



*Entergy*®

EARNINGS TELECONFERENCE

2<sup>ND</sup> QUARTER 2014  
JULY 29, 2014

# Caution Regarding Forward-Looking Statements and Regulation G Compliance

In this presentation, and from time to time, Entergy Corporation makes certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Except to the extent required by the federal securities laws, Entergy undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

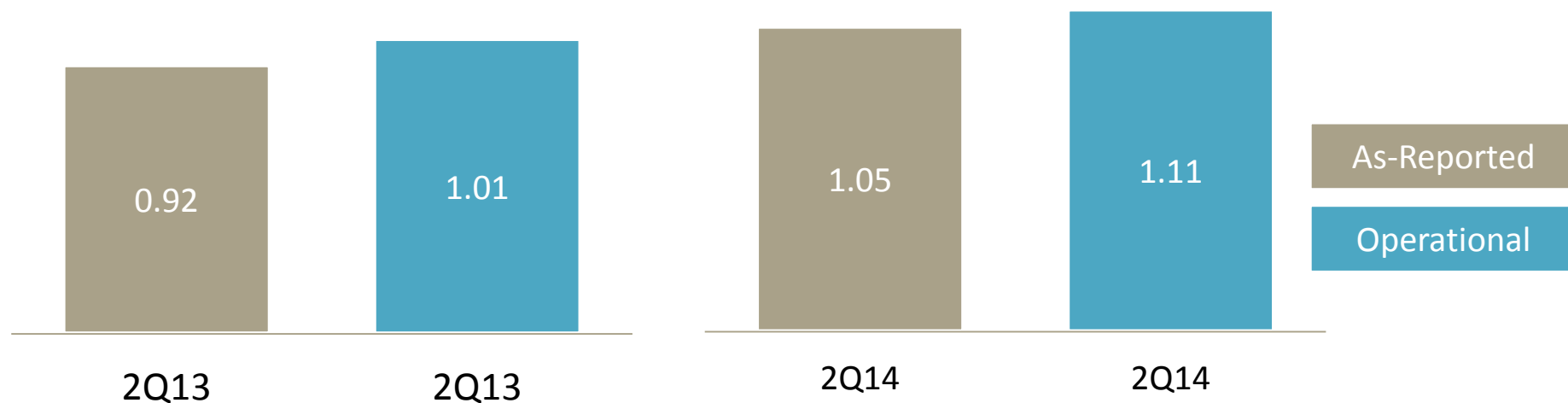
Forward-looking statements involve a number of risks and uncertainties. There are factors that could cause actual results to differ materially from those expressed or implied in the forward-looking statements, including (a) those factors discussed in this presentation and in Entergy’s most recent Annual Report on Form 10-K, any subsequent Quarterly Reports on Form 10-Q and Entergy’s other reports and filings made under the Securities Exchange Act of 1934; (b) uncertainties associated with rate proceedings, formula rate plans and other cost recovery mechanisms; (c) uncertainties associated with efforts to remediate the effects of major storms and recover related restoration costs; (d) nuclear plant relicensing, operating and regulatory risks, including any changes resulting from the nuclear crisis in Japan following its catastrophic earthquake and tsunami; (e) legislative and regulatory actions and risks and uncertainties associated with claims or litigation by or against Entergy and its subsidiaries and (f) economic conditions and conditions in commodity and capital markets during the periods covered by the forward-looking statements, in addition to other factors described elsewhere in this presentation and subsequent securities filings.

This presentation includes the non-GAAP financial measures of operational earnings per share, operational net income, adjusted EBITDA, operational adjusted EBITDA and normalized ROE when describing Entergy’s results of operations and financial performance. We have prepared reconciliations of these financial measures to the most directly comparable GAAP measure. These reconciliations can be found on slides 33 – 36. Further information can be found in Entergy’s investor earnings releases, which are posted on our website at [www.entergy.com](http://www.entergy.com).

Definitions of abbreviations and acronyms used in this presentation are provided on slides 37 – 38.

# Second Quarter Earnings Comparison

## Consolidated Earnings per Share



### *Special Items in 2Q13*

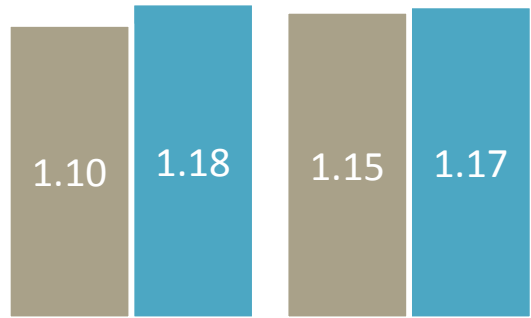
HCM implementation expenses	(0.02)
Transmission spin-merge expenses	(0.07)
<b>Total</b>	<b>(0.09)</b>

### *Special Items in 2Q14*

HCM implementation expenses	(0.02)
Decision to close VY	(0.04)
<b>Total</b>	<b>(0.06)</b>

# Second Quarter Earnings Contribution by Business

Utility EPS



2Q13

2Q14

Performance Drivers

- Higher net revenue
- Lower non-fuel O&M expense

*Partially offset by*

- Higher depreciation expense
- Higher effective income tax rate

EWC EPS



2Q13

2Q14

Performance Drivers

- Higher net revenue

*Partially offset by*

- Higher depreciation expense
- Higher income tax expense

Parent & Other EPS



2Q13

2Q14

Performance Drivers

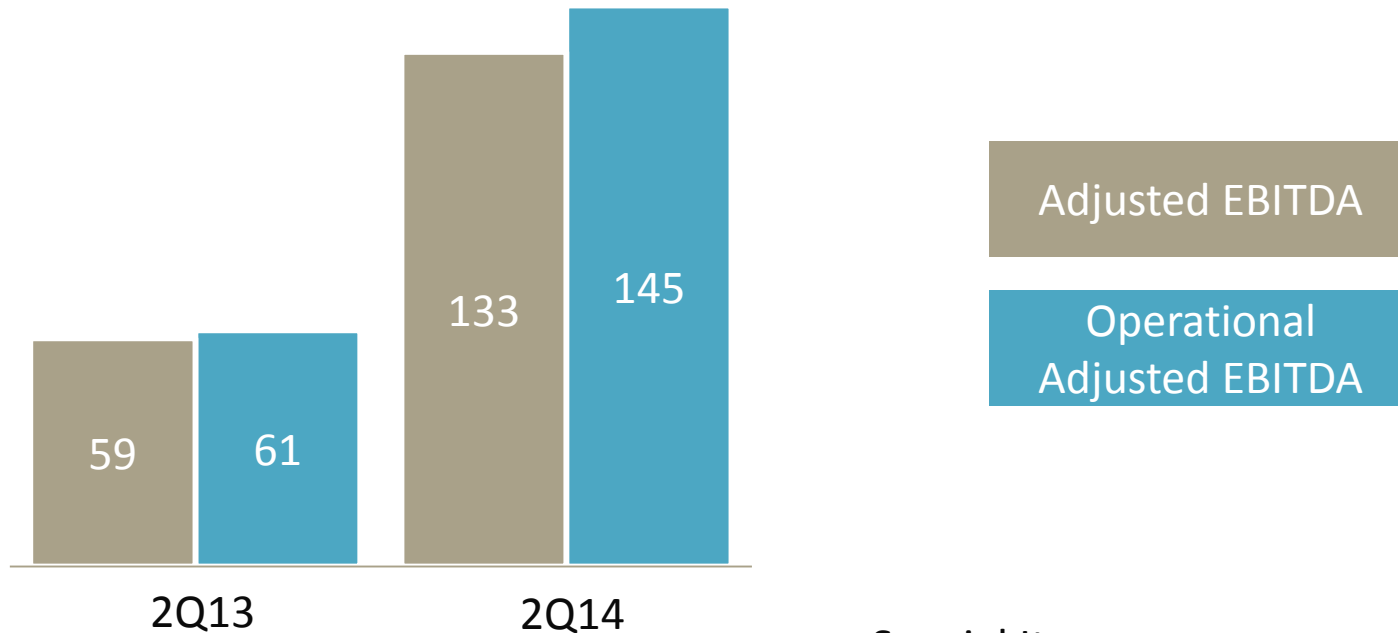
- No significant items

As-Reported

Operational

# Second Quarter EWC EBITDA Comparison

EWC Operational Adjusted EBITDA; \$M (pre-tax)



## Performance Drivers

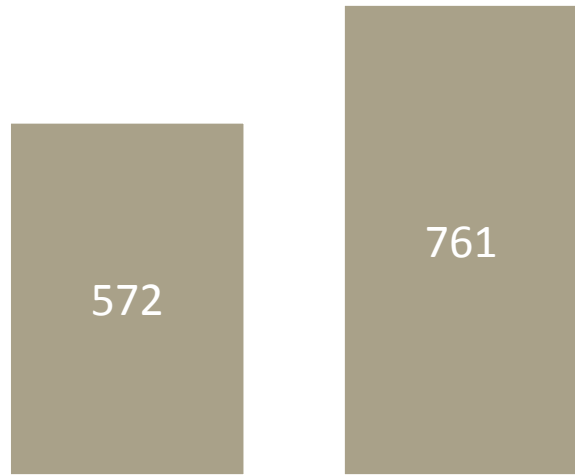
- Improved capacity factor for EWC's nuclear fleet
- Higher capacity prices for nuclear fleet

## Special Items

- Expenses incurred in 2Q14 related to the decision to close VY
- HCM implementation expenses incurred in 2Q13 and 2Q14

# Second Quarter Operating Cash Flow Comparison

Operating Cash Flow; \$M



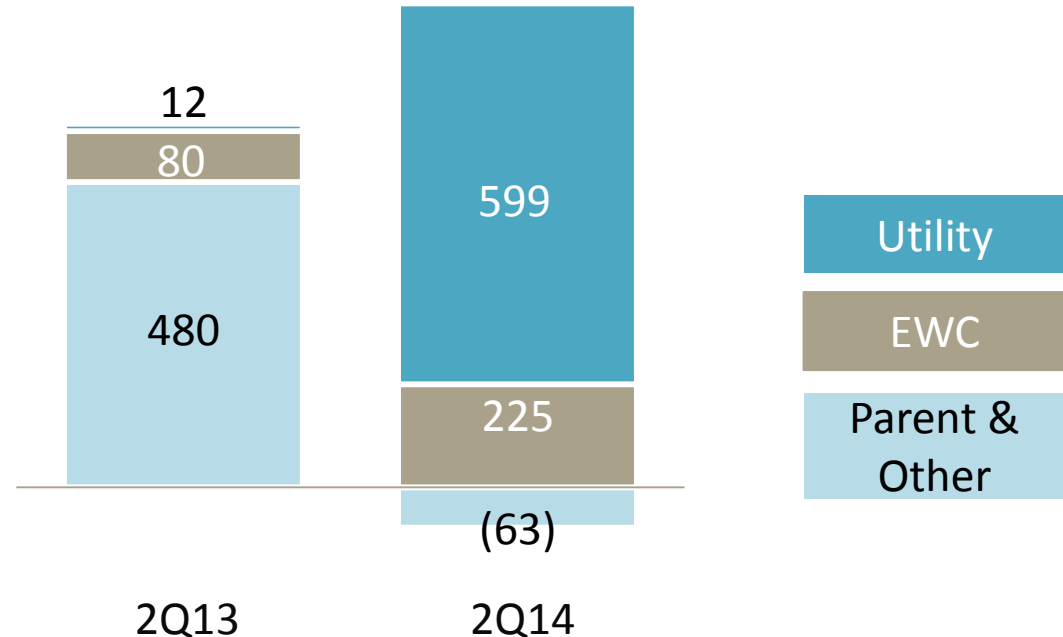
2Q13

2Q14

## Performance Drivers

- Higher EWC net revenue
- Lower income tax payments
- Non-capital spending related to ANO stator incident in 2Q13

OCF Contribution by Business; \$M



2Q13

2Q14

## Partially offset by

- Higher pension contributions
- Receipt of proceeds from DOE litigation in 2Q13 regarding storage of spent nuclear fuel

# Preliminary – Considerations for 2015 Earnings

Segment	Drivers
Utility	<ul style="list-style-type: none"> <li>• Sales growth, including industrial expansions</li> <li>• Rate actions, including EAI, ELL, EMI and ETI rate cases</li> <li>• Non-fuel O&amp;M expense, including pension discount rate</li> <li>• Depreciation expense/higher depreciable plant balances</li> </ul>
EWC	<ul style="list-style-type: none"> <li>• Commodity markets and hedging strategies</li> <li>• Capacity pricing (Full year of LHV)</li> <li>• Timing of outages</li> <li>• Fuel and non-fuel O&amp;M expense, including pension discount rate</li> <li>• Full year of DOE nuclear waste fee at -0-</li> <li>• Depreciation expense/higher depreciable plant balances and declining useful life of nuclear assets</li> <li>• VY close at end of 2014</li> </ul>
Corporate/ Other	<ul style="list-style-type: none"> <li>• Interest rates, expense, \$550M parent note maturity in September</li> <li>• Full year Isaac affiliate preferred (offset at Utility)</li> <li>• Effective income tax rate (can vary from year to year, from business to business)</li> </ul>

***Questions?***



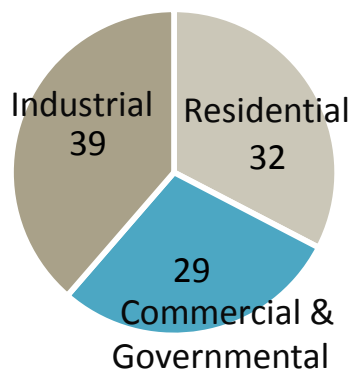
# **Appendix I**

## **Supplemental Information**

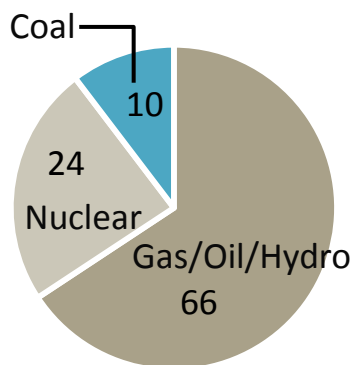
# Utility Overview

## Overview of Utility Operating Companies

2013 Electric Retail Sales; %<sup>1</sup>



2013 Generation Portfolio; %<sup>1</sup>



Energy Arkansas	Energy Gulf States Louisiana	Energy Louisiana
<ul style="list-style-type: none"> <li>• Electric utility</li> <li>• 700,000 electric customers</li> <li>• Authorized ROE: 9.3%</li> <li>• Rate cases (rehearing granted on 12/30/13 APSC Order on rate case)</li> </ul>	<ul style="list-style-type: none"> <li>• Electric and gas utility</li> <li>• 392,000 electric customers</li> <li>• 93,000 gas customers</li> <li>• Authorized ROE ranges:                             <ul style="list-style-type: none"> <li>– Electric 9.15 – 10.75%</li> <li>– Gas 9.45 – 10.45%</li> </ul> </li> <li>• Electric FRP, Gas Rate Stabilization Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Electric utility</li> <li>• 677,000 electric customers</li> <li>• Authorized ROE range: 9.15 – 10.75%</li> <li>• FRP</li> </ul>
Energy Mississippi	Energy New Orleans	Energy Texas
<ul style="list-style-type: none"> <li>• Electric utility</li> <li>• 441,000 electric customers</li> <li>• Authorized ROE range: 9.76 – 11.83% (including performance factor)</li> <li>• FRP; Rate case filed on 6/10/14*</li> </ul>	<ul style="list-style-type: none"> <li>• Electric and gas utility</li> <li>• 168,000 electric customers</li> <li>• 103,000 gas customers</li> <li>• Authorized ROE ranges:                             <ul style="list-style-type: none"> <li>– Electric 10.7 – 11.5%</li> <li>– Gas 10.25 – 11.25%</li> </ul> </li> <li>• FRP (expired)</li> </ul>	<ul style="list-style-type: none"> <li>• Electric utility</li> <li>• 422,000 electric customers</li> <li>• Authorized ROE: 9.8%</li> <li>• Rate cases</li> </ul>

# Entergy Arkansas

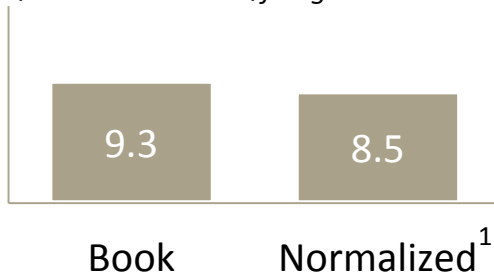


## Entergy Arkansas – Electric Utility

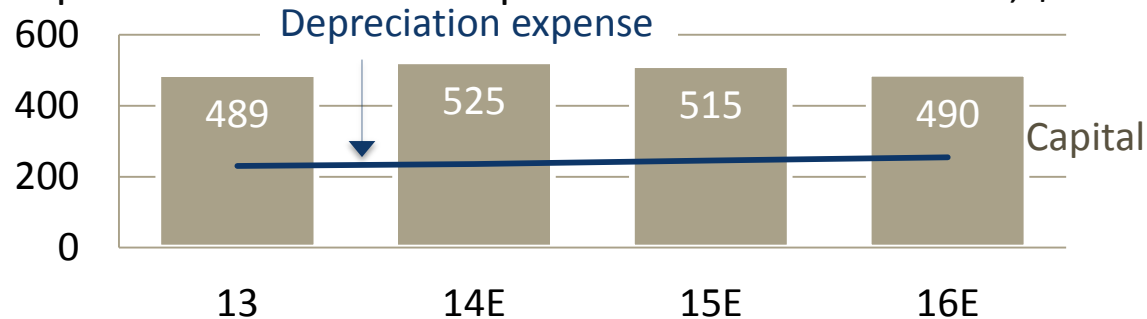
Metric	Detail
Customers	700,000
Authorized ROE	9.3%
Last filed Rate Base on 1/9/14	\$4.797B, as of 12/31/12 with known and measurable changes through 12/31/13
WACC (after-tax)	4.29%
Equity Ratio	28.98% including ADIT at 0% cost (45.02% traditional equity ratio)
Regulatory Construct	Rate case
Riders	MISO, Capacity Costs, Grand Gulf, Energy Efficiency, Fuel and Purchased Power

### LTM 6/30/14 Book ROE; %

Preliminary – subject to change pending 2Q14 SEC Form 10-Q filing



### Capital Investment vs. Depreciation as of June 2014; \$M



# Entergy Arkansas

## *Additional regulatory highlights*

### Rate Case Decision (Docket No. 13-028-U)

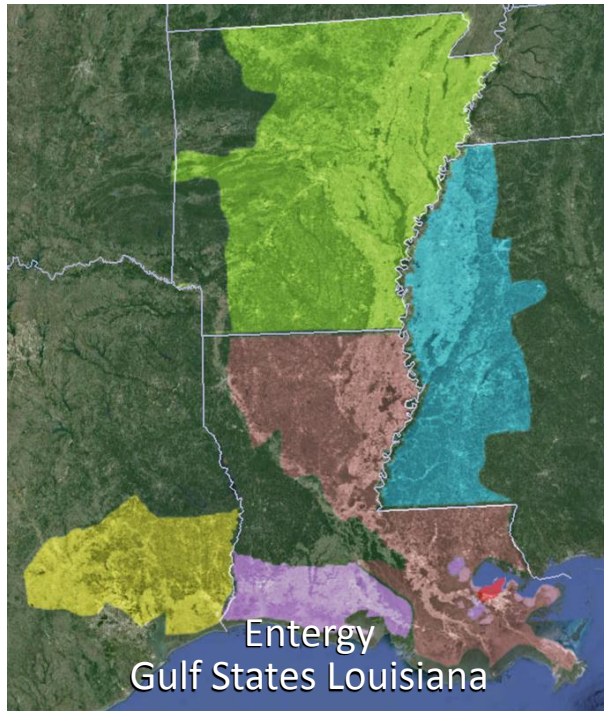
- APSC order issued on 12/30/13 (rehearing granted)
- \$81M revenue deficiency effective 12/31/13, including:
  - \$64M riders to base and ANO2 wholesale to retail
  - \$13.6M increase in storm reserve accrual
  - \$4M increase in depreciation expenses (new lower rates, offset by higher depreciable plant)

### Rehearing Request

- On 2/26/14, the Commission issued Amended Order No. 25, granting rehearing on all issues raised in EAI's Petition and Supplement
- A procedural schedule was set and testimony filing is complete
- An APSC decision is pending

# Entergy Gulf States Louisiana

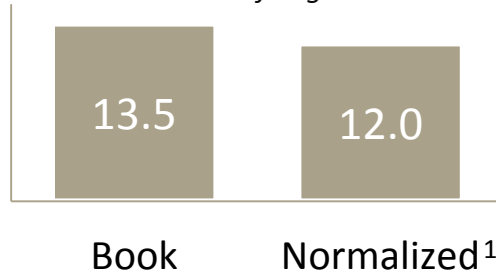
## Entergy Gulf States Louisiana – Electric and Gas Utility



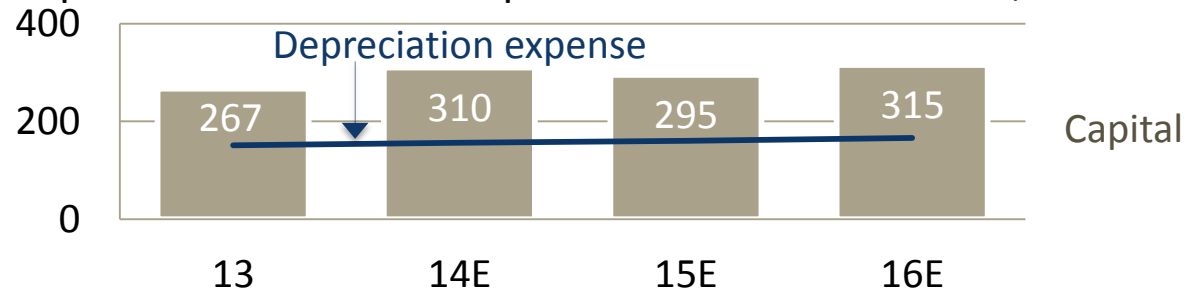
Metric	Detail – Electric	Detail – Gas
Customers	392,000	93,000
Authorized ROE	9.15 – 10.75%	9.45 – 10.45%
Last filed Rate Base	\$2.666B, filed on 2/15/13; based on 6/30/12 test year	\$0.053B, filed on 1/31/14; based on 9/30/13 test year
WACC (after-tax)	7.95%	7.82%
Equity Ratio	51.72%	50.26%
Regulatory Construct	3-year FRP, 2014 – 2016 test years <sup>2</sup> (60/40 customer/company sharing outside bandwidth)	Rate Stabilization Plan (50BP dead band, 51 – 200BP 50% sharing, >200BP adjust to 200BP plus 75BP sharing)
Riders/Specific Recovery	Capacity, MISO, Ninemile 6 outside sharing, Fuel	None

### LTM 6/30/14 Book ROE; %

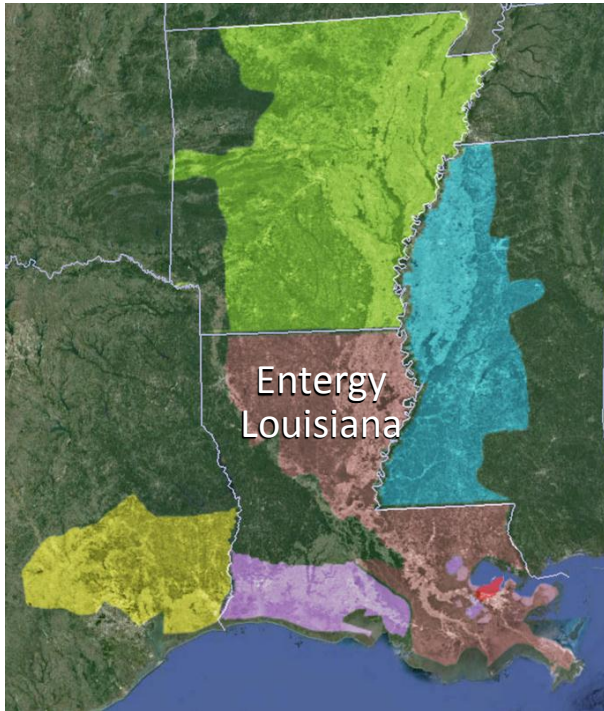
Preliminary – subject to change pending 2Q14 SEC Form 10-Q filing



### Capital Investment vs. Depreciation as of June 2014; \$M



# Entergy Louisiana

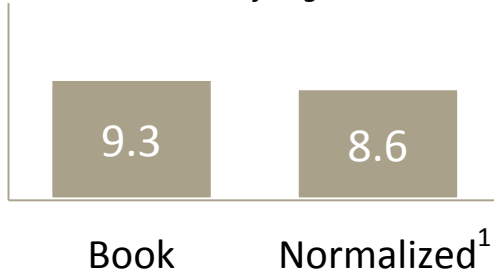


## Entergy Louisiana – Electric Utility

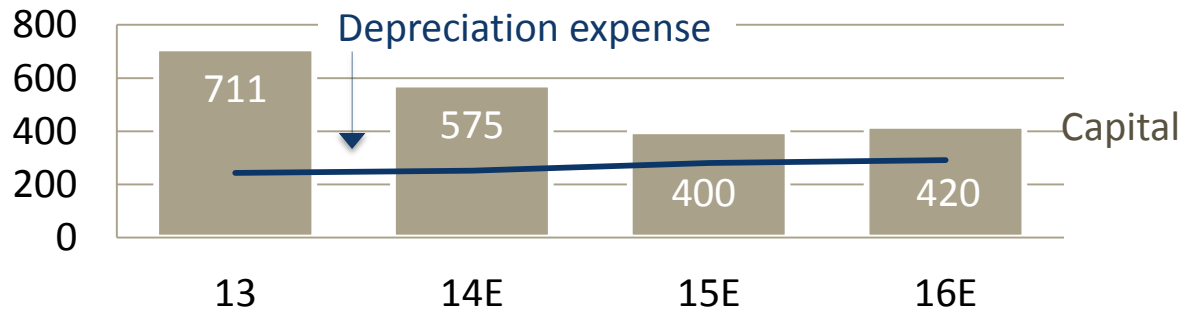
Metric	Detail
Customers	677,000
Authorized ROE Range	9.15 – 10.75%
Last filed Rate Base on 2/15/13	\$4.475B, based on 6/30/12 test year
WACC (after-tax)	7.95%
Equity Ratio	52.8%
Regulatory Construct	3-year FRP, 2014 – 2016 test years <sup>2</sup> (60/40 customer/company sharing outside bandwidth)
Riders/Specific Recovery	Capacity, MISO, Ninemile 6 outside sharing mechanism, Fuel

### LTM 6/30/14 Book ROE; %

*Preliminary – subject to change pending 2Q14 SEC Form 10-Q filing*



### Capital Investment vs. Depreciation as of June 2014; \$M



<sup>1</sup> Reflects impact of no income tax expense on affiliate preferred investment income; see slide 36 for calculation

<sup>2</sup> \$10M cost of service increase December 2014, cumulative \$30M cap on increases over the 3-year FRP cycle



# Entergy Gulf States Louisiana and Entergy Louisiana

## *Additional regulatory highlights*

### Hurricane Isaac Restoration Costs (Docket U-32764)\*

- On 6/18/14, the LPSC unanimously approved the Isaac cost recovery
- Financing will be through system restoration bonds of \$239M for ELL and \$71M for EGSL
- Bond commission approval received and First Mortgage bonds for replenishment of the storm escrow accounts closed on 7/1/14
- Act 55 Bond for system restoration costs and partial replenishment of the storm reserve are expected to close in early August

### Ninemile 6 First Year Revenue Requirement (Docket U-33033)\*

- Joint Stipulated Settlement filed 7/11/14
- Estimated \$110.9M first year revenue requirement for full project
- After offsets of amounts paid by EGSL (25%) and ENOI (20%), ELL's estimated first year revenue requirement is \$57.1M
- Estimated \$28.5M first year revenue requirement associated with EGSL's 25% PPA

#### Key Dates

Date	Event
TBD	LPSC consideration of Settlement

# Entergy Gulf States Louisiana and Entergy Louisiana

## *Additional regulatory highlights*

### Business Combination Study (LPSC Docket U-33244)\*

- On 6/4/14, ELL/EGSL filed an informational business combination study with the LPSC
- ELL is also seeking to transfer its Algiers assets to ENOI and provided notice to the CCNO on 6/5/14
- Anticipate LPSC application for transaction later in 2014 and closing in 2015; CCNO application(s) will be filed separately
- Approvals required from the LPSC, CCNO, FERC and NRC (for direct and indirect license transfers)
- Benefits include:
  - Regulatory simplification and greater administrative efficiency which could lead to reduced costs
  - Enhancement of economic development efforts in Louisiana by establishing uniform economic development rates
  - Improved financial and operational profile through a larger company better positioned to attract capital to finance business needs
  - Enhanced geographic, supply, economic and customer diversity



# Entergy Mississippi

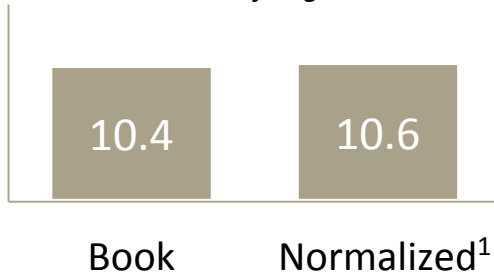


## Entergy Mississippi – Electric Utility

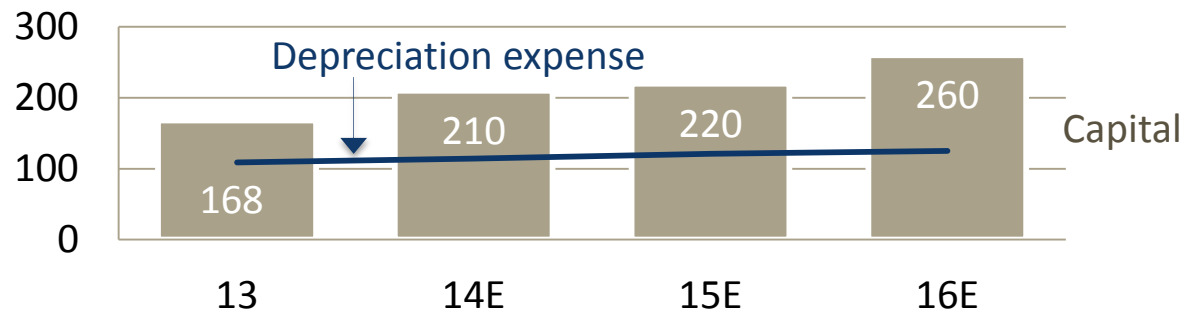
Metric	Detail
Customers	441,000
Authorized ROE Range	9.76 – 11.83% (per 2012 test year FRP filing)
Rate Base per last FRP filing on 4/30/13	\$1.737B, as of 12/31/12 test year
WACC (after-tax)	8.27%
Equity Ratio	48.21%
Regulatory Construct	FRP, rate case filed 6/10/14
Riders	Power Management Rider (Attala, Hinds), Grand Gulf, Fuel

### LTM 6/30/14 Book ROE; %

*Preliminary – subject to change pending 2Q14 SEC Form 10-Q filing*



### Capital Investment vs. Depreciation as of June 2014; \$M



# Entergy Mississippi

## Additional regulatory highlights

Rate Case Filed June 10, 2014 (Docket No. 2014-UN-132)<sup>1</sup> \*

- 2015 test year + includes pro forma adjustments to reflect non-fuel implications of MISO participation and System Agreement exit
- Rate base \$2.022B (last filed FRP \$1.737B)
- Requesting
  - Rate increase of \$49M (base rates and riders)
  - 7.81% WACC (10.59% ROE, 48.5% equity ratio)
- Support for the Company's growth strategy:
  - Forward Test Year Formula Rate Plan
  - Updated depreciation rates
  - Changes to Power Management Rider
  - Additional economic development customer rate incentives
- Estimated full year net income impact of request ~\$10M, a portion of which will be offset by new expenses in the forward test period
- Revised rates to be effective Jan. 30, 2015

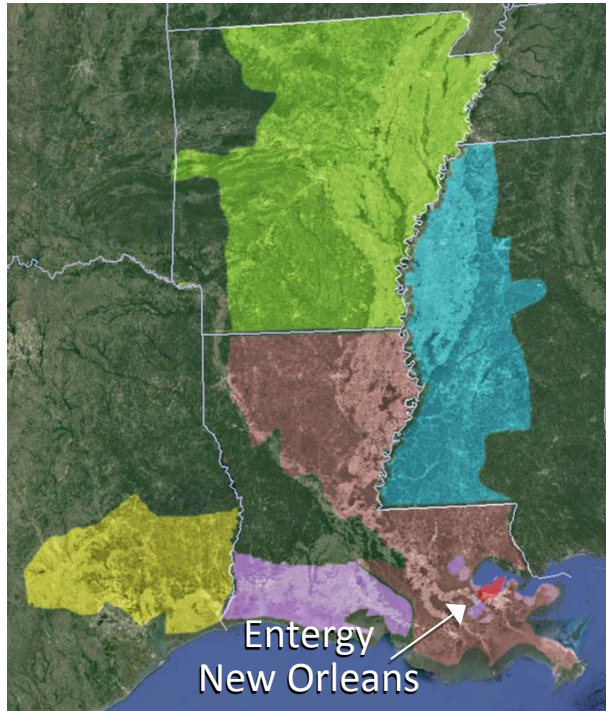
### EMI Rate Case Procedural Schedule

Date	Event
9/12/14	Intervenor Testimony
9/26/14	Staff Testimony
10/14/14	EMI Rebuttal
11/4/14	Hearing
12/9/14	Commission Order Issued

### Select Major Components of Rate Increase

Category	\$M
Roll riders into base rates	99
System Agreement revenue into PMR	37
OATT/MISO into PMR	29
Depreciation study	30
Changes due to rate base additions	29
Change in expenses/other	(19)
<b>Sub-total</b>	<b>205</b>
Change in rider revenue	(112)
<b>Sub-total</b>	<b>93</b>
Less PMR rate offsets	(44)
<b>Total</b>	<b>49</b>

# Entergy New Orleans



## Entergy New Orleans – Electric and Gas Utility

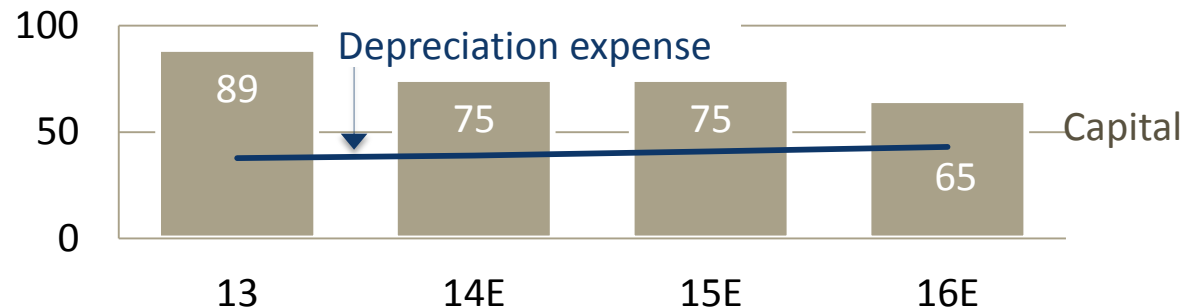
Metric	Detail – Electric	Detail – Gas
Customers	168,000	103,000
Authorized ROE Range	10.7 – 11.5%	10.25 – 11.25%
Last filed Rate Base on 5/31/12	\$0.299B, based on 12/31/11 test year	\$0.089B, based on 12/31/11 test year
WACC (after-tax)	8.58%	8.40%
Equity Ratio	50.08%	50.08%
Regulatory Construct	Rate cases	Rate cases
Riders/Specific Recovery	Fuel	Purchased Gas
Next Steps*	ENOI expects to recover the costs associated with Ninemile 6 through a rider until new base rates are established in the next base rate proceeding	

### LTM 6/30/14 Book ROE; %

*Preliminary – subject to change pending 2Q14 SEC Form 10-Q filing*



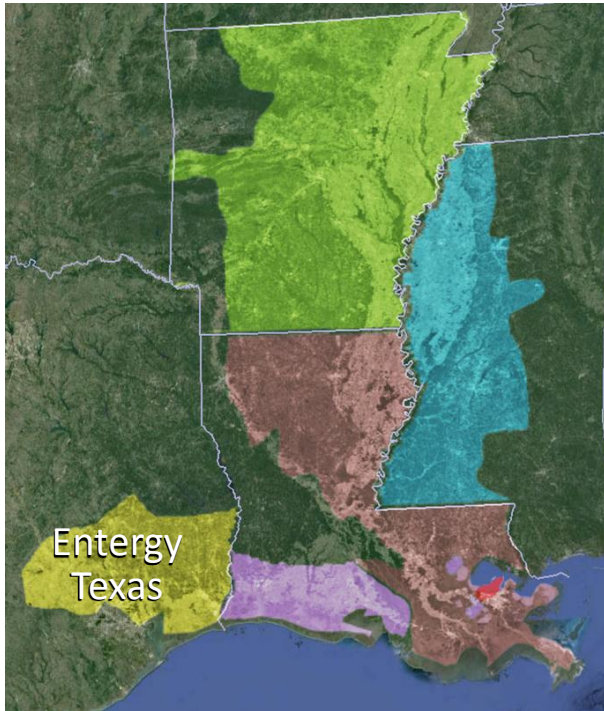
### Capital Investment vs. Depreciation as of June 2014; \$M



<sup>1</sup> See slide 36 for calculation

\* Reflects updates since June 5, 2014 Analyst Day webcast slides

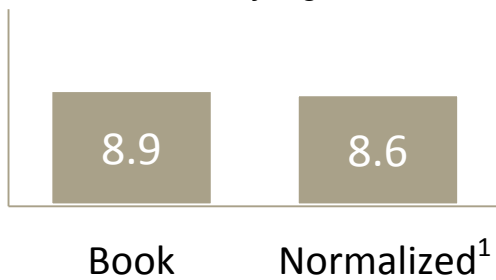
# Entergy Texas



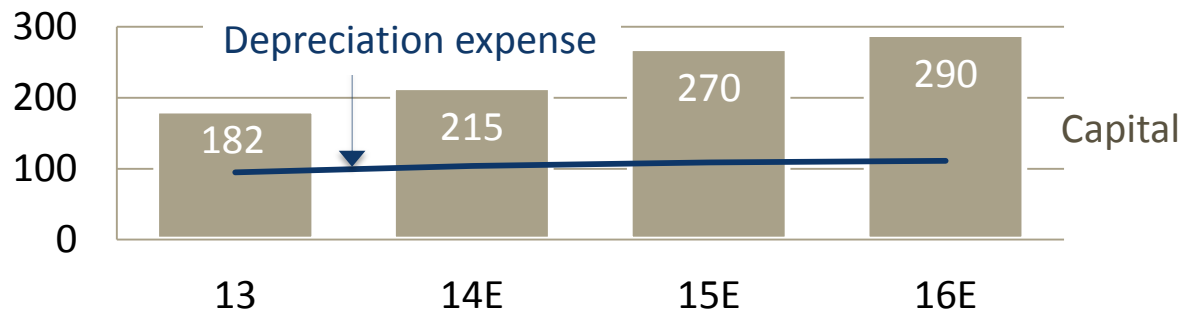
## Entergy Texas – Electric Utility

Metric	Detail
Customers	422,000
Authorized ROE	9.8%
Last filed Rate Base on 9/25/13	\$1.634B, based on 3/31/13 adjusted test year
WACC (after-tax)	8.22%
Equity Ratio	48.6%
Regulatory Construct	Rate Case
Riders	Rate case expenses, RPCE payments; Capacity, distribution and transmission riders available, Fuel

LTM 6/30/14 Book ROE; %  
*Preliminary – subject to change pending 2Q14 SEC Form 10-Q filing*



Capital Investment vs. Depreciation as of June 2014; \$M



# Entergy Texas

## *Additional regulatory highlights*

### 2013 Rate Case Completed (Docket No. 41791)

- On 5/16/14, the PUCT approved the unanimous settlement filed by ETI and other parties on 4/4/14 that resolves the 2013 base rate case
- Details of the settlement include
  - \$18.5M cost of service rate change, effective April 2014 and 9.8% ROE
  - Storm reserve accruals of \$8.54M/year as filed (up from \$8.27M/year)
  - No changes to depreciation rates and River Bend decommissioning funding
  - Baselines of \$93.6M for transmission, \$155.7M for distribution and \$252.6M for capacity for future potential rider recovery



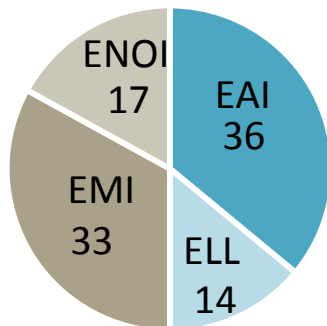
# System Energy Resources

## System Energy Resources – Generation Company

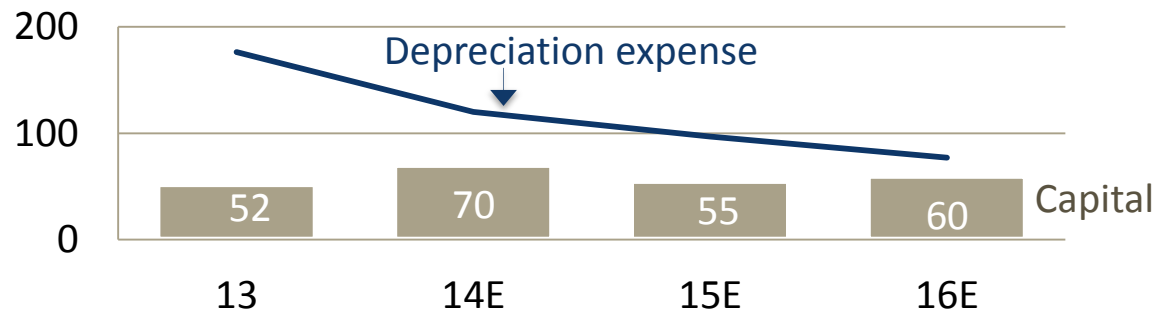
Metric	Detail
Principal asset	An ownership and leasehold interest in the Grand Gulf Nuclear Station
Authorized ROE	10.94%
Last calculated Rate Base	\$1.456B, as of 6/30/14*
WACC (after-tax)	9.03%
Equity Ratio	65% <sup>1</sup>
Regulatory Construct	Monthly cost of service



## Energy and Capacity Allocation<sup>2</sup>; %

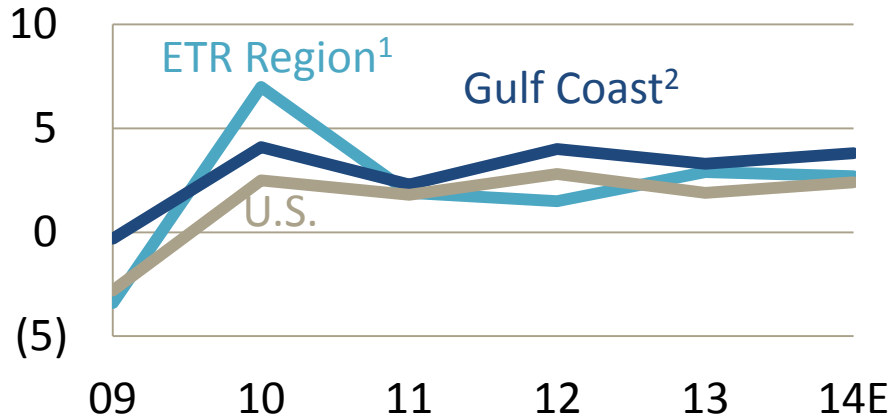


## Capital Investment vs. Depreciation as of June 2014; \$M

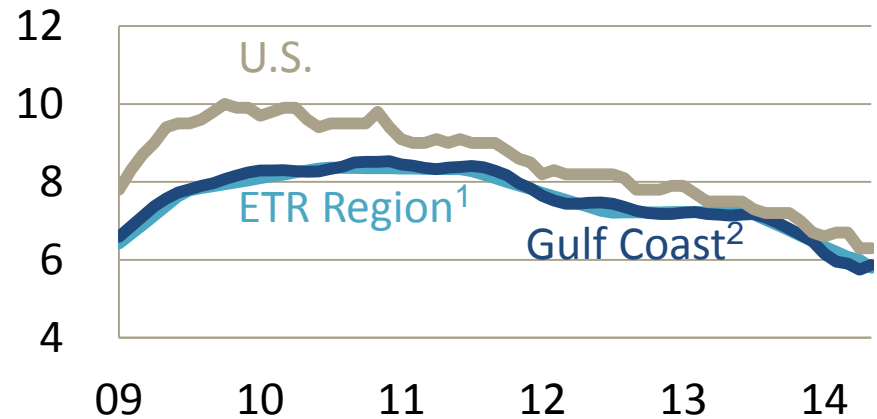


# Regional Economic Signposts

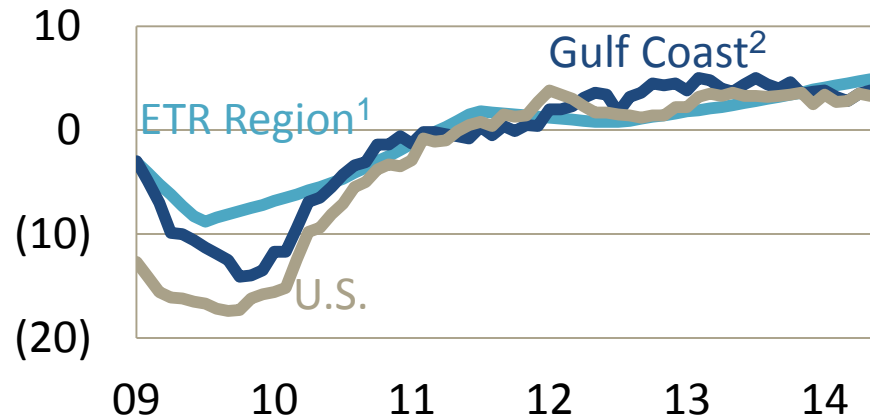
Economic Growth; % change prior year



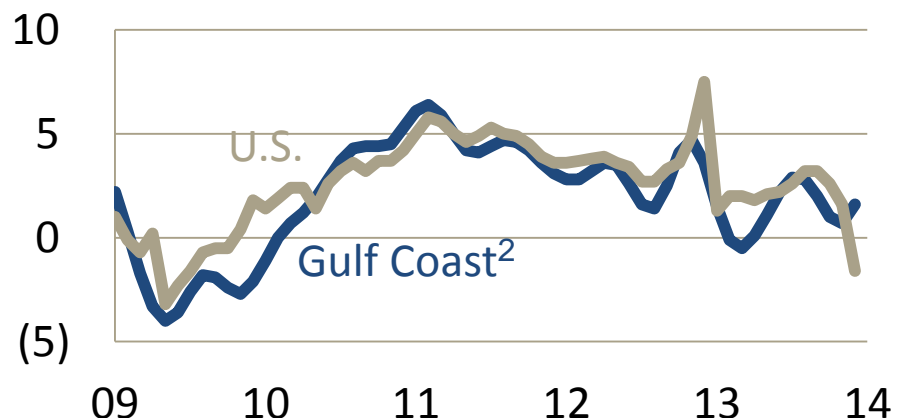
Unemployment Rates; % unemployed



Construction Employment; % change PY



Real Personal Disposable Income; % change PY



# Economic Development Progress Report

Economic Development Pipeline; Cumulative MW in 2016E<sup>1</sup>



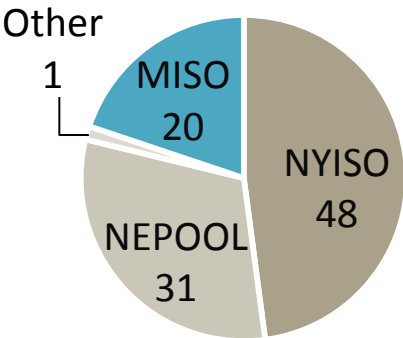


# Entergy Wholesale Commodities Overview

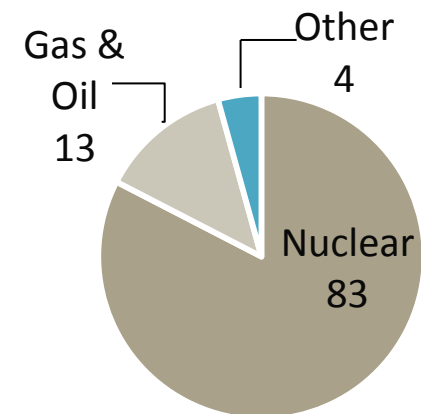
## EWC Nuclear Plants

	FitzPatrick	Indian Point 2	Indian Point 3	Palisades	Pilgrim	Vermont Yankee <sup>1</sup>
Entergy Purchase Date	11/21/00	9/6/01	11/21/00	4/11/07	7/13/99	7/31/02
Commercial Operation Date	July 1975	August 1974	August 1976	December 1971	December 1972	November 1972
License Expiration Date	10/17/34	9/28/13 <sup>2</sup>	12/12/15	3/24/31	6/8/32	3/21/32
Net MW	838	1,028	1,041	811	688	605
Energy Market (closest hubs)	NYISO A	NYISO G	NYISO G	MISO Indiana	NEPOOL Mass Hub	NEPOOL Mass Hub

2013 Region Breakdown; %



2013 Generation Portfolio; %



## EWC Non-Nuclear Plants

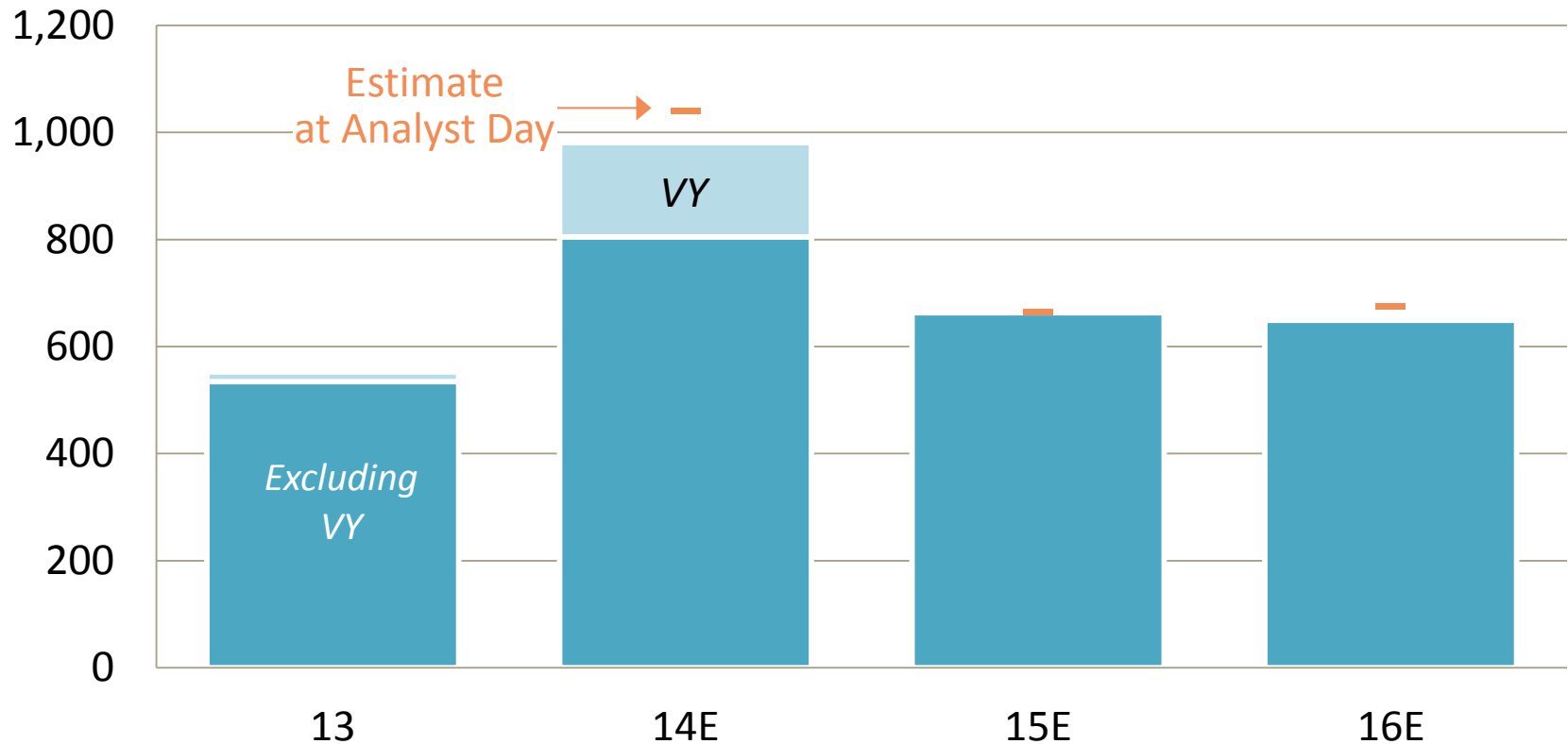
	ISES 2	Nelson 6	RS Cogen	RISEC	Top of Iowa	White Deer
Commercial Operation	1983	1982	2002	2002	2001	2001
Fuel Type/Technology	Coal	Coal	CCGT Cogen	CCGT	Wind	Wind
Net MW Owned	121	60	213	583	40	40
Market	MISO South	MISO South	MISO South	ISO-NE	MRO	SPP

<sup>1</sup> Entergy plans to close the VY plant at the end of its current operating cycle in fourth quarter 2014

<sup>2</sup> On 9/28/13, Indian Point 2 entered the period of extended operations under its current license

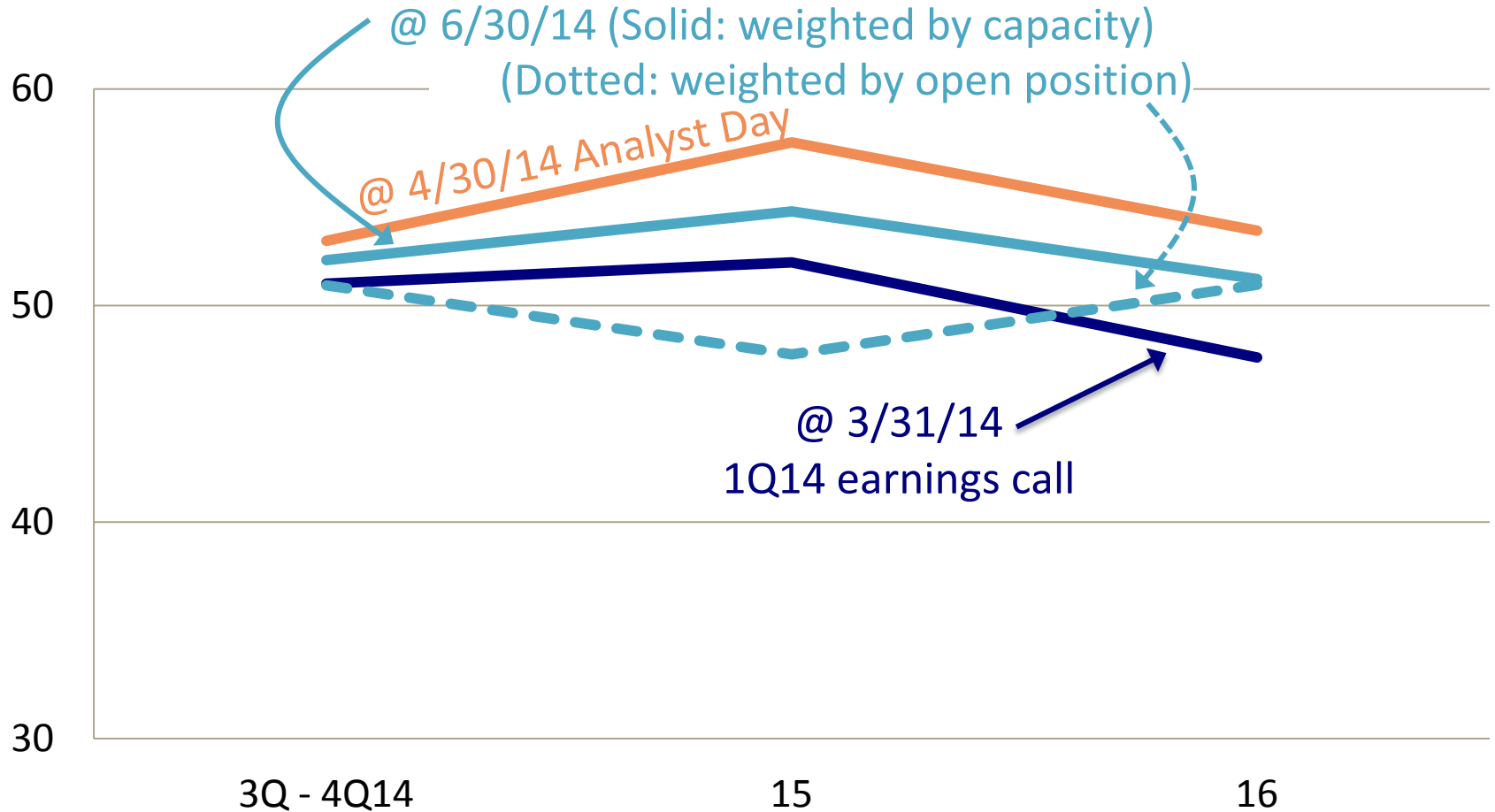
# EWC EBITDA Outlook

EWC Operational Adjusted EBITDA<sup>1</sup>; \$M (pre-tax)



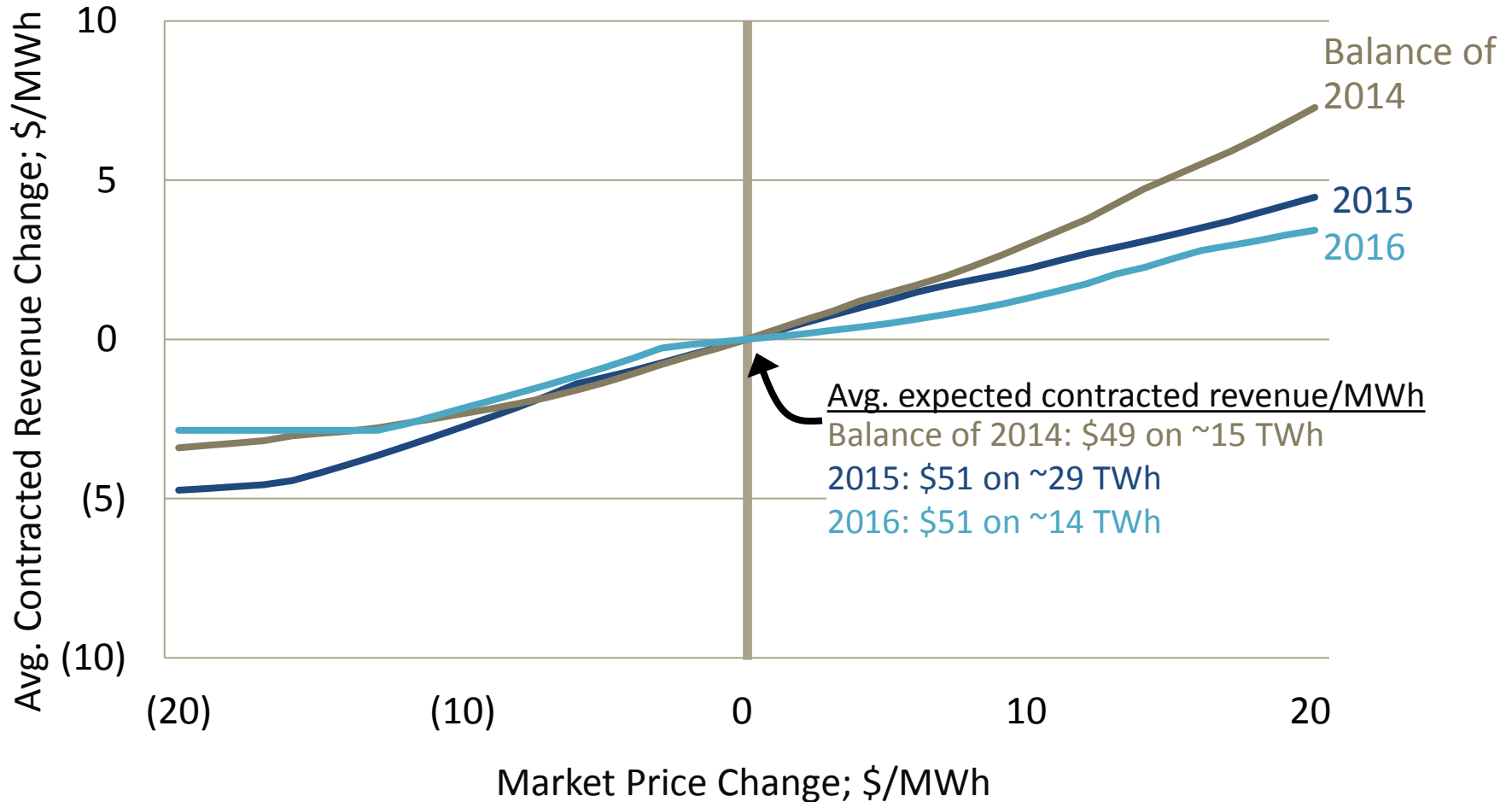
# Northeast Energy Markets – Forward Power Prices

EWC Nuclear Energy Prices; \$/MWh<sup>1</sup>



# Price Sensitivity on Contracted Nuclear Volumes

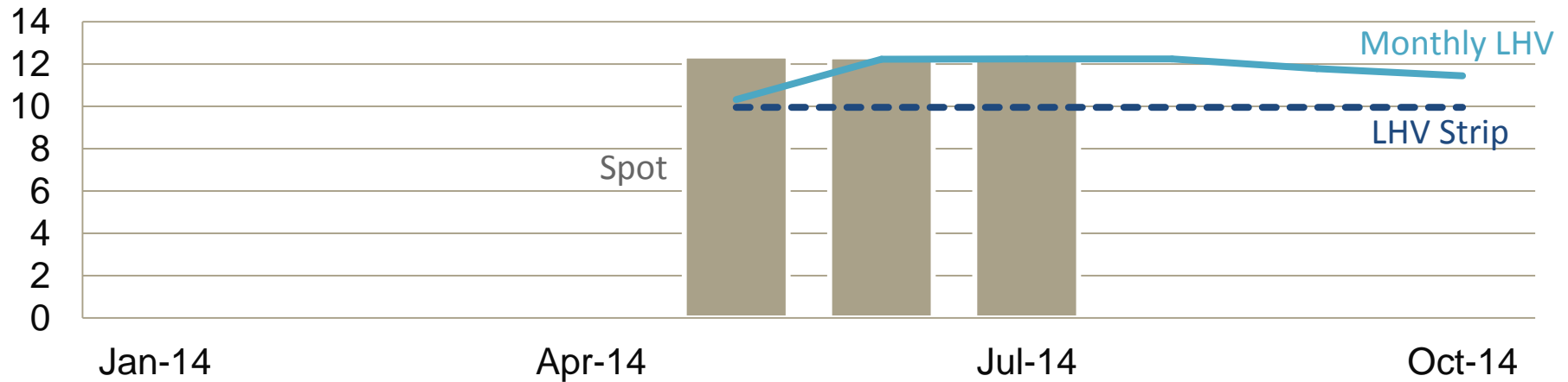
EWC Nuclear Revenue Sensitivity on Contracted Energy<sup>1</sup>



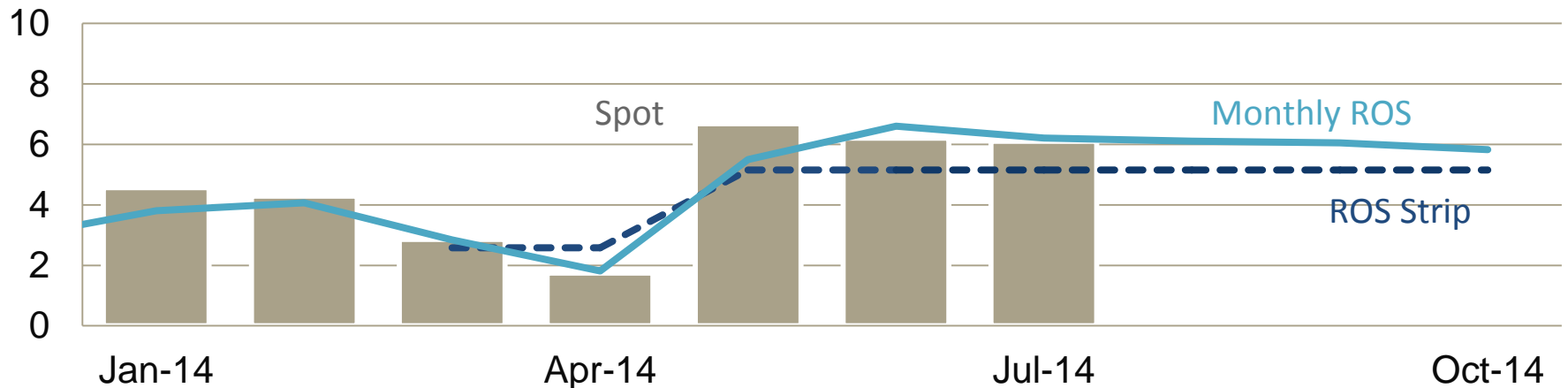
# NYISO Capacity Markets

## Capacity prices

LHV Zone – Cleared Capacity Prices For Delivery January 2014 – October 2014; \$/kW-mo



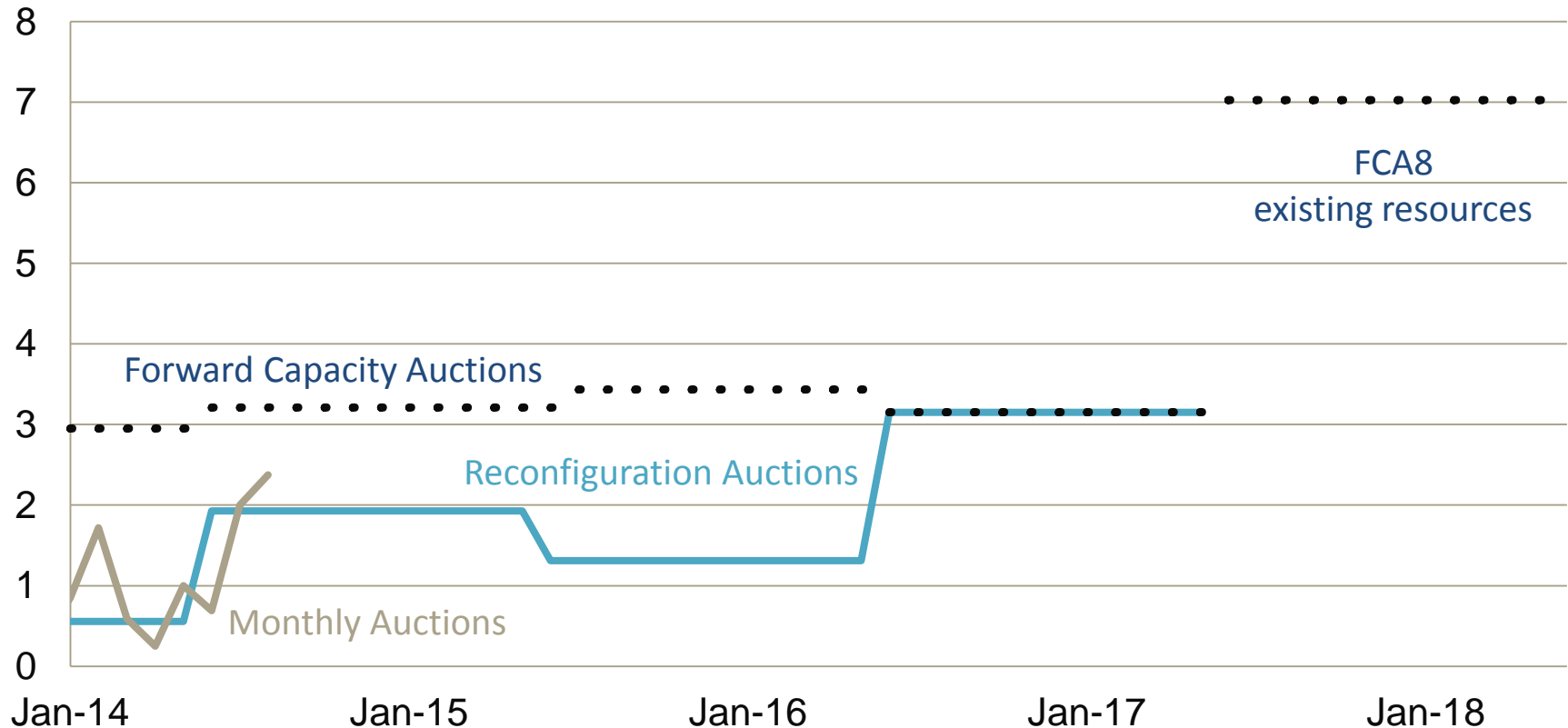
Rest of State – Cleared Capacity Prices For Delivery January 2014 – October 2014; \$/kW-mo



# Northeast Capacity Markets

## Capacity prices

ISO-NE Capacity Prices For Delivery January 2014 – May 2018; \$/kW-mo



# Near-term Status of IPEC License Renewal Proceedings

Path	Background
NRC	<ul style="list-style-type: none"> <li>• Track 1 appeals pending before Commission</li> <li>• Track 2 hearings expected 2015+</li> </ul>
Water Quality Certification/ SPDES	<ul style="list-style-type: none"> <li>• Path 1: WQC/SPDES proceeding ongoing; public comment hearing and issues conference on DEC Staff's alternative BTA proposal (fish protection outages) held 7/22 – 23; DEC hearings likely early 2015</li> <li>• Path 2: Waiver notice pending before NRC while litigation continues</li> </ul>
Coastal Zone Management	<ul style="list-style-type: none"> <li>• Path 1: Consistency Determination pending before NYSDOS; ETR providing information requested by DOS per CZM regulations; deadline for DOS decision is 12/31/14</li> <li>• Path 2: Oral arguments expected Fall 2014 in grandfathering case</li> <li>• Path 3: ETR/NYSDOS/NRC Staff consultation process ongoing on previously reviewed position; next step expected to be Staff's answers to NRC questions posed December 2013</li> </ul>

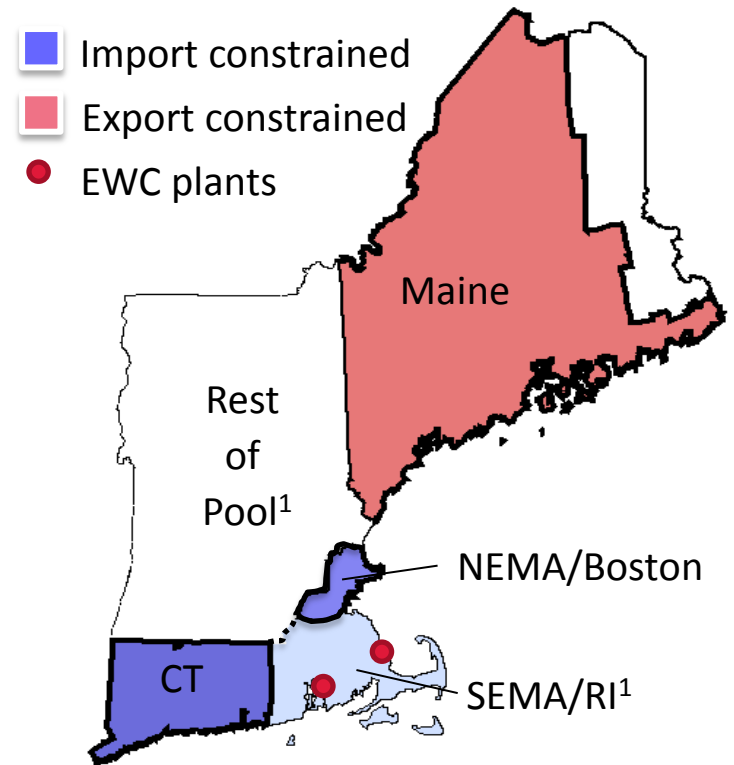
# New England Capacity Market – FCA9 Auction Revisions

## Market Design Changes and FCA9 Timeline

Event	Date
ISO-NE FERC filing for Two-Settlement Forward Capacity Market Design (Pay for Performance plan) (ISO-NE and Nepoch proposals)	1/17/14
ISO-NE FERC filing for the new Sloped Demand Curve for FCA9	4/1/14
FERC order approving Sloped Demand Curve tariff changes	5/30/14
FERC order rejecting Two Settlement FCM proposal	5/30/14
ISO-NE Compliance filing for Pay for Performance plan	7/11/14
Requested FERC order date on Pay for Performance plan	9/12/14
FCA9 Auction for June 2018 – May 2019 period	2/2/15

## Key Capacity Market Design Changes for FCA9

- System-wide sloped demand curve with a net CONE of ~\$11/kW-mo, and price cap of ~\$17.7/kW-mo
- Length of initial price lock-in for new capacity increases to 7 years from 5 years
- 200 MW per year renewable capacity exempted from buyer side capacity market mitigation
- Pool-wide Inadequate Supply/Insufficient Competition rules are eliminated
- Pay for Performance Incentive mechanism will likely be in place if approved by FERC



FCA9 Pricing Thresholds; \$/kW-mo

Item	Amount
Gross CONE	\$14.04
Net CONE	\$11.08
Starting Price	\$17.728
Allowable Dynamic Delist Range	< \$3.94



# **Appendix II**

## **Regulation G Reconciliations**

# Regulation G Reconciliations

Table 1: Consolidated EPS  
Reconciliation of GAAP to Non-GAAP Measures  
2Q13 and 2Q14

(Per share in U.S. \$)		2Q13	2Q14
As-Reported	(a)	0.92	1.05
Less Special Items			
<i>Utility</i>			
Transmission spin-merge expenses		(0.07)	–
HCM implementation expenses		(0.01)	(0.02)
<i>Entergy Wholesale Commodities</i>			
HCM implementation expenses		(0.01)	–
Decision to close VY		–	(0.04)
Total Special Items	(b)	(0.09)	(0.06)
Operational	(a)-(b)	1.01	1.11

# Regulation G Reconciliations

Table 2: EPS Contribution by Business  
Reconciliation of GAAP to Non-GAAP Measures  
2Q13 and 2Q14

(Per share in U.S. \$)		2Q13	2Q14
Utility			
As-Reported	(a)	1.10	1.15
Less Special Items			
Transmission spin-merge expenses		(0.07)	–
HCM implementation expenses		(0.01)	(0.02)
Total Special Items	(b)	(0.08)	(0.02)
Operational	(a)-(b)	1.18	1.17
Energy Wholesale Commodities			
As-Reported	(c)	0.06	0.14
Less Special Items			
HCM implementation expenses		(0.01)	–
Decision to close VY		–	(0.04)
Total Special Items	(d)	(0.01)	(0.04)
Operational	(c)-(d)	0.07	0.18

# Regulation G Reconciliations

Table 3: Entergy Wholesale Commodities Operational Adjusted EBITDA  
Reconciliation of GAAP to Non-GAAP Measures  
2Q13, 2Q14 and 2013 (pre-tax)

(\$ in millions)	2Q13	2Q14	2013
Net Income	12	26	43
Add back: interest expense	4	3	16
Add back: income tax expense	(15)	20	(77)
Add back: depreciation and amortization	50	71	216
Subtract: interest and investment income	22	22	138
Add back: decommissioning expense	30	35	125
Adjusted EBITDA	59	133	185
Add back: special item: HCM implementation expenses	2	1	24
Add back: special item: Decision to close VY	–	11	343
Operational Adjusted EBITDA	61	145	553

# Regulation G Reconciliations

Table 4: ROE  
Reconciliation of GAAP to Non-GAAP Measures  
Last Twelve Months Ending June 30, 2014

(\$ in millions)

		EAI	EGSL	ELL	EMI	ENOI	ETI	Utility <sup>1</sup>
As-reported earnings available to common stock	(a)	157.4	186.6	266.8	98.9	23.5	77.8	918.1
Add back:								
Preferred dividend requirement	(b)	6.8	0.8	6.9	2.8	1.0	-	17.3
Income taxes	(c)	90.7	70.8	95.7	62.6	9.3	40.3	433.9
As-reported income before income taxes	(d) = (a)+(b)+(c)	254.9	258.2	369.4	164.3	33.8	118.1	1,369.3
Less certain items (pre-tax):								
Transmission spin-merge expenses	(e)	(3.9)	(3.3)	(2.9)	(2.6)	(0.4)	(3.3)	(16.3)
HCM implementation expenses	(f)	(5.2)	(4.5)	(5.7)	(8.1)	(4.6)	(10.1)	(38.2)
Weather	(g)	16.0	12.8	17.7	7.2	3.3	16.6	73.4
Normalized income before taxes	(h) = (d)-(e)-(f)-(g)	248.0	253.2	360.3	167.8	35.5	114.9	1,350.4
State-specific standard income tax rate	(i)	39.23%	38.48%	38.48%	38.25%	38.48%	35.00%	38.50%
Income tax at state-specific standard rate	(j) = (h)*(i)	97.3	97.4	138.6	64.2	13.7	40.2	519.9
Normalized earnings applicable to common stock	(k) = (h)-(j)-(b)	143.9	154.9	214.8	100.8	21.0	74.7	813.2
Affiliated preferred	(l)	-	27.6	78.3	-	-	-	105.9
Normalized earnings applicable to common stock, adjusted for affiliate preferred	(m) = (h)-[(h)-(l)]*(i)-(b)	143.9	165.5	244.9	100.8	21.0	74.7	853.9
Average common equity	(n)	1,695.1	1,383.6	2,859.1	953.2	208.8	872.4	8,713.1
As-reported ROE	(a)/(n)	9.3%	13.5%	9.3%	10.4%	11.2%	8.9%	10.5%
Normalized ROE	(k)/(n)	8.5%	11.2%	7.5%	10.6%	10.0%	8.6%	9.3%
Normalized ROE, adjusted for affiliate preferred	(m)/(n)	-	12.0%	8.6%	-	-	-	9.8%

<sup>1</sup> Utility does not equal the sum of the operating companies due primarily to SERI as-reported and normalized income of ~\$110M and average common equity of \$860M and income taxes recorded at Entergy Louisiana Holdings (parent of ELL). Calculations may differ due to rounding.

# Measures and Abbreviations or Acronyms

## Abbreviations or Acronyms

ADIT	Accumulated deferred income taxes
AFUDC	Allowance for funds used during construction
ANO	Arkansas Nuclear One (nuclear)
APSC	Arkansas Public Service Commission
BTA	Best Technology Available
CCGT	Combined cycle gas turbine
CCNO	Council of the City of New Orleans, Louisiana
CONE	Cost of New Entry
CZM	Coastal zone management
DEC	Department of Environmental Conservation
DOE	United States Department of Energy
EAI	Entergy Arkansas, Inc.
EBITDA	Earnings before interest, income taxes, depreciation and amortization
EGSL	Entergy Gulf States Louisiana, L.L.C.
ELL	Entergy Louisiana, LLC
EMI	Entergy Mississippi, Inc.
ENOI	Entergy New Orleans, Inc.
EPS	Earnings per share
ETI	Entergy Texas, Inc.
ETR	Entergy Corporation

## Abbreviations or Acronyms

EWC	Entergy Wholesale Commodities
FCA	Forward capacity auction
FCM	Forward capacity market
FERC	Federal Energy Regulatory Commission
FRP	Formula rate plan
GAAP	Generally accepted accounting principles
HCM	Human Capital Management program
ISES	Independence Steam Electric Station (coal)
ISO	Independent system operator
ISO-NE	ISO New England
kW	Kilowatt, which equals one thousand watts
LHV	Lower Hudson Valley
LPSC	Louisiana Public Service Commission
MISO	Midcontinent Independent System Operator, Inc.
MPSC	Mississippi Public Service Commission
MRO	Midwest Reliability Organization
MW	Megawatt(s), which equals one thousand kilowatt(s)
MWh	Megawatt-hour(s)
NEMA	Northeastern Massachusetts
NEPOOL	New England Power Pool
NRC	Nuclear Regulatory Commission

# Measures and Abbreviations or Acronyms continued

## Abbreviations or Acronyms

NYISO	New York Independent System Operator, Inc.
NYSDOS	New York State Department of State
O&M	Operation and maintenance expense
OATT	Open Access Transmission Tariff
OCF	Operating cash flow
PMR	Production management rider
PPA	Purchased power agreement or power purchase agreement
PUCT	Public Utility Commission of Texas
RISEC	Rhode Island State Energy Center
ROE	Return on equity
ROS	Rest of state
RPCE	Rough production cost equalization
SEC	U.S. Securities and Exchange Commission
SEMA	Southeastern Massachusetts
SERI	System Energy Resources, Inc.
SPDES	State Pollutant Discharge Elimination System
SPP	Southwest Power Pool
VY	Vermont Yankee Nuclear Power Station (nuclear)
WACC	Weighted-average cost of capital
WCMASS	West-Central Massachusetts

## Abbreviations or Acronyms

WQC	Water Quality Certification
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