

ENTERGY CORP /DE/
Form 425
May 15, 2012

Entergy: Managing Risk and
Pursuing Opportunities
Deutsche Bank Securities
2012 Clean Tech, Utilities & Power Conference
May 15, 2012

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Caution Regarding Forward-looking Statements and
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Regulation G Compliance
Regulation G Compliance

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

Forward-looking statements involve a number of risks and uncertainties. There are factors that could cause actual results to differ materially from those expressed or implied in the forward-looking statements, including (a) those factors discussed in: (i) Entergy's Form 10-K for the year ended December 31, 2011, (ii) Entergy's Form 10-Q for the quarter ended March 31, 2012 and (iii) Entergy's other reports and filings made under the Securities Exchange Act of 1934; (b) uncertainties associated with rate proceedings, formula rate plans and other cost recovery mechanisms; (c) uncertainties associated with efforts to remediate the effects of major storms and recover related restoration costs; (d) nuclear plant relicensing, operating and regulatory risks, including any changes resulting from the nuclear crisis in Japan following its catastrophic earthquake and tsunami; (e) legislative and regulatory actions and risks and uncertainties associated with claims or litigation by or against Entergy and its subsidiaries; (f) conditions in commodity and capital markets during the periods covered by the forward-looking statements, in addition to other factors described elsewhere in this presentation and subsequent securities filings and (g) risks inherent in the proposed spin-off and subsequent merger of Entergy's electric transmission business into a subsidiary of ITC Holdings Corp. Entergy cannot provide any assurances that the spin-off and merger transaction will be completed and cannot give any assurance as to the terms on which such transaction will be consummated. The spin-off and merger transaction is subject to certain conditions precedent, including regulatory approvals and approval by ITC Holdings Corp. shareholders.

This presentation includes the non-GAAP measures of operational net income, debt to capital, excluding securitization debt, gross liquidity and operational earnings per share when describing Entergy's results of operations and financial performance. We have prepared reconciliations of these measures to the most directly comparable GAAP measures. These reconciliations can be found on slides 45-50. Further information about these measures can be found in Entergy's investor earnings releases, which are posted on our website at www.entergy.com.

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Additional Information and Where to Find It

Additional Information and Where to Find It

ITC and Transco will file registration statements with the Securities and Exchange Commission (SEC) registering shares of ITC common stock and Transco common units to be issued to Entergy shareholders in

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

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3
3

Business Model Based on Operational Excellence,
Business Model Based on Operational Excellence,
Portfolio Management and Point of View
Portfolio Management and Point of View

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

Entergy's
Businesses
30,000 MW electric generating
capacity
2 largest U.S. nuclear
generator
2.8 million utility customers
More than \$11 billion revenues
15,000 employees
Utility
6 vertically integrated electric utilities (5 retail regulators)
4 contiguous
states

Arkansas,
Louisiana,
Mississippi,
Texas
21,000 MW generating capacity
15,700 miles high-voltage transmission lines

Entergy
Wholesale
Commodities
6 nuclear units owned
at 5 sites (5,011 MW)
1 nuclear plant
managed (800 MW)
Non-nuclear wholesale
capacity (1,601
MW)

Competitor /
Industry Standards
nd

As a POV Company, We Continually Adapt
As a POV Company, We Continually Adapt
by Managing Risk and Pursuing Opportunities
by Managing Risk and Pursuing Opportunities
Wholesale
Commodities
Businesses

Regulated
Businesses
Internal
Sustainability
98
00
02
04
06
08
Renewal
Financial Flexibility
Capital Return to Shareholders
Productivity Improvements
Environmental Consciousness
Low-Income Initiatives
Safety
10
Wholesale / Pwr Development
Performance and Restructuring Focus
TX Competitive Retail
Entergy Nuclear
EWC
Enexus
Spin-off
Transition to
Competition
TTC
TX & AR
TTC TX
Legis
Clarity
Customer Care, Reliability, Storm Response / Recovery,
Efficient Rate Recovery Mechanisms
Transco / RTO
ICT (Transmission)
E-RSC
Supply Plan / Portfolio Transformation Strategy
12
MISO / ITC
Entergy Power Mktg
Divest to
Invest
Entergy-Koch
Gas Strategy
Illustrative
4

5

5

5

Some Examples

Some Examples

Past and Present

Past and Present

Grow
Grow
Insulate
Insulate
Isolate
Isolate
Separate
Separate
Back to
Basics
EWC
Entergy-Koch
Joint Venture
Enexus
Spin-off
MISO
Transco
Spin / Merge
-----Risk Management-----
-----Risk Management-----
Strategies

6
6
6
Entergy Today
Entergy Today
ETR
Shareholders

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

7
7
7
Paths Forward
Paths Forward
The Utility
The Utility

2013
Join MISO
Transco
Spin / Merge
2012
Regulatory
Major
Investments
Managing
Human
Capital
Objectives
Facilitate
Prudent
Investments
Maintain Credit
Regulatory
Meet Owner
Expectations
Operate
Safely,
Effectively,
Efficiently
2014
2015
2016
The Path
Forward
Generation
Transmission
Distribution
7
Illustrative

8
8
8

Utility Financial Aspirations Consider System Needs
Utility Financial Aspirations Consider System Needs
and Customer Cost
and Customer Cost

Customer Cost

System Needs

Financial Aspirations

To ensure quality service and reliability

8

For the 12 months ending Dec 31, 2011 vs 2008,

of 155 companies and jurisdictions, **Entergy's Utility OpCos**

delivered among the largest bundled residential price reductions

Utility Income Growth Outlook

6

8% compound annual net

income growth from 2010

through 2014 (2009 base)

Operating Company

Credit Quality and Flexibility

Investment grade

Lower risk profile

9

9

9

11

Service and Reliability Are the Foundation

Service and Reliability Are the Foundation

Utility Operations Statistics

1998 vs 2000 and 2001 through 2011

Outage Frequency / SAIFI

Avg number per customer per year,
excluding major storms

Safety / Lost Work Day Incident Rate

Regulatory Outage Complaints; #

Outage Duration / SAIDI

Avg minutes per customer per year,
excluding major storms

01

01

11

01

11

01

11

1.08

0.60

44%

98

00

278

172

98

00

38%

63%

535

196

98

00

37%

98

00

3.54

2.24

10

10

10

Regulatory Mechanisms Tailored for Specific Issues

Regulatory Mechanisms Tailored for Specific Issues

Rate Case

Specific

Recovery

Cost Recovery

Formula Rate

Plan

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

Illustrative

Regulatory Mechanisms for Cost Recovery

Non-fuel O&M

Maintenance capital

Example

Acquisitions

Capacity costs

Environmental

emission costs

Energy efficiency

Renewables

Storm

Full review of costs

Rate design

X%

X%

Acadia Unit 2

14ft

11

11

11

Infrastructure and Service Investment Opportunities

Infrastructure and Service Investment Opportunities

Support Operational and Financial Objectives

Support Operational and Financial Objectives

Generation
Transmission

Investments to accommodate new service
and maintain existing service

Investments to meet existing NERC
Transmission Planning (TPL) standards
and certain anticipated rule changes

Other economic investments

Smart Grid / infrastructure requirements /
renewables

Potential Self-Build Options

Potential Nuclear Capacity
Construct and/or repower generating
facilities on existing Entergy utility sites
Construct uprates; preserve option
to build new units at Grand Gulf and
River Bend sites
Acquire or contract merchant capacity
built over the past decade

Gas-Fired Capacity
Utility Capital Investment Plan

2012E

2014E; % of Total

Prepared Jan 2012

\$6.0B

Other

Transmission

Other Generation

Portfolio

Transformation

0%

25%

50%

75%

100%

12E

14E

Transmission

12
12
12

An Active Regulatory Agenda Required to Implement
An Active Regulatory Agenda Required to Implement
Texas

Rate case filed Nov 2011 and hearing recently concluded; procedural schedule calls for final decision by jurisdictional deadline of July 30, 2012

PUCT
voted
to
include
determination
of
a
purchased
capacity
cost
baseline
amount in current rate case; awaiting Staff proposal on rider
Louisiana

Ninemile 6 project approved in
Mar 2012

1-year FRP extensions
approved in Nov 2011

Base rate case filings to be
made by Jan 2013
Mississippi

Hinds acquisition approved in
Feb 2012; awaiting decision on
cost recovery

2011 test year FRP filed in Mar
2012; earned ROE within
bandwidth, no rate change
New Orleans

Ninemile 6 PPA approved

ENOI anticipates that it will
discuss possible renewal or
extension of the FRP (current
3-year term ends with 2011 test
year filing)
Arkansas

Settlement reached in Hot
Spring proceeding that will
permit cost recovery through a
capacity rider; awaiting APSC
decision on acquisition

General Regulatory Update

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13

13

Utility Capital Investment Needs on the Horizon

Utility Capital Investment Needs on the Horizon

Present Risks and Opportunities

Present Risks and Opportunities

Average Annual Utility Investment

2002

2014E and potential beyond; \$B

Three-year

capital plan

Illustrative

Includes

major storms

Does not include

major storms

1

Capital investment figures shown for beyond 2014E are illustrative and subject to uncertainty and variability

1

1.3

1.7

02

06

07

11

12E

14E

Beyond 14E

2.0

2.8

1.5

???

14
Transmission Business Initiatives Help to Address
Transmission Business Initiatives Help to Address
Risks and Opportunities
Risks and Opportunities
ICT (Current)
Move to MISO

MISO + Spin / Merge
Entergy
Utility

T planning

T operations

Balancing authority

Gen commitment and
dispatch

Ancillary services

Real-time energy balancing

T compliance

T planning

T operations

Offer generation or self
schedule

T compliance

Offer generation or self
schedule
ICT

T planning

T service

T compliance
RTO

T planning

T service

Day ahead market

Consolidated balancing
authority

Gen commitment and
dispatch

Ancillary services

Real-time energy balancing

T compliance

T planning

T service

Day ahead market

Consolidated balancing
authority

Gen commitment and
dispatch

Ancillary services

Real-time energy balancing

T compliance
Transco

T planning

T operations

T compliance

15

15

15

Recent Events Mark Progress Towards Achieving

Recent Events Mark Progress Towards Achieving

Transmission Business Objectives

Transmission Business Objectives

Texas

Application filed Apr 2012

Hearing scheduled for 7/30/2012
8/1/2012; jurisdictional deadline is
10/27/2012

One party has challenged certain
aspects of the filing

PUCT may review issue 5/18/2012

Could result in need to refile
Louisiana

Application filed Oct 2011

LPSC Staff conditionally supportive
of joining MISO

Hearing held 5/2/2012; on agenda for
consideration at 5/23/2012 LPSC
Business and Executive Session
Mississippi

Application filed Dec 2011

Hearing scheduled for Jul 2012;
decision expected by end of Aug
2012
New Orleans

Application filed Nov 2011

CCNO Advisors recommend several
conditions should CCNO approve

Hearing scheduled for Sep 2012
Arkansas

Application filed Nov 2011

EAI and coal plant co-owners
reached agreement on how the
plants will operate after EAI's
integration into MISO

Hearing to begin in late May 2012
FERC

Additional power flow
over and
above the 1,000 MW assumed in
studies
authorized under existing
SPP-MISO Joint Operating
Agreement

MISO's cost allocation tariff
provisions to transition integration
of Entergy were conditionally
accepted
MISO Regulatory Update

16
16
16
Proposed ITC Transaction
Proposed ITC Transaction
The Next Step in
The Next Step in

Transforming the Business Model
Transforming the Business Model

Generation

Distribution

~\$1.775B of debt will be issued by Entergy in connection with the internal separation of the transmission business, the proceeds from which will be used for debt reduction

Each Entergy Utility Operating Company's capital structure after the spin-off and merger anticipated to be consistent with capitalization prior to the transaction

Prior to the merger, ITC expects to effectuate a \$700M recapitalization currently anticipated to be a special dividend

Entergy shareholders to merge spun transmission business with ITC merger subsidiary

New Holdco to survive

Entergy
shareholders
to
receive
50.1% of ITC stock
Entergy
Shareholders
Parent
Creditors
Utility
OpCos
Entergy
Wholesale
Commodities
OpCo
Creditors
Entergy
Shareholders
Mid South
TransCo LLC

(New Holdco)
ITC
Shareholders
ITC Merger
Sub
Transco Subs
Illustrative
Entergy
Utility
Operating
Companies
comprised
of:

17

17

17

Entergy Customers and Other Stakeholders

Entergy Customers and Other Stakeholders

To Benefit from Independent Transco

To Benefit from Independent Transco

Increases flexibility of Entergy's investment alternatives

Protects credit quality of Entergy's Operating Companies

Supports efficient infrastructure investment

Improves access to capital for transmission business

Combines best operating practices of both Entergy and ITC

Brings ITC's experience and track record of safe and reliable operations to ensure continued strengthening of overall grid performance

Leverages Entergy employees knowledge and experience and fully utilizes Entergy's world-class storm restoration process

Provides singular focus on transmission system performance, planning and operations

Aligns with national policy objectives to facilitate investment in local, regional and inter-regional transmission, advance open access initiatives and promote access to competitive energy markets

Financial
Flexibility
and Growth
Operational
Excellence
Independent
and
Transparent
ITC Model

18
18
18
Paths Forward
Paths Forward
EWC
EWC

2012
2013
2014
2015
2016
License
Renewal
Managing
Human
Capital
Objectives
Meet Owner
Expectations
Operate
Safely,
Securely,
Efficiently
Obtain License
Renewals
Optimize
Margins
Strategically
Transact on POV
Preserve
Business Option
Value
Illustrative

19

19

19

Operational Excellence Also Important for EWC

Operational Excellence Also Important for EWC

Annual

Forced

Loss

Rate

1991

2011; %

Indian Point

Energy Center

Entergy

Previous Owners

EWC

Nuclear

Operational

Track

Record

1

EWC Nuclear includes Palisades but excludes Cooper; pre-Entergy data based upon published reports; operational data based on production cost based on 3-year average

Capability

Factor; %

Forced Loss

Rate; %

RFO Duration;

Avg Days

INPO Index;

#

Prod Cost;

\$/MWh

% Improved

vs Pre-ETR

2011

21

81

70

60

9

92

2.4

27

89

24.57

10

9

46

50

49

17

33

39

8

45

1

2
1
2
2
1
91
92
93
94
95
96
97
98
99
00
01
02
03
04
05
06
07
08
09
10
11
4
1
4
4
1
1
1

20

20

20

Operational Excellence Translates Into Improved

Operational Excellence Translates Into Improved

Financial Performance

Financial Performance

Total Net Generation
@Pre-ETR Ownership
Avg Capacity Factor

1

Uprates

Capacity Factor

Improvements

EWC Nuclear Output

Jan 1999

Dec 2011; TWh

Illustrative

1

Assumes pre-ETR ownership average capacity factor of 75%

0

5

10

15

20

25

30

35

40

45

99

00

01

02

03

04

05

06

07

08

09

10

11

21

21

21

License Renewal Protects Long-term Value

License Renewal Protects Long-term Value

of Nuclear Assets

of Nuclear Assets

NRC License Renewal Status

Unit

Expiration

Status

Recent Events / Next Steps

Pilgrim

6/8/2012

Awaiting

ASLB &

NRC

decisions

Intervenors have taken steps to slow or block license renewal at the NRC, federal court and state avenues

On 4/20/2012, NRC Staff sent document asking NRC Commissioners to authorize license issuance

NRC could issue license with issues outstanding

ASLB resolved all admitted contentions and the NRC Staff completed its review

Indian

Point 2

9/28/2013

Pre-

hearing

filings

before

ASLB

Final Safety Evaluation Report issued in 2009; SER Supplement issued 8/30/2011

Final Supplemental Environmental Impact Statement issued Dec 2010; narrow supplement likely

Initial ASLB hearings to begin 10/15/2012

Current pace points to likely application of

Timely Renewal Doctrine

to Indian Point 2 and

potentially Indian Point 3

Indian

Point 3

12/12/2015

Timely Renewal Doctrine

(i.e., continue to operate

until NRC decision)

NRC License Renewals Issued for 20 years

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Palisades renewed on 1/17/2007 (expires 3/24/2031)

FitzPatrick renewed on 9/8/2008 (expires 10/17/2034)

Vermont Yankee renewed on 3/21/2011 (expires 3/21/2032)

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22

22

Protecting Value Includes Resolving Legal and State

Protecting Value Includes Resolving Legal and State

Regulatory Uncertainties

Regulatory Uncertainties

Current Status

Issue

Description

Indian Point Water
Quality Proceedings
Indian Point Coastal
Zone Management
Act

New York State Dept of
Environmental Conservation
position: New Clean Water Act
§
401 water quality certification
required for license renewal

SPDES

1
water discharge permit
renewal
not NRC requirement
for license renewal

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

Adjudicatory initial hearings before
NYSDEC held in 4Q11 through
early 1Q12; hearings expected to
resume later in 2012 and extend
into early 2013

Federal law designed to
promote appropriate multiple
uses of coastal resources

Consistency with New York
State s federally-approved
coastal zone management
program to be resolved before
NRC license renewal issuance

1
State Pollutant Discharge Elimination System
Continued Operation
of Vermont Yankee

Entergy VY v Shumlin before
Second Circuit Court of Appeals

Certificate of Public Good
proceeding before Vermont
Public Service Board

Appeal of NRC license issuance
in U.S. DC Circuit Court

Briefing expected for most of 2012,
with decision in 2013

Procedural schedule established by
VPSB with decision anticipated in
late 3Q13 / early 4Q13

Oral argument held 5/9/2012;
awaiting decision

23

23

23

Continued Operation of Indian Point Advances

Continued Operation of Indian Point Advances

New York's Stated Goals and Objectives

New York's Stated Goals and Objectives

Independent Analysis

Do you favor or oppose renewing the licenses
for the electricity-generating nuclear plants
at the Indian Point Energy Center?

Public Opinion

New York Administration Initiatives

IPEC's retirement will exert measurable
net economic and environmental costs,
which we have quantified in part . . .
We have not attempted to quantify all
these costs; many of them are
well beyond the scope of this analysis.

--

commissioned by

New York City Dept of Environmental Protection

Source: Charlton Research Company

55

44

49

55

53

24

37

37

31

28

21

19

14

14

19

0

20

40

60

Aug 10

Mar 11

Aug 11

Oct 11

Feb 12

Favor

Oppose

Know

Don't

24

24

24

Natural Gas Market: An Over-supplied Picture for Now

Natural Gas Market: An Over-supplied Picture for Now

NYMEX Henry Hub Natural Gas Prices

Jan 2011

May 2012; \$/MMBtu

Japan

Earthquake /

Tsunami

2013

2020

2016

Economic concerns

Warm winter

Natural gas market

oversupply

2014

2

3

4

5

6

7

8

Jan 11

Apr 11

Jul 11

Oct 11

Jan 12

Apr 12

25

25

25

Hedging Strategies Protect Near-term Value,
Hedging Strategies Protect Near-term Value,
While Retaining Longer-term Option
While Retaining Longer-term Option

% Revenue Contracted

EWC Nuclear Contracted Revenues

Balance of 2012E

2016E; as of Apr 26, 2012

Price, \$/MWh

1

Assumes successful license renewal and uninterrupted normal operation at all plants

2

Includes contracted and merchant energy and capacity revenues, based on market prices as of 4/30/2012

%

of

Projected

Revenues

Contracted

1

Average Revenue

Under Contract

Projected Revenue

(as of 4/30/2012)

0

20

40

60

80

100

0

20

40

60

80

100

Bal 12E

13E

14E

15E

16E

1

2

Firm products with call options for post-license renewal volumes

Cap operational and liquidity risks

Allow for market upside

Cap downside, allow for market upside

Maximize liquidity, optimize timing, minimize transaction costs

Mitigate operational risk,
lower UC costs
Larger volumes of collars
Optimizing UC / LD mix
Using portfolio length,
including RISEC
Optimizing hedge timing,
volumes and products
around POV

26
26
26
Paths Forward
Paths Forward
Entergy
Entergy

Illustrative

Utility

EAI

EGSL

ELL

EMI

ENOI

ETI

G

D

T

LDC

Other

Nuclear

Fossil

Wind

District

Energy

Utility

EWC

EWC

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Bottom Line: Manage Risk, Remain Financially Solid
Bottom Line: Manage Risk, Remain Financially Solid
and Rationally Grow the Business
and Rationally Grow the Business

1

Net of \$0.5B issuances for Equity Unit retirements and

employee equity plan issuances
Operational
Net Income
Share
Repurchases
(net)
Dividends
Return of Capital
1999
2011; \$B
Debt to Capital, Excl Securitization Debt
2007
2011; %
Gross Liquidity
(Cash and Cash Equivalents + Revolver Capacity)
2007
2011; \$B
Debt to capital
Year-end storm reserve escrow
account balance
As-Reported
Net Income
Total Shareholder Return
10/30/1998
12/31/2011; %
S&P 500
Philadelphia Utility Index
Entergy
Assumes \$100 invested
at closing price
on 10/30/1998
1
New CEO named; Board turns company back over to management
\$11.1B Total
(500)
0
500
1,000
1,500
2,000
99
01
03
05
07
09
11
0
100
200

300
400
500
600
98
00
02
04
06
08
10
3.0
2.6
3.2
3.6
2.7
0
1
2
3
4
5
07
08
09
10
11
57
59
56
55
55
0
20
40
60
80
07
08
09
10
11
1
1

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A Full Slate of Issues and Opportunities
A Full Slate of Issues and Opportunities
Areas to Manage
Opportunities

Safety / Operations

Reasonably-priced reliable
electric service

EPS

Commodity Prices

Free Cash Flow

Projects

Owners: Dividends /
Repurchases

Credit

Legal / Regulatory Concerns

Manage What We Control

Costs

Operations

Investment

Protect & Grow

MISO

ITC Spin / Merge

Others???

Actively

Engaged to

Work

Opportunities

29
29
29
Summary
Summary
29

Utility fundamentals are strong

Constructive investment program

Strategic initiatives like MISO and ITC, which will benefit customers and other stakeholders

Declining natural gas and power prices

Regulatory and political pressures

Regulatory strategy, operating model and market-facing activities to preserve valuable long-term option

EWC
financial
performance
expected
to
decline
over
next
few
years

Long-term strategy to manage risk, remain financially solid and rationally grow the business

Entergy: Managing Risk and
Pursuing Opportunities
Deutsche Bank Securities
2012 Clean Tech, Utilities & Power Conference
May 15, 2012

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Appendix I

Appendix I

Additional Information

Additional Information

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Revised 2012 Earnings Guidance

Revised 2012 Earnings Guidance

As-Reported and Operational EPS

2012E

Guidance
(after-tax)

Updated

April

2012

5.80

5.25

(0.18)

(0.26)

(0.24)

Original 12E

Operational Guidance

Midpoint

Revised 12E

Operational Guidance

1Q12

weather

impact

0.14

(0.23)

5.25 Midpoint

4.85

5.65 Range

1

Originally prepared November 2011 and revised April 2012

2

As-reported earnings guidance will be updated to reflect special items as recorded throughout 2012

Increased

income tax

expense due

to write-off

of regulatory

asset

Increased non-

fuel O&M due

to final

pension

assumptions

0.22

Reduced

operating

expenses

from VY

impairment

Decreased

EWC net

revenue due

to market

prices

Other
(incl interest
expense, non-
fuel O&M,
potential
income tax
benefits)
(0.55)
Revisions
2
As-Reported
As-Reported
3.95 Midpoint
3.55
4.35 Range
2
1

33

33

33

Transmission Business Initiatives

Transmission Business Initiatives

MISO Change of Control Proceedings

MISO Change of Control Proceedings

Key Dates in Retail Regulatory Change of Control Proceedings to Join MISO

Mar

Apr

May

Jun

Jul

Aug

Sep

Oct

Intervenor

/

Staff

testimony

3/14

4/10

Rebuttal

4/19

Hearing

5/2

Decision

TBD

Intervenor / Staff testimony

3/16

4/27

Rebuttal

/

Sur-

surrebuttal

4/13

5/11

Hearing

5/30-6/1

Decision

TBD

Intervenor

/

Staff

testimony

4/23-5/23

6/11

Rebuttal

6/25

Hearing

7/19

Deadline for decision

8/31

Intervenor / Advisors testimony

3/23

5/7

8/3

Cross-
Answering
/
Rebuttal
6/7
8/22
Hearing
9/18
Decision
TBD
Filing
4/30
Intervenor / Staff testimony
7/5, 7/16
Rebuttal
7/23
Hearing
7/30-8/1
Deadline for decision
10/27

34

34

34

Transmission Business Initiatives

Transmission Business Initiatives

Spin-Merge Transaction with ITC

Spin-Merge Transaction with ITC

Primary Filings and Approvals for Spin / Merge of Transmission Business

Authority

Requirements

Target Timing

Entergy retail

regulators

Change of control of transmission assets

Affiliate

transaction

approvals

related

to

steps

in

the

spin

/

merge

Authorization to incur debt in some jurisdictions

Initial filings

are expected

to begin

mid-year

FERC

Change of control of transmission assets (203 filing)

Acceptance of jurisdictional agreements (205 filing)

Authorization to assume debt / issue securities (204 filings)

Changes to System Agreement to remove provisions related to
transmission planning and equalization

ITC filing to establish new rate tariffs for the ITC operating
companies

Hart-Scott-

Rodino Act

Pre-merger

notification

to

review

potential

antitrust

and

competition issues
Work is
expected to
begin in the
second and
third quarters
of 2012
IRS

Private
letter
ruling
substantially
to
the
effect
that
certain
require-
ments
for
a
tax-free
treatment
of
the
distribution
of
Transco
are
met
Securities and
Exchange
Commission

financial statements and disclosures), and

Transco Registration Statement
ITC
shareholders
Approvals required for:
Merger,

Issuance of shares to ETR shareholders, and

Amendment
to
ITC
charter
to

increase
authorized
number
of
shares

ITC
Form
S-4
and
Proxy
Statement
(including
audited
Transco

35

35

Utility Investments

Utility Investments

Hot Spring and Hinds Energy Facilities

Hot Spring and Hinds Energy Facilities

2011

2012
Acquisitions Announced
Apr 2011
1
Hot Spring
Hinds
MW
620
450 (summer rating)
Seller
KGen Power Corporation
Total Investment
\$277M; \$447/kW
\$246M; \$547/kW
Transmission Upgrades
~\$440K
\$25M
\$580K
Plant
Type
/
Fuel
Source
Combined cycle / natural gas
Location
Hot
Spring
County,
AR
Jackson, MS
Commercial Operation
2002
2001
Jurisdiction
EAI
EMI
Recovery Mechanism
Seeking rider recovery
Regulatory Status
Settlement permits
cost recovery through
rider; awaiting APSC
decision
Acquisition approved
in Feb 2012; awaiting
MPSC decision on
cost recovery
Hot Spring
Energy Facility
Hinds Energy Facility

Targeted Close
Around Mid-2012

1
Closing is contingent on obtaining regulatory approvals and cost recovery, as well as other closing conditions
Parties
have
satisfied
obligations
under
HSR
Act;
review
of
the
transactions
by
the
DOJ
is
ongoing

36
36
Air Permit
Issued
Aug 2011
Utility Investments
Utility Investments

Ninemile 6 New CCGT Plant
Ninemile 6 New CCGT Plant
2015
Ninemile 6
MW
~550
Total Investment
\$721M, excluding transmission
Spending
Prior to 2012: \$26M; 2012E-2014E: \$660M
Plant Type / Fuel Source
Combined cycle / natural gas; new construction
Location
Westwego, LA
Expected In-Service Date
First part of 2015
Jurisdiction
ELL; PPAs to EGSL (25%) and ENOI (20%)
Recovery Mechanism
ELL and EGSL will recover costs through their
respective FRPs, if in effect when the project is
placed in service, or through base rate case
filings; ENOI will make a base rate case filing
Status
Approved; full notice to proceed issued
Ninemile Point
2012
2011
2010
2013
Estimated
In-Service Date
First Part of
2015
2014
LPSC,
CCNO
Orders
Full Notice to
Proceed Issued
Market Test
Decision
Jul 2010
Air Permit
Application Filed
Sep 2010
LPSC,
CCNO
Filings Made

37
37
Anticipated Completion of
NRC Review and
Implementation of Uprate
Summer 2012
Utility Investments

Utility Investments

Grand Gulf Uprate

Grand Gulf Uprate

2009

2012

Board

Approved

Jul 2009

Installation in

Spring 2012

Refueling Outage

MPSC Issued Certificate of Public

Convenience and Necessity

Nov 2009

2010

2011

Grand Gulf

Nuclear Station

Grand Gulf Uprate

Estimated Power Uprate

178 MW

Estimated Cost

1

\$874M (total project, including transmission)

Spending

Prior to 2012: \$448M; 2012E: \$426M

Plant Type / Fuel

Source

Nuclear

Jurisdiction

SERI 90% (sales to EAI / ELL / EMI / ENOI);

SMEPA 10%

Status

Installation in progress

Recovery Mechanism

NRC Formally Accepted

License Amendment

Application for Review

Dec 2010

1

Estimated total capital investment to be made in the course of the implementation uprate project (including South Mississippi I
Association s share)

Included in cost of service once completed; costs
recovered

by

OpCos

through

existing

mechanisms

38

38

Utility Investments

Utility Investments

Waterford 3 Steam Generator Replacement

Waterford 3 Steam Generator Replacement

2012

Estimated
In-Service Date
Dec 2012
2008
ELL Petitioned LPSC to
Replace 2 Steam Generators
Jun 2008
2010
2011
2009
ELL Notified LPSC
RSGs Would Not Be
Delivered in Time to
Meet Current Schedule
Dec 2010
Installation
Fall 2012
Waterford 3
Estimated Cost
\$687M
Spending
Prior to 2012: \$384M; 2012E: \$263M; 2013E: \$40M
Plant Type / Fuel Source
Nuclear
Status

Installation revised to Fall 2012 outage

Extensive Spring 2011 RFO inspections support
continued operation for next cycle

Jurisdiction
Recovery Mechanism

Eligible for recovery through 2011 test year FRP

Subject to refund and subsequent prudence review
Regulatory Status
Pending determination of the revenue requirement
through ELL's 2011 test year FRP filing, costs will be
reflected in rates subject to refund

Waterford 3
Steam Electric Station
ELL
LPSC Approved
Stipulated Settlement
Nov 2008
ELL Filed for Est
1st-Year Revenue
Requirement
Dec 2011

39

39

39

Vermont Yankee

Vermont Yankee

Legal and State Regulatory Proceedings

Legal and State Regulatory Proceedings

Authority
Milestone
2Q12
3Q12
4Q12
1Q13
2Q13
3Q13
4Q13
U.S. Court of
Appeals
D.C. Circuit
Oral argument on appeal of NRC
license issuance
5/9
Decision
TBD
U.S. Court of
Appeals for
the Second
Circuit
State s opening / reply briefs
6/4
VY s opening / reply briefs
Oral argument
TBD
Decision
TBD
Certificate of
Public Good
before
Vermont
Public
Service
Board
Amended application filed
4/16
VY direct testimony
6/29
Other parties
direct testimony
10/22
Public hearings
Nov
Hearings on direct testimony
2/11-
2/22
VY rebuttal testimony
3/11
Other parties

surrebuttal testimony

4/24

Hearings on rebuttal testimony

6/17-

6/28

Initial briefs / proposals for decision

8/6

Reply briefs

8/26

Decision

TBD

Key Dates

1

Expected

9/4

1

11/19

1

11/5

1

40
0.0
0.5
1.0
1.5
2.0
2.5

3.0
Jun-10
Dec-10
Jun-11
Dec-11
Jun-12
Northeast Markets
Northeast Markets
Forward Energy and Power Prices
Forward Energy and Power Prices
Northeast Nuclear Fleet Forward Energy Prices
Jan 2011
Apr 2012; Around-the-Clock \$/MWh; Excludes Palisades
2012
2013
2014
NYISO Auction-Cleared Capacity Prices
June
2010

Oct
2012;
\$/kW-mo
Source: Derived from third party data service
Source: Published prices per NYISO
Spot Auction
Monthly
Strip
ISO-NE Capacity Prices
June
2010

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

May
2016

FCA
#6 capacity market.
2016
35
40
45
50
55
60
65
Jan-11
Apr-11
Jul-11
Oct-11
Jan-12
Apr-12
0.0
1.0
2.0
3.0
4.0
5.0
Jun-10
Jun-12
Jun-14
Jun-16
Forward Capacity Auctions
1
Reconfiguration Auctions
Monthly Auctions
2015

41

Northeast Markets

Northeast Markets

New York Zone A Market Prices and Heat Rates

New York Zone A Market Prices and Heat Rates

NYISO Zone A

ATC Forward Prices (\$/MWh)

NYISO Zone A

Implied Delivered Heat Rate (Btu/kWh)

2015

2014

2013

2012

Source: Derived from third party data service

Source: Derived from third party data service

2016

2015

2014

2013

2012

2016

25

35

45

55

01/11

04/11

07/11

10/11

01/12

04/12

6,000

7,000

8,000

9,000

01/11

04/11

07/11

10/11

01/12

04/12

42

Northeast Markets

Northeast Markets

New York Zone G Market Prices and Heat Rates

New York Zone G Market Prices and Heat Rates

NYISO Zone G

ATC Forward Prices (\$/MWh)

NYISO Zone G

Implied Delivered Heat Rate (Btu/kWh)

Source: Derived from third party data service

Source: Derived from third party data service

2015

2014

2013

2012

2016

2015

2014

2013

2012

2016

35

50

65

01/11

04/11

07/11

10/11

01/12

04/12

8,000

9,000

10,000

11,000

01/11

04/11

07/11

10/11

01/12

04/12

43

Northeast Markets

Northeast Markets

New England Market Prices and Heat Rates

New England Market Prices and Heat Rates

ISO-NE MASS Hub

ATC Forward Prices (\$/MWh)

ISO-NE MASS Hub

Implied Delivered Heat Rate (Btu/kWh)

Source: Derived from third party data service

Source: Derived from third party data service

2015

2014

2013

2012

2016

2015

2014

2013

2012

2016

35

50

65

01/11

04/11

07/11

10/11

01/12

04/12

7,500

8,500

9,500

01/11

04/11

07/11

10/11

01/12

04/12

44

44

44

Appendix II

Appendix II

Regulation G Reconciliations

Regulation G Reconciliations

45

45

45

Regulation G Reconciliations

Regulation G Reconciliations

Table 1: Entergy Consolidated Debt to Capital, Excluding Securitization Debt

Reconciliation of GAAP to Non-GAAP Measures

| | |
|---|--|
| 2007 | |
| 2011 | |
| (\$ in millions) | |
| 2007 | |
| 2008 | |
| 2009 | |
| 2010 | |
| 2011 | |
| Gross debt | |
| (a) | |
| 11,123 | |
| 12,279 | |
| 12,014 | |
| 11,816 | |
| 12,387 | |
| Less securitization debt | |
| (b) | |
| 330 | |
| 310 | |
| 838 | |
| 931 | |
| 1,071 | |
| Gross debt, excluding securitization debt | |
| (c) | |
| 10,793 | |
| 11,969 | |
| 11,176 | |
| 10,885 | |
| 11,316 | |
| Total capitalization | |
| (d) | |
| 19,297 | |
| 20,557 | |
| 20,939 | |
| 20,623 | |
| 21,629 | |
| Less securitization debt | |
| (e) | |
| 330 | |
| 310 | |
| 838 | |
| 931 | |
| 1,071 | |
| Total capitalization, excluding securitization debt | |
| (f) | |
| 18,967 | |
| 20,247 | |
| 20,101 | |
| 19,692 | |
| 20,558 | |

Debt to capital ratio

(a)/(d)

57.6%

59.7%

57.4%

57.3%

57.3%

Debt to capital ratio, excluding securitization debt

(c)/(f)

56.9%

59.1%

55.6%

55.3%

55.0%

Cash and cash equivalents

(g)

1,254

1,920

1,710

1,294

694

Revolver capacity

(h)

1,730

645

1,464

2,354

2,001

Gross liquidity

(g)+(h)

2,984

2,565

3,174

3,648

2,695

46

46

46

Regulation G Reconciliations

Regulation G Reconciliations

Table 2: Entergy Consolidated Net Income

Reconciliation of GAAP to Non-GAAP Measures

1999
2011
(\$ in millions)
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
As-Reported Net Income
(a)
552
679
726
599
927
910
898
1,133
1,135
1,221
1,231
1,250
1,346
Less Special Items
(b)
23
(36)
-
(267)
(55)
30
(45)
135
(32)
(55)
(71)
(82)
(13)
Operational Net Income
(a)-(b)
530
715

726
866
982
880
943
998
1,167
1,276
1,302
1,332
1,359

Calculations may differ due to rounding

2005 and 2006 reflect the deconsolidation of Entergy New Orleans, Inc.

47

47

47

Regulation G Reconciliations

Regulation G Reconciliations

Table 3: Entergy Consolidated Annual Special Items

Reconciliation of GAAP to Non-GAAP Measures

1999

2011

(\$ in millions)

1999

2000

2001

2002

2003

2004

2005

2006

2007

2008

2009

2010

2011

Special Items

Regulatory and reserve
adjustments

(65)

(22)

-

-

-

-

-

-

-

-

-

-

-

Change in unbilled revenue
estimate

32

-

-

-

-

-

-

-

-

-

-

-

-

Depreciation adjustment

11

-

-
-
-
-
-
-
-
-
-
-
-
-
-
-
-

SERI refund adjustments
(20)

-
-
-
-
-
-
-
-
-
-
-
-
-
-

Write-off of start-up costs per
new acct standard
(3)

-
-
-
-
-
-
-
-
-
-
-
-
-

Write-down of Latin American
assets
(28)

-
-
-
-
-
-

| |
|--|
| - |
| - |
| - |
| - |
| - |
| Gain/loss on disposition of assets |
| 68 |
| 13 |
| 1 |
| 52 |
| 1 |
| - |
| - |
| - |
| - |
| - |
| - |
| - |
| - |
| - |
| - |
| Damhead Creek mark to market gas contract |
| - |
| - |
| 24 |
| - |
| - |
| - |
| - |
| - |
| - |
| - |
| - |
| - |
| - |
| Write-down of MyHomeKey investment |
| - |
| - |
| (7) |
| - |
| - |
| - |
| - |
| - |
| - |
| - |
| - |
| - |

Merger expenses

-

-

(14)

-

-

-

-

-

-

-

-

-

-

Restructuring costs

-

-

(4)

(39)

-

-

-

-

-

-

-

-

-

-

48
48
48
Regulation G Reconciliations
Regulation G Reconciliations
Table
3:

Entergy
Consolidated
Annual
Special
Items

(continued)

Reconciliation of GAAP to Non-GAAP Measures

1999

2011

(\$ in millions)

1999

2000

2001

2002

2003

2004

2005

2006

2007

2008

2009

2010

2011

Special Items (continued)

Development costs

-

-

-

(21)

-

-

-

-

-

-

-

-

-

Turbine commitment

-

-

-

(117)

-

-

-

-

-

-

-
-
Asset and contract impairments

-
-
-
(142)

-
-
-
-
-
-
-
-
-
-
SFAS 143 implementation

-
-
-
-
133

-
-
-
-
-
-
-
-
-
River Bend loss provision

-
-
-
-
-
(66)

-
-
-
-
-
-
-
-
-
Voluntary severance plan

-
-
-
-
(123)

-
-
-
-
-
-
-
-
-

Tax benefits on restructuring

-
-
-
-
-

94

-
-
-
-
-
-
-

Gulf South Pipeline

-
-
-
-
-

29

-
-
-
-
-
-

Reduction in asset sale reserves

-
-
-
-
-

6

-
-
-
-
-

-
Entergy-Koch, LP gain

-
-
-
-
-
17

-
-
-
-
-
-

Asset impairment reserve

-
-
-
-
-
(36)

-
-
-
-
-
-

Entergy-Koch Trading

-
-
-
-
-
(79)

-
-
-
-
-
-

Retail business impairment
reserve

-
-
-
-
-

-

(26)

-

-

-

-

-

-

-

Retail business discontinued
operations

-

-

-

-

-

-

(19)

-

-

-

-

-

-

49
49
49
Regulation G Reconciliations
Regulation G Reconciliations
Table
3:

Entergy
Consolidated
Annual
Special
Items

(continued)

Reconciliation of GAAP to Non-GAAP Measures

1999

2011

(\$ in millions)

1999

2000

2001

2002

2003

2004

2005

2006

2007

2008

2009

2010

2011

Special Items (continued)

Restructuring -

Entergy-Koch,

LP distribution

-

-

-

-

-

-

104

-

-

-

-

-

Entergy-Koch, LP gain

-

-

-

-

-

-

55

-

-
-
-
-

ENOI results

-
-
-
-
-
-

4

-
-
-
-

Non-Nuclear Wholesale Assets
write-off of tax capital losses

-
-
-
-
-
-

(28)

-
-
-
-

Nuclear alignment

-
-
-
-
-
-

(32)

-
-
-

Non-utility nuclear spin-off
expenses

-

-
-
-
-
-
-
-
-
-
-
-
(55)
(71)
(82)
-
Transmission business spin-
merge expenses
-
-
-
-
-
-
-
-
-
-
-
(13)
Total Special Items
23
(36)
-
(267)
(55)
30
(45)
135
(32)
(55)
(71)
(82)
(13)
Calculations may differ due to rounding

50

50

50

Regulation G Reconciliations

Regulation G Reconciliations

Table 4: Entergy Consolidated EPS

Reconciliation of GAAP to Non-GAAP Measures

(Per share in U.S. \$)

2012E

Guidance

Range

As-Reported

(a)

3.55

4.35

Less Special Items through 1Q 2012

Vermont Yankee asset impairment

(1.26)

(1.26)

Transmission business spin-merge expenses

(0.04)

(0.04)

Total special items

(b)

(1.30)

(1.30)

Operational

(a)-(b)

4.85

5.65

1

Originally prepared November 2011, updated January 2012 to reflect 2011 final results and revised April 2012.

2

As-reported earnings guidance will be updated to reflect special items as recorded throughout 2012.

1

2

2012E

Guidance

Range

(after-tax)

Updated

April

2012