. See Note 10 to the financial statements for additional discussion of the settlement and benefit sharing. Net income for Utility for the nine months ended September 30, 2011 was significantly affected by a settlement with the IRS related to the mark-to-market income tax treatment of power purchase contracts, which resulted in a reduction in income tax expense. The net income effect was partially offset by a regulatory charge, which reduced net revenue in the nine months ended September 30, 2011, because Entergy Louisiana is sharing the benefits with customers. See Note 3 to the financial statements in the Form 10-K for additional discussion of the settlement and benefit sharing.

Net Revenue

Utility

Following is an analysis of the change in net revenue comparing the nine months ended September 30, 2012 to the nine months ended September 30, 2011.

| | Amount (In Millions) |
|---|---|
| 2011 net revenue | $3,772 |
| Louisiana Act 55 financing tax settlement sharing | (163) |
| Volume/weather | (84) |
| Purchased power capacity | (25) |
| Net wholesale revenue | (24) |
| Grand Gulf recovery | 31 |
| Retail electric price | 43 |
| Mark-to-market tax settlement sharing | 201 |
| Other | 14 |
| 2012 net revenue | $3,765 |

The Louisiana Act 55 financing tax settlement sharing variance results from a regulatory charge recorded in 2012 because Entergy Louisiana and Entergy Gulf States Louisiana are sharing the benefits of the settlement with the IRS related to the uncertain tax position regarding the Hurricane Katrina and Hurricane Rita Louisiana Act 55 financing with customers. See Note 10 to the financial statements for additional discussion of the settlement and benefit sharing.

The volume/weather variance is primarily due to the effect of milder weather, as compared to the prior period, on residential and commercial sales. Hurricane Isaac, which hit the Utility’s service area in August 2012, also contributed to the decrease in electricity usage. This was partially offset by an increase in industrial sales largely due to expansions. This sector had growth from both large and small industrial customers. Improvements in chemicals were partially offset by declines in refineries and pipelines.

The purchased power capacity variance is primarily due to price increases for ongoing purchased power capacity and additional capacity purchases.

The net wholesale revenue variance is primarily due to lower margins on co-owner contracts and higher wholesale energy costs.

The Grand Gulf recovery variance is primarily due to increased recovery of higher expenses resulting from the Grand Gulf uprate.

The retail electric price variance is primarily due to:

- an increase in the energy efficiency rider at Entergy Arkansas, as approved by the APSC, effective July 2012. This increase is offset by costs included in other operation and maintenance expenses and has no effect on net income;
- an increase in the storm cost recovery rider at Entergy Mississippi, as approved by the MPSC for a five-month period effective August 2012. This increase is offset by costs included in other operation and maintenance expenses and has no effect on net income;
- a special formula rate plan rate increase at Entergy Louisiana effective May 2011 in accordance with a previous LPSC order relating to the acquisition of Unit 2 of the Acadia Energy Center; and
- a base rate increase at Entergy Texas beginning May 2011 as a result of the settlement of the December 2009 rate case.

These increases were partially offset by a formula rate plan decrease at Entergy New Orleans effective October 2011. See Note 2 to the financial statements in the Form 10-K for further discussion of these proceedings.

The mark-to-market tax settlement sharing variance results from a regulatory charge recorded in 2011 because Entergy Louisiana is sharing the benefits of a settlement with the IRS related to the mark-to-market income tax treatment of power purchase contracts with customers. See Note 3 to the financial statements in the Form 10-K for additional discussion of the settlement and benefit sharing.

Entergy Wholesale Commodities

Following is an analysis of the change in net revenue comparing the nine months ended September 30, 2012 to the nine months ended September 30, 2011.

| | Amount (In Millions) |
|---|---|
| 2011 net revenue | $1,541 |
| Nuclear realized price changes | (162) |
| Nuclear volume | (30) |
| Other | 42 |
| 2012 net revenue | $1,391 |

As shown in the table above, net revenue for Entergy Wholesale Commodities decreased by $150 million, or 10%, in the nine months ended September 30, 2012 compared to the nine months ended September 30, 2011 primarily due to lower pricing in its contracts to sell power and lower volume in its nuclear fleet resulting from more planned and unplanned outage days in 2012 compared to the same period in 2011 which was partially offset by the exercise of resupply options provided for in purchase power agreements whereby Entergy Wholesale Commodities may elect to supply power from another source when the plant is not running. Amounts related to the exercise of resupply options are included in the GWh billed in the table below. Partially offsetting the lower net revenue from the nuclear fleet was higher net revenue from the Rhode Island State Energy Center, which was acquired in December 2011.

8

Table of Contents
Entergy Corporation and Subsidiaries
Management's Financial Discussion and Analysis

Following are key performance measures for Entergy Wholesale Commodities for the nine months ended September 30, 2012 and 2011:

| | 2012 | 2011 |
|---|---|---|
| Owned capacity | 6,612 | 6,016 |
| GWh billed | 34,957 | 32,376 |
| Average realized revenue per MWh | $49.84 | $55.20 |
| | | |
| Entergy Wholesale Commodities Nuclear Fleet | | |
| Capacity factor | 88% | 93% |
| GWh billed | 30,744 | 30,551 |
| Average realized revenue per MWh | $50.42 | $55.31 |
| Refueling Outage Days: | | |
| FitzPatrick | 15 | - |
| Indian Point 2 | 28 | - |
| Indian Point 3 | - | 30 |
| Palisades | 34 | - |
| Pilgrim | - | 25 |

Other Income Statement Items

Utility

Other operation and maintenance expenses increased from $1,411 million for the nine months ended September 30, 2011 to $1,531 million for the nine months ended September 30, 2012 primarily due to:

- an increase of $42 million in compensation and benefits costs primarily due to decreasing discount rates and changes in certain actuarial assumptions resulting from a recent experience study. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefits costs;
- $27 million of costs incurred in 2012 related to the planned spin-off and merger of the Utility's transmission business;
- an increase of $17 million in fossil-fueled generation expenses resulting from higher outage costs primarily because of the timing of the outages and increased scope of outages compared to the same period in the prior year;
- the deferral in 2011 of $13 million of 2010 Michoud plant maintenance costs pursuant to the settlement of Entergy New Orleans' 2010 test year formula rate plan filing approved by the City Council in September 2011. See Note 2 to the financial statements in the Form 10-K for further discussion of the Entergy New Orleans 2010 test year formula rate plan filing and settlement;
- an increase of $10 million resulting from a temporary increase in the Entergy Mississippi storm damage reserve authorized by the MPSC effective August 2012;
- an increase of $9 million in energy efficiency costs at Entergy Arkansas. These costs are recovered through the energy efficiency rider and have no effect on net income;
- nuclear insurance refunds of $5 million received in 2011; and
-

the amortization of $4 million of Hurricane Rita storm costs in accordance with a rate order from the PUCT effective September 2012. See Note 2 to the financial statements for discussion of the PUCT order.

These increases were partially offset by:

- a decrease of approximately $7 million as a result of the deferral or capitalization of storm restoration costs for Hurricane Isaac, which hit the Utility's service area in August 2012; and
- the effect of the deferral, as approved by the FERC, and the LPSC for the Louisiana jurisdictions, of costs related to the transition and implementation of joining the MISO RTO, which reduced expenses by $10 million.

Depreciation and amortization expense increased primarily due to additions to plant in service.

Interest expense increased primarily due to a revision in 2011 caused by FERC's acceptance of a change in the treatment of funds received from independent power producers for transmission interconnection projects. Also contributing to the increase were net debt issuances by certain of the Utility operating companies.

Entergy Wholesale Commodities

Other operation and maintenance expenses increased from $669 million for the nine months ended September 30, 2011 to $726 million for the nine months ended September 30, 2012 primarily due to:

- an increase of $23 million in compensation and benefits costs primarily due to decreasing discount rates and changes in certain actuarial assumptions resulting from a recent experience study. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefits costs;
- an increase of $15 million due to the operations of the Rhode Island State Energy Center, which was acquired in December 2011; and
- other items, including additional material and supply costs.

The asset impairment variance is due to a $355.5 million ($223.5 million after-tax) impairment charge recorded in the first quarter 2012 to write down the carrying values of Vermont Yankee and related assets to their fair values. See Note 11 to the financial statements for further discussion of this charge.

Taxes other than income taxes increased primarily due to increased property taxes at FitzPatrick. Previously, FitzPatrick was granted an exemption from property taxation and paid taxes according to a payment in lieu of property taxes agreement. This agreement expired on June 30, 2011 and FitzPatrick is now being taxed under the current property tax system.

Depreciation and amortization expense decreased primarily due to an adjustment resulting from a final court decision in the Entergy Nuclear Indian Point 2 lawsuit against the U.S. Department of Energy related to spent nuclear fuel disposal. The effects of recording the proceeds from the judgment reduced the plant in service balance with a corresponding $19 million reduction to previously-recorded depreciation expense. The litigation is discussed in more detail in Part II, Item 5, "Spent Nuclear Fuel." Partially offsetting the adjustment was an increase due to additions to plant in service, including the acquisition of the Rhode Island State Energy Center in December 2011.

Other expenses decreased primarily due to a credit to decommissioning expense of $49 million in the second quarter 2012 resulting from a reduction in the decommissioning cost liability for a plant as a result of a revised decommissioning cost study. See "Critical Accounting Estimates – Nuclear Decommissioning Costs" below for further discussion.

Parent & Other

Interest expense increased primarily due to the issuance of $500 million of 4.7% senior notes by Entergy Corporation in January 2012 and a higher interest rate on outstanding borrowings under the Entergy Corporation credit facility.

Income Taxes

The effective income tax rate for the nine months ended September 30, 2012 was 16.3%. The difference in the effective income tax rate versus the statutory rate of 35% for the nine months ended September 30, 2012 is related to (1) an IRS settlement on how to treat the Louisiana Act 55 financing of the Hurricane Katrina and Hurricane Rita storm costs, as discussed further in Note 10 to the financial statements; and (2) a unanimous court decision from the U.S. Court of Appeals for the Fifth Circuit affirming an earlier decision of the U.S. Tax Court holding that Entergy was entitled to claim a credit against its U.S. tax liability for the U.K. windfall tax that it paid. The settlement and the decision necessitated that Entergy reverse provisions for uncertain tax positions. See Note 3 to the financial statements in the Form 10-K and Note 10 to the financial statements herein for further discussion of the settlement and tax credit.

The effective income tax rate for the nine months ended September 30, 2011 was 14%. The difference in the effective income tax rate versus the statutory rate of 35% for the nine months ended September 30, 2011 was primarily due to a settlement with the IRS related to the mark-to-market income tax treatment of power purchase contracts, which resulted in a reduction in income tax expense of $422 million. See Note 3 to the financial statements in the Form 10-K for further discussion of the settlement.

Plan to Spin Off the Utility's Transmission Business

See the Form 10-K for a discussion of Entergy's plan to spin off its transmission business and merge it with a newly formed subsidiary of ITC Holdings Corp. Following are updates to that discussion.

Filings with Retail Regulators

In conjunction with ITC, each of the Utility operating companies, with the exception of Entergy Texas, have filed applications with their respective retail regulators seeking approval for the proposal to spin off and merge the Utility's transmission business with ITC, including approval for change of control of the transmission assets and transaction-related steps in the spin-off and merger. An application was filed with the LPSC on September 5, 2012, with the City Council on September 12, 2012, with the APSC on September 28, 2012, and with the MPSC on October 5, 2012. The PUCT is required to issue an order within 180 days of a filing, so Entergy Texas plans to monitor the other Utility operating companies for further information on procedural schedules before submitting its filing. Entergy Arkansas also expects to file an application with the Missouri Public Service Commission before the end of 2012 to obtain approval for the transfer of limited transmission facilities located in Missouri.

The ALJ in the LPSC proceeding has established a procedural schedule with a hearing set to commence on June 24, 2013 and LPSC consideration anticipated in September 2013. The City Council has established a procedural schedule with a hearing scheduled to commence on July 23, 2013, with certification of the record to the City Council no later than August 6, 2013.

Filings with the FERC

On September 24, 2012, Entergy, ITC, and certain of their subsidiaries submitted a series of filings with the FERC to obtain regulatory approvals related to the proposed transfer to ITC subsidiaries of the transmission assets owned by the Utility operating companies. These filings include a joint application for authorization of the acquisition and disposition of jurisdictional transmission facilities, approval of transmission service formula rates and certain jurisdictional agreements, and a petition for declaratory order on the application of Federal Power Act section 305(a). The application seeks approval under Federal Power Act section 205 of formula rates under Attachment O of the MISO Tariff for each of the new ITC Operating Companies (which will become Transmission Owner members of MISO) and of related jurisdictional pro forma agreements. In a separate filing, MISO sought approval of an amendment to the MISO Tariff pursuant to Federal Power Act section 205 to enable the integration of the new ITC Operating Companies' transmission facilities into MISO prior to the Utility operating companies becoming market participants in MISO. On September 26, 2012, ESI submitted an application under Federal Power Act section 205 requesting FERC authorization to cancel System Agreement Service Schedule MSS-2 (Transmission Equalization) effective upon closing of the transaction. On October 10, 2012 the FERC established a comment due date of December 7, 2012 for these applications and certain other filings related to the transaction. On October 31, 2012, Entergy, ITC, and certain subsidiaries submitted filings with the FERC to obtain regulatory approvals under Federal Power Act section 204 for the various financings being undertaken as part of the transaction.

Other Filings

In July 2012, Entergy Corporation submitted a request to the Internal Revenue Service seeking a private letter ruling substantially to the effect that certain requirements for the tax-free treatment of the distribution of the transmission business are met. In September 2012, Entergy submitted an application to the NRC for approval of certain nuclear plant license transfers and amendments as part of the steps to complete the spin-off and merger.

Entergy Wholesale Commodities Authorizations to Operate Its Nuclear Power Plants

In March 2011 and May 2012 the NRC renewed the operating licenses of Vermont Yankee and Pilgrim, respectively, for an additional 20 years, as a result of which each license now expires in 2032. For additional discussion regarding activity in Vermont and the continued operation of the Vermont Yankee plant, see “Vermont Yankee” in Note 11 to the financial statements herein. In the Vermont Yankee license renewal case, Vermont and the New England Coalition appealed the NRC’s renewal of Vermont Yankee’s license to the D.C. Circuit. In June 2012 the D.C. Circuit denied that appeal. The time for seeking further judicial review of the NRC’s issuance of Vermont Yankee’s renewed operating license has expired. In the Pilgrim license renewal case, three contentions remained pending before the ASLB at the time the license was issued. Two of those contentions were subsequently denied by the ASLB and not appealed within the applicable time. A third remaining contention (alleging failure of the Pilgrim Environmental Impact Statement to address adequately an endangered species) was denied by the ASLB and then appealed to the NRC, where it remains pending. The NRC has indicated that should the appeal of a contention result in voiding of the renewed license, Pilgrim could operate under the “timely renewal” doctrine in reliance on the prior, and now superseded, license until proceedings concerning the renewed license are final. Massachusetts has appealed the NRC’s renewal of Pilgrim’s license to the United States Court of Appeals for the First Circuit. Entergy has intervened in that appeal. Briefing has been completed and the scheduling of oral argument is pending.

The NRC operating licenses for Indian Point 2 and Indian Point 3 expire in September 2013 and December 2015, respectively. Under federal law, nuclear power plants may continue to operate beyond their license expiration dates while their renewal applications are pending NRC approval. In April 2007, Entergy submitted an application to the NRC to renew the operating licenses for Indian Point 2 and 3 for an additional 20 years. The ASLB has admitted 21 contentions raised by the State of New York or other parties, which were combined into 16 discrete issues. A few of the issues have been resolved, but several issues remain subject to ASLB hearings. In July 2011, the ASLB granted the State of New York’s motion for summary disposition of an admitted contention challenging the adequacy of a section of Indian Point’s environmental analysis as incorporated in the Final Supplemental Environmental Impact Statement (FSEIS) (discussed below). That section provided cost estimates for Severe Accident Mitigation Alternatives (SAMAs), which are hardware and procedural changes that could be implemented to mitigate estimated impacts of off-site radiological releases in case of a hypothesized severe accident. In addition to finding that the SAMA cost analysis was insufficient, the ASLB directed the NRC staff to explain why cost-beneficial SAMAs should not be required to be implemented. Entergy appealed the ASLB’s decision to the NRC and the NRC staff supported Entergy’s appeal, while the State of New York opposed it. In December 2011 the NRC denied Entergy’s appeal as premature, stating that the appeal could be renewed at the conclusion of the ASLB proceedings.

Pursuant to ASLB scheduling orders in the Indian Point 2 and 3 license renewal proceeding, the parties have submitted several rounds of testimony on “Track 1” contentions, which represent a majority of the contentions pending before the ASLB. Hearings on Track 1 contentions commenced October 15, 2012. Hearings on the remaining issues will follow the submission of additional testimony on dates yet to be set.

12

The NRC staff currently is also continuing to perform its technical and environmental reviews of the Indian Point 2 and 3 license renewal application. The NRC staff issued a Final Safety Evaluation Report (FSER) in August 2009, a supplement to the FSER in August 2011, a FSEIS in December 2010 and a supplement to the FSEIS in June 2012. The NRC staff issued a draft supplemental FSEIS in June 2012 and has stated its intent to issue, following an opportunity for comment, another supplement to the FSEIS in December 2012. In addition, the NRC staff has stated its intent to issue a further supplement to the FSER in early 2013.

The New York State Department of Environmental Conservation has taken the position that Indian Point must obtain a new state-issued Clean Water Act Section 401 water quality certification as part of the license renewal process. In addition, the consistency of Indian Point's operations with New York State's coastal management policies must be resolved as required by the Coastal Zone Management Act (CZMA). On July 24, 2012, Entergy filed a supplement to the Indian Point license renewal application currently pending before the NRC. The supplement states that, based on applicable federal law and in light of prior reviews by the State of New York, the NRC may issue the requested renewed operating licenses for Indian Point without the need for an additional consistency review by the State of New York under the CZMA. On July 30, 2012, Entergy filed a motion for declaratory order with the ASLB seeking confirmation of its position that no further CZMA consistency determination is required before the NRC may issue renewed licenses. Responses to Entergy's motion for declaratory order are due January 14, 2013, after the Track 1 ASLB hearing is scheduled to be completed.

The hearing process is an integral component of the NRC's regulatory framework, and evidentiary hearings on license renewal applications are not uncommon. Entergy intends to participate fully in the hearing process as permitted by the NRC's hearing rules. As noted in Entergy's responses to the various intervenor filings, Entergy believes the contentions proposed by the intervenors are unsupported and without merit. Entergy will continue to work with the NRC staff as it completes its technical and environmental reviews of the Indian Point 2 and 3 license renewal applications.

On June 8, 2012, the U.S. Court of Appeals for the D.C. Circuit vacated the NRC's 2010 update to its Waste Confidence Decision, which had found generically that a permanent geologic repository to store spent nuclear fuel would be available when necessary and that spent nuclear fuel could be stored at nuclear reactor sites in the interim without significant environmental effects, and remanded the case for further proceedings. The court concluded that the NRC had not satisfied the requirements of the National Environmental Policy Act (NEPA) when it considered environmental effects in reaching these conclusions. The Waste Confidence Decision has been relied upon by NRC license renewal applicants to address some of the issues that NEPA requires the NRC to address before it issues a renewed license. Certain nuclear opponents filed requests with the NRC asking it to address the issues raised by the court's decision in the license renewal proceedings for a number of nuclear plants including Grand Gulf and Indian Point 2 and 3. On August 7, 2012 the NRC issued an order stating that it will not issue final licenses dependent upon the Waste Confidence Decision until the D.C. Circuit's remand is addressed, but also stating that licensing reviews and proceedings should continue to move forward. On September 6, 2012 the NRC directed its staff to develop a revised Waste Confidence Decision within 24 months.

Liquidity and Capital Resources

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources" in the Form 10-K for a discussion of Entergy's capital structure, capital expenditure plans and other uses of capital, and sources of capital. Following are updates to that discussion.

13

Capital Structure

Entergy's capitalization is balanced between equity and debt, as shown in the following table.

| | September 30, 2012 | December 31, 2011 |
|---|---|---|
| Debt to capital | 57.7 % | 57.3 % |
| Effect of excluding the securitization bonds | (2.0)% | (2.3)% |
| Debt to capital, excluding securitization bonds (1) | 55.7 % | 55.0 % |
| Effect of subtracting cash | (1.6)% | (1.5)% |
| Net debt to net capital, excluding securitization bonds (1) | 54.1 % | 53.5 % |

(1) Calculation excludes the Arkansas, Louisiana, and Texas securitization bonds, which are non-recourse to Entergy Arkansas, Entergy Louisiana, and Entergy Texas, respectively.

Net debt consists of debt less cash and cash equivalents. Debt consists of notes payable, capital lease obligations, and long-term debt, including the currently maturing portion. Capital consists of debt, common shareholders' equity, and subsidiaries' preferred stock without sinking fund. Net capital consists of capital less cash and cash equivalents. Entergy uses the net debt to net capital ratio and the ratios excluding securitization bonds in analyzing its financial condition and believes they provide useful information to its investors and creditors in evaluating Entergy's financial condition.

Entergy Corporation has in place a credit facility that has a borrowing capacity of $3.5 billion and expires in March 2017. Entergy Corporation has the ability to issue letters of credit against 50% of the total borrowing capacity of the facility. Following is a summary of the borrowings outstanding and capacity available under the facility as of September 30, 2012.

| Capacity | Borrowings | Letters of Credit | Capacity Available |
|---|---|---|---|
| | (In Millions) | | |
| $3,500 | $1,315 | $8 | $2,177 |

A covenant in Entergy Corporation's credit facility requires Entergy to maintain a consolidated debt ratio of 65% or less of its total capitalization. The calculation of this debt ratio under Entergy Corporation's credit facility is different than the calculation of the debt to capital ratio above. Entergy is currently in compliance with the covenant. If Entergy fails to meet this ratio, or if Entergy or one of the Utility operating companies (except Entergy New Orleans) defaults on other indebtedness or is in bankruptcy or insolvency proceedings, an acceleration of the facility's maturity date may occur. See Note 4 to the financial statements herein for additional discussion of the Entergy Corporation credit facility and discussion of the Registrant Subsidiaries' credit facilities.

In September 2012, Entergy Corporation implemented a commercial paper program with a program limit of up to $500 million. At September 30, 2012, Entergy Corporation had $154.3 million of commercial paper outstanding. In October 2012 the Board approved increasing the limit for the commercial paper program to $1 billion. See Note 4 to the financial statements herein for additional discussion of the Entergy Corporation commercial paper program.

Capital Expenditure Plans and Other Uses of Capital

See the table and discussion in the Form 10-K under "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources - Capital Expenditure Plans and Other Uses of Capital," that sets forth the amounts of planned construction and other capital investments by operating segment for 2012 through 2014. Following are updates to the discussion in the Form 10-K.

Capital Investment Plan Preliminary Estimate for 2013-2015

Entergy is developing its capital investment plan for 2013 through 2015 and currently anticipates that the Utility will make $5.4 billion in capital investments during that period, including approximately $2.9 billion for maintenance of existing assets, and that Entergy Wholesale Commodities will make $1.2 billion in capital investments during that period, including approximately $0.4 billion for maintenance of existing assets. The remaining $2.5 billion of Utility investments is associated with specific investments such as the Waterford 3 steam generator replacement project, the Ninemile Point Unit 6 self-build project, and other investments. The remaining $0.8 billion of Entergy Wholesale Commodities investments is associated with specific investments such as dry cask storage, nuclear license renewal, component replacement and identified repairs, spending in response to the Indian Point Safety Evaluation, NYPA value sharing, and wedgewire screens at Indian Point.

Grand Gulf Uprate

As discussed in more detail in the Form 10-K, the estimated capital investments for 2012-2014 include System Energy's approximately 178 MW uprate of the Grand Gulf nuclear plant. Grand Gulf's spring 2012 refueling outage was completed in June 2012, and the majority of uprate-related capital improvements were made during this outage. Based upon the uprate-related work completed during the spring 2012 refueling outage, additional information from the project's engineering, procurement and construction contractor, the costs required to install instrumentation in the steam dryer in response to evolving guidance from the NRC staff, and delays in obtaining NRC approval, System Energy now estimates the total capital investment made in the course of the implementation of the Grand Gulf uprate project is approximately $874 million, including SMEPA's share. Construction work was completed in June 2012 and in July 2012 the NRC approved the license amendment, which allows the plant to operate at the uprated capacity level.

Waterford 3 Steam Generator Replacement Project

See the Form 10-K for a discussion of Entergy Louisiana's plan to replace the Waterford 3 steam generators, along with the reactor vessel closure head and control element drive mechanisms. Entergy Louisiana's Fall 2012 refueling outage began in October 2012, which will include the steam generator, reactor vessel head, and control element drive mechanisms replacement project.

Ninemile Point Unit 6 Self-Build Project

See the Form 10-K for a discussion of Entergy Louisiana's Ninemile Point Unit 6 self-build project. The Ninemile 6 capacity and energy is proposed to be allocated 55% to Entergy Louisiana, 25% to Entergy Gulf States Louisiana, and 20% to Entergy New Orleans. In June 2011, Entergy Louisiana filed with the LPSC an application seeking certification that the public necessity and convenience would be served by Entergy Louisiana's construction of the facility. Entergy Gulf States Louisiana joined in the application, seeking certification of its purchase under a life-of-unit power purchase agreement of its allocated share of the capacity and energy generated by Ninemile 6. In February 2012 the City Council passed a resolution authorizing Entergy New Orleans to purchase 20% of the Ninemile 6 energy and capacity. In March 2012 the LPSC unanimously voted to grant the certifications requested by Entergy Louisiana and Entergy Gulf States Louisiana, and Entergy Louisiana has given the contractor a full notice to proceed with the construction. Under the terms approved by the LPSC, costs may be recovered through Entergy Louisiana's and Entergy Gulf States Louisiana's formula rate plans, if one is in effect when the project is placed in service; alternatively, Entergy Louisiana and Entergy Gulf States Louisiana must file rate cases approximately 12 months prior to the expected in-service date.

Hot Spring Energy Facility Purchase Agreement

See the Form 10-K for a discussion of Entergy Arkansas's agreement to acquire the Hot Spring Energy Facility. In July 2011, Entergy Arkansas filed its application with the APSC requesting approval of the acquisition and full cost recovery. In July 2012 the APSC approved the acquisition and cost recovery through a capacity acquisition rider and set the level of return on equity at the level established in Entergy Arkansas's June 2009 base rate proceeding. The parties have satisfied their obligations under the Hart-Scott-Rodino Act. The U.S. Department of Justice (DOJ) review of the transaction is ongoing. Closing has been delayed while the DOJ continues its review. Entergy Arkansas does not know when the DOJ will conclude its review or the extent to which its review of the transaction will be affected by the ongoing civil investigation of competitive issues concerning the Utility operating companies that is discussed in the Form 10-K.

Hinds Energy Facility Purchase Agreement

See the Form 10-K for a discussion of Entergy Mississippi's agreement to acquire the Hinds Energy Facility. In July 2011, Entergy Mississippi filed with the MPSC requesting approval of the acquisition and full cost recovery. In February 2012 the MPSC granted a certificate of public convenience and necessity and approved the estimated acquisition cost. In April 2012, facilities studies were issued indicating that long-term transmission service is available for the Hinds facility provided that supplemental transmission upgrades estimated at approximately $580,000 are made and assuming that various projects already included in the transmission construction plan are completed. Entergy Mississippi and the Mississippi Public Utilities Staff filed a joint stipulation in the retail cost recovery proceeding that provides that the non-fuel ownership costs of the Hinds facility should be recovered through the power management rider, and the MPSC adopted the stipulation on August 7, 2012. The parties have satisfied their obligations under the Hart-Scott-Rodino Act. The U.S. Department of Justice (DOJ) review of the transaction is ongoing. Closing has been delayed while the DOJ continues its review. Entergy Mississippi does not know when the DOJ will conclude its review or the extent to which its review of the transaction will be affected by the ongoing civil investigation of competitive issues concerning the Utility operating companies that is discussed in the Form 10-K.

Dividends

Declarations of dividends on Entergy's common stock are made at the discretion of the Board. Among other things, the Board evaluates the level of Entergy's common stock dividends based upon Entergy's earnings, financial strength, and future investment opportunities. At its October 2012 meeting, the Board declared a dividend of $0.83 per share, which is the same quarterly dividend per share that Entergy has paid since second quarter 2010.

Cash Flow Activity

As shown in Entergy's Consolidated Statements of Cash Flows, cash flows for the nine months ended September 30, 2012 and 2011 were as follows:

| | 2012 | 2011 |
|---|---|---|
| | (In Millions) | |
| Cash and cash equivalents at beginning of period | $694 | $1,294 |
| Cash flow provided by (used in): | | |
| Operating activities | 2,220 | 2,130 |
| Investing activities | (2,323) | (2,395) |
| Financing activities | 159 | (42) |
| Net increase (decrease) in cash and cash equivalents | 56 | (307) |
| Cash and cash equivalents at end of period | $750 | $987 |

Operating Activities

Entergy's cash flow provided by operating activities increased by $90 million for the nine months ended September 30, 2012 compared to the nine months ended September 30, 2011 primarily due to:

- a decrease of $167 million in pension contributions.  See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for a discussion of qualified pension and other postretirement benefits funding; and
- an increase in deferred fuel cost collections.

These increases were partially offset by:

- the decrease in Entergy Wholesale Commodities net revenue that is discussed above;
- an increase of $42 million in income tax payments; and
- a refund of $30.6 million, including interest, paid to AmerenUE in June 2012. The FERC ordered Entergy Arkansas to refund to AmerenUE the rough production cost equalization payments previously collected. See Note 2 to the financial statements for further discussion of the FERC order.

Investing Activities

Net cash used in investing activities decreased by $72 million for the nine months ended September 30, 2012 compared to the nine months ended September 30, 2011 primarily due to:

- the purchase of the Acadia Unit 2 by Entergy Louisiana for approximately $300 million in April 2011;
- a decrease in nuclear fuel purchases because of variations from year to year in the timing and pricing of fuel reload requirements, material and services deliveries, and the timing of cash payments during the nuclear fuel cycle; and
- proceeds received from the U.S. Department of Energy resulting from litigation regarding the storage of spent nuclear fuel. The litigation is discussed in more detail in Part II, Item 5, “Spent Nuclear Fuel.”

These decreases were partially offset by an increase in construction expenditures, primarily in the Utility business resulting from spending on the uprate project at Grand Gulf. Entergy’s construction spending plans for 2012 through 2014 are discussed in the Form 10-K and are updated in the Capital Expenditure Plans and Other Uses of Capital section in this report.

Financing Activities

Entergy’s financing activities provided $159 million of cash for the nine months ended September 30, 2012 compared to using $42 million of cash for the nine months ended September 30, 2011 primarily due to Entergy repurchasing $235 million of its common stock in the nine months ended September 30, 2011, the issuance by Entergy Corporation in 2012 of $154 million of commercial paper, a net increase in 2012 of $92 million in short-term borrowings by the nuclear fuel company variable interest entities, and $51 million in proceeds from the sale to a third party in 2012 of a portion of Entergy Gulf States Louisiana’s investment in Entergy Holdings Company’s Class A preferred membership interests. Entergy’s share repurchase programs are discussed in the Form 10-K. This activity was partially offset by long-term debt activity providing approximately $260 million of cash in 2012 compared to $588 million of cash in 2011. For details of Entergy's commercial paper program, the nuclear fuel company variable interest entities’ short-term borrowings, and long-term debt activity in 2012 see Note 4 to the financial statements herein.

Rate, Cost-recovery, and Other Regulation

See "MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS - Rate, Cost-recovery, and Other Regulation" in the Form 10-K for discussions of rate regulation, federal regulation, and related regulatory proceedings.

State and Local Rate Regulation and Fuel-Cost Recovery

See Note 2 to the financial statements herein for updates to the discussion in the Form 10-K regarding these proceedings.

Federal Regulation

Independent Coordinator of Transmission

On July 10, 2012, the LPSC approved, subject to conditions, Entergy Gulf States Louisiana’s and Entergy Louisiana’s request to extend the ICT arrangement and to transition to MISO as the provider of ICT services effective as of November 2012 (with the actual transition expected to occur December 1, 2012) and continuing until the Utility operating companies join the MISO RTO, or December 31, 2013, whichever occurs first. No other retail regulatory filings with respect to the extension of the ICT arrangement and the transition from SPP to MISO as ICT services provider are expected. On August 2, 2012, the Utility operating companies filed an application with FERC, seeking (a) an interim extension of the ICT arrangement through and until the earlier of December 31, 2014 or the date the proposed transfer of functional control of the Utility operating companies’ transmission assets to the MISO RTO is completed and (b) the transfer from SPP to MISO as the provider of ICT services, effective December 1, 2012. The FERC issued an order accepting the proposal in October 2012.

System Agreement

Entergy Arkansas and Entergy Mississippi Notices of Termination of System Agreement Participation

On February 2, 2009, Entergy Arkansas and Entergy Mississippi filed with the FERC their notices of cancellation to terminate their participation in the Entergy System Agreement, effective December 18, 2013 and November 7, 2015, respectively. In November 2009 the FERC accepted the notices of cancellation and determined that Entergy Arkansas and Entergy Mississippi are permitted to withdraw from the System Agreement following the 96-month notice period without payment of a fee or the requirement to otherwise compensate the remaining Utility operating companies as a result of withdrawal. In February 2011 the FERC denied the LPSC’s and the City Council’s rehearing requests. The LPSC and City Council appealed the FERC’s decision to the U.S. Court of Appeals for the D.C. Circuit. The D.C. Circuit denied the appeal and in September 2012 the LPSC filed a petition for rehearing and rehearing en banc with the D.C. Circuit. On October 11, 2012, the D.C. Circuit denied the LPSC’s request for rehearing and rehearing en banc.

Entergy’s Proposal to Join the MISO RTO

See the Form 10-K for a discussion of the Utility operating companies’ proposal to join the MISO RTO. Following are updates to that discussion.

The LPSC voted to grant Entergy Gulf States Louisiana’s and Entergy Louisiana’s application for transfer of control to MISO, subject to conditions, on May 23, 2012, and issued its order on June 28, 2012.

Staff, advisors, and intervenors have filed testimony in the Entergy Arkansas, Entergy Mississippi, Entergy New Orleans, and Entergy Texas proceedings. Most parties were conditionally supportive of or did not oppose the requested transfer of control to MISO as in the public interest. A number of parties, including the MPSC staff, the City Council advisors, and the PUCT staff proposed various conditions to be included in the orders granting the requested change of control. The APSC Staff argued Entergy Arkansas has yet to provide an RTO option that is in the public interest and noted that Entergy Arkansas should maintain the standalone option until uncertainties are resolved regarding possible RTO membership.

The APSC conducted a hearing on the merits on May 30-31, 2012. The APSC then issued an order on August 3, 2012 in which it stated that it was unable, at that time, to reach a finding that Entergy Arkansas's application was in the public interest. The order listed several conditions for Entergy Arkansas and MISO to meet before the APSC would approve Entergy Arkansas's application. Entergy Arkansas and MISO submitted filings on August 24, 2012 and August 31, 2012, respectively, explaining how they had either met each condition or met the apparent intent behind each condition. On October 26, 2012, the APSC authorized Entergy Arkansas to sign the MISO Transmission Owners Agreement, which Entergy Arkansas has now done, and move forward with the MISO integration process. The APSC held final approval of Entergy Arkansas's application in abeyance, however, pending MISO filing with the APSC proof of approval by the appropriate MISO entities of certain governance enhancements. On October 31, 2012, MISO filed with the APSC proof of approval of the governance enhancements and requested a finding of compliance and approval of Entergy Arkansas's application.

On July 18, 2012, the MPSC issued an order postponing its hearing on Entergy Mississippi's change of control request, which had been scheduled for July 19-20, 2012, to allow parties additional time to conduct further analysis. On September 17, 2012, Entergy Mississippi and the Mississippi Public Utilities Staff filed a joint stipulation indicating that they agree that Entergy Mississippi's proposed transfer of functional control of its transmission facilities to MISO is in the public interest, subject to certain contingencies and conditions. The MPSC is expected to issue a decision by Nov. 15, 2012.

The City Council issued a resolution on September 6, 2012 postponing the hearing on Entergy New Orleans' change of control application, which had been scheduled for September 18, 2012, until October 23, 2012. Discussions among the parties are still under way in the proceeding, and on October 18, 2012, the City Council adopted a resolution suspending the hearing until further notice.

Entergy Texas submitted its change of control filing on April 30, 2012. On August 6, 2012, parties in the PUCT proceeding, with the exception of Southwest Power Pool, filed a non-unanimous settlement. The substance of the settlement is that it is in the public interest for Entergy Texas to transfer functional control of its transmission facilities to MISO under certain conditions. On October 26, 2012 the PUCT issued an order approving the transfer as in the public interest, subject to the terms and conditions in the settlement, with several additional terms and conditions requested by the PUCT and agreed to by the settling parties.

In June 2011, MISO filed with the FERC a request for a transitional waiver of provisions of its open access transmission, energy, and operating reserve markets tariff regarding allocation of transmission network upgrade costs, in order to establish a transition for the integration of the Utility operating companies. In September 2011 the FERC issued an order denying on procedural grounds MISO's request, further advising MISO that submitting modified tariff sheets is the appropriate method for implementing the transition that MISO seeks for the Utility operating companies. The FERC did not address the merits of any transition arrangements that may be appropriate to integrate the Utility operating companies into MISO. MISO worked with its stakeholders to prepare the appropriate changes to its tariff and filed the proposed tariff changes with the FERC in November 2011. On April 19, 2012, the FERC conditionally accepted MISO's proposal related to the allocation of transmission upgrade costs in connection with the transition and integration of the Utility operating companies into MISO. On May 21, 2012, MISO filed a compliance filing in accordance with the provisions of the FERC's April 19, 2012 Order. Two parties filed requests for rehearing of the FERC's April 19, 2012 Order that are still outstanding.

In addition, the Utility operating companies have proposed giving authority to the E-RSC, upon unanimous vote and within the first five years after the Utility operating companies join the MISO RTO, (i) to require the Utility operating companies to file with the FERC a proposed allocation of certain transmission upgrade costs among the Utility operating companies' transmission pricing zones that would differ from the allocation that would occur under the MISO Open Access Transmission Tariff and (ii) to direct the Utility operating companies as transmission owners to add projects to MISO's transmission expansion plan.

Market and Credit Risk Sensitive Instruments

Commodity Price Risk

Power Generation

As a wholesale generator, Entergy Wholesale Commodities' core business is selling energy, measured in MWh, to its customers. Entergy Wholesale Commodities enters into forward contracts with its customers and sells energy in the day ahead or spot markets. In addition to selling the energy produced by its plants, Entergy Wholesale Commodities sells unforced capacity, which allows load-serving entities to meet specified reserve and related requirements placed on them by the ISOs in their respective areas. Entergy Wholesale Commodities' forward physical power contracts consist of contracts to sell energy only, contracts to sell capacity only, and bundled contracts in which it sells both capacity and energy. While the terminology and payment mechanics vary in these contracts, each of these types of contracts requires Entergy Wholesale Commodities to deliver MWh of energy, make capacity available, or both. In addition to its forward physical power contracts, Entergy Wholesale Commodities also uses a combination of financial contracts, including swaps, collars, put and/or call options, to manage forward commodity price risk. Certain hedge volumes have price downside and upside relative to market price movement. The contracted minimum, expected value, and sensitivity are provided to show potential variations. While the sensitivity reflects the minimum, it may not reflect the total maximum upside potential from higher market prices. The information contained in the table below represents projections at a point in time and will vary over time based on numerous factors, such as future market prices, contracting activities, and generation. Following is a summary of Entergy Wholesale Commodities' current forward capacity and generation contracts as well as total revenue projections based on market prices as of September 30, 2012 (2012 represents the remainder of the year):

Entergy Wholesale Commodities Nuclear Portfolio

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|
| Energy | | | | | | |
| Percent of planned generation under contract (a): | | | | | | |
| Unit-contingent (b) | 65% | 41% | 22% | 12% | 12% | 13% |
| Unit-contingent with availability guarantees (c) | 13% | 19% | 15% | 13% | 13% | 13% |
| Firm LD (d) | 24% | 24% | 55% | -% | -% | -% |
| Offsetting positions (e) | (13)% | -% | (19)% | -% | -% | -% |
| Total | 89% | 84% | 73% | 25% | 25% | 26% |
| Planned generation (TWh) (f) (g) | 11 | 40 | 41 | 41 | 40 | 41 |
| Average revenue per MWh on contracted volumes: | | | | | | |
| Minimum | $47 | $45 | $44 | $48 | $50 | $51 |
| Expected based on market prices as of September 30, 2012 | $47 | $45 | $45 | $49 | $51 | $52 |
| Sensitivity: -/+ $10 per MWh market price change | $47 | $45-$47 | $44-$48 | $48-$52 | $50-$54 | $51-$55 |
| | | | | | | |
| Capacity (n) | | | | | | |
| Percent of capacity sold forward (h): | | | | | | |
| Bundled capacity and energy contracts (i) | 16% | 16% | 16% | 16% | 16% | 16% |
| Capacity contracts (j) | 59% | 28% | 13% | 12% | 5% | -% |
| Total | 75% | 44% | 29% | 28% | 21% | 16% |
| Planned net MW in operation (g) (k) | 5,011 | 5,011 | 5,011 | 5,011 | 5,011 | 5,011 |
| Average revenue under contract per kW per month (applies to Capacity contracts only) | $2.2 | $2.3 | $2.9 | $3.3 | $3.4 | $- |
| | | | | | | |
| Total Nuclear Energy and Capacity Revenues | | | | | | |
| Expected sold and market total revenue per MWh | $48 | $47 | $45 | $45 | $47 | $48 |
| Sensitivity: -/+ $10 per MWh market price change | $47-$49 | $46-$51 | $42-$51 | $38-$53 | $40-$55 | $41-$56 |

Table of Contents
Entergy Corporation and Subsidiaries
Management's Financial Discussion and Analysis

Entergy Wholesale Commodities Non-Nuclear Portfolio

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|