

ENTERGY CORP /DE/
Form 10-Q
May 08, 2009

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 March 31, 2009

OR

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

For the transition period from _____ to _____

Commission File Number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number, and IRS Employer Identification No.	Commission File Number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number, and IRS Employer Identification No.
1-11299	ENTERGY CORPORATION (a Delaware corporation) 639 Loyola Avenue New Orleans, Louisiana 70113 Telephone (504) 576-4000 72-1229752	1-31508	ENTERGY MISSISSIPPI, INC. (a Mississippi corporation) 308 East Pearl Street Jackson, Mississippi 39201 Telephone (601) 368-5000 64-0205830
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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 o

Indicate by check mark whether the registrants have submitted electronically and posted on Entergy's corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrants were required to submit and post such files). Yes

No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Securities Exchange Act of 1934.

	Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company
Entergy Corporation	√			
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.			√	

Indicate by check mark whether the registrants are shell companies (as defined in Rule 12b-2 of the Exchange Act).
Yes

No p

Common Stock Outstanding

Outstanding at April 30, 2009

Entergy Corporation

(\$0.01 par value)

196,103,065

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, 2008, 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 and implementation of Texas restructuring legislation, and other regulatory proceedings, including those related to Entergy's System Agreement, Entergy's utility supply plan, recovery of storm costs, and recovery of fuel and purchased power costs
- changes in utility regulation, including the beginning or end of retail and wholesale competition, the ability to recover net utility assets and other potential stranded costs, the operations of the independent coordinator of transmission for Entergy's utility service territory, and 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 Non-Utility Nuclear business
- resolution of pending or future applications for license extensions or modifications of nuclear generating facilities
- the performance of Entergy's generating plants, and particularly 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, the ability to hedge, sell power forward or otherwise reduce the market price risk associated with those facilities, including the Non-Utility Nuclear plants, and the prices and availability of fuel and power Entergy must purchase for its utility customers, and Entergy's ability to meet credit support requirements for fuel and power supply contracts
- volatility and changes in markets for electricity, natural gas, uranium, and other energy-related commodities
- changes in law resulting from federal or state energy legislation
- changes in environmental, tax, and other laws, including requirements for reduced emissions of sulfur, nitrogen, carbon, mercury, and other substances
- uncertainty regarding the establishment of interim or permanent sites for spent nuclear fuel and nuclear waste storage and disposal
- variations in weather and the occurrence of hurricanes and other storms and disasters, including uncertainties associated with efforts to remediate the effects of hurricanes and ice storms (including most recently, Hurricane Gustav and Hurricane Ike and the January 2009 ice storm in Arkansas) and recovery of costs associated with restoration, including accessing funded storm reserves, federal and local cost recovery mechanisms, securitization, and insurance
- 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 growth in Entergy's Utility service territory and the Northeast United States

FORWARD-LOOKING INFORMATION (Concluded)

- 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 its share repurchase program, 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 and war
- 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 the results of decommissioning trust fund earnings or in the timing of or cost to decommission nuclear plant sites
- 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
- and the risks inherent in the contemplated Non-Utility Nuclear spin-off, joint venture, and related transactions. Entergy Corporation cannot provide any assurances that the spin-off or any of the proposed transactions related thereto will be completed, nor can it give assurances as to the terms on which such transactions will be consummated. The transaction is subject to certain conditions precedent, including regulatory approvals and the final approval by the Board.

DEFINITIONS

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

<u>Abbreviation or Acronym</u>	<u>Term</u>
AEEC	Arkansas Electric Energy Consumers
AFUDC	Allowance for Funds Used During Construction
ALJ	Administrative Law Judge
ANO 1 and 2	Units 1 and 2 of Arkansas Nuclear One Steam Electric Generating Station (nuclear), owned by Entergy Arkansas
APSC	Arkansas Public Service Commission
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
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-Koch	Entergy-Koch, LP, a joint venture equally owned by subsidiaries of Entergy and Koch Industries, Inc.
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.
EPA	United States Environmental Protection Agency
ERCOT	Electric Reliability Council of Texas
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
firm liquidated damages	Transaction that requires receipt or delivery of energy at a specified delivery point (usually at a market hub not associated with a specific asset); if a party fails to deliver or receive energy, the defaulting party must compensate the other party as specified in the contract
Form 10-K	Annual Report on Form 10-K for the calendar year ended December 31, 2008 filed by Entergy Corporation and its Registrant Subsidiaries with the SEC
FSP	FASB Staff Position
Grand Gulf	Unit No. 1 of Grand Gulf Steam Electric Generating 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
IRS	Internal Revenue Service
ISO	Independent System Operator
kW	Kilowatt
kWh	Kilowatt-hour(s)
LPSC	Louisiana Public Service Commission
MMBtu	One million British Thermal Units

DEFINITIONS (Continued)

MPSC	Mississippi Public Service Commission
MW	Megawatt(s), which equals one thousand kilowatt(s)
MWh	Megawatt-hour(s)
Net debt ratio	Gross debt less cash and cash equivalents divided by total capitalization less cash and cash equivalents

Net MW in operation	Installed capacity owned or operated
Non-Utility Nuclear	Entergy's business segment that owns and operates six nuclear power plants and sells electric power produced by those plants to wholesale customers
NRC	Nuclear Regulatory Commission
NYPA	New York Power Authority
PPA	Purchased power agreement
production cost	Cost in \$/MMBtu associated with delivering gas, excluding the cost of the gas
PUCT	Public Utility Commission of Texas
PUHCA 1935	Public Utility Holding Company Act of 1935, as amended
PUHCA 2005	Public Utility Holding Company Act of 2005, which repealed PUHCA 1935, among other things
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 Steam Electric Generating Station (nuclear), owned by Entergy Gulf States Louisiana
SEC	Securities and Exchange Commission
SFAS	Statement of Financial Accounting Standards as promulgated by the FASB
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.
TIEC	Texas Industrial Energy Consumers
TWh	Terawatt-hour(s), which equals one billion kilowatt-hours
unit-contingent	Transaction under which power is supplied from a specific generation asset; if the asset is unavailable, the seller is not liable to the buyer for any damages
Unit Power Sales Agreement	Agreement, dated as of June 10, 1982, as amended and approved by FERC, among Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy, relating to the sale of capacity and energy from System Energy's share of Grand Gulf
Utility	Entergy's business segment that generates, transmits, distributes, and sells electric power, with a small amount of natural gas distribution
Utility operating companies	Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and Entergy Texas
Waterford 3	Unit No. 3 (nuclear) of the Waterford Steam Electric Generating Station, 100% owned or leased by Entergy Louisiana
weather-adjusted usage	Electric usage excluding the effects of deviations from normal weather

Entergy operates primarily through two business segments: Utility and Non-Utility Nuclear.

- **Utility**

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

- **Non-Utility Nuclear**

owns and operates six nuclear power plants located in the northern United States and sells the electric power produced by those plants primarily to wholesale customers. This business also provides services to other nuclear power plant owners.

In addition to its two primary, reportable, operating segments, Entergy also operates the non-nuclear wholesale assets business. The non-nuclear wholesale assets business sells to wholesale customers the electric power produced by power plants that it owns while it focuses on improving performance and exploring sales or restructuring opportunities for its power plants. Such opportunities are evaluated consistent with Entergy's market-based point-of-view.

Plan to Pursue Separation of Non-Utility Nuclear

See the Form 10-K for a discussion of the Board-approved plan to pursue a separation of the Non-Utility Nuclear business from Entergy through a tax-free spin-off of the Non-Utility Nuclear business to Entergy shareholders. There are no substantive updates to that disclosure.

Hurricane Gustav and Hurricane Ike

See the Form 10-K for a discussion of Hurricane Gustav and Hurricane Ike, which caused catastrophic damage to portions of Entergy's service territories in Louisiana and Texas, and to a lesser extent in Arkansas and Mississippi, in September 2008. Entergy is still considering its options to recover its storm restoration costs associated with these storms, including securitization. In April 2009 a law was enacted in Texas that authorizes recovery of these types of costs by securitization. Entergy Texas filed its storm cost recovery case in April 2009 seeking a determination that \$577.5 million of Hurricane Ike restoration costs are recoverable, including estimated costs for work to be completed. Entergy Texas also expects to make a filing seeking approval to recover its approved costs, plus carrying costs, by securitization. Entergy Gulf States Louisiana and Entergy Louisiana expect to initiate their storm cost recovery proceedings with the LPSC in May 2009.

Entergy Arkansas January 2009 Ice Storm

See the Form 10-K for a discussion of the severe ice storm that caused significant damage to Entergy Arkansas' transmission and distribution lines, equipment, poles, and other facilities in January 2009. See Note 2 to the financial statements herein for a discussion of Entergy Arkansas' accounting for and recovery of these storm costs.

Results of Operations

Income Statement Variances

Following are income statement variances for Utility, Non-Utility Nuclear, Parent & Other, and Entergy comparing the first quarter 2009 to the first quarter 2008 showing how much the line item increased or (decreased) in comparison to the prior period:

	Utility	Non-Utility Nuclear (In Thousands)	Parent & Other (1)	Entergy
1st Qtr 2008 Consolidated Net Income	\$121,479	\$221,697	(\$29,429)	\$313,747
Net revenue (operating revenue less fuel expense, purchased power, and other regulatory charges/credits)	2,131	(22,317)	874	(19,312)
Other operation and maintenance expenses	1,885	18,387	13,162	33,434
Taxes other than income taxes	19,092	6,079	655	25,826
Depreciation and amortization	9,628	2,965	274	12,867
Other income	25,187	(12,922)	(29,050)	(16,785)
Interest charges	5,537	240	(18,897)	(13,120)
Other expenses	7,466	801	-	8,267
Income taxes	(10,780)	(22,896)	3,719	(29,957)
1st Qtr 2009 Consolidated Net Income	\$115,969	\$180,882	(\$56,518)	\$240,333

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

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

Net Revenue

Utility

Following is an analysis of the change in net revenue comparing the first quarter 2009 to the first quarter 2008.

	Amount (In Millions)
2008 net revenue	\$1,035
Retail electric price	8
Volume/weather	(7)
Other	1
2009 net revenue	\$1,037

The retail electric price increase is primarily due to:

- a capacity acquisition rider that became effective in February 2008 at Entergy Arkansas;
- rate increases that were implemented in January 2009 at Entergy Texas; and
- an increase in the Attala power plant costs recovered through the power management rider by Entergy Mississippi. The net income effect of this recovery is limited to a portion representing an allowed return on equity with the remainder offset by Attala power plant costs in other operation and maintenance expenses, depreciation expenses, and taxes other than income taxes.

The retail electric price increase was partially offset by:

- the absence of interim storm recoveries through the formula rate plans at Entergy Louisiana and Entergy Gulf States Louisiana, which ceased upon the Act 55 financing of storm costs in the third quarter 2008; and
- a credit passed on to customers as a result of the Act 55 storm cost financings.

The volume/weather variance is primarily due to decreased electricity usage of 13% by industrial customers. The overall decline of the economy led to lower usage affecting both the large customer industrial segment as well as small and mid-sized industrial customers, who are also being affected by overseas competition. The effect of the industrial sales volume decrease is mitigated, however, because of the fixed charge basis of many industrial customers' rates, which causes average price per KWh sold to increase as the fixed charges are spread over lower volume.

Non-Utility Nuclear

Following is an analysis of the change in net revenue comparing the first quarter 2009 to the first quarter 2008.

	Amount (In Millions)
2008 net revenue	\$625
Volume variance	(38)
Realized price changes	19
Other	(3)
2009 net revenue	\$603

As shown in the table above, net revenue for Non-Utility Nuclear decreased by \$22 million, or 4%, in the first quarter 2009 compared to the first quarter 2008 primarily due to lower volume resulting from more refueling outage days, partially offset by higher pricing in its contracts to sell power. Included in net revenue is \$13 million and \$19 million of amortization of the Palisades purchased power agreement in the first quarter 2009 and 2008, respectively, which is non-cash revenue and is discussed in Note 15 to the financial statements in the Form 10-K. Following are key performance measures for Non-Utility Nuclear for the first quarter 2009 and 2008:

	2009	2008
Net MW in operation at March 31	4,998	4,998
Average realized price per MWh	\$63.84	\$61.47

GWh billed	10,074	10,760
Capacity factor	92%	97%
Refueling Outage Days:		
Indian Point 2	-	7
Indian Point 3	21	-
Palisades	9	-

Realized Price per MWh

See the Form 10-K for a discussion of factors that have influenced Non-Utility Nuclear's realized price per MWh. Non-Utility Nuclear's annual average realized price per MWh increased from \$39.40 for 2003 to \$59.51 for 2008. In addition, as shown in the contracted sale of energy table in "**Market and Credit Risk Sensitive Instruments**," Non-Utility Nuclear has sold forward 87% of its planned energy output for the remainder of 2009 for an average contracted energy price of \$60 per MWh. Recent trends in the energy commodity markets have resulted in lower natural gas prices and consequently current prevailing market prices for electricity in the New York and New England power regions are generally below the prices in Non-Utility Nuclear's existing contracts in those regions. Therefore, it is uncertain whether Non-Utility Nuclear will continue to experience increases in its annual realized price per MWh.

Other Income Statement Items

Utility

Other operation and maintenance expenses increased from \$420 million for the first quarter 2008 to \$422 million for the first quarter 2009 primarily due to:

- an increase of \$9 million in nuclear expenses primarily due to increased nuclear labor and contract costs; and
- an increase of \$4 million in transmission expenses, including independent coordinator of transmission expenses and transmission line and substation maintenance.

These increases were substantially offset by a decrease of \$12 million in payroll-related and benefits costs.

Taxes other than income taxes increased primarily due to the favorable resolution in the first quarter 2008 of issues relating to the tax exempt status of bonds for the Utility, which reduced taxes other than income taxes in 2008. Approximately half of the decrease in 2008 related to resolution of this issue is at System Energy and has no effect on net income because System Energy also has a corresponding decrease in its net revenue.

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

Other income increased primarily due to:

- distributions of \$14 million earned by Entergy Louisiana and \$5 million earned by Entergy Gulf States Louisiana on investments in preferred membership interests of Entergy Holdings Company. The distributions on preferred membership interests are eliminated in consolidation and have no effect on net income because the investment is in another Entergy subsidiary. See "**MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources - Hurricane Katrina and Hurricane Rita - Storm Cost Financings**" in the Form 10-K for discussion of these investments in preferred membership interests;

- an increase of \$8 million in allowance for equity funds used during construction due to more construction work in progress primarily as a result of Hurricane Gustav and Hurricane Ike; and
- an increase of \$7 million in carrying charges on storm restoration costs.

This increase was partially offset by a decrease of \$6 million resulting from lower interest earned on the decommissioning trust funds and short-term investments.

Non-Utility Nuclear

Other operation and maintenance expenses increased from \$182 million for the first quarter 2008 to \$200 million for the first quarter 2009 primarily due to \$8 million in outside service costs and incremental labor costs related to the planned spin-off of the Non-Utility Nuclear business.

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Other income decreased primarily due to \$16 million in charges to interest income in 2009 resulting from the recognition of impairments of certain equity securities held in Non-Utility Nuclear's decommissioning trust funds that are not considered temporary.

Parent & Other

Other operation and maintenance expenses increased for the parent company, Entergy Corporation, primarily due to outside services costs of \$15 million related to the planned spin-off of the Non-Utility Nuclear business.

Other income decreased primarily due to the elimination for consolidation purposes of distributions earned of \$14 million by Entergy Louisiana and \$5 million by Entergy Gulf States Louisiana on investments in preferred membership interests of Entergy Holdings Company, as discussed above.

Interest charges decreased primarily due to lower interest rates on borrowings under Entergy Corporation's revolving credit facility.

Income Taxes

The effective income tax rates for the first quarters of 2009 and 2008 were 40.4% and 38.1%, respectively. The difference in the effective income tax rate versus the statutory rate of 35% for the first quarter 2009 is primarily due to state income taxes and certain book and tax differences for utility plant items, partially offset by book and tax differences related to the storm cost financing and allowance for equity funds used during construction. The difference in the effective income tax rate versus the statutory rate of 35% for the first quarter 2008 is primarily due to state income taxes and certain book and tax differences for utility plant items, partially offset by an adjustment to state income taxes for Non-Utility Nuclear to reflect the effect of a change in the methodology of computing New York state income taxes as required by that state's taxing authority.

Liquidity and Capital Resources

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

Capital Structure

Entergy's capitalization is balanced between equity and debt, as shown in the following table. The decrease in the debt to capital percentage from 2008 to 2009 is primarily due to the unsuccessful remarketing of \$500 million of notes associated with Entergy Corporation's equity units resulting in a decrease in long-term debt and an increase in common shareholders' equity.

	March 31, 2009	December 31, 2008
Net debt to net capital	53.4%	55.6%
Effect of subtracting cash from debt	4.0%	4.1%
Debt to capital	57.4%	59.7%

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 in analyzing its financial condition and believes it provides useful information to its investors and creditors in evaluating Entergy's financial condition.

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As discussed in the Form 10-K, Entergy Corporation has in place a \$3.5 billion credit facility that expires in August 2012. Entergy Corporation has the ability to issue letters of credit against the total borrowing capacity of the facility. As of March 31, 2009, amounts outstanding under the credit facility are:

Capacity	Borrowings	Letters of Credit	Capacity Available
(In Millions)			
\$3,500	\$3,232	\$68	\$200

Entergy Corporation's credit facility requires it to maintain a consolidated debt ratio of 65% or less of its total capitalization. The calculation of this debt ratio under Entergy Corporation's credit facility and in the indenture governing the Entergy Corporation senior notes is different than the calculation of the debt to capital ratio above. Entergy is currently in compliance with this covenant. If Entergy fails to meet this ratio, or if Entergy 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, and there may be an acceleration of amounts due under Entergy Corporation's senior notes.

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.

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 2009 through 2011. Following is an update to the discussion in the Form 10-K.

Little Gypsy Repowering Project

See the Form 10-K for a discussion of Entergy Louisiana's Little Gypsy repowering project. On March 11, 2009, the LPSC voted in favor of a motion directing Entergy Louisiana to temporarily suspend the repowering project and, based upon an analysis of the project's economic viability, to make a recommendation regarding whether to proceed with the project. This action was based upon a number of factors including the recent decline in natural gas prices, as well as environmental concerns, the unknown costs of carbon legislation and changes in the capital/financial markets. On April 1, 2009, Entergy Louisiana complied with the LPSC's directive and recommended that the project be suspended for an extended period of time of three years or more. Entergy Louisiana estimates that its total costs for the project, if suspended, including actual spending to date and estimated contract cancellation costs, will be approximately \$300 million. Entergy Louisiana had obtained all major environmental permits required to begin construction. A longer-term suspension places these permits at risk and may adversely affect the project's economics and technological feasibility. The LPSC has not yet taken action on Entergy Louisiana's recommendation, and Entergy Louisiana filed with the LPSC on May 5, 2009, a motion requesting a ruling from the LPSC that the decision to suspend the project for an extended period of time is prudent, without prejudice to subsequent consideration of the prudence of Entergy Louisiana's management of the project and recovery of the project costs. Entergy Louisiana expects to make a filing later in 2009 with the LPSC regarding the recovery of project costs.

White Bluff Coal Plant Project

See the Form 10-K for a discussion of the environmental compliance project that will install scrubbers and low NOx burners at Entergy Arkansas' White Bluff coal plant. In March 2009, Entergy Arkansas made a filing with the APSC seeking a declaratory order that the project is in the public interest. The filing requests a procedural schedule providing for an APSC decision in September 2009. In May 2009 the

APSC Staff filed a motion requesting that the APSC require Entergy Arkansas to file testimony on several issues and suggesting a procedural schedule that culminates in a February 2010 hearing date. The APSC has not set a procedural schedule at this time.

Pension Contributions

For an update to the discussion on pension contributions see "**MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Critical Accounting Estimates - Qualified Pension and Other Postretirement Benefits - Costs and Funding."**

Sources of Capital

The short-term borrowings of the Registrant Subsidiaries and certain other Entergy subsidiaries are limited to amounts authorized by the FERC. The current FERC-authorized limits are effective through March 31, 2010, as established by a FERC order issued March 31, 2008 (except for Entergy Gulf States Louisiana and Entergy Texas, which are effective through November 8, 2009, as established by an earlier FERC order). See Note 4 to the financial statements for further discussion of Entergy's short-term borrowing limits.

Cash Flow Activity

As shown in Entergy's Consolidated Statements of Cash Flows, cash flows for the three months ended March 31, 2009 and 2008 were as follows:

	2009	2008
	(In Millions)	
Cash and cash equivalents at beginning of period	\$1,920	\$1,254
Cash flow provided by (used in):		
Operating activities	375	448
Investing activities	(646)	(588)
Financing activities	154	(198)
Net decrease in cash and cash equivalents	(117)	(338)
Cash and cash equivalents at end of period	\$1,803	\$916

Operating Activities

Entergy's cash flow provided by operating activities decreased by \$73 million for the three months ended March 31, 2009 compared to the three months ended March 31, 2008. Following are cash flows from operating activities by segment:

- Utility provided \$151 million in cash from operating activities in 2009 compared to providing \$168 million in 2008 primarily due to Hurricane Gustav, Hurricane Ike, and Arkansas ice storm restoration spending, and working capital requirements, offset by increased collection of fuel costs and a decrease of \$27 million in pension contributions.
- Non-Utility Nuclear provided \$304 million (excluding the effect of intercompany transactions) in cash from operating activities in 2009 compared to providing \$340 million in 2008 primarily due to spending related to the planned separation of Non-Utility Nuclear and an increase of \$26 million in pension contributions.
- Parent & Other used approximately \$81 million (excluding the effect of intercompany transactions) in cash from operating activities in 2009 compared to using \$60 million in 2008 primarily due to spending related to the planned separation of Non-Utility Nuclear.

Investing Activities

Net cash used in investing activities increased by \$58 million for the three months ended March 31, 2009 compared to the three months ended March 31, 2008 primarily due to the following activity:

- Construction expenditures were \$82 million higher in 2009 than in 2008 primarily due to Hurricane Gustav, Hurricane Ike, and Arkansas ice storm restoration spending.
- In March 2008, Entergy Gulf States Louisiana purchased the Calcasieu Generating Facility, a 322 MW simple-cycle, gas-fired power plant located near the city of Sulphur in southwestern Louisiana, for approximately \$56.4 million.

Financing Activities

Financing activities provided net cash flow of \$154 million for the three months ended March 31, 2009 compared to using \$198 million for the three months ended March 31, 2008. The following significant financing cash flow activity occurred in the first quarters of 2009 and 2008:

- Entergy Corporation decreased the net borrowings under its credit facilities by \$5 million in the first quarter 2009 compared to increasing the net borrowings under its credit facilities by \$225 million in the first quarter 2008. See Note 4 to the financial statements for a description of the Entergy Corporation credit facilities.
- Entergy Texas issued \$500 million of 7.125% Series Mortgage Bonds in January 2009 and used a portion of the proceeds to repay \$100 million in borrowings outstanding on its long-term credit facility and \$70.8 million in long-term debt prior to maturity.
- Entergy Corporation repaid \$87 million of notes payable at their maturity in March 2008.
- Entergy Corporation repurchased \$158 million of its common stock in the first quarter 2008.

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 and federal regulation. Following are updates to the information provided in the Form 10-K.

State and Local Rate Regulation and Fuel-Cost Recovery

See the Form 10-K for a chart summarizing material rate proceedings. See Note 2 to the financial statements herein for updates to the proceedings discussed in that chart.

Federal Regulation

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

System Agreement Proceedings

Entergy Arkansas and Entergy Mississippi Notices of Termination of System Agreement Participation and Related APSC Investigation

On February 2, 2009, Entergy Arkansas and Entergy Mississippi filed with the FERC their notices of cancellation to effectuate the termination of their participation in the Entergy System Agreement, effective December 18, 2013 and November 7, 2015, respectively. While the FERC had indicated previously that the notices should be filed 18 months prior to Entergy Arkansas' termination (approximately mid-2012), the filing explains that resolving this issue now, rather than later, is important to ensure that informed long-term resource planning decisions can be made during the years leading up to Entergy Arkansas' withdrawal and that all of the Utility operating companies are properly positioned to continue to operate reliably following Entergy Arkansas' and, eventually, Entergy Mississippi's, departure from the

System Agreement. Entergy Arkansas and Entergy Mississippi requested that the FERC accept the proposed notices of cancellation without further proceedings. Various parties intervened or filed protests in the proceeding, including the APSC, the LPSC, the MPSC, and the City Council. The APSC and the MPSC support the notices, but the other parties generally request either dismissal of the filings or that the proceeding be set for hearing. Entergy Arkansas and Entergy Mississippi responded to the interventions and protests. Entergy Arkansas and Entergy Mississippi reiterated their request that the FERC accept the proposed notices of cancellation. If further inquiry by the FERC is necessary, Entergy Arkansas and Entergy Mississippi proposed that the FERC institute a paper hearing to resolve the major policy and legal issues and then, if necessary, set any remaining factual questions for an expedited hearing.

Independent Coordinator of Transmission

In the FERC's April 2006 order that approved Entergy's Independent Coordinator of Transmission (ICT) proposal, the FERC stated that the Weekly Procurement Process (WPP) must be operational within approximately 14 months of the FERC order, or June 24, 2007, or the FERC may reevaluate all approvals to proceed with the ICT. The Utility operating companies filed status reports with the FERC notifying the FERC that, due to unexpected issues with the development of the WPP software and testing, the WPP was still not operational. The Utility operating companies also filed various tariff revisions with the FERC in 2007 and 2008 to address issues identified during the testing of the WPP and changes to the effective date of the WPP. On October 10, 2008, the FERC issued an order accepting a tariff amendment establishing that the WPP shall take effect at a date to be determined, after completion of successful simulation trials and the ICT's endorsement of the WPP's implementation. On January 16, 2009, the Utility operating companies filed a compliance filing with the FERC that included the ICT's endorsement of the WPP implementation, subject to the FERC's acceptance of certain additional tariff amendments and the completion of simulation testing and certain other items. The Utility operating companies filed the tariff amendments supported by the ICT on the same day. The amendments proposed to further amend the WPP to (a) limit supplier offers in the WPP to on-peak periods and (b) eliminate the granting of certain transmission service through the WPP.

On March 17, 2009, the FERC issued an order conditionally approving the proposed modification to the WPP to allow the process to be implemented the week of March 23, 2009. In its order approving the requested modifications, the FERC imposed additional conditions related to the ICT arrangement and indicated it was going to evaluate the success of the ICT arrangement, including the cost and benefits of implementing the WPP and whether the WPP goes far enough to address the transmission access issues that the ICT and WPP were intended to address. On April 17, 2009, the FERC issued a notice announcing that the FERC, in conjunction with the APSC, the LPSC, the MPSC, the PUCT, and the City Council, will host a conference on June 24, 2009, to discuss the ICT arrangement and transmission access on the Entergy transmission system.

Market and Credit Risk Sensitive Instruments

Commodity Price Risk

Power Generation

As discussed more fully in the Form 10-K, the sale of electricity from the power generation plants owned by Entergy's Non-Utility Nuclear business, unless otherwise contracted, is subject to the fluctuation of market power prices. Following is an updated summary of the amount of the Non-Utility Nuclear business' output that is sold forward as of March 31, 2009 under physical or financial contracts (2009 represents the remaining three quarters of the year):

	2009	2010	2011	2012	2013
Non-Utility Nuclear					
:					
Percent of planned generation sold forward:					
Unit-contingent	47%	31%	29%	18%	12%
Unit-contingent with availability guarantees	40%	35%	17%	7%	6%
(1)					
Total	87%	66%	46%	25%	18%
Planned generation (TWh)	31	40	41	41	40
Average contracted price per MWh (2)	\$60	\$60	\$56	\$54	\$50

- (1) A sale of power on a unit-contingent basis coupled with a guarantee of availability provides for the payment to the power purchaser of contract damages, if incurred, in the event the seller fails to deliver power as a result of the failure of the specified generation unit to generate power at or above a specified availability threshold. All of Entergy's outstanding guarantees of availability provide for dollar limits on Entergy's maximum liability under such guarantees.
- (2) The Vermont Yankee acquisition included a 10-year PPA under which the former owners will buy most of the power produced by the plant, which is through the expiration in 2012 of the current operating license for the plant. The PPA includes an adjustment clause under which the prices specified in the PPA will be adjusted downward monthly, beginning in November 2005, if power market prices drop below prices specified in the PPA, which has not happened thus far.

Some of the agreements to sell the power produced by Entergy's Non-Utility Nuclear power plants contain provisions that require an Entergy subsidiary to provide collateral to secure its obligations under the agreements. The Entergy subsidiary is required to provide collateral based upon the difference between the current market and contracted power prices in the regions where Non-Utility Nuclear 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 March 31, 2009, based on power prices at that time, Entergy had in place as collateral \$499 million of Entergy Corporation guarantees for wholesale transactions, including \$60 million of guarantees that support letters of credit and \$2 million of cash collateral. As of March 31, 2009, the assurance requirement associated with Non-Utility Nuclear is estimated to increase by an amount of up to \$191 million if gas prices increase \$1 per MMBtu 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 March 31, 2009, Entergy would have been required under some of the agreements to replace approximately \$73 million of the Entergy Corporation guarantees with cash or letters of credit.

For the planned energy output under contract through 2013 as of March 31, 2009, 61% of the planned energy output is under contract with counterparties with public investment grade credit ratings; 38% is with counterparties with public non-investment grade credit ratings, primarily a utility from which Non-Utility Nuclear purchased one of its power plants and entered into a long-term fixed-price purchased power agreement; and 1% is with load-serving entities without public credit ratings.

In addition to selling the power produced by its plants, the Non-Utility Nuclear business sells unforced capacity to load-serving distribution companies in order for those companies to meet requirements placed on them by the ISO in their area. Following is a summary of the amount of the Non-Utility Nuclear business' unforced capacity that is currently sold forward, and the blended amount of the Non-Utility Nuclear business' planned generation output and

unforced capacity that is currently sold forward as of March 31, 2009 (2009 represents the remaining three quarters of the year):

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	2009	2010	2011	2012	2013
Non-Utility Nuclear					
:					
Percent of capacity sold forward:					
Bundled capacity and energy contracts	26%	26%	25%	18%	16%
Capacity contracts	53%	34%	25%	10%	0%
Total	79%	60%	50%	28%	16%
Planned net MW in operation	4,998	4,998	4,998	4,998	4,998
Average capacity contract price per kW per month	\$2.3	\$3.4	\$3.6	\$3.6	\$-
<u>Blended Capacity and Energy (based on revenues)</u>					
% of planned generation and capacity sold forward	89%	68%	46%	22%	14%
Average contract revenue per MWh	\$62	\$62	\$59	\$56	\$50

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. The following are updates to that discussion.

Nuclear Decommissioning Costs

In the first quarter 2009, Entergy Arkansas recorded a revision to its estimated decommissioning cost liabilities for ANO 1 and 2 as a result of a revised decommissioning cost study. The revised estimates resulted in an \$8.9 million reduction in its decommissioning liability, along with a corresponding reduction in the related regulatory asset.

Qualified Pension and Other Postretirement Benefits

Costs and Funding

The recent decline in stock market prices will affect Entergy's planned levels of contributions in the future. Minimum required funding calculations as determined under Pension Protection Act guidance are performed annually as of January 1 of each year and are based on measurements of the market-related values of assets and funding liabilities as measured at that date. An excess of the funding liability over the market-related value of assets results in a funding shortfall which, under the Pension Protection Act, must be funded over a seven-year rolling period. Entergy's minimum required contributions for the 2009 plan year are generally payable in installments throughout 2009 and 2010 and will be based on the funding calculations as of January 1, 2009. The final date at which 2009 plan year contributions may be made is September 15, 2010.

On March 31, 2009, the United States Treasury Department issued guidance that allows plan sponsors to use interest rates earlier in 2008 to measure the present value of the funding liability at January 1, 2009. Prior to this change, the

rates required to be used for Entergy were from the month of December 2008 and the sharp decrease in interest rates during December 2008 was expected to generate significant increases in the funding liability. A higher liability coupled with losses in the fair market value of pension assets would have increased the funding shortfall at January 1, 2009 and resulted in larger future contributions for the 2009 plan year, payable in 2009 and 2010 as described above. Entergy's January 1, 2009 funding liability valuation was favorably impacted by this guidance and 2009 contributions are not expected to materially increase. However, to the extent that the higher interest rates experienced in 2008 do not recur in future periods and the fair market values of pension assets do not significantly recover, Entergy's January 1, 2010 funded status could be adversely affected and significantly increase future pension plan contributions.

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New Accounting Pronouncements

In December 2008 the FASB issued FSP FAS 132(R)-1, "Employers' Disclosures about Postretirement Benefit Plan Assets" (FSP 132(R)-1), that requires enhanced disclosures about plan assets of defined benefit pension and other postretirement plans, including disclosure of each major category of plan assets using the fair value hierarchy and concentrations of risk within plan assets. FSP 132(R)-1 is effective for fiscal years ending after December 15, 2009.

In April 2009 the FASB issued FSP FAS 107-1 and APB 28-1, "Interim Disclosures about Fair Value of Financial Instruments" (FSP 107-1 and APB 28-1). FSP 107-1 and APB 28-1 relates to fair value disclosures for all financial instruments not measured on the balance sheet at fair value, and requires these disclosures on a quarterly basis. FSP 107-1 and APB 28-1 is effective for interim reporting periods ending after June 15, 2009.

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ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
For the Three Months Ended March 31, 2009 and 2008
(Unaudited)

2009 **2008**
(In Thousands, Except Share Data)

OPERATING REVENUES

Electric	\$2,026,916	\$2,046,227
Natural gas	74,049	89,395
Competitive businesses	688,147	729,112
TOTAL	2,789,112	2,864,734

OPERATING EXPENSES

Operating and Maintenance:		
Fuel, fuel-related expenses, and gas purchased for resale	846,332	540,501
Purchased power	323,255	620,642
Nuclear refueling outage expenses	56,779	51,258
Other operation and maintenance	644,702	611,268
Decommissioning	48,742	45,996
Taxes other than income taxes	134,397	108,571

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Depreciation and amortization	257,852	244,985
Other regulatory charges (credits) - net	(29,474)	35,280
TOTAL	2,282,585	2,258,501
OPERATING INCOME	506,527	606,233
OTHER INCOME		
Allowance for equity funds used during construction	16,947	9,286
Interest and dividend income	30,650	54,282
Equity in losses of unconsolidated equity affiliates	(3,127)	(929)
Miscellaneous - net	(10,172)	(11,556)
TOTAL	34,298	51,083
INTEREST AND OTHER CHARGES		
Interest on long-term debt	127,965	123,144
Other interest - net	19,293	32,538
Allowance for borrowed funds used during construction	(9,812)	(5,116)
TOTAL	137,446	150,566
INCOME BEFORE INCOME TAXES	403,379	506,750
Income taxes	163,046	193,003
CONSOLIDATED NET INCOME	240,333	313,747
Preferred dividend requirements of subsidiaries	4,998	4,998
NET INCOME ATTRIBUTABLE TO ENTERGY CORPORATION	\$235,335	\$308,749
Earnings per average common share:		
Basic	\$1.22	\$1.60
Diluted	\$1.20	\$1.56
Dividends declared per common share	\$0.75	\$0.75
Basic average number of common shares outstanding	192,593,601	192,639,605
Diluted average number of common shares outstanding	198,058,002	198,300,041

See Notes to Financial Statements.

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2009 and 2008
(Unaudited)

	2009	2008
	(In Thousands)	
OPERATING ACTIVITIES		
Consolidated net income	\$240,333	\$313,747
Adjustments to reconcile consolidated net income to net cash flow provided by operating activities:		
Reserve for regulatory adjustments	1,210	(2,909)
Other regulatory charges (credits) - net	(29,474)	35,280
Depreciation, amortization, and decommissioning	306,594	290,981
Deferred income taxes, investment tax credits, and non-current taxes accrued	155,029	97,984
Equity in earnings of unconsolidated equity affiliates - net of dividends	3,127	929
Changes in working capital:		
Receivables	102,428	(9,374)
Fuel inventory	(17,631)	(22,665)
Accounts payable	(134,008)	9,522
Taxes accrued	(12,784)	-
Interest accrued	(37,413)	(34,238)
Deferred fuel	275,508	(195,650)
Other working capital accounts	(120,505)	(181,401)
Provision for estimated losses and reserves	1,281	4,034
Changes in other regulatory assets	(447,882)	40,569
Other	88,806	101,361
Net cash flow provided by operating activities	374,619	448,170
INVESTING ACTIVITIES		
Construction/capital expenditures	(455,737)	(373,317)
Allowance for equity funds used during construction	16,947	9,286
Nuclear fuel purchases	(118,890)	(170,381)
Proceeds from sale/leaseback of nuclear fuel	11,040	112,700
Payment for purchase of plant	-	(56,409)
Changes in transition charge account	(7,831)	(8,352)
NYPA value sharing payment	(72,000)	(72,000)
Decrease in other investments	7,339	7,974
Proceeds from nuclear decommissioning trust fund sales	583,166	257,718
Investment in nuclear decommissioning trust funds	(610,836)	(294,840)
Net cash flow used in investing activities	(646,802)	(587,621)

See Notes to Financial Statements.

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2009 and 2008
(Unaudited)

	2009	2008
	(In Thousands)	
FINANCING ACTIVITIES		
Proceeds from the issuance of:		
Long-term debt	489,987	545,000
Common stock and treasury stock	927	4,670
Retirement of long-term debt	(215,023)	(438,227)
Repurchase of common stock	-	(158,182)
Changes in credit line borrowings - net	25,000	-
Dividends paid:		
Common stock	(142,085)	(144,579)
Preferred stock	(4,998)	(7,270)
Net cash flow provided by (used in) financing activities	153,808	(198,588)
Effect of exchange rates on cash and cash equivalents	842	17
Net decrease in cash and cash equivalents	(117,533)	(338,022)
Cash and cash equivalents at beginning of period	1,920,491	1,253,728
Cash and cash equivalents at end of period	\$1,802,958	\$915,706
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid (received) during the period for:		
Interest - net of amount capitalized	\$176,892	\$183,787
Income taxes	(\$15,139)	\$2,157
Noncash financing activities:		
Long-term debt retired (equity unit notes)	(\$500,000)	-

Common stock issued in settlement of equity unit purchase contracts	\$500,000	-
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See Notes to Financial Statements.

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ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
ASSETS
March 31, 2009 and December 31, 2008
(Unaudited)

	2009	2008
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	\$94,372	\$115,876
Temporary cash investments	1,708,586	1,804,615
Total cash and cash equivalents	1,802,958	1,920,491
Securitization recovery trust account	19,893	12,062
Accounts receivable:		
Customer	617,132	734,204
Allowance for doubtful accounts	(25,859)	(25,610)
Other	155,029	206,627
Accrued unbilled revenues	248,683	282,914
Total accounts receivable	994,985	1,198,135
Deferred fuel costs	19,527	167,092
Accumulated deferred income taxes	36,232	7,307
Fuel inventory - at average cost	233,776	216,145
Materials and supplies - at average cost	782,279	776,170
Deferred nuclear refueling outage costs	219,236	221,803
System agreement cost equalization	394,000	394,000
Prepayments and other	362,480	247,184
TOTAL	4,865,366	5,160,389
OTHER PROPERTY AND INVESTMENTS		
Investment in affiliates - at equity	63,624	66,247
Decommissioning trust funds	2,718,689	2,832,243
Non-utility property - at cost (less accumulated depreciation)	230,566	231,115
Other	110,890	107,939
TOTAL	3,123,769	3,237,544

PROPERTY, PLANT AND EQUIPMENT

Electric	35,182,393	34,495,406
Property under capital lease	745,152	745,504
Natural gas	306,854	303,769
Construction work in progress	1,561,230	1,712,761
Nuclear fuel under capital lease	416,913	465,374
Nuclear fuel	672,300	636,813
TOTAL PROPERTY, PLANT AND EQUIPMENT	38,884,842	38,359,627
Less - accumulated depreciation and amortization	16,265,165	15,930,513
PROPERTY, PLANT AND EQUIPMENT - NET	22,619,677	22,429,114
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
SFAS 109 regulatory asset - net	607,706	581,719
Other regulatory assets	3,703,332	3,615,104
Deferred fuel costs	168,122	168,122
Goodwill	377,172	377,172
Other	1,147,443	1,047,654
TOTAL	6,003,775	5,789,771
TOTAL ASSETS	\$36,612,587	\$36,616,818

See Notes to Financial Statements.

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ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
LIABILITIES AND EQUITY
March 31, 2009 and December 31, 2008
(Unaudited)

	2009	2008
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	\$575,647	\$544,460
Notes payable	80,034	55,034
Accounts payable	874,068	1,475,745
Customer deposits	310,033	302,303
Taxes accrued	62,426	75,210
Interest accrued	149,896	187,310
Deferred fuel costs	311,482	183,539
Obligations under capital leases	162,415	162,393
Pension and other postretirement liabilities	38,338	46,288
System agreement cost equalization	460,315	460,315
Other	229,463	273,297
TOTAL	3,254,117	3,765,894
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	6,796,949	6,565,770

RETAINED EARNINGS

Retained Earnings - Beginning of period	\$7,382,719		\$6,735,965	
Add:				
Net income attributable to Entergy Corporation	235,335	\$235,335	308,749	\$308,749
Adjustment related to FSP FAS 115-2 implementation	6,365		-	
Total	241,700		308,749	
Deduct:				
Dividends declared on common stock	142,090		144,369	
Retained Earnings - End of period	\$7,482,329		\$6,900,345	

**ACCUMULATED OTHER COMPREHENSIVE
INCOME (LOSS)**

Balance at beginning of period:				
Accumulated derivative instrument fair value changes	\$120,830		(\$12,540)	
Pension and other postretirement liabilities	(232,232)		(107,145)	
Net unrealized investment gains (losses)	(4,402)		121,611	
Foreign currency translation	3,106		6,394	
Total	(112,698)		8,320	
Net derivative instrument fair value changes arising during the period (net of tax expense (benefit) of \$57,186 and (\$99,400))	87,714	87,714	(178,766)	(178,766)
Pension and other postretirement liabilities (net of tax expense (benefit) of (\$135) and \$3,977)	(857)	(857)	(4,136)	(4,136)
Net unrealized investment losses (net of tax benefit of (\$35,977) and (\$26,630))	(25,417)	(25,417)	(32,550)	(32,550)
Adjustment related to FSP FAS 115-2 implementation (net of tax benefit of (\$4,921))	(6,365)	-	-	-
Foreign currency translation (net of tax benefit of (\$454) and (\$9))	(843)	(843)	(17)	(17)
Balance at end of period:				
Accumulated derivative instrument fair value changes	208,544		(191,306)	
Pension and other postretirement liabilities	(233,089)		(111,281)	
Net unrealized investment gains (losses)	(36,184)		89,061	
Foreign currency translation	2,263		6,377	
Total	(\$58,466)		(\$207,149)	

Add: preferred dividend requirements of subsidiaries	4,998	4,998
Comprehensive Income	\$300,930	\$98,278

PAID-IN CAPITAL

Paid-in Capital - Beginning of period	\$4,869,303	\$4,850,769
Add:		
Common stock issuances in settlement of equity unit purchase contracts	499,934	-
Common stock issuances related to stock plans	1,209	3,068
Total	501,143	3,068
Paid-in Capital - End of period	\$5,370,446	\$4,853,837

See Notes to Financial Statements.

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**ENTERGY CORPORATION AND SUBSIDIARIES
SELECTED OPERATING RESULTS
For the Three Months Ended March 31, 2009 and 2008
(Unaudited)**

Description	2009	2008	Increase/ (Decrease)	%
	(Dollars in Millions)			
Utility Electric Operating Revenues:				
Residential	\$756	\$731	\$25	3
Commercial	560	548	12	2
Industrial	548	606	(58)	(10)
Governmental	53	52	1	2
Total retail	1,917	1,937	(20)	(1)
Sales for resale	74	88	(14)	(16)
Other	36	21	15	71
Total	\$2,027	\$2,046	(\$19)	(1)
Utility Billed Electric Energy Sales (GWh):				
Residential	7,893	8,011	(118)	(1)

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Commercial	6,194	6,238	(44)	(1)
Industrial	8,139	9,377	(1,238)	(13)
Governmental	562	569	(7)	(1)
Total retail	22,788	24,195	(1,407)	(6)
Sales for resale	1,387	1,290	97	8
Total	24,175	25,485	(1,310)	(5)
Non-Utility Nuclear:				
Operating Revenues	\$656	\$680	(\$24)	(4)
Billed Electric Energy Sales (GWh)	10,074	10,760	(686)	(6)

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ENTERGY CORPORATION AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

NOTE 1. COMMITMENTS AND CONTINGENCIES

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. Entergy discusses regulatory proceedings in Note 2 to the financial statements in the Form 10-K and herein and discusses tax proceedings in Note 3 to the financial statements in the Form 10-K.

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 suits and proceedings and deny liability to the claimants.

Asbestos Litigation

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

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

NOTE 2. RATE AND REGULATORY MATTERS

Regulatory Assets

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

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Fuel and purchased power cost recovery

See Note 2 to the financial statements in the Form 10-K for information regarding fuel proceedings involving the Utility operating companies. Following are updates to that information.

Entergy Arkansas

Energy Cost Recovery Rider

In March 2009, Entergy Arkansas filed with the APSC its annual energy cost rate for the period April 2009 through March 2010. The filed energy cost rate decreased from \$0.02456/kWh to \$0.01552/kWh. The decrease was caused by the following: 1) all three of the nuclear power plants from which Entergy Arkansas obtains power, ANO 1 and 2 and Grand Gulf, had refueling outages in 2008, and the previous energy cost rate had been adjusted to account for the replacement power costs that would be incurred while these units were down; 2) Entergy Arkansas has a deferred fuel cost liability from over-recovered fuel costs at December 31, 2008, as compared to a deferred fuel cost asset from under-recovered fuel costs at December 31, 2007; offset by 3) an increase in the fuel and purchased power prices included in the calculation.

Entergy Texas

In January 2008, Entergy Texas made a compliance filing with the PUCT describing how its 2007 Rough Production Cost Equalization receipts under the System Agreement were allocated between Entergy Gulf States, Inc.'s Texas and Louisiana jurisdictions. A hearing was held at the end of July 2008, and in October 2008 the ALJ issued a proposal for decision recommending an additional \$18.6 million allocation to Texas retail customers. The PUCT adopted the ALJ's proposal for decision in December 2008. Because the PUCT allocation to Texas retail customers is inconsistent with the LPSC allocation to Louisiana retail customers, adoption of the proposal for decision by the PUCT could result in

trapped costs between the Texas and Louisiana jurisdictions with no mechanism for recovery. The PUCT denied Entergy Texas' motion for rehearing and Entergy Texas appealed the PUCT's decision to both the state and federal district courts. The Utility operating companies also filed with the FERC an amendment to the System Agreement bandwidth formula that would specifically calculate the payments to the Texas and Louisiana businesses of Entergy Gulf States, Inc. of the Rough Production Cost Equalization receipts that Entergy Gulf States, Inc. received during 2007. Several parties, including the LPSC, the City Council, certain Cities served by Entergy Texas, the PUCT, and the TIEC have filed oppositions to the proposed amendment arguing, among other things, that the FERC does not have jurisdiction to allocate the receipts/payments between retail jurisdictions, that any relief that Entergy Texas may be entitled to must be obtained through the court system and not through the FERC, and that the proposed amendments violate the rule against retroactive ratemaking. The Utility operating companies responded to the interventions and protests.

In May 2009, Entergy Texas filed with the PUCT a request to refund \$46.1 million, including interest, of fuel cost recovery over-collections through February 2009. Entergy Gulf States requested that the proposed refund be made over a four-month period beginning June 2009.

Storm Cost Recovery Filings

Entergy Arkansas Storm Reserve Accounting

The APSC's June 2007 order in Entergy Arkansas' base rate proceeding, which is discussed in the Form 10-K, eliminated storm reserve accounting for Entergy Arkansas. In March 2009 a law was enacted in Arkansas that requires the APSC to permit storm reserve accounting for utilities that request it. Entergy Arkansas filed its request with the APSC, and has reinstated storm reserve accounting effective January 1, 2009.

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Entergy Arkansas January 2009 Ice Storm

In January 2009 a severe ice storm caused significant damage to Entergy Arkansas' transmission and distribution lines, equipment, poles, and other facilities. The current cost estimate for the damage caused by the ice storm is approximately \$120 million to \$140 million, of which approximately \$65 million to \$80 million is estimated to be operating and maintenance type costs and the remainder is estimated to be capital investment. On January 30, 2009, the APSC issued an order inviting and encouraging electric public utilities to file specific proposals for the recovery of extraordinary storm restoration expenses associated with the ice storm. Although Entergy Arkansas has not yet filed a proposal for the method of recovery of its costs, on February 16, 2009, it did file a request with the APSC for an accounting order authorizing deferral of the operating and maintenance cost portion of Entergy Arkansas' ice storm restoration costs pending their recovery. The APSC issued such an order in March 2009 subject to certain conditions, including that if Entergy Arkansas seeks to recover the deferred costs, those costs will be subject to investigation for whether they are incremental, prudent, and reasonable. Entergy Arkansas is still analyzing its options for the method of recovery of the ice storm restoration costs. One option is securitization, and in April 2009 a law was enacted in Arkansas that authorizes securitization of storm damage restoration costs.

Entergy Texas Hurricane Ike Filing

See the Form 10-K for a discussion of Hurricane Gustav and Hurricane Ike, which caused catastrophic damage to portions of Entergy's service territories in Louisiana and Texas, and to a lesser extent in Arkansas and Mississippi, in September 2008. In April 2009 a law was enacted in Texas that authorizes recovery of these types of costs by securitization. Entergy Texas filed its storm cost recovery case in April 2009 seeking a determination that \$577.5

million of Hurricane Ike restoration costs are recoverable, including estimated costs for work to be completed. Entergy Texas also expects to make a filing seeking approval to recover its approved costs, plus carrying costs, by securitization.

Retail Rate Proceedings

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

Filings with the APSC

Retail Rates

See the Form 10-K for a discussion of the rate filing made by Entergy Arkansas and the proceedings regarding that filing. On April 23, 2009, the Arkansas Supreme Court denied Entergy Arkansas' petition for review of the Court of Appeals decision.

Filings with the PUCT and Texas Cities (Entergy Texas)

Retail Rates

As discussed in the Form 10-K, Entergy Texas made a rate filing in September 2007 with the PUCT requesting an annual rate increase totaling \$107.5 million, including a base rate increase of \$64.3 million and riders totaling \$43.2 million. On December 16, 2008, Entergy Texas filed a term sheet that reflected a settlement agreement that included the PUCT Staff and the other active participants in the rate case. On December 19, 2008, the ALJs approved Entergy Texas' request to implement interim rates reflecting the agreement. The agreement includes a \$46.7 million base rate increase, among other provisions. Under the ALJs' interim order, Entergy Texas implemented interim rates, subject to refund and surcharge, reflecting the rates established through the settlement. These rates became effective with bills rendered on and after January 28, 2009, for usage on and after December 19, 2008. In addition, the existing recovery mechanism for incremental purchased power capacity costs ceased as of January 28, 2009, with purchased power capacity costs then subsumed within the base rates set in this proceeding. Certain Texas municipalities have exercised their original jurisdiction and taken final action to approve rates consistent

with the interim rates approved by the ALJs. In March 2009, the PUCT approved the settlement, which makes the interim rates final, and the PUCT's decision is now final and non-appealable.

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