

ENTERGY ARKANSAS INC
 Form 10-Q
 November 06, 2012

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

FORM 10-Q

(Mark One)

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

For the Quarterly Period Ended September 30, 2012

OR

TRANSITION REPORT PURSUANT TO SECTION 13
 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Registrant, State of Incorporation or Commission Organization, File Number	Address of Principal Executive Offices, Telephone Number, and IRS Employer Identification No.	Registrant, State of Incorporation or Commission Organization, File Number	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 Telephone (800) 368-3749 74-0662730	1-34360	ENTERGY TEXAS, INC. (a Texas corporation) 350 Pine Street Beaumont, Texas 77701 Telephone (409) 981-2000 61-1435798

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1-32718 ENTERGY LOUISIANA, LLC
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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

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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 No

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 No

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	<input type="checkbox"/>			
Entergy Arkansas, Inc.			<input type="checkbox"/>	
Entergy Gulf States Louisiana, L.L.C.			<input type="checkbox"/>	
Entergy Louisiana, LLC			<input type="checkbox"/>	
Entergy Mississippi, Inc.			<input type="checkbox"/>	
Entergy New Orleans, Inc.			<input type="checkbox"/>	
Entergy Texas, Inc.			<input type="checkbox"/>	
System Energy Resources, Inc.			<input type="checkbox"/>	

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

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

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

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FORWARD-LOOKING INFORMATION

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

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

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

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

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FORWARD-LOOKING INFORMATION (Concluded)

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

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DEFINITIONS

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

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

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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

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DEFINITIONS (Concluded)

Abbreviation or Acronym	Term
kW	Kilowatt, which equals one thousand watts
kWh	Kilowatt-hour(s)
LPSC	Louisiana Public Service Commission
MISO	Midwest Independent Transmission System Operator, Inc., a regional transmission organization
MMBtu	One million British Thermal Units
MPSC	Mississippi Public Service Commission
MW	Megawatt(s), which equals one thousand kilowatts
MWh	Megawatt-hour(s)
Net MW in operation	Installed capacity owned and operated
NRC	Nuclear Regulatory Commission
NYPA	New York Power Authority
Palisades	Palisades Power Plant (nuclear), owned by an Entergy subsidiary in the Entergy Wholesale Commodities business segment
Pilgrim	Pilgrim Nuclear Power Station (nuclear), owned by an Entergy subsidiary in the Entergy Wholesale Commodities business segment
PPA	Purchased power agreement or power purchase agreement
PUCT	Public Utility Commission of Texas
Registrant Subsidiaries	Entergy Arkansas, Inc., Entergy Gulf States Louisiana, L.L.C., Entergy Louisiana, LLC, Entergy Mississippi, Inc., Entergy New Orleans, Inc., Entergy Texas, Inc., and System Energy Resources, Inc.
River Bend	River Bend Station (nuclear), owned by Entergy Gulf States Louisiana
RTO	Regional transmission organization
SEC	Securities and Exchange Commission
SPP	Southwest Power Pool
System Agreement	Agreement, effective January 1, 1983, as modified, among the Utility operating companies relating to the sharing of generating capacity and other power resources
System Energy	System Energy Resources, Inc.
TWh	Terawatt-hour(s), which equals one billion kilowatt-hours
Unit Power Sales Agreement	Agreement, dated as of June 10, 1982, as amended and approved by FERC, among Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy, relating to the sale of capacity and energy from System Energy's share of Grand Gulf Entergy's business segment that generates, transmits, distributes, and sells electric power, with a small amount of natural gas distribution
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

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ENTERGY CORPORATION AND SUBSIDIARIES

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

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

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

Hurricane Isaac

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

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

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

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

with certainty the degree of success it may have in its recovery initiatives, the amount of restoration costs that it may ultimately recover, or the timing of such recovery.

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Entergy Corporation and Subsidiaries
 Management's Financial Discussion and Analysis

Results of Operations

Third Quarter 2012 Compared to Third Quarter 2011

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

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

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

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

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

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Entergy Corporation and Subsidiaries
 Management's Financial Discussion and Analysis

Net Revenue

Utility

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

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

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

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

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

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

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

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

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Entergy Corporation and Subsidiaries
 Management's Financial Discussion and Analysis

Entergy Wholesale Commodities

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

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

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

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

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

Realized Revenue per MWh for Entergy Wholesale Commodities Nuclear Plants

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

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

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Entergy Corporation and Subsidiaries
Management's Financial Discussion and Analysis

Other Income Statement Items

Utility

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

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

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

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

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

Entergy Wholesale Commodities

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

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

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

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Parent & Other

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

Income Taxes

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

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

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

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

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

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

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

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

Net Revenue

Utility

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

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

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

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

partially offset by declines in refineries and pipelines.

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

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

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

The retail electric price variance is primarily due to:

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

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

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

Entergy Wholesale Commodities

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

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

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

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

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

Other Income Statement Items

Utility

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

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

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

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These increases were partially offset by:

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

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

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

Entergy Wholesale Commodities

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

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

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

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

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

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

discussion.

Parent & Other

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

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Income Taxes

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

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

Plan to Spin Off the Utility's Transmission Business

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

Filings with Retail Regulators

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

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

Filings with the FERC

On September 24, 2012, Entergy, ITC, and certain of their subsidiaries submitted a series of filings with the FERC to obtain regulatory approvals related to the proposed transfer to ITC subsidiaries of the transmission assets owned by the Utility operating companies. These filings include a joint application for authorization of the acquisition and

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

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Other Filings

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

Entergy Wholesale Commodities Authorizations to Operate Its Nuclear Power Plants

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

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

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

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

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

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

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

Liquidity and Capital Resources

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

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Capital Structure

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

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

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

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

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

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

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

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

Capital Expenditure Plans and Other Uses of Capital

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

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Capital Investment Plan Preliminary Estimate for 2013-2015

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

Grand Gulf Uprate

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

Waterford 3 Steam Generator Replacement Project

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

Ninemile Point Unit 6 Self-Build Project

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

months prior to the expected in-service date.

Hot Spring Energy Facility Purchase Agreement

See the Form 10-K for a discussion of Entergy Arkansas's agreement to acquire the Hot Spring Energy Facility. In July 2011, Entergy Arkansas filed its application with the APSC requesting approval of the acquisition and full cost recovery. In July 2012 the APSC approved the acquisition and cost recovery through a capacity acquisition rider and set the level of return on equity at the level established in Entergy Arkansas's June 2009 base rate proceeding. The parties have satisfied their obligations under the Hart-Scott-Rodino Act. The U.S. Department of Justice (DOJ) review of the transaction is ongoing. Closing has been delayed while the DOJ continues its

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review. Entergy Arkansas does not know when the DOJ will conclude its review or the extent to which its review of the transaction will be affected by the ongoing civil investigation of competitive issues concerning the Utility operating companies that is discussed in the Form 10-K.

Hinds Energy Facility Purchase Agreement

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

Dividends

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

Cash Flow Activity

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

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

Operating Activities

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

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

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These increases were partially offset by:

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

Investing Activities

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

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

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

Financing Activities

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

Rate, Cost-recovery, and Other Regulation

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

State and Local Rate Regulation and Fuel-Cost Recovery

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

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Federal Regulation

Independent Coordinator of Transmission

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

System Agreement

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

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

Entergy's Proposal to Join the MISO RTO

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

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

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

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

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

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

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

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

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

Market and Credit Risk Sensitive Instruments

Commodity Price Risk

Power Generation

As a wholesale generator, Entergy Wholesale Commodities' core business is selling energy, measured in MWh, to its customers. Entergy Wholesale Commodities enters into forward contracts with its customers and sells energy in the day ahead or spot markets. In addition to selling the energy produced by its plants, Entergy Wholesale Commodities sells unforced capacity, which allows load-serving entities to meet specified reserve and related requirements placed on them by the ISOs in their respective areas. Entergy Wholesale Commodities' forward physical power contracts consist of contracts to sell energy only, contracts to sell capacity only, and bundled contracts in which it sells both capacity and energy. While the terminology and payment mechanics vary in these contracts, each of these types of contracts requires Entergy Wholesale Commodities to deliver MWh of energy, make capacity available, or both. In addition to its forward physical power contracts, Entergy Wholesale Commodities also uses a combination of financial contracts, including swaps, collars, put and/or call options, to manage forward commodity

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price risk. Certain hedge volumes have price downside and upside relative to market price movement. The contracted minimum, expected value, and sensitivity are provided to show potential variations. While the sensitivity reflects the minimum, it may not reflect the total maximum upside potential from higher market prices. The information contained in the table below represents projections at a point in time and will vary over time based on numerous factors, such as future market prices, contracting activities, and generation. Following is a summary of Entergy Wholesale Commodities' current forward capacity and generation contracts as well as total revenue projections based on market prices as of September 30, 2012 (2012 represents the remainder of the year):

Entergy Wholesale Commodities Nuclear Portfolio

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

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Entergy Wholesale Commodities Non-Nuclear Portfolio

	2012	2013	2014	2015	2016	2017
Energy						
Percent of planned generation under contract (a):						
Cost-based contracts (l)	42%	39%	32%	35%	32%	32%
Firm LD (d)	5%	5%	5%	7%	6%	6%
Total	47%	44%	37%	42%	38%	38%
Planned generation (TWh) (f) (m)	1	6	6	6	6	6
Capacity						
Percent of capacity sold forward (h):						
Cost-based contracts (l)	35%	29%	24%	24%	24%	24%
Bundled capacity and energy contracts (i)	8%	8%	8%	8%	8%	8%
Capacity contracts (j)	53%	47%	47%	48%	20%	-%
Total	96%	84%	79%	80%	52%	32%
Planned net MW in operation (k) (m)	1,052	1,052	1,052	1,052	1,052	1,052

- (a) 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 require regulatory approval or approval of transmission rights
- (b) Transaction under which power is supplied from a specific generation asset; if the asset is not operating, seller is generally not liable to buyer for any damages
- (c) 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.
- (d) 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, defaulting party must compensate the other party as specified in the contract, a portion of which may be capped through the use of risk management products
- (e) Transactions for the purchase of energy, generally to offset a Firm LD transaction
- (f) Amount of output expected to be generated by Entergy Wholesale Commodities resources considering plant operating characteristics, outage schedules, and expected market conditions that effect dispatch
- (g) Assumes NRC license renewal for plants whose current licenses expire within five years and uninterrupted normal operation at all plants. NRC license renewal applications are in process for two units, as follows (with current license expirations in parentheses): Indian Point 2 (September 2013) and Indian Point 3 (December 2015). For a discussion regarding the continued operation of the Vermont Yankee plant, see "Impairment of Long-Lived Assets" in Note 1 to the financial statements in the Form 10-K and "Vermont

Yankee” in Note 11 to the financial statements herein. For a discussion regarding the license renewals for Indian Point 2 and Indian Point 3, see “Entergy Wholesale Commodities Authorizations to Operate Its Nuclear Power Plants” above.

- (h) Percent of planned qualified capacity sold to mitigate price uncertainty under physical or financial transactions
- (i) A contract for the sale of installed capacity and related energy, priced per megawatt-hour sold
- (j) A contract for the sale of an installed capacity product in a regional market
- (k) Amount of capacity to be available to generate power and/or sell capacity considering uprates planned to be completed during the year. The increased capacity figure for the nuclear portfolio from the 10-K reflects the final testing and confirmation of a small incremental increase in output associated with equipment replacements at Palisades.

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- (l) Contracts priced in accordance with cost-based rates, a ratemaking concept used for the design and development of rate schedules to ensure that the filed rate schedules recover only the cost of providing the service; these contracts are on owned non-utility resources located within Entergy's Utility service area, which do not operate under market-based rate authority. The percentage sold assumes approval of long-term transmission rights. Includes sales to the Utility through 2013 of 121 MW of capacity and energy from Entergy Power sourced from Independence Steam Electric Station Unit 2.
- (m) Non-nuclear planned generation and net MW in operation include purchases from affiliated and non-affiliated counterparties under long-term contracts and exclude energy and capacity from Entergy Wholesale Commodities' wind investment accounted for under the equity method of accounting and from the 544 MW Ritchie plant that is not planned to operate.
- (n) Reflects effect of ISO New England's acceptance in the second quarter 2012 of Vermont Yankee's bid to delist for the June 2015 through May 2016 forward capacity auction #6 and retroactively for the June 2013 through May 2014 forward capacity auction #4. ISO New England has until May 2013 to consider Vermont Yankee's delist bid for forward capacity auction #5.

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, 2012 market conditions, planned generation volumes, and hedged positions, would have a corresponding effect on pre-tax net income of \$12 million in 2012.

Some of the agreements to sell the power produced by Entergy Wholesale Commodities' 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, 2012, based on power prices at that time, Entergy had liquidity exposure of \$185 million under the guarantees in place supporting Entergy Wholesale Commodities transactions, \$20 million of guarantees that support letters of credit, and \$7 million of posted cash collateral to the ISOs. As of September 30, 2012, the liquidity exposure associated with Entergy Wholesale Commodities assurance requirements, including return of previously posted collateral from counterparties, would increase by \$131 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, 2012, Entergy would have been required to provide approximately \$45 million of additional cash or letters of credit under some of the agreements.

As of September 30, 2012, substantially all of the counterparties or their guarantors for 100% of the planned energy output under contract for Entergy Wholesale Commodities nuclear plants through 2016 have public investment grade 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 made initial recommendations, which were subsequently refined and prioritized after input from stakeholders. The task force then issued a second report in September 2011. Based upon the task force's recommendations, the NRC issued three orders effective on March 12, 2012. The three orders require U.S. nuclear operators, including Entergy, to undertake plant modifications or perform additional analyses that will, among other things, result in increased operating and capital costs associated with operating Entergy's nuclear plants. The NRC, with input from the industry, is in the process of determining the specific actions required by the orders and an estimate of the increased costs cannot be made at this time.

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With the issuance of the three orders, the NRC also provided members of the public an opportunity to request a hearing. Two established anti-nuclear groups, Pilgrim Watch and Beyond Nuclear, filed hearing requests, focused on Pilgrim, regarding two of the three orders. These requests sought to have the NRC impose expanded remedial requirements to address the issues raised by the NRC's orders. Beyond Nuclear subsequently withdrew its hearing request and the NRC's ASLB denied Pilgrim Watch's hearing request. Pilgrim Watch appealed the Board's decision to the NRC.

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 are updates to that discussion. For updates of the impairment of long-lived assets discussions regarding Vermont Yankee see Note 11 to the financial statements herein.

Nuclear Decommissioning Costs

In the second quarter 2012, Entergy Louisiana recorded a revision to its estimated decommissioning cost liability for Waterford 3 as a result of a revised decommissioning cost study. The revised estimate resulted in a \$48.9 million increase in its decommissioning cost liability, along with a corresponding increase in the related asset retirement costs asset that will be depreciated over the remaining life of the unit.

In the second quarter 2012, Entergy Wholesale Commodities recorded a reduction of \$60.6 million in the estimated decommissioning cost liability for a plant as a result of a revised decommissioning cost study. The revised estimate resulted in a credit to decommissioning expense of \$49 million, reflecting the excess of the reduction in the liability over the amount of the undepreciated asset retirement costs asset.

Qualified Pension and Other Postretirement Benefits

The Moving Ahead for Progress in the 21st Century Act (MAP-21) became federal law on July 6, 2012. Under the law, the segment rates used to calculate funding liabilities must be within a corridor of the 25-year average of prior segment rates. The interest rate corridor applies to the determination of minimum funding requirements and benefit restrictions. The pension funding stabilization provisions will provide for a near-term reduction in minimum funding requirements for single employer defined benefit plans in response to the current, historically low interest rates. The law does not reduce contribution requirements over the long term. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K for further discussion of pension funding.

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.

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CONSOLIDATED STATEMENTS OF INCOME
For the Three and Nine Months Ended September 30, 2012 and 2011
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2012	2011	2012	2011
	(In Thousands, Except Share Data)			
OPERATING REVENUES				
Electric	\$2,320,360	\$2,733,601	\$6,039,752	\$6,811,538
Natural gas	23,557	26,439	93,444	126,453
Competitive businesses	619,643	635,513	1,732,624	1,802,050
TOTAL	2,963,560	3,395,553	7,865,820	8,740,041
OPERATING EXPENSES				
Operating and Maintenance:				
Fuel, fuel-related expenses, and				
gas purchased for resale	596,270	849,982	1,572,265	1,921,007
Purchased power	336,552	475,335	966,816	1,289,180
Nuclear refueling outage expenses	62,582	64,566	184,288	191,517
Asset impairment	-	-	355,524	-
Other operation and maintenance	765,242	708,821	2,259,758	2,077,066
Decommissioning	56,796	56,467	126,641	167,229
Taxes other than income taxes	149,049	152,044	424,329	406,493
Depreciation and amortization	281,740	283,581	836,711	812,672
Other regulatory charges	24,477	203,848	162,509	204,338
TOTAL	2,272,708	2,794,644	6,888,841	7,069,502
OPERATING INCOME	690,852	600,909	976,979	1,670,539
OTHER INCOME				
Allowance for equity funds used during construction	18,396	21,516	70,986	59,558
Interest and investment income	24,490	33,238	94,767	95,906
Miscellaneous - net	(10,768)	(14,137)	(41,794)	(40,498)
TOTAL	32,118	40,617	123,959	114,966
INTEREST EXPENSE				
Interest expense	155,800	137,301	452,162	409,484
Allowance for borrowed funds used during construction	(8,003)	(9,713)	(27,877)	(27,397)
TOTAL	147,797	127,588	424,285	382,087
INCOME BEFORE INCOME TAXES	575,173	513,938	676,653	1,403,418
Income taxes	232,503	(119,131)	110,140	196,072
CONSOLIDATED NET INCOME	342,670	633,069	566,513	1,207,346

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Preferred dividend requirements of subsidiaries	5,582	5,015	16,108	15,046
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NET INCOME ATTRIBUTABLE TO ENTERGY CORPORATION	\$ 337,088	\$ 628,054	\$ 550,405	\$ 1,192,300
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Earnings per average common share:

Basic	\$ 1.90	\$ 3.55	\$ 3.11	\$ 6.70
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Diluted	\$ 1.89	\$ 3.53	\$ 3.10	\$ 6.67
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Dividends declared per common share	\$ 0.83	\$ 0.83	\$ 2.49	\$ 2.49
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Basic average number of common shares outstanding	177,517,846	176,950,469	177,184,464	177,857,667
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Diluted average number of common shares outstanding	177,975,075	177,723,020	177,636,549	178,805,215
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See Notes to Financial Statements.

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ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Three and Nine Months Ended September 30, 2012 and 2011
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2012	2011	2012	2011
	(In Thousands)			
Net Income	\$342,670	\$633,069	\$566,513	\$1,207,346
Other comprehensive income (loss)				
Cash flow hedges net unrealized loss (net of tax benefit of (\$57,231), (\$9,041), (\$40,012) and (\$50,884))	(106,138)	(12,598)	(68,793)	(84,321)
Pension and other postretirement liabilities (net of tax expense of \$3,643, \$1,647, \$17,998 and \$4,704)	6,197	2,657	29,524	9,255
Net unrealized investment gains (losses) (net of tax expense (benefit) of \$29,657, (\$52,740), \$67,046 and (\$24,014))	38,430	(53,349)	70,512	(25,478)
Foreign currency translation (net of tax expense of \$170, \$59, \$224 and \$226)	315	109	416	419
Other comprehensive income (loss)	(61,196)	(63,181)	31,659	(100,125)
Comprehensive Income	281,474	569,888	598,172	1,107,221
Preferred dividend requirements of subsidiaries	5,582	5,015	16,108	15,046
Comprehensive Income Attributable to Entergy Corporation	\$275,892	\$564,873	\$582,064	\$1,092,175

See Notes to Financial Statements.

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ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 2012 and 2011
(Unaudited)

	2012	2011
	(In Thousands)	
OPERATING ACTIVITIES		
Consolidated net income	\$566,513	\$1,207,346
Adjustments to reconcile consolidated net income to net cash flow provided by operating activities:		
Depreciation, amortization, and decommissioning, including nuclear fuel amortization	1,293,667	1,315,730
Deferred income taxes, investment tax credits, and non-current taxes accrued	111,228	(5,979)
Asset impairment	355,524	-
Changes in working capital:		
Receivables	(162,015)	(213,524)
Fuel inventory	(9,063)	12,677
Accounts payable	143,596	(238,879)
Prepaid taxes and taxes accrued	44,625	245,242
Interest accrued	(24,752)	(53,307)
Deferred fuel costs	(40,192)	(119,481)
Other working capital accounts	(131,374)	(31,319)
Changes in provisions for estimated losses	(17,479)	(4,608)
Changes in other regulatory assets	49,250	250,747
Changes in pensions and other postretirement liabilities	(75,104)	(275,690)
Other	115,364	40,801
Net cash flow provided by operating activities	2,219,788	2,129,756
INVESTING ACTIVITIES		
Construction/capital expenditures	(1,868,690)	(1,460,668)
Allowance for equity funds used during construction	73,497	61,096
Nuclear fuel purchases	(412,912)	(475,418)
Payment for purchase of plant	(645)	(299,590)
Proceeds from sale of assets and businesses	-	6,531
Changes in securitization account	(2,036)	(443)
NYPA value sharing payment	(72,000)	(72,000)
Payments to storm reserve escrow account	(7,009)	(5,043)
Receipts from storm reserve escrow account	17,884	-
Decrease (increase) in other investments	(69,995)	(60,693)
Litigation proceeds for reimbursement of spent nuclear fuel storage costs	109,105	-
Proceeds from nuclear decommissioning trust fund sales	1,416,697	1,053,089
Investment in nuclear decommissioning trust funds	(1,507,123)	(1,142,364)
Net cash flow used in investing activities	(2,323,227)	(2,395,503)

See Notes to Financial Statements.

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ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 2012 and 2011
(Unaudited)

	2012	2011
	(In Thousands)	
FINANCING ACTIVITIES		
Proceeds from the issuance of:		
Long-term debt	2,289,494	1,535,634
Preferred stock	51,000	-
Treasury stock	56,602	32,889
Retirement of long-term debt	(2,029,016)	(947,401)
Repurchase of common stock	-	(234,632)
Changes in credit borrowings - net	247,845	30,036
Dividends paid:		
Common stock	(441,292)	(443,290)
Preferred stock	(15,497)	(15,046)
Net cash flow provided by (used in) financing activities	159,136	(41,810)
Effect of exchange rates on cash and cash equivalents	(416)	225
Net increase (decrease) in cash and cash equivalents	55,281	(307,332)
Cash and cash equivalents at beginning of period	694,438	1,294,472
Cash and cash equivalents at end of period	\$ 749,719	\$ 987,140
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid (received) during the period for:		
Interest - net of amount capitalized	\$ 422,142	\$ 413,525
Income taxes	\$ 42,472	\$ (11)
See Notes to Financial Statements.		

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ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

ASSETS

September 30, 2012 and December 31, 2011

(Unaudited)

	2012	2011
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	\$96,996	\$81,468
Temporary cash investments	652,723	612,970
Total cash and cash equivalents	749,719	694,438
Securitization recovery trust account	52,340	50,304
Accounts receivable:		
Customer	693,022	568,558
Allowance for doubtful accounts	(31,525)	(31,159)
Other	155,039	166,186
Accrued unbilled revenues	330,744	298,283
Total accounts receivable	1,147,280	1,001,868
Deferred fuel costs	92,763	209,776
Accumulated deferred income taxes	4,533	9,856
Fuel inventory - at average cost	211,195	202,132
Materials and supplies - at average cost	925,201	894,756
Deferred nuclear refueling outage costs	235,344	231,031
System agreement cost equalization	17,689	36,800
Prepayments and other	371,686	291,742
TOTAL	3,807,750	3,622,703
OTHER PROPERTY AND INVESTMENTS		
Investment in affiliates - at equity	47,758	44,876
Decommissioning trust funds	4,175,825	3,788,031
Non-utility property - at cost (less accumulated depreciation)	259,525	260,436
Other	409,025	416,423
TOTAL	4,892,133	4,509,766
PROPERTY, PLANT AND EQUIPMENT		
Electric	40,489,162	39,385,524
Property under capital lease	811,533	809,449
Natural gas	351,239	343,550
Construction work in progress	1,965,524	1,779,723
Nuclear fuel	1,545,263	1,546,167
TOTAL PROPERTY, PLANT AND EQUIPMENT	45,162,721	43,864,413
Less - accumulated depreciation and amortization	18,731,190	18,255,128
PROPERTY, PLANT AND EQUIPMENT - NET	26,431,531	25,609,285
DEFERRED DEBITS AND OTHER ASSETS		

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Regulatory assets:		
Regulatory asset for income taxes - net	730,526	799,006
Other regulatory assets (includes securitization property of \$935,517 as of September 30, 2012 and \$1,009,103 as of December 31, 2011)	4,587,122	4,636,871
Deferred fuel costs	201,118	172,202
Goodwill	377,172	377,172
Accumulated deferred income taxes	30,122	19,003
Other	966,206	955,691
TOTAL	6,892,266	6,959,945
TOTAL ASSETS	\$42,023,680	\$40,701,699

See Notes to Financial Statements.

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ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
LIABILITIES AND EQUITY
September 30, 2012 and December 31, 2011
(Unaudited)

	2012	2011
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	\$787,711	\$2,192,733
Notes payable	356,172	108,331
Accounts payable	1,362,702	1,069,096
Customer deposits	361,174	351,741
Taxes accrued	322,860	278,235
Accumulated deferred income taxes	73,690	99,929
Interest accrued	158,761	183,512
Deferred fuel costs	127,551	255,839
Obligations under capital leases	3,816	3,631
Pension and other postretirement liabilities	50,874	44,031
System agreement cost equalization	55,094	80,090
Other	263,863	283,531
TOTAL	3,924,268	4,950,699
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	8,173,216	8,096,452
Accumulated deferred investment tax credits	276,413	284,747
Obligations under capital leases	35,531	38,421
Other regulatory liabilities	965,820	728,193
Decommissioning and asset retirement cost liabilities	3,456,685	3,296,570
Accumulated provisions	369,286	385,512
Pension and other postretirement liabilities	3,051,709	3,133,657
Long-term debt (includes securitization bonds of \$1,003,081 as of September 30, 2012 and \$1,070,556 as of December 31, 2011)	11,748,153	10,043,713
Other	551,567	501,954
TOTAL	28,628,380	26,509,219
Commitments and Contingencies		
Subsidiaries' preferred stock without sinking fund	186,510	186,511
EQUITY		
Common Shareholders' Equity:		
Common stock, \$.01 par value, authorized 500,000,000 shares; issued 254,752,788 shares in 2012 and in 2011	2,548	2,548
Paid-in capital	5,353,519	5,360,682
Retained earnings	9,555,859	9,446,960
Accumulated other comprehensive loss	(136,793)	(168,452)

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Less - treasury stock, at cost (77,080,297 shares in 2012 and 78,396,988 shares in 2011)	5,584,611	5,680,468
Total common shareholders' equity	9,190,522	8,961,270
Subsidiaries' preferred stock without sinking fund	94,000	94,000
TOTAL	9,284,522	9,055,270
 TOTAL LIABILITIES AND EQUITY	 \$42,023,680	 \$40,701,699

See Notes to Financial Statements.

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ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Nine Months Ended September 30, 2012 and 2011
(Unaudited) (In Thousands)

	Common Shareholders' Equity					Accumulated Other Comprehensive Loss	Total
	Subsidiaries' Preferred Stock	Common Stock	Treasury Stock	Paid-in Capital	Retained Earnings		
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 loss	-	-	-	-	-	(100,125)	(100,125)
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
Balance at December 31, 2011	\$ 94,000	\$ 2,548	\$(5,680,468)	\$ 5,360,682	\$ 9,446,960	\$ (168,452)	\$ 9,055,270
Consolidated net income (a)	16,108	-	-	-	550,405	-	566,513
Other comprehensive income	-	-	-	-	-	31,659	31,659
Common stock issuances related	-	-	95,857	(7,163)	-	-	88,694

to stock plans								
Common stock dividends declared	-	-	-	-	(441,506)	-	(441,506)	
Preferred dividend requirements of subsidiaries (a)	(16,108)	-	-	-	-	-	(16,108)	
Balance at September 30, 2012	\$ 94,000	\$ 2,548	\$(5,584,611)	\$5,353,519	\$9,555,859	\$ (136,793)	\$9,284,522	

See Notes to Financial Statements.

(a) Consolidated net income and preferred dividend requirements of subsidiaries for 2012 and 2011 include \$11.1 million and \$10.1 million, respectively, of preferred dividends on subsidiaries' preferred stock without sinking fund that is not presented within equity.

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ENTERGY CORPORATION AND SUBSIDIARIES
 SELECTED OPERATING RESULTS
 For the Three and Nine Months Ended September 30, 2012 and 2011
 (Unaudited)

Description	Three Months Ended		Increase/ (Decrease)	%
	2012	2011		
(Dollars in Millions)				
Utility Electric Operating Revenues:				
Residential	\$1,019	\$1,195	\$(176)	(15)
Commercial	627	718	(91)	(13)
Industrial	536	674	(138)	(20)
Governmental	54	59	(5)	(8)
Total retail	2,236	2,646	(410)	(15)
Sales for resale	45	70	(25)	(36)
Other	39	18	21	117
Total	\$2,320	\$2,734	\$(414)	(15)

Utility Billed Electric Energy

Sales (GWh):

Residential	11,605	12,376	(771)	(6)
Commercial	8,433	8,655	(222)	(3)
Industrial	10,748	11,024	(276)	(3)
Governmental	668	689	(21)	(3)
Total retail	31,454	32,744	(1,290)	(4)
Sales for resale	834	1,038	(204)	(20)
Total	32,288	33,782	(1,494)	(4)

Entergy Wholesale Commodities:

Operating Revenues	\$627	\$641	\$(14)	(2)
Billed Electric Energy Sales (GWh)	12,002	11,255	747	7

Description	Nine Months Ended		Increase/ (Decrease)	%
	2012	2011		
(Dollars in Millions)				
Utility Electric Operating Revenues:				
Residential	\$2,366	\$2,703	\$(337)	(12)
Commercial	1,653	1,794	(141)	(8)
Industrial	1,531	1,742	(211)	(12)
Governmental	149	158	(9)	(6)
Total retail	5,699	6,397	(698)	(11)
Sales for resale	105	198	(93)	(47)
Other	236	217	19	9
Total	\$6,040	\$6,812	\$(772)	(11)

Utility Billed Electric Energy

Sales (GWh):

Residential	27,305	29,411	(2,106)	(7)
Commercial	21,994	22,048	(54)	-
Industrial	31,114	30,681	433	1
Governmental	1,852	1,875	(23)	(1)
Total retail	82,265	84,015	(1,750)	(2)
Sales for resale	2,402	3,021	(619)	(20)
Total	84,667	87,036	(2,369)	(3)

Entergy Wholesale Commodities:

Operating Revenues	\$1,755	\$1,819	\$(64)	(4)
Billed Electric Energy Sales (GWh)	34,957	32,376	2,581	8

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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 1 to the financial statements in the Form 10-K and in Note 11 to the financial statements herein.

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.

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Entergy Corporation and Subsidiaries
Notes to Financial Statements

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.

Correction of Regulatory Asset for Income Taxes

In the first quarter 2012, Entergy Gulf States Louisiana determined that its regulatory asset for income taxes was overstated because of a difference between the regulatory treatment of the income taxes associated with certain items (primarily pension expense) and the financial accounting treatment of those taxes. Beginning with Louisiana retail rate filings using the 1994 test year, retail rates were developed using the normalization method of accounting for income taxes. With respect to these items, however, the financial accounting for income taxes was computed using the flow-through method of accounting. As a result, over the years Entergy Gulf States Louisiana accumulated a regulatory asset representing the expected future recovery of tax expense for the affected items even though the tax expense was being collected currently in rates from customers and would not be recovered in the future.

The effect was immaterial to the consolidated balance sheets, results of operations, and cash flows of Entergy for all prior reporting periods and on a cumulative basis. Therefore, a cumulative adjustment was recorded in the first quarter 2012 to remove the regulatory asset previously recorded. This adjustment increased 2012 income tax expense by \$46.3 million, decreased the regulatory asset for income taxes by \$75.3 million, and decreased accumulated deferred income taxes by \$29 million.

The effect was also immaterial to the balance sheets, results of operations, and cash flows of Entergy Gulf States Louisiana for all prior reporting periods. Correcting the cumulative effect of the error in the first quarter 2012 could have been material to the 2012 results of operations of Entergy Gulf States Louisiana and, therefore, Entergy Gulf States Louisiana is revising its prior period financial statements to correct the errors. The corrections affect the prior period financial statements as shown in the tables below:

	Three Months Ended September 30, 2011	
	As previously reported	As corrected
	(In Thousands)	
Income Statement		
Income taxes	\$38,429	\$37,205
Net income	\$51,946	\$53,170
Earnings applicable to common equity	\$51,740	\$52,964

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Entergy Corporation and Subsidiaries

Notes to Financial Statements

Nine Months Ended
September 30, 2011

As previously reported	As corrected
------------------------------	-----------------

(In Thousands)

Income Statement

Income taxes	\$95,352	\$92,083
Net income	\$146,928	\$150,197
Earnings applicable to common equity	\$146,309	\$149,578

Statement of Cash Flows

Net income	\$146,928	\$150,197
Deferred income taxes, investment tax credits, and non-current taxes accrued	(\$21,223)	(\$24,492)
Changes in other regulatory assets	\$27,171	\$21,858
Other operating activities	\$1,814	\$7,127

December 31, 2011

As previously reported	As corrected
------------------------------	-----------------

(In Thousands)

Balance Sheet

Regulatory asset for income taxes - net	\$249,058	\$173,724
Accumulated deferred income taxes - current	\$5,427	\$5,107
Accumulated deferred income taxes and taxes accrued	\$1,397,230	\$1,368,563
Member's equity	\$1,439,733	\$1,393,386

Nine Months Ended
September 30, 2011

Member's Equity		Total Equity	
As previously reported	As corrected	As previously reported	As corrected

(In Thousands)

Statement of Changes in Equity

Balance at December 31, 2010	\$1,539,517	\$1,494,593	\$1,509,213	\$1,464,289
Net income	\$146,928	\$150,197	\$146,928	\$150,197
Balance at September 30, 2011	\$1,403,857	\$1,362,202	\$1,375,268	\$1,333,613

Hurricane Isaac

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

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Entergy Corporation and Subsidiaries
Notes to Financial Statements

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

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

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

Fuel and Purchased Power Cost Recovery

Entergy Texas

In December 2011, Entergy Texas filed with the PUCT a request to refund approximately \$43 million, including interest, of fuel cost recovery over-collections through October 2011. Entergy Texas and the parties to the proceeding reached an agreement that Entergy Texas would refund \$67 million, including interest and additional over-recoveries through December 2011, over a three-month period. Entergy Texas and the parties requested that interim rates consistent with the settlement be approved effective with the March 2012 billing month, and the PUCT approved the application in March 2012. Entergy Texas completed this refund to customers in May 2012.

In October 2012, Entergy Texas filed with the PUCT a request to refund approximately \$78 million, including interest, of fuel cost recovery over-collections through September 2012. Entergy Texas requested that the refund be implemented over a six-month period effective with the January 2013 billing month.

In July 2012, Entergy Texas filed with the PUCT an application to credit its customers approximately \$37.5 million, including interest, resulting from the FERC's October 2011 order in the System Agreement rough production cost

equalization proceeding. See the Form 10-K for a discussion of the FERC's October 2011 order. In September 2012 the parties submitted a stipulation resolving the proceeding. The stipulation provides that Entergy Texas customers will be credited over a four-month period beginning October 2012. The credits were initiated with the October 2012 billing month on an interim basis, and the PUCT subsequently approved the stipulation, also in October 2012.

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Entergy Corporation and Subsidiaries

Notes to Financial Statements

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 2012, Entergy Gulf States Louisiana filed with the LPSC its gas rate stabilization plan for the test year ended September 30, 2011. The filing showed an earned return on common equity of 10.48%, which is within the earnings bandwidth of 10.5%, plus or minus fifty basis points. In April 2012, the LPSC Staff filed its findings, suggesting adjustments that produced an 11.54% earned return on common equity for the test year and a \$0.1 million rate reduction. Entergy Gulf States Louisiana accepted the LPSC Staff's recommendations, and the rate reduction was effective with the first billing cycle of May 2012. Related to the annual gas rate stabilization plan proceedings, the LPSC directed its staff to initiate an evaluation of the 10.5% allowed return on common equity for the Entergy Gulf States Louisiana gas rate stabilization plan. The LPSC directed that its staff should provide an analysis of the current return on equity and justification for any proposed changes to the return on equity. In August 2012 the LPSC staff filed direct testimony recommending a midpoint return on equity of 9.3%. Entergy Gulf States Louisiana filed responsive testimony recommending that the 10.5% return on equity remain unchanged. The hearing in this proceeding is currently scheduled for November 8-9, 2012.

In May 2012, Entergy Gulf States Louisiana made its formula rate plan filing with the LPSC for the 2011 test year. The filing reflected an 11.94% earned return on common equity, which is above the earnings bandwidth and would indicate a \$6.5 million cost of service rate change was necessary under the formula rate plan. The filing also reflected a \$22.9 million rate decrease for incremental capacity costs. Subsequently, in August 2012, Entergy Gulf States Louisiana submitted a revised filing that reflects an earned return on common equity of 11.86% indicating a \$5.7 million cost of service rate decrease is necessary under the formula rate plan. The revised filing also indicates that a reduction of \$20.3 million should be reflected in the incremental capacity rider. The rate reductions were implemented, subject to refund, effective for bills rendered the first billing cycle of September 2012. The filing remains subject to LPSC review. The September 2012 rate change reduced Entergy Gulf States Louisiana's revenues by approximately \$2.2 million in the third quarter 2012.

(Entergy Louisiana)

In May 2012, Entergy Louisiana made its formula rate plan filing with the LPSC for the 2011 test year. The filing reflected a 9.63% earned return on common equity, which is within the earnings bandwidth and results in no cost of service rate change under the formula rate plan. The filing also reflected an \$18.1 million rate increase for incremental capacity costs. Subsequently, in June 2012, Entergy Louisiana supplemented the filing to estimate at \$101 million the first-year revenue requirement associated with the Waterford 3 replacement steam generator project when it is placed into service. In August 2012, Entergy Louisiana submitted a revised filing that reflects an earned return on common equity of 10.38%, which is still within the earnings bandwidth, resulting in no cost of service rate change. The revised filing also indicates that an increase of \$15.9 million should be reflected in the incremental capacity rider. The rate change was implemented, subject to refund, effective for bills rendered the first billing cycle of September 2012. The filing remains subject to LPSC review. The September 2012 rate change contributed approximately \$1.3 million to Entergy Louisiana's revenues in the third quarter 2012.

Filings with the MPSC

In March 2012, Entergy Mississippi submitted its formula rate plan filing for the 2011 test year. The filing shows an earned return on common equity of 10.92% 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.

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Entergy Corporation and Subsidiaries
Notes to Financial Statements

Filings with the City Council

In May 2012, Entergy New Orleans filed its electric and gas formula rate plan evaluation reports for the 2011 test year. Subsequent adjustments agreed upon with the City Council Advisors indicate a \$4.9 million electric base revenue increase and a \$0.05 million gas base revenue increase as necessary under the formula rate plan. As part of the original filing, Entergy New Orleans is also requesting to increase annual funding for its storm reserve by approximately \$5.7 million for the next five years. On September 26, 2012, Entergy New Orleans made a filing with the City Council that implemented the \$4.9 million electric formula rate plan rate increase and the \$0.05 million gas formula rate plan rate increase. The new rates were effective with the first billing cycle in October 2012. In October 2012 the City Council approved a procedural schedule to resolve disputed items that includes a hearing in April 2013. The rates implemented in October 2012 are subject to retroactive adjustments depending on the outcome of the proceeding. The City Council has not yet acted on Entergy New Orleans's request for an increase in storm reserve funding.

Filings with the PUCT and Texas Cities

See the Form 10-K for a discussion of the rate case that Entergy Texas filed in November 2011 requesting a \$112 million base rate increase reflecting a 10.6% return on common equity based on an adjusted June 2011 test year. In April 2012 the PUCT Staff filed direct testimony recommending a base rate increase of \$66 million and a 9.6% return on common equity. The PUCT Staff, however, subsequently filed a statement of position in the proceeding indicating that it was still evaluating the position it would ultimately take in the case regarding Entergy Texas's recovery of purchased power capacity costs and Entergy Texas's proposal to defer its MISO transition expenses. In April 2012, Entergy Texas filed rebuttal testimony indicating a revised request for a \$105 million base rate increase. A hearing was held in late-April through early-May 2012. During the hearing and in its post-hearing brief the PUCT Staff revised its recommendation to a base rate increase of \$27 million.

In September 2012 the PUCT issued an order approving a \$28 million rate increase, effective July 2012. The order includes a finding that "a return on common equity (ROE) of 9.80 percent will allow [Entergy Texas] a reasonable opportunity to earn a reasonable return on invested capital." The order also provides for increases in depreciation rates and the annual storm reserve accrual. The order also reduced Entergy Texas's proposed purchased power capacity costs, stating that they are not known and measureable; reduced Entergy Texas's regulatory assets associated with Hurricane Rita; excluded from rate recovery capitalized financially-based incentive compensation; included \$1.6 million of MISO transition expense in base rates, and reduced Entergy's Texas's fuel reconciliation recovery by \$4.0 million because it disagreed with the line-loss factor used in the calculation. After considering the progress of the proceeding in light of the PUCT order, Entergy Texas recorded in the third quarter 2012 an approximate \$24 million charge to recognize that assets associated with Hurricane Rita, financially-based incentive compensation, and fuel recovery are no longer probable of recovery. Entergy Texas continues to believe that it is entitled to recover these prudently incurred costs, however, and it filed a motion for rehearing regarding these and several other issues in the PUCT's order on October 4, 2012. Several other parties have also filed motions for rehearing of the PUCT's order. The PUCT subsequently denied rehearing of substantive issues.

System Agreement Cost Equalization Proceedings

See the Form 10-K for a discussion of the proceedings regarding the System Agreement, including the FERC's October 2011 order, Entergy's December 2011 compliance filing in response to that order, and Entergy Arkansas's February 2012 filing for an interim adjustment to its production cost allocation rider requesting that the \$156 million

payment be collected from customers over the 22-month period from March 2012 through December 2013. In March 2012 the APSC issued an order stating that the payment can be recovered from retail customers through the production cost allocation rider, subject to refund. The LPSC and the APSC have requested rehearing of the FERC's October 2011 order. The APSC, the LPSC, the PUCT, and other parties intervened in the December 2011 compliance filing proceeding, and the APSC and the LPSC also filed protests.

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On May 7, 2012, the FERC issued orders in several System Agreement proceedings, including an order on rehearing in the 2007 rate filing based on 2006 production costs proceeding, an order on the ALJ's initial decision in the 2009 rate filing based on 2008 production costs proceeding, and orders in other proceedings regarding the method of calculating the production costs used in the determination of the rough production cost equalization payments and receipts. The May 7, 2012 FERC orders may result in the reallocation of costs among the Utility operating companies, although there are still FERC decisions pending in other System Agreement proceedings that could affect the rough production cost equalization payments and receipts, including for the 2007 rate filing. The FERC directed Entergy, within 45 days of the issuance of a pending FERC order on rehearing regarding the functionalization of costs in the 2007 rate filing, to file a comprehensive bandwidth recalculation report showing updated payments and receipts in the 2007 rate filing proceeding. In the order in the 2007 rate filing proceeding, the FERC also denied Entergy's request for rehearing regarding the AmerenUE contract and ordered Entergy Arkansas to refund to AmerenUE the rough production cost equalization payments collected from AmerenUE. Under the terms of the FERC's order the refund of \$30.6 million, including interest, was made in June 2012. Entergy Arkansas had previously recorded a regulatory provision for the potential refund to AmerenUE. Entergy has appealed the FERC's decision to the U.S. Court of Appeals for the D.C. Circuit.

Rough Production Cost Equalization Rates

2012 Rate Filing Based on Calendar Year 2011 Production Costs

In May 2012, Entergy filed with the FERC the 2012 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 2012, based on calendar year 2011 production costs, commencing for service in June 2012, are necessary to achieve rough production cost equalization under the FERC's orders:

	Payments or (Receipts) (In Millions)
Entergy Arkansas	\$41
Entergy Gulf States Louisiana	\$-
Entergy Louisiana	(\$41)
Entergy Mississippi	\$-
Entergy New Orleans	\$-
Entergy Texas	\$-

Several parties intervened in the proceeding at the FERC, including the LPSC, which filed a protest as well. In August 2012, the FERC accepted Entergy's proposed rates for filing, effective June 2012, subject to refund, set the proceeding for hearing procedures, and then held those procedures in abeyance pending FERC decisions in prior production cost proceedings currently before the FERC on review.

Interruptible Load Proceeding

See the Form 10-K for a discussion of the proceeding regarding the treatment under the System Agreement of the Utility operating companies' interruptible loads. 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 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. In April 2012 the United States district court dismissed Entergy Arkansas's complaint without prejudice stating that Entergy Arkansas's claim is not ripe for adjudication and that Entergy Arkansas did not have standing to bring suit at this time.

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Entergy Arkansas Opportunity Sales Proceeding

In June 2009, the LPSC filed a complaint requesting that the FERC determine that certain of Entergy Arkansas's sales of electric energy to third parties: (a) violated the provisions of the System Agreement that allocate the energy generated by Entergy System resources, (b) imprudently denied the Entergy System and its ultimate consumers the benefits of low-cost Entergy System generating capacity, and (c) violated the provision of the System Agreement that prohibits sales to third parties by individual companies absent an offer of a right-of-first-refusal to other Utility operating companies. The LPSC's complaint challenged sales made beginning in 2002 and requested refunds. In their response to the complaint, the Utility operating companies explained that the System Agreement clearly contemplates that the Utility operating companies may make sales to third parties for their own account, subject to the requirement that those sales be included in the load (or load shape) for the applicable Utility operating company. The response further explained that the FERC already has determined that Entergy Arkansas's short-term wholesale sales did not trigger the "right-of-first-refusal" provision of the System Agreement. In addition the response argued that while the D.C. Circuit had determined that the "right-of-first-refusal" issue was not properly before the FERC at the time of its earlier decision on the issue, the LPSC raised no additional claims or facts that would warrant the FERC reaching a different conclusion.

In December 2010 the ALJ issued an initial decision. The ALJ found that the System Agreement allowed for Entergy Arkansas to make the sales to third parties but concluded that the sales should be accounted for in the same manner as joint account sales. The ALJ concluded that "shareholders" should make refunds of the damages to the Utility operating companies, along with interest. Entergy disagreed with several aspects of the ALJ's initial decision and in January 2011 filed with the FERC exceptions to the decision.

The FERC issued a decision in June 2012 and held that, while the System Agreement is ambiguous, it does provide authority for individual Utility operating companies to make opportunity sales for their own account and Entergy Arkansas made and priced these sales in good faith. The FERC found, however, that the System Agreement does not provide authority for an individual Utility operating company to allocate the energy associated with such opportunity sales as part of its load, but provides a different allocation authority. The FERC further found that the after-the-fact accounting methodology used to allocate the energy used to supply the sales was inconsistent with the System Agreement. Quantifying the effect of the FERC's decision will require re-running intra-system bills for a ten-year period, and the FERC in its decision established further hearing procedures to determine the calculation of the effects.

As required by the procedural schedule established in the calculation proceeding, Entergy filed its direct testimony that included a proposed illustrative re-run, consistent with the directives in FERC's order, of intra-system bills for 2003, 2004, and 2006, the three years with the highest volume of opportunity sales. Entergy's proposed illustrative re-run of intra-system bills shows that the potential cost for Entergy Arkansas would be up to \$12 million for the years 2003, 2004, and 2006, and the potential benefit would be significantly less than that for each of the other Utility operating companies. Entergy's proposed illustrative rerun of the intra-system bills also shows an offsetting potential benefit to Entergy Arkansas for the years 2003, 2004, and 2006 resulting from the effects of the FERC's order on System Agreement Service Schedules MSS-1, MSS-2, and MSS-3, and the potential offsetting cost would be significantly less than that for each of the other Utility operating companies. The LPSC had previously filed direct testimony in the proceeding alleging that over the period 2000 - 2009 the sales caused harm to the Utility operating companies' customers of \$144 million. In subsequent testimony, however, the LPSC modified its original damages claim in favor of quantifying damages by re-running intra-system bills. Entergy provided to the LPSC an illustrative intra-system bill recalculation as specified by the LPSC for the years 2003, 2004, and 2006, and the LPSC's answering

testimony is due in December 2012. The FERC staff's and intervenors' direct and answering testimony is due in February 2013, a hearing is scheduled for May 2013, and the ALJ's initial decision on the calculation of the effects is due by August 28, 2013.

On July 23, 2012, Entergy and the LPSC filed requests for rehearing of the FERC's June 2012 decision, which are pending with the FERC.

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Storm Cost Recovery Filings with Retail Regulators

Entergy Gulf States Louisiana

Hurricane Katrina and Hurricane Rita

See the Form 10-K for a discussion of Entergy Gulf States Louisiana's Act 55 financing of its Hurricane Katrina and Hurricane Rita storm costs. In February 2012, Entergy Gulf States Louisiana sold 500,000 of its Class A preferred membership units in Entergy Holdings Company LLC, a wholly-owned Entergy subsidiary, to a third party in exchange for \$51 million plus accrued but unpaid distributions on the units. The 500,000 preferred membership units are mandatorily redeemable in January 2112.

New Nuclear Generation Development Costs (Entergy Gulf States and Entergy Louisiana)

Entergy Gulf States Louisiana and Entergy Louisiana are developing a project option for new nuclear generation at River Bend. In March 2010, Entergy Gulf States Louisiana and Entergy Louisiana filed with the LPSC seeking approval to continue the limited development activities necessary to preserve an option to construct a new unit at River Bend. The testimony and legal briefs of the LPSC staff generally support the request of Entergy Gulf States Louisiana and Entergy Louisiana, although other parties filed briefs, without supporting testimony, in opposition to the request. At an evidentiary hearing in October 2011, Entergy Gulf States Louisiana, Entergy Louisiana, and the LPSC staff presented testimony in support of certification of activities to preserve an option for a new nuclear plant at River Bend. The ALJ recommended, however, that the LPSC decline the request of Entergy Gulf States Louisiana and Entergy Louisiana on the basis that the LPSC's rule on new nuclear development does not apply to activities to preserve an option to develop and on the further grounds that the companies improperly engaged in advanced preparation activities prior to certification. There has been no suggestion that the planning activities or costs incurred were imprudent. At its June 28, 2012 meeting the LPSC voted to uphold the ALJ's decision and directed that Entergy Gulf States Louisiana and Entergy Louisiana be permitted to seek recovery of these costs in the rate case filings that are anticipated in January 2013, fully reserving the LPSC's right to determine the recoverability of such costs in rates. On September 10, 2012, Entergy Gulf States Louisiana and Entergy Louisiana filed a petition for appeal and judicial review of the LPSC's order with the Louisiana Nineteenth Judicial District Court. A schedule for the appeal has not been established.

Texas Power Price Lawsuit

In August 2003, a lawsuit was filed in the district court of Chambers County, Texas by Texas residents on behalf of a purported class of the Texas retail customers of Entergy Gulf States, Inc. who were billed and paid for electric power from January 1, 1994 to the present. The named defendants include Entergy Corporation, Entergy Services, Entergy Power, Entergy Power Marketing Corp., and Entergy Arkansas. Entergy Gulf States, Inc. was not a named defendant, but was alleged to be a co-conspirator. The court granted the request of Entergy Gulf States, Inc. to intervene in the lawsuit to protect its interests.

Plaintiffs allege that the defendants implemented a "price gouging accounting scheme" to sell to plaintiffs and similarly situated utility customers higher priced power generated by the defendants while rejecting less expensive power offered from off-system suppliers. In particular, plaintiffs allege that the defendants manipulated and continue to manipulate the dispatch of generation so that power is purchased from affiliated expensive resources instead of buying cheaper off-system power.

Plaintiffs stated in their pleadings that customers in Texas were charged at least \$57 million above prevailing market prices for power. Plaintiffs seek actual, consequential and exemplary damages, costs and attorneys' fees, and disgorgement of profits. The plaintiffs' experts have tendered a report calculating damages in a large range, from \$153 million to \$972 million in present value, under various scenarios. The Entergy defendants have tendered expert reports challenging the assumptions, methodologies, and conclusions of the plaintiffs' expert reports.

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The case is pending in state district court, and in March 2012 the court found that the case met the requirements to be maintained as a class action under Texas law. On April 30, 2012, the court entered an order certifying the class. The defendants have appealed the order to the Texas Court of Appeals – First District. The appeal is pending and proceedings in district court are stayed until the appeal is resolved.

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 statements:

	For the Three Months Ended September 30,					
	2012			2011		
	(In Millions, Except Per Share Data)					
Basic earnings per share	Income	Shares	\$/share	Income	Shares	\$/share
Net income attributable to Entergy Corporation	\$337.1	177.5	\$1.90	\$628.1	177.0	\$3.55
Average dilutive effect of:						
Stock options		0.4	(0.01)		0.7	(0.02)
Other equity plans		0.1	-		-	-
Diluted earnings per share	\$337.1	178.0	\$1.89	\$628.1	177.7	\$3.53

	For the Nine Months Ended September 30,					
	2012			2011		
	(In Millions, Except Per Share Data)					
Basic earnings per share	Income	Shares	\$/share	Income	Shares	\$/share
Net income attributable to Entergy Corporation	\$550.4	177.2	\$3.11	\$1,192.3	177.9	\$6.70
Average dilutive effect of:						
Stock options		0.3	(0.01)		0.9	(0.03)
Other equity plans		0.1	-		-	-

Diluted earnings per share	\$550.4	177.6	\$3.10	\$1,192.3	178.8	\$6.67
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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.

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Treasury Stock

During the nine months ended September 30, 2012, Entergy Corporation issued 1,316,691 shares of its previously repurchased common stock to satisfy stock option exercises and other stock-based awards. Entergy Corporation did not repurchase any of its common stock during the nine months ended September 30, 2012.

Retained Earnings

On October 26, 2012, Entergy Corporation's Board of Directors declared a common stock dividend of \$0.83 per share, payable on December 3, 2012 to holders of record as of November 8, 2012.

Comprehensive Income

Accumulated other comprehensive 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, 2012	December 31, 2011	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
			(In Thousands)			
Cash flow hedges net unrealized gain	\$108,704	\$177,497	\$-	\$-	\$-	\$-
Pension and other postretirement liabilities	(470,032)	(499,556)	(57,213)	(69,610)	(37,617)	(39,507)
Net unrealized investment gains	221,450	150,939	-	-	-	-
Foreign currency translation	3,085	2,668	-	-	-	-
Total	(\$136,793)	(\$168,452)	(\$57,213)	(\$69,610)	(\$37,617)	(\$39,507)

Other comprehensive income (loss) and total comprehensive income for the three and nine months ended September 30, 2012 and 2011 are presented in Entergy's, Entergy Gulf States Louisiana's, and Entergy Louisiana's Statements of Comprehensive Income.

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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 \$3.5 billion and expires in March 2017. Entergy Corporation also has the ability to issue letters of credit against 50% of the total borrowing capacity of the credit facility. The commitment fee is currently 0.275% of the commitment amount. Commitment 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, 2012 was 2.07% 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, 2012.

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

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.

In September 2012, Entergy Corporation implemented a commercial paper program with a program limit of up to \$500 million. At September 30, 2012, Entergy Corporation had \$154.3 million of commercial paper outstanding. The weighted-average interest rate for the period ended September 30, 2012 was 0.80%. In October 2012 the Board approved increasing the limit for the commercial paper program to \$1 billion.

Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, and Entergy Texas each had credit facilities available as of September 30, 2012 as follows:

Company	Expiration Date	Amount of Facility	Interest Rate (a)	Amount Drawn as of September 30, 2012
Entergy Arkansas	April 2013	\$20 million (b)	1.86%	-
Entergy Arkansas	March 2017	\$150 million (c)	1.72%	-
Entergy Gulf States Louisiana	March 2017	\$150 million (d)	1.72%	-
Entergy Louisiana	March 2017	\$200 million (e)	1.72%	-
Entergy Mississippi	May 2013	\$35 million (f)	1.97%	-
Entergy Mississippi	May 2013	\$25 million (f)	1.97%	-
Entergy Mississippi	May 2013	\$10 million (f)	1.97%	-
Entergy Texas	March 2017	\$150 million (g)	1.97%	-

- (a) The interest rate is the rate as of September 30, 2012 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 Arkansas to issue letters of credit against 50% of the borrowing capacity of the facility. As of September 30, 2012, no letters of credit were outstanding. The credit facility requires Entergy Arkansas to maintain a consolidated debt ratio of 65% or less of its total capitalization.
- (d) The credit facility allows Entergy Gulf States Louisiana to issue letters of credit against 50% of the borrowing capacity of the facility. As of September 30, 2012, 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.

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- (e) The credit facility allows Entergy Louisiana to issue letters of credit against 50% of the borrowing capacity of the facility. As of September 30, 2012, 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.
- (f) 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.
- (g) The credit facility allows Entergy Texas to issue letters of credit against 50% of the borrowing capacity of the facility. As of September 30, 2012, 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.

The facility fees on the credit facilities range from 0.125% to 0.275% 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, 2012 (aggregating both money pool and external short-term borrowings) for the Registrant Subsidiaries:

	Authorized	Borrowings
	(In Millions)	
Entergy Arkansas	\$250	-
Entergy Gulf States Louisiana	\$200	-
Entergy Louisiana	\$250	-
Entergy Mississippi	\$175	-
Entergy New Orleans	\$100	\$16
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 nuclear fuel company 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, 2012:

Weighted Average Interest	Amount Outstanding
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Company	Expiration Date	Amount of Facility (Dollars in Millions)	Rate on Borrowings (a)	as of September 30, 2012
Entergy Arkansas VIE	July 2013	\$85	2.30%	\$52.7
Entergy Gulf States Louisiana VIE	July 2013	\$85	n/a	\$-
Entergy Louisiana VIE	July 2013	\$90	2.32%	\$56.5
System Energy VIE	July 2013	\$100	2.36%	\$62.8

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- (a) Includes letter of credit fees and bank fronting fees on commercial paper issuances by the nuclear fuel company variable interest entities for Entergy Arkansas, Entergy Louisiana, and System Energy. The nuclear fuel company variable interest entity for Entergy Gulf States Louisiana does not issue commercial paper, but borrows directly on its bank credit facility.

Amounts outstanding on the Entergy Gulf States Louisiana nuclear fuel company variable interest entity's credit facility are included in long-term debt on its balance sheet and commercial paper outstanding for the other nuclear fuel company variable interest entities 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 of nuclear fuel (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 nuclear fuel company variable interest entities had notes payable that are included in debt on the respective balance sheets as of September 30, 2012 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	3.25% Series Q due July 2017	\$75 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
Entergy Louisiana VIE	3.25% Series G due July 2017	\$25 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
System Energy VIE	4.02% Series H due February 2017	\$50 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 Corporation)

In January 2012, Entergy Corporation issued \$500 million of 4.70% senior notes due January 2017. Entergy Corporation used the proceeds to repay borrowings under its \$3.5 billion credit facility. The net repayment of Entergy's credit facility during the first quarter 2012 was \$455 million.

(Entergy Gulf States)

In April 2012, Entergy Gulf States Louisiana redeemed, prior to maturity, its \$10.84 million 5.8% Series pollution control revenue bonds due April 2016.

In July 2012 the Entergy Gulf States Louisiana nuclear fuel company variable interest entity issued \$75 million of 3.25% Series Q notes due July 2017. The Entergy Gulf States Louisiana nuclear fuel company variable interest entity used the proceeds to pay, at maturity, its \$60 million 5.41% Series O notes due July 2012 and to repay borrowings of \$3.5 million under its \$85 million nuclear fuel company variable interest entity credit facility.

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(Entergy Louisiana)

In January 2012, Entergy Louisiana issued \$250 million of 1.875% Series first mortgage bonds due December 2014. Entergy Louisiana used a portion of the proceeds to repay short-term borrowings under the Entergy System money pool.

In July 2012, Entergy Louisiana issued \$200 million of 5.25% Series first mortgage bonds due July 2052. Entergy Louisiana used the proceeds for general corporate purposes.

In August 2012 the Entergy Louisiana nuclear fuel company variable interest entity issued \$25 million of 3.25% Series G notes due July 2017. The Entergy Louisiana nuclear fuel company variable interest entity used the proceeds to purchase additional nuclear fuel.

(System Energy)

In February 2012 the System Energy nuclear fuel company variable interest entity issued \$50 million of 4.02% Series H notes due February 2017. The System Energy nuclear fuel company variable interest entity used the proceeds to purchase additional nuclear fuel.

In September 2012, System Energy issued \$250 million of 4.10% Series first mortgage bonds due April 2023. System Energy used a portion of the proceeds to pay, at maturity, its \$70 million 6.2% Series first mortgage bonds due October 2012 and to pay, prior to maturity, its \$102.975 million 5.9% Series pollution control revenue bonds due May 2022 and its \$50 million 6.2% Series pollution control revenue bonds due February 2026.

Fair Value

The book value and the fair value of long-term debt for Entergy Corporation and the Registrant Subsidiaries as of September 30, 2012 are as follows:

	Book Value of Long-Term Debt	Fair Value of Long-Term Debt (a) (b)
(In Thousands)		
Entergy	\$12,535,864	\$12,946,166
Entergy Arkansas	\$1,870,076	\$1,776,893
Entergy Gulf States Louisiana	\$1,517,369	\$1,670,740
Entergy Louisiana	\$2,639,714	\$2,781,584
Entergy Mississippi	\$920,484	\$998,493
Entergy New Orleans	\$166,322	\$172,182
Entergy Texas	\$1,628,270	\$1,887,539
System Energy	\$853,771	\$735,626

(a) The values exclude lease obligations of \$163 million at Entergy Louisiana and \$139 million at System Energy, long-term DOE obligations of \$181 million at Entergy

Arkansas, and the note payable to NYPA of \$126 million at Entergy, and include debt due within one year.

- (b) Fair values are classified as Level 2 in the fair value hierarchy discussed in Note 8 to the financial statements and are based on prices derived from inputs such as benchmark yields and reported trades.

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The book value and the fair value of long-term debt for Entergy Corporation and the Registrant Subsidiaries as of December 31, 2011 were as follows:

	Book Value of Long-Term Debt (In Thousands)	Fair Value of Long-Term Debt (a) (b)
Entergy	\$12,236,446	\$12,176,251
Entergy Arkansas	\$1,875,921	\$1,756,361
Entergy Gulf States Louisiana	\$1,542,430	\$1,642,388
Entergy Louisiana	\$2,252,312	\$2,211,355
Entergy Mississippi	\$920,439	\$985,600
Entergy New Orleans	\$166,537	\$169,270
Entergy Texas	\$1,677,127	\$1,906,081
System Energy	\$747,048	\$582,952

- (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 \$133 million at Entergy, and include debt due within one year.
- (b) Fair values are classified as Level 2 in the fair value hierarchy discussed in Note 8 to the financial statements and are based on prices derived from inputs such as benchmark yields and reported trades.

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 552,400 stock options during the first quarter 2012 with a weighted-average fair value of \$9.42 per option. At September 30, 2012, there are 9,639,169 stock options outstanding with a weighted-average exercise price of \$79.16. 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, 2012. Because Entergy's stock price at September 30, 2012 is less than the weighted average exercise price, the aggregate intrinsic value of the stock options outstanding as of September 30, 2012 is zero. The intrinsic value of "in the money" stock options is \$17.2 million as of September 30, 2012.

The following table includes financial information for stock options for the third quarters of 2012 and 2011:

2012	2011
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(In Millions)

Compensation expense included in Entergy's net income	\$1.9	\$2.5
Tax benefit recognized in Entergy's net income	\$0.7	\$0.9
Compensation cost capitalized as part of fixed assets and inventory	\$0.3	\$0.5

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The following table includes financial information for stock options for the nine months ended September 30, 2012 and 2011:

	2012	2011
	(In Millions)	
Compensation expense included in Entergy's net income	\$5.8	\$8.0
Tax benefit recognized in Entergy's net income	\$2.2	\$3.1
Compensation cost capitalized as part of fixed assets and inventory	\$1.1	\$1.5

Other Equity Plans

In January 2012, the Board approved and Entergy granted 339,700 restricted stock awards and 176,742 Long-term Incentive Plan (LTIP) awards under the 2011 Equity Ownership and Long-term Cash Incentive Plan. The restricted stock awards were made effective as of January 26, 2012 and were valued at \$71.30 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. Beginning with the 2012 – 2014 performance period, upon vesting, the performance units granted under the LTIP will be settled in shares of Entergy common stock rather than cash. The LTIP stock awards were made effective as of January 27, 2012 and were valued at \$67.11 per share. Entergy considers various factors, primarily market conditions, in determining the value of the LTIP stock awards. Shares of the stock awards have the same dividend and voting rights as other common stock, are considered issued and outstanding shares of Entergy upon vesting, and are expensed ratably over the three-year vesting period.

The following table includes financial information for other equity plans for the third quarters of 2012 and 2011:

	2012	2011
	(In Millions)	
Compensation expense included in Entergy's net income	\$3.7	\$1.0
Tax benefit recognized in Entergy's net income	\$1.4	\$0.4
Compensation cost capitalized as part of fixed assets and inventory	\$0.6	\$0.2

The following table includes financial information for other equity plans for the nine months ended September 30, 2012 and 2011:

	2012	2011
	(In Millions)	
Compensation expense included in Entergy's net income	\$11.0	\$2.9
Tax benefit recognized in Entergy's net income	\$4.2	\$1.1
Compensation cost capitalized as part of fixed assets and inventory	\$1.9	\$0.5

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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 2012 and 2011, included the following components:

	2012	2011
	(In Thousands)	
Service cost - benefits earned during the period	\$37,691	\$30,490
Interest cost on projected benefit obligation	65,232	59,248
Expected return on assets	(79,356)	(75,319)
Amortization of prior service cost	683	838
Amortization of loss	41,820	23,244
Net pension costs	\$66,070	\$38,501

Entergy's qualified pension cost, including amounts capitalized, for the nine months ended September 30, 2012 and 2011, included the following components:

	2012	2011
	(In Thousands)	
Service cost - benefits earned during the period	\$113,073	\$91,470
Interest cost on projected benefit obligation	195,696	177,744
Expected return on assets	(238,068)	(225,957)
Amortization of prior service cost	2,049	2,514
Amortization of loss	125,460	69,732
Net pension costs	\$198,210	\$115,503

The Registrant Subsidiaries' qualified pension cost, including amounts capitalized, for the third quarters of 2012 and 2011, included the following components:

2012	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	\$5,542	\$3,068	\$3,669	\$1,602	\$706	\$1,421	\$1,480

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Interest cost on projected benefit obligation	13,922	6,420	8,800	4,070	1,902	4,206	3,247
Expected return on assets	(16,441)	(8,593)	(10,209)	(5,236)	(2,215)	(5,581)	(4,109)
Amortization of prior service cost	50	5	52	7	2	4	3
Amortization of loss	10,193	4,043	7,050	2,633	1,719	2,544	2,251
Net pension cost	\$13,266	\$4,943	\$9,362	\$3,076	\$2,114	\$2,594	\$2,872

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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

The Registrant Subsidiaries' qualified pension cost, including amounts capitalized, for the nine months ended September 30, 2012 and 2011, included the following components:

2012	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	\$16,626	\$9,204	\$11,007	\$4,806	\$2,118	\$4,263	\$4,440
Interest cost on projected benefit obligation	41,766	19,260	26,400	12,210	5,706	12,618	9,741
Expected return on assets	(49,323)	(25,779)	(30,627)	(15,708)	(6,645)	(16,743)	(12,327)
Amortization of prior service cost	150	15	156	21	6	12	9
Amortization of loss	30,579	12,129	21,150	7,899	5,157	7,632	6,753
Net pension cost	\$39,798	\$14,829	\$28,086	\$9,228	\$6,342	\$7,782	\$8,616

2011	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
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Louisiana

New
Orleans

(In Thousands)

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

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Entergy recognized \$5.1 million and \$4.9 million in pension cost for its non-qualified pension plans in the third quarters of 2012 and 2011, respectively. Entergy recognized \$15.3 million and \$14.6 million in pension cost for its non-qualified pension plans for the nine months ended September 30, 2012 and 2011, respectively.

The Registrant Subsidiaries recognized the following pension cost for their non-qualified pension plans in the third quarters of 2012 and 2011:

	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas
	(In Thousands)					
Non-qualified pension cost third quarter 2012	\$107	\$39	\$3	\$46	\$19	\$163
Non-qualified pension cost third quarter 2011	\$115	\$42	\$4	\$48	\$16	\$192

The Registrant Subsidiaries recognized the following pension cost for their non-qualified pension plans for the nine months ended September 30, 2012 and 2011:

	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, 2012	\$321	\$117	\$9	\$138	\$57	\$489
Non-qualified pension cost nine months ended September 30, 2011	\$345	\$126	\$12	\$144	\$48	\$576

Components of Net Other Postretirement Benefit Cost

Entergy's other postretirement benefit cost, including amounts capitalized, for the third quarters of 2012 and 2011, included the following components:

	2012	2011
	(In Thousands)	
	\$17,221	\$14,835

Service cost - benefits earned during the period		
Interest cost on accumulated postretirement benefit obligation (APBO)	20,640	18,631
Expected return on assets	(8,626)	(7,369)
Amortization of transition obligation	794	796
Amortization of prior service cost	(4,541)	(3,518)
Amortization of loss	9,113	5,298
Net other postretirement benefit cost	\$34,601	\$28,673

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Entergy Corporation and Subsidiaries
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Entergy's other postretirement benefit cost, including amounts capitalized, for the nine months ended September 30, 2012 and 2011, included the following components:

	2012	2011
	(In Thousands)	
Service cost - benefits earned during the period	\$51,663	\$44,505
Interest cost on APBO	61,920	55,893
Expected return on assets	(25,878)	(22,107)
Amortization of transition obligation	2,382	2,388
Amortization of prior service cost	(13,623)	(10,554)
Amortization of loss	27,339	15,894
Net other postretirement benefit cost	\$103,803	\$86,019

The Registrant Subsidiaries' other postretirement benefit cost, including amounts capitalized, for the third quarters of 2012 and 2011, included the following components:

2012	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	\$2,272	\$1,880	\$1,949	\$773	\$422	\$913	\$823
Interest cost on APBO	3,613	2,398	2,445	1,179	856	1,663	757
Expected return on assets	(3,507)	-	-	(1,130)	(928)	(2,104)	(650)
Amortization of transition obligation	205	60	96	88	297	47	2
Amortization of prior service cost	(133)	(206)	(62)	(35)	10	(107)	(16)
Amortization of loss	2,077	1,184	1,090	730	390	1,079	493
Net other postretirement benefit cost	\$4,527	\$5,316	\$5,518	\$1,605	\$1,047	\$1,491	\$1,409
2011	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy

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(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

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The Registrant Subsidiaries' other postretirement benefit cost, including amounts capitalized, for the nine months ended September 30, 2012 and 2011, included the following components:

2012	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	\$6,816	\$5,640	\$5,847	\$2,319	\$1,266	\$2,739	\$2,469
Interest cost on APBO	10,839	7,194	7,335	3,537	2,568	4,989	2,271
Expected return on assets	(10,521)	-	-	(3,390)	(2,784)	(6,312)	(1,950)
Amortization of transition obligation							
	615	180	288	264	891	141	6
Amortization of prior service cost							
	(399)	(618)	(186)	(105)	30	(321)	(48)
Amortization of loss	6,231	3,552	3,270	2,190	1,170	3,237	1,479
Net other postretirement benefit cost							
	\$13,581	\$15,948	\$16,554	\$4,815	\$3,141	\$4,473	\$4,227
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
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Employer Contributions

Based on current assumptions, Entergy expects to contribute \$170.5 million to its qualified pension plans in 2012. As of the end of September 2012, Entergy had contributed \$170.5 million to its pension plans. Currently, Entergy does not anticipate making additional contributions to fund its qualified pension plans in 2012.

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Based on current assumptions, the Registrant Subsidiaries expect to contribute the following to qualified pension plans in 2012:

	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
	(In Thousands)						
Expected 2012 pension contributions	\$37,163	\$13,569	\$28,816	\$9,665	\$5,811	\$9,091	\$9,771
Pension contributions made through September 2012	\$37,163	\$13,569	\$28,816	\$9,665	\$5,811	\$9,091	\$9,771
Remaining estimated pension contributions to be made in 2012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2012 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.

Entergy's segment financial information for the third quarters of 2012 and 2011 is as follows:

	Utility	Entergy Wholesale Commodities*	All Other (In Thousands)	Eliminations	Entergy
2012					
Operating revenues	\$2,344,885	\$626,849	\$1,060	(\$9,234)	\$2,963,560
Income taxes	\$187,668	\$34,153	\$10,682	\$-	\$232,503
Consolidated net income (loss)	\$300,506	\$118,766	(\$50,207)	(\$26,395)	\$342,670

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2011					
Operating revenues	\$2,760,631	\$641,216	\$1,015	(\$7,309)	\$3,395,553
Income taxes	(\$158,673)	\$64,079	(\$24,537)	\$-	(\$119,131)
Consolidated net income	\$528,459	\$130,862	\$1,393	(\$27,645)	\$633,069

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Notes to Financial Statements

Entergy's segment financial information for the nine months ended September 30, 2012 and 2011 is as follows:

	Utility	Entergy Wholesale Commodities*	All Other (In Thousands)	Eliminations	Consolidated
2012					
Operating revenues	\$6,136,101	\$1,754,774	\$3,027	(\$28,082)	\$7,865,820
Income taxes	\$162,914	(\$10,036)	(\$42,738)	\$-	\$110,140
Consolidated net income (loss)	\$676,244	\$31,570	(\$61,477)	(\$79,824)	\$566,513
2011					
Operating revenues	\$6,939,724	\$1,819,439	\$3,153	(\$22,275)	\$8,740,041
Income taxes	\$70,567	\$213,344	(\$87,839)	\$-	\$196,072
Consolidated net income	\$949,854	\$319,651	\$20,776	(\$82,935)	\$1,207,346

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
Equity price and interest rate risk - investments	Utility, Entergy Wholesale Commodities

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Notes to Financial Statements

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 sale 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 swaps and options, and interest rate swaps. Entergy will occasionally enter into financially settled swap and 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 and Entergy Louisiana) 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.

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, 2012 are as follows:

Instrument	Balance Sheet Location	Fair Value (a)	Offset (a)	Business
Derivatives designated as hedging instruments				
Assets:				
Electricity swaps and options	Prepayments and other (current portion)	\$140 million	(\$9) million	Entergy Wholesale Commodities
Electricity swaps and options	Other deferred debits and other assets (non-current portion)	\$69 million	(\$13) million	Entergy Wholesale Commodities
Liabilities:				
		\$12 million	(\$10) million	

Electricity swaps and options	Other non-current liabilities (non-current portion)	Entergy Wholesale Commodities
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Entergy Corporation and Subsidiaries
Notes to Financial Statements

Derivatives not
designated as hedging
instruments

Assets:

Electricity swaps and options	Prepayments and other (current portion)	\$25 million	(\$2) million	Entergy Wholesale Commodities
Electricity swaps and options	Other deferred debits and other assets (non-current portion)	\$23 million	(\$11) million	Entergy Wholesale Commodities
Natural gas swaps	Prepayments and other (current portion)	\$10 million	(\$-)	Utility

Liabilities:

Electricity swaps and options	Other current liabilities (current portion)	\$11 million	(\$11) million	Entergy Wholesale Commodities
Electricity swaps and options	Other non-current liabilities (non-current portion)	\$15 million	(\$13) million	Entergy Wholesale Commodities

The fair values of Entergy's derivative instruments in the consolidated balance sheet as of December 31, 2011 are as follows:

Instrument	Balance Sheet Location	Fair Value (a)	Offset (a)	Business
Derivatives designated as hedging instruments				
Assets:				
Electricity swaps and options	Prepayments and other (current portion)	\$197 million	(\$25) million	Entergy Wholesale Commodities
Electricity swaps and options	Other deferred debits and other assets (non-current portion)	\$112 million	(\$1) million	Entergy Wholesale Commodities
Liabilities:				
Electricity swaps and options	Other non-current liabilities (non-current portion)	\$1 million	(\$1) million	Entergy Wholesale Commodities

Derivatives not
designated as hedging
instruments

Assets:

Electricity swaps and options	Prepayments and other (current portion)	\$37 million	(\$8) million	Entergy Wholesale Commodities
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Liabilities:

Electricity swaps and options	Other current liabilities (current portion)	\$33 million	(\$33) million	Entergy Wholesale Commodities
Natural gas swaps	Other current liabilities	\$30 million	(\$-)	Utility

(a) The balances of derivative assets and liabilities in these tables are presented gross. Certain investments, including those not designated as hedging instruments, are subject to master netting agreements and are presented on the Entergy Consolidated Balance Sheets on a net basis in accordance with accounting guidance for Derivatives and Hedging.

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The effect of Entergy's derivative instruments designated as cash flow hedges on the consolidated income statements for the three months ended September 30, 2012 and 2011 are as follows:

Instrument	Amount of gain (loss) recognized in other comprehensive income (effective portion)	Income Statement location	Amount of gain reclassified from AOCI into income (effective portion)
2012			
Electricity swaps and options	(\$108) million	Competitive businesses operating revenues	\$61 million
2011			
Electricity swaps and options	\$40 million	Competitive businesses operating revenues	\$48 million

The effect of Entergy's derivative instruments designated as cash flow hedges on the consolidated income statements for the nine months ended September 30, 2012 and 2011 are as follows:

Instrument	Amount of gain (loss) recognized in other comprehensive income (effective portion)	Income Statement location	Amount of gain reclassified from AOCI into income (effective portion)
2012			
Electricity swaps and options	\$120 million	Competitive businesses operating revenues	\$232 million
2011			
Electricity swaps and options	(\$14) million	Competitive businesses operating revenues	\$109 million

Electricity over-the-counter instruments that financially settle against day-ahead power pool prices are used to manage price exposure for Entergy Wholesale Commodities generation. Based on market prices as of September 30, 2012, cash flow hedges relating to power sales totaled \$196 million of net unrealized gains. Approximately \$140 million is expected to be reclassified from accumulated other comprehensive income (AOCI) to operating revenues in the next twelve months. The actual amount reclassified from AOCI, however, could vary due to future changes in market prices. Gains totaling approximately \$61 million and \$48 million were realized on the maturity of cash flow hedges, before taxes of \$21 million and \$17 million, for the three months ended September 30, 2012 and 2011, respectively. Gains totaling approximately \$232 million and \$109 million were realized on the maturity of cash flow hedges, before taxes of \$81 million and \$38 million, for the nine months ended September 30, 2012 and 2011,

respectively. Unrealized gains or losses recorded in other comprehensive income result from hedging power output at the Entergy Wholesale Commodities power plants. The related gains or losses from hedging power are included in operating revenues when realized. The maximum length of time over which Entergy is currently hedging the variability in future cash flows with derivatives for forecasted power transactions at September 30, 2012 is approximately 2.25 years. Planned generation currently under contract from Entergy Wholesale Commodities nuclear power plants is 89% for the remaining one quarter of 2012, of which approximately 48% is sold under financial derivatives and the remainder under normal purchase/normal sale contracts. The change in fair value of Entergy's cash flow hedges due to ineffectiveness was \$4.5 million and \$5.1 million for the three and nine months ended September 30, 2012, respectively. The change in fair value of Entergy's cash flow hedges due to ineffectiveness was \$6.2 million and \$8.4 million for the three and nine months ended September 30, 2011, respectively. The ineffective portion of cash flow hedges is recorded in competitive business operating revenues. Certain of the agreements to sell the power produced by Entergy Wholesale Commodities power plants contain provisions that require an Entergy subsidiary to provide collateral to secure its obligations when the current market prices exceed the contracted power prices. The primary form of collateral to satisfy these requirements is an Entergy Corporation guaranty. As of September 30, 2012, hedge contracts with one counterparty were in a liability position (approximately \$2 million total), but were significantly below

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the amount of the guarantee provided under the contract and no cash collateral was required. If the Entergy Corporation credit rating falls below investment grade, the effect of the corporate guarantee is ignored and Entergy would have to post collateral equal to the estimated outstanding liability under the contract at the applicable date. Entergy may effectively liquidate a cash flow hedge instrument by entering into a contract offsetting the original hedge, and then de-designating the original hedge in this situation. Gains or losses accumulated in other comprehensive income prior to de-designation continue to be deferred in other comprehensive income until they are included in income as the original hedged transaction occurs. From the point of de-designation, the gains or losses on the original hedge and the offsetting contract are recorded as assets or liabilities on the balance sheet and offset as they flow through to earnings.

Natural gas over-the-counter swaps that financially settle against NYMEX futures are used to manage fuel price volatility for the Utility's Louisiana and Mississippi customers. All benefits or costs of the program are recorded in fuel costs. The total volume of natural gas swaps outstanding as of September 30, 2012 is 30,900,000 MMBtu for Entergy, 9,140,000 MMBtu for Entergy Gulf States Louisiana, 14,800,000 MMBtu for Entergy Louisiana, and 6,960,000 MMBtu for Entergy Mississippi. Credit support for these natural gas swaps is covered by master agreements that do not require collateralization based on mark-to-market value, but do carry adequate assurance language that may lead to collateralization requests.

The effect of Entergy's derivative instruments not designated as hedging instruments on the consolidated income statements for the three months ended September 30, 2012 and 2011 is as follows:

Instrument	Amount of gain (loss) recognized in AOCI	Income Statement location	Amount of gain (loss) recorded in income
2012			
Natural gas swaps	\$-	Fuel, fuel-related expenses, and gas purchased for resale	\$7 million
Electricity swaps and options de-designated as hedged items	\$3 million	Competitive business operating revenues	(\$2) million
2011			
Natural gas swaps	\$-	Fuel, fuel-related expenses, and gas purchased for resale	(\$19) million
Electricity swaps and options de-designated as hedged items	(\$2) million	Competitive business operating revenues	\$2 million

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The effect of Entergy's derivative instruments not designated as hedging instruments on the consolidated income statements for the nine months ended September 30, 2012 and 2011 is as follows:

Instrument	Amount of gain recognized in AOCI	Income Statement location	Amount of gain (loss) recorded in income
2012			
Natural gas swaps	\$-	Fuel, fuel-related expenses, and gas purchased for resale	(\$28) million
Electricity swaps and options de-designated as hedged items	\$2 million	Competitive business operating revenues	(\$1) million
2011			
Natural gas swaps	\$-	Fuel, fuel-related expenses, and gas purchased for resale	(\$31) million
Electricity swaps and options de-designated as hedged items	\$4 million	Competitive business operating revenues	\$8 million

Due to regulatory treatment, the natural gas swaps are marked-to-market through fuel, fuel-related expenses, and gas purchased for resale and then such amounts are simultaneously reversed and recorded as an offsetting regulatory asset or liability. The gains or losses recorded as fuel expenses when the swaps are settled are recovered or refunded through fuel cost recovery mechanisms.

The fair values of the Registrant Subsidiaries' derivative instruments on their balance sheets as of September 30, 2012 are as follows:

Instrument	Balance Sheet Location	Fair Value	Registrant
Derivatives not designated as hedging instruments			
Assets:			
Natural gas swaps	Gas hedge contracts	\$3.0 million	Entergy Gulf States Louisiana
Natural gas swaps	Prepayments and other	\$4.8 million	Entergy Louisiana
Natural gas swaps	Prepayments and other	\$2.3 million	Entergy Mississippi

The fair values of the Registrant Subsidiaries' derivative instruments on their balance sheets as of December 31, 2011 are as follows:

Instrument	Balance Sheet Location	Fair Value	Registrant
------------	------------------------	------------	------------

Derivatives not designated as hedging instruments

Liabilities:

Natural gas swaps	Gas hedge contracts	\$8.6 million	Entergy Gulf States Louisiana
Natural gas swaps	Gas hedge contracts	\$12.4 million	Entergy Louisiana
Natural gas swaps	Other current liabilities	\$7.8 million	Entergy Mississippi
Natural gas swaps	Other current liabilities	\$1.5 million	Entergy New Orleans

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The effects of the Registrant Subsidiaries' derivative instruments not designated as hedging instruments on their income statements for the three months ended September 30, 2012 and 2011 are as follows:

Instrument	Statement of Income Location	Amount of gain (loss) recorded in income	Registrant
2012			
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	\$2.0 million	Entergy Gulf States Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	\$3.8 million	Entergy Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	\$1.4 million	Entergy Mississippi
2011			
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$5.0) million	Entergy Gulf States Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$7.5) million	Entergy Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$4.4) million	Entergy Mississippi
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$1.1) million	Entergy New Orleans

The effects of the Registrant Subsidiaries' derivative instruments not designated as hedging instruments on their income statements for the nine months ended September 30, 2012 and 2011 are as follows:

Instrument	Statement of Income Location	Amount of loss recorded in income	Registrant
2012			
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$8.3) million	Entergy Gulf States Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$10.4) million	Entergy Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$7.5) million	Entergy Mississippi
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$1.5) million	Entergy New Orleans
2011			

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Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$9.2) million	Entergy Gulf States Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$12.5) million	Entergy Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$6.9) million	Entergy Mississippi
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$2.0) million	Entergy New Orleans

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Fair Values

The estimated fair values of Entergy's financial instruments and derivatives are determined using bid prices, market quotes, and financial modeling. Considerable judgment is required in developing the estimates of fair value. Therefore, estimates are not necessarily indicative of the amounts that Entergy could realize in a current market exchange. Gains or losses realized on financial instruments other than those instruments held by the Entergy Wholesale Commodities business are reflected in future rates and therefore do not accrue to the benefit or detriment of shareholders. Entergy considers the carrying amounts of most financial instruments classified as current assets and liabilities to be a reasonable estimate of their fair value because of the short maturity of these instruments.

Accounting standards define fair value as an exit price, or the price that would be received to sell an asset or the amount that would be paid to transfer a liability in an orderly transaction between knowledgeable market participants at the date of measurement. Entergy and the Registrant Subsidiaries use assumptions or market input data that market participants would use in pricing assets or liabilities at fair value. The inputs can be readily observable, corroborated by market data, or generally unobservable. Entergy and the Registrant Subsidiaries endeavor to use the best available information to determine fair value.

Accounting standards establish a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy establishes the highest priority for unadjusted market quotes in an active market for the identical asset or liability and the lowest priority for unobservable inputs. The three levels of the fair value hierarchy are:

- Level 1 - Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 primarily consists of individually owned common stocks, cash equivalents, debt instruments, and gas hedge contracts.
- Level 2 - Level 2 inputs are inputs other than quoted prices included in Level 1 that are, either directly or indirectly, observable for the asset or liability at the measurement date. Assets are valued based on prices derived by independent third parties that use inputs such as benchmark yields, reported trades, broker/dealer quotes, and issuer spreads. Prices are reviewed and can be challenged with the independent parties and/or overridden by Entergy if it is believed such would be more reflective of fair value. Level 2 inputs include the following:
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability; or
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 2 consists primarily of individually owned debt instruments or shares in common trusts. Common trust funds are stated at estimated fair value based on the fair market value of the underlying investments.

- Level 3 - Level 3 inputs are pricing inputs that are generally less observable or unobservable from objective sources. These inputs are used with internally developed methodologies to produce management's best estimate of fair value for the asset or liability. Level 3 consists primarily of derivative power contracts used as cash flow hedges of power sales at merchant power plants.

The values for power contract assets or liabilities are based on both observable inputs including public market prices and interest rates, and unobservable inputs such as implied volatilities, unit contingent discounts, expected basis differences, and credit adjusted counterparty interest rates. They are classified as Level 3 assets and liabilities. The valuations of these assets and liabilities are performed by the Entergy Wholesale Commodities Risk Control group and sent to the Entergy Wholesale Commodities Back Office and Entergy Nuclear Finance groups for evaluation. The primary functions of the Entergy Wholesale Commodities Risk Control Group include: gathering, validating and reporting market data, providing market and credit risk analyses and valuations in support of Entergy Wholesale Commodities' commercial transactions, developing and administering protocols for the management of market and credit risks, implementing and maintaining controls around changes to market data in the energy trading and risk management system, reviewing creditworthiness of counterparties, supporting contract negotiations with

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new counterparties, administering credit support for contracts, and managing the daily margining process. The primary functions of the Entergy Wholesale Commodities Back Office are managing the energy trading and risk management system, forecasting revenues, forward positions and analysis, performing contract administration, market and counterparty settlements and revenue reporting and analysis along with maintaining related controls for Entergy Wholesale Commodities. Both Entergy Wholesale Commodities Risk Control and Entergy Wholesale Commodities Back Office report to the Entergy Wholesale Commodities VP, Finance & Risk Group. Entergy Nuclear Finance is primarily responsible for the financial planning of Entergy's utility and non-utility nuclear businesses and has a significant role in accounting for the activities and transactions of the associated companies. The VP, Chief Financial Officer – Nuclear Operations within Entergy Nuclear Finance reports to the Chief Accounting Officer.

The amounts reflected as the fair value of electricity swaps are based on the estimated amount that the contracts are in-the-money at the balance sheet date (treated as an asset) or out-of-the-money at the balance sheet date (treated as a liability) and would equal the estimated amount receivable or payable by Entergy if the contracts were settled at that date. These derivative contracts include cash flow hedges that swap fixed for floating cash flows for sales of the output from the Entergy Wholesale Commodities business. The fair values are based on the mark-to-market comparison between the fixed contract prices and the floating prices determined each period from quoted forward power market prices. The differences between the fixed price in the swap contract and these market-related prices multiplied by the volume specified in the contract and discounted at the counterparties' credit adjusted risk free rate are recorded as derivative contract assets or liabilities. For contracts that have unit contingent terms, a further discount is applied based on the historical relationship between contract and market prices for similar contract terms.

The amounts reflected as the fair values of electricity options are valued based on a Black Scholes model, and are calculated at the end of each month for accounting purposes. Inputs to the valuation include end of day forward market prices for the period when the transactions will settle, implied volatilities based on market volatilities provided by a third party data aggregator, and US Treasury rates for a risk-free return rate. As described further below, prices and implied volatilities are reviewed and can be adjusted if it is determined that there is a better representation of fair value. As of September 30, 2012, Entergy had in-the-money derivative contracts with a fair value of \$218 million with counterparties or their guarantor who are all currently investment grade. \$2 million of the derivative contracts as of September 30, 2012 are out-of-the-money contracts supported by corporate guarantees, which would require additional cash or letters of credit in the event of a decrease in Entergy Corporation's credit rating to below investment grade.

On a daily basis, Entergy Wholesale Commodities calculates the mark-to-market for all derivative transactions. Entergy Wholesale Commodities Risk Control Group also validates forward market prices by comparing them to settlement prices of actual market transactions. Significant differences are analyzed and potentially adjusted based on actual transaction clearing prices, or a methodology that considers natural gas prices and market heat rates. Implied volatilities used to value options are also validated using actual counterparty quotes for Entergy Wholesale Commodities transactions. Moreover, on at least a monthly basis the Office of Corporate Risk Oversight confirms the mark to market calculations and prepares price scenarios and credit downgrade scenario analysis. The scenario analysis is communicated to senior management within Entergy and within Entergy Wholesale Commodities. Finally, for all proposed derivative transactions an analysis is completed to assess the risk of adding the proposed derivative to Entergy Wholesale Commodities' portfolio. In particular, the credit, liquidity and financial metrics impacts are calculated for this analysis. This analysis is communicated to senior management within Entergy and Entergy Wholesale Commodities.

The following tables set forth, by level within the fair value hierarchy, Entergy's assets and liabilities that are accounted for at fair value on a recurring basis as of September 30, 2012 and December 31, 2011. The assessment of the significance of a particular input to a fair value measurement requires judgment and may affect their placement within the fair value hierarchy levels.

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2012	Level 1	Level 2	Level 3	Total
	(In Millions)			
Assets:				
Temporary cash investments	\$653	\$-	\$-	\$653
Decommissioning trust funds (a):				
Equity securities	421	2,032	-	2,453
Debt securities	707	1,016	-	1,723
Power contracts	-	-	218	218
Securitization recovery trust account	52	-	-	52
Storm reserve escrow account	324	-	-	324
Gas hedge contracts	10	-	-	10
	\$2,167	\$3,048	\$218	\$5,433

2011	Level 1	Level 2	Level 3	Total
	(In Millions)			
Assets:				
Temporary cash investments	\$613	\$-	\$-	\$613
Decommissioning trust funds (a):				
Equity securities	397	1,732	-	2,129
Debt securities	639	1,020	-	1,659
Power contracts	-	-	312	312
Securitization recovery trust account	50	-	-	50
Storm reserve escrow account	335	-	-	335
	\$2,034	\$2,752	\$312	\$5,098
Liabilities:				
Gas hedge contracts	\$30	\$-	\$-	\$30

(a) The decommissioning trust funds hold equity and fixed income securities. Equity securities are invested to approximate the returns of major market indexes. Fixed income securities are held in various governmental and corporate securities. See Note 9 for additional information on the investment portfolios.

The following table sets forth a reconciliation of changes in the net assets for the fair value of derivatives classified as Level 3 in the fair value hierarchy for the three months ended September 30, 2012 and 2011:

	2012	2011
	(In Millions)	
Balance as of beginning of period,	\$375	\$98
Unrealized gains/(losses) from price changes	(96)	3

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Unrealized gains on originations	-	17
Realized gains on settlements	(61)	(48)
Balance as of September 30,	\$218	\$70

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The following table sets forth a reconciliation of changes in the net assets for the fair value of derivatives classified as Level 3 in the fair value hierarchy for the nine months ended September 30, 2012 and 2011:

	2012	2011
	(In Millions)	
Balance as of January 1,	\$312	\$197
Unrealized gains/(losses) from price changes	131	(33)
Unrealized gains on originations	7	15
Realized gains on settlements	(232)	(109)
Balance as of September 30,	\$218	\$70

The following table sets forth a description of the types of transactions classified as Level 3 in the fair value hierarchy, and the valuation techniques and significant unobservable inputs to each which cause that classification, as of September 30, 2012:

Transaction Type	Fair Value as of September 30, 2012	Significant Unobservable Inputs	Range from Average %	Effect on Fair Value
Electricity swaps	\$140 million	Unit contingent discount	+/-3%	\$7 million
Electricity options	\$78 million	Implied volatility	+/-9%	\$39 million

The following table sets forth an analysis of each of the types of unobservable inputs impacting the fair value of items classified as Level 3 within the fair value hierarchy, and the sensitivity to changes to those inputs:

Significant Unobservable Input	Transaction Type	Position	Change to Input	Effect on Fair Value
Unit contingent discount	Electricity swaps	Sell	I n c r e a s e (Decrease)	D e c r e a s e (Increase)
Implied volatility	Electricity options	Sell	I n c r e a s e (Decrease)	I n c r e a s e (Decrease)
Implied volatility	Electricity options	Buy	I n c r e a s e (Decrease)	I n c r e a s e (Decrease)

The following table sets forth, by level within the fair value hierarchy, the Registrant Subsidiaries' assets that are accounted for at fair value on a recurring basis as of September 30, 2012 and December 31, 2011. The assessment of the significance of a particular input to a fair value measurement requires judgment and may affect its placement within the fair value hierarchy levels.

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Entergy Arkansas

2012	Level 1	Level 2	Level 3	Total
(In Millions)				
Assets:				
Temporary cash investments	\$36.2	\$-	\$-	\$36.2
Decommissioning trust funds (a):				
Equity securities	5.0	373.8	-	378.8
Debt securities	95.6	125.5	-	221.1
Securitization recovery trust account	8.4	-	-	8.4
	\$145.2	\$499.3	\$-	\$644.5

2011	Level 1	Level 2	Level 3	Total
(In Millions)				
Assets:				
Temporary cash investments	\$17.9	\$-	\$-	\$17.9
Decommissioning trust funds (a):				
Equity securities	6.3	323.1	-	329.4
Debt securities	82.8	129.5	-	212.3
Securitization recovery trust account	3.9	-	-	3.9
	\$110.9	\$452.6	\$-	\$563.5

Entergy Gulf States Louisiana

2012	Level 1	Level 2	Level 3	Total
(In Millions)				
Assets:				
Temporary cash investments	\$156.3	\$-	\$-	\$156.3
Decommissioning trust funds (a):				
Equity securities	7.8	281.6	-	289.4
Debt securities	39.7	145.9	-	185.6
Storm reserve escrow account	87.0	-	-	87.0
Gas hedge contracts	3.0	-	-	3.0
	\$293.8	\$427.5	\$-	\$721.3

2011	Level 1	Level 2	Level 3	Total
(In Millions)				
Assets:				
Temporary cash investments	\$24.6	\$-	\$-	\$24.6
Decommissioning trust funds (a):				
Equity securities	5.1	233.6	-	238.7
Debt securities	39.5	142.7	-	182.2
Storm reserve escrow account	90.2	-	-	90.2
	\$159.4	\$376.3	\$-	\$535.7

Liabilities:

Gas hedge contracts	\$8.6	\$-	\$-	\$8.6
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Entergy Louisiana

2012	Level 1	Level 2	Level 3	Total
(In Millions)				
Assets:				
Temporary cash investments	\$148.5	\$-	\$-	\$148.5
Decommissioning trust funds (a):				
Equity securities	1.3	172.7	-	174.0
Debt securities	52.9	58.6	-	111.5
Securitization recovery trust account	11.8	-	-	11.8
Storm reserve escrow account	186.9	-	-	186.9
Gas hedge contracts	4.8	-	-	4.8
	\$406.2	\$231.3	\$-	\$637.5

2011	Level 1	Level 2	Level 3	Total
(In Millions)				
Assets:				
Decommissioning trust funds (a):				
Equity securities	\$2.9	\$146.3	\$-	\$149.2
Debt securities	51.6	53.2	-	104.8
Securitization recovery trust account	5.2	-	-	5.2
Storm reserve escrow account	201.2	-	-	201.2
	\$260.9	\$199.5	\$-	\$460.4
Liabilities:				
Gas hedge contracts	\$12.4	\$-	\$-	\$12.4

Entergy Mississippi

2012	Level 1	Level 2	Level 3	Total
(In Millions)				
Assets:				
Temporary cash investments	\$26.6	\$-	\$-	\$26.6
Storm reserve escrow account	31.8	-	-	31.8
Gas hedge contracts	2.3	-	-	2.3
	\$60.7	\$-	\$-	\$60.7
2011	Level 1	Level 2	Level 3	Total
(In Millions)				
Assets:				
Storm reserve escrow account	\$31.8	\$-	\$-	\$31.8
Liabilities:				
Gas hedge contracts	\$7.8	\$-	\$-	\$7.8

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Entergy New Orleans

2012	Level 1	Level 2	Level 3	Total
(In Millions)				

Assets:

Storm reserve escrow account	\$18.8	\$-	\$-	\$18.8
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2011

Level 1

Level 2

Level 3

Total

(In Millions)

Assets:

Temporary cash investments	\$9.3	\$-	\$-	\$9.3
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Storm reserve escrow account	12.0	-	-	12.0
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	\$21.3	\$-	\$-	\$21.3
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Liabilities:

Gas hedge contracts	\$1.5	\$-	\$-	\$1.5
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Entergy Texas

2012

Level 1

Level 2

Level 3

Total

(In Millions)

Assets:

Temporary cash investments	\$62.8	\$-	\$-	\$62.8
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Securitization recovery trust account	32.1	-	-	32.1
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	\$94.9	\$-	\$-	\$94.9
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2011

Level 1

Level 2

Level 3

Total

(In Millions)

Assets:

Temporary cash investments	\$65.1	\$-	\$-	\$65.1
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Securitization recovery trust account	41.2	-	-	41.2
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	\$106.3	\$-	\$-	\$106.3
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System Energy

2012

Level 1

Level 2

Level 3

Total

(In Millions)

Assets:

Temporary cash investments	\$19.8	\$-	\$-	\$19.8
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Decommissioning trust funds (a):

Equity securities	0.5	279.5	-	280.0
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Debt securities	138.5	65.7	-	204.2
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	\$158.8	\$345.2	\$-	\$504.0
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Entergy Corporation and Subsidiaries
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2011	Level 1	Level 2	Level 3	Total
(In Millions)				
Assets:				
Temporary cash investments	\$154.2	\$-	\$-	\$154.2
Decommissioning trust funds (a):				
Equity securities	2.7	234.5	-	237.2
Debt securities	123.2	63.0	-	186.2
	\$280.1	\$297.5	\$-	\$577.6

(a) The decommissioning trust funds hold equity and fixed income securities. Equity securities are invested to approximate the returns of major market indices. Fixed income securities are held in various governmental and corporate securities. See Note 9 for additional information on the investment portfolios.

NOTE 9. DECOMMISSIONING TRUST FUNDS (Entergy Corporation, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, and System Energy)

Entergy holds debt and equity securities, classified as available-for-sale, in nuclear decommissioning trust accounts. The NRC requires Entergy subsidiaries to maintain trusts to fund the costs of decommissioning ANO 1, ANO 2, River Bend, Waterford 3, Grand Gulf, Pilgrim, Indian Point 1 and 2, Vermont Yankee, and Palisades (NYPA currently retains the decommissioning trusts and liabilities for Indian Point 3 and FitzPatrick). The funds are invested primarily in equity securities, fixed-rate fixed-income securities, and cash and cash equivalents.

Entergy records decommissioning trust funds on the balance sheet at their fair value. Because of the ability of the Registrant Subsidiaries to recover decommissioning costs in rates and in accordance with the regulatory treatment for decommissioning trust funds, the Registrant Subsidiaries have recorded an offsetting amount of unrealized gains/(losses) on investment securities in other regulatory liabilities/assets. For the nonregulated portion of River Bend, Entergy Gulf States Louisiana has recorded an offsetting amount of unrealized gains/(losses) in other deferred credits. Decommissioning trust funds for Pilgrim, Indian Point 1 and 2, Vermont Yankee, and Palisades do not meet the criteria for regulatory accounting treatment. Accordingly, unrealized gains recorded on the assets in these trust funds are recognized in the accumulated other comprehensive income component of shareholders' equity because these assets are classified as available for sale. Unrealized losses (where cost exceeds fair market value) on the assets in these trust funds are also recorded in the accumulated other comprehensive income component of shareholders' equity unless the unrealized loss is other than temporary and therefore recorded in earnings. Generally, Entergy records realized gains and losses on its debt and equity securities using the specific identification method to determine the cost basis of its securities.

The securities held as of September 30, 2012 and December 31, 2011 is summarized as follows:

Fair Value	Total Unrealized Gains (In Millions)	Total Unrealized Losses
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2012

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Equity Securities	\$2,453	\$673	\$2
Debt Securities	1,723	126	4
Total	\$4,176	\$799	\$6

2011

Equity Securities	\$2,129	\$423	\$14
Debt Securities	1,659	115	5
Total	\$3,788	\$538	\$19

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Deferred taxes on unrealized gains/(losses) are recorded in other comprehensive income for the decommissioning trusts which do not meet the criteria for regulatory accounting treatment as described above. Unrealized gains/(losses) above are reported before deferred taxes of \$217 million and \$149 million as of September 30, 2012 and December 31, 2011, respectively. The amortized cost of debt securities was \$1,612 million as of September 30, 2012 and \$1,530 million as of December 31, 2011. As of September 30, 2012, the debt securities have an average coupon rate of approximately 3.88%, an average duration of approximately 5.53 years, and an average maturity of approximately 8.55 years. The equity securities are generally held in funds that are designed to approximate or somewhat exceed the return of the Standard & Poor's 500 Index. A relatively small percentage of the securities are held in funds intended to replicate the return of the Wilshire 4500 Index or the Russell 3000 Index.

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of September 30, 2012:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
(In Millions)				
Less than 12 months	\$24	\$2	\$81	\$1
More than 12 months	13	-	50	3
Total	\$37	\$2	\$131	\$4

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of December 31, 2011:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
(In Millions)				
Less than 12 months	\$130	\$9	\$123	\$3
More than 12 months	43	5	60	2
Total	\$173	\$14	\$183	\$5

The unrealized losses in excess of twelve months on equity securities above relate to Entergy's Utility operating companies and System Energy.

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The fair value of debt securities, summarized by contractual maturities, as of September 30, 2012 and December 31, 2011 are as follows:

	2012	2011
	(In Millions)	
Less than 1 year	\$46	\$69
1 year - 5 years	666	566
5 years - 10 years	557	583
10 years - 15 years	188	187
15 years - 20 years	53	42
20 years+	213	212
Total	\$1,723	\$1,659

During the three months ended September 30, 2012 and 2011, proceeds from the dispositions of securities amounted to \$472 million and \$417 million, respectively. During the three months ended September 30, 2012 and 2011, gross gains of \$8 million and \$12 million, respectively, and gross losses of \$212 thousand and \$3 million, respectively, were reclassified out of other comprehensive income into earnings.

During the nine months ended September 30, 2012 and 2011, proceeds from the dispositions of securities amounted to \$1,417 million and \$1,053 million, respectively. During the nine months ended September 30, 2012 and 2011, gross gains of \$32 million and \$21 million, respectively, and gross losses of \$5 million and \$9 million, respectively, were reclassified out of other comprehensive income into earnings.

Entergy Arkansas

Entergy Arkansas holds debt and equity securities, classified as available-for-sale, in nuclear decommissioning trust accounts. The securities held as of September 30, 2012 and December 31, 2011 is summarized as follows:

	Fair Value	Total Unrealized Gains (In Millions)	Total Unrealized Losses
2012			
Equity Securities	\$378.8	\$117.2	\$-
Debt Securities	221.1	16.2	0.1
Total	\$599.9	\$133.4	\$0.1
2011			
Equity Securities	\$329.4	\$70.9	\$0.4
Debt Securities	212.3	15.2	0.4
Total	\$541.7	\$86.1	\$0.8

The amortized cost of debt securities was \$205 million as of September 30, 2012 and \$197.5 million as of December 31, 2011. As of September 30, 2012, the debt securities have an average coupon rate of approximately 3.35%, an average duration of approximately 5.12 years, and an average maturity of approximately 5.82 years. The equity

securities are generally held in funds that are designed to approximate the return of the Standard & Poor's 500 Index. A relatively small percentage of the securities are held in funds intended to replicate the return of the Wilshire 4500 Index.

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The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of September 30, 2012:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$0.1	\$-	\$10.1	\$0.1
More than 12 months	-	-	1.0	-
Total	\$0.1	\$-	\$11.1	\$0.1

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of December 31, 2011:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$13.7	\$0.4	\$14.3	\$0.4
More than 12 months	-	-	1.0	-
Total	\$13.7	\$0.4	\$15.3	\$0.4

The fair value of debt securities, summarized by contractual maturities, as of September 30, 2012 and December 31, 2011 are as follows:

	2012	2011
	(In Millions)	
Less than 1 year	\$12.6	\$7.8
1 year - 5 years	101.0	86.5
5 years - 10 years	95.7	109.1
10 years - 15 years	4.8	2.7
20 years+	7.0	6.2
Total	\$221.1	\$212.3

During the three months ended September 30, 2012 and 2011, proceeds from the dispositions of securities amounted to \$15 million and \$36.5 million, respectively. During the three months ended September 30, 2012 and 2011, gross gains of \$0.1 million and \$2.2 million, respectively, and gross losses of \$0.01 million and \$0.1 million, respectively, were reclassified out of other comprehensive income into earnings.

During the nine months ended September 30, 2012 and 2011, proceeds from the dispositions of securities amounted to \$103.4 million and \$82.7 million, respectively. During the nine months ended September 30, 2012 and 2011, gross gains of \$2.8 million and \$3.5 million, respectively, and gross losses of \$0.05 million and \$0.1 million, respectively, were reclassified out of other comprehensive income into earnings.

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Entergy Gulf States Louisiana

Entergy Gulf States Louisiana holds debt and equity securities, classified as available-for-sale, in nuclear decommissioning trust accounts. The securities held as of September 30, 2012 and December 31, 2011 is summarized as follows:

	Fair Value	Total Unrealized Gains (In Millions)	Total Unrealized Losses
2012			
Equity Securities	\$289.4	\$71.4	\$-
Debt Securities	185.6	16.8	-
Total	\$475.0	\$88.2	\$-
2011			
Equity Securities	\$238.7	\$40.9	\$0.8
Debt Securities	182.2	15.2	0.3
Total	\$420.9	\$56.1	\$1.1

The amortized cost of debt securities was \$169.1 million as of September 30, 2012 and \$166.9 million as of December 31, 2011. As of September 30, 2012, the debt securities have an average coupon rate of approximately 4.68%, an average duration of approximately 5.59 years, and an average maturity of approximately 8.64 years. The equity securities are generally held in funds that are designed to approximate the return of the Standard & Poor's 500 Index. A relatively small percentage of the securities are held in funds intended to replicate the return of the Wilshire 4500 Index.

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of September 30, 2012:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
(In Millions)				
Less than 12 months	\$0.1	\$-	\$1.8	\$-
More than 12 months	0.5	-	-	-
Total	\$0.6	\$-	\$1.8	\$-

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The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of December 31, 2011:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$14.0	\$0.5	\$9.3	\$0.2
More than 12 months	2.7	0.3	1.1	0.1
Total	\$16.7	\$0.8	\$10.4	\$0.3

The fair value of debt securities, summarized by contractual maturities, as of September 30, 2012 and December 31, 2011 are as follows:

	2012	2011
	(In Millions)	
Less than 1 year	\$6.3	\$7.1
1 year - 5 years	42.1	40.8
5 years - 10 years	56.3	53.5
10 years - 15 years	65.6	62.9
15 years - 20 years	6.0	3.2
20 years+	9.3	14.7
Total	\$185.6	\$182.2

During the three months ended September 30, 2012 and 2011, proceeds from the dispositions of securities amounted to \$35.9 million and \$35.9 million, respectively. During the three months ended September 30, 2012 and 2011, gross gains of \$3.9 million and \$0.8 million, respectively, and gross losses of \$0.7 thousand and \$0.4 million, respectively, were reclassified out of other comprehensive income into earnings.

During the nine months ended September 30, 2012 and 2011, proceeds from the dispositions of securities amounted to \$96.7 million and \$56.5 million, respectively. During the nine months ended September 30, 2012 and 2011, gross gains of \$6.4 million and \$1.3 million, respectively, and gross losses of \$0.03 million and \$0.5 million, respectively, were reclassified out of other comprehensive income into earnings.

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Entergy Louisiana

Entergy Louisiana holds debt and equity securities, classified as available-for-sale, in nuclear decommissioning trust accounts. The securities held as of September 30, 2012 and December 31, 2011 is summarized as follows:

	Fair Value	Total Unrealized Gains (In Millions)	Total Unrealized Losses
2012			
Equity Securities	\$174.0	\$49.3	\$-
Debt Securities	111.5	10.1	0.1
Total	\$285.5	\$59.4	\$0.1
2011			
Equity Securities	\$149.2	\$29.7	\$1.6
Debt Securities	104.8	8.8	0.2
Total	\$254.0	\$38.5	\$1.8

The amortized cost of debt securities was \$101.6 million as of September 30, 2012 and \$91.9 million as of December 31, 2011. As of September 30, 2012, the debt securities have an average coupon rate of approximately 3.74%, an average duration of approximately 5.45 years, and an average maturity of approximately 9.69 years. The equity securities are generally held in funds that are designed to approximate the return of the Standard & Poor's 500 Index. A relatively small percentage of the securities are held in funds intended to replicate the return of the Wilshire 4500 Index.

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of September 30, 2012:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$0.1	\$-	\$1.4	\$-
More than 12 months	2.8	-	0.6	0.1
Total	\$2.9	\$-	\$2.0	\$0.1

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The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of December 31, 2011:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$11.6	\$0.3	\$5.5	\$0.2
More than 12 months	10.0	1.3	0.2	-
Total	\$21.6	\$1.6	\$5.7	\$0.2

The fair value of debt securities, summarized by contractual maturities, as of September 30, 2012 and December 31, 2011 are as follows:

	2012	2011
	(In Millions)	
Less than 1 year	\$2.6	\$3.9
1 year - 5 years	40.6	39.8
5 years - 10 years	24.9	22.2
10 years - 15 years	19.7	18.9
15 years - 20 years	1.0	2.2
20 years+	22.7	17.8
Total	\$111.5	\$104.8

During the three months ended September 30, 2012 and 2011, proceeds from the dispositions of securities amounted to \$9.5 million and \$3.7 million, respectively. During the three months ended September 30, 2012 and 2011, gross gains of \$0.1 million and \$0 million, respectively, and gross losses of \$0.5 thousand and \$0.04 million, respectively, were reclassified out of other comprehensive income into earnings.

During the nine months ended September 30, 2012 and 2011, proceeds from the dispositions of securities amounted to \$19.8 million and \$11.5 million, respectively. During the nine months ended September 30, 2012 and 2011, gross gains of \$0.2 million and \$0.09 million, respectively, and gross losses of \$0.03 million and \$0.07 million, respectively, were reclassified out of other comprehensive income into earnings.

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System Energy

System Energy holds debt and equity securities, classified as available-for-sale, in nuclear decommissioning trust accounts. The securities held as of September 30, 2012 and December 31, 2011 is summarized as follows:

	Fair Value	Total Unrealized Gains (In Millions)	Total Unrealized Losses
2012			
Equity Securities	\$280.0	\$64.5	\$0.1
Debt Securities	204.2	9.9	-
Total	\$484.2	\$74.4	\$0.1
2011			
Equity Securities	\$237.2	\$35.4	\$5.4
Debt Securities	186.2	9.5	0.1
Total	\$423.4	\$44.9	\$5.5

The amortized cost of debt securities was \$194.3 million as of September 30, 2012 and \$175.1 million as of December 31, 2011. As of September 30, 2012, the debt securities have an average coupon rate of approximately 2.67%, an average duration of approximately 4.74 years, and an average maturity of approximately 6.35 years. The equity securities are generally held in funds that are designed to approximate the return of the Standard & Poor's 500 Index. A relatively small percentage of the securities are held in funds intended to replicate the return of the Wilshire 4500 Index.

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of September 30, 2012:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$0.7	\$-	\$11.6	\$-
More than 12 months	8.3	0.1	-	-
Total	\$9.0	\$0.1	\$11.6	\$-

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The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of December 31, 2011:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$41.3	\$1.8	\$10.5	\$0.1
More than 12 months	30.0	3.6	-	-
Total	\$71.3	\$5.4	\$10.5	\$0.1

The fair value of debt securities, summarized by contractual maturities, as of September 30, 2012 and December 31, 2011 are as follows:

	2012	2011
	(In Millions)	
Less than 1 year	\$5.5	\$10.2
1 year - 5 years	121.0	94.6
5 years - 10 years	53.8	57.9
10 years - 15 years	1.6	2.6
15 years - 20 years	2.2	2.9
20 years+	20.1	18.0
Total	\$204.2	\$186.2

During the three months ended September 30, 2012 and 2011, proceeds from the dispositions of securities amounted to \$91.8 million and \$60.4 million, respectively. During the three months ended September 30, 2012 and 2011, gross gains of \$0.5 million and \$1.6 million, respectively, and gross losses of \$0.05 million and \$0.04 million, respectively, were reclassified out of other comprehensive income into earnings.

During the nine months ended September 30, 2012 and 2011, proceeds from the dispositions of securities amounted to \$315.0 million and \$166.9 million, respectively. During the nine months ended September 30, 2012 and 2011, gross gains of \$3.5 million and \$2.1 million, respectively, and gross losses of \$0.2 million and \$1 million, respectively, were reclassified out of other comprehensive income into earnings.

Other-than-temporary impairments and unrealized gains and losses

Entergy, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, and System Energy evaluate unrealized losses at the end of each period to determine whether an other-than-temporary impairment has occurred. The assessment of whether an investment in a debt security has suffered an other-than-temporary impairment is based on whether Entergy has the intent to sell or more likely than not will be required to sell the debt security before recovery of its amortized costs. Further, if Entergy does not expect to recover the entire amortized cost basis of the debt

security, an other-than-temporary impairment is considered to have occurred and it is measured by the present value of cash flows expected to be collected less the amortized cost basis (credit loss). Entergy did not have any material other-than-temporary impairments relating to credit losses on debt securities for the three and nine months ended September 30, 2012 and 2011. The assessment of whether an investment in an equity security has suffered an other-than-temporary impairment continues to be based on a number of factors including, first, whether Entergy has the ability and intent to hold the investment to recover its value, the duration and severity of any losses, and, then, whether it is expected that the investment will recover its value within a reasonable period of time. Entergy's trusts are managed by third parties who operate in accordance with agreements that define investment guidelines and place restrictions on the purchases and sales of investments. Entergy did not record material

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charges to other income in the three and nine months ended September 30, 2012 and 2011, respectively, resulting from the recognition of the other-than-temporary impairment of certain equity securities held in its decommissioning trust funds.

NOTE 10. INCOME TAXES (Entergy Corporation, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy)

See Income Tax Litigation, Income Tax Audits, and Other Tax Matters in Note 3 to the financial statements in the Form 10-K for a discussion of income tax proceedings, income tax audits, and other income tax matters involving Entergy. Following are updates to that discussion.

Income Tax Litigation

As discussed in the Form 10-K, in October 2010 the United States Tax Court entered a decision in favor of Entergy for tax years 1997 and 1998 regarding Entergy's entitlement to a tax credit for its U.K. Windfall Taxes paid in those years. In June 2012, the U.S. Court of Appeals for the Fifth Circuit unanimously affirmed the U.S. Tax Court decision. As a result of this decision, Entergy reversed its liability for uncertain tax positions associated with this issue. On September 4, 2012, the U.S. Solicitor General, on behalf of the Commissioner of Internal Revenue, petitioned the U.S. Supreme Court for a writ of certiorari to review the Fifth Circuit judgment. PPL Corp. had previously petitioned the U.S. Supreme Court for a writ of certiorari to review the U.S. Court of Appeals for the Third Circuit decision in PPL Corp. v. Commissioner, in which the Third Circuit held that the same U.K. tax was not a creditable tax. On October 29, 2012, the U.S. Supreme Court granted PPL Corp.'s petition for certiorari. The outcome in Entergy's case will be determined by the U.S. Supreme Court's decision in the PPL Corp. proceeding.

Income Tax Audits

2008-2009 IRS Audit

In the third quarter 2008, Entergy Louisiana and Entergy Gulf States Louisiana received \$679 million and \$274.7 million, respectively, from the Louisiana Utilities Restoration Corporation ("LURC"). These receipts from LURC were from the proceeds of a Louisiana Act 55 financing of the costs incurred to restore service following Hurricane Katrina and Hurricane Rita. See Note 2 to the financial statements in the Form 10-K for further details regarding the financings.

In June 2012, Entergy effectively settled the tax treatment of the receipt of these funds, which resulted in an income tax benefit of \$172 million for Entergy, including \$143 million for Entergy Louisiana and \$20 million for Entergy Gulf States Louisiana, which includes the effect of reversing liabilities for uncertain tax positions. Under the terms of an LPSC-approved settlement related to the benefits associated with Louisiana Act 55 financings, Entergy Louisiana and Entergy Gulf States Louisiana recorded, respectively, a \$137 million (\$84 million net-of-tax) and a \$28 million (\$17 million net-of-tax) regulatory charge and a corresponding regulatory liability to reflect their obligations to share the benefits with customers.

NOTE 11. PROPERTY, PLANT, AND EQUIPMENT (Entergy Corporation, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy)

Construction Expenditures in Accounts Payable

Construction expenditures included in accounts payable at September 30, 2012 are \$315.1 million for Entergy, \$12.4 million for Entergy Arkansas, \$47.2 million for Entergy Gulf States Louisiana, \$159.5 million for Entergy Louisiana, \$15 million for Entergy Mississippi, \$15.3 million for Entergy New Orleans, \$3.5 million for Entergy Texas, and \$24.8 million for System Energy. Construction expenditures included in accounts payable at December 31, 2011 are \$171.2 million for Entergy, \$14.1 million for Entergy Arkansas, \$13.7 million for Entergy Gulf States Louisiana, \$27 million for Entergy Louisiana, \$4.3 million for Entergy Mississippi, \$3.6 million for Entergy New Orleans, \$4.3 million for Entergy Texas, and \$32.9 million for System Energy.

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Vermont Yankee

In March 2011 the NRC renewed Vermont Yankee's operating license for an additional 20 years. The renewed operating license expires in March 2032. In May 2011 the Vermont Department of Public Service and the New England Coalition petitioned the United States Court of Appeals for the D.C. Circuit seeking judicial review of the NRC's issuance of the renewed operating license, alleging that the license had been issued without a valid and effective water quality certification under Section 401 of the Clean Water Act. Entergy Nuclear Vermont Yankee and Entergy Nuclear Operations, Inc. intervened in the proceeding. In June 2012 the Court of Appeals denied the appeal on the ground that the petitioners had failed to exhaust their administrative remedies before the NRC. The time for seeking further judicial review of the NRC's issuance of Vermont Yankee's renewed operating license has expired.

Vermont Yankee also is operating under a Certificate of Public Good from the State of Vermont that was scheduled to expire in March 2012, but has an application pending before the Vermont Public Service Board (VPSB) for a new Certificate of Public Good for operation until March 2032. In April 2011, Entergy Nuclear Vermont Yankee and Entergy Nuclear Operations, the owner and operator respectively of Vermont Yankee, filed suit in the United States District Court for the District of Vermont. The suit challenged certain conditions imposed by Vermont upon Vermont Yankee's continued operation and storage of spent nuclear fuel, including the requirement to obtain not only a new Certificate of Public Good, but also approval by Vermont's General Assembly. In January 2012 the court entered judgment in Entergy's favor and specifically:

- Declared that Vermont's laws requiring Vermont Yankee to cease operation in March 2012 and prohibiting the storage of spent nuclear fuel from operation after that date, absent approval by the General Assembly, were based on radiological safety concerns and are preempted by the Atomic Energy Act;
 - Permanently enjoined Vermont from enforcing these preempted requirements of the state's laws; and
 - Permanently enjoined Vermont under the Commerce Clause of the United States Constitution from conditioning the issuance of a new Certificate of Public Good upon the existence of a below wholesale market power sale agreement with Vermont utilities or Vermont Yankee's selling power to Vermont utilities at rates below those available to wholesale customers in other states.

In February 2012 the Vermont defendants appealed the decision to the United States Court of Appeals for the Second Circuit. Vermont Yankee cross-appealed on two grounds: (1) the Federal Power Act alternatively preempts conditioning the issuance of a new Certificate of Public Good upon the existence of a below wholesale market power sale agreement with Vermont utilities or Vermont Yankee's selling power to Vermont utilities at rates below those available to wholesale customers in other states (an issue the District Court found unnecessary to decide in light of its ruling under the Commerce Clause); and (2) a request to make permanent the injunction pending appeal that the District Court entered on March 19, 2012 which prohibits Vermont from enforcing a statutory provision to compel Vermont Yankee to shut down because the cumulative total amount of spent fuel stored at the site exceeds the amount derived from the operation of the facility up to, but not beyond, March 21, 2012 (a provision the enforcement of which the January 2012 decision had not enjoined). The appeal and cross-appeal remain pending.

In January 2012, Entergy filed a motion requesting that the VPSB grant, based on the existing record in its proceeding, Vermont Yankee's pending application for a new Certificate of Public Good. Entergy subsequently filed another motion asking the VPSB to declare that title 3, section 814(b) of the Vermont statutes (3 V.S.A. § 814(b)) authorized Vermont Yankee to operate while the Certificate of Public Good proceeding was pending because Entergy had timely filed a petition for a new Certificate of Public Good that had not yet been decided. In March 2012, the

VPSB issued orders denying Entergy's motion with respect to 3 V.S.A. § 814(b) but stating that the order did not require Vermont Yankee to cease operations, denying Entergy's motion to issue a new Certificate of Public Good based on the existing record, determining to open a new docket and to create a new record to decide Vermont Yankee's request

for a new Certificate of Public Good (without prejudice to any rights that Entergy might have under 3 V.S.A. § 814(b)), and directing Entergy to file an amended Certificate of Public Good petition that identified the specific approvals it was seeking in light of the district court's decision. In April 2012, Entergy filed its amended Certificate of Public Good petition and in June 2012 filed its initial testimony in support of that petition. The VPSB's current schedule provides for proceedings concerning that petition to continue until August 2013.

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In September 2012, Entergy filed a petition asking the VPSB to issue a Certificate of Public Good allowing construction at Vermont Yankee for a diesel generator to provide power in the event of a station blackout. Vermont Yankee currently can obtain such power from the Vernon Dam. Due to changes instituted by ISO-New England, Vermont Yankee will no longer be able to rely upon the Vernon Dam in the event of a station blackout after August 31, 2013 and therefore plans to install a new diesel generator as a replacement power source. The VPSB requested and received comments on Entergy's September 2012 petition and its relationship to Entergy's other petition for a Certificate of Public Good, but has not yet provided a schedule for its consideration of the September 2012 petition.

Impairment

Because of the uncertainty regarding the continued operation of Vermont Yankee, Entergy has tested the recoverability of the plant and related assets each quarter since the first quarter 2010. The determination of recoverability is based on the probability-weighted undiscounted net cash flows expected to be generated by the plant and related assets. Projected net cash flows primarily depend on the status of the pending legal and state regulatory matters, as well as projections of future revenues and expenses over the remaining life of the plant. Prior to the first quarter 2012, the probability-weighted undiscounted net cash flows exceeded the carrying value of the Vermont Yankee plant and related assets. The decline, however, in the overall energy market and the projected forward prices of power as of March 31, 2012, which are significant inputs in the determination of net cash flows, resulted in the probability-weighted undiscounted future cash flows being less than the asset group's carrying value. Entergy performed a fair value analysis based on the income approach, a discounted cash flow method, to determine the amount of impairment. The estimated fair value of the plant and related assets at March 31, 2012 was \$162.0 million, while the carrying value was \$517.5 million. Therefore, the assets were written down to their fair value and an impairment charge of \$355.5 million (\$223.5 million after-tax) was recognized. The impairment charge is recorded as a separate line item in Entergy's consolidated statement of income for the nine months ended September 30, 2012, and is included within the results of the Entergy Wholesale Commodities segment.

The estimate of fair value was based on the price that Entergy would expect to receive in a hypothetical sale of the Vermont Yankee plant and related assets to a market participant on March 31, 2012. In order to determine this price, Entergy used significant observable inputs, including quoted forward power and gas prices, where available. Significant unobservable inputs, such as projected long-term pre-tax operating margins (cash basis), and estimated weighted average costs of capital were also used in the estimation of fair value. In addition, Entergy made certain assumptions regarding future tax deductions associated with the plant and related assets. Based on the use of significant unobservable inputs, the fair value measurement for the entirety of the asset group, and for each type of asset within the asset group, is classified as Level 3 in the fair value hierarchy discussed in Note 8 to the financial statements.

The following table sets forth a description of significant unobservable inputs used in the valuation of the Vermont Yankee plant and related assets as of March 31, 2012:

Significant Unobservable Inputs	Range	Weighted Average
Weighted average cost of capital	7.5%-8.0%	7.8%
Long-term pre-tax operating margin (cash basis)	6.1%-7.8%	7.2%

Entergy's Accounting Policy group, which reports to the Chief Accounting Officer, was primarily responsible for determining the valuation of the Vermont Yankee plant and related assets, in consultation with external advisors. Accounting Policy obtained and reviewed information from other Entergy departments with expertise on the various inputs and assumptions that were necessary to calculate the fair value of the asset group.

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Notes to Financial Statements

NOTE 12. VARIABLE INTEREST ENTITIES (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, System Energy)

See Note 18 to the financial statements in the Form 10-K for a discussion of variable interest entities. See Note 4 to the financial statements herein for details of the nuclear fuel companies' credit facility and commercial paper borrowings and long-term debt.

Entergy Louisiana and System Energy are each considered to hold a variable interest in the lessors from which they lease, respectively, undivided interests representing approximately 9.3% of the Waterford 3 and 11.5% of the Grand Gulf nuclear plants. Entergy Louisiana and System Energy are the lessees under these arrangements, which are described in more detail in Note 10 to the financial statements in the Form 10-K. Entergy Louisiana made payments on its lease, including interest, of \$12.3 million and \$12.8 million in the three months ended September 30, 2012 and 2011, respectively. Entergy Louisiana made payments on its lease, including interest, of \$39.1 million and \$50.4 million in the nine months ended September 30, 2012 and 2011, respectively. System Energy made payments on its lease, including interest, of \$1.8 million and \$2.0 million in the three months ended September 30, 2012 and 2011, respectively. System Energy made payments on its lease, including interest, of \$50.0 million and \$49.4 million in the nine months ended September 30, 2012 and 2011, respectively.

NOTE 13. ASSET RETIREMENT OBLIGATIONS (Entergy Corporation, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, System Energy)

See Note 9 to the financial statements in the Form 10-K for a discussion of asset retirement obligations. Following is an update to that discussion.

In the second quarter 2012, Entergy Louisiana recorded a revision to its estimated decommissioning cost liability for Waterford 3 as a result of a revised decommissioning cost study. The revised estimate resulted in a \$48.9 million increase in its decommissioning cost liability, along with a corresponding increase in the related asset retirement costs asset that will be depreciated over the remaining life of the unit.

In the second quarter 2012, Entergy Wholesale Commodities recorded a reduction of \$60.6 million in the estimated decommissioning cost liability for a plant as a result of a revised decommissioning cost study. The revised estimate resulted in a credit to decommissioning expense of \$49 million, reflecting the excess of the reduction in the liability over the amount of the undepreciated asset retirement costs asset.

In the opinion of the management of Entergy Corporation, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas and System Energy, the accompanying unaudited financial statements contain all adjustments (consisting primarily of normal recurring accruals and reclassification of previously reported amounts to conform to current classifications) necessary for a fair statement of the results for the interim periods presented. The business of the Registrant Subsidiaries is subject to seasonal fluctuations, however, with the peak periods occurring during the third quarter. The results for the interim periods presented should not be used as a basis for estimating results of operations for a full year.

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Part I, Item 4. Controls and Procedures

Disclosure Controls and Procedures

As of September 30, 2012, evaluations were performed under the supervision and with the participation of Entergy Corporation, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy (individually "Registrant" and collectively the "Registrants") management, including their respective Principal Executive Officers (PEO) and Principal Financial Officers (PFO). The evaluations assessed the effectiveness of the Registrants' disclosure controls and procedures. Based on the evaluations, each PEO and PFO has concluded that, as to the Registrant or Registrants for which they serve as PEO or PFO, the Registrant's or Registrants' disclosure controls and procedures are effective to ensure that information required to be disclosed by each Registrant in reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms; and that the Registrant's or Registrants' disclosure controls and procedures are also effective in reasonably assuring that such information is accumulated and communicated to the Registrant's or Registrants' management, including their respective PEOs and PFOs, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Controls over Financial Reporting

Under the supervision and with the participation of the Registrants' management, including their respective PEOs and PFOs, the Registrants evaluated changes in internal control over financial reporting that occurred during the quarter ended September 30, 2012 and found no change that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

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ENTERGY ARKANSAS, INC. AND SUBSIDIARIES
MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Plan to Spin Off the Utility's Transmission Business

See the "Plan to Spin Off the Utility's Transmission Business" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis in the Form 10-K and herein for a discussion of Entergy's plan to spin off its transmission business and merge it with a newly formed subsidiary of ITC Holdings Corp., including the planned retirement of debt and preferred securities.

Results of Operations

Net Income

Third Quarter 2012 Compared to Third Quarter 2011

Net income increased \$1.6 million primarily due to a lower effective income tax rate, partially offset by higher other operation and maintenance expenses.

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

Net income decreased \$14.7 million primarily due to higher other operation and maintenance expenses, higher taxes other than income taxes, and higher nuclear refueling outage expenses, partially offset by a lower effective income tax rate.

Net Revenue

Third Quarter 2012 Compared to Third Quarter 2011

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory credits. Following is an analysis of the change in net revenue comparing the third quarter 2012 to the third quarter 2011.

	Amount (In Millions)
2011 net revenue	\$394.4
Retail electric price	8.9
Reserve equalization	(2.3)
Net wholesale revenue	(2.6)
Volume/weather	(6.3)
Other	5.3
2012 net revenue	\$397.4

The retail electric price variance is primarily due to an increase in the energy efficiency rider, as approved by the APSC, effective July 2012. Energy efficiency revenues are offset by costs included in other operation and

maintenance expenses and have no effect on net income.

The reserve equalization variance is primarily due to increased reserve equalization expenses as a result of changes in the Entergy Arkansas and Entergy System generation capacity mix as compared to the same period in 2011.

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Entergy Arkansas, Inc. and Subsidiaries
 Management's Financial Discussion and Analysis

The net wholesale revenue variance is primarily due to lower margins on co-owner contracts, somewhat offset by lower wholesale energy costs.

The volume/weather variance is primarily due to the effects of milder weather, as compared to the prior period, primarily on residential and commercial sales.

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

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory credits. Following is an analysis of the change in net revenue comparing the nine months ended September 30, 2012 to the nine months ended September 30, 2011.

	Amount (In Millions)
2011 net revenue	\$985.6
Volume/weather	(16.0)
Reserve equalization	(8.0)
Energy cost recovery	3.4
Retail electric price	15.7
Other	6.8
2012 net revenue	\$987.5

The volume/weather variance is primarily due to the effect of milder weather, as compared to the prior period, primarily on residential sales.

The reserve equalization variance is primarily due to increased reserve equalization expenses as a result of changes in the Entergy Arkansas and Entergy System generation capacity mix as compared to the same period in 2011. The variance is also due to a one-time credit recorded in 2011 related to the interruptible load proceeding. See Note 2 to the financial statements herein and in the Form 10-K for further discussion of the interruptible load proceeding.

The energy cost recovery variance resulted primarily from the annual adjustment to deferred fuel costs provided for in the energy cost recovery rider.

The retail electric price variance is primarily due to an increase in the energy efficiency rider, as approved by the APSC, effective July 2012. The increase is also related to higher residential price due to the effect of block rates, and higher industrial average price due to the customer mix. The energy efficiency rider revenues are offset by costs included in other operation and maintenance expenses and have no effect on net income.

Gross operating revenues, fuel and purchased power expenses, and other regulatory credits

Gross operating revenues increased primarily due to an increase of \$30.1 million in rider revenues related to higher System Agreement production cost equalization payments and an increase of \$10.9 million in rider revenues due to an increase in the energy efficiency rider effective July 2012. The increase was partially offset by the June 2012 refund to AmerenUE of \$30.6 million, including interest, of rough production cost equalization payments collected from AmerenUE. Entergy Arkansas had previously recorded a regulatory provision for the potential refund to

AmerenUE. The result of the refund is a decrease in gross revenues with an offsetting increase in other regulatory credits. See Note 2 to the financial statements herein for a discussion of the FERC order in the System Agreement production cost equalization proceedings.

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Entergy Arkansas, Inc. and Subsidiaries
Management's Financial Discussion and Analysis

Fuel and purchased power expenses increased primarily due to an increase in the recovery from customers of deferred fuel costs, partially offset by a decrease in the average market price of purchased power.

Other regulatory credits increased primarily due to the June 2012 refund to AmerenUE, as discussed above.

Other Income Statement Variances

Third Quarter 2012 Compared to Third Quarter 2011

Other operation and maintenance expenses increased primarily due to:

- an increase of \$7.0 million in energy efficiency costs. These costs are recovered through the energy efficiency rider and have no effect on net income;
- \$3.8 million of costs incurred in 2012 related to the planned spin-off and merger of the Utility's transmission business;
- an increase of \$2.4 million in compensation and benefits costs resulting from a decrease in the discount rate and changes in certain actuarial assumptions resulting from a recent experience study. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefits costs; and
 - an increase of \$4.3 million in nuclear generation expenses primarily due to higher contract costs.

The increase was somewhat offset by a decrease of \$1.5 million in fossil-fueled generation expenses primarily due to higher plant outage costs in 2011 due to a greater scope of work.

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

Other operation and maintenance expenses increased primarily due to:

- an increase of \$11.4 million in compensation and benefits costs resulting from a decrease in the discount rate and changes in certain actuarial assumptions resulting from a recent experience study. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefits costs;
- \$9.5 million of costs incurred in 2012 related to the planned spin-off and merger of the Utility's transmission business;
- an increase of \$9 million in energy efficiency costs. These costs are recovered through the energy efficiency rider and have no effect on net income;
 - an increase of \$7.8 million in nuclear generation expenses primarily due to higher contract costs; and
 - nuclear insurance refunds of \$2.4 million received in 2011.

The increase was somewhat offset by a decrease of \$5.4 million in fossil-fueled generation expenses primarily due to higher plant outage costs in 2011 due to a greater scope of work.

Nuclear refueling outage expenses increased primarily due to higher costs associated with the most recent outage as compared to the previous outages.

Taxes other than income taxes increased primarily due to an increase in ad valorem taxes resulting from higher assessments and an increase in local franchise taxes resulting from higher commercial electric revenues, as compared with the same period in 2011. Franchise taxes have no effect on net income as these taxes are recovered through the franchise tax rider.

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Entergy Arkansas, Inc. and Subsidiaries
 Management's Financial Discussion and Analysis

Income Taxes

The effective income tax rates for the third quarter 2012 and the nine months ended September 30, 2012 were 40.4% and 39.5%, respectively. The difference in the effective income tax rate for the third quarter 2012 versus the federal statutory rate of 35% is due to state income taxes and certain book and tax differences related to utility plant items. The difference in the effective income tax rate for the nine months ended September 30, 2012 versus the federal statutory rate of 35% is due to state income taxes and certain book and tax differences related to utility plant items, partially offset by the provision for uncertain tax positions.

The effective income tax rates for the third quarter 2011 and the nine months ended September 30, 2011 were 45.9% and 43.8%, respectively. The differences in the effective income tax rates for the third quarter 2011 and the nine months ended September 30, 2011 versus the federal statutory rate of 35% were due to state income taxes, the provision for uncertain tax positions, and certain book and tax differences related to utility plant items.

Liquidity and Capital Resources

Cash Flow

Cash flows for the nine months ended September 30, 2012 and 2011 were as follows:

	2012	2011
	(In Thousands)	
Cash and cash equivalents at beginning of period	\$22,599	\$106,102
Cash flow provided by (used in):		
Operating activities	337,920	334,762
Investing activities	(324,656)	(359,111)
Financing activities	6,759	(78,971)
Net increase (decrease) in cash and cash equivalents	20,023	(103,320)
Cash and cash equivalents at end of period	\$42,622	\$2,782

Operating Activities

Net cash flow provided by operating activities increased \$3.2 million for the nine months ended September 30, 2012 compared to the nine months ended September 30, 2011 primarily due to a decrease of \$67.1 million in pension contributions and the increased recovery of fuel and purchased power costs, including partial recovery of the System Agreement bandwidth remedy payment made in January 2012. These increases were substantially offset by the \$156 million System Agreement bandwidth remedy payment made in January 2012 as a result of the payment required to implement the FERC's remedy for the period June – December 2005 and the \$30.6 million refund, including interest, to AmerenUE as discussed above. See Note 2 to the financial statements herein and in the Form 10-K for a discussion of the System Agreement bandwidth remedy payment. 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 flow used in investing activities decreased \$34.5 million for the nine months ended September 30, 2012 compared to the nine months ended September 30, 2011 primarily due to fluctuations in nuclear fuel activity because of variations from year to year in the timing and pricing of fuel reload requirements in the Utility business, material and services deliveries, and the timing of cash payments during the nuclear fuel cycle. The decrease was partially offset by money pool activity and the repayment in 2011 by System Fuels of Entergy Arkansas's \$11 million investment in System Fuels.

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Entergy Arkansas, Inc. and Subsidiaries
 Management's Financial Discussion and Analysis

Decreases in Entergy Arkansas's receivable from the money pool are a source of cash flow, and Entergy Arkansas's receivable from the money pool decreased by \$9.9 million for the nine months ended September 30, 2012, compared to decreasing by \$41.5 million for the nine months ended September 30, 2011. The money pool is an inter-company borrowing arrangement designed to reduce the Utility subsidiaries' need for external short-term borrowings.

Financing Activities

Entergy Arkansas's financing activities provided \$6.8 million of cash for the nine months ended September 30, 2012 compared to using \$79 million of cash for the nine months ended September 30, 2011 primarily due to:

- \$117.1 million in dividends paid on common stock in 2011;
- the repayment, at maturity, of a \$35 million 5.60% Series G note by the nuclear fuel company variable interest entity in September 2011; and
- an increase of borrowings of \$16.8 million on the nuclear fuel company variable interest entity's credit facility in 2012 compared to a decrease in borrowings of \$2.5 million on the nuclear fuel company variable interest entity's credit facility in 2011.

Partially offsetting the increases in cash from financing activities was the issuance in June 2011 of \$55 million of Series J notes by the nuclear fuel company variable interest entity and money pool activity.

Increases in Entergy Arkansas's payable to the money pool are a source of cash flow, and Entergy Arkansas's payable to the money pool increased by \$32.1 million for the nine months ended September 30, 2011.

Capital Structure

Entergy Arkansas's capitalization is balanced between equity and debt, as shown in the following table. The decrease in the debt to capital ratio is due to the increase in retained earnings in 2012, in part because Entergy Arkansas has not declared common dividends in 2012.

	September 30, 2012	December 31, 2011
Debt to capital	53.1%	55.0%
Effect of excluding the securitization bonds	(1.4)%	(1.5)%
Debt to capital, excluding securitization bonds (1)	51.7%	53.5%
Effect of subtracting cash	(0.6)%	(0.3)%
Net debt to net capital, excluding securitization bonds (1)	51.1%	53.2%

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

Net debt consists of debt less cash and cash equivalents. Debt consists of notes payable and long-term debt, including the currently maturing portion. Capital consists of debt, preferred stock without sinking fund, and shareholders' equity. Net capital consists of capital less cash and cash equivalents. Entergy Arkansas 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 Arkansas's financial condition.

Uses and Sources of Capital

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources" in the Form 10-K for a discussion of Entergy Arkansas's uses and sources of capital. Entergy Arkansas is developing its capital investment plan for 2013 through 2015 and currently anticipates making \$1.4 billion in capital investments during that period, including approximately \$758 million for maintenance of existing assets. The remaining \$593 million is associated with specific investments such as environmental compliance spending, transmission upgrades and system improvements, and other investments. Following are additional updates to the information provided in the Form 10-K.

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Entergy Arkansas, Inc. and Subsidiaries
 Management's Financial Discussion and Analysis

Entergy Arkansas's receivables from or (payables to) the money pool were as follows:

September 30, 2012	December 31, 2011	September 30, 2011	December 31, 2010
(In Thousands)			
\$7,487	\$17,362	(\$32,102)	\$41,463

See Note 4 to the financial statements in the Form 10-K for a description of the money pool.

Entergy Arkansas has credit facilities in the amount of \$20 million and \$150 million scheduled to expire in April 2013 and March 2017, respectively. No borrowings were outstanding under the credit facilities as of September 30, 2012. See Note 4 to the financial statements herein for additional discussion of the credit facilities.

Hot Spring Energy Facility Purchase Agreement

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

State and Local Rate Regulation

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – State and Local Rate Regulation" in the Form 10-K for a discussion of state and local rate regulation. See Note 2 to the financial statements herein for an update regarding the System Agreement proceedings and Entergy Arkansas's production cost allocation rider.

Federal Regulation

See "Entergy's Proposal to Join the MISO RTO" in the "Rate, Cost-recovery, and Other Regulation – Federal Regulation" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for updates to the Federal Regulation discussion in the Form 10-K.

Nuclear Matters

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Nuclear Matters" in the Form 10-K for a discussion of nuclear matters.

Environmental Risks

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Environmental Risks" in the Form 10-K for a discussion of environmental risks.

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 Arkansas's accounting for nuclear decommissioning costs, unbilled revenue, and qualified pension and other postretirement benefits.

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ENTERGY ARKANSAS, INC. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
For the Three and Nine Months Ended September 30, 2012 and 2011
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2012	2011	2012	2011
	(In Thousands)		(In Thousands)	
OPERATING REVENUES				
Electric	\$656,201	\$658,356	\$1,633,401	\$1,618,687
OPERATING EXPENSES				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	116,026	100,381	362,954	269,494
Purchased power	145,305	164,901	318,474	373,244
Nuclear refueling outage expenses	11,891	11,172	35,441	31,391
Other operation and maintenance	140,730	129,300	406,561	373,530
Decommissioning	10,198	9,588	30,128	28,327
Taxes other than income taxes	26,676	24,989	69,073	63,520
Depreciation and amortization	55,092	54,483	165,697	163,993
Other regulatory credits - net	(2,553)	(1,280)	(35,478)	(9,611)
TOTAL	503,365	493,534	1,352,850	1,293,888
OPERATING INCOME	152,836	164,822	280,551	324,799
OTHER INCOME				
Allowance for equity funds used during construction	2,258	2,033	6,491	4,913
Interest and investment income	3,861	3,938	11,233	13,099
Miscellaneous - net	(496)	(1,213)	(3,139)	(3,102)
TOTAL	5,623	4,758	14,585	14,910
INTEREST EXPENSE				
Interest expense	20,532	20,726	61,707	62,749
Allowance for borrowed funds used during construction	(648)	(818)	(1,724)	(1,919)
TOTAL	19,884	19,908	59,983	60,830
INCOME BEFORE INCOME TAXES	138,575	149,672	235,153	278,879
Income taxes	56,024	68,727	92,973	122,028
NET INCOME	82,551	80,945	142,180	156,851
Preferred dividend requirements	1,718	1,718	5,155	5,155
EARNINGS APPLICABLE TO COMMON STOCK	\$80,833	\$79,227	\$137,025	\$151,696

See Notes to Financial Statements.

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ENTERGY ARKANSAS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 2012 and 2011
(Unaudited)

	2012	2011
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	\$142,180	\$156,851
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Depreciation, amortization, and decommissioning, including nuclear fuel amortization	266,755	255,051
Deferred income taxes, investment tax credits, and non-current taxes accrued	97,641	(17,536)
Changes in assets and liabilities:		
Receivables	(86,046)	(69,699)
Fuel inventory	3,130	(8,904)
Accounts payable	(144,562)	134,019
Taxes accrued and prepaid taxes	(9,302)	126,029
Interest accrued	(11,061)	(5,716)
Deferred fuel costs	88,097	8,112
Other working capital accounts	32,465	(129,416)
Provisions for estimated losses	171	(2,491)
Other regulatory assets	51,089	23,478
Pension and other postretirement liabilities	(40,976)	(110,423)
Other assets and liabilities	(51,661)	(24,593)
Net cash flow provided by operating activities	337,920	334,762
INVESTING ACTIVITIES		
Construction expenditures	(273,010)	(271,443)
Allowance for equity funds used during construction	9,002	6,451
Nuclear fuel purchases	(134,928)	(127,978)
Proceeds from sale of nuclear fuel	76,042	-
Proceeds from nuclear decommissioning trust fund sales	103,394	82,655
Investment in nuclear decommissioning trust funds	(110,520)	(95,723)
Change in money pool receivable - net	9,875	41,463
Investment in affiliates	-	10,994
Remittances to transition charge account	(11,987)	(11,866)
Payments from transition charge account	7,476	6,336
Net cash flow used in investing activities	(324,656)	(359,111)
FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	-	54,804
Retirement of long-term debt	(5,990)	(39,145)
Changes in short-term borrowings - net	18,776	(4,477)
Changes in money pool payable - net	-	32,102
Dividends paid:		
Common stock	-	(117,100)
Preferred stock	(5,155)	(5,155)

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Other	(872) -
Net cash flow provided by (used in) financing activities	6,759	(78,971)
Net increase (decrease) in cash and cash equivalents	20,023	(103,320)
Cash and cash equivalents at beginning of period	22,599	106,102
Cash and cash equivalents at end of period	\$42,622	\$2,782

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid (received) during the period for:

Interest - net of amount capitalized	\$68,990	\$64,670
Income taxes	\$(6,897) \$-

See Notes to Financial Statements.

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ENTERGY ARKANSAS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

ASSETS

September 30, 2012 and December 31, 2011

(Unaudited)

	2012	2011
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	\$6,423	\$4,712
Temporary cash investments	36,199	17,887
Total cash and cash equivalents	42,622	22,599
Securitization recovery trust account	8,401	3,890
Accounts receivable:		
Customer	150,964	90,940
Allowance for doubtful accounts	(26,948)	(26,155)
Associated companies	64,013	58,030
Other	66,002	66,838
Accrued unbilled revenues	82,508	70,715
Total accounts receivable	336,539	260,368
Deferred fuel costs	92,763	209,776
Fuel inventory - at average cost	45,759	48,889
Materials and supplies - at average cost	146,037	143,343
Deferred nuclear refueling outage costs	43,348	49,047
System agreement cost equalization	17,689	36,800
Prepayments and other	12,180	8,562
TOTAL	745,338	783,274
OTHER PROPERTY AND INVESTMENTS		
Decommissioning trust funds	599,857	541,657
Non-utility property - at cost (less accumulated depreciation)	1,672	1,677
Other	3,182	3,182
TOTAL	604,711	546,516
UTILITY PLANT		
Electric	8,260,030	8,079,732
Property under capital lease	1,175	1,234
Construction work in progress	172,918	120,211
Nuclear fuel	272,041	272,593
TOTAL UTILITY PLANT	8,706,164	8,473,770
Less - accumulated depreciation and amortization	3,964,741	3,833,596
UTILITY PLANT - NET	4,741,423	4,640,174
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
Deferred fuel costs	28,916	-

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Regulatory asset for income taxes - net	77,768	87,357
Other regulatory assets (includes securitization property of \$95,755 as of September 30, 2012 and \$105,762 as of December 31, 2011)	1,085,411	1,126,911
Other	27,082	27,980
TOTAL	1,219,177	1,242,248
TOTAL ASSETS	\$7,310,649	\$7,212,212

See Notes to Financial Statements.

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ENTERGY ARKANSAS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
LIABILITIES AND EQUITY
September 30, 2012 and December 31, 2011
(Unaudited)

	2012	2011
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	\$330,000	\$-
Short-term borrowings	52,690	33,914
Accounts payable:		
Associated companies	61,481	228,163
Other	158,494	138,054
Customer deposits	85,336	81,074
Taxes accrued	26,979	36,281
Accumulated deferred income taxes	40,571	124,267
Interest accrued	18,820	29,881
Other	32,984	23,305
TOTAL	807,355	694,939
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	1,886,459	1,708,760
Accumulated deferred investment tax credits	41,445	42,939
Other regulatory liabilities	152,954	133,960
Decommissioning	670,356	640,228
Accumulated provisions	5,811	5,640
Pension and other postretirement liabilities	498,066	539,016
Long-term debt (includes securitization bonds of \$107,783 as of September 30, 2012 and \$113,761 as of December 31, 2011)	1,540,076	1,875,921
Other	10,628	10,335
TOTAL	4,805,795	4,956,799
Commitments and Contingencies		
Preferred stock without sinking fund	116,350	116,350
COMMON EQUITY		
Common stock, \$0.01 par value, authorized 325,000,000 shares; issued and outstanding 46,980,196 shares in 2012 and 2011	470	470
Paid-in capital	588,444	588,444
Retained earnings	992,235	855,210
TOTAL	1,581,149	1,444,124
TOTAL LIABILITIES AND EQUITY	\$7,310,649	\$7,212,212

See Notes to Financial Statements.

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ENTERGY ARKANSAS, INC. AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF CHANGES IN COMMON EQUITY
 For the Nine Months Ended September 30, 2012 and 2011
 (Unaudited) (In Thousands)

	Common Equity			Total
	Common Stock	Paid-in Capital	Retained Earnings	
Balance at December 31, 2010	\$470	\$588,444	\$814,992	\$1,403,906
Net income	-	-	156,851	156,851
Common stock dividends	-	-	(117,100)	(117,100)
Preferred stock dividends	-	-	(5,155)	(5,155)
Balance at September 30, 2011	\$470	\$588,444	\$849,588	\$1,438,502
Balance at December 31, 2011	\$470	\$588,444	\$855,210	\$1,444,124
Net income	-	-	142,180	142,180
Preferred stock dividends	-	-	(5,155)	(5,155)
Balance at September 30, 2012	\$470	\$588,444	\$992,235	\$1,581,149

See Notes to Financial Statements.

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ENTERGY ARKANSAS, INC. AND SUBSIDIARIES
 SELECTED OPERATING RESULTS
 For the Three and Nine Months Ended September 30, 2012 and 2011
 (Unaudited)

Description	Three Months Ended		Increase/ (Decrease)	%
	2012	2011		
(Dollars In Millions)				
Electric Operating Revenues:				
Residential	\$276	\$280	\$(4)	(1)
Commercial	148	146	2	1
Industrial	137	134	3	2
Governmental	4	6	(2)	(33)
Total retail	565	566	(1)	-
Sales for resale:				
Associated companies	71	75	(4)	(5)
Non-associated companies	19	22	(3)	(14)
Other	1	(5)	6	120
Total	\$656	\$658	\$(2)	-

Billed Electric Energy

Sales (GWh):				
Residential	2,646	2,769	(123)	(4)
Commercial	1,859	1,905	(46)	(2)
Industrial	1,967	2,003	(36)	(2)
Governmental	72	81	(9)	(11)
Total retail	6,544	6,758	(214)	(3)
Sales for resale:				
Associated companies	1,581	1,937	(356)	(18)
Non-associated companies	292	267	25	9
Total	8,417	8,962	(545)	(6)

Description	Nine Months Ended		Increase/ (Decrease)	%
	2012	2011		
(Dollars In Millions)				
Electric Operating Revenues:				
Residential	\$613	\$612	\$1	-
Commercial	364	345	19	6
Industrial	335	318	17	5
Governmental	15	15	-	-
Total retail	1,327	1,290	37	3
Sales for resale:				
Associated companies	221	212	9	4
Non-associated companies	28	69	(41)	(59)
Other	57	48	9	19
Total	\$1,633	\$1,619	\$14	1

Billed Electric Energy

Sales (GWh):

Residential	6,270	6,674	(404)	(6)
Commercial	4,682	4,690	(8)	-)
Industrial	5,248	5,320	(72)	(1)
Governmental	198	210	(12)	(6)
Total retail	16,398	16,894	(496)	(3)
Sales for resale:						
Associated companies	5,450	5,318	132		2	
Non-associated companies	800	892	(92)	(10)
Total	22,648	23,104	(456)	(2)

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ENTERGY GULF STATES LOUISIANA, L.L.C.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Plan to Spin Off the Utility's Transmission Business

See the "Plan to Spin Off the Utility's Transmission Business" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis in the Form 10-K and herein for a discussion of Entergy's plan to spin off its transmission business and merge it with a newly formed subsidiary of ITC Holdings Corp., including the planned retirement of debt and preferred securities.

Hurricane Isaac

In August 2012, Hurricane Isaac caused extensive damage to Entergy Gulf States Louisiana's service area. The storm resulted in widespread power outages, significant damage primarily to distribution infrastructure, and the loss of sales during the power outages. Total restoration costs for the repair and/or replacement of Entergy Gulf States Louisiana's electric facilities damaged by Hurricane Isaac are currently estimated to be in the range of \$70 million to \$90 million. Entergy Gulf States Louisiana is considering all reasonable avenues to recover storm-related costs from Hurricane Isaac, including, but not limited to, accessing funded storm reserves; securitization or other alternative financing; and traditional retail recovery on an interim and permanent basis. Storm cost recovery or financing may be subject to review by applicable regulatory authorities.

Entergy Gulf States Louisiana has recorded accounts payable for the estimated costs incurred that were necessary to return customers to service. Entergy Gulf States Louisiana recorded corresponding regulatory assets of approximately \$19 million and construction work in progress of approximately \$55 million. Entergy Gulf States Louisiana recorded the regulatory assets in accordance with its accounting policies and based on the historic treatment of such costs in its service area because management believes that recovery through some form of regulatory mechanism is probable. Because Entergy Gulf States Louisiana has not gone through the regulatory process regarding these storm costs, however, there is an element of risk, and Entergy Gulf States Louisiana is unable to predict with certainty the degree of success it may have in its recovery initiatives, the amount of restoration costs that it may ultimately recover, or the timing of such recovery.

Results of Operations

Net Income

Third Quarter 2012 Compared to Third Quarter 2011

Net income decreased \$3 million primarily due to lower net revenue, partially offset by higher other income and a lower effective income tax rate.

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

Net income decreased \$21.2 million primarily due to lower net revenue and higher other operation and maintenance expenses. These items were partially offset by the \$19.8 million income tax benefit resulting from an IRS settlement in June 2012 related to the uncertain tax position regarding the Hurricane Katrina and Hurricane Rita Louisiana Act 55 financing, which also resulted in a \$27.7 million (\$17 million net-of-tax) regulatory charge that reduced net revenue because the benefit will be shared with customers. See Note 10 to the financial statements for additional

discussion of the tax settlement and benefit sharing.

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Entergy Gulf States Louisiana, L.L.C.

Management's Financial Discussion and Analysis

Net Revenue

Third Quarter 2012 Compared to Third Quarter 2011

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges (credits). Following is an analysis of the change in net revenue comparing the third quarter 2012 to the third quarter 2011.

	Amount (In Millions)
2011 net revenue	\$253.8
Net wholesale revenue	(5.7)
Retail electric price	(4.6)
Asset retirement obligation	(3.6)
Volume/weather	(2.0)
Other	1.4
2012 net revenue	\$239.3

The net wholesale revenue variance is primarily due to lower price.

The retail electric price variance is primarily due to increased affiliate purchased power capacity costs recovered through base rates set in the annual formula rate plan mechanism. Entergy Gulf States Louisiana's formula rate plan is discussed in Note 2 to the financial statements herein and in the Form 10-K.

The asset retirement obligation variance is primarily due to higher regulatory charges resulting from an increase in decommissioning trust earnings as a result of realized gains on investments. There is no effect on net income as these earnings are reflected in other income.

The volume/weather variance is primarily due to the effect of milder weather, as compared to the prior period, on residential and commercial sales and the effects of the power outages caused by Hurricane Isaac.

Gross operating revenues and fuel and purchased power expenses

Gross operating revenues decreased primarily due to a decrease of \$71 million in fuel cost recovery revenues primarily due to lower fuel rates, a decrease of \$46.8 million in rider revenues primarily due to higher System Agreement credits in 2012, and a decrease of \$37.3 million in gross wholesale revenues due to a decrease in sales to affiliated customers. Entergy Gulf States Louisiana's fuel and purchased power recovery mechanism is discussed in Note 2 to the financial statements in the Form 10-K.

Fuel and purchased power expenses decreased primarily due to:

- a decrease in the average market price of purchased power and decreased demand; and
- a decrease in deferred fuel expense due to the timing of receipt of System Agreement payments and credits to customers and lower fuel cost recovery revenues in 2012.

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Entergy Gulf States Louisiana, L.L.C.

Management's Financial Discussion and Analysis

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

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges (credits). Following is an analysis of the change in net revenue comparing the nine months ended September 30, 2012 to the nine months ended September 30, 2011.

	Amount (In Millions)
2011 net revenue	\$718.6
Louisiana Act 55 financing tax settlement sharing	(27.2)
Volume/weather	(13.0)
Retail electric price	(10.8)
Net wholesale revenue	(10.2)
Other	(3.7)
2012 net revenue	\$653.7

The Louisiana Act 55 financing tax settlement sharing variance results from a regulatory charge because the benefit of the settlement with the IRS related to the uncertain tax position regarding the Hurricane Katrina and Hurricane Rita Louisiana Act 55 financing 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 the effect of milder weather, as compared to the prior period, on residential and commercial sales and the effects of the power outages caused by Hurricane Isaac.

The retail electric price variance is primarily due to increased affiliate purchased power capacity costs recovered through base rates set in the annual formula rate plan mechanism. Entergy Gulf States Louisiana's formula rate plan is discussed in Note 2 to the financial statements herein and in the Form 10-K.

The net wholesale revenue variance is primarily due to lower price.

Gross operating revenues, fuel and purchased power expenses, and other regulatory charges (credits)

Gross operating revenues decreased primarily due to a decrease of \$158.6 million in fuel cost recovery revenues primarily due to lower fuel rates, a decrease of \$118.7 million in gross wholesale revenues due to a decrease in sales to affiliated customers, and a decrease of \$63.7 million in rider revenues primarily due to higher System Agreement credits in 2012. Entergy Gulf States Louisiana's fuel and purchased power recovery mechanism is discussed in Note 2 to the financial statements in the Form 10-K.

Fuel and purchased power expenses decreased primarily due to:

- a decrease in the average market prices of purchased power and natural gas; and
- a decrease in deferred fuel expense due to the timing of receipt of System Agreement payments and credits to customers and lower fuel cost recovery revenues in 2012.

Other regulatory charges increased primarily due to a settlement with the IRS related to the uncertain tax position regarding the Hurricane Katrina and Hurricane Rita Louisiana Act 55 financing because the settlement will be shared with customers. See Note 10 to the financial statements for additional discussion of the settlement and benefit sharing.

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Entergy Gulf States Louisiana, L.L.C.
Management's Financial Discussion and Analysis

Other Income Statement Variances

Third Quarter 2012 Compared to Third Quarter 2011

Other income increased primarily due to higher earnings in 2012 on decommissioning trust fund investments.

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

Other operation and maintenance expenses increased primarily due to:

- an increase of \$7.7 million in compensation and benefits costs primarily due to decreasing discount rates and changes in certain actuarial assumptions resulting from a recent experience study. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefits costs;
- an increase of \$5.1 million in nuclear generation expenses primarily due to higher labor costs, including higher contract labor;
- an increase of \$4.6 million in fossil-fueled generation expenses resulting primarily from increased plant outages and an increased scope of work as compared to the prior year; and
- \$3.4 million of costs incurred in 2012 related to the planned spin-off and merger of the transmission business.

The increase was partially offset by the deferral, as approved by the LPSC and the FERC, of costs related to the transition and implementation of joining the MISO RTO, which reduced expenses by \$4.2 million.

Income Taxes

The effective income tax rate was 36.8% for the third quarter 2012 and 24.2% for the nine months ended September 30, 2012. The difference in the effective income tax rate for the third quarter 2012 versus the federal statutory rate of 35% is due to state income taxes and the provision for uncertain tax positions, partially offset by book and tax differences related to the non-taxable income distributions earned on preferred membership interests. The difference in the effective income tax rate for the nine months ended September 30, 2012 versus the federal statutory rate of 35% is due to book and tax differences related to the non-taxable income distributions earned on preferred membership interests and the reversal of the provision for uncertain tax positions related to an IRS settlement on how to treat the Louisiana Act 55 financing of the Hurricane Katrina and Hurricane Rita storm costs, partially offset by state income taxes.

The effective income tax rate was 41.2% for the third quarter 2011 and 38% for the nine months ended September 30, 2011. The differences in the effective income tax rates for the third quarter 2011 and for the nine months ended September 30, 2011 versus the federal statutory rate of 35% were due to state income taxes, certain book and tax differences related to utility plant items, and the provision for uncertain tax positions, partially offset by book and tax differences related to the non-taxable income distributions earned on preferred membership interests.

Correction of Regulatory Asset for Income Taxes

See Note 2 to the financial statements herein for a discussion of the financial statement effects of a correction to Entergy Gulf States Louisiana's regulatory asset for income taxes.

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Entergy Gulf States Louisiana, L.L.C.

Management's Financial Discussion and Analysis

Liquidity and Capital Resources

Cash Flow

Cash flows for the nine months ended September 30, 2012 and 2011 were as follows:

	2012	2011
	(In Thousands)	
Cash and cash equivalents at beginning of period	\$24,845	\$155,173
Cash flow provided by (used in):		
Operating activities	391,711	314,457
Investing activities	(145,984)	(179,431)
Financing activities	(94,008)	(264,335)
Net increase (decrease) in cash and cash equivalents	151,719	(129,309)
Cash and cash equivalents at end of period	\$176,564	\$25,864

Operating Activities

Net cash flow provided by operating activities increased \$77.3 million for the nine months ended September 30, 2012 compared to the nine months ended September 30, 2011 primarily due to:

- an increase in the recovery of fuel and purchased power costs due to System Agreement bandwidth remedy payments of \$75 million received in January 2012 as a result of receipts required to implement the FERC's remedy in an October 2011 order for the period June – December 2005. See Note 2 to the financial statements herein and in the Form 10-K for a discussion of the System Agreement proceedings; and
- a decrease of \$9.1 million in pension contributions. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for a discussion of qualified pension and other postretirement benefits.

Investing Activities

Net cash flow used in investing activities decreased \$33.4 million for the nine months ended September 30, 2012 compared to the nine months ended September 30, 2011 primarily due to:

- fluctuations in nuclear fuel activity because of variations from year to year in the timing and pricing of fuel reload requirements in the Utility business, material and services deliveries, and the timing of cash payments during the nuclear fuel cycle;
- \$51 million in proceeds from the sale of a portion of Entergy Gulf States Louisiana's investment in Entergy Holdings Company's Class A preferred membership interests to a third party in 2012; and
- a decrease in nuclear construction expenditures as a result of the River Bend refueling outage in 2011. River Bend had a refueling outage in 2011 and did not have one in 2012.

The decrease was partially offset by:

- money pool activity;
- higher distribution construction expenses due to Hurricane Isaac and increased reliability work performed in 2012;
and
 - an increase in fossil-fueled generation construction expenses due to an increased scope of work in 2012.

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Entergy Gulf States Louisiana, L.L.C.

Management's Financial Discussion and Analysis

Increases in Entergy Gulf States Louisiana's receivable from the money pool are a use of cash flow, and Entergy Gulf States Louisiana's receivable from the money pool increased by \$8.6 million for the nine months ended September 30, 2012 compared to decreasing by \$49.7 million for the nine months ended September 30, 2011. The money pool is an inter-company borrowing arrangement designed to reduce the Utility operating companies' need for external short-term borrowings.

Financing Activities

Net cash flow used in financing activities decreased \$170.3 million for the nine months ended September 30, 2012 compared to the nine months ended September 30, 2011 primarily due to a decrease of \$214.6 million in common equity distributions and the issuance of \$75 million 3.25% Series Q notes by the nuclear fuel company variable interest entity in July 2012, partially offset by:

- the repayment, at maturity, of \$60 million 5.41% Series O notes by the nuclear fuel company variable interest entity in July 2012;
 - the redemption of \$10.84 million of 5.8% Series pollution control revenue bonds in April 2012; and
- payments of \$29.4 million on credit borrowings for the nine months ended September 30, 2012 compared to an increase of \$18.5 million in credit borrowings for the nine months ended September 30, 2011 against the nuclear fuel company variable interest entity credit facility.

Capital Structure

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

	September 30, 2012	December 31, 2011
Debt to capital	51.9%	53.6%
Effect of subtracting cash	(3.1)%	(0.4)%
Net debt to net capital	48.8%	53.2%

Net debt consists of debt less cash and cash equivalents. Debt consists of notes payable and long-term debt, including the currently maturing portion. Capital consists of debt and member's equity. Net capital consists of capital less cash and cash equivalents. Entergy Gulf States Louisiana uses the net debt to net capital ratio in analyzing its financial condition and believes it provides useful information to its investors and creditors in evaluating Entergy Gulf States Louisiana's financial condition.

Uses and Sources of Capital

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources" in the Form 10-K for a discussion of Entergy Gulf States Louisiana's uses and sources of capital. Entergy Gulf States Louisiana is developing its capital investment plan for 2013 through 2015 and currently anticipates making \$679 million in capital investments during that period, including approximately \$432 million for maintenance of existing assets. The remaining \$247 million is associated with specific investments such as environmental compliance

spending, transmission upgrades and system improvements, and other investments. Following are additional updates to the information provided in the Form 10-K.

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Entergy Gulf States Louisiana, L.L.C.

Management's Financial Discussion and Analysis

Entergy Gulf States Louisiana's receivables from the money pool were as follows:

September 30, 2012	December 31, 2011	September 30, 2011	December 31, 2010
(In Thousands)			
\$32,161	\$23,596	\$13,280	\$63,003

See Note 4 to the financial statements in the Form 10-K for a description of the money pool.

Entergy Gulf States Louisiana has a credit facility in the amount of \$150 million scheduled to expire in March 2017. No borrowings were outstanding under the facility as of September 30, 2012. See Note 4 to the financial statements herein for additional discussion of the credit facility.

In April 2012, Entergy Gulf States Louisiana redeemed, prior to maturity, its \$10.84 million 5.8% Series pollution control revenue bonds due April 2016.

In July 2012 the Entergy Gulf States Louisiana nuclear fuel company variable interest entity issued \$75 million 3.25% Series Q notes due July 2017. Entergy Gulf States Louisiana used the proceeds to pay, at maturity, its \$60 million 5.41% Series O notes due July 2012 and to repay borrowings of \$3.5 million under its \$85 million nuclear fuel company variable interest entity credit facility.

In the first quarter 2012, Entergy Gulf States Louisiana sold to a third party for \$51 million a portion of its investment in Entergy Holdings Company's Class A preferred membership interests.

New Nuclear Development

Entergy Gulf States Louisiana and Entergy Louisiana are developing a project option for new nuclear generation at River Bend. In March 2010, Entergy Gulf States Louisiana and Entergy Louisiana filed with the LPSC seeking approval to continue the limited development activities necessary to preserve an option to construct a new unit at River Bend. The testimony and legal briefs of the LPSC staff generally support the request of Entergy Gulf States Louisiana and Entergy Louisiana, although other parties filed briefs, without supporting testimony, in opposition to the request. At an evidentiary hearing in October 2011, Entergy Gulf States Louisiana, Entergy Louisiana, and the LPSC staff presented testimony in support of certification of activities to preserve an option for a new nuclear plant at River Bend. The ALJ recommended, however, that the LPSC decline the request of Entergy Gulf States Louisiana and Entergy Louisiana on the basis that the LPSC's rule on new nuclear development does not apply to activities to preserve an option to develop and on the further grounds that the companies improperly engaged in advanced preparation activities prior to certification. There has been no suggestion that the planning activities or costs incurred were imprudent. At its June 28, 2012 meeting the LPSC voted to uphold the ALJ's decision and directed that Entergy Gulf States Louisiana and Entergy Louisiana be permitted to seek recovery of these costs in the rate case filings that are anticipated in January 2013, fully reserving the LPSC's right to determine the recoverability of such costs in rates. On September 10, 2012, Entergy Gulf States Louisiana and Entergy Louisiana filed a petition for appeal and judicial review of the LPSC's order with the Louisiana Nineteenth Judicial District Court. A schedule for the appeal has not been established.

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Entergy Gulf States Louisiana, L.L.C.
Management's Financial Discussion and Analysis

Ninemile Point Unit 6 Self-Build Project

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

State and Local Rate Regulation and Fuel-Cost Recovery

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – State and Local Rate Regulation and Fuel-Cost Recovery" in the Form 10-K for a discussion of state and local rate regulation and fuel-cost recovery. Following is an update to that discussion.

In May 2012, Entergy Gulf States Louisiana made its formula rate plan filing with the LPSC for the 2011 test year. The filing reflected an 11.94% earned return on common equity, which is above the earnings bandwidth and would indicate a \$6.5 million cost of service rate change was necessary under the formula rate plan. The filing also reflected a \$22.9 million rate decrease for incremental capacity costs. Subsequently, in August 2012, Entergy Gulf States Louisiana submitted a revised filing that reflects an earned return on common equity of 11.86% indicating a \$5.7 million cost of service rate decrease is necessary under the formula rate plan. The revised filing also indicates that a reduction of \$20.3 million should be reflected in the incremental capacity rider. The rate reductions were implemented, subject to refund, effective for bills rendered the first billing cycle of September 2012. The filing remains subject to LPSC review. The September 2012 rate change reduced Entergy Gulf States Louisiana's revenues by approximately \$2.2 million for the third quarter 2012.

In January 2012, Entergy Gulf States Louisiana filed with the LPSC its gas rate stabilization plan for the test year ended September 30, 2011. The filing showed an earned return on common equity of 10.48%, which is within the earnings bandwidth of 10.5%, plus or minus fifty basis points. In April 2012, the LPSC Staff filed its findings, suggesting adjustments that produced an 11.54% earned return on common equity for the test year and a \$0.1 million rate reduction. Entergy Gulf States Louisiana accepted the LPSC Staff's recommendations, and the rate reduction was effective with the first billing cycle of May 2012. Related to the annual gas rate stabilization plan proceedings, the LPSC directed its staff to initiate an evaluation of the 10.5% allowed return on common equity for the Entergy Gulf States Louisiana gas rate stabilization plan. The LPSC directed that its staff should provide an analysis of the current return on equity and justification for any proposed changes to the return on equity. In August 2012 the LPSC staff filed direct testimony recommending a midpoint return on equity of 9.3%. Entergy Gulf States Louisiana filed responsive testimony recommending that the 10.5% return on equity remain unchanged. The hearing in this proceeding is currently scheduled for November 8-9, 2012.

Industrial and Commercial Customers

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Industrial and Commercial Customers" in the Form 10-K for a discussion of industrial and commercial customers.

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Entergy Gulf States Louisiana, L.L.C.

Management's Financial Discussion and Analysis

Federal Regulation

See "Entergy's Proposal to Join the MISO RTO" in the "Rate, Cost-recovery, and Other Regulation – Federal Regulation" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for updates to the Federal Regulation discussion in the Form 10-K.

Nuclear Matters

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Nuclear Matters" in the Form 10-K for a discussion of nuclear matters.

Environmental Risks

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Environmental Risks" in the Form 10-K for a discussion of environmental risks.

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 Gulf States Louisiana's accounting for nuclear decommissioning costs, unbilled revenue, impairment of long-lived assets and trust fund investments, and qualified pension and other postretirement benefits.

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ENTERGY GULF STATES LOUISIANA, L.L.C.
INCOME STATEMENTS

For the Three and Nine Months Ended September 30, 2012 and 2011
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2012	2011	2012	2011
	(In Thousands)		(In Thousands)	
OPERATING REVENUES				
Electric	\$425,999	\$587,275	\$1,201,178	\$1,565,964
Natural gas	8,452	9,673	34,251	49,444
TOTAL	434,451	596,948	1,235,429	1,615,408
OPERATING EXPENSES				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	34,821	135,034	131,248	291,592
Purchased power	156,398	224,452	417,909	622,949
Nuclear refueling outage expenses	4,415	4,454	13,147	13,796
Other operation and maintenance	89,446	89,081	267,505	255,566
Decommissioning	3,783	3,572	11,187	10,565
Taxes other than income taxes	19,141	20,668	55,728	58,246
Depreciation and amortization	36,958	35,784	109,345	107,183
Other regulatory charges (credits) - net	3,928	(16,373)	32,536	(17,695)
TOTAL	348,890	496,672	1,038,605	1,342,202
OPERATING INCOME	85,561	100,276	196,824	273,206
OTHER INCOME				
Allowance for equity funds used during construction	1,760	2,273	6,512	6,176
Interest and investment income	13,442	10,269	33,350	30,100
Miscellaneous - net	(1,615)	(2,643)	(6,727)	(6,515)
TOTAL	13,587	9,899	33,135	29,761
INTEREST EXPENSE				
Interest expense	20,406	20,731	62,297	63,311
Allowance for borrowed funds used during construction	(652)	(931)	(2,516)	(2,624)
TOTAL	19,754	19,800	59,781	60,687
INCOME BEFORE INCOME TAXES	79,394	90,375	170,178	242,280
Income taxes	29,184	37,205	41,220	92,083
NET INCOME	50,210	53,170	128,958	150,197
Preferred distribution requirements and other	206	206	619	619

EARNINGS APPLICABLE TO COMMON EQUITY	\$50,004	\$52,964	\$128,339	\$149,578
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See Notes to Financial Statements.

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ENTERGY GULF STATES LOUISIANA, L.L.C.
 STATEMENTS OF COMPREHENSIVE INCOME
 For the Three and Nine Months Ended September 30, 2012 and 2011
 (Unaudited)

	Three Months Ended		Nine Months Ended	
	2012	2011	2012	2011
	(In Thousands)		(In Thousands)	
Net Income	\$50,210	\$53,170	\$128,958	\$150,197
Other comprehensive income				
Pension and other postretirement liabilities				
(net of tax expense of \$703, \$507, \$8,247, and \$1,522)	862	486	12,397	1,715
Other comprehensive income	862	486	12,397	1,715
Comprehensive Income	\$51,072	\$53,656	\$141,355	\$151,912

See Notes to Financial Statements.

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ENTERGY GULF STATES LOUISIANA, L.L.C.
 STATEMENTS OF CASH FLOWS
 For the Nine Months Ended September 30, 2012 and 2011
 (Unaudited)

	2012	2011
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	\$ 128,958	\$ 150,197
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Depreciation, amortization, and decommissioning, including nuclear fuel amortization	158,577	154,739
Deferred income taxes, investment tax credits, and non-current taxes accrued	51,415	(24,492)
Changes in working capital:		
Receivables	63,699	(153,380)
Fuel inventory	(7,747)	9,427
Accounts payable	42,149	(64,105)
Prepaid taxes and taxes accrued	67,987	148,158
Interest accrued	5,696	5,877
Deferred fuel costs	(91,354)	(1,596)
Other working capital accounts	(11,434)	75,582
Changes in provisions for estimated losses	(3,100)	1,670
Changes in other regulatory assets	(5,648)	21,858
Changes in pension and other postretirement liabilities	(3,459)	(16,605)
Other	(4,028)	7,127
Net cash flow provided by operating activities	391,711	314,457
INVESTING ACTIVITIES		
Construction expenditures	(198,785)	(156,944)
Allowance for equity funds used during construction	6,512	6,176
Nuclear fuel purchases	(41,592)	(73,853)
Proceeds from the sale of nuclear fuel	56,579	9,647
Proceeds from nuclear decommissioning trust fund sales	96,653	56,543
Investment in nuclear decommissioning trust funds	(111,084)	(70,623)
Change in money pool receivable - net	(8,565)	49,723
Proceeds from the sale of investment	51,000	-
Receipts from storm reserve escrow account	3,364	-
Other	(66)	(100)
Net cash flow used in investing activities	(145,984)	(179,431)
FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	74,251	-
Retirement of long-term debt	(70,840)	-
Changes in credit borrowings - net	(29,400)	18,500
Dividends/distributions paid:		
Common equity	(67,400)	(281,950)
Preferred membership interests	(619)	(619)
Other	-	(266)
Net cash flow used in financing activities	(94,008)	(264,335)

Net increase (decrease) in cash and cash equivalents	151,719	(129,309)
Cash and cash equivalents at beginning of period	24,845	155,173
Cash and cash equivalents at end of period	\$176,564	\$25,864

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid/(received) during the period for:

Interest - net of amount capitalized	\$54,291	\$55,073
Income taxes	\$-	\$(7)

See Notes to Financial Statements.

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ENTERGY GULF STATES LOUISIANA, L.L.C.
BALANCE SHEETS

ASSETS

September 30, 2012 and December 31, 2011

(Unaudited)

	2012	2011
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	\$20,295	\$217
Temporary cash investments	156,269	24,628
Total cash and cash equivalents	176,564	24,845
Accounts receivable:		
Customer	64,723	61,648
Allowance for doubtful accounts	(749)	(843)
Associated companies	110,558	171,431
Other	18,710	22,082
Accrued unbilled revenues	57,097	51,155
Total accounts receivable	250,339	305,473
Fuel inventory - at average cost	30,996	23,249
Materials and supplies - at average cost	120,566	114,075
Deferred nuclear refueling outage costs	8,474	21,066
Gas hedge contracts	2,971	-
Prepayments and other	9,053	5,180
TOTAL	598,963	493,888
OTHER PROPERTY AND INVESTMENTS		
Investment in affiliate preferred membership interests	289,664	339,664
Decommissioning trust funds	474,976	420,917
Non-utility property - at cost (less accumulated depreciation)	164,898	164,712
Storm reserve escrow account	86,951	90,249
Other	13,310	12,701
TOTAL	1,029,799	1,028,243
UTILITY PLANT		
Electric	7,206,302	7,068,657
Natural gas	133,893	129,950
Construction work in progress	172,141	122,051
Nuclear fuel	151,729	206,031
TOTAL UTILITY PLANT	7,664,065	7,526,689
Less - accumulated depreciation and amortization	3,983,405	3,906,353
UTILITY PLANT - NET	3,680,660	3,620,336
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
Regulatory asset for income taxes - net	172,995	173,724

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Other regulatory assets	340,275	333,898
Deferred fuel costs	100,124	100,124
Other	15,768	13,506
TOTAL	629,162	621,252
TOTAL ASSETS	\$5,938,584	\$5,763,719

See Notes to Financial Statements.

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ENTERGY GULF STATES LOUISIANA, L.L.C.
BALANCE SHEETS
LIABILITIES AND EQUITY
September 30, 2012 and December 31, 2011
(Unaudited)

	2012	2011
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	\$75,000	\$60,000
Accounts payable:		
Associated companies	87,451	73,305
Other	154,731	101,009
Customer deposits	48,146	49,734
Taxes accrued	175,354	107,367
Accumulated deferred income taxes	20,634	5,107
Interest accrued	31,780	26,084
Deferred fuel costs	5,824	97,178
Pension and other postretirement liabilities	8,295	7,911
Gas hedge contracts	-	8,572
Other	14,763	15,294
TOTAL	621,978	551,561
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	1,371,292	1,368,563
Accumulated deferred investment tax credits	79,114	81,520
Other regulatory liabilities	117,007	75,721
Decommissioning and asset retirement cost liabilities	375,452	359,792
Accumulated provisions	96,351	99,033
Pension and other postretirement liabilities	328,829	332,672
Long-term debt	1,442,369	1,482,430
Long-term payables - associated companies	29,912	31,254
Other	68,282	47,397
TOTAL	3,908,608	3,878,382
Commitments and Contingencies		
EQUITY		
Preferred membership interests without sinking fund	10,000	10,000
Member's equity	1,455,211	1,393,386
Accumulated other comprehensive loss	(57,213)	(69,610)
TOTAL	1,407,998	1,333,776
TOTAL LIABILITIES AND EQUITY	\$5,938,584	\$5,763,719

See Notes to Financial Statements.

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ENTERGY GULF STATES LOUISIANA, L.L.C.
 STATEMENTS OF CHANGES IN EQUITY
 For the Nine Months Ended September 30, 2012 and 2011
 (Unaudited) (In Thousands)

	Preferred Membership Interests	Member's Equity	Common Equity Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 31, 2010	\$ 10,000	\$1,494,593	\$ (40,304)	\$1,464,289
Net income	-	150,197	-	150,197
Other comprehensive income	-	-	1,715	1,715
Dividends/distributions declared on common equity	-	(281,950)	-	(281,950)
Dividends/distributions declared on preferred membership interests	-	(619)	-	(619)
Other	-	(19)	-	(19)
Balance at September 30, 2011	\$ 10,000	\$1,362,202	\$ (38,589)	\$1,333,613
Balance at December 31, 2011	\$ 10,000	\$1,393,386	\$ (69,610)	\$1,333,776
Net income	-	128,958	-	128,958
Member contribution	-	1,000	-	1,000
Other comprehensive income	-	-	12,397	12,397
Dividends/distributions declared on common equity	-	(67,400)	-	(67,400)
Dividends/distributions declared on preferred membership interests	-	(619)	-	(619)
Other	-	(114)	-	(114)
Balance at September 30, 2012	\$ 10,000	\$1,455,211	\$ (57,213)	\$1,407,998

See Notes to Financial Statements.

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ENTERGY GULF STATES LOUISIANA, L.L.C.
 SELECTED OPERATING RESULTS
 For the Three and Nine Months Ended September 30, 2012 and 2011
 (Unaudited)

Description	Three Months Ended		Increase/ (Decrease)	%
	2012	2011		
(Dollars In Millions)				
Electric Operating Revenues:				
Residential	\$ 119	\$ 166	\$ (47)	(28)
Commercial	90	125	(35)	(28)
Industrial	89	136	(47)	(35)
Governmental	5	5	0	-
Total retail	303	432	(129)	(30)
Sales for resale:				
Associated companies	103	136	(33)	(24)
Non-associated companies	9	14	(5)	(36)
Other	11	5	6	120
Total	\$ 426	\$ 587	\$ (161)	(27)

Billed Electric Energy

Sales (GWh):				
Residential	1,718	1,802	(84)	(5)
Commercial	1,500	1,516	(16)	(1)
Industrial	2,210	2,299	(89)	(4)
Governmental	61	61	0	-
Total retail	5,489	5,678	(189)	(3)
Sales for resale:				
Associated companies	2,295	2,462	(167)	(7)
Non-associated companies	229	243	(14)	(6)
Total	8,013	8,383	(370)	(4)

Description	Nine Months Ended		Increase/ (Decrease)	%
	2012	2011		
(Dollars In Millions)				
Electric Operating Revenues:				
Residential	\$ 295	\$ 386	\$ (91)	(24)
Commercial	258	325	(67)	(21)
Industrial	287	379	(92)	(24)
Governmental	14	16	(2)	(13)
Total retail	854	1,106	(252)	(23)
Sales for resale:				
Associated companies	281	381	(100)	(26)
Non-associated companies	23	42	(19)	(45)
Other	43	37	6	16
Total	\$ 1,201	\$ 1,566	\$ (365)	(23)

Billed Electric Energy

Sales (GWh):

Residential	4,019	4,278	(259)	(6)
Commercial	4,003	4,004	(1)	-
Industrial	6,741	6,819	(78)	(1)
Governmental	174	168	6	4
Total retail	14,937	15,269	(332)	(2)
Sales for resale:				
Associated companies	5,858	6,598	(740)	(11)
Non-associated companies	673	753	(80)	(11)
Total	21,468	22,620	(1,152)	(5)

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ENTERGY LOUISIANA, LLC AND SUBSIDIARIES
MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Plan to Spin Off the Utility's Transmission Business

See the "Plan to Spin Off the Utility's Transmission Business" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis in the Form 10-K and herein for a discussion of Entergy's plan to spin off its transmission business and merge it with a newly formed subsidiary of ITC Holdings Corp., including the planned retirement of debt and preferred securities.

Hurricane Isaac

In August 2012, Hurricane Isaac caused extensive damage to Entergy Louisiana's service area. The storm resulted in widespread power outages, significant damage primarily to distribution infrastructure, and the loss of sales during the power outages. Total restoration costs for the repair and/or replacement of Entergy Louisiana's electric facilities damaged by Hurricane Isaac are currently estimated to be in the range of \$240 million to \$300 million. Entergy Louisiana is considering all reasonable avenues to recover storm-related costs from Hurricane Isaac, including, but not limited to, accessing funded storm reserves; securitization or other alternative financing; and traditional retail recovery on an interim and permanent basis. Storm cost recovery or financing may be subject to review by applicable regulatory authorities.

Entergy Louisiana has recorded accounts payable for the estimated costs incurred that were necessary to return customers to service. Entergy Louisiana recorded corresponding regulatory assets of approximately \$84 million and construction work in progress of approximately \$161 million. Entergy Louisiana recorded the regulatory assets in accordance with its accounting policies and based on the historic treatment of such costs in its service area because management believes that recovery through some form of regulatory mechanism is probable. Because Entergy Louisiana has not gone through the regulatory process regarding these storm costs, however, there is an element of risk, and Entergy Louisiana is unable to predict with certainty the degree of success it may have in its recovery initiatives, the amount of restoration costs that it may ultimately recover, or the timing of such recovery.

Results of Operations

Net Income

Third Quarter 2012 Compared to Third Quarter 2011

Net income decreased \$257.5 million primarily due to a prior year settlement with the IRS related to the mark-to-market income tax treatment of power purchase contracts, which resulted in a \$422 million reduction in income tax expense in the third quarter 2011. The net income effect was partially offset by a \$199 million regulatory charge, which reduced net revenue in the third quarter 2011, because Entergy Louisiana is sharing the benefits with customers. See Note 3 to the financial statements in the Form 10-K for additional discussion of the settlement and benefit sharing.

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Entergy Louisiana, LLC and Subsidiaries
 Management's Financial Discussion and Analysis

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

Net income decreased \$208.9 million primarily due to a prior year settlement with the IRS related to the mark-to-market income tax treatment of power purchase contracts, which resulted in a \$422 million reduction in income tax expense in the third quarter 2011. The net income effect was partially offset by a \$199 million regulatory charge, which reduced net revenue in the nine months ended September 30, 2011, because Entergy Louisiana is sharing the benefit with customers. See Note 3 to the financial statements in the Form 10-K for additional discussion of the settlement and benefit sharing. Partially offsetting the decrease in net income was the IRS tax settlement, in June 2012, related to the uncertain tax position regarding the Hurricane Katrina and Hurricane Rita Louisiana Act 55 financing, which resulted in a \$142.7 million income tax benefit, partially offset by a \$137.1 million (\$84.3 million net-of-tax) regulatory charge, which reduced net revenue in the nine months ended September 30, 2012, because Entergy Louisiana is sharing the benefit with customers. See Note 10 to the financial statements herein for additional discussion of the settlement and benefit sharing.

Net Revenue

Third Quarter 2012 Compared to Third Quarter 2011

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges (credits). Following is an analysis of the change in net revenue comparing the third quarter 2012 to the third quarter 2011.

	Amount (In Millions)
2011 net revenue	\$130.3
Mark-to-market tax settlement sharing	199.6
Volume/weather	(16.7)
Other	(1.1)
2012 net revenue	\$312.1

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

The volume/weather variance is primarily due to the effect of milder weather as compared to the previous year on residential and commercial sales, the effects of the power outages caused by Hurricane Isaac, and decreased usage in the industrial sector as a result of decreased consumption by a large industrial customer in the chemical industry as a result of an unplanned outage.

Gross operating revenues, fuel and purchased power expenses, and other regulatory charges (credits)

Gross operating revenues decreased primarily due to a decrease of \$158.7 million in fuel cost recovery revenues primarily due to lower fuel rates and the decrease related to volume/weather, as discussed above. Entergy Louisiana's

fuel and purchased power recovery mechanism is discussed in Note 2 to the financial statements in the Form 10-K.

Fuel and purchased power expenses decreased primarily due to a decrease in the average market prices of natural gas and purchased power and decreased demand.

Other regulatory charges decreased primarily due to a regulatory charge recorded in the third quarter 2011 because Entergy Louisiana is sharing the benefits of a settlement with the IRS related to mark-to-market income tax treatment of power purchase contracts with customers. See Note 3 to the financial statements in the Form 10-K for additional discussion of the settlement.

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Entergy Louisiana, LLC and Subsidiaries
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Nine Months Ended September 30, 2012 Compared to Nine Months Ended September 30, 2011

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges. Following is an analysis of the change in net revenue comparing the nine months ended September 30, 2012 to the nine months ended September 30, 2011.

	Amount (In Millions)
2011 net revenue	\$650.1
Mark-to-market tax settlement sharing	201.4
Retail electric price	13.7
Volume/weather	(25.5)
Louisiana Act 55 financing tax settlement sharing	(135.6)
Other	(1.6)
2012 net revenue	\$702.5

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

The retail electric price variance is primarily due to a special formula rate plan rate increase effective May 2011 in accordance with a previous LPSC order relating to the acquisition of Unit 2 of the Acadia Energy Center. See Note 2 to the financial statements in the Form 10-K for a discussion of the formula rate plan increase.

The volume/weather variance is primarily due to the effect of milder weather as compared to the previous year on residential and commercial sales and the effects of the power outages caused by Hurricane Isaac, partially offset by increased usage in the industrial sector as a result of increased consumption by a large industrial customer in the chemical industry as a result of plant expansion.

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

Gross operating revenues, fuel and purchased power expenses, and other regulatory charges

Gross operating revenues decreased primarily due to:

- a decrease of \$270.2 million in fuel cost recovery revenues primarily due to lower fuel rates. Entergy Louisiana's fuel and purchased power recovery mechanism is discussed in Note 2 to the financial statements in the Form 10-K;
 - the decrease related to volume/weather, as discussed above; and
- a decrease of \$15.9 million in gross wholesale revenues due to a decrease in sales to affiliated customers.

Fuel and purchased power expenses decreased primarily due to a decrease in the average market prices of natural gas and purchased power.

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Entergy Louisiana, LLC and Subsidiaries
Management's Financial Discussion and Analysis

Other regulatory charges decreased primarily due to a regulatory charge recorded in the third quarter 2011 because Entergy Louisiana is sharing the benefits of a settlement with the IRS related to mark-to-market income tax treatment of power purchase contracts with customers, partially offset by a regulatory charge recorded in the second quarter 2012 because Entergy Louisiana is sharing the benefits of a settlement with the IRS related to the uncertain tax position regarding the Hurricane Katrina and Hurricane Rita Louisiana Act 55 financing with customers. See Note 10 to the financial statements herein and Note 3 to the financial statements in the Form 10-K for additional discussion of the settlements.

Other Income Statement Variances

Third Quarter 2012 Compared to Third Quarter 2011

Interest expense increased primarily due to:

- cessation in 2011 of interest on transmission credits per a FERC order relating to an interconnection and operating agreement between a power producer and Entergy Louisiana;
- the issuance by Entergy Louisiana Investment Recovery Funding, L.L.C., a wholly owned subsidiary of Entergy Louisiana, of \$207.2 million of senior secured investment recovery bonds with a coupon rate of 2.04% in September 2011;
 - the issuance of \$250 million of 1.875% Series first mortgage bonds in January 2012; and
 - the issuance of \$200 million of 5.25% Series first mortgage bonds in July 2012.

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

Other operation and maintenance expenses increased primarily due to:

- an increase of \$8 million in compensation and benefits costs primarily due to decreasing discount rates and changes in certain actuarial assumptions resulting from a recent experience study. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefits costs;
- an increase of \$8.6 million in fossil-fueled generation expenses due to an overall higher scope of outages compared to prior year and the addition of Acadia Unit 2 in April 2011; and
- \$4.8 million of costs incurred in 2012 related to the planned spin-off and merger of the transmission business.

The increase was partially offset by the deferral, as approved by the LPSC and the FERC, of costs related to the transition and implementation of joining the MISO RTO, which reduced expenses by \$5.2 million.

Depreciation and amortization expenses increased primarily due to additions to plant in service, including the acquisition of the Acadia Unit 2 in 2011.

Interest expense increased primarily due to:

- cessation in 2011 of interest on transmission credits per a FERC order relating to an interconnection and operating agreement between a power producer and Entergy Louisiana;
 - the issuance of \$200 million of 4.8% Series first mortgage bonds in March 2011;

- the issuance by Entergy Louisiana Investment Recovery Funding, L.L.C., a wholly owned subsidiary of Entergy Louisiana, of \$207.2 million of senior secured investment recovery bonds with a coupon rate of 2.04% in September 2011;
 - the issuance of \$250 million of 1.875% Series first mortgage bonds in January 2012; and
 - the issuance of \$200 million of 5.25% Series first mortgage bonds in July 2012.

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Entergy Louisiana, LLC and Subsidiaries
 Management's Financial Discussion and Analysis

Income Taxes

The effective income tax rate was 34.7% for the third quarter 2012 and (110.1%) for the nine months ended September 30, 2012. The difference in the effective income tax rate for the third quarter 2012 versus the federal statutory rate of 35% is due to a change in the regulatory treatment of state income taxes included in formula rate plan filings, partially offset by book and tax differences related to the non-taxable income distributions earned on preferred membership interests. The difference in the effective income tax rate for the nine months ended September 30, 2012 versus the federal statutory rate of 35% is due to the reversal of the provision for uncertain tax positions related to the IRS settlement on how to treat the Louisiana Act 55 financing of the Hurricane Katrina and Hurricane Rita storm costs, book and tax differences related to the non-taxable income distributions earned on preferred membership interests, and book and tax differences related to the allowance for equity funds used during construction, partially offset by a change to the regulatory treatment of state income taxes included in formula rate plan filings.

The effective income tax rate was 727.8% for the third quarter 2011 and (359.5%) for the nine months ended September 30, 2011. The differences in the effective income tax rates for the third quarter 2011 and the nine months ended September 30, 2011 versus the federal statutory rate of 35% were primarily due to the third quarter 2011 reversal of the provision for uncertain tax positions resulting from a settlement with the IRS related to the mark-to-market income tax treatment of power purchase contracts.

Liquidity and Capital Resources

Cash Flow

Cash flows for the nine months ended September 30, 2012 and 2011 were as follows:

	2012	2011
	(In Thousands)	
Cash and cash equivalents at beginning of period	\$878	\$123,254
Cash flow provided by (used in):		
Operating activities	401,672	248,173
Investing activities	(519,816)	(699,523)
Financing activities	266,171	381,593
Net increase (decrease) in cash and cash equivalents	148,027	(69,757)
Cash and cash equivalents at end of period	\$148,905	\$53,497

Operating Activities

Net cash flow provided by operating activities increased \$153.5 million for the nine months ended September 30, 2012 compared to the nine months ended September 30, 2011 primarily due to the purchase in 2011 of \$28.1 million of fuel oil from System Fuels because System Fuels will no longer procure fuel oil for the Utility companies, a decrease of \$22.6 million in pension contributions, and the timing of collections of customer receivables, partially offset by an increase of \$18.6 million in interest paid, as discussed above. 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.

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Entergy Louisiana, LLC and Subsidiaries
Management's Financial Discussion and Analysis

Investing Activities

Net cash flow used in investing activities decreased \$179.7 million for the nine months ended September 30, 2012 compared to the nine months ended September 30, 2011 primarily due to:

- the purchase of the Acadia Unit 2 for approximately \$300 million in April 2011;
- a decrease in nuclear fuel activity because of variations from year to year in the timing and pricing of fuel reload requirements in the Utility business, material and services deliveries, and the timing of cash payments during the nuclear fuel cycle;
 - a decrease in transmission construction expenditures due to increased work performed in 2011; and
 - receipts of \$13.7 million in 2012 from the storm reserve escrow account.

The decrease was partially offset by the following:

- an increase in fossil construction expenditures due to spending on the Ninemile Unit 6 self-build project;
- an increase in nuclear construction expenditures due to the Waterford 3 steam generator replacement project in 2012. The increase is partially offset by various nuclear projects in 2011; and
 - money pool activity.

Increases in Entergy Louisiana's receivable from the money pool are a use of cash flow, and Entergy Louisiana's receivable from the money pool increased by \$30.7 million for the nine months ended September 30, 2012 compared to decreasing by \$22.8 million for the nine months ended September 30, 2011. The money pool is an inter-company borrowing arrangement designed to reduce the Utility subsidiaries' need for external short-term borrowings.

Financing Activities

Net cash flow provided by financing activities decreased \$115.4 million for the nine months ended September 30, 2012 compared to the nine months ended September 30, 2011 primarily due to the following cash flow activity:

- money pool activity;
 - the payment on credit borrowings of \$50 million on Entergy Louisiana's credit facility in 2012;
 - a principal payment of \$12.3 million in 2012 for the Senior Secured Investment Recovery bonds;
- the issuances of \$250 million of 1.875% Series first mortgage bonds in January 2012 and \$200 million of 5.25% Series first mortgage bonds in July 2012 compared to the issuance of \$200 million of 4.8% Series first mortgage bonds in March 2011;
- the issuance by Entergy Louisiana Investment Recovery Funding, L.L.C., a wholly owned subsidiary of Entergy Louisiana, of \$207.2 million of senior secured investment recovery bonds with a coupon rate of 2.04% in September 2011;
- an increase in borrowings of \$12.1 million on the nuclear fuel company variable interest entity's credit facility in 2012 compared to an increase in borrowings of \$33.5 million on the nuclear fuel company variable interest entity's credit facility in 2011;
- the issuance of the \$25 million 3.25% Series G note by the nuclear fuel company variable interest entity in August 2012;
- the issuance of the \$20 million 3.30% Series F note by the nuclear fuel company variable interest entity in March 2011;

- a principal payment of \$25.3 million in 2012 for the Waterford 3 sale-leaseback obligation compared to a principal payment of \$35.5 million in 2011; and
 - a decrease of \$30.6 million in common equity dividends in 2012.

Decreases in Entergy Louisiana's payable to the money pool are a use of cash flow, and Entergy Louisiana's payable to the money pool decreased by \$118.4 million for the nine months ended September 30, 2012.

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Entergy Louisiana, LLC and Subsidiaries
 Management's Financial Discussion and Analysis

Capital Structure

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

	September 30, 2012	December 31, 2011
Debt to capital	49.0%	47.2%
Effect of excluding securitization bonds	(1.9)%	(2.3)%
Debt to capital, excluding securitization bonds (1)	47.1%	44.9%
Effect of subtracting cash	(1.5)%	-%
Net debt to net capital, excluding securitization bonds (1)	45.6%	44.9%

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

Net debt consists of debt less cash and cash equivalents. Debt consists of notes payable and long-term debt, including the currently maturing portion. Capital consists of debt and member's equity. Net capital consists of capital less cash and cash equivalents. Entergy Louisiana 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 Louisiana's financial condition.

Uses and Sources of Capital

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources" in the Form 10-K for a discussion of Entergy Louisiana's uses and sources of capital. Entergy Louisiana is developing its capital investment plan for 2013 through 2015 and currently anticipates making \$1.5 billion in capital investments during that period, including approximately \$647 million for maintenance of existing assets. The remaining \$867 million is associated with specific investments such as environmental compliance spending, transmission upgrades and system improvements, and other investments, such as the Ninemile Point Unit 6 self-build project and completion of the Waterford 3 steam generator replacement project. Following are additional updates to the information provided in the Form 10-K.

Entergy Louisiana's receivables from or (payables to) the money pool were as follows:

September 30, 2012	December 31, 2011	September 30, 2011	December 31, 2010
(In Thousands)			
\$30,710	(\$118,415)	\$27,107	\$49,887

See Note 4 to the financial statements in the Form 10-K for a description of the money pool.

Entergy Louisiana has a credit facility in the amount of \$200 million scheduled to expire in March 2017. No borrowings were outstanding under the facility as of September 30, 2012. See Note 4 to the financial statements herein for additional discussion of the credit facility.

In January 2012, Entergy Louisiana issued \$250 million of 1.875% Series first mortgage bonds due December 2014. Entergy Louisiana used a portion of the proceeds to repay short-term borrowings under the Entergy System money pool.

In July 2012, Entergy Louisiana issued \$200 million of 5.25% Series first mortgage bonds due July 2052. Entergy Louisiana used the proceeds for general corporate purposes.

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Entergy Louisiana, LLC and Subsidiaries
Management's Financial Discussion and Analysis

In August 2012 the Entergy Louisiana nuclear fuel company variable interest entity issued \$25 million of 3.25% Series G notes due July 2017. The Entergy Louisiana nuclear fuel company variable interest entity used the proceeds to purchase additional nuclear fuel.

Waterford 3 Steam Generator Replacement Project

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

New Nuclear Development

See the Form 10-K for a discussion of the project option being developed by Entergy Gulf States Louisiana and Entergy Louisiana for new nuclear generation at River Bend. In March 2010, Entergy Gulf States Louisiana and Entergy Louisiana filed with the LPSC seeking approval to continue the limited development activities necessary to preserve an option to construct a new unit at River Bend. The testimony and legal briefs of the LPSC staff generally support the request of Entergy Gulf States Louisiana and Entergy Louisiana, although other parties filed briefs, without supporting testimony, in opposition to the request. At an evidentiary hearing in October 2011, Entergy Gulf States Louisiana, Entergy Louisiana, and the LPSC staff presented testimony in support of certification of activities to preserve an option for a new nuclear plant at River Bend. The ALJ recommended, however, that the LPSC decline the request of Entergy Gulf States Louisiana and Entergy Louisiana on the basis that the LPSC's rule on new nuclear development does not apply to activities to preserve an option to develop and on the further grounds that the companies improperly engaged in advanced preparation activities prior to certification. There has been no suggestion that the planning activities or costs incurred were imprudent. At its June 28, 2012 meeting the LPSC voted to uphold the ALJ's decision and directed that Entergy Gulf States Louisiana and Entergy Louisiana be permitted to seek recovery of these costs in the rate case filings that are anticipated in January 2013, fully reserving the LPSC's right to determine the recoverability of such costs in rates. On September 10, 2012, Entergy Gulf States Louisiana and Entergy Louisiana filed a petition for appeal and judicial review of the LPSC's order with the Louisiana Nineteenth Judicial District Court. A schedule for the appeal has not been established.

Entergy Louisiana's Ninemile Point Unit 6 Self-Build Project

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

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Entergy Louisiana, LLC and Subsidiaries
Management's Financial Discussion and Analysis

State and Local Rate Regulation

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – State and Local Rate Regulation" in the Form 10-K for a discussion of state and local rate regulation. Following is an update to that discussion.

In May 2012, Entergy Louisiana made its formula rate plan filing with the LPSC for the 2011 test year. The filing reflected a 9.63% earned return on common equity, which is within the earnings bandwidth and results in no cost of service rate change under the formula rate plan. The filing also reflected an \$18.1 million rate increase for incremental capacity costs. Subsequently, in June 2012, Entergy Louisiana supplemented the filing to estimate at \$101 million the first-year revenue requirement associated with the Waterford 3 replacement steam generator project when it is placed into service. In August 2012, Entergy Louisiana submitted a revised filing that reflects an earned return on common equity of 10.38%, which is still within the earnings bandwidth, resulting in no cost of service rate change. The revised filing also indicates that an increase of \$15.9 million should be reflected in the incremental capacity rider. The rate change was implemented, subject to refund, effective for bills rendered the first billing cycle of September 2012. The filing remains subject to LPSC review. The September 2012 rate change contributed approximately \$1.3 million to Entergy Louisiana's revenues in the third quarter 2012.

Federal Regulation

See "Entergy's Proposal to Join the MISO RTO" in the "Rate, Cost-recovery, and Other Regulation – Federal Regulation" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for updates to the Federal Regulation discussion in the Form 10-K.

Nuclear Matters

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Nuclear Matters" in the Form 10-K for a discussion of nuclear matters.

Environmental Risks

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Environmental Risks" in the Form 10-K for a discussion of environmental risks.

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 Louisiana's accounting for nuclear decommissioning costs, unbilled revenue, and qualified pension and other postretirement benefits. Following is an update to that discussion.

Nuclear Decommissioning Costs

In the second quarter 2012, Entergy Louisiana recorded a revision to its estimated decommissioning cost liability for Waterford 3 as a result of a revised decommissioning cost study. The revised estimate resulted in a \$48.9 million increase in its decommissioning cost liability, along with a corresponding increase in the related asset retirement

obligation asset that will be depreciated over the remaining life of the unit.

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ENTERGY LOUISIANA, LLC AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
For the Three and Nine Months Ended September 30, 2012 and 2011
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2012	2011	2012	2011
	(In Thousands)		(In Thousands)	
OPERATING REVENUES				
Electric	\$614,044	\$786,814	\$1,658,189	\$1,954,095
OPERATING EXPENSES				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	134,108	221,832	320,991	450,589
Purchased power	168,817	239,484	505,935	670,408
Nuclear refueling outage expenses	6,103	6,861	18,573	21,042
Other operation and maintenance	106,523	107,740	334,559	320,544
Decommissioning	5,169	6,219	18,172	18,328
Taxes other than income taxes	17,913	18,232	52,122	53,316
Depreciation and amortization	54,642	52,991	162,474	154,414
Other regulatory charges (credits) - net	(956)	195,161	128,749	182,951
TOTAL	492,319	848,520	1,541,575	1,871,592
OPERATING INCOME (LOSS)	121,725	(61,706)	116,614	82,503
OTHER INCOME				
Allowance for equity funds used during construction	9,981	8,278	27,032	23,929
Interest and investment income	21,566	21,975	63,178	66,101
Miscellaneous - net	519	(1,353)	(1,680)	(2,007)
TOTAL	32,066	28,900	88,530	88,023
INTEREST EXPENSE				
Interest expense	35,731	25,363	101,434	84,698
Allowance for borrowed funds used during construction	(4,776)	(4,373)	(12,530)	(12,776)
TOTAL	30,955	20,990	88,904	71,922
INCOME (LOSS) BEFORE INCOME TAXES	122,836	(53,796)	116,240	98,604
Income taxes (benefit)	42,628	(391,518)	(127,977)	(354,521)
NET INCOME	80,208	337,722	244,217	453,125
Preferred dividend requirements and other	1,738	1,738	5,213	5,213
EARNINGS APPLICABLE TO COMMON EQUITY	\$78,470	\$335,984	\$239,004	\$447,912

See Notes to Financial Statements.

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ENTERGY LOUISIANA, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Three and Nine Months Ended September 30, 2012 and 2011
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2012	2011	2012	2011
	(In Thousands)		(In Thousands)	
Net Income	\$80,208	\$337,722	\$244,217	\$453,125
Other comprehensive income				
Pension and other postretirement liabilities				
(net of tax expense of \$493, \$366, \$1,480, and \$1,097)	630	366	1,890	1,467
Other comprehensive income	630	366	1,890	1,467
Comprehensive Income	\$80,838	\$338,088	\$246,107	\$454,592

See Notes to Financial Statements.

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ENTERGY LOUISIANA, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 2012 and 2011
(Unaudited)

	2012	2011
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	\$244,217	\$453,125
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Depreciation, amortization, and decommissioning, including nuclear fuel amortization	299,745	212,963
Deferred income taxes, investment tax credits, and non-current taxes accrued	(94,765)	(273,339)
Changes in working capital:		
Receivables	(37,610)	(110,234)
Fuel inventory	(3)	(25,623)
Accounts payable	65,772	(72)
Prepaid taxes and taxes accrued	6,383	17,526
Interest accrued	(1,557)	1,342
Deferred fuel costs	(30,132)	(41,969)
Other working capital accounts	(29,490)	(13,528)
Changes in provisions for estimated losses	(17,392)	(7,802)
Changes in other regulatory assets	(42,781)	84,811
Changes in other regulatory liabilities	139,624	193,034
Changes in pension and other postretirement liabilities	(17,361)	(42,095)
Other	(82,978)	(199,966)
Net cash flow provided by operating activities	401,672	248,173
INVESTING ACTIVITIES		
Construction expenditures	(429,820)	(314,799)
Allowance for equity funds used during construction	27,032	23,929
Nuclear fuel purchases	(134,413)	(135,404)
Proceeds from the sale of nuclear fuel	48,990	11,570
Payment for purchase of plant	-	(299,589)
Receipts from storm reserve escrow account	13,669	-
Remittances to transition charge account	(22,113)	-
Payments from transition charge account	15,472	-
Proceeds from nuclear decommissioning trust fund sales	19,833	11,491
Investment in nuclear decommissioning trust funds	(28,422)	(19,279)
Changes in money pool receivable - net	(30,710)	22,780
Other	666	(222)
Net cash flow used in investing activities	(519,816)	(699,523)
FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	465,997	420,076
Retirement of long-term debt	(37,649)	(35,547)
Changes in short-term borrowings - net	(37,949)	33,477
Change in money pool payable - net	(118,415)	-
Distributions paid:		

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Common equity	(600)	(31,200)
Preferred membership interests	(5,213)	(5,213)
Net cash flow provided by financing activities	266,171	381,593
Net increase (decrease) in cash and cash equivalents	148,027	(69,757)
Cash and cash equivalents at beginning of period	878	123,254
Cash and cash equivalents at end of period	\$ 148,905	\$ 53,497
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid (received) during the period for:		
Interest - net of amount capitalized	\$98,979	\$80,354
Income taxes	\$(3,601)	\$(77)

See Notes to Financial Statements.

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ENTERGY LOUISIANA, LLC AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEETS

ASSETS

September 30, 2012 and December 31, 2011

(Unaudited)

	2012	2011
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	\$435	\$878
Temporary cash investments	148,470	-
Total cash and cash equivalents	148,905	878
Securitization recovery trust account	11,840	5,200
Accounts receivable:		
Customer	140,270	102,379
Allowance for doubtful accounts	(1,184)	(1,147)
Associated companies	82,752	60,661
Other	7,663	10,945
Accrued unbilled revenues	90,087	78,430
Total accounts receivable	319,588	251,268
Fuel inventory	23,922	23,919
Materials and supplies - at average cost	150,411	140,561
Deferred nuclear refueling outage costs	10,504	24,197
Prepayments and other	18,083	13,171
TOTAL	683,253	459,194
OTHER PROPERTY AND INVESTMENTS		
Investment in affiliate preferred membership interests	807,423	807,424
Decommissioning trust funds	285,500	253,968
Storm reserve escrow account	186,914	201,249
Non-utility property - at cost (less accumulated depreciation)	624	760
TOTAL	1,280,461	1,263,401
UTILITY PLANT		
Electric	8,045,081	7,859,136
Property under capital lease	278,421	274,334
Construction work in progress	954,983	559,437
Nuclear fuel	182,115	165,380
TOTAL UTILITY PLANT	9,460,600	8,858,287
Less - accumulated depreciation and amortization	3,717,442	3,606,706
UTILITY PLANT - NET	5,743,158	5,251,581
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
Regulatory asset for income taxes - net	184,770	175,952
Other regulatory assets (includes securitization property of \$178,664 as of September 30, 2012 and		

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\$198,445 as of December 31, 2011)	848,435	814,472
Deferred fuel costs	67,998	67,998
Other	42,252	31,269
TOTAL	1,143,455	1,089,691
TOTAL ASSETS	\$8,850,327	\$8,063,867

See Notes to Financial Statements.

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ENTERGY LOUISIANA, LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
LIABILITIES AND EQUITY
September 30, 2012 and December 31, 2011
(Unaudited)

	2012	2011
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	\$14,236	\$75,309
Short-term borrowings	56,444	44,392
Accounts payable:		
Associated companies	82,472	218,001
Other	371,996	130,295
Customer deposits	87,943	86,099
Accumulated deferred income taxes	13,879	4,690
Taxes accrued	37,721	31,338
Interest accrued	34,978	36,535
Deferred fuel costs	36,403	66,535
Pension and other postretirement liabilities	9,348	9,161
System agreement cost equalization	17,689	36,800
Gas hedge contracts	-	12,397
Other	20,521	19,278
TOTAL	783,630	770,830
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	1,011,483	1,098,690
Accumulated deferred investment tax credits	70,964	73,283
Other regulatory liabilities	435,166	295,542
Decommissioning	412,887	345,834
Accumulated provisions	195,668	213,060
Pension and other postretirement liabilities	442,137	459,685
Long-term debt (includes securitization bonds of \$194,797 as of September 30, 2012 and \$207,123 as of December 31, 2011)	2,625,478	2,177,003
Other	67,691	65,011
TOTAL	5,261,474	4,728,108
Commitments and Contingencies		
EQUITY		
Preferred membership interests without sinking fund	100,000	100,000
Member's equity	2,742,840	2,504,436
Accumulated other comprehensive loss	(37,617)	(39,507)
TOTAL	2,805,223	2,564,929
TOTAL LIABILITIES AND EQUITY	\$8,850,327	\$8,063,867

See Notes to Financial Statements.

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ENTERGY LOUISIANA, LLC AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
 For the Nine Months Ended September 30, 2012 and 2011
 (Unaudited) (In Thousands)

	Preferred Membership Interests	Member's Equity	Common Equity Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 31, 2010	\$ 100,000	\$2,061,833	\$ (24,962)	\$2,136,871
Net income	-	453,125	-	453,125
Additional non-cash contribution resulting from tax settlement	-	333,830	-	333,830
Other comprehensive income	-	-	1,467	1,467
Dividends/distributions declared on common equity	-	(31,200)	-	(31,200)
Dividends/distributions declared on preferred membership interests	-	(5,213)	-	(5,213)
Balance at September 30, 2011	\$ 100,000	\$2,812,375	\$ (23,495)	\$2,888,880
Balance at December 31, 2011	\$ 100,000	\$2,504,436	\$ (39,507)	\$2,564,929
Net income	-	244,217	-	244,217
Other comprehensive income	-	-	1,890	1,890
Dividends/distributions declared on common equity	-	(600)	-	(600)
Dividends/distributions declared on preferred membership interests	-	(5,213)	-	(5,213)
Balance at September 30, 2012	\$ 100,000	\$2,742,840	\$ (37,617)	\$2,805,223

See Notes to Financial Statements.

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ENTERGY LOUISIANA, LLC AND SUBSIDIARIES
 SELECTED OPERATING RESULTS
 For the Three and Nine Months Ended September 30, 2012 and 2011
 (Unaudited)

Description	Three Months Ended		Increase/ (Decrease)	%
	2012	2011		
(Dollars In Millions)				
Electric Operating Revenues:				
Residential	\$ 227	\$ 296	\$ (69)	(23)
Commercial	136	169	(33)	(20)
Industrial	180	256	(76)	(30)
Governmental	11	12	(1)	(8)
Total retail	554	733	(179)	(24)
Sales for resale:				
Associated companies	46	40	6	15
Non-associated companies	1	1	-	-
Other	13	13	-	-
Total	\$ 614	\$ 787	\$ (173)	(22)
Billed Electric Energy				
Sales (GWh):				
Residential	2,866	3,089	(223)	(7)
Commercial	1,786	1,833	(47)	(3)
Industrial	4,157	4,305	(148)	(3)
Governmental	125	124	1	1
Total retail	8,934	9,351	(417)	(4)
Sales for resale:				
Associated companies	682	669	13	2
Non-associated companies	21	35	(14)	(40)
Total	9,637	10,055	(418)	(4)
Description	Nine Months Ended		Increase/ (Decrease)	%
	2012	2011		
(Dollars In Millions)				
Electric Operating Revenues:				
Residential	\$ 541	\$ 667	\$ (126)	(19)
Commercial	368	422	(54)	(13)
Industrial	554	649	(95)	(15)
Governmental	29	32	(3)	(9)
Total retail	1,492	1,770	(278)	(16)
Sales for resale:				
Associated companies	99	109	(10)	(9)
Non-associated companies	1	6	(5)	(83)
Other	66	69	(3)	(4)
Total	\$ 1,658	\$ 1,954	\$ (296)	(15)

Billed Electric Energy

Sales (GWh):

Residential	6,844	7,441	(597)	(8)
Commercial	4,675	4,729	(54)	(1)
Industrial	12,448	11,720	728	6
Governmental	362	358	4	1
Total retail	24,329	24,248	81	-
Sales for resale:				
Associated companies	1,749	1,772	(23)	(1)
Non-associated companies	39	118	(79)	(67)
Total	26,117	26,138	(21)	-

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ENTERGY MISSISSIPPI, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Plan to Spin Off the Utility's Transmission Business

See the "Plan to Spin Off the Utility's Transmission Business" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis in the Form 10-K and herein for a discussion of Entergy's plan to spin off its transmission business and merge it with a newly formed subsidiary of ITC Holdings Corp., including the planned retirement of debt and preferred securities.

Hurricane Isaac

In August 2012, Hurricane Isaac caused extensive damage to Entergy Mississippi's service area. The storm resulted in widespread power outages, significant damage primarily to distribution infrastructure, and the loss of sales during the power outages. Total restoration costs for the repair and/or replacement of Entergy Mississippi's electric facilities damaged by Hurricane Isaac are currently estimated to be in the range of \$30 million to \$40 million. Entergy Mississippi is considering all reasonable avenues to recover storm-related costs from Hurricane Isaac, including, but not limited to, traditional retail recovery on an interim and permanent basis.

Entergy Mississippi has recorded accounts payable for the estimated costs incurred that were necessary to return customers to service. Entergy Mississippi recorded corresponding regulatory assets of approximately \$10 million and construction work in progress of approximately \$20 million. Entergy Mississippi recorded the regulatory assets in accordance with its accounting policies and based on the historic treatment of such costs in its service area because management believes that recovery through some form of regulatory mechanism is probable. Because Entergy Mississippi has not gone through the regulatory process regarding these storm costs, however, there is an element of risk, and Entergy Mississippi is unable to predict with certainty the degree of success it may have in its recovery initiatives, the amount of restoration costs that it may ultimately recover, or the timing of such recovery.

Results of Operations

Net Income

Third Quarter 2012 Compared to Third Quarter 2011

Net income decreased \$6.1 million primarily due to higher other operation and maintenance expenses, higher interest expense, higher taxes other than income taxes, and lower other income, partially offset by higher net revenue.

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

Net income decreased \$22.6 million primarily due to higher other operation and maintenance expenses, higher interest expense, higher taxes other than income taxes, lower other income, and a higher effective income tax rate, partially offset by higher net revenue.

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Entergy Mississippi, Inc.
Management's Financial Discussion and Analysis

Net Revenue

Third Quarter 2012 Compared to Third Quarter 2011

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges. Following is an analysis of the change in net revenue comparing the third quarter 2012 to the third quarter 2011.

	Amount (In Millions)
2011 net revenue	\$155.9
Retail electric price	12.1
Other	(0.1)
2012 net revenue	\$167.9

The retail electric price variance is primarily due to an increase in the storm cost recovery rider, as approved by the MPSC for a five-month period effective August 2012. The recovery of storm costs is offset in other operation and maintenance expenses.

Gross operating revenues and fuel expenses

Gross operating revenues decreased primarily due to:

- a decrease of \$40.3 million in fuel cost recovery revenues primarily attributable to lower fuel rates. Entergy Mississippi's fuel recovery mechanism is discussed in Note 2 to the financial statements in the Form 10-K; and
 - a decrease of \$24.3 million in gross wholesale revenues due to a decrease in sales to affiliated customers.

The decrease was partially offset by an increase of \$10 million in storm cost recovery rider revenue, as discussed above, and an increase of \$4.3 million in power management rider revenue. See Note 2 to the financial statements in the Form 10-K for additional discussion of the power management rider.

Fuel expenses decreased primarily due to a decrease in the average market price of natural gas and a decrease in deferred fuel expense due to lower fuel revenues, as discussed above.

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

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges (credits). Following is an analysis of the change in net revenue comparing the nine months ended September 30, 2012 to the nine months ended September 30, 2011.

	Amount (In Millions)
2011 net revenue	\$427.5
Retail electric price	10.2

Reserve equalization	(3.4)
Volume/weather	(3.6)
Other	1.7
2012 net revenue	\$432.4

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Entergy Mississippi, Inc.
Management's Financial Discussion and Analysis

The retail electric price variance is primarily due to an increase in the storm cost recovery rider, as approved by the MPSC for a five-month period effective August 2012. The recovery of storm costs is offset in other operation and maintenance expenses.

The reserve equalization variance is primarily due to decreased reserve equalization revenue as a result of changes in the Entergy System generation mix compared to the same period in 2011.

The volume/weather variance is primarily due to a decrease of 326 GWh, or 3%, in billed electricity usage, including the effect of milder weather, compared to last year, on residential sales.

Gross operating revenues, fuel and purchased power expenses, and other regulatory charges (credits)

Gross operating revenues decreased primarily due to:

- a decrease of \$56.9 million in fuel cost recovery revenues primarily attributable to lower fuel rates. Entergy Mississippi's fuel recovery mechanism is discussed in Note 2 to the financial statements in the Form 10-K;
- a decrease of \$44.3 million in gross wholesale revenues due to a decrease in sales to affiliated customers; and
- a decrease of \$9.4 million in power management rider revenue. See Note 2 to the financial statements in the Form 10-K for additional discussion of the power management rider.

The decrease was partially offset by an increase of \$9.9 million in storm cost recovery rider revenue, as discussed above.

Fuel and purchased power expenses decreased primarily due to a decrease in the average market prices of natural gas and purchased power, partially offset by an increase in the recovery from customers of deferred fuel costs.

Other regulatory charges decreased primarily due to decreased recovery of costs associated with the power management recovery rider. There is no material effect on net income because the power management recovery rider is an exact recovery rider and any differences in revenues and expenses are deferred for future recovery.

Other Income Statement Variances

Third Quarter 2012 Compared to Third Quarter 2011

Other operation and maintenance expenses increased primarily due to an increase of \$10 million resulting from a temporary increase in the storm damage reserve authorized by the MPSC effective August 2012 and \$2.2 million of costs incurred in 2012 related to the planned spin-off and merger of the transmission business.

Taxes other than income taxes increased primarily due to an increase in ad valorem taxes due to a higher 2012 assessment as compared to 2011.

Other income decreased primarily due to a decrease in the allowance for equity funds used during construction due to less construction work in progress in 2012.

Interest expense increased primarily due to a revision in 2011 caused by FERC's acceptance of a change in the treatment of funds received from independent power producers for transmission interconnection projects.

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Entergy Mississippi, Inc.
Management's Financial Discussion and Analysis

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

Other operation and maintenance expenses increased primarily due to:

- an increase of \$9.9 million resulting from a temporary increase in the storm damage reserve authorized by the MPSC effective August 2012;
- \$5.4 million of costs incurred in 2012 related to the planned spin-off and merger of the transmission business; and
- an increase of \$3.9 million in compensation and benefits costs resulting from decreasing discount rates and changes in certain actuarial assumptions resulting from a recent experience study. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefits costs.

The increase was partially offset by a decrease of \$2.8 million in fossil-fueled generation expenses due to a greater scope of work and additional outage costs in 2011.

Taxes other than income taxes increased primarily due to an increase in ad valorem taxes due to a higher 2012 assessment as compared to 2011.

Other income decreased primarily due to a decrease in the allowance for equity funds used during construction due to less construction work in progress in 2012.

Interest expense increased primarily due to a revision in 2011 caused by FERC's acceptance of a change in the treatment of funds received from independent power producers for transmission interconnection projects.

Income Taxes

The effective income tax rate was 40.6% for the third quarter 2012 and 41.8% for the nine months ended September 30, 2012. The differences in the effective income tax rates for the third quarter 2012 and the nine months ended September 30, 2012 versus the federal statutory rate of 35% are primarily due to state income taxes.

The effective income tax rate was 37.6% for the third quarter 2011 and 36.6% for the nine months ended September 30, 2011. The difference in the effective income tax rate for the third quarter 2011 versus the federal statutory rate of 35% was primarily due to state income taxes. The difference in the effective income tax rate for the nine months ended September 30, 2011 versus the federal statutory rate of 35% was due to state income taxes and certain book and tax differences related to utility plant items, partially offset by book and tax differences related to the allowance for equity funds used during construction.

Liquidity and Capital Resources

Cash Flow

Cash flows for the nine months ended September 30, 2012 and 2011 were as follows:

2012 2011
(In Thousands)

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Cash and cash equivalents at beginning of period	\$16	\$1,216
Cash flow provided by (used in):		
Operating activities	156,020	43,148
Investing activities	(124,165)	(109,146)
Financing activities	(4,214)	65,761
Net increase (decrease) in cash and cash equivalents	27,461	(237)
Cash and cash equivalents at end of period	\$27,657	\$979

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Entergy Mississippi, Inc.
Management's Financial Discussion and Analysis

Operating Activities

Cash flow provided by operating activities increased \$112.9 million for the nine months ended September 30, 2012 compared to the nine months ended September 30, 2011 primarily due to:

- the purchase in 2011 of \$42.6 million of fuel oil from System Fuels because System Fuels will no longer procure fuel oil for the Utility companies;
- an increase in the recovery of fuel costs due to System Agreement bandwidth remedy payments of \$33 million received in January 2012 to implement the FERC's remedy in an October 2011 order for the period June-December 2005. See Note 2 to the financial statements in the Form 10-K for a discussion of the System Agreement proceedings; and
- a decrease of \$15.5 million in pension contributions. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for a discussion of qualified pension and other postretirement benefits.

Investing Activities

Cash flow used in investing activities increased \$15 million for the nine months ended September 30, 2012 compared to the nine months ended September 30, 2011 primarily due to the repayment by System Fuels of Entergy Mississippi's \$5.5 million investment in System Fuels in 2011 and money pool activity.

Increases in Entergy Mississippi's receivable from the money pool are a use of cash flow, and Entergy Mississippi's receivable from the money pool increased \$5.5 million for the nine months ended September 30, 2012. The money pool is an inter-company borrowing arrangement designed to reduce the Utility subsidiaries' need for external short-term borrowings.

Financing Activities

Entergy Mississippi's financing activities used \$4.2 million of cash for the nine months ended September 30, 2012 compared to providing \$65.8 million of cash for the nine months ended September 30, 2011 primarily due to the issuances of \$150 million of 6.0% Series first mortgage bonds in April 2011 and \$125 million of 3.25% Series first mortgage bonds in May 2011, substantially offset by the redemptions of \$80 million of 4.65% Series first mortgage bonds and \$100 million of 5.92% Series first mortgage bonds in May 2011 and money pool activity.

Decreases in Entergy Mississippi's payable to the money pool are a use of cash flow, and Entergy Mississippi's payable to the money pool decreased by \$2 million for the nine months ended September 30, 2012 compared to decreasing by \$17.6 million for the nine months ended September 30, 2011.

Capital Structure

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

September	December 31,
30,	2011
2012	

Debt to capital	49.8%	51.2%
Effect of subtracting cash	(0.7)%	-%
Net debt to net capital	49.1%	51.2%

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, preferred stock without sinking fund, and common equity. Net capital consists of capital less cash and cash equivalents. Entergy Mississippi uses the net debt to net capital ratio in analyzing its financial condition and believes it provides useful information to its investors and creditors in evaluating Entergy Mississippi's financial condition.

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Entergy Mississippi, Inc.
Management's Financial Discussion and Analysis

Uses and Sources of Capital

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources" in the Form 10-K for a discussion of Entergy Mississippi's uses and sources of capital. Entergy Mississippi is developing its capital investment plan for 2013 through 2015 and currently anticipates making \$564 million in capital investments during that period, including approximately \$385 million for maintenance of existing assets. The remaining \$179 million is associated with specific investments such as environmental compliance spending, transmission upgrades and system improvements, and other investments. Following are additional updates to the information provided in the Form 10-K.

Entergy Mississippi's receivables from or (payables to) the money pool were as follows:

September 30, 2012	December 31, 2011	September 30, 2011	December 31, 2010
(In Thousands)			
\$5,497	(\$1,999)	(\$15,617)	(\$33,255)

See Note 4 to the financial statements in the Form 10-K for a description of the money pool.

In May 2012, Entergy Mississippi renewed its three separate credit facilities through May 2013 in the aggregate amount of \$70 million. No borrowings were outstanding under the credit facilities as of September 30, 2012. See Note 4 to the financial statements herein for additional discussion of the credit facilities.

Hinds Energy Facility Purchase Agreement

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

State and Local Rate Regulation

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - State and Local Rate Regulation" in the Form 10-K for a discussion of the formula rate plan and fuel and purchased power cost recovery. Following are updates to that discussion.

In two orders issued in July 2012 the MPSC temporarily increased Entergy Mississippi's storm damage reserve monthly accrual from \$.75 million to \$2.0 million for bills rendered during the billing months of August 2012 through December 2012, and approved recovery of \$14.9 million in prudently incurred storm costs to be amortized over five months, beginning with August 2012 bills.

In March 2012, Entergy Mississippi submitted its formula rate plan filing for the 2011 test year. The filing shows an earned return on common equity of 10.92% 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.

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Entergy Mississippi, Inc.
Management's Financial Discussion and Analysis

In August 2012, the MPSC opened inquiries to review whether the current formulaic methodology used to calculate the return on common equity in both Entergy Mississippi's formula rate plan and Mississippi Power Company's annual formulary rate filing are still appropriate or can be improved to better serve the public interest. The intent of this inquiry and review is for informational purposes only; the evaluation of any recommendations for changes to the existing methodology would take place in a general rate case or in the existing formula rate plan docket. A report by the Mississippi Public Utilities Staff and consultants retained to conduct the study is expected by the end of 2012. Entergy Mississippi will have an opportunity to respond to the report.

Federal Regulation

See "Entergy's Proposal to Join the MISO RTO" in the "Rate, Cost-recovery, and Other Regulation – Federal Regulation" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for updates to the Federal Regulation discussion in the Form 10-K.

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 Mississippi's accounting for unbilled revenue and qualified pension and other postretirement benefits.

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ENTERGY MISSISSIPPI, INC.
INCOME STATEMENTS

For the Three and Nine Months Ended September 30, 2012 and 2011
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2012	2011	2012	2011
	(In Thousands)		(In Thousands)	
OPERATING REVENUES				
Electric	\$321,771	\$365,569	\$860,735	\$956,746
OPERATING EXPENSES				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	57,230	111,804	204,703	243,674
Purchased power	93,817	95,319	232,140	270,823
Other operation and maintenance	64,446	53,231	173,043	156,577
Taxes other than income taxes	19,742	18,279	56,980	52,841
Depreciation and amortization	24,377	23,476	72,451	69,630
Other regulatory charges (credits) - net	2,828	2,525	(8,476)	14,700
TOTAL	262,440	304,634	730,841	808,245
OPERATING INCOME	59,331	60,935	129,894	148,501
OTHER INCOME				
Allowance for equity funds used during construction	760	1,927	2,950	6,246
Interest and investment income	19	120	43	187
Miscellaneous - net	(806)	(742)	(2,916)	(2,579)
TOTAL	(27)	1,305	77	3,854
INTEREST EXPENSE				
Interest expense	14,113	10,155	42,761	38,604
Allowance for borrowed funds used during construction	(405)	(1,072)	(1,568)	(3,474)
TOTAL	13,708	9,083	41,193	35,130
INCOME BEFORE INCOME TAXES	45,596	53,157	88,778	117,225
Income taxes	18,516	19,988	37,102	42,913
NET INCOME	27,080	33,169	51,676	74,312
Preferred dividend requirements and other	707	707	2,121	2,121
EARNINGS APPLICABLE TO COMMON STOCK	\$26,373	\$32,462	\$49,555	\$72,191

See Notes to Financial Statements.

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ENTERGY MISSISSIPPI, INC.
 STATEMENTS OF CASH FLOWS
 For the Nine Months Ended September 30, 2012 and 2011
 (Unaudited)

	2012	2011
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	\$51,676	\$74,312
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Depreciation and amortization	72,451	69,630
Deferred income taxes, investment tax credits, and non-current taxes accrued	39,703	34,947
Changes in assets and liabilities:		
Receivables	23,552	(19,554)
Fuel inventory	(3,377)	(43,219)
Accounts payable	12,637	(2,248)
Taxes accrued	(15,150)	(1,665)
Interest accrued	(3,683)	774
Deferred fuel costs	(12,249)	(30,750)
Other working capital accounts	(10,977)	4,518
Provisions for estimated losses	(2,496)	(693)
Other regulatory assets	10,526	(2,311)
Pension and other postretirement liabilities	(10,438)	(26,110)
Other assets and liabilities	3,845	(14,483)
Net cash flow provided by operating activities	156,020	43,148
INVESTING ACTIVITIES		
Construction expenditures	(121,634)	(121,813)
Allowance for equity funds used during construction	2,950	6,246
Proceeds from sale of assets	-	868
Investments in affiliates	-	5,527
Change in money pool receivable - net	(5,497)	-
Other	16	26
Net cash flow used in investing activities	(124,165)	(109,146)
FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	-	268,820
Retirement of long-term debt	-	(180,000)
Change in money pool payable - net	(1,999)	(17,638)
Dividends paid:		
Common stock	-	(3,300)
Preferred stock	(2,121)	(2,121)
Other	(94)	-
Net cash flow provided by (used in) financing activities	(4,214)	65,761
Net increase (decrease) in cash and cash equivalents	27,641	(237)

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Cash and cash equivalents at beginning of period	16	1,216
Cash and cash equivalents at end of period	\$27,657	\$979

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid during the period for:

Interest - net of amount capitalized	\$44,481	\$35,861
Income taxes	\$2,118	\$-

See Notes to Financial Statements.

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ENTERGY MISSISSIPPI, INC.
BALANCE SHEETS
ASSETS
September 30, 2012 and December 31, 2011
(Unaudited)

	2012	2011
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	\$1,072	\$7
Temporary cash investments	26,585	9
Total cash and cash equivalents	27,657	16
Accounts receivable:		
Customer	73,933	51,026
Allowance for doubtful accounts	(1,112)	(756)
Associated companies	12,844	51,329
Other	9,252	13,924
Accrued unbilled revenues	40,919	38,368
Total accounts receivable	135,836	153,891
Accumulated deferred income taxes	8,850	11,694
Fuel inventory - at average cost	45,876	42,499
Materials and supplies - at average cost	37,919	35,716
Prepayments and other	8,136	4,666
TOTAL	264,274	248,482
OTHER PROPERTY AND INVESTMENTS		
Non-utility property - at cost (less accumulated depreciation)	4,705	4,725
Storm reserve escrow account	31,828	31,844
TOTAL	36,533	36,569
UTILITY PLANT		
Electric	3,413,589	3,274,031
Property under capital lease	8,777	10,721
Construction work in progress	78,328	105,083
TOTAL UTILITY PLANT	3,500,694	3,389,835
Less - accumulated depreciation and amortization	1,265,248	1,210,092
UTILITY PLANT - NET	2,235,446	2,179,743
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
Regulatory asset for income taxes - net	63,833	65,196
Other regulatory assets	384,224	393,387
Other	19,149	20,017
TOTAL	467,206	478,600
TOTAL ASSETS	\$3,003,459	\$2,943,394

See Notes to Financial Statements.

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ENTERGY MISSISSIPPI, INC.
BALANCE SHEETS
LIABILITIES AND EQUITY
September 30, 2012 and December 31, 2011
(Unaudited)

	2012	2011
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	\$ 100,000	\$-
Accounts payable:		
Associated companies	49,365	46,311
Other	59,749	41,489
Customer deposits	70,805	68,610
Taxes accrued	30,386	45,536
Interest accrued	17,867	21,550
Deferred fuel costs	3,592	15,841
Other	10,149	17,474
TOTAL	341,913	256,811
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	709,322	672,129
Accumulated deferred investment tax credits	6,961	6,372
Obligations under capital lease	6,038	8,112
Other regulatory liabilities	2,260	-
Asset retirement cost liabilities	5,952	5,697
Accumulated provisions	35,793	38,289
Pension and other postretirement liabilities	133,606	144,088
Long-term debt	820,484	920,439
Other	5,488	5,370
TOTAL	1,725,904	1,800,496
Commitments and Contingencies		
Preferred stock without sinking fund	50,381	50,381
COMMON EQUITY		
Common stock, no par value, authorized 12,000,000 shares; issued and outstanding 8,666,357 shares in 2012 and 2011	199,326	199,326
Capital stock expense and other	(690)	(690)
Retained earnings	686,625	637,070
TOTAL	885,261	835,706
TOTAL LIABILITIES AND EQUITY	\$3,003,459	\$2,943,394

See Notes to Financial Statements.

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ENTERGY MISSISSIPPI, INC.
 STATEMENTS OF CHANGES IN COMMON EQUITY
 For the Nine Months Ended September 30, 2012 and 2011
 (Unaudited) (In Thousands)

	Common Stock	Common Equity Capital Stock Expense and Other	Retained Earnings	Total
Balance at December 31, 2010	\$199,326	\$(690)	\$534,469	\$733,105
Net income	-	-	74,312	74,312
Common stock dividends	-	-	(3,300)	(3,300)
Preferred stock dividends	-	-	(2,121)	(2,121)
Balance at September 30, 2011	\$199,326	\$(690)	\$603,360	\$801,996
Balance at December 31, 2011	\$199,326	\$(690)	\$637,070	\$835,706
Net income	-	-	51,676	51,676
Preferred stock dividends	-	-	(2,121)	(2,121)
Balance at September 30, 2012	\$199,326	\$(690)	\$686,625	\$885,261
See Notes to Financial Statements.				

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ENTERGY MISSISSIPPI, INC.
 SELECTED OPERATING RESULTS
 For the Three and Nine Months Ended September 30, 2012 and 2011
 (Unaudited)

Description	Three Months Ended		Increase/ (Decrease)	%
	2012	2011		
(Dollars In Millions)				
Electric Operating Revenues:				
Residential	\$144	\$159	\$(15)	(9)
Commercial	108	117	(9)	(8)
Industrial	36	37	(1)	(3)
Governmental	10	10	-	-
Total retail	298	323	(25)	(8)
Sales for resale:				
Associated companies	5	28	(23)	(82)
Non-associated companies	7	9	(2)	(22)
Other	12	5	7	140
Total	\$322	\$365	\$(43)	(12)

Billed Electric Energy

Sales (GWh):				
Residential	1,917	2,020	(103)	(5)
Commercial	1,468	1,522	(54)	(4)
Industrial	651	641	10	2
Governmental	117	120	(3)	(3)
Total retail	4,153	4,303	(150)	(3)
Sales for resale:				
Associated companies	54	111	(57)	(51)
Non-associated companies	109	122	(13)	(11)
Total	4,316	4,536	(220)	(5)

Description	Nine Months Ended		Increase/ (Decrease)	%
	2012	2011		
(Dollars In Millions)				
Electric Operating Revenues:				
Residential	\$355	\$394	\$(39)	(10)
Commercial	292	311	(19)	(6)
Industrial	107	111	(4)	(4)
Governmental	28	28	-	-
Total retail	782	844	(62)	(7)
Sales for resale:				
Associated companies	15	56	(41)	(73)
Non-associated companies	18	22	(4)	(18)
Other	46	35	11	31
Total	\$861	\$957	\$(96)	(10)

Billed Electric Energy

Sales (GWh):

Residential	4,387	4,715	(328)	(7)
Commercial	3,785	3,834	(49)	(1)
Industrial	1,801	1,745	56	3
Governmental	311	316	(5)	(2)
Total retail	10,284	10,610	(326)	(3)
Sales for resale:				
Associated companies	153	316	(163)	(52)
Non-associated companies	201	274	(73)	(27)
Total	10,638	11,200	(562)	(5)

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ENTERGY NEW ORLEANS, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Plan to Spin Off the Utility's Transmission Business

See the "Plan to Spin Off the Utility's Transmission Business" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis in the Form 10-K and herein for a discussion of Entergy's plan to spin off its transmission business and merge it with a newly formed subsidiary of ITC Holdings Corp., including the planned retirement of debt and preferred securities.

Hurricane Isaac

In August 2012, Hurricane Isaac caused extensive damage to Entergy New Orleans's service area. The storm resulted in widespread power outages, significant damage primarily to distribution infrastructure, and the loss of sales during the power outages. Total restoration costs for the repair and/or replacement of Entergy New Orleans's electric facilities damaged by Hurricane Isaac are currently estimated to be in the range of \$50 million to \$60 million. Entergy New Orleans is considering all reasonable avenues to recover storm-related costs from Hurricane Isaac, including, but not limited to, accessing funded storm reserves; securitization or other alternative financing; and traditional retail recovery on an interim and permanent basis. Storm cost recovery or financing may be subject to review by applicable regulatory authorities.

Entergy New Orleans has recorded accounts payable for the estimated costs incurred that were necessary to return customers to service. Entergy New Orleans recorded corresponding regulatory assets of approximately \$19 million and construction work in progress of approximately \$30 million. Entergy New Orleans recorded the regulatory assets in accordance with its accounting policies and based on the historic treatment of such costs in its service area because management believes that recovery through some form of regulatory mechanism is probable. Because Entergy New Orleans has not gone through the regulatory process regarding these storm costs, however, there is an element of risk, and Entergy New Orleans is unable to predict with certainty the degree of success it may have in its recovery initiatives, the amount of restoration costs that it may ultimately recover, or the timing of such recovery.

Results of Operations

Net Income

Third Quarter 2012 Compared to Third Quarter 2011

Net income decreased \$8.4 million primarily due to higher other operation and maintenance expenses and lower net revenue, partially offset by a lower effective income tax rate.

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

Net income decreased \$18.3 million primarily due to higher other operation and maintenance expenses and lower net revenue, partially offset by a lower effective income tax rate.

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Entergy New Orleans, Inc.

Management's Financial Discussion and Analysis

Net Revenue

Third Quarter 2012 Compared to Third Quarter 2011

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges. Following is an analysis of the changes in net revenue comparing the third quarter 2012 to the third quarter 2011.

	Amount (In Millions)
2011 net revenue	\$71.5
Retail electric price	(2.5)
Volume/weather	(2.0)
Other	2.4
2012 net revenue	\$69.4

The retail electric price variance is primarily due to a formula rate plan decrease effective October 2011. See Note 2 to the financial statements in the Form 10-K for a discussion of the formula rate plan filing.

The volume/weather variance is primarily due to the effect of milder weather, as compared to the prior period, on residential and commercial sales and the effects of the power outages caused by Hurricane Isaac.

Gross operating revenues and fuel expenses

Gross operating revenues decreased primarily due to a decrease of \$17.5 million in gross wholesale revenue due to decreased sales to affiliate customers and a decrease of \$1.7 million in gross gas revenues primarily due to lower fuel cost recovery revenues as a result of lower fuel rates. Entergy New Orleans's fuel and purchased power recovery mechanism is discussed in Note 2 to the financial statements in the Form 10-K.

Fuel expenses decreased primarily due to a decrease in the average market price of natural gas.

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

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges. Following is an analysis of the changes in net revenue comparing the nine months ended September 30, 2012 to the nine months ended September 30, 2011.

	Amount (In Millions)
2011 net revenue	\$199.2
Retail electric price	(6.2)
Volume/weather	(5.8)
Net gas revenue	(1.7)
Other	0.4

2012 net revenue \$185.9

The retail electric price variance is primarily due to a formula rate plan decrease effective October 2011. See Note 2 to the financial statements in the Form 10-K for a discussion of the formula rate plan filing.

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Entergy New Orleans, Inc.

Management's Financial Discussion and Analysis

The volume/weather variance is primarily due to the effect of milder weather, as compared to the prior period, on residential and commercial sales and the effects of the power outages caused by Hurricane Isaac.

The net gas revenue variance is primarily due to the effect of milder weather, primarily in the residential sector, as compared to last year.

Gross operating revenues and fuel expenses

Gross operating revenues decreased primarily due to:

- a decrease of \$45.5 million in gross wholesale revenue primarily due to decreased sales to affiliate customers;
- a decrease of \$17.8 million in gross gas revenues primarily due to lower fuel cost recovery revenues as a result of lower fuel rates and the effect of milder weather. Entergy New Orleans's fuel and purchased power recovery mechanism is discussed in Note 2 to the financial statements in the Form 10-K; and
 - less favorable volume/weather, as discussed above.

Fuel expenses decreased primarily due to a decrease in demand for gas-fired generation and a decrease in the average market price of natural gas.

Other Income Statement Variances

Third Quarter 2012 Compared to Third Quarter 2011

Other operation and maintenance expenses increased primarily due to the deferral in 2011 of \$13.4 million of 2010 Michoud plant maintenance costs pursuant to the settlement of Entergy New Orleans's 2010 test year formula rate plan filing approved by the City Council in September 2011. See Note 2 to the financial statements in the Form 10-K for more discussion of the 2010 test year formula rate plan filing and settlement.

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

Other operation and maintenance expenses increased primarily due to:

- the deferral in 2011 of \$13.4 million of 2010 Michoud plant maintenance costs pursuant to the settlement of Entergy New Orleans's 2010 test year formula rate plan filing approved by the City Council in September 2011. See Note 2 to the financial statements in the Form 10-K for more discussion of the 2010 test year formula rate plan filing and settlement; and
- an increase of \$6.1 million in fossil-fueled generation expenses due to higher plant outage costs in 2012 due to a greater scope of work at the Michoud plant.

Income Taxes

The effective income tax rate was 36.9% for the third quarter 2012 and 26.1% for the nine months ended September 30, 2012. The difference in the effective income tax rate for the third quarter 2012 versus the federal statutory rate of 35% is due to state income taxes and certain book and tax differences related to utility plant items, partially offset by flow-through tax accounting. The difference in the effective income tax rate for the nine months ended September 30, 2012 versus the federal statutory rate of 35% is due to the provision for uncertain tax positions and flow-through tax accounting, offset by certain book and tax differences related to utility plant items and state income taxes.

The effective income tax rate was 43.9% for the third quarter 2011 and 40.6% for the nine months ended September 30, 2011. The differences in the effective income tax rates for the third quarter 2011 and the nine months ended September 30, 2011 versus the federal statutory rate of 35% were due to the provision for uncertain tax positions, state income taxes, and certain book and tax differences related to utility plant items, partially offset by flow-through tax accounting.

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Entergy New Orleans, Inc.

Management's Financial Discussion and Analysis

Liquidity and Capital Resources

Cash Flow

Cash flows for the nine months ended September 30, 2012 and 2011 were as follows:

	2012	2011
	(In Thousands)	
Cash and cash equivalents at beginning of period	\$9,834	\$54,986
Cash flow provided by (used in):		
Operating activities	23,160	60,952
Investing activities	(44,538)	(43,019)
Financing activities	12,716	(29,554)
Net decrease in cash and cash equivalents	(8,662)	(11,621)
Cash and cash equivalents at end of period	\$1,172	\$43,365

Operating Activities

Net cash flow provided by operating activities decreased \$37.8 million for the nine months ended September 30, 2012 compared to the nine months ended September 30, 2011 primarily due to decreased net income and the timing of collections of customer receivables, partially offset by a decrease of \$4.5 million in pension contributions. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for a discussion of qualified pension and other postretirement benefits.

Investing Activities

Net cash flow used in investing activities increased \$1.5 million for the nine months ended September 30, 2012 compared to the nine months ended September 30, 2011 primarily due to:

- higher distribution construction expenditures due to Hurricane Isaac;
- higher transmission construction expenditures due to increased work performed in 2012;
- the repayment by System Fuels of Entergy New Orleans's \$3.3 million investment in System Fuels in 2011; and
 - an increase of \$2.0 million in payments to the storm reserve escrow account in 2012 compared to 2011.

The increase was offset by money pool activity and decreased spending on the gas system rebuild project.

Decreases in Entergy New Orleans's receivable from the money pool are a source of cash flow, and Entergy New Orleans's receivable from the money pool decreased \$9.1 million for the nine months ended September 30, 2012 compared to increasing \$0.3 million for the nine months ended September 30, 2011. The money pool is an inter-company borrowing arrangement designed to reduce the Utility subsidiaries' need for external short-term borrowings.

Financing Activities

Entergy New Orleans's financing activities provided \$12.7 million of cash for the nine months ended September 30, 2012 compared to using \$29.6 million of cash for the nine months ended September 30, 2011 primarily due to a decrease of \$26.1 million in common stock dividends paid and money pool activity.

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Entergy New Orleans, Inc.
 Management's Financial Discussion and Analysis

Increases in Entergy New Orleans's payable to the money pool are a source of cash flow, and Entergy New Orleans's payable to the money pool increased by \$15.7 million for the nine months ended September 30, 2012.

Capital Structure

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

	September 30, 2012	December 31, 2011
Debt to capital	43.5%	45.3%
Effect of subtracting cash	(0.2)%	(1.5)%
Net debt to net capital	43.3%	43.8%

Net debt consists of debt less cash and cash equivalents. Debt consists of notes payable and long-term debt, including the currently maturing portion. Capital consists of debt, preferred stock without sinking fund, and shareholders' equity. Net capital consists of capital less cash and cash equivalents. Entergy New Orleans uses the net debt to net capital ratio in analyzing its financial condition and believes it provides useful information to its investors and creditors in evaluating Entergy New Orleans's financial condition.

Uses and Sources of Capital

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources" in the Form 10-K for a discussion of Entergy New Orleans's uses and sources of capital. Entergy New Orleans is developing its capital investment plan for 2013 through 2015 and currently anticipates making \$272 million in capital investments during that period, including approximately \$143 million for maintenance of existing assets. The remaining \$129 million is associated with specific investments such as environmental compliance spending, transmission upgrades and system improvements, and other investments. Following are additional updates to the information provided in the Form 10-K.

Entergy New Orleans's receivables from or (payables to) the money pool were as follows:

September 30, 2012	December 31, 2011	September 30, 2011	December 31, 2010
(In Thousands)			
(\$15,719)	\$9,074	\$22,110	\$21,820

See Note 4 to the financial statements in the Form 10-K for a description of the money pool.

Entergy Louisiana's Ninemile Point Unit 6 Self-Build Project

See the Form 10-K for a discussion of Entergy Louisiana's Ninemile Point Unit 6 self-build project. The Ninemile 6 capacity and energy is proposed to be allocated 55% to Entergy Louisiana, 25% to Entergy Gulf States Louisiana, and 20% to Entergy New Orleans. In June 2011, Entergy Louisiana filed with the LPSC an application seeking certification that the public necessity and convenience would be served by Entergy Louisiana's construction of the

facility. Entergy Gulf States Louisiana joined in the application, seeking certification of its purchase under a life-of-unit power purchase agreement of its allocated share of the capacity and energy generated by Ninemile 6. In February 2012 the City Council passed a resolution authorizing Entergy New Orleans to purchase 20% of the Ninemile 6 energy and capacity. In March 2012 the LPSC unanimously voted to grant the certifications requested by Entergy Louisiana and Entergy Gulf States Louisiana, and Entergy Louisiana has given the contractor a full notice to proceed with the construction.

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Entergy New Orleans, Inc.

Management's Financial Discussion and Analysis

State and Local Rate Regulation

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Rate, Cost-recovery, and Other Regulation - State and Local Rate Regulation and Fuel-Cost Recovery" in the Form 10-K for a discussion of state and local rate regulation. Following is an update to the Form 10-K.

In May 2012, Entergy New Orleans filed its electric and gas formula rate plan evaluation reports for the 2011 test year. Subsequent adjustments agreed upon with the City Council Advisors indicate a \$4.9 million electric base revenue increase and a \$0.05 million gas base revenue increase as necessary under the formula rate plan. As part of the original filing, Entergy New Orleans is also requesting to increase annual funding for its storm reserve by approximately \$5.7 million for the next five years. On September 26, 2012, Entergy New Orleans made a filing with the City Council that implemented the \$4.9 million electric formula rate plan rate increase and the \$0.05 million gas formula rate plan rate increase. The new rates were effective with the first billing cycle in October 2012. In October 2012 the City Council approved a procedural schedule to resolve disputed items that includes a hearing in April 2013. The rates implemented in October 2012 are subject to retroactive adjustments depending on the outcome of the proceeding. The City Council has not yet acted on Entergy New Orleans's request for an increase in storm reserve funding.

Federal Regulation

See "Entergy's Proposal to Join the MISO RTO" in the "Rate, Cost-recovery, and Other Regulation – Federal Regulation" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for updates to the Federal Regulation discussion in the Form 10-K.

Environmental Risks

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Environmental Risks" in the Form 10-K for a discussion of environmental risks.

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 New Orleans's accounting for unbilled revenue and qualified pension and other postretirement benefits.

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ENTERGY NEW ORLEANS, INC.
INCOME STATEMENTS

For the Three and Nine Months Ended September 30, 2012 and 2011
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2012	2011	2012	2011
	(In Thousands)		(In Thousands)	
OPERATING REVENUES				
Electric	\$146,459	\$165,266	\$360,772	\$413,777
Natural gas	15,106	16,766	59,193	77,009
TOTAL	161,565	182,032	419,965	490,786
OPERATING EXPENSES				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	29,298	53,013	68,585	133,698
Purchased power	62,410	57,052	164,042	156,433
Other operation and maintenance	28,671	14,850	92,475	70,888
Taxes other than income taxes	11,941	11,564	33,110	32,716
Depreciation and amortization	9,178	8,473	27,446	26,371
Other regulatory charges - net	502	477	1,483	1,434
TOTAL	142,000	145,429	387,141	421,540
OPERATING INCOME	19,565	36,603	32,824	69,246
OTHER INCOME				
Allowance for equity funds used during construction	185	147	487	369
Interest and investment income	8	59	29	122
Miscellaneous - net	(385)	(317)	(1,147)	(848)
TOTAL	(192)	(111)	(631)	(357)
INTEREST EXPENSE				
Interest expense	2,738	2,768	8,366	8,321
Allowance for borrowed funds used during construction	(88)	(67)	(230)	(167)
TOTAL	2,650	2,701	8,136	8,154
INCOME BEFORE INCOME TAXES	16,723	33,791	24,057	60,735
Income taxes	6,168	14,848	6,276	24,658
NET INCOME	10,555	18,943	17,781	36,077
Preferred dividend requirements and other	241	241	724	724
EARNINGS APPLICABLE TO COMMON STOCK	\$10,314	\$18,702	\$17,057	\$35,353

See Notes to Financial Statements.

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ENTERGY NEW ORLEANS, INC.
 STATEMENTS OF CASH FLOWS
 For the Nine Months Ended September 30, 2012 and 2011
 (Unaudited)

	2012	2011
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	\$17,781	\$36,077
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Depreciation and amortization	27,446	26,371
Deferred income taxes, investment tax credits, and non-current taxes accrued	12,269	(9,129)
Changes in assets and liabilities:		
Receivables	(17,721)	4,073
Fuel inventory	1,977	(1,171)
Accounts payable	11,175	(8,504)
Prepaid taxes and taxes accrued	(10,826)	28,076
Interest accrued	(740)	(773)
Deferred fuel costs	(6,095)	(769)
Other working capital accounts	(6,628)	(1,489)
Provisions for estimated losses	6,015	6,571
Other regulatory assets	(10,748)	(6,769)
Pension and other postretirement liabilities	(6,597)	(11,200)
Other assets and liabilities	5,852	(412)
Net cash flow provided by operating activities	23,160	60,952
INVESTING ACTIVITIES		
Construction expenditures	(47,325)	(41,607)
Allowance for equity funds used during construction	487	369
Change in money pool receivable - net	9,074	(290)
Investment in affiliates	-	3,256
Payments to storm reserve escrow account	(6,774)	(4,747)
Net cash flow used in investing activities	(44,538)	(43,019)
FINANCING ACTIVITIES		
Change in money pool payable - net	15,719	-
Dividends paid:		
Common stock	(1,700)	(27,800)
Preferred stock	(724)	(724)
Other	(579)	(1,030)
Net cash flow provided by (used in) financing activities	12,716	(29,554)
Net decrease in cash and cash equivalents	(8,662)	(11,621)
Cash and cash equivalents at beginning of period	9,834	54,986
Cash and cash equivalents at end of period	\$1,172	\$43,365

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid during the period for:

Interest - net of amount capitalized	\$8,431	\$8,343
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See Notes to Financial Statements.

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ENTERGY NEW ORLEANS, INC.
BALANCE SHEETS

ASSETS

September 30, 2012 and December 31, 2011

(Unaudited)

	2012	2011
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents		
Cash	\$1,171	\$486
Temporary cash investments	1	9,348
Total cash and cash equivalents	1,172	9,834
Accounts receivable:		
Customer	46,283	29,038
Allowance for doubtful accounts	(417)	(465)
Associated companies	4,332	12,167
Other	1,299	2,603
Accrued unbilled revenues	17,516	17,023
Total accounts receivable	69,013	60,366
Accumulated deferred income taxes	4,862	6,419
Fuel inventory - at average cost	1,829	3,806
Materials and supplies - at average cost	10,750	9,392
Prepaid taxes	10,826	-
Prepayments and other	6,591	2,679
TOTAL	105,043	92,496
OTHER PROPERTY AND INVESTMENTS		
Non-utility property at cost (less accumulated depreciation)	1,016	1,016
Storm reserve escrow account	18,770	11,996
TOTAL	19,786	13,012
UTILITY PLANT		
Electric	832,998	812,329
Natural gas	216,906	213,160
Construction work in progress	36,590	13,610
TOTAL UTILITY PLANT	1,086,494	1,039,099
Less - accumulated depreciation and amortization	542,653	525,621
UTILITY PLANT - NET	543,841	513,478
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
Deferred fuel costs	4,080	4,080
Other regulatory assets	189,564	178,815
Other	5,650	4,154
TOTAL	199,294	187,049

TOTAL ASSETS	\$867,964	\$806,035
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See Notes to Financial Statements.

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ENTERGY NEW ORLEANS, INC.
BALANCE SHEETS
LIABILITIES AND EQUITY
September 30, 2012 and December 31, 2011
(Unaudited)

	2012	2011
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	\$70,000	\$-
Accounts payable:		
Associated companies	46,572	27,042
Other	57,121	28,098
Customer deposits	21,988	21,878
Interest accrued	2,100	2,840
Deferred fuel costs	5,526	11,621
Other	2,729	4,197
TOTAL CURRENT LIABILITIES	206,036	95,676
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	162,687	144,405
Accumulated deferred investment tax credits	1,360	1,539
Regulatory liability for income taxes - net	26,904	33,258
Other regulatory liabilities	10,211	5,726
Asset retirement cost liabilities	2,156	2,893
Accumulated provisions	21,858	15,843
Pension and other postretirement liabilities	67,420	74,017
Long-term debt	96,322	166,537
Gas system rebuild insurance proceeds	47,765	55,707
Other	8,943	9,489
TOTAL NON-CURRENT LIABILITIES	445,626	509,414
Commitments and Contingencies		
Preferred stock without sinking fund	19,780	19,780
COMMON EQUITY		
Common stock, \$4 par value, authorized 10,000,000 shares; issued and outstanding 8,435,900 shares in 2012 and 2011	33,744	33,744
Paid-in capital	36,294	36,294
Retained earnings	126,484	111,127
TOTAL	196,522	181,165
TOTAL LIABILITIES AND EQUITY	\$867,964	\$806,035

See Notes to Financial Statements.

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ENTERGY NEW ORLEANS, INC.
 STATEMENTS OF CHANGES IN COMMON EQUITY
 For the Nine Months Ended September 30, 2012 and 2011
 (Unaudited) (In Thousands)

	Common Equity			Total
	Common Stock	Paid-in Capital	Retained Earnings	
Balance at December 31, 2010	\$33,744	\$36,294	\$118,116	\$188,154
Net income	-	-	36,077	36,077
Common stock dividends	-	-	(27,800)	(27,800)
Preferred stock dividends	-	-	(724)	(724)
Balance at September 30, 2011	\$33,744	\$36,294	\$125,669	\$195,707
Balance at December 31, 2011	\$33,744	\$36,294	\$111,127	\$181,165
Net income	-	-	17,781	17,781
Common stock dividends	-	-	(1,700)	(1,700)
Preferred stock dividends	-	-	(724)	(724)
Balance at September 30, 2012	\$33,744	\$36,294	\$126,484	\$196,522
See Notes to Financial Statements.				

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ENTERGY NEW ORLEANS, INC.
SELECTED OPERATING RESULTS

For the Three and Nine Months Ended September 30, 2012 and 2011
(Unaudited)

Description	Three Months Ended		Increase/ (Decrease)	%
	2012	2011		
(Dollars In Millions)				
Electric Operating Revenues:				
Residential	\$58	\$61	\$(3)	(5)
Commercial	47	47	-	-
Industrial	9	9	-	-
Governmental	18	18	-	-
Total retail	132	135	(3)	(2)
Sales for resale:				
Associated companies	10	27	(17)	(63)
Other	4	3	1	33
Total	\$146	\$165	\$(19)	(12)
Billed Electric Energy				
Sales (GWh):				
Residential	579	620	(41)	(7)
Commercial	553	561	(8)	(1)
Industrial	130	140	(10)	(7)
Governmental	219	223	(4)	(2)
Total retail	1,481	1,544	(63)	(4)
Sales for resale:				
Associated companies	246	269	(23)	(9)
Non-associated companies	1	3	(2)	(67)
Total	1,728	1,816	(88)	(5)

Description	Nine Months Ended		Increase/ (Decrease)	%
	2012	2011		
(Dollars In Millions)				
Electric Operating Revenues:				
Residential	\$135	\$143	\$(8)	(6)
Commercial	123	121	2	2
Industrial	23	24	(1)	(4)
Governmental	47	47	-	-
Total retail	328	335	(7)	(2)
Sales for resale:				
Associated companies	21	66	(45)	(68)
Other	12	13	(1)	(8)
Total	\$361	\$414	\$(53)	(13)

Billed Electric Energy

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Sales (GWh):

Residential	1,398	1,511	(113)	(7)
Commercial	1,507	1,480	27	2
Industrial	365	381	(16)	(4)
Governmental	598	602	(4)	(1)
Total retail	3,868	3,974	(106)	(3)

Sales for resale:

Associated companies	436	867	(431)	(50)
Non-associated companies	4	14	(10)	(71)
Total	4,308	4,855	(547)	(11)

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ENTERGY TEXAS, INC. AND SUBSIDIARIES

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Plan to Spin Off the Utility's Transmission Business

See the "Plan to Spin Off the Utility's Transmission Business" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis in the Form 10-K and herein for a discussion of Entergy's plan to spin off its transmission business and merge it with a newly formed subsidiary of ITC Holdings Corp., including the planned retirement of debt.

Results of Operations

Net Income

Third Quarter 2012 Compared to Third Quarter 2011

Net income decreased \$21.6 million primarily due to lower net revenue, higher other operation and maintenance expenses, and lower other income.

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

Net income decreased \$42.5 million primarily due to lower net revenue, higher other operation and maintenance expenses, lower other income, and higher depreciation and amortization expenses.

Net Revenue

Third Quarter 2012 Compared to Third Quarter 2011

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges. Following is an analysis of the change in net revenue comparing the third quarter 2012 to the third quarter 2011.

	Amount (In Millions)
2011 net revenue	\$181.8
Volume/weather	(8.7)
Fuel recovery	(7.0)
Purchased power capacity	(5.8)
Net wholesale revenue	(4.2)
Reserve equalization	7.6
Other	(2.0)
2012 net revenue	\$161.7

The volume/weather variance is primarily due to a decrease of 255 GWh, or 5%, in billed electricity usage, including the effect of milder weather compared to last year on residential and commercial sales.

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Entergy Texas, Inc. and Subsidiaries

Management's Financial Discussion and Analysis

The fuel recovery variance is primarily the result of a \$6 million adjustment to deferred fuel costs in accordance with a rate order from the PUCT issued in September 2012. See Note 2 to the financial statements for further discussion of the PUCT rate order.

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

The net wholesale revenue variance is primarily due to a decrease in sales to municipal and co-op customers compared to the same period in 2011.

The reserve equalization variance is primarily due to increased reserve equalization revenue as a result of changes in the Entergy System generation mix compared to the same period in 2011.

Gross operating revenues and fuel and purchased power expenses

Gross operating revenues decreased primarily due to a decrease of \$56.7 million in fuel cost recovery revenues primarily attributable to lower fuel rates and lower usage and less favorable volume/weather, as discussed above. Entergy Texas's fuel and purchased power recovery mechanism is discussed in Note 2 to the financial statements in the Form 10-K.

Fuel and purchased power expenses decreased primarily due to decreases in the average market prices of natural gas and purchased power, partially offset by an increase in the recovery from customers of deferred fuel costs and an adjustment to deferred fuel costs in accordance with a rate order from the PUCT issued in September 2012. See Note 2 to the financial statements for further discussion of the PUCT rate order.

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

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges. Following is an analysis of the change in net revenue comparing the nine months ended September 30, 2012 to the nine months ended September 30, 2011.

	Amount (In Millions)
2011 net revenue	\$451.1
Purchased power capacity	(16.7)
Volume/weather	(19.9)
Fuel recovery	(6.1)
Reserve equalization	14.3
Other	(1.1)
2012 net revenue	\$421.6

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

The volume/weather variance is primarily due to a decrease of 651 GWh, or 5%, in billed electricity usage, including the effect of milder weather compared to last year on residential and commercial sales and decreased usage in the

industrial sector as a result of decreased consumption by a large industrial customer in the refining industry due to an unplanned outage.

The fuel recovery variance is primarily the result of a \$6 million adjustment to deferred fuel costs in accordance with a rate order from the PUCT issued in September 2012. See Note 2 to the financial statements for further discussion of the PUCT rate order.

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Entergy Texas, Inc. and Subsidiaries

Management's Financial Discussion and Analysis

The reserve equalization variance is primarily due to decreased reserve equalization expense as a result of changes in the Entergy System generation mix compared to the same period in 2011.

Gross operating revenues, fuel and purchased power expenses, and other regulatory charges

Gross operating revenues decreased primarily due to:

- a decrease of \$133.2 million in fuel cost recovery revenues primarily attributable to lower fuel rates and lower usage, offset by lower interim fuel refunds in 2012 versus 2011. Entergy Texas's fuel and purchased power recovery mechanism is discussed in Note 2 to the financial statements in the Form 10-K. The interim fuel refunds and the PUCT approvals are discussed in Note 2 to the financial statements herein and in the Form 10-K;
- a decrease of \$33.8 million in gross wholesale revenues as a result of a decrease in sales volume to municipal and co-op customers and to affiliated customers; and
 - less favorable volume/weather, as discussed above.

Fuel and purchased power expenses decreased primarily due to decreases in the average market prices of natural gas and purchased power, partially offset by an increase in deferred fuel expense due to an adjustment to deferred fuel costs in accordance with a rate order from the PUCT issued in September 2012 and as a result of lower interim fuel refunds in 2012 versus 2011, offset by lower fuel revenues, as discussed above. See Note 2 to the financial statements for further discussion of the PUCT rate order.

Other regulatory charges increased primarily due to the distribution in the first quarter 2011 of \$17.4 million to customers of the 2007 rough production cost equalization remedy receipts. See Note 2 to the financial statements in the Form 10-K for further discussion of the rough production cost equalization proceedings.

Other Income Statement Variances

Third Quarter 2012 Compared to Third Quarter 2011

Other operation and maintenance expenses increased primarily due to the amortization of \$4.3 million of Hurricane Rita storm costs in accordance with a rate order from the PUCT issued in September 2012 and \$1.3 million of costs incurred in 2012 related to the planned spin-off and merger of the Utility's transmission business. See Note 2 to the financial statements for further discussion of the PUCT rate order.

Taxes other than income taxes decreased primarily due to a reduction in the provision recorded for sales and use taxes.

Depreciation and amortization expenses increased primarily due to additions to plant in service and an increase in depreciation rates as a result of the rate order approved by the PUCT in September 2012. See Note 2 to the financial statements for further discussion of the rate order.

Other income decreased primarily due to the reversal of \$6.7 million of disallowed carrying charges on Hurricane Rita storm restoration costs in accordance with a rate order from the PUCT issued in September 2012. See Note 2 to the financial statements for further discussion of the PUCT rate order.

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

Other operation and maintenance expenses increased primarily due to:

- an increase of \$7.5 million in fossil-fueled generation expenses due to a greater scope of work and an additional outage in 2012 compared to 2011;
- the amortization of \$4.3 million of Hurricane Rita storm costs in accordance with a rate order from the PUCT issued in September 2012. See Note 2 to the financial statements for further discussion of the PUCT rate order;

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Entergy Texas, Inc. and Subsidiaries

Management's Financial Discussion and Analysis

- an increase of \$3.8 million in compensation and benefit costs primarily due to decreasing discount rates and changes in certain actuarial assumptions resulting from a recent experience study. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefits costs;
- an increase of \$3.9 million in transmission expenses primarily due to higher transmission equalization expenses in 2012; and
- \$3.3 million of costs incurred in 2012 related to the planned spin-off and merger of the Utility's transmission business.

The increase was partially offset by a decrease of \$1.5 million in energy efficiency costs. These costs are recovered through the energy efficiency rider and have no effect on net income.

Depreciation and amortization expenses increased primarily due to additions to plant in service and an increase in depreciation rates as a result of the rate order approved by the PUCT in September 2012. See Note 2 to the financial statements for further discussion of the rate order.

Other income decreased primarily due to the reversal of \$6.7 million of disallowed carrying charges on Hurricane Rita storm restoration costs in accordance with a rate order from the PUCT issued in September 2012. See Note 2 to the financial statements for further discussion of the PUCT rate order.

Income Taxes

The effective income tax rate was 40.3% for the third quarter 2012 and 41.7% for the nine months ended September 30, 2012. The differences in the effective income tax rates for the third quarter 2012 and for the nine months ended September 30, 2012 versus the federal statutory rate of 35% are due to certain book and tax differences related to utility plant items and state income taxes, partially offset by the amortization of investment tax credits and book and tax differences related to the allowance for equity funds used during construction.

The effective income tax rate was 36.6% for the third quarter 2011 and 37.3% for the nine months ended September 30, 2011. The differences in the effective income tax rates for the third quarter 2011 and for the nine months ended September 30, 2011 versus the federal statutory rate of 35% were due to certain book and tax differences related to utility plant items and state income taxes, partially offset by the amortization of investment tax credits and book and tax differences related to the allowance for equity funds used during construction.

Liquidity and Capital Resources

Cash Flow

Cash flows for the nine months ended September 30, 2012 and 2011 were as follows:

	2012	2011
	(In Thousands)	
Cash and cash equivalents at beginning of period	\$65,289	\$35,342
Cash flow provided by (used in):		

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Operating activities	171,985	105,955
Investing activities	(65,518)	(120,682)
Financing activities	(107,340)	20,631
Net increase (decrease) in cash and cash equivalents	(873)	5,904
Cash and cash equivalents at end of period	\$64,416	\$41,246

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Entergy Texas, Inc. and Subsidiaries
 Management's Financial Discussion and Analysis

Operating Activities

Net cash flow provided by operating activities increased \$66 million for the nine months ended September 30, 2012 compared to the nine months ended September 30, 2011 primarily due to:

- an increase in the recovery of fuel costs due to System Agreement bandwidth remedy payments of \$43 million received in January 2012 as a result of receipts required to implement the FERC's remedy in an October 2011 order for the period June-December 2005. See Note 2 to the financial statements herein and in the Form 10-K for a discussion of the System Agreement proceedings;
- \$67.2 million of fuel cost refunds for the nine months ended September 30, 2012 compared to \$73.4 million of fuel cost refunds for the nine months ended September 30, 2011. See Note 2 to the financial statements herein and in the Form 10-K for discussion of the fuel cost refunds; and
- a decrease of \$5.9 million in pension contributions. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for a discussion of qualified pension and other postretirement benefits.

Investing Activities

Net cash flow used in investing activities decreased \$55.2 million for the nine months ended September 30, 2012 compared to the nine months ended September 30, 2011 primarily due to money pool activity and a decrease in transmission construction expenditures due to reliability work performed in 2011, partially offset by higher fossil-fueled generation construction expenditures due to a greater scope of projects in 2012.

Decreases in Entergy Texas's receivable from the money pool are a source of cash flow, and Entergy Texas's receivable from the money pool decreased by \$50.2 million for the nine months ended September 30, 2012 compared to increasing by \$7.3 million for the nine months ended September 30, 2011. The money pool is an inter-company borrowing arrangement designed to reduce Entergy's subsidiaries' need for external short-term borrowings.

Financing Activities

Entergy Texas's financing activities used \$107.3 million of cash for the nine months ended September 30, 2012 compared to providing \$20.6 million for the nine months ended September 30, 2011 primarily due to the issuance of \$75 million of 4.10% Series first mortgage bonds in September 2011 and an increase of \$51.6 million in common stock dividends paid.

Capital Structure

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

	September 30, 2012	December 31, 2011
Debt to capital	64.9%	65.1%
Effect of excluding the securitization bonds	(13.6)%	(14.3)%
Debt to capital, excluding securitization bonds (1)	51.3%	50.8%

Effect of subtracting cash	(1.8)%	(1.9)%
Net debt to net capital, excluding securitization bonds (1)	49.5%	48.9%

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

Net debt consists of debt less cash and cash equivalents. Debt consists of notes payable and long-term debt, including the currently maturing. Capital consists of debt and shareholder's equity. Net capital consists of capital less cash and cash equivalents. Entergy Texas 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 Texas's financial condition.

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Entergy Texas, Inc. and Subsidiaries

Management's Financial Discussion and Analysis

Uses and Sources of Capital

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources" in the Form 10-K for a discussion of Entergy Texas's uses and sources of capital. Entergy Texas is developing its capital investment plan for 2013 through 2015 and currently anticipates making \$726 million in capital investments during that period, including approximately \$394 million for maintenance of existing assets. The remaining \$332 million is associated with specific investments such as environmental compliance spending, plant upgrades, transmission upgrades and system improvements, and other investments. Following are updates to the information provided in the Form 10-K.

Entergy Texas's receivables from the money pool were as follows:

September 30, 2012	December 31, 2011	September 30, 2011	December 31, 2010
(In Thousands)			
\$12,981	\$63,191	\$20,942	\$13,672

See Note 4 to the financial statements in the Form 10-K for a description of the money pool.

Entergy Texas has a credit facility in the amount of \$150 million scheduled to expire in March 2017. No borrowings were outstanding under the facility as of September 30, 2012. See Note 4 to the financial statements herein for additional discussion of the credit facility.

State and Local Rate Regulation

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - State and Local Rate Regulation" in the Form 10-K for a discussion of state and local rate regulation. Following are updates to the discussion in the Form 10-K.

See the Form 10-K for a discussion of the rate case that Entergy Texas filed in November 2011 requesting a \$112 million base rate increase reflecting a 10.6% return on common equity based on an adjusted June 2011 test year. In April 2012 the PUCT Staff filed direct testimony recommending a base rate increase of \$66 million and a 9.6% return on common equity. The PUCT Staff, however, subsequently filed a statement of position in the proceeding indicating that it was still evaluating the position it would ultimately take in the case regarding Entergy Texas's recovery of purchased power capacity costs and Entergy Texas's proposal to defer its MISO transition expenses. In April 2012, Entergy Texas filed rebuttal testimony indicating a revised request for a \$105 million base rate increase. A hearing was held in late-April through early-May 2012.

In September 2012 the PUCT issued an order approving a \$28 million rate increase, effective July 2012. The order includes a finding that "a return on common equity (ROE) of 9.80 percent will allow [Entergy Texas] a reasonable opportunity to earn a reasonable return on invested capital." The order also provides for increases in depreciation rates and the annual storm reserve accrual. The order also reduced Entergy Texas's proposed purchased power capacity costs, stating that they are not known and measureable; reduced Entergy Texas's regulatory assets associated with Hurricane Rita; excluded from rate recovery capitalized financially-based incentive compensation; included \$1.6 million of MISO transition expense in base rates, and reduced Entergy's Texas's fuel reconciliation recovery by

\$4.0 million because it disagreed with the line-loss factor used in the calculation. After considering the progress of the proceeding in light of the PUCT order, Entergy Texas recorded in the third quarter 2012 an approximate \$24 million charge to recognize that assets associated with Hurricane Rita, financially-based incentive compensation, and fuel recovery are no longer probable of recovery. Entergy Texas continues to believe that it is entitled to recover these prudently incurred costs, however, and it filed a motion for rehearing regarding these and several other issues in the PUCT's order on October 4, 2012. Several other parties have also filed motions for rehearing of the PUCT's order. The PUCT subsequently denied rehearing of substantive issues.

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Entergy Texas, Inc. and Subsidiaries

Management's Financial Discussion and Analysis

In December 2011, Entergy Texas filed with the PUCT a request to refund approximately \$43 million, including interest, of fuel cost recovery over-collections through October 2011. Entergy Texas and the parties to the proceeding reached an agreement that Entergy Texas would refund \$67 million, including interest and additional over-recoveries through December 2011, over a three-month period. Entergy Texas and the parties requested that interim rates consistent with the settlement be approved effective with the March 2012 billing month, and the PUCT approved the application in March 2012. Entergy Texas completed this refund to customers in May 2012.

In October 2012, Entergy Texas filed with the PUCT a request to refund approximately \$78 million, including interest, of fuel cost recovery over-collections through September 2012. Entergy Texas requested that the refund be implemented over a six-month period effective with the January 2013 billing month.

In July 2012, Entergy Texas filed with the PUCT an application to credit its customers approximately \$37.5 million, including interest, resulting from the FERC's October 2011 order in the System Agreement rough production cost equalization proceeding. See the Form 10-K for a discussion of the FERC's October 2011 order. In September 2012 the parties submitted a stipulation resolving the proceeding. The stipulation provides that Entergy Texas customers will be credited over a four-month period beginning October 2012. The credits were initiated with the October 2012 billing month on an interim basis, and the PUCT subsequently approved the stipulation, also in October 2012.

Federal Regulation

See "Entergy's Proposal to Join the MISO RTO" in the "Rate, Cost-recovery, and Other Regulation – Federal Regulation" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for updates to the Federal Regulation discussion in the Form 10-K.

Environmental Risks

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Environmental Risks" in the Form 10-K for a discussion of environmental risks.

Critical Accounting Estimates

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Critical Accounting Estimates" in the Form 10-K for a discussion of the unbilled revenue and qualified pension and other postretirement benefits.

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ENTERGY TEXAS, INC. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
For the Three and Nine Months Ended September 30, 2012 and 2011
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2012	2011	2012	2011
	(In Thousands)		(In Thousands)	
OPERATING REVENUES				
Electric	\$489,078	\$556,955	\$1,174,069	\$1,350,262
OPERATING EXPENSES				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	103,542	127,745	178,473	247,568
Purchased power	200,483	222,283	523,208	613,794
Other operation and maintenance	58,343	52,455	170,791	149,373
Taxes other than income taxes	19,031	22,680	50,640	52,567
Depreciation and amortization	23,043	19,823	64,887	59,059
Other regulatory charges - net	23,402	25,159	50,791	37,816
TOTAL	427,844	470,145	1,038,790	1,160,177
OPERATING INCOME	61,234	86,810	135,279	190,085
OTHER INCOME				
Allowance for equity funds used during construction	1,281	946	3,355	2,493
Interest and investment income	(5,566)	1,374	(2,648)	4,112
Miscellaneous - net	(1,520)	(730)	(3,164)	(1,700)
TOTAL	(5,805)	1,590	(2,457)	4,905
INTEREST EXPENSE				
Interest expense	24,246	24,616	71,510	69,657
Allowance for borrowed funds used during construction	(1,033)	(653)	(2,417)	(1,721)
TOTAL	23,213	23,963	69,093	67,936
INCOME BEFORE INCOME TAXES	32,216	64,437	63,729	127,054
Income taxes	12,982	23,562	26,547	47,356
NET INCOME	\$19,234	\$40,875	\$37,182	\$79,698

See Notes to Financial Statements.

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ENTERGY TEXAS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 2012 and 2011
(Unaudited)

	2012	2011
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	\$37,182	\$79,698
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Depreciation and amortization	64,887	59,059
Deferred income taxes, investment tax credits, and non-current taxes accrued	28,140	51,650
Changes in assets and liabilities:		
Receivables	(15,544)	(123,024)
Fuel inventory	(2,650)	4,694
Accounts payable	11,930	20,369
Taxes accrued	(8,545)	(2,408)
Interest accrued	(9,032)	(8,542)
Deferred fuel costs	11,543	(51,985)
Other working capital accounts	(10,244)	51,410
Provisions for estimated losses	3,172	(113)
Other regulatory assets	72,559	55,428
Pension and other postretirement liabilities	(11,158)	(18,260)
Other assets and liabilities	(255)	(12,021)
Net cash flow provided by operating activities	171,985	105,955
INVESTING ACTIVITIES		
Construction expenditures	(128,199)	(120,992)
Allowance for equity funds used during construction	3,355	2,493
Change in money pool receivable - net	50,210	(7,270)
Remittances to transition charge account	(65,325)	(69,607)
Payments from transition charge account	74,441	74,694
Net cash flow used in investing activities	(65,518)	(120,682)
FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	-	74,264
Retirement of long-term debt	(49,192)	(47,853)
Dividends paid:		
Common stock	(57,420)	(5,780)
Other	(728)	-
Net cash flow provided by (used in) financing activities	(107,340)	20,631
Net increase (decrease) in cash and cash equivalents	(873)	5,904
Cash and cash equivalents at beginning of period	65,289	35,342
Cash and cash equivalents at end of period	\$64,416	\$41,246

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid during the period for:

Interest - net of amount capitalized	\$77,264	\$74,937
Income taxes	\$6,000	\$-

See Notes to Financial Statements.

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ENTERGY TEXAS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

ASSETS

September 30, 2012 and December 31, 2011

(Unaudited)

	2012	2011
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	\$1,621	\$150
Temporary cash investments	62,795	65,139
Total cash and cash equivalents	64,416	65,289
Securitization recovery trust account	32,099	41,215
Accounts receivable:		
Customer	83,954	68,290
Allowance for doubtful accounts	(912)	(1,461)
Associated companies	74,811	129,561
Other	12,730	9,573
Accrued unbilled revenues	42,287	41,573
Total accounts receivable	212,870	247,536
Accumulated deferred income taxes	56,530	88,436
Fuel inventory - at average cost	56,534	53,884
Materials and supplies - at average cost	30,983	29,810
Prepayments and other	19,948	15,203
TOTAL	473,380	541,373
OTHER PROPERTY AND INVESTMENTS		
Investments in affiliates - at equity	669	783
Non-utility property - at cost (less accumulated depreciation)	711	930
Other	18,587	17,969
TOTAL	19,967	19,682
UTILITY PLANT		
Electric	3,429,389	3,338,608
Construction work in progress	95,876	90,856
TOTAL UTILITY PLANT	3,525,265	3,429,464
Less - accumulated depreciation and amortization	1,323,423	1,289,166
UTILITY PLANT - NET	2,201,842	2,140,298
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
Regulatory asset for income taxes - net	128,118	129,924
Other regulatory assets (includes securitization property of \$661,097 as of September 30, 2012 and \$704,896 as of December 31, 2011)	1,107,312	1,178,067
Long-term receivables - associated companies	29,912	31,254

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Other	18,810	18,408
TOTAL	1,284,152	1,357,653
TOTAL ASSETS	\$3,979,341	\$4,059,006

See Notes to Financial Statements.

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ENTERGY TEXAS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
LIABILITIES AND EQUITY
September 30, 2012 and December 31, 2011
(Unaudited)

	2012	2011
	(In Thousands)	
CURRENT LIABILITIES		
Accounts payable:		
Associated companies	\$86,418	\$60,583
Other	54,408	69,160
Customer deposits	42,170	38,294
Taxes accrued	31,766	40,311
Interest accrued	24,063	33,095
Deferred fuel costs	76,207	64,664
Pension and other postretirement liabilities	1,010	1,029
System agreement cost equalization	37,405	43,290
Other	2,530	4,847
TOTAL	355,977	355,273
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	932,592	934,990
Accumulated deferred investment tax credits	18,142	19,339
Other regulatory liabilities	7,455	11,710
Asset retirement cost liabilities	4,043	3,870
Accumulated provisions	8,196	5,024
Pension and other postretirement liabilities	126,596	137,735
Long-term debt (includes securitization bonds of \$700,501 as of September 30, 2012 and \$749,673 as of December 31, 2011)	1,628,270	1,677,127
Other	18,953	14,583
TOTAL	2,744,247	2,804,378
Commitments and Contingencies		
COMMON EQUITY		
Common stock, no par value, authorized 200,000,000 shares; issued and outstanding 46,525,000 shares in 2012 and 2011	49,452	49,452
Paid-in capital	481,994	481,994
Retained earnings	347,671	367,909
TOTAL	879,117	899,355
TOTAL LIABILITIES AND EQUITY	\$3,979,341	\$4,059,006

See Notes to Financial Statements.

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ENTERGY TEXAS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN COMMON EQUITY
For the Nine Months Ended September 30, 2012 and 2011
(Unaudited) (In Thousands)

	Common Equity			Total
	Common Stock	Paid-in Capital	Retained Earnings	
Balance at December 31, 2010	\$49,452	\$481,994	\$292,844	\$824,290
Net income	-	-	79,698	79,698
Common stock dividends	-	-	(5,780)	(5,780)
Balance at September 30, 2011	\$49,452	\$481,994	\$366,762	\$898,208
Balance at December 31, 2011	\$49,452	\$481,994	\$367,909	\$899,355
Net income	-	-	37,182	37,182
Common stock dividends	-	-	(57,420)	(57,420)
Balance at September 30, 2012	\$49,452	\$481,994	\$347,671	\$879,117
See Notes to Financial Statements.				

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ENTERGY TEXAS, INC. AND SUBSIDIARIES
 SELECTED OPERATING RESULTS
 For the Three and Nine Months Ended September 30, 2012 and 2011
 (Unaudited)

Description	Three Months Ended		Increase/ (Decrease)	%
	2012	2011		
(Dollars In Millions)				
Electric Operating Revenues:				
Residential	\$192	\$233	\$(41)	(18)
Commercial	98	114	(16)	(14)
Industrial	87	102	(15)	(15)
Governmental	6	7	(1)	(14)
Total retail	383	456	(73)	(16)
Sales for resale:				
Associated companies	92	76	16	21
Non-associated companies	8	23	(15)	(65)
Other	6	2	4	200
Total	\$489	\$557	\$(68)	(12)
Billed Electric Energy				
Sales (GWh):				
Residential	1,879	2,076	(197)	(9)
Commercial	1,267	1,318	(51)	(4)
Industrial	1,634	1,635	(1)	-
Governmental	74	80	(6)	(8)
Total retail	4,854	5,109	(255)	(5)
Sales for resale:				
Associated companies	1,982	1,238	744	60
Non-associated companies	179	370	(191)	(52)
Total	7,015	6,717	298	4
Nine Months Ended				
Description	2012		Increase/ (Decrease)	%
	2012	2011		
(Dollars In Millions)				
Electric Operating Revenues:				
Residential	\$425	\$501	\$(76)	(15)
Commercial	248	276	(28)	(10)
Industrial	226	261	(35)	(13)
Governmental	17	18	(1)	(6)
Total retail	916	1,056	(140)	(13)
Sales for resale:				
Associated companies	201	205	(4)	(2)
Non-associated companies	28	59	(31)	(53)
Other	29	30	(1)	(3)
Total	\$1,174	\$1,350	\$(176)	(13)

Billed Electric Energy

Sales (GWh):

Residential	4,386	4,790	(404)	(8)
Commercial	3,342	3,392	(50)	(1)
Industrial	4,512	4,696	(184)	(4)
Governmental	209	222	(13)	(6)
Total retail	12,449	13,100	(651)	(5)
Sales for resale:						
Associated companies	4,145	3,227	918		28	
Non-associated companies	683	971	(288)	(30)
Total	17,277	17,298	(21)	-	

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SYSTEM ENERGY RESOURCES, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Results of Operations

System Energy's principal asset consists of a 78.5% ownership interest and 11.5% leasehold interest in Grand Gulf. The capacity and energy from its 90% interest is sold under the Unit Power Sales Agreement to its only four customers, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans. System Energy's operating revenues are derived from the allocation of the capacity, energy, and related costs associated with its 90% interest in Grand Gulf pursuant to the Unit Power Sales Agreement. Payments under the Unit Power Sales Agreement are System Energy's only source of operating revenues.

Third Quarter 2012 Compared to Third Quarter 2011

Net income increased \$16.4 million primarily due to increased operating income partially offset by lower other income. Operating income was higher because of higher rate base compared to 2011. Other income was lower due to AFUDC accrued on the Grand Gulf uprate project in 2011. Grand Gulf's spring 2012 refueling outage was completed in June 2012, and the majority of uprate-related capital improvements were completed during this outage.

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

Net income increased \$36.9 million primarily due to increased operating income, higher other income, and a lower effective income tax rate. Operating income was higher because of higher rate base compared to 2011. Other income was higher due to AFUDC accrued on the Grand Gulf uprate project.

Liquidity and Capital Resources

Cash Flow

Cash flows for the nine months ended September 30, 2012 and 2011 were as follows:

	2012	2011
	(In Thousands)	
Cash and cash equivalents at beginning of period	\$185,157	\$263,772
Cash flow provided by (used in):		
Operating activities	217,040	233,804
Investing activities	(513,256)	(177,322)
Financing activities	131,297	(142,564)
Net decrease in cash and cash equivalents	(164,919)	(86,082)
Cash and cash equivalents at end of period	\$20,238	\$177,690

Operating Activities

Net cash provided by operating activities decreased \$16.8 million for the nine months ended September 30, 2012 compared to the nine months ended September 30, 2011 primarily due to an increase in nuclear refueling outage expenditures, partially offset by a decrease of \$14.7 million in pension contributions. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for a discussion of qualified pension and other postretirement benefits.

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System Energy Resources, Inc.

Management's Financial Discussion and Analysis

Investing Activities

Net cash used in investing activities increased \$335.9 million for the nine months ended September 30, 2012 compared to the nine months ended September 30, 2011 primarily due to:

- an increase in construction expenditures resulting from the uprate project at Grand Gulf;
- an increase of \$114.9 million in nuclear fuel activity primarily due to the 2012 Grand Gulf refueling outage; and
- \$72.2 million of bond proceeds deposited with a trustee in September 2012. System Energy issued \$250 million of 4.10% Series first mortgage bonds in September 2012 and used a portion of the proceeds to redeem, at maturity, its \$70 million 6.2% Series first mortgage bonds due October 2012. The funds were held by trustee until the redemption of the bonds on October 1, 2012.

The increase was partially offset by money pool activity.

Decreases in System Energy's receivable from the money pool are a source of cash flow, and System Energy's receivable from the money pool decreased \$116.3 million for the nine months ended September 30, 2012 compared to decreasing by \$24.4 million for the nine months ended September 30, 2011. The money pool is an inter-company borrowing arrangement designed to reduce the Utility subsidiaries' need for external short-term borrowings.

Financing Activities

System Energy's financing activities provided \$131.3 million of cash for the nine months ended September 30, 2012 compared to using \$142.6 million of cash for the nine months ended September 30, 2011 primarily due to the following cash flow activity:

- the issuance of \$250 million of 4.10% Series first mortgage bonds in September 2012;
- the issuance of \$50 million of 4.02% Series H notes by the nuclear fuel company variable interest entity in February 2012;
- an increase in borrowings of \$62.8 million on the nuclear fuel company variable interest entity's credit facility in 2012 compared to the repayment on borrowings of \$38.3 million on the nuclear fuel company variable interest entity's credit facility in 2011;
 - a decrease of \$29.3 million in common equity dividends in 2012; and
 - the redemption of \$152.975 million of pollution control revenue bonds in 2012.

Capital Structure

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

	September 30, 2012	December 31, 2011
Debt to capital	49.8%	48.3%
Effect of subtracting cash	(0.6)%	(7.1)%
Net debt to net capital	49.2%	41.2%

Net debt consists of debt less cash and cash equivalents. Debt consists of notes payable and long-term debt, including the currently maturing portion. Capital consists of debt and common shareholder's equity. Net capital consists of capital less cash and cash equivalents. System Energy uses the net debt to net capital ratio in analyzing its financial condition and believes it provides useful information to its investors and creditors in evaluating System Energy's financial condition.

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System Energy Resources, Inc.

Management's Financial Discussion and Analysis

Uses and Sources of Capital

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources" in the Form 10-K for a discussion of System Energy's uses and sources of capital. System Energy is developing its capital investment plan for 2013 through 2015 and currently anticipates making \$91 million in capital investments during that period, including approximately \$52 million for maintenance of existing assets. The remaining \$39 million is associated with specific investments, such as plant improvements. Following are updates to the information provided in the Form 10-K.

System Energy's receivables from the money pool were as follows:

September 30, 2012	December 31, 2011	September 30, 2011	December 31, 2010
(In Thousands)			
\$4,103	\$120,424	\$73,570	\$97,948

See Note 4 to the financial statements in the Form 10-K for a description of the money pool.

In February 2012 the System Energy nuclear fuel company variable interest entity issued \$50 million of 4.02% Series H notes due February 2017. System Energy used the proceeds to purchase additional nuclear fuel.

In September 2012, System Energy issued \$250 million of 4.10% Series first mortgage bonds due April 2023. System Energy used a portion of the proceeds to pay, at maturity, its \$70 million 6.2% Series first mortgage bonds due October 2012 and to pay, prior to maturity, its \$102.975 million 5.9% Series pollution control revenue bonds due May 2022 and its \$50 million 6.2% Series pollution control revenue bonds due February 2026.

Grand Gulf Uprate

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

Nuclear Matters

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Nuclear Matters" in the Form 10-K for a discussion of nuclear matters.

Environmental Risks

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Environmental Risks" in the Form 10-K for a discussion of environmental risks.

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 System Energy's accounting for nuclear decommissioning costs and qualified pension and other postretirement benefits.

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SYSTEM ENERGY RESOURCES, INC.
INCOME STATEMENTS

For the Three and Nine Months Ended September 30, 2012 and 2011
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2012	2011	2012	2011
	(In Thousands)		(In Thousands)	
OPERATING REVENUES				
Electric	\$188,680	\$152,431	\$428,413	\$409,946
OPERATING EXPENSES				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	25,538	19,698	38,976	58,873
Nuclear refueling outage expenses	7,304	4,115	14,352	12,204
Other operation and maintenance	38,029	36,493	105,754	100,336
Decommissioning	8,327	7,752	24,541	23,568
Taxes other than income taxes	5,230	5,312	16,262	16,525
Depreciation and amortization	47,991	42,362	102,989	96,608
Other regulatory credits - net	(2,673)	(1,821)	(7,096)	(7,071)
TOTAL	129,746	113,911	295,778	301,043
OPERATING INCOME	58,934	38,520	132,635	108,903
OTHER INCOME				
Allowance for equity funds used during construction	2,171	5,912	24,158	15,433
Interest and investment income	2,506	3,054	8,108	8,103
Miscellaneous - net	(146)	(253)	(446)	(502)
TOTAL	4,531	8,713	31,820	23,034
INTEREST EXPENSE				
Interest expense	12,631	14,548	34,076	33,673
Allowance for borrowed funds used during construction	(401)	(1,800)	(6,892)	(4,716)
TOTAL	12,230	12,748	27,184	28,957
INCOME BEFORE INCOME TAXES	51,235	34,485	137,271	102,980
Income taxes	20,619	20,222	44,751	47,395
NET INCOME	\$30,616	\$14,263	\$92,520	\$55,585

See Notes to Financial Statements.

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SYSTEM ENERGY RESOURCES, INC.
STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 2012 and 2011
(Unaudited)

	2012	2011
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	\$92,520	\$55,585
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Depreciation, amortization, and decommissioning, including nuclear fuel amortization	157,070	162,492
Deferred income taxes, investment tax credits, and non-current taxes accrued	106,167	(53,032)
Changes in assets and liabilities:		
Receivables	(8,224)	(2,916)
Accounts payable	(9,070)	1,449
Taxes accrued and prepaid taxes	(63,879)	94,285
Interest accrued	(1,636)	(35,671)
Other working capital accounts	(30,126)	6,928
Other regulatory assets	(38,909)	53,727
Pension and other postretirement liabilities	(9,375)	(23,598)
Other assets and liabilities	22,502	(25,445)
Net cash flow provided by operating activities	217,040	233,804
INVESTING ACTIVITIES		
Construction expenditures	(415,013)	(164,013)
Allowance for equity funds used during construction	24,158	15,433
Nuclear fuel purchases	(182,619)	(41,717)
Proceeds from the sale of nuclear fuel	38,413	12,420
Changes in other investments - net	(72,170)	-
Proceeds from nuclear decommissioning trust fund sales	315,006	166,890
Investment in nuclear decommissioning trust funds	(337,352)	(190,713)
Changes in money pool receivable - net	116,321	24,378
Net cash flow used in investing activities	(513,256)	(177,322)
FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	297,908	-
Retirement of long-term debt	(192,867)	(38,161)
Changes in credit borrowings - net	62,772	(38,264)
Dividends paid:		
Common stock	(32,750)	(62,000)
Other	(3,766)	(4,139)
Net cash flow provided by (used in) financing activities	131,297	(142,564)
Net decrease in cash and cash equivalents	(164,919)	(86,082)
Cash and cash equivalents at beginning of period	185,157	263,772
Cash and cash equivalents at end of period	\$20,238	\$177,690

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid (received) during the period for:

Interest - net of amount capitalized	\$27,667	\$28,409
Income taxes	\$(3,873)	\$-

See Notes to Financial Statements.

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SYSTEM ENERGY RESOURCES, INC.

BALANCE SHEETS

ASSETS

September 30, 2012 and December 31, 2011

(Unaudited)

2012 2011
(In Thousands)

CURRENT ASSETS

Cash and cash equivalents:		
Cash	\$401	\$30,961
Temporary cash investments	19,837	154,196
Total cash and cash equivalents	20,238	185,157
Accounts receivable:		
Associated companies	67,144	172,943
Other	4,996	7,294
Total accounts receivable	72,140	180,237
Materials and supplies - at average cost	80,983	86,333
Deferred nuclear refueling outage costs	41,544	9,479
Funds held on deposit	72,170	-
Prepayments and other	4,267	1,111
TOTAL	291,342	462,317

OTHER PROPERTY AND INVESTMENTS

Decommissioning trust funds	484,188	423,409
TOTAL	484,188	423,409

UTILITY PLANT

Electric	4,031,332	3,438,424
Property under capital lease	491,023	491,023
Construction work in progress	50,209	357,826
Nuclear fuel	271,496	157,967
TOTAL UTILITY PLANT	4,844,060	4,445,240
Less - accumulated depreciation and amortization	2,537,005	2,518,190
UTILITY PLANT - NET	2,307,055	1,927,050

DEFERRED DEBITS AND OTHER ASSETS

Regulatory assets:		
Regulatory asset for income taxes - net	129,945	124,777
Other regulatory assets	321,536	287,796
Other	17,445	20,016
TOTAL	468,926	432,589

TOTAL ASSETS	\$3,551,511	\$3,245,365
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See Notes to Financial Statements.

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SYSTEM ENERGY RESOURCES, INC.
BALANCE SHEETS
LIABILITIES AND EQUITY
September 30, 2012 and December 31, 2011
(Unaudited)

	2012	2011
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	\$181,854	\$110,163
Short-term borrowings	62,772	-
Accounts payable:		
Associated companies	5,153	8,032
Other	46,459	63,331
Taxes accrued	28,576	92,455
Accumulated deferred income taxes	16,082	3,428
Interest accrued	16,140	17,776
Other	2,336	2,591
TOTAL	359,372	297,776
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	762,227	652,418
Accumulated deferred investment tax credits	56,638	57,865
Other regulatory liabilities	240,767	214,745
Decommissioning	469,893	445,352
Pension and other postretirement liabilities	130,344	139,719
Long-term debt	671,917	636,885
Other	20	42
TOTAL	2,331,806	2,147,026
Commitments and Contingencies		
COMMON EQUITY		
Common stock, no par value, authorized 1,000,000 shares; issued and outstanding 789,350 shares in 2012 and 2011	789,350	789,350
Retained earnings	70,983	11,213
TOTAL	860,333	800,563
TOTAL LIABILITIES AND EQUITY	\$3,551,511	\$3,245,365

See Notes to Financial Statements.

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SYSTEM ENERGY RESOURCES, INC.
 STATEMENTS OF CHANGES IN COMMON EQUITY
 For the Nine Months Ended September 30, 2012 and 2011
 (Unaudited) (In Thousands)

	Common Equity		Total
	Common Stock	Retained Earnings	
Balance at December 31, 2010	\$789,350	\$23,016	\$812,366
Net income	-	55,585	55,585
Common stock dividends	-	(62,000)	(62,000)
Balance at September 30, 2011	\$789,350	\$16,601	\$805,951
Balance at December 31, 2011	\$789,350	\$11,213	\$800,563
Net income	-	92,520	92,520
Common stock dividends	-	(32,750)	(32,750)
Balance at September 30, 2012	\$789,350	\$70,983	\$860,333

See Notes to Financial Statements.

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ENTERGY CORPORATION AND SUBSIDIARIES
PART II. OTHER INFORMATION

Item 1. Legal Proceedings

See "PART I, Item 1, Litigation" in the Form 10-K for a discussion of legal, administrative, and other regulatory proceedings affecting Entergy. Following is an update to that discussion. Also see "Item 5, Other Information, Environmental Regulation", below, for updates regarding environmental proceedings and regulation.

Texas Power Price Lawsuit

See the Form 10-K for a discussion of the lawsuit filed in August 2003 in the district court of Chambers County, Texas by Texas residents on behalf of a purported class of the Texas retail customers of Entergy Gulf States, Inc. who were billed and paid for electric power from January 1, 1994 to the present. The case is pending in state district court, and in March 2012 the court found that the case met the requirements to be maintained as a class action under Texas law. On April 30, 2012, the court entered an order certifying the class. The defendants have appealed the order to the Texas Court of Appeals – First District. The appeal is pending, and proceedings in district court are stayed until the appeal is resolved.

Item 1A. Risk Factors

There have been no material changes to the risk factors discussed in "PART I, Item 1A, Risk Factors" in the Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities (1)

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of a Publicly Announced Plan	Maximum \$ Amount of Shares that May Yet be Purchased Under a Plan (2)
7/01/2012-7/31/2012	-	\$-	-	\$350,052,918
8/01/2012-8/31/2012	-	\$-	-	\$350,052,918
9/01/2012-9/30/2012	-	\$-	-	\$350,052,918
Total	-	\$-	-	

(1) In accordance with Entergy's stock-based compensation plans, Entergy periodically grants stock options to key employees, which may be exercised to obtain shares of Entergy's common stock. According to the plans, these shares can be newly issued shares, treasury stock, or shares purchased on the open market. Entergy's management has been authorized by the Board to repurchase on the open market shares up to an amount sufficient to fund the exercise of grants under the plans. See Note 12 to the financial statements in the Form 10-K for additional discussion of the stock-based compensation plans. In addition to this authority, in October 2010 the Board granted authority for an additional \$500 million share repurchase

program. The amount of share repurchases under these programs may vary as a result of material changes in business results or capital spending or new investment opportunities. In addition, in the first quarter 2012, Entergy withheld 20,110 shares of its common stock at \$70.62 per share to pay taxes due upon vesting of restricted stock granted as part of its long-term incentive program.

- (2) Maximum amount of shares that may yet be repurchased does not include an estimate of the amount of shares that may be purchased to fund the exercise of grants under the stock-based compensation plans.

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Item 5. Other Information

Regulation of the Nuclear Power Industry

Nuclear Waste Policy Act of 1982

Spent Nuclear Fuel

See the discussion in Part I, Item 1, in the Form 10-K for information regarding litigation against the U.S. Department of Energy. Following are updates to that discussion. In April 2012 the U.S. Court of Federal Claims issued a final judgment for approximately \$10 million in the Grand Gulf case. Entergy received payment of that amount from the U.S. Treasury in June 2012. In April 2012, the same court also entered final judgment in the amount of approximately \$4 million in the Pilgrim case. On October 9, 2012 the DOE again appealed that decision to the U.S. Court of Appeals for the Federal Circuit (Federal Circuit). In April 2012 the Federal Circuit issued a decision in the appeal in the Entergy Nuclear Indian Point 2 case. In that decision, the Federal Circuit reversed certain damages awarded to Entergy, but also reversed the trial court's denial of certain overhead costs. The revisions to the award reduced the net amount from approximately \$106 million to approximately \$103 million, and Entergy received payment of that amount from the U.S. Treasury in August 2012. In June 2012 the Federal Circuit issued a decision in the appeal of the Vermont Yankee case. In that decision, the Federal Circuit reversed certain damages awarded to Entergy, but again reversed the trial court's denial of certain overhead costs. The revisions to the award reduced the net amount from approximately \$47 million to approximately \$41 million. In September 2012, Entergy Nuclear Palisades, LLC filed suit against the DOE for damages from the DOE's breach of the spent fuel disposal contract accruing at Palisades and Big Rock Point since the date of acquisition of those sites from Consumers Energy Company in 2007. The timing of eventual receipt from the DOE of the Pilgrim and Vermont Yankee damage awards or any other damage awards discussed in the Form 10-K is uncertain.

Environmental Regulation

Following are updates to the Environmental Regulation section of Part I, Item 1 of the Form 10-K.

Clean Air Act and Subsequent Amendments

Interstate Air Transport

In March 2005, the EPA finalized the Clean Air Interstate Rule (CAIR), which was intended to reduce SO₂ and NO_x emissions from electric generation plants in order to improve air quality in twenty-nine eastern states. The rule required a combination of investment of capital to install pollution control equipment and increased operating costs through the purchase of emission allowances. Entergy began implementation in 2007, including installation of controls at several facilities and the development of an emission allowance procurement strategy.

Based on several court challenges, the CAIR was vacated and remanded to the EPA by the D.C. Circuit Court of Appeals in 2008. The court allowed the CAIR to become effective in January 2009, while the EPA revised the rule. On July 7, 2011, the EPA released its final Cross-State Air Pollution Rule (CSAPR, which previously was referred to as the Transport Rule). The rule was directed at limiting the interstate transport of emissions of NO_x and SO₂ as precursors to ozone and fine particulate matter. The final rule provided a significantly lower number of allowances to Entergy's Utility states than did the draft rule. Entergy's capital investment and annual allowance purchase costs under the CSAPR would depend on the economic assessment of NO_x and SO₂ allowance markets, the cost of control technologies, generation unit utilization, and the availability and cost of purchased power.

Entergy filed a petition for review with the United States Court of Appeals for the D.C. Circuit and a petition with the EPA for reconsideration of the rule and stay of its effectiveness. Several other parties filed similar petitions. On December 30, 2011, the D.C. Circuit Court of Appeals stayed CSAPR and instructed the EPA to continue administering CAIR, pending further judicial review. In August 2012, the D.C. Circuit issued a decision vacating CSAPR and leaving CAIR in place pending the promulgation of a lawful replacement for both rules. In the interim, Entergy is complying with CAIR as it continues to be implemented. The EPA has requested rehearing of the D.C. Circuit's decision.

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Regional Haze

In June 2005, the EPA issued final Best Available Retrofit Control Technology (BART) regulations that could potentially result in a requirement to install SO₂ and NO_x pollution control technology on certain of Entergy's fossil-fueled generation units. The rule leaves certain BART determinations to the states. The Arkansas Department of Environmental Quality (ADEQ) prepared a State Implementation Plan (SIP) for Arkansas facilities to implement its obligations under the Clean Air Visibility Rule. The ADEQ determined that Entergy Arkansas's White Bluff power plant affects a Class I Area's visibility and will be subject to the EPA's presumptive BART limits, which likely would require the installation of scrubbers and low NO_x burners. Under then-current state regulations, the scrubbers would have had to be operational by October 2013. Entergy Arkansas filed a petition in December 2009 with the Arkansas Pollution Control and Ecology Commission requesting a variance from this deadline because the EPA had expressed concerns about Arkansas's Regional Haze SIP and questioned the appropriateness of issuing an air permit prior to that approval. Entergy Arkansas's petition requested that, consistent with federal law, the compliance deadline be changed to as expeditiously as practicable, but in no event later than five years after EPA approval of the Arkansas Regional Haze SIP. The Arkansas Pollution Control and Ecology Commission approved the variance in March 2010. In October 2011 the EPA released a proposed rule addressing the Arkansas Regional Haze SIP. In the proposal the EPA disapproved a large portion of the Arkansas Regional Haze SIP, including the emission limits for NO_x and SO₂ at White Bluff. The final rule was published, substantially unchanged, and became final on April 11, 2012. The EPA did not issue a Federal Implementation Plan for regional haze requirements because Arkansas has indicated it wishes to correct and resubmit its SIP. There will be a two-year timeframe in which the EPA must either approve a SIP issued by Arkansas or issue a Federal Implementation Plan.

New Source Performance Standards for Greenhouse Gas Emissions

The EPA announced a schedule for establishing new source performance standards (NSPS) for greenhouse gas (GHG) emissions from power plants and refineries. Under the schedule, the EPA would have issued proposed regulations for power plants by July 26, 2011 and final regulations no later than May 26, 2012. On April 13, 2012, EPA published the proposed NSPS for GHGs for new sources. According to the EPA, the proposed rule applies directly only to new units and would limit CO₂ emissions for any fossil-fired power plant greater than 25 MW to 1,000 pounds of CO₂ per MWh of electricity produced. Concerns have been expressed regarding the proposed rule's potential applicability to existing facilities that undergo modification. The rule would not apply to certain units such as simple-cycle natural gas units and biomass units. Entergy will continue to monitor the rulemaking process.

Clean Water Act

NPDES Permits and Section 401 Water Quality Certifications

Indian Point

As discussed in more detail in the Form 10-K, Entergy is involved in an administrative permitting process with the New York State Department of Environmental Conservation (NYSDEC) for renewal of the Indian Point 2 and Indian Point 3 discharge permits. The NYSDEC has directed Entergy to develop detailed feasibility information regarding the construction and operation of cooling towers, and alternatives to closed cycle cooling, prior to the issuance of a new draft permit by the NYSDEC staff and commencement of the adjudicatory proceeding. Entergy has proposed an alternative to the cooling towers, the use of cylindrical wedge wire screens, the construction costs of which are now expected to be approximately \$250 million to \$300 million to install.

In July 2012 the New York State Department of State adopted a significant coastal fisheries and habitat designation specifying the area of the Hudson River near Indian Point as significant habitat for certain species. This designation becomes part of New York's state coastal management program and, if approved by the federal government, would become part of New York's management plan under the federal Coastal Zone Management Act. In October 2012, Entergy filed a petition in Albany County Supreme Court challenging the procedure by which the designation was adopted and the factual premise for the designation. Although the designation does not conclude that any specific activity impacts the designated habitat, if the designation is upheld, Indian Point may be required to meet a heightened habitat impairment test to avoid a state objection to coastal plan consistency determinations.

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Pilgrim

In October 2012, EcoLaw, a coalition of several environmental groups, served Entergy Nuclear Generation Company (owner of Pilgrim) and Entergy Nuclear Operations, Inc. with a notice of intent to sue under the Clean Water Act for alleged violations at Pilgrim. The notice of intent alleges 33,253 discharge permit violations since 1994 (which begins prior to Entergy's ownership, Entergy purchased the plant in 1999) and seeks \$25,000 for each alleged violation. The Clean Water Act states that an alleged violator must be given 60 days' notice prior to a citizen's suit being filed. Early review of the notice of intent indicates that many of the alleged violations were discharges in compliance with the current facility discharge permit and that the putative plaintiff alleges that the EPA permit involved was improperly issued or modified. An additional notice of intent was served by EcoLaw to the same Entergy parties and the Massachusetts Department of Environmental Protection alleging violations of state water quality standards and requesting revocation of the state-issued Section 401 Water Quality Certification associated with the plant's water discharge permit (state law requires a 21-day notice of intent). Entergy continues to review the Notices of Intent and will respond accordingly.

316(b) Cooling Water Intake Structures

EPA finalized regulations in July 2004 governing the intake of water at large existing power plants employing cooling water intake structures. The rule sought to reduce perceived impacts on aquatic resources by requiring covered facilities to implement technology or other measures to meet EPA-targeted reductions in water use and corresponding perceived aquatic impacts. Entergy, other industry members and industry groups, environmental groups, and a coalition of northeastern and mid-Atlantic states challenged various aspects of the rule. In January 2007, the U.S. Second Circuit Court of Appeals remanded the rule to the EPA for reconsideration. The court instructed the EPA to reconsider several aspects of the rule that were beneficial to businesses affected by the rule after finding that these provisions of the rule were contrary to the language of the Clean Water Act or were not sufficiently explained in the rule. In April 2008, the U.S. Supreme Court agreed to review the Second Circuit decision on the question of whether the EPA may take into consideration a cost-benefit analysis in developing these regulations, a consideration of potential benefit to businesses affected by the rule that the Second Circuit disallowed. In March 2009, the Supreme Court ruled in favor of the petitioners that cost-benefit analysis may be taken into consideration. The EPA reissued the proposed rule in April 2011, with finalization originally anticipated by July 27, 2012; however, the EPA extended the deadline to June 27, 2013. Entergy filed comments with the EPA on the proposed rule.

Other Environmental Matters

Entergy Gulf States Louisiana and Entergy Texas

In 1994, Entergy Gulf States, Inc. initiated an environmental groundwater assessment associated with the submittal of a permit application for a construction project at the Louisiana Station Generating Plant (Louisiana Station). In 1995, the ongoing assessment confirmed subsurface soil and groundwater impact to three primary areas on the plant site. Subsequently, from 1997 to 1999 soil was removed under guidance and permission of the Louisiana Department of Environmental Quality (LDEQ). In 2000, Entergy pursued the final regulatory required remediation of the site's groundwater and submitted a long-term monitoring plan approved by LDEQ in 2002. Implementation of the monitoring plan in 2002 identified the presence of hydrocarbon contributed by a third party. Responsibility has been defined and a cost sharing has been implemented with a responsible third party identified in the previous characterization phase. The final groundwater clean-up and monitoring phase at Louisiana Station is expected to continue for an undefined period of time until groundwater characterization and compliance monitoring meet LDEQ Risk Evaluation and Corrective Action Program groundwater standards for a consistent period of time. Current annual environmental management cost is now under \$50 thousand per year and includes partial reimbursement by the

third party.

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Entergy

In November 2010 a transformer at the Indian Point facility failed, resulting in a fire and the release of non-PCB oil to the ground surface. The fire was extinguished by the facility's fire deluge system along with the site's fire brigade. No injuries occurred due to the transformer failure or Entergy's response. Non-PCB oil and deluge water were released into the facility's discharge canal and the environment surrounding the transformer and discharge canal, including the Hudson River, as a result of the failure, fire, and fire suppression. As a result of this discharge of non-PCB oil, Entergy in March 2012 agreed to a settlement with the New York State Department of Environmental Conservation under which Entergy paid a civil penalty of \$625,000, will pay another \$600,000 to environmental benefit programs in the region, and a possible additional payment of \$275,000 that is suspended contingent upon Entergy's compliance with the other terms of the settlement. Entergy also paid \$67,000 in natural resource damages and oversight costs.

Correction of Regulatory Asset for Income Taxes

As discussed in more detail in Note 2 to the financial statements, in the first quarter 2012, Entergy Gulf States Louisiana determined that its regulatory asset for income taxes was overstated because of a difference between the regulatory treatment of the income taxes associated with certain items (primarily pension expense) and the financial accounting treatment of those taxes. The effect was immaterial to the balance sheets, results of operations, and cash flows of Entergy Gulf States Louisiana for all prior reporting periods. Correcting the cumulative effect of the error in the first quarter 2012 could have been material to the 2012 results of operations of Entergy Gulf States Louisiana and, therefore, Entergy Gulf States Louisiana is revising its prior period financial statements to correct the errors. The effect of the corrections on the Entergy Gulf States Louisiana financial statements presented in the Form 10-K is shown in the tables below:

	2011		Years Ended December 31, 2010		2009	
	As previously reported	As corrected	As previously reported	As corrected	As previously reported	As corrected
	(In Thousands)					
Income Statement						
Income taxes	\$88,313	\$89,736	\$75,878	\$92,297	\$89,185	\$88,951
Net income	\$203,027	\$201,604	\$190,738	\$174,319	\$153,047	\$153,281
Earnings applicable to common equity	\$202,202	\$200,779	\$189,911	\$173,492	\$152,222	\$152,456
Statement of Cash Flows						
Net income	\$203,027	\$201,604	\$190,738	\$174,319	\$153,047	\$153,281
Deferred income taxes, investment tax credits, and non-current taxes accrued	(\$6,268)	(\$4,845)	\$87,920	\$104,339	\$138,817	\$138,583

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Changes in other regulatory assets	(\$80,027)	(\$77,713)	\$114,528	\$141,216	(\$44,612)	(\$44,993)
Other operating activities	(\$35,248)	(\$37,562)	\$30,717	\$4,029	(\$86,474)	(\$86,093)

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	2011		December 31, 2010	
	As previously reported	As corrected	As previously reported	As corrected
(In Thousands)				
Balance Sheet				
Regulatory asset for income taxes - net	\$249,058	\$173,724	\$234,406	\$161,386
Accumulated deferred income taxes - current	\$5,427	\$5,107	\$1,749	\$1,255
Accumulated deferred income taxes and taxes accrued	\$1,397,230	\$1,368,563	\$1,405,374	\$1,377,772
Member's equity	\$1,439,733	\$1,393,386	\$1,539,517	\$1,494,593

	Years Ended December 31, 2011, 2010, and 2009			
	Member's Equity		Total Equity	
	As previously reported	As corrected	As previously reported	As corrected
(In Thousands)				
Statement of Changes in Equity				
Balance at December 31, 2008	\$1,352,408	\$1,323,669	\$1,332,143	\$1,303,404
2009 Net income	\$153,047	\$153,281	\$153,047	\$153,281
Balance at December 31, 2009	\$1,473,930	\$1,445,425	\$1,441,759	\$1,413,254
2010 Net income	\$190,738	\$174,319	\$190,738	\$174,319
Balance at December 31, 2010	\$1,539,517	\$1,494,593	\$1,509,213	\$1,464,289
2011 Net income	\$203,027	\$201,604	\$203,027	\$201,604
Balance at December 31, 2011	\$1,439,733	\$1,393,386	\$1,380,123	\$1,333,776

Earnings Ratios (Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy)

The Registrant Subsidiaries have calculated ratios of earnings to fixed charges and ratios of earnings to combined fixed charges and preferred dividends/distributions pursuant to Item 503 of Regulation S-K of the SEC as follows:

	Ratios of Earnings to Fixed Charges Twelve Months Ended					
	2007	2008	December 31, 2009	2010	2011	September 30, 2012
Entergy Arkansas	3.19	2.33	2.39	3.91	4.31	3.87
Entergy Gulf States Louisiana	2.84	2.44	2.99	3.58	4.36	3.57
Entergy Louisiana	3.44	3.14	3.52	3.41	1.86	1.88

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Entergy Mississippi	3.22	2.92	3.31	3.35	3.55	2.88
Entergy New Orleans	2.74	3.71	3.61	4.43	5.37	2.28
Entergy Texas	2.07	2.04	1.92	2.10	2.34	1.67
System Energy	3.95	3.29	3.73	3.64	3.85	4.53

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	Ratios of Earnings to Combined Fixed Charges and Preferred Dividends/Distributions Twelve Months Ended					
	2007	2008	December 31, 2009	2010	2011	September 30, 2012
Entergy Arkansas	2.88	1.95	2.09	3.60	3.83	3.43
Entergy Gulf States Louisiana	2.73	2.42	2.95	3.54	4.30	3.51
Entergy Louisiana	3.08	2.87	3.27	3.19	1.70	1.74
Entergy Mississippi	2.97	2.67	3.06	3.16	3.27	2.67
Entergy New Orleans	2.54	3.45	3.33	4.08	4.74	2.01

The Registrant Subsidiaries accrue interest expense related to unrecognized tax benefits in income tax expense and do not include it in fixed charges.

Item 6. Exhibits *

- * 4(a) - Twenty-fourth Supplemental Indenture, dated as of September 1, 2012, to System Energy Resources, Inc. Mortgage and Deed of Trust, dated as of June 15, 1977 (4.42 to Form 8-K dated September 25, 2012 in 1-09067).
- 10(a) - Entergy Corporation Service Recognition Program for Non-Employee Outside Directors (As Amended and Restated effective June 1, 2012).
- 10(b) - First Amendment to The Entergy Corporation Outside Director Stock Program Established under the 2011 Equity Ownership and Long Term Cash Incentive Plan of Entergy Corporation and Subsidiaries.
- 12(a) - Entergy Arkansas's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Dividends, as defined.
- 12(b) - Entergy Gulf States Louisiana's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Distributions, as defined.
- 12(c) - Entergy Louisiana's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Distributions, as defined.
- 12(d) - Entergy Mississippi's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Dividends, as defined.
- 12(e) - Entergy New Orleans's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Dividends, as defined.
- 12(f) - Entergy Texas's Computation of Ratios of Earnings to Fixed Charges, as defined.

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- 12(g) - System Energy's Computation of Ratios of Earnings to Fixed Charges, as defined.
- 31(a) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Corporation.
- 31(b) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Corporation.
- 31(c) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Arkansas.

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- 31(d) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Arkansas.
- 31(e) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Gulf States Louisiana.
- 31(f) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Gulf States Louisiana.
- 31(g) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Louisiana.
- 31(h) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Louisiana.
- 31(i) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Mississippi.
- 31(j) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Mississippi.
- 31(k) - Rule 13a-14(a)/15d-14(a) Certification for Entergy New Orleans.
- 31(l) - Rule 13a-14(a)/15d-14(a) Certification for Entergy New Orleans.
- 31(m) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Texas.
- 31(n) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Texas.
- 31(o) - Rule 13a-14(a)/15d-14(a) Certification for System Energy.
- 31(p) - Rule 13a-14(a)/15d-14(a) Certification for System Energy.
- 32(a) - Section 1350 Certification for Entergy Corporation.
- 32(b) - Section 1350 Certification for Entergy Corporation.
- 32(c) - Section 1350 Certification for Entergy Arkansas.
- 32(d) - Section 1350 Certification for Entergy Arkansas.
- 32(e) - Section 1350 Certification for Entergy Gulf States Louisiana.
- 32(f) - Section 1350 Certification for Entergy Gulf States Louisiana.
- 32(g) - Section 1350 Certification for Entergy Louisiana.
- 32(h) - Section 1350 Certification for Entergy Louisiana.
- 32(i) - Section 1350 Certification for Entergy Mississippi.
- 32(j) - Section 1350 Certification for Entergy Mississippi.
- 32(k) - Section 1350 Certification for Entergy New Orleans.

32(l) - Section 1350 Certification for Entergy New Orleans.

32(m) - Section 1350 Certification for Entergy Texas.

32(n) - Section 1350 Certification for Entergy Texas.

32(o) - Section 1350 Certification for System Energy.

32(p) - Section 1350 Certification for System Energy.

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101 INSBRL Instance Document.

-

101 SCHBRL Taxonomy Extension Schema Document.

-

101 PREBRL Taxonomy Presentation Linkbase Document.

-

101 LABBRL Taxonomy Label Linkbase Document.

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101 CALBRL Taxonomy Calculation Linkbase Document.

-

101 DEFBRL Definition Linkbase Document.

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Pursuant to Item 601(b)(4)(iii) of Regulation S-K, Entergy Corporation agrees to furnish to the Commission upon request any instrument with respect to long-term debt that is not registered or listed herein as an Exhibit because the total amount of securities authorized under such agreement does not exceed ten percent of the total assets of Entergy Corporation and its subsidiaries on a consolidated basis.

* Incorporated herein by reference as indicated.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. The signature for each undersigned company shall be deemed to relate only to matters having reference to such company or its subsidiaries.

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.
SYSTEM ENERGY RESOURCES, INC.

/s/ Alyson M. Mount

Alyson M. Mount

Senior Vice President and Chief Accounting Officer

(For each Registrant and for each as
Principal Accounting Officer)

Date: November 6, 2012

