ENTERGY ARKANSAS INC
Form 10-Q
November 07, 2011

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, 2011

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 (a Delaware corporation) 639 Loyola Avenue New Orleans, Louisiana 70113 Telephone (504) 576-4000 72-1229752	1-31508	ENTERGY MISSISSIPPI, INC. (a Mississippi corporation) 308 East Pearl Street Jackson, Mississippi 39201 Telephone (601) 368-5000 64-0205830
1-10764	ENTERGY ARKANSAS, INC. (an Arkansas corporation) 425 West Capitol Avenue Little Rock, Arkansas 72201 Telephone (501) 377-4000 71-0005900	0-05807	ENTERGY NEW ORLEANS, INC. (a Louisiana corporation) 1600 Perdido Street New Orleans, Louisiana 70112 Telephone (504) 670-3700 72-0273040
0-20371	ENTERGY GULF STATES LOUISIANA, L.L.C. (a Louisiana limited liability company) 446 North Boulevard Baton Rouge, Louisiana 70802	1-34360	ENTERGY TEXAS, INC. (a Texas corporation) 350 Pine Street Beaumont, Texas 77701 Telephone (409) 981-2000

	Telephone (800) 368-3749 74-0662730		61-1435798
1-32718	ENTERGY LOUISIANA, LLC (a Texas limited liability company) 446 North Boulevard Baton Rouge, Louisiana 70802 Telephone (800) 368-3749 75-3206126	1-09067	SYSTEM ENERGY RESOURCES, INC. (an Arkansas corporation) Echelon One 1340 Echelon Parkway Jackson, Mississippi 39213 Telephone (601) 368-5000 72-0752777

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, 2011
Entergy Corporation	($0.01 par value)	176,116,403

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, 2010 and the Quarterly Reports on Form 10-Q for the quarters ended March 31, 2011 and June 30, 2011, 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, 2011

Table of Contents

ENTERGY CORPORATION AND SUBSIDIARIES
INDEX TO QUARTERLY REPORT ON FORM 10-Q
September 30, 2011

ENTERGY CORPORATION AND SUBSIDIARIES
INDEX TO QUARTERLY REPORT ON FORM 10-Q
September 30, 2011

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 "potential," "plan," "predict," "forecast," and other similar words or expressions are intended to identify forward-lookin 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, and other regulatory proceedings, including those related to Entergy's System Agreement or any successor agreement or arrangement, Entergy's utility supply plan, recovery of storm costs, and recovery of fuel and purchased power costs
- 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, the operations of the independent coordinator of transmission for Entergy's utility service territory and transition to a successor or alternative arrangement, including possible participation in a regional transmission organization, 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 concerns regarding nuclear power plants and nuclear fuel
- resolution of pending or future applications 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, 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
- 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

iv

Table of Contents

FORWARD-LOOKING INFORMATION (Concluded)

- 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 and ice storms 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 territory 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
- 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
ASU	Accounting Standards Update issued by the FASB
Board	Board of Directors of Entergy Corporation
bundled energy and capacity contract	A contract for the sale of installed capacity and related energy, priced per megawatt-hour sold
capacity contract	A contract for the sale of the installed capacity product in regional markets managed by ISO New England and the New York Independent System Operator
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
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
firm LD	Transaction that requires receipt or delivery of energy at a specified delivery point (usually at a market hub not associated with a specific asset) or settles financially on notional quantities; if a party fails to deliver or receive energy, the defaulting party must compensate the other party as specified in the contract
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, 2010 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

Table of Contents

DEFINITIONS (Continued)

Abbreviation or Acronym	Term
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
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
Offsetting positions	Transactions for the purchase of energy, generally to offset a firm LD transaction
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
percent of capacity sold forward	Percent of planned qualified capacity sold to mitigate price uncertainty under physical or financial transactions
percent of planned generation sold forward	Percent of planned generation output sold or purchased forward under contracts, forward physical contracts, forward financial contracts or options that mitigate price uncertainty that may or may not require regulatory approval
planned net MW in operation	Amount of capacity to be available to generate power and/or sell capacity considering uprates planned to be completed during the year
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-contingent	

Transaction under which power is supplied from a specific generation asset; if the asset is not operating, the seller is generally not liable to the buyer for any damages

Table of Contents

DEFINITIONS (Concluded)

Abbreviation or Acronym	Term
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

Table of Contents

ENTERGY CORPORATION AND SUBSIDIARIES

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Entergy operates primarily through its two, reportable, operating segments: Utility and Entergy Wholesale Commodities.

- Utility generates, transmits, distributes, and sells electric power in service territories in four states that include portions of Arkansas, Mississippi, Texas, and Louisiana, including the City of New Orleans; and operates a small natural gas distribution business.
- 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.

In the fourth quarter 2010, Entergy finished integrating its former Non-Utility Nuclear business segment and its non-nuclear wholesale asset business into the new Entergy Wholesale Commodities business in an internal reorganization. The prior period financial information in this Form 10-Q has been restated to reflect the change in reportable segments.

Results of Operations

Third Quarter 2011 Compared to Third Quarter 2010

Following are income statement variances for Utility, Entergy Wholesale Commodities, Parent & Other, and Entergy comparing the third quarter 2011 to the third quarter 2010 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 2010 Consolidated Net Income	$337,941	$143,721	$16,239	$497,901
Net revenue (operating revenue less fuel expense, purchased power, and other regulatory charges/credits)	(203,858)	(32,623)	2,436	(234,045)
Other operation and maintenance	(37,748)	(70,511)	8,392	(99,867)

expenses				
Taxes other than income taxes	9,022	4,791	14	13,827
Depreciation and amortization	15,570	3,448	(58)	18,960
Other income	593	(7,858)	8,861	1,596
Interest expense	(6,197)	(636)	7,295	462
Other expenses	833	1,935	-	2,768
Income taxes (benefit)	(375,263)	33,351	38,145	(303,767)
3rd Qtr 2011 Consolidated Net Income	$528,459	$130,862	($26,252)	$633,069

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

1

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

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

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, because a portion of the benefits will be shared with customers. See Note 10 to the financial statements for additional discussion of the settlement and benefit sharing.

Net Revenue

Utility

Following is an analysis of the change in net revenue comparing the third quarter 2011 to the third quarter 2010.

	Amount (In Millions)
2010 net revenue	$1,522
Mark-to-market tax settlement sharing	(199)
Volume/weather	(10)
Retail electric price	5
Other	1
2011 net revenue	$1,319

The mark-to-market tax settlement sharing variance results from a regulatory charge because a portion of the benefits of a settlement with the IRS related to the mark-to-market income tax treatment of power purchase contracts will be shared 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 milder weather compared to the same period in the prior year. Despite favorable weather in the third quarter 2011, the weather effect declined compared to the even warmer weather experienced in the third quarter 2010. This was offset by an increase of 785 GWh in weather-adjusted usage, primarily in the industrial sector. Entergy's service territory continues to benefit from expansions as well as competitive industries and facilities located within the region.

The retail electric price variance is primarily due to:

- rate actions at Entergy Texas, including a base rate increase effective August 2010 and an additional increase beginning May 2011; and
- a formula rate plan increase at Entergy Louisiana effective May 2011.

These were partially offset by a formula rate plan decrease at Entergy New Orleans effective October 2010. See Note 2 to the financial statements in the Form 10-K and herein for further discussion of these proceedings.

2

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 2011 to the third quarter 2010.

	Amount (In Millions)
2010 net revenue	$574
Realized price changes	(43)
Harrison County	(9)
Fuel expenses	(9)
Volume	41
Other	(12)
2011 net revenue	$542

As shown in the table above, net revenue for Entergy Wholesale Commodities decreased by $32 million, or 6%, in the third quarter 2011 compared to the third quarter 2010 primarily due to:

- lower pricing in its contracts to sell power;
- the absence of the Harrison County plant, which was sold in December 2010; and
- higher fuel expenses at the nuclear plants.

These factors were substantially offset by higher volume resulting from fewer planned and unplanned outage days in 2011 compared to the same period in 2010.

Following are key performance measures for Entergy Wholesale Commodities' nuclear plants for the third quarter 2011 and 2010:

	2011	2010
Net MW in operation at September 30	4,998	4,998
Average realized revenue per MWh	$56.07	$61.41
GWh billed	10,645	9,888
Capacity factor	98%	91%
Refueling outage days:		
FitzPatrick	-	18

Overall, including its non-nuclear plants, Entergy Wholesale Commodities billed 11,284 GWh in the third quarter 2011 and 10,736 GWh in the third quarter 2010, with average realized revenue per MWh of $55.87 in the third quarter 2011 and $61.51 in the third quarter 2010.

Realized Price per MWh

See the Form 10-K for a discussion of Entergy Wholesale Commodities nuclear business's realized price per MWh, including the factors that influence it and the decrease in the annual average realized price per MWh to $59.16 in 2010 from $61.07 for 2009. Entergy Wholesale Commodities' nuclear business is almost certain to experience a decrease again in 2011 because, as shown in the contracted sale of energy table "Market and Credit Risk Sensitive Instruments," Entergy Wholesale Commodities has sold forward 94% of its planned nuclear energy output for the remainder of 2011 for an average contracted energy price of $52 per MWh. In addition, Entergy Wholesale Commodities has sold forward 89% of its planned nuclear energy output for 2012 for an average contracted energy price of $49 per MWh.

Other Income Statement Items

Utility

Other operation and maintenance expenses decreased from $516 million for the third quarter 2010 to $478 million for the third quarter 2011 primarily due to:

- a decrease of $24 million in compensation and benefits costs primarily resulting from an increase in the accrual for incentive-based compensation in 2010;
- the deferral in 2011 of $13.4 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 for further discussion of the 2010 test year formula rate plan filing and settlement; and
- the amortization of $11 million of Entergy Texas rate case expenses in 2010. See Note 2 to the financial statements in the Form 10-K for further discussion of the Entergy Texas rate case settlement.

These decreases were partially offset by an increase of $7 million in nuclear expenses primarily due to higher labor costs.

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

Entergy Wholesale Commodities

Other operation and maintenance expenses decreased from $299 million for the third quarter 2010 to $229 million for the third quarter 2011 primarily due to:

- the write-off of $25 million of capital costs in 2010, primarily for software that would not be utilized, and $11 million of additional costs incurred in 2010 in connection with Entergy's decision to unwind the infrastructure created for the planned spin-off of its non-utility nuclear business;
- a decrease in compensation and benefits costs resulting from an increase of $12 million in the accrual for incentive-based compensation in 2010;
- the write-off of $10 million of capitalized engineering costs in 2010 associated with a potential uprate project; and
- a decrease of $9 million due to the absence of expenses from the Harrison County plant, which was sold in December 2010.

Income Taxes

The effective income tax rates for the third quarters 2011 and 2010 were (23.2)% and 27.1%, respectively. The difference in the effective income tax rate versus the statutory rate of 35% for the third quarter 2011 is 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 10 to the financial statements herein for further discussion of the settlement. The difference in the effective income tax rate versus the statutory rate of 35% for the third quarter 2010 was primarily due to:

- a favorable Tax Court decision holding that the U.K. Windfall Tax can be used as a credit for purposes of computing the U.S. foreign tax credit, which allows Entergy to reverse a previously established partial tax reserve of $43 million, included in Parent and Other, on the issue. See Note 3 to the financial statements in the Form 10-K for further discussion of this tax litigation;

- the recognition of a $14 million Louisiana state income tax benefit related to Act 55 storm cost financing; and
- the reversal of a reserve of $13 million with respect to restructuring of business operations within the non-utility nuclear business.

4

Partially offsetting the decreased effective income tax rate were state income taxes and certain book and tax differences for Utility plant items.

Nine Months Ended September 30, 2011 Compared to Nine Months Ended September 30, 2010

Following are income statement variances for Utility, Entergy Wholesale Commodities, Parent & Other, and Entergy comparing the nine months ended September 30, 2011 to the nine months ended September 30, 2010 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)		
2010 Consolidated Net Income	$711,085	$338,820	($12,906)	$1,036,999
Net revenue (operating revenue less fuel expense, purchased power, and other regulatory charges/credits)	(173,625)	(128,423)	3,778	(298,270)
Other operation and maintenance expenses	(11,046)	(140,361)	17,091	(134,316)
Taxes other than income taxes	7,276	(1,117)	(263)	5,896
Depreciation and amortization	11,177	12,149	(46)	23,280
Other income	10,851	(35,617)	3,923	(20,843)
Interest expense	(32,679)	(52,428)	31,014	(54,093)
Other expenses	770	9,158	-	9,928
Income taxes (benefit)	(377,041)	27,728	9,158	(340,155)
2011 Consolidated Net Income	$949,854	$319,651	($62,159)	$1,207,346

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

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

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, because a portion of the benefits will be shared with customers. See Note 10 to the financial statements 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, 2011 to the nine months ended September 30, 2010.

	Amount (In Millions)
2010 net revenue	$3,945
Mark-to-market tax settlement sharing	(199)
Net wholesale revenue	(15)
Purchased power capacity	(14)
Volume/weather	21
Retail electric price	31
Other	3
2011 net revenue	$3,772

The mark-to-market tax settlement sharing variance results from a regulatory charge because a portion of the benefits of a settlement with the IRS related to the mark-to-market income tax treatment of power purchase contracts will be shared with customers. See Note 10 to the financial statements for additional discussion of the settlement and benefit sharing.

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

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

The volume/weather variance is primarily due to an increase of 1,986 GWh in weather-adjusted usage across all sectors. Weather-adjusted residential retail sales growth reflected an increase in the number of customers. Industrial sales growth has continued since the beginning of 2010. Entergy’s service territory has benefited from the national manufacturing economy and exports, as well as industrial facility expansions. Increases have been offset to some extent by declines in the paper, wood products, and pipeline segments. The weather effect variance was relatively flat as favorable weather experienced in 2011 was comparable to that experienced in 2010.

The retail electric price variance is primarily due to:

- a base rate increase at Entergy Arkansas effective July 2010;
- rate actions at Entergy Texas, including a base rate increase effective August 2010 and an additional increase beginning May 2011; and
- a formula rate plan increase at Entergy Louisiana effective May 2011.

These were partially offset by a formula rate plan decrease at Entergy New Orleans effective October 2010. See Note 2 to the financial statements in the Form 10-K and herein for further discussion of these proceedings.

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 nine months ended September 30, 2011 to the nine months ended September 30, 2010.

	Amount (In Millions)
2010 net revenue	$1,669
Realized price changes	(102)
Harrison County	(20)
Fuel expenses	(17)
Volume	22
Other	(11)
2011 net revenue	$1,541

As shown in the table above, net revenue for Entergy Wholesale Commodities decreased by $128 million, or 8%, in the nine months ended September 30, 2011 compared to the nine months ended September 30, 2010 primarily due to:

- lower pricing in its contracts to sell power;
- the absence of the Harrison County plant, which was sold in December 2010; and
- higher fuel expenses at the nuclear plants.

These factors were substantially offset by higher volume resulting from fewer planned and unplanned outage days in 2011 compared to the same period in 2010.

Following are key performance measures for Entergy Wholesale Commodities' nuclear plants for the nine months ended September 30, 2011 and 2010:

	2011	2010
Net MW in operation at September 30	4,998	4,998
Average realized revenue per MWh	$55.31	$59.27
GWh billed	30,551	30,011
Capacity factor	93%	92%
Refueling outage days:		
FitzPatrick	-	18
Indian Point 2	-	33
Indian Point 3	30	-
Pilgrim	25	-
Vermont Yankee	-	29

Overall, including its non-nuclear plants, Entergy Wholesale Commodities billed 32,455 GWh in the nine months ended September 30, 2011 and 32,362 GWh in the nine months ended September 30, 2010, with average realized revenue per MWh of $55.07 in the nine months ended September 30, 2011 and $59.32 in the nine months ended September 30, 2010. See also the discussion in "Realized Price per MWh" in the Third Quarter 2011 Compared to Third Quarter 2010 section.

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

Other Income Statement Items

Utility

Other operation and maintenance expenses decreased from $1,422 million for the nine months ended September 30, 2010 to $1,411 million for the nine months ended September 30, 2011 primarily due to:

- a decrease of $31 million in compensation and benefits costs primarily resulting from an increase in the accrual for incentive-based compensation in 2010;
- the deferral in 2011 of $13.4 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 for further discussion of the 2010 test year formula rate plan filing and settlement;
- a decrease of $15 million in fossil expenses resulting from more outages in the first half of 2010; and
- the amortization of $11 million of Entergy Texas rate case expenses in 2010. See Note 2 to the financial statements in the Form 10-K for further discussion of the Entergy Texas rate case settlement.

These decreases were partially offset by an increase of $24 million in nuclear expenses primarily due to higher labor and benefits costs, an increase of $8 million in legal expenses primarily resulting from an increase in legal and regulatory activity increasing the use of outside legal services, and several individually insignificant items.

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

Interest expense decreased primarily due to:

- the refinancing of long-term debt at lower interest rates by certain of the Utility operating companies;
- a revision caused by FERC's acceptance of a change in the treatment of funds received from independent power producers for transmission interconnection projects; and
- interest expense accrued in 2010 related to the expected result of the LPSC Staff audit of Entergy Gulf States Louisiana's fuel adjustment clause for the period 1995 through 2004.

Entergy Wholesale Commodities

Other operation and maintenance expenses decreased from $809 million for the nine months ended September 30, 2010 to $669 million for the nine months ended September 30, 2011 primarily due to:

- the write-off of $58 million of capital costs in 2010, primarily for software that would not be utilized, and $12 million of additional costs incurred in 2010 in connection with Entergy's decision to unwind the infrastructure created for the planned spin-off of its non-utility nuclear business;
- a decrease of $22 million due to the absence of expenses from the Harrison County plant, which was sold in December 2010;
- a decrease in compensation and benefits costs resulting from an increase of $18 million in the accrual for incentive-based compensation in 2010;
- the write-off of $10 million of capitalized engineering costs in 2010 associated with a potential uprate project; and
- a decrease of $11 million in spending on tritium remediation work.

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

Other income decreased primarily due to a decrease in interest income earned on loans to the parent company, Entergy Corporation, and a decrease of $10 million in realized earnings on decommissioning trust fund investments.

Table of Contents

Interest expense decreased primarily due to the write-off of $39 million of debt financing costs in 2010, primarily incurred for a $1.2 billion credit facility that will not be used, in connection with Entergy's decision to unwind the infrastructure created for the planned spin-off of its non-utility nuclear business.

Parent & Other

Interest expense increased primarily due to $1 billion of Entergy Corporation notes payable issued in September 2010, with the proceeds used to pay down the borrowings outstanding on Entergy Corporation's revolving credit facility, which were at a lower interest rate.

Income Taxes

The effective income tax rates for the nine months ended September 30, 2011 and 2010 were 14.0% and 34.1%, respectively. The difference in the effective income tax rate versus the statutory rate of 35% for the nine months ended September 30, 2011 is 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 10 to the financial statements herein for further discussion of the settlement. The difference in the effective income tax rate versus the statutory rate of 35% for the nine months ended September 30, 2010 was primarily due to:

- a favorable Tax Court decision holding that the U.K. Windfall Tax can be used as a credit for purposes of computing the U.S. foreign tax credit, which allows Entergy to reverse a previously established partial tax reserve of $43 million, included in Parent and Other, on the issue. See Note 3 to the financial statements in the Form 10-K for further discussion of this tax litigation;
- a $19 million tax benefit recorded in the first quarter 2010 in connection with Entergy's decision to unwind the infrastructure created for the planned spin-off of its non-utility nuclear business;
- the recognition of a $14 million Louisiana state income tax benefit related to Act 55 storm cost financing; and
- the reversal of a reserve of $13 million with respect to restructuring of business operations within the non-utility nuclear business.

These factors were partially offset by:

- a charge of $16 million recorded in first quarter 2010 resulting from a change in tax law associated with the federal healthcare legislation enacted in March 2010. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K for a discussion of the federal healthcare legislation;
- state income taxes; and
- certain book and tax differences for Utility plant items.

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

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.

Capital Structure

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

	September 30, 2011	December 31, 2010
Debt to capital	57.3%	57.3%
Effect of excluding the securitization bonds	(2.2)%	(2.0)%
Debt to capital, excluding securitization bonds (1)	55.1%	55.3%
Effect of subtracting cash	(2.3)%	(3.2)%
Net debt to net capital, excluding securitization bonds (1)	52.8%	52.1%

(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.

As discussed in the Form 10-K, Entergy Corporation has in place a revolving credit facility that expires in August 2012, which Entergy intends to renew before expiration. Because the facility is now within one year of its expiration date, borrowings outstanding on the facility are classified as currently maturing long-term debt on the balance sheet. Entergy Corporation has the ability to issue letters of credit against the total borrowing capacity of the facility. As of September 30, 2011, the capacity and amounts outstanding under the credit facility are:

Capacity	Borrowings	Letters of Credit	Capacity Available
	(In Millions)		
$3,463	$1,870	$25	$1,568

Entergy Corporation's credit facility requires it 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 this covenant. If Entergy fails to meet this ratio, or if Entergy Corporation 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.

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

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 2011 through 2013. Following are updates to the discussion in the Form 10-K.

Capital Investment Plan Preliminary Estimate for 2012-2014

Entergy is developing its capital investment plan for 2012 through 2014 and currently anticipates that the Utility will make $6.0 billion in capital investments during that period, including approximately $2.9 billion for maintenance of existing assets, and that Entergy Wholesale Commodities will make $1.1 billion in capital investments during that period, including approximately $0.3 billion for maintenance of existing assets. The remaining $3.1 billion of Utility investments is associated with specific investments such as the Waterford 3 steam generator replacement, the Grand Gulf uprate project, the Ninemile 6 project, the Hot Spring and Hinds purchases, and other investments such as potential opportunities through the Utility's supply plan initiatives that support its ability to meet load growth. 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 the Form 10-K, the estimated capital investments for 2011-2013 included $575 million of spending associated with System Energy's planned approximate 178 MW uprate of the Grand Gulf nuclear plant. After performing more detailed project design, engineering, analysis and major materials purchases, System Energy's current updated estimate of the total capital investment to be made in the course of the implementation of the Grand Gulf uprate project is approximately $734 million, including SMEPA's share. As in the original estimate, this estimate includes spending on certain major equipment refurbishment and replacement that would have been required over the normal course of the plant's life even if the uprate were not done. The purpose of performing this major equipment refurbishment and replacement in connection with the uprate is to avoid additional plant outages and construction costs in the future while improving plant reliability. The investment estimate may be revised in the future as System Energy evaluates the progress of the project.

Acadia Unit 2 Purchase Agreement

See the Form 10-K for a discussion of the agreement Entergy Louisiana signed to acquire Unit 2 of the Acadia Energy Center, a 580 MW generating unit located near Eunice, La., from Acadia Power Partners, LLC, an independent power producer. Entergy Louisiana acquired the plant on April 29, 2011.

Rhode Island State Energy Center Purchase Agreement

In October 2011, Entergy signed an agreement with a subsidiary of NextEra Energy Resources to acquire the Rhode Island State Energy Center, a 550 MW natural gas-fired combined cycle generating plant located in Johnston, Rhode Island, for approximately $346 million, subject to closing adjustments. If acquired the plant will become a part of the Entergy Wholesale Commodities business. The Rhode Island State Energy Center is in the process of uprating to 583 MW, which is scheduled for completion in November 2011. The transaction is contingent upon, among other things, obtaining regulatory approval from the FERC and notification pursuant to the Hart-Scott-Rodino antitrust law. Closing is scheduled to occur in late 2011.

Summer 2009 Long-Term Request for Proposal

As discussed in the Form 10-K, the construction or purchase of three resources identified in the Summer 2009 Long-Term Request for Proposal were included in the 2011-2013 capital expenditure estimates in the Form 10-K. In addition to the self-build option at Entergy Louisiana's Ninemile site noted in the Form 10-K, in April 2011 two Entergy Utility operating companies announced that they have signed agreements to acquire the other two resources, the 620 MW Hot Spring Energy Facility and the 450 MW Hinds Energy Facility.

Ninemile Point Unit 6 Self-Build Project

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 a combined-cycle gas turbine generating facility (Ninemile 6) at its existing Ninemile Point electric generating station. Ninemile 6 will be a nominally-sized 550 MW unit that is estimated to cost approximately $721 million to construct, excluding interconnection and transmission upgrades. Entergy Gulf States Louisiana joined in the application, seeking certification of its purchase under a life-of-unit power purchase agreement of up to 35% of the capacity and energy generated by Ninemile 6. 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. Entergy New Orleans filed a request with the City Council to approve its purchase under a life-of-unit power purchase agreement of this capacity and energy. The City Council has approved a procedural schedule that leads to a decision in the first quarter 2012. If the City Council does not approve this power purchase agreement in a timely manner, then an allocation of 65% to Entergy Louisiana and 35% to Entergy Gulf States Louisiana is proposed. If approvals are obtained from the LPSC and other permitting agencies, Ninemile 6 construction is expected to begin in 2012, and the unit is expected to commence commercial operation by mid-2015. The ALJ has established a schedule for the LPSC proceeding that includes February 27 - March 7, 2012, hearing dates.

Hot Spring Energy Facility Purchase Agreement

In April 2011, Entergy Arkansas announced that it has signed an asset purchase agreement to acquire the Hot Spring Energy Facility, a 620 MW natural gas-fired combined-cycle turbine plant located in Hot Spring County, Arkansas, from a subsidiary of KGen Power Corporation. The purchase price is expected to be approximately $253 million. Entergy Arkansas also expects to invest in various plant upgrades at the facility after closing and expects the total cost of the acquisition to be approximately $277 million. A new transmission service request has been submitted to determine if investments for supplemental upgrades in the Entergy transmission system are needed to make the Hot Spring Energy Facility deliverable to Entergy Arkansas for the period after Entergy Arkansas exits the System Agreement. The initial results of the service request are expected in January 2012; accordingly there are still uncertainties that must be resolved. The purchase is contingent upon, among other things, obtaining necessary approvals, including full cost recovery, from various federal and state regulatory and permitting agencies. These include regulatory approvals from the APSC and FERC, as well as clearance under the Hart-Scott-Rodino anti-trust law. Closing is expected to occur in mid-2012. In July 2011, Entergy Arkansas filed its application with the APSC requesting approval of the acquisition and full cost recovery. The APSC has established a procedural schedule that includes a January 24, 2012 evidentiary hearing.

Hinds Energy Facility Purchase Agreement

In April 2011, Entergy Mississippi announced that it has signed an asset purchase agreement to acquire the Hinds Energy Facility, a 450 MW natural gas-fired combined-cycle turbine plant located in Jackson, Mississippi, from a subsidiary of KGen Power Corporation. The purchase price is expected to be approximately $206 million. Entergy Mississippi also expects to invest in various plant upgrades at the facility after closing and expects the total cost of the acquisition to be approximately $246 million. A new transmission service request has been submitted to determine if investments for supplemental upgrades in the Entergy transmission system are needed to make the Hinds Energy Facility deliverable to Entergy Mississippi for the period after Entergy Mississippi exits the System Agreement. The initial results of the service request are expected in January 2012; accordingly there are still uncertainties that must be resolved. The purchase is contingent upon, among other things, obtaining necessary approvals, including full cost recovery, from various federal and state regulatory and permitting agencies. These include regulatory approvals from the MPSC and FERC, as well as clearance under the Hart-Scott-Rodino anti-trust law. Closing is expected to occur in mid-2012. In July 2011, Entergy Mississippi filed with the MPSC requesting approval of the acquisition and full cost recovery.

Waterford 3 Steam Generator Replacement Project

See the Form 10-K for a discussion of the Waterford 3 Steam Generator Replacement project. With regard to the delay in the delivery of the steam generators, Entergy Louisiana worked with the manufacturer to fully develop and evaluate repair options, and expects the replacement steam generators to be delivered in time for the Fall 2012 refueling outage. Extensive inspections of the existing steam generators at Waterford 3 in cooperation with the manufacturer were completed in April 2011. The review of data obtained during these inspections supports the conclusion that Waterford 3 can operate safely for another full cycle before the replacement of the existing steam generators. Entergy Louisiana has formally reported its findings to the NRC. At this time, a requirement to perform a mid-cycle outage for further inspections in order to allow the plant to continue operation until its Fall 2012 refueling outage is not anticipated. Entergy Louisiana currently expects the cost of the project, including carrying costs, to increase to approximately $687 million if the replacement occurs during the Fall 2012 refueling outage.

Entergy Louisiana's existing formula rate plan provides for rate treatment of the Waterford 3 project costs, including in-service rate recovery without regulatory lag and treatment outside of the formula rate plan earnings sharing formula; however, these provisions contemplated the project being placed in service during the term of the current formula rate plan and will not apply at the time of the expected in-service date in the Fall 2012. Through a motion filed in September 2011, Entergy Louisiana has sought to re-establish comparable rate recovery provisions for the project through renewal or extension of the current formula rate plan provisions. The LPSC is scheduled to review this motion at its November 2011 meeting. As set forth in the motion, if Entergy Louisiana cannot establish comparable rate relief through the extension of the current formula rate plan provisions, it will be necessary to seek such relief through a base rate filing.

Dividends and Stock Repurchases

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 January, April, July, and October 2011 meetings, the Board declared dividends 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, 2011 and 2010 were as follows:

	2011	2010
	(In Millions)	
Cash and cash equivalents at beginning of period	$1,294	$1,710

Cash flow provided by (used in):		
Operating activities	2,130	3,165
Investing activities	(2,395)	(1,995)
Financing activities	(42)	(949)
Net increase (decrease) in cash and cash equivalents	(307)	221
Cash and cash equivalents at end of period	$987	$1,931

13

Operating Activities

Entergy's cash flow provided by operating activities decreased by $1,035 million for the nine months ended September 30, 2011 compared to the nine months ended September 30, 2010 primarily due to the receipt in July 2010 of $703 million from the Louisiana Utilities Restoration Corporation as a result of the Louisiana Act 55 storm cost financings for Hurricane Gustav and Hurricane Ike. The Act 55 storm cost financings are discussed in Note 2 to the financial statements in the Form 10-K. An increase of $131 million in pension contributions and the decrease in Entergy Wholesale Commodities net revenue that is discussed above also contributed to the decrease in operating cash flow. 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.

Investing Activities

Net cash used in investing activities increased by $401 million for the nine months ended September 30, 2011 compared to the nine months ended September 30, 2010 primarily due to:

- the purchase of the Acadia Power Plant by Entergy Louisiana for approximately $300 million in April 2011;
- the investment in 2010 of a total of $290 million in Entergy Gulf States Louisiana's and Entergy Louisiana's storm reserve escrow accounts as a result of their Act 55 storm cost financings, which are discussed in Note 2 to the financial statements in the Form 10-K;
- an increase in nuclear fuel purchases, as more plants were preparing for refueling outages in 2011 than in 2010;
- a change in collateral deposit activity, reflected in the "Decrease (increase) in other investments" line on the Consolidated Statements of Cash Flows, as Entergy received $114 million in net deposits from Entergy Wholesale Commodities' counterparties during 2010 and returned net deposits of $58 million in 2011. Entergy Wholesale Commodities' forward sales contracts are discussed in the Market and Credit Risk Sensitive Instruments section below; and
- an increase in construction expenditures, primarily in the Utility business. Entergy's construction spending plans for 2011 through 2013 are discussed in the Form 10-K. April 2011 storms that caused damage to transmission and distribution lines, equipment, poles, and other facilities, primarily in Arkansas, also contributed to the increase. The capital cost of repairing that damage was approximately $55 million.

Financing Activities

Net cash used in financing activities decreased by $907 million for the nine months ended September 30, 2011 compared to the nine months ended September 30, 2010 primarily due to the following:

- Entergy repurchased $235 million of its common stock in the nine months ended September 30, 2011 and repurchased $666 million of its common stock in the nine months ended September 30, 2010. Entergy's share repurchase programs are discussed in the Form 10-K.
- Long-term debt activity provided approximately $588 million of cash in 2011 compared to $158 million of cash in 2010. For details of Entergy's long-term debt activity in 2011 see Note 4 to the financial statements herein.

Table of Contents

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

See the Form 10-K for a discussion of federal regulatory proceedings. Following are updates to that discussion.

System Agreement and Independent Coordinator of Transmission (ICT)

As discussed in the Form 10-K, in November 2010 the FERC issued an order accepting the Utility operating companies’ proposal to extend the ICT arrangement with SPP by an additional term of two years, providing time for analysis of longer term structures. In addition, in December 2010 the FERC issued an order that granted the Entergy Regional State Committee (E-RSC) additional authority over transmission upgrades and cost allocation. The E-RSC, comprised of one representative from each of the Utility operating company retail regulators, was formed in 2009 to consider several of the issues related to the Entergy transmission system. The Utility operating companies expect that the E-RSC will review the cost-benefit analysis, discussed below, that the Utility operating companies submitted in May 2011 to each of their respective retail regulators comparing the ICT arrangement to joining the SPP RTO or the Midwest Independent Transmission System Operator (MISO).

Also as discussed in the Form 10-K, in February 2010 the APSC issued a show cause order opening an inquiry to conduct an investigation regarding the prudence of Entergy Arkansas’s entering a successor pooling agreement with the other Entergy Utility operating companies, as opposed to becoming a standalone entity upon exit from the System Agreement in December 2013, and whether Entergy Arkansas, as a standalone utility, should join the SPP RTO. The APSC subsequently added evaluation of Entergy Arkansas joining MISO on a standalone basis as an alternative to be considered. In August 2010, the APSC directed Entergy Arkansas and all parties to compare five strategic options at the same time as follows: (1) Entergy Arkansas Self-Provide; (2) Entergy Arkansas with 3rd party coordination agreements; (3) Successor Arrangements; (4) Entergy Arkansas as a standalone member of SPP RTO; and (5) Entergy Arkansas as a standalone member of MISO.

On April 25, 2011, Entergy announced that each of the Utility operating companies propose joining MISO, which is expected to provide long-term benefits for the customers of each of the Utility operating companies. MISO is a regional transmission organization that operates in 12 U.S. states (Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Montana, North Dakota, Ohio, South Dakota, and Wisconsin) and also in Canada. The Utility operating companies provided analysis in May 2011 to their retail regulators supporting this decision. The APSC received additional information from Entergy, MISO, and other parties and held an evidentiary hearing in September 2011. The APSC issued an order in the proceeding in October 2011 finding that it is prudent for Entergy Arkansas to join an RTO but deferred a decision on Entergy Arkansas’s plan to join MISO until Entergy Arkansas files an application to transfer control of its transmission assets to MISO. Entergy Arkansas plans to file that application by

November 28, 2011, which is the deadline set in the APSC order.

Entergy's May 2011 filings estimate that the transition and implementation costs of joining MISO could be up to $105 million if all of the Utility operating companies join MISO, most of which will be spent in late 2012 and 2013. Maintaining the viability of the alternatives of Entergy Arkansas joining MISO alone or standing alone within an ICT arrangement is expected to result in an additional cost of approximately $35 million, for a total cost of up to $140 million. This amount could increase with extended litigation in various regulatory proceedings. It is expected that costs will be incurred to obtain regulatory approvals, to revise or implement commercial and legal agreements, to integrate transmission and generation facilities, to develop back-office accounting and settlement systems, and to build out communications infrastructure. The Utility operating companies also expect to make filings later in 2011 with their retail regulators regarding the transfer of control of their transmission assets to MISO. As discussed below, Entergy Louisiana and Entergy Gulf States Louisiana made their filing on October 31, 2011. The target implementation date for joining MISO is December 2013.

On Oct. 31, 2011, Entergy Louisiana and Entergy Gulf States Louisiana filed with the LPSC a joint application seeking to join MISO and transfer control of the companies' transmission assets to MISO. The joint application to join MISO seeks a finding from the LPSC that membership in MISO is in the public interest. As MISO members, Entergy Louisiana and Entergy Gulf States Louisiana will retain ownership of their generation and transmission facilities, along with responsibility for maintaining these facilities. Once Entergy Louisiana and Entergy Gulf States Louisiana are fully integrated as members, however, MISO will assume control of transmission planning, the commitment and dispatch of generation that is bid into MISO's markets, and congestion management. As part of the joint application, Entergy Louisiana and Entergy Gulf States Louisiana also requested an accounting order authorizing them to defer costs associated with integrating into MISO. Entergy Louisiana expects to incur costs up to $26 million in order to complete the transition activities and Entergy Gulf States Louisiana expects to incur up to $19 million. Of these expected costs, Entergy Louisiana expects to request deferral of the expected expense portion of $19 million and Entergy Gulf States Louisiana expects to request deferral of the expected expense portion of $14 million as regulatory assets.

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. Several parties intervened in the proceeding, including Entergy, the APSC, the LPSC, and the City Council, and some of the parties also filed comments or protests. 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 announced that it intends to "work with its stakeholders to quickly craft the appropriate changes to its tariff that will accomplish the same objectives sought in the waiver."

Market and Credit Risk Sensitive Instruments

Commodity Price Risk

Power Generation

As discussed more fully in the Form 10-K, the sale of electricity from the power generation plants owned by Entergy Wholesale Commodities, unless otherwise contracted, is subject to the fluctuation of market power prices. In addition to selling the power produced by its plants, Entergy Wholesale Commodities sells unforced capacity to load-serving distribution companies in order for those companies to meet requirements placed on them by the ISO in their area. Following is an updated summary of the amount of Entergy Wholesale Commodities nuclear power plants' planned energy output and installed capacity that is sold forward under physical or financial contracts (2011 represents the remainder of the year):

16

Energy

	2011	2012	2013	2014	2015	2016
Percent of planned generation sold forward:						
Unit-contingent	80%	61%	38%	14%	12%	12%
Unit-contingent with guarantee of availability (1)	14%	14%	16%	13%	13%	13%
Firm LD	3%	24%	24%	8%	-%	-%
Offsetting positions	(3)%	(10)%	-%	-%	-%	-%
Total energy sold forward	94%	89%	78%	35%	25%	25%
Planned generation (TWh) (2) (3)	10	41	40	41	41	40
Average revenue under contract per MWh (4) (5)	$52	$49	$45-51	$49-55	$49-57	$50-59

Capacity

	2011	2012	2013	2014	2015	2016
Percent of capacity sold forward:						
Bundled capacity and energy contracts	26%	18%	16%	16%	16%	16%
Capacity contracts	45%	32%	26%	25%	11%	0%
Total capacity sold forward	71%	50%	42%	41%	27%	16%
Planned net MW in operation (3)	4,998	4,998	4,998	4,998	4,998	4,998
Average revenue under contract per kW per month (applies to capacity contracts only) (4) (5)	$1.8	$2.8	$3.2	$3.1	$2.9	$-
Blended Capacity and Energy Recap (based on revenues)						
% of planned generation and capacity sold forward	95%	89%	76%	37%	26%	25%
Blended revenue under contract per MWh	$53	$50	$49	$54	$55	$55

(1) A sale of power on a unit-contingent basis coupled with a guarantee of availability provides for the payment to the power purchaser of contract damages, if incurred, in the event the seller fails to deliver power as a result of the failure of the specified generation unit to generate power at or above a specified availability threshold. All of Entergy's outstanding guarantees of availability provide for dollar limits on Entergy's maximum liability under such guarantees.

(2) Amount of output expected to be generated by Entergy Wholesale Commodities nuclear units considering plant operating characteristics, outage schedules, and expected market conditions which impact dispatch.

(3) Assumes NRC license renewal for plants whose current licenses expire within five years and the continued operation of all six plants. NRC license renewal applications are in process for three units, as follows (with current license expirations in parentheses): Pilgrim (June 2012), Indian Point 2 (September 2013), and Indian Point 3 (December

2015). See also Note 11 to the financial statements for a discussion regarding the continued operation of Vermont Yankee.

(4) The Vermont Yankee acquisition included a 10-year PPA under which the former owners will buy most of the power produced by the plant through March 21, 2012. The PPA includes an adjustment clause under which the prices specified in the PPA will be adjusted downward monthly, beginning in November 2005, if power market prices drop below PPA prices, which has not happened thus far.

(5) Revenue on a per unit basis at which generation output, capacity, or a combination of both is expected to be sold to third parties (including offsetting positions), given existing contract or option exercise prices based on expected dispatch or capacity, excluding the revenue associated with the amortization of the below-market PPA for Palisades. Revenue may fluctuate due to factors including positive or negative basis differentials, option premiums and market prices at time of option expiration, costs to convert firm LD to unit-contingent, and other risk management costs. Also, average revenue under contract excludes payments owed under the value sharing agreement with NYPA.

Entergy estimates that a $10 per MWh change in the annual average energy price in the markets in which the Entergy Wholesale Commodities nuclear business sells power, based on September 30, 2011 market conditions, planned generation volume, and hedged position, would have a corresponding effect on pre-tax net income of $6 million in 2011.

Some of the agreements to sell the power produced by Entergy Wholesale Commodities’ nuclear power plants contain provisions that require an Entergy subsidiary to provide collateral to secure its obligations under the agreements. The Entergy subsidiary is required to provide collateral based upon the difference between the current market and contracted power prices in the regions where Entergy Wholesale Commodities sells power. The primary form of collateral to satisfy these requirements is an Entergy Corporation guaranty. Cash and letters of credit are also acceptable forms of collateral. At September 30, 2011, based on power prices at that time, Entergy had liquidity exposure of $55 million under the guarantees in place supporting Entergy Nuclear Power Marketing (a subsidiary in the Entergy Wholesale Commodities segment) transactions, $20 million of guarantees that support letters of credit, and $6 million of posted cash collateral to the ISOs. As of September 30, 2011, the credit exposure associated with Entergy Wholesale Commodities assurance requirements would increase by $134 million for a $1 per MMBtu increase in gas prices in both the short-and long-term markets. In the event of a decrease in Entergy Corporation’s credit rating to below investment grade, based on power prices as of September 30, 2011, Entergy would have been required to provide approximately $47 million of additional cash or letters of credit under some of the agreements.

As of September 30, 2011, the counterparties or their guarantors for 99.9% of the planned energy output under contract for Entergy Wholesale Commodities through 2016 have public investment grade credit ratings and 0.1% is with load-serving entities without public credit ratings.

Nuclear Matters

After the nuclear incident in Japan resulting from the March 2011 earthquake and tsunami, the NRC established a task force to conduct a review of processes and regulations relating to nuclear facilities in the United States. The task force issued a near term (90-day) report in July 2011 that has made recommendations, which are currently being evaluated by the NRC. The lessons learned from the events in Japan and the NRC recommendations may affect future operations of U.S. nuclear facilities, including Entergy's, and could, among other things, result in increased costs and capital requirements associated with operating Entergy's nuclear plants.

Critical Accounting Estimates

See "MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS - Critical Accounting Estimates" in the Form 10-K for a discussion of the estimates and judgments necessary in Entergy’s accounting for nuclear decommissioning costs, unbilled revenue, impairment of long-lived assets and trust fund investments, qualified pension and other postretirement benefits, and other contingencies. Following is an update to that discussion. For updates of the impairment of long-lived assets discussion regarding Vermont Yankee see Note 11 to the financial statements herein.

Nuclear Decommissioning Costs

In the first quarter 2011, System Energy recorded a revision to its estimated decommissioning cost liability for Grand Gulf as a result of a revised decommissioning cost study. The revised estimate resulted in a $38.9 million reduction in its decommissioning liability, along with a corresponding reduction in the related regulatory asset.

New Accounting Pronouncements

The accounting standard-setting process, including projects between the FASB and the International Accounting Standards Board (IASB) to converge U.S. GAAP and International Financial Reporting Standards, is ongoing and the FASB and the IASB are each currently working on several projects that have not yet resulted in final pronouncements. Final pronouncements that result from these projects could have a material effect on Entergy's future net income or financial position.

In May 2011 the FASB issued ASU No. 2011-4, "Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs," which states that the ASU explains how to measure fair value. The ASU states that: 1) the amendments in the ASU result in common fair value measurement and disclosure requirements in U.S. GAAP and International Financial Reporting Standards; 2) consequently, the amendments change the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements; 3) for many of the requirements, the FASB does not intend for the ASU to result in a change in the application of the requirements of current U.S. GAAP; 4) some of the amendments clarify the FASB's intent about the application of existing fair value measurement requirements; and 5) other amendments change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. ASU No. 2011-4 is effective for Entergy for the first quarter 2012. Entergy does not expect ASU No. 2011-4 to affect materially its results of operations, financial position, or cash flows.

In June 2011 the FASB issued ASU No. 2011-5, "Comprehensive Income (Topic 220): Presentation of Comprehensive Income." The amendments require that all non-owner changes in stockholders' equity be presented either in a single continuous statement of comprehensive income or in two separate but consecutive statements. ASU No. 2011-5 is effective for Entergy for the first quarter 2012. ASU No. 2011-5 will have no effect on Entergy's results of operations, financial position, or cash flows.

In September 2011 the FASB issued ASU No. 2011-8, "Intangibles – Goodwill and Other (Topic 350): Testing Goodwill for Impairment." The amendments permit an entity to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform a quantitative goodwill impairment assessment. ASU No. 2011-8 is effective for Entergy for the first quarter 2012. ASU No. 2011-8 will have no effect on Entergy's results of operations, financial position, or cash flows.

Table of Contents

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Table of Contents

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
For the Three and Nine Months Ended September 30, 2011 and 2010
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2011	2010	2011	2010
	(In Thousands, Except Share Data)			
OPERATING REVENUES				
Electric	$ 2,733,601	$ 2,638,752	$ 6,811,538	$ 6,859,791
Natural gas	26,439	27,263	126,453	154,426
Competitive businesses	635,513	666,161	1,802,050	1,940,256
TOTAL	3,395,553	3,332,176	8,740,041	8,954,473
OPERATING EXPENSES				
Operating and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	849,982	748,863	1,921,007	1,939,077
Purchased power	475,335	484,694	1,289,180	1,376,055
Nuclear refueling outage expenses	64,566	64,885	191,517	191,395
Other operation and maintenance	708,821	808,688	2,077,066	2,211,382
Decommissioning	56,467	53,380	167,229	157,423
Taxes other than income taxes	152,044	138,217	406,493	400,597
Depreciation and amortization	283,581	264,621	812,672	789,392
Other regulatory charges (credits) - net	203,848	(1,814)	204,338	15,555
TOTAL	2,794,644	2,561,534	7,069,502	7,080,876
OPERATING INCOME	600,909	770,642	1,670,539	1,873,597
OTHER INCOME				
Allowance for equity funds used during construction	21,516	15,064	59,558	45,990
Interest and investment income	33,238	38,705	95,906	121,869
Miscellaneous - net	(14,137)	(14,748)	(40,498)	(32,050)
TOTAL	40,617	39,021	114,966	135,809
INTEREST EXPENSE				
Interest expense	137,301	136,075	409,484	463,454
Allowance for borrowed funds used during construction	(9,713)	(8,949)	(27,397)	(27,274)
TOTAL	127,588	127,126	382,087	436,180
INCOME BEFORE INCOME TAXES	513,938	682,537	1,403,418	1,573,226

Income taxes (benefit)	(119,131)	184,636	196,072	536,227
CONSOLIDATED NET INCOME	633,069	497,901	1,207,346	1,036,999
Preferred dividend requirements of subsidiaries	5,015	5,015	15,046	15,048
NET INCOME ATTRIBUTABLE TO ENTERGY CORPORATION	$ 628,054	$ 492,886	$ 1,192,300	$ 1,021,951
Earnings per average common share:				
Basic	$ 3.55	$ 2.65	$ 6.70	$ 5.44
Diluted	$ 3.53	$ 2.62	$ 6.67	$ 5.38
Dividends declared per common share	$ 0.83	$ 0.83	$ 2.49	$ 2.41
Basic average number of common shares outstanding	176,950,469	185,962,431	177,857,667	187,968,582
Diluted average number of common shares outstanding	177,723,020	187,777,172	178,805,215	189,914,439

See Notes to Financial Statements.

Table of Contents

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 2011 and 2010
(Unaudited)

	2011	2010
	(In Thousands)	
OPERATING ACTIVITIES		
Consolidated net income	$1,207,346	$1,036,999
Adjustments to reconcile consolidated net income to net cash flow		
provided by operating activities:		
Depreciation, amortization, and decommissioning, including nuclear fuel amortization	1,315,730	1,259,543
Deferred income taxes, investment tax credits, and non-current taxes accrued	(5,979)	524,359
Changes in assets and liabilities:		
Receivables	(213,524)	(243,326)
Fuel inventory	12,677	3,328
Accounts payable	(238,879)	44,348
Prepaid taxes and taxes accrued	245,242	45,198
Interest accrued	(53,307)	(10,982)
Deferred fuel	(119,481)	(65,655)
Other working capital accounts	(31,319)	(162,284)
Provisions for estimated losses	(4,608)	258,962
Other regulatory assets	250,747	482,960
Pension and other postretirement liabilities	(275,690)	(142,420)
Other assets and liabilities	40,801	134,059
Net cash flow provided by operating activities	2,129,756	3,165,089
INVESTING ACTIVITIES		
Construction/capital expenditures	(1,460,668)	(1,410,708)
Allowance for equity funds used during construction	61,096	45,990
Nuclear fuel purchases	(475,418)	(315,780)
Payment for purchase of plant	(299,590)	-
Proceeds from sale of assets and businesses	6,531	9,675
Insurance proceeds received for property damages	-	7,894
Changes in securitization account	(443)	(23,182)
NYPA value sharing payment	(72,000)	(72,000)
Payments to storm reserve escrow account	(5,043)	(294,901)
Receipts from storm reserve escrow account	-	9,925
Decrease (increase) in other investments	(60,693)	117,696
Proceeds from nuclear decommissioning trust fund sales	1,053,089	1,974,008
Investment in nuclear decommissioning trust funds	(1,142,364)	(2,043,361)
Net cash flow used in investing activities	(2,395,503)	(1,994,744)

See Notes to Financial Statements.

22

Table of Contents

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 2011 and 2010
(Unaudited)

		2011		2010
		(In Thousands)		
FINANCING ACTIVITIES				
Proceeds from the issuance of:				
Long-term debt		1,535,634		2,272,224
Common stock and treasury stock		32,889		45,763
Retirement of long-term debt		(947,401)		(2,113,927)
Repurchase of common stock		(234,632)		(665,624)
Changes in credit borrowings - net		30,036		(18,932)
Dividends paid:				
Common stock		(443,290)		(453,683)
Preferred stock		(15,046)		(15,048)
Net cash flow used in financing activities		(41,810)		(949,227)
Effect of exchange rates on cash and cash equivalents		225		250
Net increase (decrease) in cash and cash equivalents		(307,332)		221,368
Cash and cash equivalents at beginning of period		1,294,472		1,709,551
Cash and cash equivalents at end of period	$	987,140	$	1,930,919
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:				
Cash paid/(received) during the period for:				
Interest - net of amount capitalized	$	413,525	$	400,124
Income taxes	$	(11)	$	32,964

See Notes to Financial Statements.

23

Table of Contents

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
ASSETS
September 30, 2011 and December 31, 2010
(Unaudited)

	2011	2010
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	$135,673	$76,290
Temporary cash investments	851,467	1,218,182
Total cash and cash equivalents	987,140	1,294,472
Securitization recovery trust account	43,487	43,044
Accounts receivable:		
Customer	790,355	602,796
Allowance for doubtful accounts	(32,139)	(31,777)
Other	161,062	161,662
Accrued unbilled revenues	329,095	302,901
Total accounts receivable	1,248,373	1,035,582
Deferred fuel costs	87,297	64,659
Accumulated deferred income taxes	5,292	8,472
Fuel inventory - at average cost	194,848	207,520
Materials and supplies - at average cost	880,619	866,908
Deferred nuclear refueling outage costs	232,852	218,423
System agreement cost equalization	190,174	52,160
Prepaid taxes	56,565	301,807
Prepayments and other	227,851	246,036
TOTAL	4,154,498	4,339,083
OTHER PROPERTY AND INVESTMENTS		
Investment in affiliates - at equity	43,934	40,697
Decommissioning trust funds	3,566,111	3,595,716
Non-utility property - at cost (less accumulated depreciation)	258,967	257,847
Other	413,686	405,946
TOTAL	4,282,698	4,300,206
PROPERTY, PLANT AND EQUIPMENT		
Electric	38,484,712	37,153,061
Property under capital lease	789,898	800,078
Natural gas	339,923	330,608
Construction work in progress	1,904,313	1,661,560
Nuclear fuel	1,403,982	1,377,962
TOTAL PROPERTY, PLANT AND EQUIPMENT	42,922,828	41,323,269
Less - accumulated depreciation and amortization	18,123,801	17,474,914
PROPERTY, PLANT AND EQUIPMENT - NET	24,799,027	23,848,355

DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
Regulatory asset for income taxes - net	737,475	845,725
Other regulatory assets (includes securitization property of $1,029,433 as of September 30, 2011 and $882,346 as of December 31, 2010)	3,700,902	3,838,237
Deferred fuel costs	172,202	172,202
Goodwill	377,172	377,172
Accumulated deferred income taxes	58,001	54,523
Other	879,523	909,773
TOTAL	5,925,275	6,197,632
TOTAL ASSETS	$39,161,498	$38,685,276

See Notes to Financial Statements.

Table of Contents

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
LIABILITIES AND EQUITY
September 30, 2011 and December 31, 2010
(Unaudited)

		2011		2010
		(In Thousands)		
CURRENT LIABILITIES				
Currently maturing long-term debt	$	2,022,410	$	299,548
Notes payable		144,871		154,135
Accounts payable		882,651		1,181,099
Customer deposits		347,185		335,058
Accumulated deferred income taxes		64,821		49,307
Interest accrued		164,378		217,685
Deferred fuel costs		69,566		166,409
Obligations under capital leases		3,578		3,388
Pension and other postretirement liabilities		40,570		39,862
System agreement cost equalization		190,190		52,160
Other		231,123		277,598
TOTAL		4,161,343		2,776,249
NON-CURRENT LIABILITIES				
Accumulated deferred income taxes and taxes accrued		8,403,453		8,573,646
Accumulated deferred investment tax credits		281,112		292,330
Obligations under capital leases		39,341		42,078
Other regulatory liabilities		645,843		539,026
Decommissioning and asset retirement cost liabilities		3,274,479		3,148,479
Accumulated provisions		391,712		395,250
Pension and other postretirement liabilities		1,898,966		2,175,364
Long-term debt (includes securitization bonds of $1,086,277 as of September 30, 2011 and $931,131 as of December 31, 2010)		10,241,993		11,317,157
Other		547,146		618,559
TOTAL		25,724,045		27,101,889
Commitments and Contingencies				
Subsidiaries' preferred stock without sinking fund		216,748		216,738
EQUITY				
Common Shareholders' Equity:				
Common stock, $.01 par value, authorized 500,000,000 shares; issued 254,752,788 shares in 2011 and in 2010		2,548		2,548
Paid-in capital		5,362,959		5,367,474
Retained earnings		9,439,000		8,689,401

Accumulated other comprehensive loss		(138,337)		(38,212)
Less - treasury stock, at cost (78,677,119 shares in 2011 and				
76,006,920 shares in 2010)		5,700,808		5,524,811
Total common shareholders' equity		8,965,362		8,496,400
Subsidiaries' preferred stock without sinking fund		94,000		94,000
TOTAL		9,059,362		8,590,400
TOTAL LIABILITIES AND EQUITY	$	39,161,498	$	38,685,276

See Notes to Financial Statements.

Table of Contents

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY AND COMPREHENSIVE INCOME
For the Nine Months Ended September 30, 2011 and 2010
(Unaudited) (In Thousands)

		Common Shareholders' Equity					
	Subsidiaries' Preferred Stock	Common Stock	Treasury Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 31, 2009	$ 94,000	$ 2,548	$ (4,727,167)	$ 5,370,042	$ 8,043,122	$ (75,185)	$ 8,707,360
Consolidated net income (a)	15,048	-	-	-	1,021,951	-	1,036,999
Other comprehensive income:							
Cash flow hedges net unrealized gain (net of tax expense of $69,053)	-	-	-	-	-	112,911	112,911
Pension and other postretirement liabilities (net of tax expense of $4,777)	-	-	-	-	-	6,011	6,011
Net unrealized investment losses (net of tax expense of $28,421)	-	-	-	-	-	29,078	29,078
Foreign currency translation (net of tax benefit of $135)	-	-	-	-	-	(249)	(249)
Total comprehensive income							1,184,750
Common stock repurchases	-	-	(665,624)	-	-	-	(665,624)
Common stock issuances related to stock plans	-	-	71,257	(2,951)	-	-	68,306
Common stock dividends declared	-	-	-	-	(453,992)	-	(453,992)
Preferred dividend requirements of subsidiaries (a)	(15,048)	-	-	-	-	-	(15,048)

Balance at September 30, 2010	$ 94,000	$ 2,548	$ (5,321,534)	$ 5,367,091	$ 8,611,081	$ 72,566	$ 8,825,752
Balance at December 31, 2010	$ 94,000	$ 2,548	$ (5,524,811)	$ 5,367,474	$ 8,689,401	$ (38,212)	$ 8,590,400
Consolidated net income (a)	15,046	-	-	-	1,192,300	-	1,207,346
Other comprehensive income:							
Cash flow hedges net unrealized loss (net of tax benefit of $50,884)	-	-	-	-	-	(84,321)	(84,321)
Pension and other postretirement liabilities (net of tax expense of $4,704)	-	-	-	-	-	9,255	9,255
Net unrealized investment gains (net of tax benefit of $24,014)	-	-	-	-	-	(25,478)	(25,478)
Foreign currency translation (net of tax expense of $226)	-	-	-	-	-	419	419
Total comprehensive income							1,107,221
Common stock repurchases	-	-	(234,632)	-	-	-	(234,632)
Common stock issuances related to stock plans	-	-	58,635	(4,515)	-	-	54,120
Common stock dividends declared	-	-	-	-	(442,701)	-	(442,701)
Preferred dividend requirements of subsidiaries (a)	(15,046)	-	-	-	-	-	(15,046)
Balance at September 30, 2011	$ 94,000	$ 2,548	$ (5,700,808)	$ 5,362,959	$ 9,439,000	$ (138,337)	$ 9,059,362

See Notes to Financial Statements.

(a) Consolidated net income and preferred dividend requirements of subsidiaries for both 2010 and 2011 include $10.1 million of preferred dividends on subsidiaries' preferred stock without sinking fund that is not presented as equity.

Table of Contents

ENTERGY CORPORATION AND SUBSIDIARIES
SELECTED OPERATING RESULTS
For the Three and Nine Months Ended September 30, 2011 and 2010
(Unaudited)

Description	Three Months Ended 2011	2010	Increase/ (Decrease)	%
	(Dollars in Millions)			
Utility Electric Operating Revenues:				
Residential	$ 1,195	$ 1,149	$ 46	4
Commercial	718	688	30	4
Industrial	674	572	102	18
Governmental	59	61	(2)	(3)
Total retail	2,646	2,470	176	7
Sales for resale	70	71	(1)	(1)
Other	18	98	(80)	(82)
Total	$ 2,734	$ 2,639	$ 95	4
Utility Billed Electric Energy Sales (GWh):				
Residential	12,376	12,365	11	-
Commercial	8,655	8,660	(5)	-
Industrial	11,024	10,276	748	7
Governmental	689	681	8	1
Total retail	32,744	31,982	762	2
Sales for resale	1,038	1,063	(25)	(2)
Total	33,782	33,045	737	2
Entergy Wholesale Commodities:				
Operating Revenues	$ 641	$ 672	$ (31)	(5)
Billed Electric Energy Sales (GWh)	11,284	10,736	548	5

Description	Nine Months Ended 2011	2010	Increase/ (Decrease)	%
	(Dollars in Millions)			
Utility Electric Operating Revenues:				
Residential	$ 2,703	$ 2,691	$ 12	-
Commercial	1,794	1,776	18	1
Industrial	1,742	1,663	79	5
Governmental	158	163	(5)	(3)
Total retail	6,397	6,293	104	2
Sales for resale	198	216	(18)	(8)
Other	217	351	(134)	(38)

Total	$ 6,812	$ 6,860	$ (48)	(1)
Utility Billed Electric Energy Sales (GWh):				
Residential	29,411	29,715	(304)	(1)
Commercial	22,048	21,935	113	1
Industrial	30,681	28,871	1,810	6
Governmental	1,875	1,854	21	1
Total retail	84,015	82,375	1,640	2
Sales for resale	3,021	3,351	(330)	(10)
Total	87,036	85,726	1,310	2
Entergy Wholesale Commodities:				
Operating Revenues	$ 1,819	$ 1,954	$ (135)	(7)
Billed Electric Energy Sales (GWh)	32,455	32,362	93	-

ENTERGY CORPORATION AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

NOTE 1. COMMITMENTS AND CONTINGENCIES (Entergy Corporation, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy)

Entergy and the Registrant Subsidiaries are involved in a number of legal, regulatory, and tax proceedings before various courts, regulatory commissions, and governmental agencies in the ordinary course of business. While management is unable to predict the outcome of such proceedings, management does not believe that the ultimate resolution of these matters will have a material adverse effect on Entergy's results of operations, cash flows, or financial condition, except as otherwise discussed in the Form 10-K or in this report. Entergy discusses regulatory proceedings in Note 2 to the financial statements in the Form 10-K and herein, discusses tax proceedings in Note 3 to the financial statements in the Form 10-K and Note 10 to the financial statements herein, and discusses a judicial proceeding involving Vermont Yankee in Note 11 to the financial statements herein.

Vidalia Purchased Power Agreement

See Note 8 to the financial statements in the Form 10-K for a discussion of Entergy Louisiana's agreement extending through the year 2031 to purchase energy generated by a hydroelectric facility known as the Vidalia project. Also as discussed in the Form 10-K, in an LPSC-approved settlement related to benefits from the tax treatment of the Vidalia contract, Entergy Louisiana agreed to credit customer rates for a portion of the benefits. See Note 10 to the financial statements herein for discussion of an August 2011 settlement with the IRS regarding the mark-to-market income tax treatment of various wholesale electric power purchase and sale agreements, including Entergy Louisiana's contract to purchase electricity under the Vidalia contract, and Entergy Louisiana's agreement to credit customer rates for a portion of the benefits.

Nuclear Insurance

See Note 8 to the financial statements in the Form 10-K for information on nuclear liability and property insurance associated with Entergy's nuclear power plants.

Conventional Property Insurance

See Note 8 to the financial statements in the Form 10-K for information on Entergy's non-nuclear property insurance program.

Employment Litigation

The Registrant Subsidiaries and other Entergy subsidiaries are responding to various lawsuits in both state and federal courts and to other labor-related proceedings filed by current and former employees and third parties not selected for open positions. These actions include, but are not limited to, allegations of wrongful employment actions; wage disputes and other claims under the Fair Labor Standards Act or its state counterparts; claims of race, gender and disability discrimination; disputes arising under collective bargaining agreements; unfair labor practice proceedings and other administrative proceedings before the National Labor Relations Board; claims of retaliation; and claims for or regarding benefits under various Entergy Corporation sponsored plans. Entergy and the Registrant Subsidiaries are responding to these lawsuits and proceedings and deny liability to the claimants.

Asbestos Litigation (Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and Entergy Texas)

See Note 8 to the financial statements in the Form 10-K for information regarding asbestos litigation at Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and Entergy Texas.

NOTE 2. RATE AND REGULATORY MATTERS (Entergy Corporation, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy)

Regulatory Assets

See Note 2 to the financial statements in the Form 10-K for information regarding regulatory assets in the Utility business presented on the balance sheets of Entergy and the Registrant Subsidiaries. Following are updates to that information.

Fuel and Purchased Power Cost Recovery

Entergy Gulf States Louisiana

In January 2003 the LPSC authorized its staff to initiate a proceeding to audit the fuel adjustment clause filings of Entergy Gulf States Louisiana and its affiliates. The audit includes a review of the reasonableness of charges flowed by Entergy Gulf States Louisiana through its fuel adjustment clause for the period 1995 through 2004. The LPSC Staff issued its audit report in December 2010. The report recommended the disallowance of $23 million of costs which, with interest, would total $43 million. $2 million of this total relates to a realignment to and recovery through base rates of certain SO2 costs. Entergy Gulf States Louisiana filed comments disputing the findings in the report. Entergy Gulf States Louisiana and the LPSC Staff reached a settlement to resolve the audit that requires Entergy Gulf States Louisiana to refund $18 million to customers, including the realignment to base rates of the $2 million of SO2 costs. Entergy Gulf States Louisiana and the LPSC Staff filed the uncontested settlement, the ALJ held a stipulation hearing in September 2011, and the LPSC approved the settlement in October 2011. The refund will be made in the November 2011 billing cycle. Entergy Gulf States Louisiana had previously recorded provisions for the estimated outcome of this proceeding.

In April 2010 the LPSC authorized its staff to initiate an audit of Entergy Gulf States Louisiana's purchased gas adjustment clause filings for its gas distribution operations. The audit includes a review of the reasonableness of charges flowed through by Entergy Gulf States Louisiana for the period from 2003 through 2008. Discovery was completed and, in June 2011, the LPSC Staff filed an audit report generally supporting the appropriateness of charges flowed through the purchased gas adjustment clause filings. The LPSC approved the staff audit report in October 2011.

Entergy Texas

In December 2010, Entergy Texas filed with the PUCT a request to refund fuel cost recovery over-collections through October 2010. Pursuant to a stipulation among the parties that was approved by the PUCT in March 2011, Entergy Texas refunded over-collections through November 2010 of approximately $73 million, including interest through the refund period. The refund was made for most customers over a three-month period that began with the February 2011 billing cycle.

Little Gypsy Repowering Project (Entergy and Entergy Louisiana)

See the Form 10-K for a discussion of the Little Gypsy repowering project. As discussed in the Form 10-K, in January 2011 all parties conducted a mediation on the disputed issues, and thereafter, reached agreement on a settlement of all disputed issues, including cost recovery and cost allocation. The settlement provides for Entergy Louisiana to recover $200 million as of March 31, 2011, and carrying costs on that amount on specified terms thereafter. The settlement also provides for Entergy Louisiana to recover the approved project costs by securitization. In April 2011, Entergy Louisiana filed an application with the LPSC to authorize the securitization of the investment recovery costs associated with the project and to issue a financing order by which Entergy Louisiana may accomplish such securitization. In August 2011 the LPSC issued an order approving the settlement and also issued a financing order for the securitization. See Note 4 to the financial statements for a discussion of the September 2011 issuance of the securitization bonds.

Retail Rate Proceedings

See Note 2 to the financial statements in the Form 10-K for detailed information regarding retail rate proceedings involving the Utility operating companies. The following are updates to the Form 10-K.

Filings with the LPSC

(Entergy Gulf States Louisiana)

In January 2011, Entergy Gulf States Louisiana filed with the LPSC its gas rate stabilization plan for the test year ended September 30, 2010. The filing showed an earned return on common equity of 8.84% and a revenue deficiency of $0.3 million. In March 2011, the LPSC Staff filed its findings, suggesting an adjustment that will produce an 11.76% earned return on common equity for the test year and a $0.2 million rate reduction. Entergy Gulf States Louisiana implemented the $0.2 million rate reduction effective with the May 2011 billing cycle. The LPSC docket is now closed.

In May 2011, Entergy Gulf States Louisiana made a special formula rate plan rate implementation filing with the LPSC that implements effective with the May 2011 billing cycle a $5.1 million rate decrease to reflect adjustments in accordance with a previous LPSC order relating to the acquisition of Unit 2 of the Acadia Energy Center by Entergy Louisiana. As a result of the closing of the acquisition and termination of the pre-acquisition power purchase agreement with Acadia, Entergy Gulf States Louisiana's allocation of capacity related to this unit ended, resulting in a reduction in the additional capacity revenue requirement.

In May 2011, Entergy Gulf States Louisiana made its formula rate plan filing with the LPSC for the 2010 test year. The filing reflects an 11.11% earned return on common equity, which is within the allowed earnings bandwidth, indicating no cost of service rate change is necessary under the formula rate plan. The filing also reflects a $22.8 million rate decrease for incremental capacity costs. Entergy Gulf States Louisiana and the LPSC Staff subsequently filed a joint report that also stated that no cost of service rate change is necessary under the formula rate plan, and the LPSC approved it in October 2011. Unless otherwise ordered by the LPSC, the 2010 test year is the final evaluation period of Entergy Gulf States Louisiana's formula rate plan. Entergy Gulf States Louisiana has filed a motion requesting that the LPSC extend the formula rate plan for an additional year. The LPSC has indicated that it will act on that request at its November 9, 2011 meeting.

(Entergy Louisiana)

In May 2011, Entergy Louisiana made a special formula rate plan rate implementation filing with the LPSC that implements effective with the May 2011 billing cycle a $43.1 million net rate increase to reflect adjustments in accordance with a previous LPSC order relating to the acquisition of Unit 2 of the Acadia Energy Center. The net rate increase represents the decrease in the additional capacity revenue requirement resulting from the termination of the power purchase agreement with Acadia and the increase in the revenue requirement resulting from the ownership of the Acadia facility. In August 2011, Entergy Louisiana made a filing to correct the May 2011 filing and decrease the rate by $1.1 million.

In May 2011, Entergy Louisiana made its formula rate plan filing with the LPSC for the 2010 test year. The filing reflects an 11.07% earned return on common equity, which is just outside of the allowed earnings bandwidth and results in no cost of service rate change under the formula rate plan. The filing also reflects a very slight ($9 thousand) rate increase for incremental capacity costs. Entergy Louisiana and the LPSC Staff subsequently filed a joint report that reflects an 11.07% earned return and results in no cost of service rate change under the formula rate plan, and the LPSC approved the joint report in October 2011. Unless otherwise ordered by the LPSC, the 2010 test year is the final evaluation period of Entergy Louisiana's formula rate plan. Entergy Louisiana has filed a motion requesting that the LPSC extend the formula rate plan for an additional year. The LPSC has indicated that it will act on that request at its November 9, 2011 meeting.

Filings with the MPSC

In March 2011, Entergy Mississippi submitted its formula rate plan 2010 test year filing. The filing shows an earned return on common equity of 10.65% for the test year, which is within the earnings bandwidth and results in no change in rates. The filing is currently subject to MPSC review.

Filings with the City Council

In May 2011, Entergy New Orleans filed its electric and gas formula rate plan evaluation reports for the 2010 test year. The filings requested a $6.5 million electric rate decrease and a $1.1 million gas rate decrease. Entergy New Orleans and the City Council's Advisors reached a settlement that results in an $8.5 million incremental electric rate decrease and a $1.6 million gas rate decrease. The settlement also provides for the deferral of $13.4 million of Michoud plant maintenance expenses incurred in 2010 and the establishment of a regulatory asset that will be amortized over the period October 2011 through September 2018. The City Council approved the settlement in September 2011. The new rates are effective with the first billing cycle of October 2011.

System Agreement Cost Equalization Proceedings

See Note 2 to the financial statements in the Form 10-K for detailed information regarding the System Agreement Cost Equalization Proceedings. The following are updates to the Form 10-K.

As discussed in the Form 10-K, in June 2005, and on rehearing in December 2005, the FERC issued orders finding that, among other things, the System Agreement no longer roughly equalizes total production costs among the Utility operating companies and that, in order to reach rough production cost equalization, a bandwidth remedy should be imposed by which each company's total annual production costs will have to be within +/- 11% of Entergy System average total annual production costs. In April 2008, the DC Circuit concluded that the FERC's orders had failed to adequately explain both its conclusion that it was prohibited from ordering refunds for the 20-month period from September 13, 2001 - May 2, 2003 and its determination to implement the bandwidth remedy commencing on January 1, 2006, rather than June 1, 2005. The DC Circuit remanded the case to FERC for further proceedings on these issues.

On October 20, 2011, the FERC issued an order addressing the D.C. Circuit remand on these two issues. On the first issue, the FERC concluded that it did have the authority to order refunds, but decided that it would exercise its equitable discretion and not require refunds for the 20-month period from September 13, 2001 - May 2, 2003. Because the ruling on refunds relied on findings in the interruptible load proceeding that is discussed below, the FERC concluded that the refund ruling will be held in abeyance pending the outcome of the rehearing requests in that proceeding. On the second issue, the FERC reversed its prior decision and ordered that the prospective bandwidth remedy begins on June 1, 2005 (the date of its initial order in the proceeding) rather than January 1, 2006, as it had previously ordered. Pursuant to the October 20, 2011 order, Entergy is required to calculate the additional bandwidth payments for the period June - December 2005 utilizing the bandwidth formula tariff prescribed by the FERC that was filed in a December 2006 compliance filing and accepted by the FERC in an April 2007 order. Entergy is required to submit a compliance filing within 60 days of the date of the order that provides the payments and receipts among the Utility operating companies, and is required to make the payments/receipts among the Utility operating companies within 90 days of the date of the order. As is the case with bandwidth remedy payments, these payments and receipts will be paid by Utility operating company customers to other Utility operating company customers.

The Utility operating companies have recorded liabilities and assets based on the preliminary estimates of the payments and receipts required to implement the FERC's remedy for the period June - December 2005. This estimate does not include other payments/receipts among the Utility operating companies that may occur in 2012 based on calendar year 2011 production costs.

	Payments or (Receipts) (In Millions)
Entergy Arkansas	$157
Entergy Gulf States Louisiana	($82)
Entergy Louisiana	$-
Entergy Mississippi	($21)
Entergy New Orleans	$-
Entergy Texas	($54)

The actual payments/receipts related to implementing the bandwidth remedy for the period from June – December 2005 will not be finalized until the Utility operating companies' compliance filing has been completed. The actual payments/receipts may vary from the above estimates, which are preliminary. The compliance filing is due to be filed at the FERC by December 19, 2011.

Rough Production Cost Equalization Rates

2011 Rate Filing Based on Calendar Year 2010 Production Costs

In May 2011, Entergy filed with the FERC the 2011 rates in accordance with the FERC's orders in the System Agreement proceeding. The filing shows the following payments/receipts among the Utility operating companies for 2011, based on calendar year 2010 production costs, commencing for service in June 2011, are necessary to achieve rough production cost equalization under the FERC's orders:

	Payments or (Receipts) (In Millions)
Entergy Arkansas	$77
Entergy Gulf States Louisiana	($12)
Entergy Louisiana	$-
Entergy Mississippi	($40)
Entergy New Orleans	($25)

Entergy Texas	$-

Several parties intervened in the proceeding at the FERC, including the LPSC, which filed a protest as well. In July 2011, the FERC accepted Entergy's proposed rates for filing, effective June 1, 2011, subject to refund, set the proceeding for hearing procedures, and then held those procedures in abeyance pending FERC decisions in the prior production cost proceedings currently before the FERC on review.

2010 Rate Filing Based on Calendar Year 2009 Production Costs

In May 2010, Entergy filed with the FERC the 2010 rates in accordance with the FERC's orders in the System Agreement proceeding, and supplemented the filing in September 2010. Several parties intervened in the proceeding at the FERC, including the LPSC and the City Council, which have also filed protests. In July 2010 the FERC accepted Entergy's proposed rates for filing, effective June 1, 2010, subject to refund, and set the proceeding for hearing and settlement procedures. Settlement procedures have been terminated, and the ALJ scheduled hearings to begin in March 2011. Subsequently, in January 2011 the ALJ issued an order directing the parties and FERC Staff to show cause why this proceeding should not be stayed pending the issuance of FERC decisions in the prior production cost proceedings currently before the FERC on review. In March 2011 the ALJ issued an order placing this proceeding in abeyance.

2008 Rate Filing Based on Calendar Year 2007 Production Costs

As discussed in the Form 10-K a hearing on remaining issues in the proceeding was completed in June 2009, and in September 2009 the ALJ issued an initial decision. Entergy, the APSC, the LPSC, and the MPSC submitted briefs on exceptions in the proceeding. In October 2011 the FERC issued an order on the ALJ's initial decision. The FERC's order may result in a minor reallocation of payments/receipts among the Utility operating companies on one issue in the 2008 rate filing.

Interruptible Load Proceeding

See the Form 10-K for a discussion of the interruptible load proceeding, including the FERC's motion requesting the D.C. Circuit hold the appeal of the FERC's decisions ordering refunds in the interruptible load proceeding in abeyance and remand the record to the FERC. The D.C. Circuit granted the FERC's unopposed motion in June 2009. In December 2009 the FERC established a paper hearing to determine whether the FERC had the authority and, if so, whether it would be appropriate to order refunds resulting from changes in the treatment of interruptible load in the allocation of capacity costs by the Utility operating companies. In August 2010 the FERC issued an order stating that it has the authority and refunds are appropriate. The APSC, MPSC, and Entergy requested rehearing of the FERC's decision. In June 2011 the FERC issued an order granting rehearing in part and denying rehearing in part, in which the FERC determined to invoke its discretion to deny refunds. The FERC held that in this case where "the Entergy system as a whole collected the proper level of revenue, but, as was later established, incorrectly allocated peak load responsibility among the various Entergy operating companies….the Commission will apply here our usual practice in such cases, invoking our equitable discretion to not order refunds, notwithstanding our authority to do so." The LPSC has requested rehearing of the FERC's June 2011 decision. On October 6, 2011 the FERC issued an "Order Establishing Paper Hearing" inviting parties that oppose refunds to file briefs within 30 days addressing the LPSC's argument that FERC precedent supports refunds under the circumstances present in this proceeding. Parties that favor refunds are then invited to file reply briefs within 21 days of the date that the initial briefs are due.

In September 2010 the FERC had issued an order setting the refund report filed in the proceeding in November 2007 for hearing and settlement judge procedures. In May 2011, Entergy filed a settlement agreement that resolved all issues relating to the refund report set for hearing. In June 2011 the settlement judge certified the settlement as uncontested and the settlement agreement is currently pending before the FERC. In July 2011, Entergy filed an amended/corrected refund report and a motion to defer action on the settlement agreement until after the FERC rules on the LPSC's rehearing request regarding the June 2011 decision denying refunds.

Prior to the FERC's June 2011 order on rehearing, Entergy Arkansas filed an application in November 2010 with the APSC for recovery of the refund that it paid. The APSC denied Entergy Arkansas's application, and also denied Entergy Arkansas's petition for rehearing. If the FERC were to order Entergy Arkansas to pay refunds on rehearing in the interruptible load proceeding the APSC's decision would trap FERC-approved costs at Entergy Arkansas with no regulatory-approved mechanism to recover them. In August 2011, Entergy Arkansas filed a complaint in the United States District Court for the Eastern District of Arkansas asking for a declaratory judgment. In the complaint Entergy Arkansas asks the court to declare that the rejection of Entergy Arkansas's application by the APSC is preempted by the Federal Power Act. The APSC filed a motion to dismiss the complaint and a decision is pending.

Table of Contents
Entergy Corporation and Subsidiaries
Notes to Financial Statements

NOTE 3. EQUITY (Entergy Corporation, Entergy Gulf States Louisiana, and Entergy Louisiana)

Common Stock

Earnings per Share

The following tables present Entergy's basic and diluted earnings per share calculations included on the consolidated income statement:

	For the Three Months Ended September 30,					
	2011			2010		
	(In Millions, Except Per Share Data)					
Basic earnings per share	Income	Shares	$/share	Income	Shares	$/share
Net income attributable to Entergy Corporation	$ 628.1	177.0	$ 3.55	$ 492.9	186.0	$ 2.65
Average dilutive effect of:						
Stock options	-	0.7	(0.02)	-	1.8	(0.03)
Diluted earnings per share	$ 628.1	177.7	$ 3.53	$ 492.9	187.8	$ 2.62

	For the Nine Months Ended September 30,					
	2011			2010		
	(In Millions, Except Per Share Data)					
Basic earnings per share	Income	Shares	$/share	Income	Shares	$/share
Net income attributable to Entergy Corporation	$ 1,192.3	177.9	$ 6.70	$ 1,022.0	188.0	$ 5.44
Average dilutive effect of:						
Stock options	-	0.9	(0.03)	-	1.9	(0.06)
Diluted earnings per share	$ 1,192.3	178.8	$ 6.67	$ 1,022.0	189.9	$ 5.38

Entergy's stock options and other equity compensation plans are discussed in Note 5 herein, and in Note 12 to the financial statements in the Form 10-K.

Treasury Stock

During the nine months ended September 30, 2011, Entergy Corporation issued 804,801 shares of its previously repurchased common stock to satisfy stock option exercises and other stock-based awards. Also during the nine months ended September 30, 2011, Entergy Corporation repurchased 3,475,000 shares of its common stock for a total purchase price of $234.6 million.

Table of Contents

Retained Earnings

On October 28, 2011 Entergy Corporation's Board of Directors declared a common stock dividend of $0.83 per share, payable on December 1, 2011 to holders of record as of November 10, 2011.

Comprehensive Income

Accumulated other comprehensive income (loss) is included in the equity section of the balance sheets of Entergy, Entergy Gulf States Louisiana, and Entergy Louisiana. Accumulated other comprehensive loss in the balance sheets included the following components:

	Entergy		Entergy Gulf States Louisiana		Entergy Louisiana	
	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010	September 30, 2011	December 31, 2010
	(In Thousands)					
Cash flow hedges net unrealized gain	$ 21,937	$ 106,258	$ -	$ -	$ -	$ -
Pension and other postretirement liabilities	(267,211)	(276,466)	(38,589)	(40,304)	(23,495)	(24,962)
Net unrealized investment gains	104,207	129,685	-	-	-	-
Foreign currency translation	2,730	2,311	-	-	-	-
Total	$ (138,337)	$ (38,212)	$ (38,589)	$ (40,304)	$ (23,495)	$ (24,962)

Other comprehensive income and total comprehensive income for the nine months ended September 30, 2011 and 2010 are presented in Entergy's, Entergy Gulf States Louisiana's, and Entergy Louisiana's Statements of Changes in Equity and Comprehensive Income. Other comprehensive income and total comprehensive income, for the three months ended September 30, 2011 and 2010, are (all of the components of other comprehensive income are attributable to common equity):

Three Months Ended September 30,	Entergy 2011	Entergy 2010
	(In Thousands)	
Consolidated net income	$ 633,069	$ 497,901
Other comprehensive income		
Cash flow hedges net unrealized gain (loss) (a)	(12,597)	53,840
Pension and other postretirement liabilities (b)	2,657	1,001
Net unrealized investment gain (loss) (c)	(53,349)	48,280
Foreign currency translation (d)	108	510

Total	$ 569,888	$ 601,532

(a) Net of tax expense (benefit) of ($9,041) and $32,466, respectively.
(b) Net of tax expense of $1,647 and $2,236, respectively.
(c) Net of tax expense (benefit) of ($52,740) and $44,499, respectively.
(d) Net of tax expense of $59 and $275, respectively.

Table of Contents
Entergy Corporation and Subsidiaries
Notes to Financial Statements

Three Months Ended September 30,	Entergy Gulf States Louisiana 2011	Entergy Gulf States Louisiana 2010	Entergy Louisiana 2011	Entergy Louisiana 2010
	(In Thousands)			
Net income	$ 51,946	$ 76,939	$ 337,722	$ 94,320
Other comprehensive income				
Pension and other postretirement liabilities (e)	486	516	366	444
Total	$ 52,432	$ 77,455	$ 338,088	$ 94,764

(e) Net of tax expense of $507, $508, $366, and $378, respectively.

NOTE 4. REVOLVING CREDIT FACILITIES, LINES OF CREDIT, SHORT-TERM BORROWINGS, AND LONG-TERM DEBT (Entergy Corporation, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy)

Entergy Corporation has in place a credit facility that has a borrowing capacity of approximately $3.5 billion and expires in August 2012, which Entergy intends to renew before expiration. Because the facility is now within one year of its expiration date, borrowings outstanding on the facility are classified as currently maturing long-term debt on the balance sheet. Entergy Corporation also has the ability to issue letters of credit against the total borrowing capacity of the credit facility. The facility fee is currently 0.125% of the commitment amount. Facility fees and interest rates on loans under the credit facility can fluctuate depending on the senior unsecured debt ratings of Entergy Corporation. The weighted average interest rate for the nine months ended September 30, 2011 was 0.746% on the drawn portion of the facility. Following is a summary of the borrowings outstanding and capacity available under the facility as of September 30, 2011.

Capacity	Borrowings	Letters of Credit	Capacity Available
	(In Millions)		
$3,463	$1,870	$25	$1,568

Entergy Corporation's facility requires it to maintain a consolidated debt ratio of 65% or less of its total capitalization. Entergy is in compliance with this covenant. If Entergy fails to meet this ratio, or if Entergy Corporation 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 maturity date may occur.

Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, and Entergy Texas each had credit facilities available as of September 30, 2011 as follows:

Company	Amount of Facility	Amount Drawn as of

	Expiration Date		Interest Rate (a)	September 30, 2011
Entergy Arkansas	April 2012	$78 million (b)	3.25%	-
Entergy Gulf States Louisiana	August 2012	$100 million (c)	0.71%	-
Entergy Louisiana	August 2012	$200 million (d)	0.71%	-
Entergy Mississippi	May 2012	$35 million (e)	1.99%	-
Entergy Mississippi	May 2012	$25 million (e)	1.99%	-
Entergy Mississippi	May 2012	$10 million (e)	1.99%	-
Entergy Texas	August 2012	$100 million (f)	0.71%	-

(a) The interest rate is the rate as of September 30, 2011 that would be applied to outstanding borrowings under the facility.
(b) The credit facility requires Entergy Arkansas to maintain a debt ratio of 65% or less of its total capitalization. Borrowings under the Entergy Arkansas credit facility may be secured by a security interest in its accounts receivable.
(c) The credit facility allows Entergy Gulf States Louisiana to issue letters of credit against the borrowing capacity of the facility. As of September 30, 2011, no letters of credit were outstanding. The credit facility requires Entergy Gulf States Louisiana to maintain a consolidated debt ratio of 65% or less of its total capitalization.
(d) The credit facility allows Entergy Louisiana to issue letters of credit against the borrowing capacity of the facility. As of September 30, 2011, no letters of credit were outstanding. The credit facility requires Entergy Louisiana to maintain a consolidated debt ratio of 65% or less of its total capitalization.
(e) Borrowings under the Entergy Mississippi credit facilities may be secured by a security interest in its accounts receivable. Entergy Mississippi is required to maintain a consolidated debt ratio of 65% or less of its total capitalization.
(f) The credit facility allows Entergy Texas to issue letters of credit against the borrowing capacity of the facility. As of September 30, 2011, no letters of credit were outstanding. The credit facility requires Entergy Texas to maintain a consolidated debt ratio of 65% or less of its total capitalization. Pursuant to the terms of the credit agreement securitization bonds are excluded from debt and capitalization in calculating the debt ratio.

The facility fees on the credit facilities range from 0.09% to 0.15% of the commitment amount.

The short-term borrowings of the Registrant Subsidiaries are limited to amounts authorized by the FERC. The current FERC-authorized limits are effective through October 31, 2013. In addition to borrowings from commercial banks, these companies are authorized under a FERC order to borrow from the Entergy System money pool. The money pool is an inter-company borrowing arrangement designed to reduce the Utility subsidiaries' dependence on external short-term borrowings. Borrowings from the money pool and external borrowings combined may not exceed the FERC-authorized limits. The following are the FERC-authorized limits for short-term borrowings and the outstanding short-term borrowings as of September 30, 2011 (aggregating both money pool and external short-term borrowings) for the Registrant Subsidiaries:

	Authorized	Borrowings
	(In Millions)	
Entergy Arkansas	$ 250	$ 32
Entergy Gulf States Louisiana	$ 200	-
Entergy Louisiana	$ 250	-
Entergy Mississippi	$ 175	$ 16
Entergy New Orleans	$ 100	-
Entergy Texas	$ 200	-
System Energy	$ 200	-

Variable Interest Entities (Entergy Corporation, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, and System Energy)

See Note 18 to the financial statements in the Form 10-K for a discussion of the consolidation of the nuclear fuel company variable interest entities (VIE). The variable interest entities have credit facilities and also issue commercial paper to finance the acquisition and ownership of nuclear fuel as follows as of September 30, 2011:

Table of Contents
Entergy Corporation and Subsidiaries
Notes to Financial Statements

Company	Expiration Date	Amount of Facility	Weighted Average Interest Rate on Borrowings (a)	Amount Outstanding as of September 30, 2011
		(Dollars in Millions)		
Entergy Arkansas VIE	July 2013	$85	2.40%	$60.3
Entergy Gulf States Louisiana VIE	July 2013	$85	2.13%	$42.7
Entergy Louisiana VIE	July 2013	$90	2.26%	$56.5
System Energy VIE	July 2013	$100	-	-

(a) Includes letter of credit fees and bank fronting fees on commercial paper issuances by the VIEs for Entergy Arkansas, Entergy Louisiana, and System Energy. The VIE for Entergy Gulf States Louisiana does not issue commercial paper, but borrows directly on its bank credit facility.

The amount outstanding on Entergy Gulf States Louisiana's credit facility is included in long-term debt on its balance sheet and the commercial paper outstanding for the other VIEs is classified as a current liability on the respective balance sheets. The commitment fees on the credit facilities are 0.20% of the undrawn commitment amount. Each credit facility requires the respective lessee (Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, or Entergy Corporation as guarantor for System Energy) to maintain a consolidated debt ratio of 70% or less of its total capitalization.

The variable interest entities had notes payable that are included in long-term debt on the respective balance sheets as of September 30, 2011 as follows:

Company	Description	Amount
Entergy Arkansas VIE	9% Series H due June 2013	$30 million
Entergy Arkansas VIE	5.69% Series I due July 2014	$70 million
Entergy Arkansas VIE	3.23% Series J due July 2016	$55 million
Entergy Gulf States Louisiana VIE	5.56% Series N due May 2013	$75 million
Entergy Gulf States Louisiana VIE	5.41% Series O due July 2012	$60 million
Entergy Louisiana VIE	5.69% Series E due July 2014	$50 million
Entergy Louisiana VIE	3.30% Series F due March 2016	$20 million
System Energy VIE	6.29% Series F due September 2013	$70 million

System Energy VIE	5.33% Series G due April 2015	$60 million

In accordance with regulatory treatment, interest on the nuclear fuel company variable interest entities' credit facilities, commercial paper, and long-term notes payable is reported in fuel expense.

Debt Issuances and Redemptions

(Entergy Louisiana)

In March 2011, Entergy Louisiana issued $200 million of 4.80% Series first mortgage bonds due May 2021. Entergy Louisiana used the proceeds, together with other available funds, to purchase Unit 2 of the Acadia Energy Center, a 580MW generating unit located near Eunice, Louisiana.

In August 2011, the LPSC issued a financing order authorizing the issuance of bonds to recover Entergy Louisiana's investment recovery costs associated with the cancelled Little Gypsy repowering project. In September 2011, Entergy Louisiana Investment Recovery Funding I, L.L.C., a company wholly-owned and consolidated by Entergy Louisiana, issued $207.2 million of senior secured investment recovery bonds. The bonds have an interest rate of 2.04% and an expected maturity date of June 2021. Although the principal amount is not due until the date given above, Entergy Louisiana Investment Recovery Funding expects to make principal payments on the bonds over the next five years in the amounts of $25.6 million for 2012, $16.6 million for 2013, $21.9 million for 2014, $20.5 million for 2015, and $21.6 million for 2016. With the proceeds, Entergy Louisiana Investment Recovery Funding purchased from Entergy Louisiana the investment recovery property, which is the right to recover from customers through an investment recovery charge amounts sufficient to service the bonds. In accordance with the financing order, Entergy Louisiana will apply the proceeds it received from the sale of the investment recovery property as a reimbursement for previously-incurred investment recovery costs. The investment recovery property is reflected as a regulatory asset on the consolidated Entergy Louisiana balance sheet. The creditors of Entergy Louisiana do not have recourse to the assets or revenues of Entergy Louisiana Investment Recovery Funding, including the investment recovery property, and the creditors of Entergy Louisiana Investment Recovery Funding do not have recourse to the assets or revenues of Entergy Louisiana. Entergy Louisiana has no payment obligations to Entergy Louisiana Investment Recovery Funding except to remit investment recovery charge collections.

(Entergy Mississippi)

In April 2011, Entergy Mississippi issued $150 million of 6.0% Series first mortgage bonds due May 2051. Entergy Mississippi used a portion of the proceeds to pay at maturity its $80 million 4.65% Series first mortgage bonds due May 2011.

In May 2011, Entergy Mississippi issued $125 million of 3.25% Series first mortgage bonds due June 2016. Entergy Mississippi used a portion of the proceeds to pay prior to maturity its $100 million 5.92% Series first mortgage bonds due February 2016.

(Entergy Texas)

In September 2011, Entergy Texas issued $75 million of 4.10% Series first mortgage bonds due September 2021.

Fair Value

The book value and the fair value of long-term debt for Entergy Corporation and the Registrant Subsidiaries as of September 30, 2011 are as follows:

	Book Value of Long-Term Debt	Fair Value of Long-Term Debt (a) (b)
	(In Thousands)	
Entergy	$ 12,264,403	$ 12,211,941
Entergy Arkansas	$ 1,882,056	$ 1,757,503
Entergy Gulf States Louisiana	$ 1,603,011	$ 1,707,838
Entergy Louisiana	$ 2,198,460	$ 2,195,653
Entergy Mississippi	$ 920,424	$ 975,856
Entergy New Orleans	$ 166,599	$ 168,550
Entergy Texas	$ 1,686,582	$ 1,908,427
System Energy	$ 787,029	$ 627,286

(a) The values exclude lease obligations of $188 million at Entergy Louisiana and $179 million at System Energy, long-term DOE obligations of $181 million at Entergy Arkansas, and the note payable to NYPA of $148 million at Entergy, and include debt due within one year.
(b) Fair values are based on prices derived by independent third parties that use inputs such as benchmark yields, reported trades, broker/dealer quotes, and issuer spreads.

Table of Contents
Entergy Corporation and Subsidiaries
Notes to Financial Statements

NOTE 5. STOCK-BASED COMPENSATION (Entergy Corporation)

Entergy grants stock awards, which are described more fully in Note 12 to the financial statements in the Form 10-K. Awards under Entergy's plans generally vest over three years.

Stock Options

Entergy granted 388,200 stock options during the first quarter 2011 with a weighted-average fair value of $11.48. At September 30, 2011, there are 10,738,033 stock options outstanding with a weighted-average exercise price of $74.73. The intrinsic value, which has no effect on net income, of the outstanding stock options is calculated by the difference in the weighted average exercise price of the stock options granted and Entergy Corporation's common stock price as of September 30, 2011. Because Entergy's stock price at September 30, 2011 is less than the weighted average exercise price, the aggregate intrinsic value of the stock options outstanding as of September 30, 2011 is zero. The intrinsic value of "in the money" stock options is $46.8 million as of September 30, 2011.

The following table includes financial information for stock options for the third quarter and nine months ended September 30 for each of the years presented:

	2011	2010
	(In Millions)	
Compensation expense included in Entergy's net income for the third quarter	$ 2.5	$ 3.7
Tax benefit recognized in Entergy's net income for the third quarter	$ 0.9	$ 1.4
Compensation expense included in Entergy's net income for the nine months ended September 30,	$ 8.0	$ 11.3
Tax benefit recognized in Entergy's net income for the nine months ended September 30,	$ 3.1	$ 4.4
Compensation cost capitalized as part of fixed assets and inventory as of September 30,	$ 1.5	$ 2.2

Restricted Stock Awards

In January 2011, the Board approved and Entergy granted 166,800 restricted stock awards under the 2007 Equity Ownership and Long-term Cash Incentive Plan. The grants were made effective as of January 27, 2011 and were valued at $72.79 per share, which was the closing price of Entergy's common stock on that date. One-third of the restricted stock awards will vest upon each anniversary of the grant date and are expensed ratably over the three year vesting period. Shares of restricted stock have the same dividend and voting rights as other common stock and are considered issued and outstanding shares of Entergy upon vesting.

The following table includes financial information for restricted stock for the third quarter and nine months ended September 30 for each of the years presented:

	2011	2010
	(In Millions)	

Compensation expense included in Entergy's net income for the third quarter	$	1.0	$	-
Tax benefit recognized in Entergy's net income for the third quarter	$	0.4	$	-
Compensation expense included in Entergy's net income for the nine months ended September 30,	$	2.9	$	-
Tax benefit recognized in Entergy's net income for the nine months ended September 30,	$	1.1	$	-
Compensation cost capitalized as part of fixed assets and inventory as of September 30,	$	0.5	$	-

Table of Contents
Entergy Corporation and Subsidiaries
Notes to Financial Statements

NOTE 6. RETIREMENT AND OTHER POSTRETIREMENT BENEFITS (Entergy Corporation, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy)

Components of Net Pension Cost

Entergy's qualified pension cost, including amounts capitalized, for the third quarters of 2011 and 2010, included the following components:

	2011	2010
	(In Thousands)	
Service cost - benefits earned during the period	$ 30,490	$ 26,239
Interest cost on projected benefit obligation	59,248	57,802
Expected return on assets	(75,319)	(64,902)
Amortization of prior service cost	838	1,164
Amortization of loss	23,244	16,475
Net pension costs	$ 38,501	$ 36,778

Entergy's qualified pension cost, including amounts capitalized, for the nine months ended September 30, 2011 and 2010, included the following components:

	2011	2010
	(In Thousands)	
Service cost - benefits earned during the period	$ 91,470	$ 78,717
Interest cost on projected benefit obligation	177,744	173,406
Expected return on assets	(225,957)	(194,706)
Amortization of prior service cost	2,514	3,492
Amortization of loss	69,732	49,425
Net pension costs	$ 115,503	$ 110,334

The Registrant Subsidiaries' qualified pension cost, including amounts capitalized, for the third quarters of 2011 and 2010, included the following components:

2011	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
				(In Thousands)			
Service cost - benefits earned during the period	$ 4,518	$ 2,462	$ 2,886	$ 1,327	$ 561	$ 1,197	$ 1,235
Interest cost on projected benefit obligation	12,991	5,928	8,159	3,909	1,762	3,993	2,939

Expected return on assets	(15,609)	(8,339)	(9,716)	(5,038)	(2,114)	(5,501)	(3,784)
Amortization of prior service cost	115	20	70	38	9	16	4
Amortization of loss	6,421	2,279	4,497	1,680	1,166	1,394	1,321
Net pension cost	$ 8,436	$ 2,350	$ 5,896	$ 1,916	$ 1,384	$ 1,099	$ 1,715

Table of Contents
Entergy Corporation and Subsidiaries
Notes to Financial Statements

2010	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi (In Thousands)	Entergy New Orleans	Entergy Texas	System Energy
Service cost - benefits earned during the period	$ 3,944	$ 2,116	$ 2,443	$ 1,163	$ 516	$ 1,067	$ 1,033
Interest cost on projected benefit obligation	12,319	6,094	7,135	3,807	1,510	3,967	2,252
Expected return on assets	(12,659)	(7,688)	(8,194)	(4,313)	(1,809)	(5,137)	(2,952)
Amortization of prior service cost	196	75	119	79	44	59	8
Amortization of loss	4,126	1,906	2,151	1,091	636	802	132
Net pension cost	$ 7,926	$ 2,503	$ 3,654	$ 1,827	$ 897	$ 758	$ 473

The Registrant Subsidiaries' qualified pension cost, including amounts capitalized, for the nine months ended September 30, 2011 and 2010, included the following components:

2011	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi (In Thousands)	Entergy New Orleans	Entergy Texas	System Energy
Service cost - benefits earned during the period	$ 13,554	$ 7,386	$ 8,658	$ 3,981	$ 1,683	$ 3,591	$ 3,705
Interest cost on projected benefit obligation	38,973	17,784	24,477	11,727	5,286	11,979	8,817
Expected return on assets	(46,827)	(25,017)	(29,148)	(15,114)	(6,342)	(16,503)	(11,352)
Amortization of prior service cost	345	60	210	114	27	48	12
Amortization of loss	19,263	6,837	13,491	5,040	3,498	4,182	3,963
Net pension cost	$ 25,308	$ 7,050	$ 17,688	$ 5,748	$ 4,152	$ 3,297	$ 5,145

2010	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi (In Thousands)	Entergy New Orleans	Entergy Texas	System Energy
Service cost - benefits earned during the period	$ 11,832	$ 6,348	$ 7,329	$ 3,489	$ 1,548	$ 3,201	$ 3,099
Interest cost on projected benefit obligation	36,957	18,282	21,405	11,421	4,530	11,901	6,756
Expected return on assets	(37,977)	(23,064)	(24,582)	(12,939)	(5,427)	(15,411)	(8,856)
Amortization of prior service cost	588	225	357	237	132	177	24
Amortization of loss	12,378	5,718	6,453	3,273	1,908	2,406	396
Net pension cost	$ 23,778	$ 7,509	$ 10,962	$ 5,481	$ 2,691	$ 2,274	$ 1,419

Table of Contents

Entergy Corporation and Subsidiaries
Notes to Financial Statements

Entergy recognized $4.9 million and $4.7 million in pension cost for its non-qualified pension plans in the third quarters of 2011 and 2010, respectively.In the third quarter 2010, Entergy recognized a $0.4 million settlement charge related to the payment of lump sum benefits out of the plan that is included in the non-qualified pension cost above. Entergy recognized $14.6 million and $20.9 million in pension cost for its non-qualified pension plans for the nine months ended September 30, 2011 and 2010, respectively, including the $7.3 million settlement charge recognized in the second and third quarters 2010.

The Registrant Subsidiaries recognized the following pension cost for their non-qualified pension plans in the third quarters of 2011 and 2010:

	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas
			(In Thousands)			
Non-qualified pension cost third quarter 2011	$115	$42	$4	$48	$16	$192
Non-qualified pension cost third quarter 2010	$105	$41	$6	$52	$6	$169

The Registrant Subsidiaries recognized the following pension cost for their non-qualified pension plans for the nine months ended September 30, 2011 and 2010:

	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas
			(In Thousands)			
Non-qualified pension cost nine months ended September 30, 2011	$345	$126	$12	$144	$48	$576
Non-qualified pension cost nine months ended September 30, 2010	$395	$122	$17	$153	$19	$515
Settlement charge recognized in the nine months ended September 30, 2010 included in cost above	$86	$ -	$ -	$ -	$ -	$5

Components of Net Other Postretirement Benefit Cost

Entergy's other postretirement benefit cost, including amounts capitalized, for the third quarters of 2011 and 2010, included the following components:

	2011	2010
	(In Thousands)	
Service cost - benefits earned during the period	$14,835	$13,078
Interest cost on accumulated postretirement benefit obligation (APBO)	18,631	19,020
Expected return on assets	(7,369)	(6,553)
Amortization of transition obligation	796	932
Amortization of prior service cost	(3,518)	(3,015)
Amortization of loss	5,298	4,317
Net other postretirement benefit cost	$28,673	$27,779

Table of Contents
Entergy Corporation and Subsidiaries
Notes to Financial Statements

Entergy's other postretirement benefit cost, including amounts capitalized, for the nine months ended September 30, 2011 and 2010, included the following components:

	2011	2010
	(In Thousands)	
Service cost - benefits earned during the period	$44,505	$39,234
Interest cost on APBO	55,893	57,060
Expected return on assets	(22,107)	(19,659)
Amortization of transition obligation	2,388	2,796
Amortization of prior service cost	(10,554)	(9,045)
Amortization of loss	15,894	12,951
Net other postretirement benefit cost	$86,019	$83,337

The Registrant Subsidiaries' other postretirement benefit cost, including amounts capitalized, for the third quarters of 2011 and 2010, included the following components:

2011	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
				(In Thousands)			
Service cost - benefits earned during the period	$ 2,013	$ 1,540	$ 1,635	$ 658	$ 362	$ 769	$ 661
Interest cost on APBO	3,436	2,075	2,192	1,093	806	1,486	667
Expected return on assets	(2,882)	-	-	(977)	(800)	(1,874)	(529)
Amortization of transition obligation	205	60	96	88	298	47	2
Amortization of prior service cost	(133)	(206)	(62)	(35)	10	(107)	(147)
Amortization of loss	1,610	723	698	540	241	700	369
Net other postretirement benefit cost	$ 4,249	$ 4,192	$ 4,559	$ 1,367	$ 917	$ 1,021	$ 1,023

2010	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
				(In Thousands)			

Service cost - benefits earned during the period	$ 1,843	$ 1,370	$ 1,371	$ 550	$ 347	$ 697	$ 563
Interest cost on APBO	3,629	2,144	2,269	1,093	900	1,582	641
Expected return on assets	(2,445)	-	-	(888)	(725)	(1,718)	(468)
Amortization of transition obligation	205	60	96	88	415	66	2
Amortization of prior service cost	(197)	(77)	117	(62)	90	19	(191)
Amortization of loss	1,690	663	609	476	274	752	325
Net other postretirement benefit cost	$ 4,725	$ 4,160	$ 4,462	$ 1,257	$ 1,301	$ 1,398	$ 872

The Registrant Subsidiaries' other postretirement benefit cost, including amounts capitalized, for the nine months ended September 30, 2011 and 2010, included the following components:

2011	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
				(In Thousands)			
Service cost - benefits earned during the period	$ 6,039	$ 4,620	$ 4,905	$ 1,974	$ 1,086	$ 2,307	$ 1,983
Interest cost on APBO	10,308	6,225	6,576	3,279	2,418	4,458	2,001
Expected return on assets	(8,646)	-	-	(2,931)	(2,400)	(5,622)	(1,587)
Amortization of transition obligation	615	180	288	264	894	141	6
Amortization of prior service cost	(399)	(618)	(186)	(105)	30	(321)	(441)
Amortization of loss	4,830	2,169	2,094	1,620	723	2,100	1,107
Net other postretirement benefit cost	$ 12,747	$ 12,576	$ 13,677	$ 4,101	$ 2,751	$ 3,063	$ 3,069

2010	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
				(In Thousands)			
Service cost - benefits earned during the period	$ 5,529	$ 4,110	$ 4,113	$ 1,650	$ 1,041	$ 2,091	$ 1,689
Interest cost on APBO	10,887	6,432	6,807	3,279	2,700	4,746	1,923
Expected return on assets	(7,335)	-	-	(2,664)	(2,175)	(5,154)	(1,404)
Amortization of transition obligation	615	180	288	264	1,245	198	6
Amortization of prior service cost	(591)	(231)	351	(186)	270	57	(573)
	5,070	1,989	1,827	1,428	822	2,256	975

Amortization of loss							
Net other postretirement benefit cost	$ 14,175	$ 12,480	$ 13,386	$ 3,771	$ 3,903	$ 4,194	$ 2,616

Employer Contributions

Based on current assumptions, Entergy expects to contribute $400.5 million to its qualified pension plans in 2011. As of the end of September 2011, Entergy had contributed $337.9 million to its pension plans. Therefore, Entergy presently anticipates contributing an additional $62.6 million to fund its qualified pension plans in 2011.

45

Table of Contents
Entergy Corporation and Subsidiaries
Notes to Financial Statements

Based on current assumptions, the Registrant Subsidiaries expect to contribute the following to qualified pension plans in 2011:

	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi (In Thousands)	Entergy New Orleans	Entergy Texas	System Energy
Expected 2011 pension contributions	$ 120,400	$ 27,318	$ 60,597	$ 29,169	$ 12,160	$ 18,235	$ 28,351
Pension contributions made through September 2011	$ 104,218	$ 22,619	$ 51,411	$ 25,173	$ 10,291	$ 14,946	$ 24,452
Remaining estimated pension contributions to be made in 2011	$ 16,182	$ 4,699	$ 9,186	$ 3,996	$ 1,869	$ 3,289	$ 3,899

NOTE 7. BUSINESS SEGMENT INFORMATION (Entergy Corporation, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy)

Entergy Corporation

Entergy's reportable segments as of September 30, 2011 are Utility and Entergy Wholesale Commodities. Utility includes the generation, transmission, distribution, and sale of electric power in portions of Arkansas, Louisiana, Mississippi, and Texas, and natural gas utility service in portions of Louisiana. Entergy Wholesale Commodities 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. Entergy Wholesale Commodities also includes the ownership of interests in non-nuclear power plants that sell the electric power produced by those plants to wholesale customers. "All Other" includes the parent company, Entergy Corporation, and other business activity, including the earnings on the proceeds of sales of previously-owned businesses.

In the fourth quarter 2010, Entergy finished integrating its former Non-Utility Nuclear segment and its non-nuclear wholesale asset business into the new Entergy Wholesale Commodities business in an internal reorganization. The 2010 information in the tables below has been restated to reflect the change in reportable segments.

Entergy's segment financial information for the third quarters of 2011 and 2010 is as follows:

	Utility	Entergy Wholesale Commodities*	All Other (In Thousands)	Eliminations	Entergy
2011					

Operating revenues	$2,760,631	$ 641,216	$1,015	$ (7,309)	$3,395,553
Income taxes (benefit)	$(158,673)	$ 64,079	$(24,537)	$ -	$(119,131)
Consolidated net income	$528,459	$ 130,862	$1,393	$ (27,645)	$633,069
2010					
Operating revenues	$2,666,727	$ 671,927	$971	$ (7,449)	$3,332,176
Income taxes (benefit)	$216,590	$ 30,728	$(62,682)	$ -	$184,636
Consolidated net income	$337,941	$ 143,721	$45,432	$ (29,193)	$497,901

Entergy's segment financial information for the nine months ended September 30, 2011 and 2010 is as follows:

	Utility	Entergy Wholesale Commodities*	All Other	Eliminations	Entergy
			(In Thousands)		
2011					
Operating revenues	$6,939,724	$ 1,819,439	$3,153	$ (22,275)	$8,740,041
Income taxes (benefit)	$70,567	$ 213,344	$(87,839)	$ -	$196,072
Consolidated net income	$949,854	$ 319,651	$20,776	$ (82,935)	$1,207,346
2010					
Operating revenues	$7,016,664	$ 1,954,393	$4,997	$ (21,581)	$8,954,473
Income taxes (benefit)	$447,607	$ 185,616	$(96,996)	$ -	$536,227
Consolidated net income	$711,085	$ 338,820	$53,005	$ (65,911)	$1,036,999

Businesses marked with * are sometimes referred to as the "competitive businesses." Eliminations are primarily intersegment activity.

Registrant Subsidiaries

Each of the Registrant Subsidiaries has one reportable segment, which is an integrated utility business, except for System Energy, which is an electricity generation business. Each of the Registrant Subsidiaries' operations is managed on an integrated basis by that company because of the substantial effect of cost-based rates and regulatory oversight on the business process, cost structures, and operating results.

NOTE 8. RISK MANAGEMENT AND FAIR VALUES (Entergy Corporation, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy)

Market and Commodity Risks

In the normal course of business, Entergy is exposed to a number of market and commodity risks. Market risk is the potential loss that Entergy may incur as a result of changes in the market or fair value of a particular instrument or commodity. All financial and commodity-related instruments, including derivatives, are subject to market risk. Entergy is subject to a number of commodity and market risks, including:

Type of Risk	Affected Businesses
Power price risk	Utility, Entergy Wholesale Commodities
Fuel price risk	Utility, Entergy Wholesale Commodities
Foreign currency exchange rate risk	Entergy Wholesale Commodities
Equity price and interest rate risk - investments	Utility, Entergy Wholesale Commodities

Entergy manages a portion of these risks using derivative instruments, some of which are classified as cash flow hedges due to their financial settlement provisions while others are classified as normal purchase/normal sales transactions due to their physical settlement provisions. Normal purchase/normal sale risk management tools include power purchase and sales agreements, fuel purchase agreements, capacity contracts, and tolling agreements. Financially-settled cash flow hedges can include natural gas and electricity futures, forwards, swaps, and options; foreign currency forwards; and interest rate swaps. Entergy has entered into financially settled option contracts to manage market risk under certain hedging transactions, which may or may not be designated as hedging instruments. Entergy enters into derivatives only to manage natural risks inherent in its physical or financial assets or liabilities.

Entergy manages fuel price volatility for its Louisiana jurisdictions (Entergy Gulf States Louisiana, Entergy Louisiana, and Entergy New Orleans) and Entergy Mississippi primarily through the purchase of short-term natural gas swaps. These swaps are marked-to-market with offsetting regulatory assets or liabilities. The notional volumes of these swaps are based on a portion of projected annual exposure to gas for electric generation and projected winter purchases for gas distribution at Entergy Gulf States Louisiana and Entergy New Orleans.

Entergy's exposure to market risk is determined by a number of factors, including the size, term, composition, and diversification of positions held, as well as market volatility and liquidity. For instruments such as options, the time period during which the option may be exercised and the relationship between the current market price of the underlying instrument and the option's contractual strike or exercise price also affects the level of market risk. A significant factor influencing the overall level of market risk to which Entergy is exposed is its use of hedging techniques to mitigate such risk. Entergy manages market risk by actively monitoring compliance with stated risk management policies as well as monitoring the effectiveness of its hedging policies and strategies. Entergy's risk management policies limit the amount of total net exposure and rolling net exposure during the stated periods. These policies, including related risk limits, are regularly assessed to ensure their appropriateness given Entergy's objectives.

Derivatives

The fair values of Entergy's derivative instruments in the consolidated balance sheet as of September 30, 2011 are as follows:

Instrument	Balance Sheet Location	Fair Value (a)	Offset (a)	Business
Derivatives designated as hedging instruments				
Assets:				
Electricity forwards, swaps and options	Prepayments and other (current portion)	$93 million	($11) million	Entergy Wholesale Commodities
Electricity forwards, swaps and options	Other deferred debits and other assets (non-current portion)	$23 million	($23) million	Entergy Wholesale Commodities
Liabilities:				
Electricity forwards, swaps and options	Other current liabilities (current portion)	$11 million	($11) million	Entergy Wholesale Commodities
Electricity forwards, swaps and options	Other non-current liabilities (non-current portion)	$49 million	($25) million	Entergy Wholesale Commodities

Instrument	Balance Sheet Location	Fair Value (a)	Offset (a)	Business
Derivatives not designated as hedging instruments				
Assets:				
Electricity forwards, swaps and options	Prepayments and other (current portion)	$21 million	($8) million	Entergy Wholesale Commodities
Electricity forwards, swaps and options	Other deferred debits and other assets (non-current portion)	$3 million	($3) million	Entergy Wholesale Commodities
Liabilities:				
Electricity forwards, swaps and options	Other current liabilities (current portion)	$8 million	($8) million	Entergy Wholesale Commodities
Electricity forwards, swaps and options	Other non-current liabilities (non-current portion)	$2 million	($1) million	Entergy Wholesale Commodities
Natural gas swaps	Other current liabilities	$16 million	$-	Utility

The fair values of Entergy's derivative instruments in the consolidated balance sheet as of December 31, 2010 are as follows:

Instrument	Balance Sheet Location	Fair Value (a)	Offset (a)	Business
Derivatives designated as hedging instruments				