

ENTERGY CORP /DE/
Form 425
November 13, 2012

Creating Sustainable Value
47
th
Edison Electric Institute
Financial Conference

November 11

13, 2012

Filed by Entergy Corporation Pursuant to Rule 425

Under the Securities Act of 1933

Subject Company: Entergy Corporation

Commission File No. 001-11299

1
Caution Regarding Forward-Looking Statements and
Caution Regarding Forward-Looking Statements and
Regulation G Compliance
Regulation G Compliance
In
this

presentation,
and
from
time
to
time,
Entergy
Corporation
makes
certain

forward-looking
statements
within

the meaning of the Private Securities Litigation Reform Act of 1995. Except to the extent required by the federal securities laws, Entergy undertakes 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 (a) those factors discussed in: (i) Entergy's Form 10-K for the year ended Dec. 31, 2011, (ii) Entergy's Form 10-Q for the quarters ended March 31, 2012, June 30, 2012 and Sept. 30, 2012 and (iii) Entergy's other reports and filings made under the Securities Exchange Act of 1934; (b) uncertainties associated with rate proceedings, formula rate plans and other cost recovery mechanisms; (c) uncertainties associated with efforts to remediate the effects of major storms and recover related restoration costs; (d) nuclear plant relicensing, operating and regulatory risks, including

any
changes
resulting

from
the
nuclear
crisis

in
Japan
following
its
catastrophic
earthquake

and
tsunami;

(e) legislative and regulatory actions and risks and uncertainties associated with claims or litigation by or against Entergy and its subsidiaries; (f) conditions in commodity and capital markets during the periods covered by the forward-looking statements, in addition to other factors described elsewhere in this presentation and subsequent securities filings and (g) risks inherent in the proposed spin-off and subsequent merger of Entergy's electric transmission business with a subsidiary of ITC Holdings Corp. Entergy cannot provide any assurances that the spin-off

and
merger
transaction
will
be

completed
and
cannot
give
any
assurance
as
to
the
terms
on
which
such

transaction will be consummated. The spin-off and merger transaction is subject to certain conditions precedent, including regulatory approvals and approval by ITC Holdings Corp. shareholders.

This presentation includes the non-GAAP measures of operational return on equity, operational non-fuel operation and maintenance expense, operational adjusted EBITDA and operational earnings per share when describing Entergy's results of operations and financial performance. We have prepared reconciliations of these measures

to
the
most
directly
comparable
GAAP
measures.
These
reconciliations

can
be
found
on
slides
56
59.

Further
information about these measures can be found in Entergy's investor earnings releases, which are posted on our website at www.entergy.com.

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Additional Information and Where to Find It

Additional Information and Where to Find It

On Sept. 25, 2012, ITC filed a registration statement on Form S-4 with the Securities and Exchange Commission (SEC) registering shares of ITC common stock to be issued to Entergy shareholders in connection with the proposed transactions, but this registration statement has not become effective. This registration statement includes a proxy statement of ITC that also constitutes a prospectus of ITC, and will be sent to ITC shareholders.

In addition, Mid South TransCo LLC (TransCo) will file a registration statement with the SEC registering TransCo common units to be issued to Entergy shareholders in connection with the proposed transactions. Entergy shareholders are urged to read the proxy statement/prospectus included in the ITC registration statement and the proxy statement/prospectus to be included in the TransCo registration statement (when available) and any other relevant documents, because they contain important information about ITC, TransCo and the proposed transactions. ITC shareholders are urged to read the proxy statement/prospectus and any other relevant documents because they contain important information about TransCo and the proposed transactions. The proxy statement/prospectus and other documents relating to the proposed transactions (when they are available) can be obtained free of charge from the SEC's website at www.sec.gov. The documents, when available, can also be obtained free of charge from Entergy upon written request to Entergy Corporation, Investor Relations, P.O. Box 61000, New Orleans, LA 70161 or by calling Entergy's Investor Relations information line at 1-888-ENTERGY (368-3749), or from ITC upon written request to ITC Holdings Corp., Investor Relations, 27175 Energy Way, Novi, MI 48377 or by calling 248-946-3000.

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Entergy s Scope of Operations Today

Entergy s Scope of Operations Today

Entergy s Scope of Operations

Entergy s Businesses

30,000 MW electric generating capacity

One of the nation's leading nuclear generators

2.8 million utility customers

More than \$11 billion revenues

~15,000 employees

Utility

6 vertically integrated electric utilities

4 contiguous
states

Arkansas,
Louisiana,
Mississippi, Texas

~21,000 MW generating capacity

More than 15,800 miles high-voltage
transmission lines

1
EWC's ownership interest
(5 retail regulators)

Entergy Wholesale Commodities

6 nuclear units owned at 5 sites (5,011 MW)

2 gas,

1

gas

/

oil
facilities

(1,340

MW

)

2 wind
facilities

(80

MW

)

2 coal
facilities

(181

MW

)

1 nuclear plant managed (800 MW)

1

1

4
Business Model Has Two Main Dimensions
Business Model Has Two Main Dimensions
Based on Dynamic Point of View
Based on Dynamic Point of View
Portfolio
Management

Create
Options
Short Positions
Long Positions
Strict Risk
Limits
Business
Strategy
Driven by:
Markets
Skills
Scale
Scope
Positions
Rigorous
Analysis
Current
Point of
View
Structured
Contracts
Asset
Development/
Acquisitions
Asset
Disposition
Structured
Contracts
Operational
Excellence
Produce
Products/
Services
Achieve
Productivity
Manage
Relationships
Industry
Standards
Entergy's Business Model
Supply / Demand
Climate / Weather Data
Environment
Competitive Behavior
Fuel Prices
Legislation / Regulation
Credit Markets
Capital Markets

5
Create
Options
Business
Strategy
Business Model Has Two Main Dimensions
Business Model Has Two Main Dimensions

Based on Dynamic Point of View

Based on Dynamic Point of View

Driven by:

Markets

Skills

Scale

Scope

Positions

5

Entergy's Business Model

Operational

Excellence

Produce

Products/

Services

Achieve

Productivity

Manage

Relationships

Industry

Standards

6
The Foundation: Safe, Secure and
The Foundation: Safe, Secure and
Efficient Operations
Efficient Operations
2012 Operational Accomplishments Year-to-Date
Restored power to

90% of customers
within 4
5 days
after Hurricane Isaac
moved through
service area
Obtained approvals
subject to conditions
of MISO proposal
in LA, TX and AR
Maintained flat
non-fuel electric rates
from 2011 to 2012
Utility
EWC
Completed breaker-to-
breaker run at FitzPatrick
Obtained Pilgrim
20-year license
renewal from NRC
Received positive
decisions in Vermont
Yankee proceedings
Operational
Excellence

Active Regulatory Calendar
Active Regulatory Calendar
Constructive Regulatory Relationships
Constructive Regulatory Relationships
1
Revised after receipt of PUCT Staff's workpapers
Arkansas

Hot Spring acquisition approved Jul 2012, with cost recovery through capacity rider; DOJ review ongoing

Next base rate case expected to be filed in 1Q13; 10-month statutory deadline
Louisiana

Base rate case filings for EGSL and ELL to be made by Jan 2013; 12-month statutory deadline
Mississippi

2012 test year FRP to be filed Mar 2013

Hinds cost recovery through rider approved Aug 2012; DOJ review ongoing

Staff
report
on
electric
utility
ROE
methodology
expected
by
end
of
2012
New Orleans

Seeking possible renewal or extension of FRP

Current FRP ended with 2011 test year
Texas

PUCT issued final rate case order in Sep 2012; reflects a 9.8% return on equity and a \$27.7M base rate increase (ongoing EPS effect ~\$0.03)

Proposal on purchased power capacity rider expected to be issued
Nov 2012
Operational
Excellence

7
1

Strategy and Recovery Mechanisms Key
Strategy and Recovery Mechanisms Key
Rate Case
Specific
Recovery
Cost Recovery
Formula Rate

Plan

Goal: timely recovery of costs and the opportunity to earn on prudent investment

Illustrative

Regulatory Mechanisms for Cost Recovery

Non-fuel O&M

Maintenance capital

Example

Acquisitions

Capacity costs

Emission costs

Energy efficiency

Renewables

Storm

Full review of costs

Rate design

X%

X%

14ft

Operational

Excellence

Acadia Unit 2

8

9
For a Utility, What Really Matters
For a Utility, What Really Matters
Is What You Earn. . .
Is What You Earn. . .
5-Year Average
Allowed ROE Range

(Min / Max)

2012 Allowed ROE

Return on Equity: ETR Utilities vs Peer Utility Holding Companies

%

ETR

Utilities

5-Year Book ROE

Range

1

1

Utility

Holding

Companies

with

market

capitalization

greater

than

\$5B;

for

companies

with

multiple

utility

subsidiaries,

ranges

reflect

ROEs of each

company

0

Operational

Excellence

9

10

11

12

13

14

15

1

...While Keeping Customer Rates Affordable
...While Keeping Customer Rates Affordable
Utility Average Residential Customer Rates
2011; ¢
per kWh
Note:
Regulated

utilities,
excluding
primarily
hydro-electric
Utility Average Residential Customer Rates with \$30/mt Carbon Tax
2011; ¢
per kWh
0
10
20
30
40
0
10
20
30
40
ELL
EGSL
EMI
EAI
ENOI
ETI
ENOI
EMI
EGSL
EAI
ELL
ETI
Operational
Excellence
10

11
Challenges in Texas Remain,
Challenges in Texas Remain,
But We Have Options
But We Have Options
Operational ROE
2007

2012E; %

As-Reported

Key Legislative and Regulatory Events

2007 rate case

\$47M base rate

increase in Jan 2009

2011: SB 1693

Distribution

investment rider

recovery

2009 rate case

\$17.5M increase in May 2010

\$41.5M increase in Aug 2010

\$9M increase in May 2011

2006 & 2009:

Storm cost legislation

and securitizations

(hurricanes Rita

and Ike)

\$68M

total

Purchased power recovery rulemaking
(draft rider rule under development)

Special relief through fuel adjustment
clause

Transmission Cost Recovery Factor
(authorized but not used to date)

Next

base

rate

case

(timing

TBD)

Pursue relief in courts

2011 rate case

\$27.7M increase in Jul 2012

Paths for Improving ROE in Texas

Operational

Excellence

12
Increased Investment on Horizon
Increased Investment on Horizon
Requires Prudent Management
Requires Prudent Management
Key Drivers
Issue

Investment Types

Growing

demand

~3.7 GW projected Entergy

region load growth by 2020

Portfolio

transformation

Ninemile 6 CCGT

Aging

infrastructure

~12 GW of existing Utility

generation is 35 years or older

Major projects

Waterford 3

Steam Generator

Replacement

Environmental

regulation

Environmental

controls

Scrubbers at

White Bluff Plant

2

NERC

compliance

Reliability investments to meet

increasing standards

Transmission

investments

Critical Infrastructure

Protection

Every day

Routine maintenance of

generation, transmission and

distribution facilities

~\$900M

annually

1

Largely dependent on state action

2

Project

suspended;

limits

for

NOx

and

SO₂

at

White

Bluff

depends

on

final

State

or

Federal

Implementation

Plan

MATS compliance by 2015 2016

Regional Haze likely by 2019

SO

2

NAAQS likely by 2019

CSAPR or replacement rule?

1

Operational

Excellence

13
NRC License Renewal Status
Issued for 20 years
Unit
Expiration
Recent Events /
Next Steps

Indian
Point 2
9/28/13

Final Safety Evaluation
Report issued in 2009;
SER Supplement issued
8/30/11

FSEIS
1
issued Dec 2010

Further supplements to
FSEIS and FSER expected
in next few months

ASLB
2
Track 1 hearings
on 10 of 13 issues (so far)
scheduled to conclude by
end of 2012

Indian
Point 3
12/12/15
Pending
Palisades renewed on 1/17/07
(expires 3/24/31)
FitzPatrick renewed on 9/8/08
(expires 10/17/34)
VT Yankee renewed on 3/21/11
(expires 3/21/32)
Pilgrim renewed on 5/29/12
(expires 6/8/32)
Pilgrim: 4 years
from 2008 Hearings
to 2012 Decision

Timely Renewal Protection
available if necessary
Time to resolve issues raised
by DC Circuit Waste
Confidence Decision

1
Final Supplemental Environmental Impact Statement

2
Atomic Safety and Licensing Board
Apply that to Indian Point
At EWC, Resolution of License Renewal
At EWC, Resolution of License Renewal

Could Take Up to 7 to 10 Years
Could Take Up to 7 to 10 Years
Operational
Excellence

Indian Point State Water Quality
Indian Point State Water Quality
Proceedings Ongoing
Proceedings Ongoing
Current Status
Our Response

We believe operation of IP causes no significant impact to Hudson River; however, offered wedgewire screens as best technology available

Water quality certification has been waived by NY State

Adjudicatory hearings in joint proceeding of WQC / SPDES

1
before
NY State Department of Environmental Conservation underway

Submitted notice to NRC of no final decision on WQC in required 1-year time period

1
State Pollutant Discharge Elimination System permit
Wedgewire Screens vs Cooling Towers

a)
Air quality
probably not permissible

b)
Aesthetic
size / visible plume ~10% of time

c)
Zoning
Village of Buchanan not supportive

d)
Bottom line
in operation approximately 13 years after approvals

a)
Would significantly reduce fish entrainment and impingement

b)
Bottom line
in operation approximately 4 years after approvals

Capital estimate:
\$250M
\$300M
Capital estimate: at least \$1.19B
(2009\$, direct capital cost)
+ 14.5 TWh of lost generation over 42-week outage period

Operational
Excellence

Wedgewire Screen
Cooling
Towers
14

15

Pursuing Several Paths to Resolve
Pursuing Several Paths to Resolve
Coastal Zone Management Issue
Coastal Zone Management Issue
Our Response
Current Status

Filed ASLB motion for declaratory order on 7/30/12 that no further consistency review required; answers to motion due 1/14/13

In the event the State agency has previously reviewed a license or permit activity, further review is limited to cases where the activity will be modified substantially causing new coastal zone effects.

U.S. Statute
Coastal Zone Management Act
Operational
Excellence

The projects which meet one of the following two criteria will not be subject to New York State's Coastal Management Program...

--
York
CMP
§
II-9,
at
1
(2006)
New York State
Coastal Management Program
Our Response

Indian
Point
is
grandfathered
under
the
New York Coastal Management Program
Current Status

Filed with NYS Dept of State a petition for declaratory order on 11/7/12 confirming that Indian Point is grandfathered

No
new
coastal
zone
effects
will
be

caused
by
license
renewal
and
NY
State
has
previously
reviewed
and
found
Indian
Point
consistent
with
NY
coastal
policies

--
44 Fed. Reg. 37,142, 37,150 (June 25, 1979)

16
An Assessment of Energy
Needs in Westchester County
Indian Point Safe, Secure, Vital
Indian Point Safe, Secure, Vital
and Has Public Support
and Has Public Support

Polling Results Over Time; %

Favor

Oppose

Don't Know

53

28

19

Fukushima

Mar 11, 2011

Q: Do

you

favor

or

oppose

renewing

the

licenses

for

the

electricity-generating nuclear plants at the Indian Point

Energy Center?

0

15

30

45

60

Aug

2010

Mar

2011

Aug 7-10

2011

Aug 31

2011

Oct

2011

Feb

2012

Operational

Excellence

17
Create
Options
Operational
Excellence
Produce
Products/

Services
Achieve
Productivity
Manage
Relationships
Industry
Standards
Rigorous
Analysis
Supply / Demand
Climate / Weather Data
Environment
Competitive Behavior
Fuel Prices
Legislation / Regulation
Credit Markets
Capital Markets
Business Model Has Two Main Dimensions
Business Model Has Two Main Dimensions
Based on Dynamic Point of View
Based on Dynamic Point of View
Current
Point of
View
17
Entergy s Business Model

18

Cautiously Optimistic on Northeast Power Prices

Cautiously Optimistic on Northeast Power Prices

Illustrative

Market response

Unit shutdown

Environmental regulation

Out-of-market regulation

Ongoing gas oversupply

Potential 5-year out

view for

NE power prices

1

Source: New York Independent System Operator, ISO New England, internal analysis

Current forward: ~\$50

Upside: ~\$80

Downside: ~\$40

1

Includes energy and capacity

Historical Northeast Market Power Prices (Energy Only)

\$/MWh; Rolling Averages

Potential for improvement in heat rates, capacity markets, natural gas markets

Rolling 365-Day

Spot Price

Rolling Prompt

12-Month

Forward Prices

Implied Spot

Using

Forward Prices

Increased Hedging

Mid-2010

0

20

40

60

80

100

120

Jan-02

Jan-04

Jan-06

Jan-08

Jan-10

Jan-12

Current

Point of

View

19
Previous Hedging Preserved Value
Previous Hedging Preserved Value
Current
Point of
View
EWC Nuclear Portfolio Energy Under Contract

2009

2017E; % as reported on Nov 5, 2012

1

Realized through Sep 2012

EWC Nuclear Portfolio Revenue With and Without Contracting

2009

2017E; \$/MWh; Capacity and Acquisition PPA Recognized at Contract Prices

Historical Spot and

Current Forwards

Realized MTM Gain since 2009: ~\$1.6B

Not Yet Realized MTM Gain: ~\$0.2B

1

0

10

20

30

40

50

60

70

80

09

10

11

12E

13E

14E

15E

16E

17E

86

90

96

85

84

73

25

25

26

09

10

11

12E

13E

14E

15E

16E

17E

20

Current Hedging Product Selection

Current Hedging Product Selection

Designed to Benefit If Prices Rise

Designed to Benefit If Prices Rise

EWC Nuclear Revenue Sensitivity on

Contracted

Energy

Based on market prices as of Sep 30, 2012

Market Price Change, \$/MWh

2014

2013

Avg expected

contracted

revenue/MWh

\$45 on ~33.6 TWh

\$45 on ~29.9 TWh

Optimizing hedge timing,

volumes and products

around POV

Firm products with call

options for post-license

renewal volumes

Cap operational and

liquidity risks

Allow for market upside

Larger volumes of collars

Cap downside, allow for

market upside

Optimizing UC / LD mix

Maximize liquidity,

optimize timing, minimize

transaction costs

Using portfolio length,

including RISEC

Mitigate operational risk,

lower UC costs

(10)

(5)

0

5

10

(20)

(10)

0

10

20

Current

Point of

View

21
Short Positions
Long Positions
Strict Risk
Limits
Structured
Contracts

Asset
Development/
Acquisitions
Asset
Disposition
Structured
Contracts
Business Model Has Two Main Dimensions
Business Model Has Two Main Dimensions
Based on Dynamic Point of View
Based on Dynamic Point of View
Create
Options
Rigorous
Analysis
Supply / Demand
Climate / Weather Data
Environment
Competitive Behavior
Fuel Prices
Legislation / Regulation
Credit Markets
Capital Markets
Current
Point of
View
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Entergy's Business Model
Portfolio
Management

22
Significant Progress Made in Advancing
Significant Progress Made in Advancing
MISO Proposal
MISO Proposal
MISO Proposal
Entergy

Service

Territory

Joining MISO Benefits

All Stakeholders

EAI is hereby authorized to sign the MISO Transmission Owners Agreement and move forward with the EAI / MISO integration process

--

the Commission finds that ETI's application, as modified is in the public interest and approves the proposed transfer of operational control to MISO

--

The Companies Application filed in this docket is approved as in the public interest, subject to contingencies and conditions

--

To Do

Portfolio

Management

CCNO

settlement filed 11/8/12; on agenda for 11/12/12 Utility Committee Meeting

MPSC

settlement reached with Staff; on agenda for 11/15/12 Open Meeting

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The Next Step, ITC Transaction

The Next Step, ITC Transaction

Benefits for Customers, Other Stakeholders

Benefits for Customers, Other Stakeholders

Utility

OpCos

Entergy
Wholesale
Commodities
Entergy
Shareholders
Illustrative
Mid South
TransCo LLC
(New Holdco)
ITC
Shareholders
ITC Merger
Sub
Transco Subs
Proposed Spin-Merge of Transmission Business

Generation

Distribution

Retail
customer
service

Transmission
\$700M
recapitalization
(pre-close)
ETR and
OpCos
reduce
debt and
redeem
preferred
equity with
the
\$1.775B
\$1.775B debt
transferred
with assets
Trust
Up to ~5%
ITC Shares
(split-off)
ITC
Shares
ETR
Shares
ETR
Shares

~5%

ITC Shares`

Expected closing in 2013

Entergy Shareholders will own stock in *two companies*

Entergy Shareholders will own stock in *two companies*

ETR After

ETR After

ITC After

ITC After

Portfolio

Management

24

The Common Dividend: Current Structure vs

The Common Dividend: Current Structure vs

Post ITC Transaction

Post ITC Transaction

Share Repurchases

Dividends

Future dividends

at \$3.32/sh

Return to shareholders, \$B

Common Dividend Post Spin-Merge, Annualized \$/sh

~\$4B

Current business supports the current dividend of \$3.32 per share

Objective: ETR + ITC dividends accretive for ETR shareholders

ITC

Illustrative

Illustrative

ETR

X Dividend

exchange

ratio

1

1

Dividend exchange ratio will depend on several factors, including the form of ITC's \$700M recapitalization (repurchase or split-off), the distribution of ITC shares at closing (spin-off or split-off) and the amount of ITC shares held in trust and split-off post-merger.

\$3.32

Today

Accretive

\$1.51

Up to

\$3.32

+ ITC

dividend

0

1

2

3

4

10

11

12E

13E

14E

10 -

14E

1

2

\$3.32

Total

Neutral

25

The Common Dividend: Our Objectives

The Common Dividend: Our Objectives

1

Current business supports the current dividend of \$3.32 per share

ETR Today

2

Objective: ETR + ITC dividends accretive for ETR shareholders
Post Spin-Merge
Current procedural schedules point to dividend decision at least
10 mos away
Considerations for dividend level

Utility
investment
profile
(planned
and
potential)

Regulatory
outcomes
Current cases (including ETI)
Major investments (e.g., Waterford 3
steam generator replacement,
Hinds and Hot Spring acquisitions)
Three rate cases in 2013
3

Bottom line
when the time comes, we ll make the right decision
4

Previously, we ve said the long-term financial outlook supported maintaining
Entergy s dividend at the current \$3.32 per share annualized level

Point
of
view
on
commodity
markets,
EWC s
ability
to
temporarily
supplement
dividend

Number
of
ITC
shares
to
Entergy
shareholders

Credit
and

liquidity

Payout
ratio

Benefits from Independence
Benefits from Independence
Regional Transmission Planning
Regional Transmission Planning
Aligns with national policy objectives
Greater participation, disclosure by
third parties

Facilitates competitive markets

Transmission Planning

ITC

Sources: Velocity Suite Online and Ventyx, an ABB Company

Portfolio

Management

26

Optimize

projects

across

both systems and other

regions

Better

access

to

information

Within

MISO

and

beyond

Benefits from Operational Excellence
Benefits from Operational Excellence
Hurricane Isaac
Storm Command Center
ITC provides a singular focus on
transmission system performance,
planning and operations

Leverages Entergy's world-class
storm restoration process

Portfolio

Management

27

Benefits from Financial Flexibility
Benefits from Financial Flexibility
Utility Operating Cash Flow Minus
Cash Construction Expenditures
2014E
2018E; \$B
Status Quo

With ITC
Transaction
20%
Utility Debt Obligations
2018E; \$B
Status Quo
With ITC
Transaction
\$2.7B
Portfolio
Management
28
4.34
5.20
0
2
4
6
Transmission-related cash capital
requirements go away
Stronger Utility balance sheet
improves ability to invest in
Generation and Distribution
0
3
6
9
12

Benefits Offset Modest Customer Bill Effects
Benefits Offset Modest Customer Bill Effects
Typical Residential Monthly Bill (1,000 kWh)
Base Case Scenario, 2014; \$
Illustrative
Continued Entergy ownership
Estimated net bill effect resulting

from FERC rate construct

1

Portfolio

Management

1

Does not include estimated rate timing effect of Forward Test Year

0

20

40

60

80

100

EAI

EGSL

ELL

EMI

ENOI

ETI

29

Regulatory Approval Process Underway
Regulatory Approval Process Underway
Filing
1
9/28/12
9/5/12
Filing

Discovery

Arkansas (Docket 12-069-U)

Louisiana (Docket U-32538)

Mississippi (Docket 2012-UA-358)

New Orleans (Docket UD-12-01)

Texas

10/5/12

Filing

9/12/12

Filing

ITC Change of Control Filings Timeline of Key Events

Commission

consideration

Sep

Procedural schedule not yet established

Procedural schedule not yet established

Intervenor

direct

1/25/13

Advisors

direct

4/3/13

Hearing

begins

7/23/13

Staff /

Intervenor

direct

3/14/13

Hearing

begins

6/24/13

ELL / EGSL

rebuttal

4/25/13

ENOI

rebuttal

5/13/13

Filing schedule TBD

FERC (Dockets EC12-145; ER12-2681; EL12-107)

9/24/12

203 / 205

Filing

2

Deadline for comments /

interventions / protests

12/7/12

1

EAI will also make a filing with the Missouri Public Service Commission because that operating company has some transmiss
state of Missouri

2

FERC 204 filings made 10/31/12

Portfolio

Management

30

Evaluating Strategies to Improve Efficiency
Evaluating Strategies to Improve Efficiency
for Post-Transaction State and the Future
for Post-Transaction State and the Future
Warehousing
Procurement
Fuel

Materials
Vendors
Contracts
Portfolio
Management
Quartile
Ranking
1
2
3
4
31
Measure
1
Measure
2
Measure
3
Measure
4

Continue to Seek Solutions to Maximize Value
Continue to Seek Solutions to Maximize Value
for Utility, EWC, Entergy
for Utility, EWC, Entergy
ETR
Shareholders
Vertically

Integrated
Utility
EWC
Illustrative
Utility
Transco
EWC
ETR
Shareholders
Operational Excellence and Portfolio Management
Proposed
Today
Future?
Isolate,
Separate
Business Risks
to Maximum
Extent Possible
Portfolio
Management
32

Summary
Summary

Business and financial plan based on realities of today

-

Starts with safety and operational excellence every day

-

Active Utility regulatory agenda and substantial investment program and opportunities

-

Protracted license renewal processes for EWC nuclear plants

-

Depressed power prices eroding margins at EWC, but contracting has mitigated impact and provides for upside

Continuously seek out ways to improve upon reality for all stakeholders through operational excellence and portfolio management

-

For example, the proposal for the Utility operating companies to join MISO and the spin-off and merger of the transmission business with ITC

-

Future initiatives include operational efficiency improvements and other ideas and opportunities, like we have for last 14 years

Overarching financial objective is to create sustainable value to return to owners

33

Appendix I
Appendix I
Additional Information
Additional Information
35

36
9.88 12.01%
(per 2011 test year FRP
filing)
Utility Overview
Utility Overview
Operating Diversity and

Operating Diversity and
Regulatory Oversight
Regulatory Oversight

Electric utility

669,000 electric customers

Authorized ROE Range:

9.45

11.05%

Base rate case to be filed
by Jan 2013

Electric and gas utility

384,000 electric customers

92,000 gas customers

Authorized ROE Ranges:

Base rate case to be filed
by Jan 2013 for electric

Rate Stabilization Plan in
place for gas

Electric utility

693,000 electric customers

Authorized ROE: 10.2%

Base rate case to be filed
in 1Q13

Entergy Louisiana

Entergy Gulf States

Louisiana

Entergy Arkansas

Electric utility

413,000 electric customers

Authorized ROE: 9.8%

Final order in 2011 rate
case issued Sep 2012

Entergy Texas

Electric and gas utility

161,000 electric customers

101,000 gas customers

Authorized ROE Ranges:

Formula Rate Plan,
electric and gas (expired
with 2011 test year)
Entergy New Orleans

Electric utility

437,000 electric customers

Authorized ROE Range:

Formula Rate Plan
Entergy Mississippi
Overview of Utility Operating Companies
Electric
Customer
Breakdown
2011; % of MWh sales
Generation Portfolio
2011; % of MW, Owned and Leased
Capability
Nuclear
Coal
Gas / Oil / Hydro
Residential
Commercial
&
Governmental
Industrial

Electric 9.9
11.4%

Gas 10.0
11.0%

Electric 10.7
11.5%

Gas 10.25

11.25%

37
Utility Investments
Utility Investments
Hot Spring and Hinds Energy Facilities
Hot Spring and Hinds Energy Facilities
2011
2012

Acquisitions Announced

Apr 2011

Hot Spring

Hinds

MW

620

450

Seller

KGen Power Corporation

Total

Investment

\$277M; \$447/kW

\$246M; \$547/kW

Combined Cycle / Natural Gas

Location

Jackson, MS

Commercial Operation

2002

2001

Jurisdiction

EAI

EMI

Recovery Mechanism

APSC and MPSC Pre-Approval;

capacity costs recovered through riders

Regulatory Status

Approved by retail regulators and FERC;

DOJ review is ongoing

Hot Spring

Energy Facility

Hinds Energy Facility

APSC Approval

Jul 2012

MPSC Approval

Feb 2012

MPSC Approved

Cost Recovery

Aug 2012

(excluding transmission)

Plant Type / Fuel Source

Hot Spring County, AR

38

Utility Investments

Utility Investments

Ninemile 6 New CCGT Plant

Ninemile 6 New CCGT Plant

Ninemile 6

MW / Plant Type

~550 / Natural Gas-Fired Combined Cycle

Total Investment

\$721M, excluding transmission

Spending

Location

Westwego, LA

Expected In-Service

First part of 2015

Jurisdiction

ELL; PPAs to EGSL (25%) and ENOI (20%)

Recovery

Mechanism

ELL and EGSL will recover costs through their respective FRPs, if in effect when the project is placed in service, or through base rate case filings

ENOI will make a base rate case filing

Status

Approved; under construction

Ninemile Point

2015

2012

2011

2010

2013

2014

Air Permit

Application Filed

Sep 2010

LPSC,

CCNO

Approvals

Full Notice to

Proceed Issued

Air Permit

Issued

Aug 2011

Market Test

Decision

Jul 2010

Estimated

In-Service Date

First Part of

2015

Through 2012E: \$225M; 2013E: \$342M; 2014E:

\$117M; 2015E: \$37M

39
Utility Investments
Utility Investments
Waterford 3 Steam Generator Replacement
Waterford 3 Steam Generator Replacement
2012
Estimated

In-Service Date

Dec 2012

2008

2010

2011

2009

Installation

Fall 2012

Waterford 3

Steam Electric Station

Waterford 3

Estimated Cost

\$687M

Spending

Prior to 2012: \$384M; 2012E: \$263M; 2013E: \$40M

Plant Type / Fuel Source

Nuclear

Status

Installation underway

Jurisdiction

Recovery Mechanism

Eligible for recovery through 2011 test year FRP

Subject to refund and subsequent prudence
review

Regulatory Status

Estimated year-one adjusted revenue requirement
of approximately \$101.3M filed in Jun 2012

LPSC Approved

Stipulated Settlement

Nov 2008

ELL Notified LPSC RSGs Would Not Be

Delivered

in

Time

to

Meet

Current

Schedule

Dec 2010

ELL Filed Est

1st-Year Revenue Req

Jun 2012

ELL Petitioned LPSC to

Replace 2 Steam Generators

Jun 2008

ELL

Utility
Utility
Hurricane Isaac
Hurricane Isaac
Adds to Capital and Regulatory Recovery Agenda
Adds to Capital and Regulatory Recovery Agenda
Preliminary Isaac Restoration Costs

\$M
Company
Estimated Amount
EAI
10
EGSL
70
90
ELL
240
300
EMI
30
40
ENOI
50
60
Total
400
500
Storm Cost Recovery Options

Accessing funded storm reserves at the appropriate time (invoices are still being received / processed)

Securitization or other alternative financing

Traditional retail recovery on an interim and permanent basis

Insurance, to the extent coverage is available and deductibles are met

Capital / Non-Capital Split
%

Expect to make filings with regulators over the next several months to seek recovery of amounts above storm reserves as well as replenishment of storm reserves

Capital
67
Non-Capital
33
40

41
Utility
Utility
Non-Fuel O&M Trends
Non-Fuel O&M Trends
Utility Non-Fuel O&M / Refueling Outage Expenses
2008

2014E; \$M
Historical
Illustrative
Drivers

Varying compensation and
benefit costs (e.g., pension
discount rates)

Increased costs associated
with power plant
acquisitions

Spending on energy
efficiency programs (offset
in revenue)

1
Excludes expenses in connection with the proposed spin-off and merger of Entergy's transmission
business
with
ITC,
which
are
classified
as
special
and
not
included
in
operational
earnings

0

500

1,000

1,500

2,000

2,500

08

09

10

11

12E

13E

14E

~2

4%

Annual
Growth
Rate

(can vary
by year)
1

2013 Utility Earnings Sensitivities
\$/share (after-tax)
Prepared Nov 2012
Retail Sales Growth
1% change in MWh sold
Rate Base
\$100M change

Allowed ROE

1% change

Non-Fuel O&M

1% change

0.03

0.11

0.41

(0.08)

(0.11)

(0.41)

0.08

(0.03)

Utility Net Income

Around 6% Net Income CAGR (2009 base)

on attractive investment opportunities; \$M

692

09

14E

1

1

Illustrative, not intended to be guidance

EWC
EWC
Northeast Markets
Northeast Markets
Forward Energy and Power Prices
Forward Energy and Power Prices
Northeast Nuclear Fleet Forward Energy Prices

Jan
2012

Oct
2012;
Around-the-clock
\$/MWh;
Excludes
Palisades
NYISO Auction-Cleared Capacity Prices
For
delivery
Jun
2010

Dec
2012;
\$/kW-mo
Source: Published prices per NYISO
Spot Auction
Monthly
Strip
ISO-NE Capacity Prices
For
delivery
Jun
2010

May
2016;
\$/kW-mo
Source: Published prices per ISO-NE
1
ISO-NE
accepted
VY s
bid
to
delist
for
the
Jun
2015

May
2016
FCA
#6
and
retroactively

for
the
Jun
2013

May
2014
FCA

#4
At 10/31/12

Cal 2013
\$43

Cal 2014
\$44

Cal 2015
\$45

Source: Derived from third party data service

0.0

0.5

1.0

1.5

2.0

2.5

3.0

Jun-10

Dec-10

Jun-11

Dec-11

Jun-12

Dec-12

0.0

1.0

2.0

3.0

4.0

5.0

Jun-10

Jun-

12

Jun-14

Jun-16

35

40

45

50

Jan-12

Apr-12

Jul-12

Oct-12

Forward

Capacity

Auctions

1

Reconfiguration Auctions

Monthly Auctions

43

EWC
EWC
Northeast Markets
Northeast Markets
New York Zone A Market Prices and Heat Rates
New York Zone A Market Prices and Heat Rates
NYISO Zone A

ATC Forward Prices; \$/MWh

NYISO Zone A

Implied Delivered Heat Rate; Btu/kWh

Source: Derived from third party data service

Cal 2013

~8,500

Cal 2014

~8,300

Cal 2015

~8,200

Cal 2013

\$37

Cal 2014

\$37

Cal 2015

\$38

At 10/31/12

At 10/31/12

Source: Derived from third party data service

6,500

7,500

8,500

9,500

01/12

04/12

07/12

10/12

25

35

45

01/12

04/12

07/12

10/12

44

45
EWC
EWC
Northeast Markets
Northeast Markets
New York Zone G Market Prices and Heat Rates
New York Zone G Market Prices and Heat Rates

NYISO Zone G

ATC Forward Prices; \$/MWh

NYISO Zone G

Implied Delivered Heat Rate; Btu/kWh

Source: Derived from third party data service

Cal 2013

~10,300

Cal 2014

~10,200

Cal 2015

~10,000

Cal 2013

\$45

Cal 2014

\$46

Cal 2015

\$47

At 10/31/12

At 10/31/12

Source: Derived from third party data service

35

45

55

01/12

04/12

07/12

10/12

9,000

10,000

11,000

12,000

01/12

04/12

07/12

10/12

EWC
EWC
Northeast Markets
Northeast Markets
New England Market Prices and Heat Rates
New England Market Prices and Heat Rates
ISO-NE MASS Hub

ATC Forward Prices; \$/MWh

ISO-NE MASS Hub

Implied Delivered Heat Rate; Btu/kWh

Source: Derived from third party data service

Cal 2013

~8,400

Cal 2014

~8,300

Cal 2015

~8,300

Cal 2013

\$45

Cal 2014

\$45

Cal 2015

\$46

At 10/31/12

At 10/31/12

Source: Derived from third party data service

35

45

55

01/12

04/12

07/12

10/12

7,000

8,000

9,000

10,000

01/12

04/12

07/12

10/12

46

EWC
EWC
Positively Leveraged to Rising Prices
Positively Leveraged to Rising Prices
EWC Nuclear Energy and Capacity Revenue Sensitivity
Based on market prices as of Sep 30, 2012
Northeast Energy Market Prices, \$/MWh

2014

2013

\$47

\$45

2016

2015

\$47

\$45

Expected sold and
market total revenue

47

EWC
EWC
Nuclear Fuel Trends
Nuclear Fuel Trends
Nuclear Fuel Projections
2011
2015E; \$M

Uranium Price, Production and Demand

Production (lbs)

Demand (lbs)

Price

Source: The Ux Consulting Company, LLC (UxC) (production and demand); Trade Tech (price)

Note:

Assumes

uninterrupted

normal

operation

at

all

EWC

nuclear

plants

Illustrative

0

150

120

90

60

30

0

250

200

150

100

50

48

11

12E

13E

14E

15E

Capital Spend

\$6

\$8/MWh

(2012E

2015E)

Expense (pre-tax)

05

06

07

08

09

10

11

12E

13E

14E

15E

16E

EWC
EWC
Non-Fuel O&M Trends
Non-Fuel O&M Trends
EWC Non-Fuel O&M / Refueling Outage Amortization
2008
2014E; \$M

Special items
History
Illustrative
Drivers

Varying compensation
and benefit costs (e.g.,
pension discount rates)

Higher NRC fees and new
regulatory requirements

Workforce planning

Acquisition of Rhode
Island State Energy Center
at end of 2011

Note:

Assumes
uninterrupted
normal
operation

at
all
EWC
nuclear
plants

1
Excludes
VY
impairment
recorded
in
2012,
which
was
classified

as
a
special
item
and
excluded
from
operational
earnings

49
0
200
400

600
800
1,000
1,200
1,400
08
09
10
11
12E
13E
14E
~2
4%
Annual
Growth
Rate
(can vary
by year)
1

EWC
EWC
Long-Term Financial Outlook
Long-Term Financial Outlook
Nuclear Capacity Factor
1% change
0.06

EWC Revenue

\$10/MWh market price

change

0.49

Non-Fuel O&M

1% change

0.04

Nuclear Outage

(lost revenue only)

1,000 MW plant for 10 days

(0.03)

1

Assumes uninterrupted normal operation at all EWC nuclear plants

2

Based on 9/30/12 prices

3

Illustrative, not intended to be guidance

EWC Results

Declining Operational Adjusted EBITDA
through 2014 compared to 2010 level; \$M

2013 EWC Earnings Sensitivities

\$/share (after-tax)

Prepared Nov 2012

(0.04)

(0.25)

(0.06)

50

1,048

862

2,3

2,3

2,3

10

11

12E

13E

14E

1

2013 Earnings Guidance
2013 Earnings Guidance
Operational EPS
2013E Guidance (after-tax)
Prepared Nov 2012
Utility
Entergy

Wholesale
Commodities

Parent &
Other

Net \$0.05

Net \$(0.70)

Net \$0.10

Other

Net Rev

Other Inc

Interest

Other Taxes

Depn

O&M

Inc Tax

Inc Tax

Depn

Decom

O&M

Net Rev

Inc Tax

Interest

5.00 Midpoint

4.60

5.40

Range

12E

Adjusted

Starting Point

13E

Operational

Guidance

1

Does not reflect any potential future expenses for the special item in connection with the proposed spin-merge of Entergy's tra and beyond; 2013 as-reported earnings guidance will be updated to reflect this special item as actual costs are incurred during t

5.00

4.85

5.65

Range

Current

indications point

to upper end

of range

51

5.55

1

1

As-Reported

4.14

3.44

4.24 Range
As-Reported
5.00
4.60
5.40 Range

Preliminary Three-Year Capital Investment Plan
Preliminary Three-Year Capital Investment Plan
Projected Capital Expenditures
2013E
2015E; \$B
Prepared Nov 2012
Preliminary

Maintenance
Capital
Preliminary
Investing
Capital
Investing Capital
2013E
2015E; % of Total
Prepared Nov 2012
Portfolio Transformation
Environmental
Other Generation
Transmission
Distribution / Other
Dry Cask Storage / License Renewal
Wedgewire Screens
NYPA Value Sharing
Other (Primarily Component
Replacements / Identified Repairs)
5.4
1.2
2.5
0.8
Preliminary
52
0.4
2.9
0.8
2.5
6.6
Total
EWC
Utility
0%
20%
40%
60%
80%
100%
0%
20%
40%
60%
80%
100%

Capital Deployment
Capital Deployment
Return Cash to Owners;
Return Cash to Owners;
No Traditional Equity Issuances
No Traditional Equity Issuances
2013 Corporate Earnings Sensitivities

\$/share (after-tax)

Prepared Nov 2012

Interest Rate

1% change on \$1B debt

Effective Income Tax Rate

1% change in overall rate

(0.03)

(0.08)

0.08

Current Financial Outlook

Cash Sources and Uses

\$B

Balanced capital investment / return

program with a total of around \$4B

dividends and share repurchases

from

2010

2014;

\$B

1

1

Updated Nov 2012

Illustrative

OCF /

Cash

Net

Debt

Invest-

ment

Available

Available for:

Return to

shareholders

(dividends,

share

repurchases)

Growth

investments

0.03

53

0
4
Thru 3Q12
Thru 14E
10
11
12E

13E

14E

Credit

Quality:

Strong

liquidity;

solid

credit

metrics supporting ready access to capital

Entergy's Long-Term Financial Outlook

Entergy's Long-Term Financial Outlook

Utility Net Income

Around 6% Net Income CAGR (2009 base)

on attractive investment opportunities; \$M

EWC Results

Declining Operational Adjusted EBITDA

through 2014 compared to 2010 level; \$M

Corporate Results

Results will vary depending upon factors including effective income tax and interest rates and the amount / timing of share

repurchases, if any

Capital Deployment

Balanced capital investment / return program

with a total of around \$4B dividends and

share

repurchases

from

2010

2014;

\$B

1,048

2013 effective income tax rate:

earnings guidance midpoint

assumption is 34%

692

09

14E

1

Dividends

Share

Repurchases

1

Based

on

9/30/12

prices

2

Illustrative,

not
intended
to
be
guidance

862

1

Illustrative, not intended to be guidance

1,2

1,2

1,2

1

1

Illustrative, not intended to be guidance

54

Appendix II
Appendix II
Regulation G Reconciliations
Regulation G Reconciliations
55

Regulation G Reconciliations
Regulation G Reconciliations
Table 1: ETI Return on Average Common Equity
Reconciliation of GAAP to Non-GAAP Measures
2007, 2008 and 2012E
(\$ in millions)
2007

2008
 2012E
 As-Reported Earnings
 (a)
 58.9
 57.9
 47.9
 Less Special Items
 Transmission business spin-merge expenses
 -
 -
 (4.4)
 Total Special Items
 (b)
 -
 -
 (4.4)
 Operational Earnings
 (a)-(b)
 58.9
 57.9
 52.3
 Average Common Equity
 (c)
 996.1
 952.2
 878.8
 Less Average Equity Infusion from Parent
 150.0
 75.0
 -
 Adjusted Average Common Equity
 (d)
 846.1
 877.2
 878.8
 ROE
 As-Reported
 (a)/(c)
 5.9%
 6.1%
 5.5%
 ROE
 Operational
 ((a)-(b))/(d)
 7.0%
 6.6%
 6.0%
 56

Regulation G Reconciliations
Regulation G Reconciliations
Table
2:
Entergy
Wholesale
Commodities

Non-Fuel

O&M

1

Reconciliation of GAAP to Non-GAAP Measures

2009 and 2010

(\$ in millions)

2009

2010

As-Reported Non-Fuel O&M

(a)

1,058

1,195

Less Special Items

Non-Utility

Nuclear

Spin-Off

Expenses

2

48

117

Total Special Items

(b)

48

117

Operational Non-Fuel O&M

(a)-(b)

1,010

1,078

1

Non-fuel O&M is defined as other operation and maintenance expense and nuclear refueling outage expense, excluding investments in wind generation accounted for under the equity method of accounting

2

Includes non-utility nuclear spin-off dis-synergies and expenses for outside services to pursue the previously planned spin-off in 2009 and 2010 and the charge in connection with the business unwind in 2010

57

58

Regulation G Reconciliations

Regulation G Reconciliations

Table 3: Entergy Wholesale Commodities Operational Adjusted EBITDA

Reconciliation of GAAP to Non-GAAP Measures

2010 and 2011

(\$ in millions)

2010
 2011
 Net Income
 489
 492
 add back: Interest expense
 72
 21
 add back: Income tax expense
 269
 225
 add back: Depreciation and amortization
 163
 179
 subtract: Interest and investment income
 171
 136
 add back: Decommissioning expense
 107
 81
 subtract: Other than temporary impairment losses
 (1)

-
 Adjusted EBITDA

931
 862
 add
 back:
 Special
 items:
 Non-utility
 nuclear
 spin-off
 expenses
 1
 117

-
 Operational Adjusted EBITDA

1,048
 862
 1

Includes non-utility nuclear spin-off expenses for outside services to pursue the previously planned spin-off and the charge in connection with the business unwind in 2010

59

Regulation G Reconciliations

Regulation G Reconciliations

Table 4: Consolidated EPS

Reconciliation of GAAP to Non-GAAP Measures

2012E Guidance (after-tax)

(Per share in U.S. \$)

2012E Revised

Guidance

Range

1

As-Reported

(a)

3.44

4.24

Less Special Items Through 3Q12

Utility

Transmission business spin-merge expenses

(0.15)

(0.15)

Entergy Wholesale Commodities

Vermont Yankee asset impairment

(1.26)

(1.26)

Total Special Items

(b)

(1.41)

(1.41)

Operational

(a)-(b)

4.85

5.65

1

Originally prepared Nov 2011, updated Jan 2012 to reflect 2011 final results, revised Apr 2012 and updated on an as-reported basis Jul 2012 and Oct 2012; As-reported earnings guidance does not include any fourth quarter 2012 special items for expenses in connection with the proposed spin-off and merger of Entergy's transmission business with ITC