

ENTERGY ARKANSAS INC
Form 10-Q
November 05, 2010

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

FORM 10-Q

(Mark
One)

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

For the Quarterly Period Ended September 30,
2010

OR

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

For the transition period from _____ to

File Number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number, and IRS Employer Identification No.	File Number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number, and IRS Employer Identification No.
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1-10764	ENTERGY ARKANSAS, INC.	0-05807	ENTERGY NEW ORLEANS, INC.

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Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether Entergy Corporation has submitted electronically and posted on Entergy's corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy Resources 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

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

	Large accelerated filer	Accelerated filer	Non- accelerated filer	Smaller reporting company
Entergy Corporation	<input type="checkbox"/>			
Entergy Arkansas, Inc.			<input type="checkbox"/>	
Entergy Gulf States Louisiana, L.L.C.			<input type="checkbox"/>	
Entergy Louisiana, LLC			<input type="checkbox"/>	
Entergy Mississippi, Inc.			<input type="checkbox"/>	
Entergy New Orleans, Inc.			<input type="checkbox"/>	
Entergy Texas, Inc.			<input type="checkbox"/>	
System Energy Resources, Inc.			<input type="checkbox"/>	

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

Common Stock Outstanding		Outstanding at October 29, 2010
Entergy Corporation	(\$0.01 par value)	180,915,164

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, 2009 and the Quarterly Reports on Form 10-Q for the quarters ended March 31, 2010 and June 30, 2010, 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 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 renewals or modifications of nuclear generating facilities
- the performance of and deliverability of power from Entergy's generation resources, including the capacity factors at its nuclear generating facilities
- Entergy's ability to develop and execute on a point of view regarding future prices of electricity, natural gas, and other energy-related commodities
- prices for power generated by Entergy's merchant generating facilities, 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 or legislation subjecting energy derivatives used in hedging and risk management transactions to governmental regulation
- changes in environmental, tax, and other laws, including requirements for reduced emissions of sulfur, nitrogen, carbon, mercury, and other substances, and changes in costs of compliance with environmental and other laws and regulations
- uncertainty regarding the establishment of interim or permanent sites for spent nuclear fuel and nuclear waste storage and disposal

FORWARD-LOOKING INFORMATION (Concluded)

- variations in weather and the occurrence of hurricanes and other storms and disasters, including uncertainties associated with efforts to remediate the effects of hurricanes and ice storms and the recovery of costs associated with restoration, including accessing funded storm reserves, federal and local cost recovery mechanisms, securitization, and insurance
 - effects of climate change
 - Entergy's ability to manage its capital projects and operation and maintenance costs
 - Entergy's ability to purchase and sell assets at attractive prices and on other attractive terms
- the economic climate, and particularly economic conditions in Entergy's Utility service territory and the Northeast United States and events that could influence economic conditions in those areas
 - the effects of Entergy's strategies to reduce tax payments
- changes in the financial markets, particularly those affecting the availability of capital and Entergy's ability to refinance existing debt, execute share repurchase programs, and fund investments and acquisitions
- actions of rating agencies, including changes in the ratings of debt and preferred stock, changes in general corporate ratings, and changes in the rating agencies' ratings criteria
 - changes in inflation and interest rates
 - the effect of litigation and government investigations or proceedings
 - advances in technology
- the potential effects of threatened or actual terrorism and war or a catastrophic event such as a nuclear accident or a natural gas pipeline explosion
 - the effects of new or existing safety concerns regarding nuclear power plants and nuclear fuel
 - Entergy's ability to attract and retain talented management and directors
 - changes in accounting standards and corporate governance
- declines in the market prices of marketable securities and resulting funding requirements for Entergy's defined benefit pension and other postretirement benefit plans
- changes in decommissioning trust fund values or earnings or in the timing of or cost to decommission nuclear plant sites
- 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
- risks and uncertainties associated with unwinding the business infrastructure associated with the contemplated Non-Utility Nuclear spin-off, joint venture, and related transactions.

DEFINITIONS

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

Abbreviation or Acronym	Term
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 (nuclear), owned by Entergy Arkansas
APSC	Arkansas Public Service Commission
ASC	FASB Accounting Standards Codification
ASU	FASB Accounting Standards Update
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 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
FitzPatrick	James A. FitzPatrick Nuclear Power Plant (nuclear), owned by an Entergy subsidiary in the Non-Utility Nuclear segment
Form 10-K	

	Annual Report on Form 10-K for the calendar year ended December 31, 2009 filed with the SEC by Entergy Corporation and its Registrant Subsidiaries
Grand Gulf	Unit No. 1 of Grand Gulf Nuclear Station (nuclear), 90% owned or leased by System Energy
GWh	Gigawatt-hour(s), which equals one million kilowatt-hours
Independence	Independence Steam Electric Station (coal), owned 16% by Entergy Arkansas, 25% by Entergy Mississippi, and 7% by Entergy Power
Indian Point 2	Unit 2 of Indian Point Energy Center (nuclear), owned by an Entergy subsidiary in the Non-Utility Nuclear segment
Indian Point 3	Unit 3 of Indian Point Energy Center (nuclear), owned by an Entergy subsidiary in the Non-Utility Nuclear segment
IRS	Internal Revenue Service
ISO	Independent System Operator
kW	Kilowatt, which equals one thousand watts
kWh	Kilowatt-hour(s)
LPSC	Louisiana Public Service Commission
MMBtu	One million British Thermal Units

DEFINITIONS (Continued)

Abbreviation or Acronym	Term
MPSC	Mississippi Public Service Commission
MW	Megawatt(s), which equals one thousand kilowatts
MWh	Megawatt-hour(s)
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
Palisades	Palisades Power Plant (nuclear), owned by an Entergy subsidiary in the Non-Utility Nuclear segment
Pilgrim	Pilgrim Nuclear Power Station (nuclear), owned by an Entergy subsidiary in the Non-Utility Nuclear segment
PPA	Purchased power agreement
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
Registered Subsidiaries	Entergy Arkansas, Inc., Entergy Gulf States Louisiana, L.L.C., Entergy Louisiana, LLC, Entergy Mississippi, Inc., Entergy New Orleans, Inc., Entergy Texas, Inc., and System Energy Resources, Inc.
River Bend	River Bend Station (nuclear), owned by Entergy Gulf States Louisiana
RTO	Regional transmission organization
SEC	Securities and Exchange Commission
System Agreement	Agreement, effective January 1, 1983, as modified, among the Utility operating companies relating to the sharing of generating capacity and other power resources
System Energy	System Energy Resources, Inc.
TWh	Terawatt-hour(s), which equals one billion kilowatt-hours
Unit Power Sales Agreement	Agreement, dated as of June 10, 1982, as amended and approved by FERC, among Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy, relating to the sale of capacity and energy from System Energy's share of Grand Gulf

Utility	Entergy's business segment that generates, transmits, distributes, and sells electric power, with a small amount of natural gas distribution
Utility operating companies	Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and Entergy Texas
Vermont Yankee	Vermont Yankee Nuclear Power Station (nuclear), owned by an Entergy subsidiary in the Non-Utility Nuclear segment
Waterford 3	Unit No. 3 (nuclear) of the Waterford Steam Electric Station, 100% owned or leased by Entergy Louisiana
weather-adjusted usage	Electric usage excluding the effects of deviations from normal weather

ENTERGY CORPORATION AND SUBSIDIARIES

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Entergy operates primarily through its two, reportable, operating segments: Utility and Non-Utility Nuclear.

- Utility generates, transmits, distributes, and sells electric power in service territories in four states that include portions of Arkansas, Mississippi, Texas, and Louisiana, including the City of New Orleans; and operates a small natural gas distribution business.
- 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 operating and financial performance for its plants, consistent with Entergy's market-based point of view.

In June 2010, Entergy announced that it plans to integrate the Non-Utility Nuclear and non-nuclear wholesale assets businesses into a new organization called Entergy Wholesale Commodities.

Plan to Pursue Separation of Non-Utility Nuclear

See the Form 10-K for a discussion of the Board-approved plan to pursue a tax-free spin-off of the Non-Utility Nuclear business to Entergy shareholders. On March 2, 2010, Entergy proposed conditions for review by the New York Public Service Commission (NYPSC), including an incremental \$500 million reduction in Enexus's long-term debt, restrictions on Enexus's ability to make dividend payments and returns of capital to shareholders until certain conditions are met, and the potential for disbursements to New York's energy efficiency funds if power prices exceed certain levels. At its hearing held on March 4, 2010, the NYPSC discussed Entergy's petition and proposed conditions and, after that meeting, issued a notice soliciting comments "on a set of conditions that could potentially be developed" regarding Entergy's planned spin-off transaction. At its hearing held on March 25, 2010, the NYPSC voted 5-0 to reject Entergy's planned spin-off transaction.

On April 5, 2010, Entergy announced that, effective immediately, it planned to unwind the business infrastructure associated with the proposed separate Non-Utility Nuclear generation (Enexus) and nuclear services (EquaGen) companies while it evaluates and works to preserve its legal rights. Entergy also declared its next quarterly dividend on its common shares of \$0.83 per share, an increase from the previous \$0.75 per share, and announced that it expected to execute on the \$750 million share repurchase program authorized by the Board in the fourth quarter 2009. The amount of repurchases may vary as a result of material changes in business results or capital spending or new investment opportunities. As a result of the plan to unwind the business infrastructure, Entergy recorded expenses for the write-off of certain capitalized costs incurred in connection with the planned spin-off transaction. These costs are discussed in more detail throughout the "Results of Operations" section below. Entergy expects that it will incur approximately \$15 million, after-tax, in additional expenses in unwinding this business, primarily through the remainder of 2010, including additional write-offs, dis-synergies, and certain other costs.

In June 2010 the Vermont Public Service Board denied Entergy's spin-off transaction petition.

In July 2010, Entergy withdrew its spin-off transaction petition that was filed with the NYPSC. In August 2010 the NYPSC issued an order closing the proceeding. In the order, the NYPSC also instituted a new proceeding directing Entergy and its subsidiaries with New York nuclear operations (Entergy Corporation, Entergy Nuclear FitzPatrick, LLC, Entergy Nuclear Indian Point 2, LLC, Entergy Nuclear Indian Point 3, LLC, and Entergy

Entergy Corporation and Subsidiaries
Management's Financial Discussion and Analysis

Nuclear Operations, Inc., together, the "Entergy Owners") to show cause why they should not be required to give notice to the NYPSC at least 60 days prior to "any contemplated transactions which could jeopardize the financial strength of any or all of the Entergy New York nuclear subsidiaries." The facilities to which the order relates are the James A. FitzPatrick Nuclear Station and the Indian Point Energy Center (New York facilities).

The order states that the intent of the NYPSC is not to impose "an overly broad application" of this notice requirement, and that the NYPSC is "not concerned about transactions that would not jeopardize the financial integrity of New York entities." By way of example, the order states that the NYPSC is not suggesting that notice be provided "whenever Entergy or an intermediate parent of the New York facilities issues debt, as is often the case, without restrictions being placed on the financial capacity of its New York subsidiaries to borrow or to support debt needed to finance capital projects at the New York facilities." The order states, however, that the NYPSC may consider an advance notice requirement for any transaction "that would reduce the credit quality of the Entergy Owners below a credit rating of 'BBB-' or the equivalent or, in connection with the transaction and in order to provide credit support to a corporate parent, that would restrict a New York facility from issuing its own debt or otherwise require the facility to provide dividend income to its parent, when, in light of the facility's capital needs, the issuance of such dividends would be inappropriate."

In September 2010, Entergy filed a response to the NYPSC's order, which raised a number of concerns with regard to the NYPSC's jurisdiction to impose the proposed notice requirement and the practical difficulties with implementing such a requirement. In October 2010 the New York Attorney General's Office filed a response to Entergy's filing addressing the NYPSC's jurisdiction to impose the proposed notice requirement, to which Entergy filed a reply.

Results of Operations

Third Quarter 2010 Compared to Third Quarter 2009

Following are income statement variances for Utility, Non-Utility Nuclear, Parent & Other, and Entergy comparing the third quarter 2010 to the third quarter 2009 showing how much the line item increased or (decreased) in comparison to the prior period:

	Utility	Non-Utility Nuclear	Parent & Other (1)	Entergy
	(In Thousands)			
3rd Qtr 2009 Consolidated Net Income	\$299,090	\$200,432	(\$39,355)	\$460,167
Net revenue (operating revenue less fuel expense, purchased power, and other regulatory charges/credits)	146,810	(63,306)	14,047	97,551
Other operation and maintenance expenses	58,417	70,301	(1,606)	127,112

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Taxes other than income taxes	8,973	2,056	(1,663)	9,366
Depreciation and amortization	(19,216)	2,732	464	(16,020)
Other income	(21,901)	(5,823)	(18,037)	(45,761)
Interest charges	(694)	(12,445)	(4,240)	(17,379)
Other expenses	2,042	4,712	1	6,755
Income taxes	36,536	(69,916)	(62,398)	(95,778)
3rd Qtr 2010 Consolidated Net Income	\$337,941	\$133,863	\$26,097	\$497,901

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

Entergy Corporation and Subsidiaries
Management's Financial Discussion and Analysis

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

Net Revenue

Utility

Following is an analysis of the change in net revenue comparing the third quarter 2010 to the third quarter 2009.

	Amount (In Millions)
2009 net revenue	\$1,376
Volume/weather	99
Retail electric price	56
Other	(9)
2010 net revenue	\$1,522

The volume/weather variance is primarily due to an increase of 2,502 GWh, or 8%, in billed electricity usage in all sectors. The effect of warmer-than-normal weather was the primary driver of the increase in residential and commercial sales. The industrial sector reflected strong sales growth on continuing signs of economic recovery. The improvement in this sector was primarily driven by inventory restocking and strong exports with the chemicals, refining, and miscellaneous manufacturing sectors leading the improvement.

The retail electric price variance is primarily due to:

- increases in the formula rate plan riders at Entergy Gulf States Louisiana effective January 2010 and November 2009 and at Entergy Louisiana effective November 2009;
 - a base rate increase at Entergy Arkansas effective July 2010;
 - rate actions at Entergy Texas, including a base rate increase effective August 2010;
- a formula rate plan provision of \$16.6 million recorded in the third quarter 2009 for refunds that were made to customers in accordance with settlements approved by the LPSC; and
- the recovery in 2009 by Entergy Arkansas of 2008 extraordinary storm costs, as approved by the APSC, which ceased in January 2010. The recovery of storm costs is offset in other operation and maintenance expenses.

See Note 2 to the financial statements herein and in the Form 10-K for further discussion of the proceedings referred to above.

Non-Utility Nuclear

Following is an analysis of the change in net revenue comparing the third quarter 2010 to the third quarter 2009.

Amount
(In
Millions)

2009 net revenue	\$622
Volume	(55)
Realized price changes	(10)
Other	1
2010 net revenue	\$558

Entergy Corporation and Subsidiaries
Management's Financial Discussion and Analysis

As shown in the table above, net revenue for Non-Utility Nuclear decreased by \$64 million, or 10%, in the third quarter 2010 compared to the third quarter 2009 primarily due to lower volume resulting from more refueling and unplanned outage days in 2010 and lower pricing in its contracts to sell power. Included in net revenue is \$12 million and \$13 million of amortization of the Palisades purchased power agreement in the third quarters 2010 and 2009, 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 third quarter 2010 and 2009:

	2010	2009
Net MW in operation at September 30	4,998	4,998
Average realized price per MWh	\$61.41	\$61.70
GWh billed	9,888	10,876
Capacity factor	91%	100%
Refueling Outage Days:		
FitzPatrick	18	-

The FitzPatrick refueling outage continued for 17 days into the fourth quarter 2010.

Realized Price per MWh

See the Form 10-K for a discussion of Non-Utility Nuclear's realized price per MWh, including the factors that influence it and the increase in the annual average realized price per MWh from \$39.40 for 2003 to \$61.07 for 2009. Non-Utility Nuclear is almost certain to experience a decrease in realized price per MWh in 2010 and then again in 2011, however, because the realized price for the first nine months of 2010 was \$59.27 and, as shown in the contracted sale of energy table in "Market and Credit Risk Sensitive Instruments," Non-Utility Nuclear has sold forward 90% of its planned energy output for the remainder of 2010 for an average contracted energy price of \$57 per MWh and has sold forward 95% of its planned energy output for 2011 for an average contracted energy price of \$53 per MWh.

Other Income Statement Items

Utility

Other operation and maintenance expenses increased from \$457 million for the third quarter 2009 to \$516 million for the third quarter 2010 primarily due to an increase of \$41 million in compensation and benefits costs, resulting from decreasing discount rates, the amortization of asset losses, and an increase in the accrual for incentive-based compensation. See Note 11 to the financial statements in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefits costs. Also contributing to the increase was an increase of \$8 million in fossil expenses resulting from higher outage costs.

Depreciation and amortization expenses decreased primarily due to a decrease in depreciation rates at Entergy Arkansas as a result of the rate case settlement agreement approved by the APSC in June 2010.

Other income decreased primarily due to carrying charges of \$18 million recorded in 2009 on Hurricane Gustav and Hurricane Ike storm restoration costs and a gain of \$16 million recorded in 2009 on the sale of undeveloped real estate by Entergy Louisiana Properties, LLC. The decrease was partially offset by an increase of distributions of \$7 million earned by Entergy Louisiana and \$4 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 Gustav and Hurricane Ike" for discussion of these investments in preferred membership interests.

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Non-Utility Nuclear

Other operation and maintenance expenses increased from \$212 million for the third quarter 2009 to \$282 million for the third quarter 2010 primarily due to:

- the write-off of \$25 million of capital costs, primarily for software that will not be utilized, and \$11 million of additional costs incurred in connection with Entergy's decision to unwind the infrastructure created for the planned Non-Utility Nuclear spin-off transaction;
- an increase of \$23 million in compensation and benefits costs, resulting from decreasing discount rates, the amortization of asset losses, and an increase in the accrual for incentive-based compensation. See Note 11 to the financial statements in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefits costs;
 - the write-off of \$10 million of capitalized engineering costs associated with a potential uprate project; and
 - spending of \$3 million related to tritium remediation work at the Vermont Yankee site.

Parent & Other

Other income decreased primarily due to:

- increases in the elimination for consolidation purposes of distributions earned of \$7 million by Entergy Louisiana and \$4 million by Entergy Gulf States Louisiana on investments in preferred membership interests of Entergy Holdings Company, as discussed above; and
- an increase in the elimination for consolidation purposes of \$6 million of interest income from Entergy subsidiaries.

Income Taxes

The effective income tax rate for the third quarter 2010 was 27.1%. The difference in the effective income tax rate versus the statutory rate of 35% for the third quarter 2010 was primarily due to:

- a favorable Tax Court decision holding that the U.K. Windfall Tax can be used as a credit for purposes of computing the U.S. foreign tax credit, which allows Entergy to reverse a previously established partial tax reserve of \$43 million, included in Parent and Other, on the issue. See Note 3 to the financial statements in the Form 10-K and Note 10 to the financial statements herein for further discussion of this tax litigation;
 - the recognition of a \$14 million Louisiana state income tax benefit related to storm cost financing; and
- the reversal of a reserve of \$13 million with respect to restructuring of business operations within the Non-Utility Nuclear segment.

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

The effective income tax rate for the third quarter 2009 was 37.9%. The difference in the effective income tax rate versus the statutory rate of 35% for the third quarter 2009 was primarily due to state income taxes and certain book and tax differences for utility plant items.

Entergy Corporation and Subsidiaries
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Nine Months Ended September 30, 2010 Compared to Nine Months Ended September 30, 2009

Following are income statement variances for Utility, Non-Utility Nuclear, Parent & Other, and Entergy comparing the nine months ended September 30, 2010 to the nine months ended September 30, 2009 showing how much the line item increased or (decreased) in comparison to the prior period:

	Utility	Non-Utility Nuclear	Parent & Other (1)	Entergy
	(In Thousands)			
2009 Consolidated Net Income	\$566,634	\$461,524	(\$95,848)	\$932,310
Net revenue (operating revenue less fuel expense, purchased power, and other regulatory charges/credits)	369,384	(78,644)	18,854	309,594
Other operation and maintenance expenses	60,056	148,156	(18,292)	189,920
Taxes other than income taxes	15,296	922	(1,270)	14,948
Depreciation and amortization	(17,620)	7,098	731	(9,791)
Other income	(39,239)	91,421	(27,573)	24,609
Interest charges	31,316	5,815	(27,065)	10,066
Other expenses	7,257	14,984	4	22,245
Income taxes	89,389	(50,263)	(37,000)	2,126
2010 Consolidated Net Income	\$711,085	\$347,589	(\$21,675)	\$1,036,999

(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 nine months ended September 30, 2010 to the nine months ended September 30, 2009.

	Amount (In Millions)
2009 net revenue	\$3,576
Volume/weather	222
Retail electric price	111
Other	36
2010 net revenue	\$3,945

The volume/weather variance is primarily due to an increase of 7,123 GWh, or 9%, in billed electricity usage in all sectors, including the effect on the residential sector of colder-than-normal weather in the first quarter 2010 and warmer-than-normal weather in the second and third quarters 2010. The industrial sector reflected strong sales growth on continuing signs of economic recovery. The improvement in this sector was primarily driven by inventory restocking and strong exports with the chemicals, refining, and miscellaneous manufacturing sectors leading the improvement.

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The retail electric price variance is primarily due to:

- increases in the formula rate plan riders at Entergy Gulf States Louisiana effective January 2010 and November 2009, at Entergy Louisiana effective November 2009, and at Entergy Mississippi effective July 2009;
 - a base rate increase at Entergy Arkansas effective July 2010;
 - rate actions at Entergy Texas, including a base rate increase effective August 2010;
- a formula rate plan provision of \$16.6 million recorded in the third quarter 2009 for refunds that were made to customers in accordance with settlements approved by the LPSC;
- the recovery in 2009 by Entergy Arkansas of 2008 extraordinary storm costs, as approved by the APSC, which ceased in January 2010. The recovery of storm costs is offset in other operation and maintenance expenses; and
 - a base rate decrease at Entergy New Orleans effective June 2009.

See Note 2 to the financial statements herein and in the Form 10-K for further discussion of the proceedings referred to above.

Non-Utility Nuclear

Following is an analysis of the change in net revenue comparing the nine months ended September 30, 2010 to the nine months ended September 30, 2009.

	Amount (In Millions)
2009 net revenue	\$1,716
Realized price changes	(87)
Volume	20
Other	(11)
2010 net revenue	\$1,638

As shown in the table above, net revenue for Non-Utility Nuclear decreased by \$78 million, or 5%, in the nine months ended September 30, 2010 compared to the nine months ended September 30, 2009 primarily due to lower pricing in its contracts to sell power, partially offset by higher volume resulting from more refueling outage days in 2009. Included in net revenue is \$35 million and \$39 million of amortization of the Palisades purchased power agreement in the nine months ended September 30, 2010 and 2009, 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 nine months ended September 30, 2010 and 2009:

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	2010	2009
Net MW in operation at September 30	4,998	4,998
Average realized price per MWh	\$59.27	\$61.68
GWh billed	30,011	29,929
Capacity factor	92%	91%
Refueling Outage Days:		
FitzPatrick	18	-
Indian Point 2	33	-
Indian Point 3	-	36
Palisades	-	41
Pilgrim	-	31
Vermont Yankee	29	-

The FitzPatrick refueling outage continued for 17 days into the fourth quarter 2010.

Other Income Statement Items

Utility

Other operation and maintenance expenses increased from \$1,361 million for the nine months ended September 30, 2009 to \$1,422 million for the nine months ended September 30, 2010 primarily due to:

- an increase of \$56 million in compensation and benefits costs, resulting from decreasing discount rates, the amortization of asset losses, and an increase in the accrual for incentive-based compensation. See Note 11 to the financial statements in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefits costs;
 - an increase of \$15 million in fossil expenses resulting from higher outage costs; and
- an increase of \$12.5 million due to the capitalization in 2009 of Ouachita Plant service charges previously expensed.

The increase was partially offset by decreases of \$14 million due to higher write-offs of uncollectible customer accounts in 2009 and \$10 million due to 2008 storm costs at Entergy Arkansas which were deferred per an APSC order and were recovered through revenues in 2009.

Other income decreased primarily due to a decrease of \$42 million in carrying charges on storm restoration costs and a gain of \$16 million recorded in 2009 on the sale of undeveloped real estate by Entergy Louisiana Properties, LLC. The decrease was partially offset by an increase of \$13 million resulting from higher earnings on decommissioning trust funds and an increase of distributions of \$7 million earned by Entergy Louisiana and \$4 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 Gustav and Hurricane Ike " for discussion of these investments in preferred membership interests.

Interest charges increased primarily due to an increase in long-term debt outstanding resulting from net debt issuances by certain of the Utility operating companies in the second half of 2009 and in 2010.

Entergy Corporation and Subsidiaries
Management's Financial Discussion and Analysis

Non-Utility Nuclear

Other operation and maintenance expenses increased from \$615 million for the nine months ended September 30, 2009 to \$763 million for the nine months ended September 30, 2010 primarily due to:

- the write-off of \$58 million of capital costs, primarily for software that will not be utilized, and \$12 million of additional costs incurred in connection with Entergy's decision to unwind the infrastructure created for the planned Non-Utility Nuclear spin-off transaction;
- an increase of \$39 million in compensation and benefits costs, resulting from decreasing discount rates, the amortization of asset losses, and an increase in the accrual for incentive-based compensation. See Note 11 to the financial statements in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefits costs;
 - spending of \$14 million related to tritium remediation work at the Vermont Yankee site; and
- the write-off of \$10 million of capitalized engineering costs associated with a potential uprate project.

Other income increased primarily due to \$85 million in charges in 2009 resulting from the recognition of impairments that are not considered temporary of certain equity securities held in Non-Utility Nuclear's decommissioning trust funds, increases in realized earnings on the decommissioning trust funds, and interest income from loans to Entergy subsidiaries.

Interest charges increased primarily due to the write-off of \$39 million of debt financing costs, primarily incurred for Enexus's \$1.2 billion credit facility, in connection with Entergy's decision to unwind the infrastructure created for the planned Non-Utility Nuclear spin-off transaction. Partially offsetting the increase was a decrease in fees paid to Entergy Corporation for providing collateral in the form of guarantees in connection with some of Non-Utility Nuclear's agreements to sell power. The guarantee fees paid are intercompany transactions and are eliminated in consolidation.

Parent & Other

Other income decreased primarily due to:

- an increase in the elimination for consolidation purposes of \$17 million of interest income from Entergy subsidiaries; and
- increases in the elimination for consolidation purposes of distributions earned of \$7 million by Entergy Louisiana and \$4 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 borrowings, including the redemption of \$267 million of notes payable in December 2009, as well as lower interest rates on borrowings under Entergy Corporation's revolving credit facility.

Income Taxes

The effective income tax rate for the nine months ended September 30, 2010 was 34.1%. The difference in the effective income tax rate versus the statutory rate of 35% for the nine months ended September 30, 2010 was

primarily due to:

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

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- a \$19 million tax benefit recorded in connection with Entergy's decision to unwind the infrastructure created for the planned Non-Utility Nuclear spin-off transaction resulting from implementation expenses that previously were not deductible for tax purposes;
 - the recognition of a \$14 million Louisiana state income tax benefit related to storm cost financing; and
- the reversal of a reserve of \$13 million with respect to restructuring of business operations within the Non-Utility Nuclear segment.

Partially offsetting the decreased effective income tax rate was a charge of \$16 million resulting from a change in tax law associated with the recently enacted federal healthcare legislation, as discussed below in "Critical Accounting Estimates" and state income taxes and certain book and tax differences for Utility plant items.

The effective income tax rate for the nine months ended September 30, 2009 was 36.4%. The difference in the effective income tax rate versus the statutory rate of 35% for the nine months ended September 30, 2009 was primarily due to increases related to state income taxes at the Utility operating companies and book and tax differences for utility plant items. These increases were partially offset by reductions related to:

- an adjustment to state income taxes for Non-Utility Nuclear to reflect the effect of a change in the methodology of computing Massachusetts state income taxes as required by that state's taxing authority;
- the recognition of state loss carryovers by the parent company, Entergy Corporation, that had been subject to a valuation allowance;
- the recognition of a federal capital loss carryover by Entergy Asset Management, Inc. that had been subject to a valuation allowance; and
- an additional deferred tax benefit associated with writedowns on nuclear decommissioning qualified trust securities.

Liquidity and Capital Resources

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

Capital Structure

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

	September 30, 2010	December 31, 2009
Debt to capital	57.5%	57.4%
Effect of excluding the Arkansas and Texas securitization bonds	(1.9)%	(1.8)%
Debt to capital, excluding the securitization bonds (1)	55.6%	55.6%
Effect of subtracting cash from debt	(4.7)%	(4.1)%

Net debt to net capital, excluding the securitization bonds (1)	50.9%	51.5%
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(1) Calculation excludes the Arkansas and Texas securitization bonds, which are non-recourse to Entergy Arkansas and Entergy Texas, respectively.

Net debt consists of debt less cash and cash equivalents. Debt consists of notes payable, capital lease obligations, and long-term debt, including the currently maturing portion. Capital consists of debt, common shareholders' equity, and subsidiaries' preferred stock without sinking fund. Net capital consists of capital less cash and cash equivalents. Entergy uses the net debt to net capital ratio 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 revolving 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 September 30, 2010, the capacity and amounts outstanding under the credit facility are:

Capacity	Borrowings	Letters of Credit	Capacity Available
(In Millions)			
\$3,472	\$1,775	\$25	\$1,672

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 Corporation or one of the Utility operating companies (except Entergy New Orleans) defaults on other indebtedness or is in bankruptcy or insolvency proceedings, an acceleration of the facility's maturity date may occur, 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 2010 through 2012. See Part II, Item 5 in this report for an update regarding Entergy Arkansas's White Bluff project. Following are additional updates to the discussion in the Form 10-K.

Entergy is developing its capital plan for 2011 through 2013 and currently anticipates that the Utility will make \$6.3 billion in capital investments during that period, including approximately \$2.7 billion for maintenance of existing assets, and that Entergy Wholesale Commodities, which includes Non-Utility Nuclear, will make \$1.1 billion in capital investments during that period, including approximately \$0.3 billion for maintenance of existing assets. The remaining \$3.6 billion of Utility investments is associated with specific investments such as the utility's portfolio transformation strategy including the Acadia Unit 2 purchase and three resources identified in the Summer 2009 Request for Proposal, including a self-build option at Entergy Louisiana's Ninemile site, replacement of the Waterford 3 steam generators, environmental compliance spending, an approximate 178 MW uprate project at Grand Gulf, transmission upgrades, and spending to comply with NERC transmission planning rules. The remaining \$0.8 billion of Entergy Wholesale Commodities investments is associated with specific investments such as dry cask storage, nuclear license renewal efforts, component replacement across the fleet, NYPA value sharing, wedgewire screens at Indian Point, and spending in response to the Indian Point Independent Safety Evaluation.

Acadia Unit 2 Purchase Agreement

As discussed more fully in the Form 10-K, in October 2009, Entergy Louisiana announced that it has signed an agreement to acquire Unit 2 of the Acadia Energy Center, a 580 MW generating unit located near Eunice, La., from Acadia Power Partners, LLC, an independent power producer. Entergy Louisiana and Acadia Power Partners also have entered into two purchase power agreements that are intended to provide access to the capacity and energy output of the unit during the period before the acquisition closes. The initial purchase power agreement was a call option agreement that commenced on June 1, 2010 and terminated on September 30, 2010. Beginning October 1, 2010, Entergy Louisiana began purchasing 100 percent of the output of Acadia Unit 2 under a tolling agreement. The LPSC has approved both purchase power agreements. Entergy Louisiana's purchase of the plant is contingent upon, among other things, obtaining necessary approvals, including full cost recovery, from various federal and state regulatory and permitting agencies. The parties have agreed to a procedural schedule for review of the acquisition that includes a hearing before the ALJ in December 2010. Currently the closing is expected to occur in early 2011.

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Little Gypsy Repowering Project

See the Form 10-K for a discussion of the Little Gypsy repowering project. In October 2009, Entergy Louisiana made a filing with the LPSC seeking permission to cancel the project and seeking recovery over a five-year period of the project costs. In June 2010 and August 2010, the LPSC Staff and Intervenors filed testimony. The LPSC Staff (1) agreed that it was prudent to move the project from long-term suspension to cancellation and that the timing of the decision to suspend on a longer-term basis was not imprudent; (2) indicated that, except for \$0.8 million in compensation-related costs, the costs incurred should be deemed prudent; (3) recommended recovery from customers over ten years but stated that the LPSC may want to consider 15 years; (4) allowed for recovery of carrying costs and earning a return on project costs, but at a reduced rate approximating the cost of debt, while also acknowledging that the LPSC may consider ordering no return; and (5) indicated that Entergy Louisiana should be directed to securitize project costs, if legally feasible and in the public interest. In the third quarter 2010, in accordance with accounting standards, Entergy Louisiana determined that it is probable that the Little Gypsy repowering project will be abandoned and accordingly has reclassified \$199.8 million of project costs from construction work in progress to a regulatory asset. This accounting reclassification does not modify Entergy Louisiana's requested relief pending before the LPSC. The procedural schedule calls for hearings to begin in November 2010.

There currently is pending before the LPSC an appeal by the LPSC Staff of a decision by the ALJ relating to a dispute between the LPSC Staff and industrial customer intervenors relating to positions regarding the allocation of the project costs among customers. The LPSC is expected to review this appeal at its November 10, 2010 meeting. The ALJ has determined that the hearings in the underlying case will begin on the date currently scheduled and that all issues other than cost allocation will be heard at that time. A status conference will be held on November 12, 2010 to determine the hearing schedule for the cost allocation issue. The record from the original hearing will be held open until the conclusion of the hearing on cost allocation.

Dividends and Stock Repurchases

In the fourth quarter 2009 the Board granted authority for a \$750 million share repurchase program. As discussed above, at the same time that it announced its plans to unwind the business infrastructure associated with the proposed spin-off of the Non-Utility Nuclear business, Entergy also announced in April 2010 that it expected to execute on the \$750 million share repurchase program and also declared that its next quarterly dividend on its common shares would be \$0.83 per share, an increase from the previous \$0.75 per share. The amount of repurchases may vary as a result of material changes in business results or capital spending or new investment opportunities. Entergy expects to complete the \$750 million share repurchase program by the end of 2010.

In October 2010 the Board granted authority for an additional \$500 million share repurchase program.

Sources of Capital

Entergy Arkansas January 2009 Ice Storm

As discussed in the Form 10-K, in January 2009 a severe ice storm caused significant damage to Entergy Arkansas's transmission and distribution lines, equipment, poles, and other facilities. A law was enacted in April 2009 in Arkansas that authorizes securitization of storm damage restoration costs. In June 2010 the APSC issued a financing order authorizing the issuance of storm cost recovery bonds, including carrying costs of \$11.5 million and \$4.6

million of up-front financing costs. See Note 4 to the financial statements herein for a discussion of the August 2010 issuance of the securitization bonds.

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Hurricane Gustav and Hurricane Ike

As discussed in the Form 10-K, in September 2008, Hurricane Gustav and Hurricane Ike caused catastrophic damage to Entergy's service territory. Entergy Gulf States Louisiana and Entergy Louisiana filed their Hurricane Gustav and Hurricane Ike storm cost recovery case with the LPSC in May 2009. In September 2009, Entergy Gulf States Louisiana and Entergy Louisiana and the Louisiana Utilities Restoration Corporation (LURC), an instrumentality of the State of Louisiana, filed with the LPSC an application requesting that the LPSC grant financing orders authorizing the financing of Entergy Gulf States Louisiana's and Entergy Louisiana's storm costs, storm reserves, and issuance costs pursuant to Act 55 of the Louisiana Regular Session of 2007 (Act 55 financings). Entergy Gulf States Louisiana's and Entergy Louisiana's Hurricane Katrina and Hurricane Rita storm costs were financed primarily by Act 55 financings, as discussed in the Form 10-K. Entergy Gulf States Louisiana and Entergy Louisiana also filed an application requesting LPSC approval for ancillary issues including the mechanism to flow charges and Act 55 financing savings to customers via a Storm Cost Offset rider. On December 30, 2009, Entergy Gulf States Louisiana and Entergy Louisiana entered into a stipulation agreement with the LPSC Staff that provides for total recoverable costs of approximately \$234 million for Entergy Gulf States Louisiana and \$394 million for Entergy Louisiana, including carrying costs. Under this stipulation, Entergy Gulf States Louisiana agrees not to recover \$4.4 million and Entergy Louisiana agrees not to recover \$7.2 million of their storm restoration spending. The stipulation also permits replenishing Entergy Gulf States Louisiana's storm reserve in the amount of \$90 million and Entergy Louisiana's storm reserve in the amount of \$200 million when the Act 55 financings are accomplished. In March and April 2010, Entergy Gulf States Louisiana, Entergy Louisiana, and other parties to the proceeding filed with the LPSC an uncontested stipulated settlement that includes these terms and also includes Entergy Gulf States Louisiana's and Entergy Louisiana's proposals under the Act 55 financings, which includes a commitment to pass on to customers a minimum of \$15.5 million and \$27.75 million of customer benefits, respectively, through prospective annual rate reductions of \$3.1 million and \$5.55 million, respectively, for five years. A stipulation hearing was held before the ALJ on April 13, 2010. On April 21, 2010, the LPSC approved the settlement and subsequently issued two financing orders and one ratemaking order intended to facilitate the implementation of the Act 55 financings. In June 2010 the Louisiana State Bond Commission approved the Act 55 financings.

On July 22, 2010, the Louisiana Local Government Environmental Facilities and Community Development Authority (LCDA) issued \$468.9 million in bonds under Act 55. From the \$462.4 million of bond proceeds loaned by the LCDA to the LURC, the LURC deposited \$200 million in a restricted escrow account as a storm damage reserve for Entergy Louisiana and transferred \$262.4 million directly to Entergy Louisiana. From the bond proceeds received by Entergy Louisiana from the LURC, Entergy Louisiana used \$262.4 million to acquire 2,624,297.11 Class B preferred, non-voting, membership interest units of Entergy Holdings Company LLC, a company wholly-owned and consolidated by Entergy, that carry a 9% annual distribution rate. Distributions are payable quarterly commencing on September 15, 2010, and the membership interests have a liquidation price of \$100 per unit. The preferred membership interests are callable at the option of Entergy Holdings Company LLC after ten years under the terms of the LLC agreement. The terms of the membership interests include certain financial covenants to which Entergy Holdings Company LLC is subject, including the requirement to maintain a net worth of at least \$1 billion.

On July 22, 2010, the LCDA issued another \$244.1 million in bonds under Act 55. From the \$240.3 million of bond proceeds loaned by the LCDA to the LURC, the LURC deposited \$90 million in a restricted escrow account as a storm damage reserve for Entergy Gulf States Louisiana and transferred \$150.3 million directly to Entergy Gulf States Louisiana. From the bond proceeds received by Entergy Gulf States Louisiana from the LURC, Entergy Gulf States Louisiana used \$150.3 million to acquire 1,502,643.04 Class B preferred, non-voting, membership interest units of Entergy Holdings Company LLC, a company wholly-owned and consolidated by Entergy, that carry a 9% annual

distribution rate. Distributions are payable quarterly commencing on September 15, 2010, and the membership interests have a liquidation price of \$100 per unit. The preferred membership interests are callable at the option of Entergy Holdings Company LLC after ten years under the terms of the LLC agreement. The terms of the membership interests include certain financial covenants to which Entergy Holdings Company LLC is subject, including the requirement to maintain a net worth of at least \$1 billion.

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Entergy, Entergy Gulf States Louisiana, and Entergy Louisiana do not report the bonds on their balance sheets because the bonds are the obligation of the LCDA, and there is no recourse against Entergy, Entergy Gulf States Louisiana or Entergy Louisiana in the event of a bond default. To service the bonds, Entergy Gulf States Louisiana and Entergy Louisiana collect a system restoration charge on behalf of the LURC, and remit the collections to the bond indenture trustee. Entergy Gulf States Louisiana and Entergy Louisiana do not report the collections as revenue because they are merely acting as the billing and collection agents for the state.

Harrison County Plant

Entergy's non-nuclear wholesale assets business intends to sell for \$219 million its 60.9% undivided ownership interest in the 550MW Harrison County plant to two Texas electric cooperatives that currently own the minority share of the plant. The sale is subject to FERC and other regulatory approvals, in addition to certain other conditions.

Cash Flow Activity

As shown in Entergy's Consolidated Statements of Cash Flows, cash flows for the nine months ended September 30, 2010 and 2009 were as follows:

	2010	2009
	(In Millions)	
Cash and cash equivalents at beginning of period	\$1,710	\$1,920
Cash flow provided by (used in):		
Operating activities	3,165	2,009
Investing activities	(1,995)	(1,447)
Financing activities	(949)	(1,351)
Net increase (decrease) in cash and cash equivalents	221	(789)
Cash and cash equivalents at end of period	\$1,931	\$1,131

Operating Activities

Entergy's cash flow provided by operating activities increased by \$1,156 million for the nine months ended September 30, 2010 compared to the nine months ended September 30, 2009, primarily due to the receipt in July 2010 of \$703 million from the Louisiana Utilities Restoration Corporation as a result of the Louisiana Act 55 storm cost financings for Hurricane Gustav and Hurricane Ike. The Act 55 storm cost financings are discussed in more detail above and also in Note 2 to the financial statements herein. In addition, the absence of the Hurricane Gustav, Hurricane Ike, and Arkansas ice storm restoration spending that occurred in 2009 and an increase in Utility net revenue in 2010 also contributed to the increase. These increases were partially offset by decreased collection of fuel costs in 2010 due to the increase in the overall fuel and purchased power prices outpacing changes in Entergy's fuel rates, along with an \$87.8 million fuel cost refund made by Entergy Texas in the first quarter 2010 that is discussed further in Note 2 to the financial statements in the Form 10-K. The change in operating cash flow provided by the

Non-Utility Nuclear business was relatively flat.

Investing Activities

Net cash used in investing activities increased by \$548 million for nine months ended September 30, 2010 compared to the nine months ended September 30, 2009, primarily due to:

- an increase in nuclear fuel purchases, which was caused by the consolidation of the nuclear fuel company variable interest entities that is discussed in Note 12 to the financial statements herein;

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- the investment of a total of \$290 million in Entergy Gulf States Louisiana's and Entergy Louisiana's storm reserve escrow accounts as a result of their Act 55 storm cost financings, which are discussed in Note 2 to the financial statements herein; and
- an increase in construction expenditures, primarily in the Non-Utility Nuclear business, as decreases for the Utility resulting from Hurricane Gustav, Hurricane Ike, and Arkansas ice storm restoration spending in 2009 were offset by spending on various projects. Entergy's construction spending plans for 2010 through 2012 were discussed in the Form 10-K.

The effect of this activity was partially offset by a net amount of \$114 million of collateral deposits received from Non-Utility Nuclear counterparties during 2010. Non-Utility Nuclear's forward sales contracts are discussed in the Market and Credit Risk Sensitive Instruments section below.

Financing Activities

Net cash used in financing activities decreased by \$402 million for the nine months ended September 30, 2010 compared to the nine months ended September 30, 2009 primarily because long-term debt activity provided approximately \$158 million of cash in 2010 and used approximately \$303 million of cash in 2009. For details of Entergy's long-term debt activity in 2010 see Note 4 to the financial statements herein.

Rate, Cost-recovery, and Other Regulation

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

State and Local Rate Regulation and Fuel-Cost Recovery

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

Federal Regulation

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

System Agreement Proceedings

Rough Production Cost Equalization Rates

2010 Rate Filing Based on Calendar Year 2009 Production Costs

In May 2010, Entergy filed with the FERC the 2010 rates in accordance with the FERC's orders in the System Agreement proceeding. The filing, as supplemented in September 2010, shows the following payments/receipts among the Utility operating companies for 2010, based on calendar year 2009 production costs, commencing for service in June 2010, are necessary to achieve rough production cost equalization under the FERC's orders:

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	Payments or (Receipts) (In Millions)
Entergy Arkansas	\$41.6
Entergy Gulf States Louisiana	\$-
Entergy Louisiana	(\$22.2)
Entergy Mississippi	(\$19.4)
Entergy New Orleans	\$-
Entergy Texas	\$-

Several parties intervened in the proceeding at the FERC, including the LPSC and the City Council, which have also filed protests. In July 2010 the FERC accepted Entergy's proposed rates for filing, effective June 1, 2010, subject to refund, and set the proceeding for hearing and settlement procedures. Settlement procedures have been terminated, and the ALJ scheduled hearings to begin in March 2011, with an initial decision scheduled for July 2011.

2009 Rate Filing Based on Calendar Year 2008 Production Costs

Several parties intervened in the 2009 rate proceeding at the FERC, including the LPSC and Ameren, which have also filed protests. In July 2009 the FERC accepted Entergy's proposed rates for filing, effective June 1, 2009, subject to refund, and set the proceeding for hearing and settlement procedures. Settlement procedures were terminated and a hearing before the ALJ was held in April 2010. In August 2010 the ALJ issued an initial decision. The initial decision substantially affirms Entergy's position in the filing, except for one issue that may result in some reallocation of costs among the Utility operating companies. The LPSC, the FERC trial staff, and Entergy have submitted briefs on exceptions in the proceeding.

Interruptible Load Proceeding

As discussed in more detail in the Form 10-K, in April 2007 the U.S. Court of Appeals for the D.C. Circuit issued its opinion in the LPSC's appeal of the FERC's March 2004 and April 2005 orders related to the treatment under the System Agreement of the Utility operating companies' interruptible loads. The D.C. Circuit remanded the matter to the FERC for a more considered determination on the issue of refunds. The FERC issued its order on remand in September 2007, in which it directed Entergy to make a compliance filing removing all interruptible load from the computation of peak load responsibility commencing April 1, 2004 and to issue any necessary refunds to reflect this change. In addition, the order directed the Utility operating companies to make refunds for the period May 1995 through July 1996. In November 2007 the Utility operating companies filed a refund report describing the refunds to be issued pursuant to the FERC's orders. The LPSC filed a protest to the refund report in December 2007, and the Utility operating companies filed an answer to the protest in January 2008. The refunds have been made by the Utility operating companies that owed refunds to the Utility operating companies that were due a refund under the decision.

Following the filing of petitioners' initial briefs, the FERC filed a motion requesting the D.C. Circuit hold the appeal of the FERC's decisions ordering refunds in the interruptible load proceeding in abeyance and remand the record to the FERC. The D.C. Circuit granted the FERC's unopposed motion on June 24, 2009, and directed the FERC to file status reports at 60-day intervals beginning August 24, 2009. The D.C. Circuit also directed the parties to file motions to govern future proceedings in the case within 30 days of the completion of the FERC proceedings. In December 2009 the FERC established a paper hearing to determine whether the FERC had the authority and, if so, whether it would be appropriate to order refunds resulting from changes in the treatment of interruptible load in the allocation of capacity costs by the Utility operating companies. In August 2010 the FERC issued an order stating that it has the authority and refunds are appropriate. The APSC, MPSC, and Entergy have requested rehearing of the FERC's decision. In September 2010, the FERC set for hearing and settlement judge procedures the Utility operating companies' calculation of the refunds for the 15-month refund period of May 14, 1995 through August 13, 1996, as contained in the November 2007 refund report. The purpose of the hearing is to determine whether the refund amounts for such period were calculated in a just and reasonable manner.

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

In February 2010 the APSC issued an order announcing a refocus of its ongoing investigation of Entergy Arkansas's post-System Agreement operation. The order describes the APSC's "stated purpose in opening this inquiry to conduct an investigation regarding the prudence of [Entergy Arkansas] entering into a successor ESA [Entergy System Agreement] as opposed to becoming a stand-alone utility upon its exit from the ESA, and whether [Entergy Arkansas], as a standalone utility, should join the SPP RTO. It is the [APSC's] intention to render a decision regarding the prudence of [Entergy Arkansas] entering into a successor ESA as opposed to becoming a stand-alone utility upon its exit from the ESA, as well as [Entergy Arkansas'] RTO participation by the end of calendar year 2010. In parallel with this Docket, the [APSC] will be actively involved and will be closely watching to see if any meaningful enhancement will be made to a new Enhanced Independent Coordinator of Transmission ("E-ICT") Agreement through the efforts of the [Entergy Transmission System] stakeholders, Entergy, and the newly formed and federally-recognized [Entergy Regional State Committee] in 2010." Later, in April 2010, the APSC issued an order that directs Entergy Arkansas also to consider joining the Midwest ISO RTO as a stand-alone utility.

Entergy Arkansas filed testimony and participated in a March 2010 evidentiary hearing in the proceeding. Entergy Arkansas noted in its testimony that it is not reasonable to complete a comprehensive evaluation of strategic options by the end of 2010 and that forcing a decision would place parties in the untenable position of making critical decisions based on insufficient information. Entergy Arkansas outlined three options for post-System Agreement operation of its electrical system: 1) Entergy Arkansas self providing its generation planning and operating functions as a stand-alone company; 2) Entergy Arkansas plus new coordination agreements with third parties in which Entergy Arkansas self provides some planning and operations functions, but also enters into one or more coordinating or pooling agreements with third parties; and 3) Successor Arrangements under which Entergy Arkansas plans for its own generation resources but enters into a new generation commitment and dispatch agreement with other Utility operating companies under a successor agreement intended to avoid the litigation previously experienced. Entergy Arkansas's plan is expected to lead to a decision in late 2011 regarding which option to implement; however, Entergy Arkansas anticipates pursuing in 2010-2011 several elements that are common to all options. In an attempt to reach understanding of complex issues, Entergy Arkansas proposed to hold a series of technical conferences targeting specific subjects. The first three technical conferences were held in May, July, and September 2010. Another evidentiary hearing in the proceeding was held in August 2010 during which the APSC directed the parties to work together to reach an agreement on a proposed procedural schedule for the proceeding.

On August 31, 2010, the APSC issued an order rejecting the procedural schedule agreed upon by the parties and substituting a procedural schedule that, among other things: (1) requires Entergy Arkansas to file its final assessment and recommendations regarding each of the viable strategic reorganization options by April 22, 2011; and (2) would result in a final order issued by the APSC resolving all issues raised by the parties on or about October 7, 2011. Entergy Arkansas has sought clarification of certain aspects of the order. Since issuance of the order, Entergy Arkansas provided the APSC with an initial draft of successor arrangements on September 16, 2010. Additional technical conferences are scheduled in November 2010 and January 2011, and a hearing is scheduled to commence in August 2011.

In early April 2010, Entergy Corporation and the Utility operating companies determined in connection with their decision-making process that it is appropriate to agree and commit that no Utility operating company will enter voluntarily into successor arrangements with the other Utility operating companies if its retail regulator finds successor arrangements are not in the public interest. Hugh McDonald, chief executive officer of Entergy Arkansas,

notified the APSC of this decision, and explained the decision and commitment, in a letter filed with the APSC on April 26, 2010.

The Utility operating companies continue to meet with various interested parties to discuss a proposed framework for successor arrangements to the current System Agreement, which is being pursued in parallel with evaluation by the Entergy Regional State Committee of the Southwest Power Pool RTO, Midwest ISO RTO, and modified ICT alternatives, which are discussed below. An initial draft of the successor arrangements was provided to state regulators on September 16, 2010.

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June 2009 LPSC Complaint Proceeding

See the Form 10-K for a discussion of the complaint that the LPSC filed in June 2009 requesting that the FERC determine that certain of Entergy Arkansas's sales of electric energy to third parties: (a) violated the provisions of the System Agreement that allocate the energy generated by Entergy System resources, (b) imprudently denied the Entergy System and its ultimate consumers the benefits of low-cost Entergy System generating capacity, and (c) violated the provision of the System Agreement that prohibits sales to third parties by individual companies absent an offer of a right-of-first-refusal to other Utility operating companies. In April 2010 the LPSC filed direct testimony in the proceeding alleging, among other things, (1) that Entergy violated the System Agreement by permitting Entergy Arkansas to make non-requirements sales to non-affiliated third parties rather than making such energy available to the other Utility operating companies' customers; and (2) that over the period 2000 – 2009, these non-requirements sales caused harm to the Utility operating companies' customers of \$144.4 million and these customers should be compensated for this harm by Entergy's shareholders. The Utility operating companies believe the LPSC's allegations are without merit. A hearing in the matter was held in August 2010.

Independent Coordinator of Transmission (ICT)

See the Form 10-K for a discussion of Entergy's ICT and transmission issues. As discussed in the Form 10-K, the Entergy Regional State Committee (E-RSC), which is comprised of representatives from all of the Utility operating companies' retail regulators, has been formed to consider several of these issues related to Entergy's transmission system. Among other things, the E-RSC in concert with the FERC plan to conduct a cost/benefit analysis comparing the ICT arrangement and a proposal under which Entergy would join the Southwest Power Pool RTO. The scope of the study was expanded in July 2010 to consider Entergy joining the Midwest ISO RTO as another alternative. The E-RSC is also considering proposed modifications to the ICT arrangement that could be implemented commencing November 2010, when the initial term of the ICT ends.

In September 2010, as modified in October 2010, the Utility operating companies filed a request for a two-year interim extension, with certain modifications, of the ICT arrangement, which currently expires on November 17, 2010. The filing stated that, if approved by the E-RSC during its October 20-21, 2010 meeting, the Utility operating companies will make a subsequent filing with the FERC to provide the E-RSC with the authority to, upon unanimous approval of all E-RSC members, (1) propose modifications to cost allocation methodology for transmission projects and (2) add transmission projects to the construction plan. On October 13, 2010, the LPSC issued an order approving proposals filed by Entergy Louisiana and Entergy Gulf States Louisiana to modify the current ICT arrangement and to give the E-RSC authority in the two areas as described above. On October 20, 2010, the E-RSC unanimously voted in favor of the proposal granting the E-RSC authority in the two areas described above. The Utility operating companies have filed the necessary revisions to the Entergy OATT to implement the E-RSC's new authority.

On September 30, 2010, the consultant presented its cost/benefit analysis of the Entergy and Cleco regions joining the SPP RTO. The cost/benefit analysis indicates that the Entergy region, including entities beyond the Utility operating companies, would realize a net cost of \$438 million to a net benefit of \$387 million, primarily depending upon transmission cost allocation issues. Addendum studies, including studies related to Entergy Arkansas and the Utility operating companies joining the Midwest ISO, are due to be completed by the end of first quarter 2011.

FERC Audit

The Division of Audits in the Office of Enforcement and the Division of Compliance in the Office of Reliability of the FERC jointly commenced an audit of Entergy Services, Inc. on October 1, 2009. The audit evaluated Entergy Services': (1) practices related to Bulk Electric System planning and operations; (2) compliance with the requirements contained within its Open Access Transmission Tariff; and (3) other obligations and responsibilities as

Entergy Corporation and Subsidiaries
Management's Financial Discussion and Analysis

approved by the FERC. The audit covered the period from April 1, 2006 to July 19, 2010. The FERC Division of Audits issued its audit report on October 29, 2010, in which it finds instances of non-compliance primarily related to the use of secondary network service and reporting requirements applicable to available flowgate capacity errors. Although Entergy Services does not agree with a number of the report's factual findings, Entergy Services and the FERC audit staff reached agreement on the recommendations in the audit report and Entergy Services will work to implement them. The Energy Policy Act of 2005 provides the FERC with authority to impose civil penalties for violations of the Federal Power Act and FERC regulations, but the audit report did not recommend the imposition of civil penalties.

U.S. Department of Justice Investigation

Entergy is cooperating with the U.S. Department of Justice on a civil investigation of competitive issues concerning certain practices and policies of the Utility operating companies. Entergy became aware of the investigation during the required Hart-Scott-Rodino antitrust review of Entergy Louisiana's pending purchase of Unit 2 of the Acadia Energy Center. Although the U.S. Department of Justice recently informed Entergy Louisiana that it will allow the relevant Hart-Scott-Rodino waiting period to expire without action (and that period has since expired), the U.S. Department of Justice also informed Entergy that it has opened a civil investigation of competitive issues concerning certain generation procurement, dispatch, and transmission system practices and policies of the Utility operating companies. The U.S. Department of Justice's present inquiry has no effect on the Hart-Scott-Rodino clearance of the Acadia acquisition.

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's output that is currently sold forward under physical or financial contracts (2010 represents the remainder of the year):

	2010	2011	2012	2013	2014	2015
Non-Utility Nuclear:						
Percent of planned generation sold forward:						
Unit-contingent (1)	57%	78%	50%	25%	14%	12%
Unit-contingent with availability guarantees (2)	33%	17%	14%	6%	3%	3%
Firm LD (3)	0%	3%	14%	0%	8%	0%
Offsetting positions (4)	0%	(3)%	(2)%	0%	0%	0%
Total (net)	90%	95%	76%	31%	25%	15%
Planned generation (TWh) (5)	10	41	41	40	41	41
Average contracted price per MWh (6)	\$57	\$53	\$50	\$49	\$51	\$51

- (1) Unit-contingent is a transaction under which power is supplied from a specific generation asset; if the asset is not operating, seller is generally not liable to buyer for any damages.
- (2) Unit-contingent with availability guarantees is a transaction under which power is supplied from a specific generation asset; if the asset is not operating, seller is generally not liable to buyer for any damages, unless the actual availability over a specified period of time is below an availability threshold specified in the contract.

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- (3) Firm LD is a transaction that requires receipt or delivery of energy at a specified delivery point (usually at a market hub not associated with a specific asset) or settles financially on notional quantities; if a party fails to deliver or receive energy, the defaulting party must compensate the other party as specified in the contract.
- (4) Offsetting positions are transactions for the purchase of energy, generally to offset a Firm LD transaction that was used as a placeholder until a unit-contingent transaction could be originated and executed.
- (5) Assumes successful license renewal for all plants.
- (6) The Vermont Yankee acquisition included a PPA under which the former owners will buy most of the power produced by the plant 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 if twelve month rolling average 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 September 30, 2010, based on power prices at that time, Entergy had credit exposure of \$1 million under the guarantees in place supporting Entergy Nuclear Power Marketing (a Non-Utility Nuclear subsidiary) transactions, \$20 million of guarantees that support letters of credit, and \$3 million of posted cash collateral. As of September 30, 2010, the credit exposure associated with Non-Utility Nuclear assurance requirements would increase by \$17 million for a \$1 per MMBtu increase in gas prices in both the short-and long-term markets. In the event of a decrease in Entergy Corporation's credit rating to below investment grade, based on power prices as of September 30, 2010, Entergy would have been required to provide approximately \$65 million of additional cash or letters of credit under some of the agreements.

As of September 30, 2010, the counterparties or their guarantors for 99.6% of the planned energy output under contract for Non-Utility Nuclear through 2014 have public investment grade credit ratings and 0.4% is with load-serving entities without public credit ratings.

In addition to selling the power produced by its plants, Non-Utility Nuclear sells unforced capacity that is used to meet requirements placed on load-serving distribution companies by the ISO in their area. Following is a summary of the amount of Non-Utility Nuclear's unforced capacity that is currently sold forward, and the blended amount of Non-Utility Nuclear's planned generation output and unforced capacity that is currently sold forward (2010 represents the remainder of the year):

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	2010	2011	2012	2013	2014	2015
Non-Utility Nuclear:						
Percent of capacity sold forward (net):						
Bundled capacity and energy contracts	27%	26%	18%	16%	16%	16%
Capacity contracts	57%	31%	29%	26%	10%	0%
Total	84%	57%	47%	42%	26%	16%
Planned net MW in operation	4,998	4,998	4,998	4,998	4,998	4,998
Average capacity contract price per kW per month	\$2.4	\$3.0	\$3.0	\$2.8	\$2.7	\$-
Blended Capacity and Energy (based on revenues)						
% of planned generation and capacity sold forward	93%	95%	77%	33%	26%	14%
Average contract revenue per MWh	\$59	\$55	\$52	\$52	\$53	\$51

Entergy Corporation and Subsidiaries
Management's Financial Discussion and Analysis

Critical Accounting Estimates

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

Federal Healthcare Legislation

The Patient Protection and Affordable Care Act (PPACA) became federal law on March 23, 2010, and, on March 30, 2010, the Health Care and Education Reconciliation Act of 2010 became federal law and amended certain provisions of the PPACA. These new federal laws change the law governing employer-sponsored group health plans, like Entergy's plans. All of the effects of these changes are not yet determinable because technical guidance regarding application must still be issued, and Entergy will monitor these developments.

One provision of the new law that is effective in 2013 eliminates the federal income tax deduction for prescription drug expenses of Medicare beneficiaries for which the plan sponsor also receives the retiree drug subsidy under Part D. Entergy receives subsidy payments under the Medicare Part D plan and therefore in the first quarter 2010 recorded a reduction to the deferred tax asset related to the unfunded other postretirement benefit obligation. The offset was recorded as a \$16 million charge to income tax expense or, for the Utility, including each Registrant Subsidiary, as a regulatory asset, as detailed in Note 2 to the financial statements herein.

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ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
For the Three and Nine Months Ended September 30, 2010 and 2009
(Unaudited)

Three Months Ended Nine Months Ended
2010 2009 2010 2009
(In Thousands, Except Share Data)

OPERATING REVENUES				
Electric	\$2,638,752	\$2,195,461	\$6,859,791	\$6,140,823
Natural gas	27,263	24,030	154,426	126,914
Competitive businesses	666,161	717,604	1,940,256	1,979,259
TOTAL	3,332,176	2,937,095	8,954,473	8,246,996
OPERATING EXPENSES				
Operating and Maintenance:				
Fuel, fuel-related expenses, and				
gas purchased for resale	748,863	559,129	1,939,077	1,927,692
Purchased power	484,694	388,308	1,376,055	1,034,483
Nuclear refueling outage expenses	64,885	61,441	191,395	178,454
Other operation and maintenance	808,688	681,576	2,211,382	2,021,462
Decommissioning	53,380	50,069	157,423	148,119
Taxes other than income taxes	138,217	128,851	400,597	385,649
Depreciation and amortization	264,621	280,641	789,392	799,183
Other regulatory charges (credits) - net	(1,814)	(13,224)	15,555	(29,371)
TOTAL	2,561,534	2,136,791	7,080,876	6,465,671
OPERATING INCOME	770,642	800,304	1,873,597	1,781,325
OTHER INCOME (DEDUCTIONS)				
Allowance for equity funds used during construction	15,064	14,770	45,990	47,499
Interest and dividend income	38,911	64,730	123,124	170,007
Other than temporary impairment losses	(206)	(457)	(1,255)	(85,396)
Miscellaneous - net	(14,748)	5,739	(32,050)	(20,910)
TOTAL	39,021	84,782	135,809	111,200
INTEREST AND OTHER CHARGES				
Interest on long-term debt	126,078	130,132	420,314	383,255
Other interest - net	9,997	22,625	43,140	69,406
Allowance for borrowed funds used during construction	(8,949)	(8,252)	(27,274)	(26,547)
TOTAL	127,126	144,505	436,180	426,114
INCOME BEFORE INCOME TAXES	682,537	740,581	1,573,226	1,466,411
Income taxes	184,636	280,414	536,227	534,101
CONSOLIDATED NET INCOME	497,901	460,167	1,036,999	932,310

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Preferred dividend requirements of subsidiaries	5,015	4,998	15,048	14,993
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NET INCOME ATTRIBUTABLE TO ENTERGY CORPORATION

	\$492,886	\$455,169	\$1,021,951	\$917,317
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Earnings per average common share:

Basic	\$2.65	\$2.35	\$5.44	\$4.73
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Diluted	\$2.62	\$2.32	\$5.38	\$4.66
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Dividends declared per common share	\$0.83	\$0.75	\$2.41	\$2.25
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Basic average number of common shares

outstanding	185,962,431	193,424,904	187,968,582	194,044,214
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Diluted average number of common shares

outstanding	187,777,172	195,875,241	189,914,439	197,382,562
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See Notes to Financial Statements.

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 2010 and 2009
(Unaudited)

	2010	2009
	(In Thousands)	
OPERATING ACTIVITIES		
Consolidated net income	\$ 1,036,999	\$ 932,310
Adjustments to reconcile consolidated net income to net cash flow provided by operating activities:		
Reserve for regulatory adjustments	360	(1,080)
Other regulatory charges (credits) - net	15,555	(29,371)
Depreciation, amortization, and decommissioning, including nuclear fuel amortization	1,259,543	1,076,115
Deferred income taxes, investment tax credits, and non-current taxes accrued	524,359	512,795
Changes in working capital:		
Receivables	(243,326)	14,856
Fuel inventory	3,328	9,830
Accounts payable	44,348	(189,586)
Taxes accrued	-	46,931
Interest accrued	(10,982)	(12,176)
Deferred fuel	(65,655)	196,111
Other working capital accounts	(117,086)	(117,671)
Provision for estimated losses and reserves	258,962	(10,326)
Changes in other regulatory assets	482,960	(332,547)
Changes in pensions and other postretirement liabilities	(142,420)	(52,714)
Other	118,144	(34,146)
Net cash flow provided by operating activities	3,165,089	2,009,331
INVESTING ACTIVITIES		
Construction/capital expenditures	(1,410,708)	(1,342,840)
Allowance for equity funds used during construction	45,990	47,499
Nuclear fuel purchases	(315,780)	(291,721)
Proceeds from sale/leaseback of nuclear fuel	-	197,706
Proceeds from sale of assets and businesses	9,675	39,054
Insurance proceeds received for property damages	7,894	32,914
Changes in transition charge account	(23,182)	(8,359)
NYPA value sharing payment	(72,000)	(72,000)
Payments to storm reserve escrow account	(294,901)	(5,262)
Receipts from storm reserve escrow account	9,925	-
Decrease in other investments	117,696	29,567
Proceeds from nuclear decommissioning trust fund sales	1,974,008	1,733,370
Investment in nuclear decommissioning trust funds	(2,043,361)	(1,807,589)
Net cash flow used in investing activities	(1,994,744)	(1,447,661)

See Notes to Financial Statements.

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 2010 and 2009
(Unaudited)

	2010	2009
	(In Thousands)	
FINANCING ACTIVITIES		
Proceeds from the issuance of:		
Long-term debt	2,272,224	781,497
Common stock and treasury stock	45,763	17,215
Retirement of long-term debt	(2,113,927)	(1,084,732)
Repurchase of common stock	(665,624)	(613,125)
Redemption of preferred stock	-	(1,847)
Changes in credit line borrowings - net	(18,932)	-
Dividends paid:		
Common stock	(453,683)	(435,178)
Preferred stock	(15,048)	(14,993)
Net cash flow used in financing activities	(949,227)	(1,351,163)
Effect of exchange rates on cash and cash equivalents	250	(218)
Net increase (decrease) in cash and cash equivalents	221,368	(789,711)
Cash and cash equivalents at beginning of period	1,709,551	1,920,491
Cash and cash equivalents at end of period	\$1,930,919	\$1,130,780

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid during the period for:		
Interest - net of amount capitalized	\$426,461	\$442,345
Income taxes	\$32,964	\$18,915
Noncash financing activities:		
Long-term debt retired (equity unit notes)	-	\$(500,000)
Common stock issued in settlement of equity unit purchase contracts	-	\$500,000
Proceeds from long-term debt issued for the purpose of refunding prior long-term debt	\$150,000	-
Long-term debt refunded with proceeds from long-term debt issued in prior period	\$(150,000)	-

See Notes to Financial Statements.

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

ASSETS

September 30, 2010 and December 31, 2009

(Unaudited)

2010 2009
(In Thousands)

CURRENT ASSETS

Cash and cash equivalents:		
Cash	\$87,617	\$85,861
Temporary cash investments	1,843,302	1,623,690
Total cash and cash equivalents	1,930,919	1,709,551
Securitization recovery trust account	36,280	13,098
Accounts receivable:		
Customer	740,212	553,692
Allowance for doubtful accounts	(32,995)	(27,631)
Other	159,675	152,303
Accrued unbilled revenues	350,313	302,463
Total accounts receivable	1,217,205	980,827
Deferred fuel costs	66,071	126,798
Accumulated deferred income taxes	4,508	-
Fuel inventory - at average cost	193,526	196,855
Materials and supplies - at average cost	852,192	825,702
Deferred nuclear refueling outage costs	220,496	225,290
System agreement cost equalization	25,976	70,000
Prepayments and other	500,290	386,040
TOTAL	5,047,463	4,534,161

OTHER PROPERTY AND INVESTMENTS

Investment in affiliates - at equity	38,058	39,580
Decommissioning trust funds	3,421,626	3,211,183
Non-utility property - at cost (less accumulated depreciation)	253,290	247,664
Other	404,284	120,273
TOTAL	4,117,258	3,618,700

PROPERTY, PLANT AND EQUIPMENT

Electric	36,893,624	36,343,772
Property under capital lease	793,241	783,096
Natural gas	321,094	314,256
Construction work in progress	1,643,580	1,547,319
Nuclear fuel under capital lease	-	527,521
Nuclear fuel	1,267,551	739,827
TOTAL PROPERTY, PLANT AND EQUIPMENT	40,919,090	40,255,791
Less - accumulated depreciation and amortization	17,348,634	16,866,389
PROPERTY, PLANT AND EQUIPMENT - NET	23,570,456	23,389,402

DEFERRED DEBITS AND OTHER ASSETS

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Regulatory assets:

Regulatory asset for income taxes - net	592,355	619,500
Other regulatory assets (includes securitization property of \$895,506 as of September 30, 2010)	3,688,785	3,647,154
Deferred fuel costs	172,202	172,202
Goodwill	377,172	377,172
Accumulated deferred income taxes	74,703	-
Other	1,027,813	1,006,306
TOTAL	5,933,030	5,822,334
TOTAL ASSETS	\$38,668,207	\$37,364,597

See Notes to Financial Statements.

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
LIABILITIES AND EQUITY
September 30, 2010 and December 31, 2009
(Unaudited)

	2010	2009
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	\$588,783	\$711,957
Notes payable	167,915	30,031
Accounts payable	1,009,194	998,228
Customer deposits	330,293	323,342
Accumulated deferred income taxes	86,562	48,584
Interest accrued	189,052	192,283
Deferred fuel costs	93,257	219,639
Obligations under capital leases	3,352	212,496
Pension and other postretirement liabilities	41,965	55,031
System agreement cost equalization	25,931	187,204
Other	377,882	215,202
TOTAL	2,914,186	3,193,997
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	8,146,036	7,422,319
Accumulated deferred investment tax credits	296,100	308,395
Obligations under capital leases	42,873	354,233
Other regulatory liabilities	555,240	421,985
Decommissioning and asset retirement cost liabilities	3,094,833	2,939,539
Accumulated provisions	388,532	141,315
Pension and other postretirement liabilities	2,111,685	2,241,039
Long-term debt (includes securitization bonds of \$940,153 as of September 30, 2010)	11,444,513	10,705,738
Other	631,721	711,334
TOTAL	26,711,533	25,245,897
Commitments and Contingencies		
Subsidiaries' preferred stock without sinking fund	216,736	217,343
EQUITY		
Common Shareholders' Equity:		
Common stock, \$.01 par value, authorized 500,000,000 shares; issued 254,752,788 shares in 2010 and in 2009	2,548	2,548
Paid-in capital	5,367,091	5,370,042
Retained earnings	8,611,081	8,043,122
Accumulated other comprehensive income (loss)	72,566	(75,185)
Less - treasury stock, at cost (73,229,902 shares in 2010 and		

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65,634,580 shares in 2009)	5,321,534	4,727,167
Total common shareholders' equity	8,731,752	8,613,360
Subsidiaries' preferred stock without sinking fund	94,000	94,000
TOTAL	8,825,752	8,707,360
TOTAL LIABILITIES AND EQUITY	\$38,668,207	\$37,364,597

See Notes to Financial Statements.

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY AND COMPREHENSIVE INCOME
For the Nine Months Ended September 30, 2010 and 2009
(Unaudited) (In Thousands)

	Common Shareholders' Equity					Accumulated Other Comprehensive	Total
	Subsidiaries' Preferred Stock	Common Stock	Treasury Stock	Paid-in Capital	Retained Earnings	Income (Loss)	
Balance at December 31, 2008	\$ 94,000	\$ 2,482	\$ (4,175,214)	\$ 4,869,303	\$ 7,382,719	\$ (112,698)	\$ 8,060,592
Consolidated net income (a)	14,993	-	-	-	917,317	-	932,310
Other comprehensive income:							
Cash flow hedges net unrealized gain (net of tax expense of \$6,529)	-	-	-	-	-	4,547	4,547
Pension and other postretirement liabilities (net of tax benefit of \$883)	-	-	-	-	-	558	558
Net unrealized investment gains (net of tax expense of \$95,830)	-	-	-	-	-	96,179	96,179
Foreign currency translation (net of tax expense of \$117)	-	-	-	-	-	218	218
Total comprehensive income							1,033,812

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Common stock repurchases	-	-	(613,125)	-	-	-	(613,125)
Common stock issuances in settlement of equity unit purchase contracts	-	66	-	499,934	-	-	500,000
Common stock issuances related to stock plans	-	-	46,174	237	-	-	46,411
Common stock dividends declared	-	-	-	-	(435,350)	-	(435,350)
Preferred dividend requirements of subsidiaries (a)	(14,993)	-	-	-	-	-	(14,993)
Adjustment for implementation of new accounting pronouncement	-	-	-	-	6,365	(6,365)	-
Balance at September 30, 2009	\$ 94,000	\$ 2,548	\$ (4,742,165)	\$ 5,369,474	\$ 7,871,051	\$ (17,561)	\$ 8,577,347
Balance at December 31, 2009	\$ 94,000	\$ 2,548	\$ (4,727,167)	\$ 5,370,042	\$ 8,043,122	\$ (75,185)	\$ 8,707,360
Consolidated net income (a)	15,048	-	-	-	1,021,951	-	1,036,999
Other comprehensive income:							
Cash flow hedges net unrealized gain (net of tax expense of \$69,053)	-	-	-	-	-	112,911	112,911
Pension and other postretirement liabilities (net of tax expense of	-	-	-	-	-	6,011	6,011

								\$4,777)
Net unrealized investment gains (net of tax expense of \$28,421)	-	-	-	-	-	-	29,078	29,078
Foreign currency translation (net of tax benefit of \$135)	-	-	-	-	-	-	(249)	(249)
Total comprehensive income								1,184,750
Common stock repurchases	-	-	(665,624)	-	-	-	-	(665,624)
Common stock issuances related to stock plans	-	-	71,257	(2,951)	-	-	-	68,306
Common stock dividends declared	-	-	-	-	(453,992)	-	-	(453,992)
Preferred dividend requirements of subsidiaries (a)	(15,048)	-	-	-	-	-	-	(15,048)
Balance at September 30, 2010	\$ 94,000	\$ 2,548	\$ (5,321,534)	\$ 5,367,091	\$ 8,611,081	\$ 72,566		\$ 8,825,752
See Notes to Financial Statements.								

(a) Consolidated net income and preferred dividend requirements of subsidiaries for both 2009 and 2010 include \$9.2 million of preferred dividends on subsidiaries' preferred stock without sinking fund that is not presented as equity.

ENTERGY CORPORATION AND SUBSIDIARIES
 SELECTED OPERATING RESULTS
 For the Three and Nine Months Ended September 30, 2010 and 2009
 (Unaudited)

Description	Three Months Ended		Increase/ (Decrease)	%
	2010	2009		
(Dollars in Millions)				
Utility Electric Operating Revenues:				
Residential	\$1,149	\$967	\$182	19
Commercial	688	597	91	15
Industrial	572	484	88	18
Governmental	61	55	6	11
Total retail	2,470	2,103	367	17
Sales for resale	71	58	13	22
Other	98	34	64	188
Total	\$2,639	\$2,195	\$444	20

Utility Billed Electric Energy

Sales (GWh):				
Residential	12,365	11,213	1,152	10
Commercial	8,660	8,131	529	7
Industrial	10,276	9,473	803	8
Governmental	681	663	18	3
Total retail	31,982	29,480	2,502	8
Sales for resale	1,063	1,164	(101)	(9)
Total	33,045	30,644	2,401	8

Non-Utility Nuclear:

Operating Revenues	\$619	\$684	\$(65)	(10)
Billed Electric Energy Sales (GWh)	9,888	10,876	(988)	(9)

Description	Nine Months Ended		Increase/ (Decrease)	%
	2010	2009		
(Dollars in Millions)				
Utility Electric Operating Revenues:				
Residential	\$2,691	\$2,365	\$326	14
Commercial	1,776	1,677	99	6
Industrial	1,663	1,524	139	9
Governmental	163	156	7	4
Total retail	6,293	5,722	571	10
Sales for resale	216	197	19	10
Other	351	222	129	58
Total	\$6,860	\$6,141	\$719	12

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Utility Billed Electric Energy

Sales (GWh):

Residential	29,715	26,206	3,509	13
Commercial	21,935	20,842	1,093	5
Industrial	28,871	26,402	2,469	9
Governmental	1,854	1,802	52	3
Total retail	82,375	75,252	7,123	9
Sales for resale	3,351	3,863	(512)	(13)
Total	85,726	79,115	6,611	8

Non-Utility Nuclear:

Operating Revenues	\$1,813	\$1,885	\$(72)	(4)
Billed Electric Energy Sales (GWh)	30,011	29,929	82	-

ENTERGY CORPORATION AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

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

Entergy and the Registrant Subsidiaries are involved in a number of legal, regulatory, and tax proceedings before various courts, regulatory commissions, and governmental agencies in the ordinary course of business. While management is unable to predict the outcome of such proceedings, management does not believe that the ultimate resolution of these matters will have a material adverse effect on Entergy's results of operations, cash flows, or financial condition. 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 and Note 10 to the financial statements herein.

Nuclear Insurance

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

Conventional Property Insurance

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

Employment Litigation

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

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

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

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

Regulatory Assets

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

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Fuel and Purchased Power Cost Recovery

See Entergy Corporation and Subsidiaries' "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - System Agreement Proceedings" for updates to the discussion in the Form 10-K regarding the System Agreement proceedings.

Entergy Arkansas

Energy Cost Recovery Rider - APSC Investigations

Entergy Arkansas' retail rates include an energy cost recovery rider. In early October 2005, the APSC initiated an investigation into Entergy Arkansas' interim energy cost rate. The investigation focused on Entergy Arkansas' 1) gas contracting, portfolio, and hedging practices; 2) wholesale purchases during the period; 3) management of the coal inventory at its coal generation plants; and 4) response to the contractual failure of the railroads to provide coal deliveries. In March 2006, the APSC extended its investigation to cover the costs included in Entergy Arkansas' March 2006 annual energy cost rate filing, and a hearing was held in the APSC energy cost recovery investigation in October 2006.

In January 2007, the APSC issued an order in its review of the energy cost rate. The APSC found that Entergy Arkansas failed to maintain an adequate coal inventory level going into the summer of 2005 and that Entergy Arkansas should be responsible for any incremental energy costs resulting from two outages caused by employee and contractor error. The coal plant generation curtailments were caused by railroad delivery problems and Entergy Arkansas has since resolved litigation with the railroad regarding the delivery problems. The APSC staff was directed to perform an analysis with Entergy Arkansas' assistance to determine the additional fuel and purchased energy costs associated with these findings and file the analysis within 60 days of the order. After a final determination of the costs is made by the APSC, Entergy Arkansas would be directed to refund that amount with interest to its customers as a credit on the energy cost recovery rider. Entergy Arkansas requested rehearing of the order. In March 2007, in order to allow further consideration by the APSC, the APSC granted Entergy Arkansas' petition for rehearing and for stay of the APSC order.

In October 2008, Entergy Arkansas filed a motion to lift the stay and to rescind the APSC's January 2007 order in light of the arguments advanced in Entergy Arkansas' rehearing petition and because the value for Entergy Arkansas' customers obtained through the resolved railroad litigation is significantly greater than the incremental cost of actions identified by the APSC as imprudent. In December 2008, the APSC denied the motion to lift the stay pending resolution of Entergy Arkansas' rehearing request and of the unresolved issues in the proceeding. The APSC ordered the parties to submit their unresolved issues list in the pending proceeding, which the parties did. In February 2010 the APSC denied Entergy Arkansas' request for rehearing, and held a hearing in September 2010 to determine the amount of damages, if any, that should be assessed against Entergy Arkansas. A decision is pending. Entergy Arkansas expects the amount of damages, if any, to have an immaterial effect on its results of operations, financial position, or cash flows.

The APSC also established a separate docket to consider the resolved railroad litigation, and in February 2010 it established a procedural schedule that concluded with testimony through September 2010. In a subsequent order the APSC scheduled a hearing for February 3, 2011.

Entergy Gulf States Louisiana

In January 2003, the LPSC authorized its staff to initiate a proceeding to audit the fuel adjustment clause filings of Entergy Gulf States Louisiana and its affiliates pursuant to a November 1997 LPSC general order. The audit includes a review of the reasonableness of charges flowed by Entergy Gulf States Louisiana through its fuel adjustment clause for the period January 1995 through December 2002. In June 2005 the LPSC expanded the audit period to include the years through 2004. Discovery has largely concluded, but the LPSC Staff has not issued its report. The LPSC recently directed its staff to issue the report by the end of December 2010. A procedural schedule will be set to establish a hearing process to address any issues noted in the LPSC Staff report that are contested by Entergy Gulf States Louisiana. Entergy Gulf States Louisiana has recorded provisions for the estimated effect of this proceeding.

Entergy Corporation and Subsidiaries
Notes to Financial Statements

In April 2010 the LPSC authorized its staff to initiate an audit of Entergy Gulf States Louisiana's purchased gas adjustment clause filings for its gas distribution operations pursuant to a March 1999 LPSC general order. The audit includes a review of the reasonableness of charges flowed through by Entergy Gulf States Louisiana for the period from January 2003 through December 2008. Discovery is in progress, but a procedural schedule has not been established.

Entergy Louisiana

In April 2010 the LPSC authorized its staff to initiate an audit of Entergy Louisiana's fuel adjustment clause filings pursuant to a November 1997 LPSC general order. The audit includes a review of the reasonableness of charges flowed through by Entergy Louisiana for the period from January 2005 through December 2009. Discovery is in progress, but a procedural schedule has not been established.

Entergy Mississippi

In August 2009 the MPSC retained an independent audit firm to audit Entergy Mississippi's fuel adjustment clause submittals for the period October 2007 through September 2009. The independent audit firm submitted its report to the MPSC in December 2009. The report does not recommend that any costs be disallowed for recovery. The report did suggest that some costs, less than one percent of the fuel and purchased power costs recovered during the period, may have been more reasonably charged to customers through base rates rather than through fuel charges, but the report did not suggest that customers should not have paid for those costs. In November 2009 the MPSC also retained another firm to review processes and practices related to fuel and purchased energy. The results of that review were filed with the MPSC in March 2010. In that report, the independent consulting firm found that the practices and procedures in activities that directly affect the costs recovered through Entergy Mississippi's fuel adjustment clause appear reasonable. Both audit reports were certified by the MPSC to the Mississippi Legislature, as required by Mississippi law.

Entergy Texas

As discussed in the Form 10-K, 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. In December 2008 the PUCT adopted an ALJ proposal for decision recommending an additional \$18.6 million allocation to Texas retail customers. Because the PUCT allocation to Texas retail customers is inconsistent with the LPSC allocation to Louisiana retail customers, the PUCT's decision results 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 commenced proceedings in both state and federal district courts seeking to reverse the PUCT's decision. The federal proceeding had been abated pending appeal of the FERC's order in the proceeding discussed below.

Entergy Texas filed with the FERC a proposed amendment to the System Agreement bandwidth formula to specifically calculate the payments to Entergy Gulf States Louisiana and Entergy Texas of Entergy Gulf States, Inc.'s rough production cost equalization receipts for 2007. In May 2009 the FERC issued an order rejecting the proposed amendment. Because of the FERC's order, Entergy Texas recorded the effects of the PUCT's allocation of the additional \$18.6 million to Texas retail customers in the second quarter 2009. On an after-tax basis, the charge to earnings was approximately \$13.0 million (including interest). In May 2010 the FERC rejected Entergy's request for rehearing of the FERC's order. On July 14, 2010, Entergy appealed the FERC's decision to the U.S. Court of Appeals

for the District of Columbia.

In the settlement of Entergy Texas's December 2009 rate case proceeding that is discussed further below, Entergy Texas agreed to credit to customers \$18.6 million after the settlement is approved by the PUCT, with the parties agreeing that this amount represents the remaining portion of the 2007 rough production cost equalization payments received by Entergy Texas. Entergy Texas also agreed to dismiss the state and federal district court proceedings and its appeal of the FERC's decision, all of which were seeking to change the result of the December 2008 PUCT decision. The settlement of the 2009 rate case is pending before the PUCT.

In June 2010, Entergy Texas filed with the PUCT a request to refund approximately \$66 million, including interest, of fuel cost recovery over-collections through May 2010. In September 2010 the PUCT issued an order providing for a \$77 million refund for fuel cost recovery over-collections through June 2010. The refund will be made for most customers over a three-month period beginning with the September 2010 billing cycle.

Storm Cost Recovery

Entergy Arkansas Storm Reserve Accounting

The APSC's June 2007 order in Entergy Arkansas's base rate proceeding 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 reinstated storm reserve accounting effective January 1, 2009. A hearing on Entergy Arkansas's request was held in March 2010, and in April 2010 the ALJ approved Entergy Arkansas's establishment of a storm cost reserve account.

Entergy Arkansas January 2009 Ice Storm

As discussed in the Form 10-K, in January 2009 a severe ice storm caused significant damage to Entergy Arkansas's transmission and distribution lines, equipment, poles, and other facilities. A law was enacted in April 2009 in Arkansas that authorizes securitization of storm damage restoration costs. In June 2010 the APSC issued a financing order authorizing the issuance of approximately \$126.3 million in storm cost recovery bonds, which includes carrying costs of \$11.5 million and \$4.6 million of up-front financing costs. See Note 4 to the financial statements for a discussion of the August 2010 issuance of the securitization bonds.

Entergy Gulf States Louisiana and Entergy Louisiana Hurricane Gustav and Hurricane Ike Filing

As discussed in the Form 10-K, in September 2008, Hurricane Gustav and Hurricane Ike caused catastrophic damage to Entergy's service territory. Entergy Gulf States Louisiana and Entergy Louisiana filed their Hurricane Gustav and Hurricane Ike storm cost recovery case with the LPSC in May 2009. In September 2009, Entergy Gulf States Louisiana and Entergy Louisiana and the Louisiana Utilities Restoration Corporation (LURC), an instrumentality of the State of Louisiana, filed with the LPSC an application requesting that the LPSC grant financing orders authorizing the financing of Entergy Gulf States Louisiana's and Entergy Louisiana's storm costs, storm reserves, and issuance costs pursuant to Act 55 of the Louisiana Regular Session of 2007 (Act 55 financings). Entergy Gulf States Louisiana's and Entergy Louisiana's Hurricane Katrina and Hurricane Rita storm costs were financed primarily by Act 55 financings, as discussed in the Form 10-K. Entergy Gulf States Louisiana and Entergy Louisiana also filed an application requesting LPSC approval for ancillary issues including the mechanism to flow charges and Act 55 financing savings to customers via a Storm Cost Offset rider. On December 30, 2009, Entergy Gulf States Louisiana and Entergy Louisiana entered into a stipulation agreement with the LPSC Staff that provides for total recoverable costs of approximately \$234 million for Entergy Gulf States Louisiana and \$394 million for Entergy Louisiana, including carrying costs. Under this stipulation, Entergy Gulf States Louisiana agrees not to recover \$4.4 million and Entergy Louisiana agrees not to recover \$7.2 million of their storm restoration spending. The stipulation also permits replenishing Entergy Gulf States Louisiana's storm reserve in the amount of \$90 million and Entergy Louisiana's storm reserve in the amount of \$200 million when the Act 55 financings are accomplished. In March and April 2010, Entergy Gulf States Louisiana, Entergy Louisiana, and other parties to the proceeding filed with the LPSC an uncontested stipulated settlement that includes these terms and also includes Entergy Gulf States Louisiana's and Entergy Louisiana's proposals under the Act 55 financings, which includes a commitment to pass on to customers a

minimum of \$15.5 million and \$27.75 million of customer benefits, respectively, through prospective annual rate reductions of \$3.1 million and \$5.55 million for five years. A stipulation hearing was held before the ALJ on April 13, 2010. On April 21, 2010, the LPSC approved the settlement and subsequently issued two financing orders and one ratemaking order intended to facilitate the implementation of the Act 55 financings. In June 2010 the Louisiana State Bond Commission approved the Act 55 financings.

Entergy Corporation and Subsidiaries
Notes to Financial Statements

On July 22, 2010, the Louisiana Local Government Environmental Facilities and Community Development Authority (LCDA) issued \$468.9 million in bonds under Act 55. From the \$462.4 million of bond proceeds loaned by the LCDA to the LURC, the LURC deposited \$200 million in a restricted escrow account as a storm damage reserve for Entergy Louisiana and transferred \$262.4 million directly to Entergy Louisiana. From the bond proceeds received by Entergy Louisiana from the LURC, Entergy Louisiana used \$262.4 million to acquire 2,624,297.11 Class B preferred, non-voting, membership interest units of Entergy Holdings Company LLC, a company wholly-owned and consolidated by Entergy, that carry a 9% annual distribution rate. Distributions are payable quarterly commencing on September 15, 2010, and the membership interests have a liquidation price of \$100 per unit. The preferred membership interests are callable at the option of Entergy Holdings Company LLC after ten years under the terms of the LLC agreement. The terms of the membership interests include certain financial covenants to which Entergy Holdings Company LLC is subject, including the requirement to maintain a net worth of at least \$1 billion.

On July 22, 2010, the LCDA issued another \$244.1 million in bonds under Act 55. From the \$240.3 million of bond proceeds loaned by the LCDA to the LURC, the LURC deposited \$90 million in a restricted escrow account as a storm damage reserve for Entergy Gulf States Louisiana and transferred \$150.3 million directly to Entergy Gulf States Louisiana. From the bond proceeds received by Entergy Gulf States Louisiana from the LURC, Entergy Gulf States Louisiana used \$150.3 million to acquire 1,502,643.04 Class B preferred, non-voting, membership interest units of Entergy Holdings Company LLC, a company wholly-owned and consolidated by Entergy, that carry a 9% annual distribution rate. Distributions are payable quarterly commencing on September 15, 2010, and the membership interests have a liquidation price of \$100 per unit. The preferred membership interests are callable at the option of Entergy Holdings Company LLC after ten years under the terms of the LLC agreement. The terms of the membership interests include certain financial covenants to which Entergy Holdings Company LLC is subject, including the requirement to maintain a net worth of at least \$1 billion.

Entergy, Entergy Gulf States Louisiana, and Entergy Louisiana do not report the bonds on their balance sheets because the bonds are the obligation of the LCDA, and there is no recourse against Entergy, Entergy Gulf States Louisiana or Entergy Louisiana in the event of a bond default. To service the bonds, Entergy Gulf States Louisiana and Entergy Louisiana collect a system restoration charge on behalf of the LURC, and remit the collections to the bond indenture trustee. Entergy Gulf States Louisiana and Entergy Louisiana do not report the collections as revenue because they are merely acting as the billing and collection agents for the state.

Entergy New Orleans

In December 2005, the U.S. Congress passed the Katrina Relief Bill, a hurricane aid package that included Community Development Block Grant (CDBG) funding (for the states affected by Hurricanes Katrina, Rita, and Wilma) that allowed state and local leaders to fund individual recovery priorities. In March 2007, the City Council certified that Entergy New Orleans incurred \$205 million in storm-related costs through December 2006 that are eligible for CDBG funding under the state action plan, and certified Entergy New Orleans' estimated costs of \$465 million for its gas system rebuild. Entergy New Orleans received \$180.8 million of CDBG funds in 2007 and \$19.2 million in 2010.

Little Gypsy Repowering Project

In October 2009, Entergy Louisiana made a filing with the LPSC seeking permission to cancel the Little Gypsy repowering project and seeking recovery over a five-year period of the project costs. In June 2010 and August 2010, the LPSC Staff and Intervenors filed testimony. The LPSC Staff (1) agreed that it was prudent to move the project

from long-term suspension to cancellation and that the timing of the decision to suspend on a longer-term basis was not imprudent; (2) indicated that, except for \$0.8 million in compensation-related costs, the costs incurred should be deemed prudent; (3) recommended recovery from customers over ten years but stated that the LPSC may want to consider 15 years; (4) allowed for recovery of carrying costs and earning a return on project costs, but at a reduced rate approximating the cost of debt, while also acknowledging that the LPSC may consider ordering no return; and

(5) indicated that Entergy Louisiana should be directed to securitize project costs, if legally feasible and in the public interest. In the third quarter 2010, in accordance with accounting standards, Entergy Louisiana determined that it is probable that the Little Gypsy repowering project will be abandoned and accordingly has reclassified \$199.8 million of project costs from construction work in progress to a regulatory asset. This accounting reclassification does not modify Entergy Louisiana's requested relief pending before the LPSC. The procedural schedule calls for hearings to begin in November 2010.

There currently is pending before the LPSC an appeal by the LPSC Staff of a decision by the ALJ relating to a dispute between the LPSC Staff and industrial customer intervenors relating to positions regarding the allocation of the project costs among customers. The LPSC is expected to review this appeal at its November 10, 2010 meeting. The ALJ has determined that the hearings in the underlying case will begin on the date currently scheduled and that all issues other than cost allocation will be heard at that time. A status conference will be held on November 12, 2010 to determine the hearing schedule for the cost allocation issue. The record from the original hearing will be held open until the conclusion of the hearing on cost allocation.

Federal Healthcare Legislation

The Patient Protection and Affordable Care Act (PPACA) became federal law on March 23, 2010, and, on March 30, 2010, the Health Care and Education Reconciliation Act of 2010 became federal law and amended certain provisions of the PPACA. These new federal laws change the law governing employer-sponsored group health plans, like Entergy's plans. All of the effects of these changes are not yet determinable because technical guidance regarding application must still be issued, and Entergy will monitor these developments.

One provision of the new law that is effective in 2013 eliminates the federal income tax deduction for prescription drug expenses of Medicare beneficiaries for which the plan sponsor also receives the retiree drug subsidy under Part D. Entergy receives subsidy payments under the Medicare Part D plan and therefore in the first quarter 2010 recorded a reduction to the deferred tax asset related to the unfunded other postretirement benefit obligation. The offset was recorded as a charge to income tax expense or, for the Utility, including each Registrant Subsidiary, as a regulatory asset. The Utility has a regulatory asset of \$99 million recorded for this, including \$31 million at Entergy Arkansas, \$16 million at Entergy Gulf States Louisiana, \$19 million at Entergy Louisiana, \$10 million at Entergy Mississippi, \$7 million at Entergy New Orleans, \$11 million at Entergy Texas, and \$5 million at System Energy.

Retail Rate Proceedings

The following chart summarizes the Utility operating companies' current retail base rates:

Company	Authorized Return on Common Equity	
Entergy Arkansas	10.2%	- Current retail base rates implemented in the July 2010 billing cycle pursuant to a settlement approved by the APSC.
Entergy Gulf States Louisiana	9.9%-11.4% Electric;	- Current retail electric base rates implemented in the September 2010 billing cycle based on Entergy Gulf States Louisiana's revised 2009

10.0%-11.0% test year formula

Gas rate plan filing, subject to refund and final approval by the LPSC.

Entergy Corporation and Subsidiaries
Notes to Financial Statements

Entergy Louisiana	9.45%- 11.05%	- Current retail base rates implemented in the September 2010 billing cycle based on Entergy Louisiana's revised 2009 test year formula rate plan filing, subject to refund and final approval by the LPSC.
Entergy Mississippi	10.79%- 13.05%	- Current retail base rates reflect Entergy Mississippi's latest formula rate plan filing, based on the 2009 test year, and a settlement approved by the MPSC.
Entergy New Orleans	10.7% - 11.5% - Electric; 10.25% - 11.25% - Gas	- Retail base rates through the September 2010 billing cycle implemented effective June 1, 2009, pursuant to a settlement of Entergy New Orleans's base rate case approved by the City Council. Retail base rates implemented in the October 2010 billing cycle pursuant to Entergy New Orleans's 2009 test year formula rate plan filing and a settlement approved by the City Council Utility Committee that is pending consideration by the full City Council.
Entergy Texas	10.0%	- Current retail base rates implemented for usage beginning August 15, 2010, pursuant to a settlement of Entergy Texas's base rate case. PUCT consideration of the base rate case settlement is pending.

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

Filings with the APSC

As discussed in the Form 10-K, on September 4, 2009, Entergy Arkansas filed with the APSC for a general change in rates, charges, and tariffs. In June 2010 the APSC approved a settlement and subsequent compliance tariffs that provide for a \$63.7 million rate increase, effective for bills rendered for the first billing cycle of July 2010. The settlement provides for a 10.2% return on common equity. Entergy Arkansas's proposed formula rate plan mechanism, including a recovery mechanism for APSC-approved costs for additional capacity purchases or construction/acquisition of new transmission or generating facilities, was not adopted under the settlement.

Filings with the LPSC

(Entergy Gulf States Louisiana)

See the Form 10-K for a discussion of Entergy Gulf States Louisiana's formula rate plan that the LPSC approved for the 2008, 2009, and 2010 test years. Entergy Gulf States Louisiana, effective with the November 2009 billing cycle, reset its rates to achieve a 10.65% return on equity for the 2008 test year. The rate reset, a \$44.3 million increase that includes a \$36.9 million cost of service adjustment, plus \$7.4 million net for increased capacity costs and a base rate reclassification, was implemented for the November 2009 billing cycle, and the rate reset was subject to refund pending review of the 2008 test year filing that was made in October 2009. In January 2010, Entergy Gulf States

Louisiana implemented an additional \$23.9 million rate increase pursuant to a special rate implementation filing made in December 2009, primarily for incremental capacity costs approved by the LPSC. In May 2010, Entergy Gulf States Louisiana and the LPSC staff submitted a joint report on the 2008 test year filing and requested that the LPSC accept the report, which will result in a \$0.8 million reduction in current rates effective in the June 2010 billing cycle and a \$0.5 million refund. At its May 19, 2010 meeting, the LPSC accepted the joint report.

In May 2010, Entergy Gulf States Louisiana made its formula rate plan filing with the LPSC for the 2009 test year. The filing reflected a 10.25% return on common equity, which is within the allowed earnings bandwidth, indicating no cost of service rate change is necessary under the formula rate plan. The filing does reflect, however, consistent with a December 2009 filing, a revenue requirement increase to provide supplemental funding for the decommissioning trust maintained for the LPSC-regulated 70% share of River Bend, in response to a NRC notification of a projected shortfall of decommissioning funding assurance. The filing also reflects a rate increase for incremental capacity costs. In July 2010 the LPSC approved a \$7.8 million increase in the revenue requirement for decommissioning, effective September 2010. In August 2010, Entergy Gulf States Louisiana made a revised 2009 test year filing. The revised filing reflected a 10.12% earned return on common equity, which is within the allowed earnings bandwidth resulting in no cost of service adjustment. The revised filing also reflected two increases outside of the formula rate plan sharing mechanism: (1) the previously approved decommissioning revenue requirement, and (2) \$25.2 million for capacity costs. The rates reflected in the revised filing became effective, beginning with the first billing cycle of September 2010, subject to refund and final approval by the LPSC. The September 2010 rate change contributed approximately \$2.8 million to Entergy Gulf States Louisiana's revenues in the third quarter 2010.

In January 2010, Entergy Gulf States Louisiana filed with the LPSC its gas rate stabilization plan for the test year ended September 30, 2009. The filing showed an earned return on common equity of 10.87%, which is within the earnings bandwidth of 10.5% plus or minus fifty basis points, resulting in no rate change. In April 2010, Entergy Gulf States Louisiana filed a revised evaluation report reflecting changes agreed upon with the LPSC Staff. The revised evaluation report also results in no rate change.

(Entergy Louisiana)

See the Form 10-K for a discussion of Entergy Louisiana's formula rate plan that the LPSC approved for the 2008, 2009, and 2010 test years. Entergy Louisiana, effective with the November 2009 billing cycle, reset its rates to achieve a 10.25% return on equity for the 2008 test year. The rate reset, a \$2.5 million increase that includes a \$16.3 million cost of service adjustment less a \$13.8 million net reduction for decreased capacity costs and a base rate reclassification, was implemented for the November 2009 billing cycle, and the rate reset was subject to refund pending review of the 2008 test year filing that was made in October 2009. In April 2010, Entergy Louisiana and the LPSC staff submitted a joint report on the 2008 test year filing and requested that the LPSC accept the report, which will result in a \$0.1 million reduction in current rates effective in the May 2010 billing cycle and a \$0.1 million refund. In addition, Entergy Louisiana will move the recovery of approximately \$12.5 million of capacity costs from fuel adjustment clause recovery to base rate recovery. At its April 21, 2010 meeting, the LPSC accepted the joint report.

In May 2010, Entergy Louisiana made its formula rate plan filing with the LPSC for the 2009 test year. The filing reflected a 10.82% return on common equity, which is within the allowed earnings bandwidth, indicating no cost of service rate change is necessary under the formula rate plan. The filing does reflect, however, consistent with a December 2009 filing, a revenue requirement increase to provide supplemental funding for the decommissioning trust maintained for Waterford 3, in response to a NRC notification of a projected shortfall of decommissioning funding assurance. The filing also reflects a rate change for incremental capacity costs. In July 2010 the LPSC approved a \$3.5 million increase in the retail revenue requirement for decommissioning, effective September 2010. In August 2010 Entergy Louisiana made a revised 2009 test year formula rate plan filing. The revised filing reflected a 10.82% earned return on common equity, which is within the allowed earnings bandwidth resulting in no cost of service adjustment. The filing also reflected two increases outside of the formula rate plan sharing mechanism: (1) the

previously approved decommissioning revenue requirement, and (2) \$2.2 million for capacity costs. The rates reflected in the revised filing became effective beginning with the first billing cycle of September 2010, subject to refund and final approval by the LPSC. The September 2010 rate change contributed approximately \$0.5 million to Entergy Louisiana's revenues in the third quarter 2010.

Filings with the MPSC

In September 2009, Entergy Mississippi filed with the MPSC proposed modifications to its formula rate plan rider. In March 2010 the MPSC issued an order: (1) providing the opportunity for a reset of Entergy Mississippi's return on common equity to a point within the formula rate plan bandwidth and eliminating the 50/50 sharing that had been in the plan, (2) modifying the performance measurement process, and (3) replacing the revenue change limit of two percent of revenues, which was subject to a \$14.5 million revenue adjustment cap, with a limit of four percent of revenues, although any adjustment above two percent requires a hearing before the MPSC. The MPSC did not approve Entergy Mississippi's request to use a projected test year for its annual scheduled formula rate plan filing and, therefore, Entergy Mississippi will continue to use a historical test year for its annual evaluation reports under the plan.

Entergy Corporation and Subsidiaries
Notes to Financial Statements

As discussed in the Form 10-K, in March 2010, Entergy Mississippi submitted its 2009 test year filing, its first annual filing under the new formula rate plan rider. In June 2010 the MPSC approved a joint stipulation between Entergy Mississippi and the Mississippi Public Utilities Staff that provides for no change in rates, but does provide for the deferral as a regulatory asset of \$3.9 million of legal expenses associated with certain litigation involving the Mississippi Attorney General, as well as ongoing legal expenses in that litigation until the litigation is resolved.

Filings with the City Council

In May 2010, Entergy New Orleans filed its electric and gas formula rate plan evaluation reports. The filings requested a \$12.8 million electric base revenue decrease and a \$2.4 million gas base revenue increase. Entergy New Orleans and the City Council's Advisors have reached a settlement that would result in an \$18.0 million electric base revenue decrease and zero gas base revenue change effective with the October 2010 billing cycle. The proposed settlement received unanimous City Council Utility Committee approval on October 19, 2010 and full City Council consideration of the settlement is pending.

Filings with the PUCT and Texas Cities

As discussed in the Form 10-K, in December 2009, Entergy Texas filed a rate case requesting a \$198.7 million increase reflecting an 11.5% return on common equity based on an adjusted June 2009 test year. The filing includes a proposed cost of service adjustment rider with a three-year term beginning with the 2010 calendar year as the initial evaluation period. Key provisions include a plus or minus 15 basis point bandwidth, with earnings outside the bandwidth reset to the bottom or top of the band and rates changing prospectively depending upon whether Entergy Texas is under or over-earning. The annual change in revenue requirement is limited to a percentage change in the Consumer Price Index for urban areas, and the filing includes a provision for extraordinary events greater than \$10 million per year that would be considered separately. The filing also proposes a purchased power recovery rider and a competitive generation service tariff and will establish test year baseline values to be used in the transmission cost recovery factor rider authorized for use by Entergy Texas in the 2009 legislative session. The rate case also includes a \$2.8 million revenue requirement to provide supplemental funding for the decommissioning trust maintained for the 70% share of River Bend for which Entergy Texas retail customers are partially responsible, in response to an NRC notification of a projected shortfall of decommissioning funding assurance. Beginning in May 2010, Entergy Texas implemented a \$17.5 million interim rate increase, subject to refund. Intervenors and PUCT Staff filed testimony opposing the riders discussed above and recommended adjustments that would result in a maximum rate increase of, based on the PUCT Staff's testimony, \$58 million. Hearings regarding the merits of the competitive generation service tariff, which was a proposal required by law that would allow eligible customers to obtain alternative generation supply, were held in July 2010.

The parties filed a settlement in August 2010 intended to resolve the other issues in the rate case proceeding. The settlement provides for a \$59 million base rate increase for electricity usage beginning August 15, 2010, with an additional increase of \$9 million for bills rendered beginning May 2, 2011. The settlement stipulates an authorized return on equity of 10.125%. The settlement provides that Entergy Texas's proposed cost of service adjustment rider, purchased power recovery rider, and transmission cost recovery factors will not be approved in the rate case proceeding, although baseline values were established to be used in Entergy Texas's request for a transmission recovery factor that will be made in a separate proceeding. The settlement states that Entergy Texas's fuel costs for the period April 2007 through June 2009 are reconciled, with \$3.25 million of disallowed costs, which were included in

the interim fuel refund discussed above. The settlement also sets River Bend decommissioning costs at \$2.0 million annually. Consistent with the settlement, in the third quarter 2010, Entergy Texas amortized \$11 million of rate case costs. The May and August 2010 rate changes have contributed approximately \$11.8 million to Entergy Texas's revenues in 2010. In October 2010 the ALJ forwarded the settlement to the PUCT for its consideration and also recommended rejection of the competitive generation service tariff. The PUCT is scheduled to consider the settlement and ALJ's recommendation in November 2010.

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

Common Stock

Earnings per Share

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

	For the Three Months Ended September 30,					
	2010			2009		
	(In Millions, Except Per Share Data)					
Basic earnings per share	Income	Shares	\$/share	Income	Shares	\$/share
Net income attributable to Entergy Corporation	\$492.9	186.0	\$2.65	\$455.2	193.4	\$2.35
Average dilutive effect of:						
Stock options	-	1.8	(0.03)	-	2.5	(0.03)
Diluted earnings per share	\$492.9	187.8	\$2.62	\$455.2	195.9	\$2.32

	For the Nine Months Ended September 30,					
	2010			2009		
	(In Millions, Except Per Share Data)					
Basic earnings per share	Income	Shares	\$/share	Income	Shares	\$/share
Net income attributable to	\$1,022	188.0	\$5.44	\$917.3	194.0	\$4.73

Entergy Corporation						
Average dilutive effect of:						
Stock options	-	1.9	(0.06)	-	2.2	(0.06)
Equity units	-	-	-	\$ 3.2	1.2	(0.01)
Diluted earnings per share	\$1,022	189.9	\$5.38	\$920.5	197.4	\$4.66

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

Treasury Stock

During the nine months ended September 30, 2010, Entergy Corporation issued 985,229 shares of its previously repurchased common stock to satisfy stock option exercises and other stock-based awards. Also during the nine months ended September 30, 2010, Entergy Corporation repurchased 8,580,551 shares of its common stock for a total purchase price of \$665.6 million.

Entergy Corporation and Subsidiaries
Notes to Financial Statements

Retained Earnings

On October 29, 2010, Entergy Corporation's Board of Directors declared a common stock dividend of \$0.83 per share, payable on December 1, 2010 to holders of record as of November 12, 2010.

Comprehensive Income

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

	Entergy		Entergy Gulf States Louisiana		Entergy Louisiana	
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
	(In Thousands)					
Cash flow hedges net unrealized gain	\$230,854	\$117,943	\$-	\$-	\$-	\$-
Pension and other postretirement liabilities	(261,928)	(267,939)	(40,557)	(42,171)	(24,204)	(25,539)
Net unrealized investment gains	101,240	72,162	-	-	-	-
Foreign currency translation	2,400	2,649	-	-	-	-
Total	\$72,566	(\$75,185)	(\$40,557)	(\$42,171)	(\$24,204)	(\$25,539)

Other comprehensive income and total comprehensive income for the nine months ended September 30, 2010 and 2009 are presented in Entergy's, Entergy Gulf States Louisiana's, and Entergy Louisiana's Statements of Changes in Equity and Comprehensive Income. Other comprehensive income and total comprehensive income, for the three months ended September 30, 2010 and 2009, are (all of the components of other comprehensive income are attributable to common equity):

Three Months Ended September 30,	Entergy	
	2010	2009
	(In Thousands)	
	\$497,901	\$460,167

Consolidated net income		
Other comprehensive income		
Cash flow hedges net unrealized gain (loss) (a)	53,840	(59,439)
Pension and other postretirement liabilities (b)	1,001	1,456
Net unrealized investment gains (c)	48,280	51,321
Foreign currency translation (d)	510	(285)
Total	\$601,532	\$453,220

- (a) Net of tax expense (benefit) of \$32,466 and (\$36,090), respectively.
- (b) Net of tax expense (benefit) of \$2,236 and (\$255), respectively.
- (c) Net of tax expense (benefit) of \$44,499 and \$56,880, respectively.
- (d) Net of tax expense (benefit) of \$275 and (\$153), respectively.

Three Months Ended September 30,	Entergy Gulf States Louisiana		Entergy Louisiana	
	2010	2009	2010	2009
(In Thousands)				
Net income	\$76,939	\$46,212	\$94,320	\$86,969
Other comprehensive income				
Cash flow hedges net unrealized loss	-	-	-	-
Pension and other postretirement liabilities (e)	516	341	444	417
Net unrealized investment gains	-	-	-	-
Foreign currency translation	-	-	-	-
Total	\$77,455	\$46,553	\$94,764	\$87,386

(e) Net of tax expense (benefit) of \$508, \$308, \$378, and \$348, respectively.

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

Entergy Corporation has in place a credit facility that expires in August 2012 and has a borrowing capacity of approximately \$3.5 billion. Entergy Corporation also has the ability to issue letters of credit against the total borrowing capacity of the credit facility. The facility fee is currently 0.125% of the commitment amount. Facility fees and interest rates on loans under the credit facility can fluctuate depending on the senior unsecured debt ratings of Entergy Corporation. The weighted average interest rate for the nine months ended September 30, 2010 was 0.771% on the drawn portion of the facility. Following is a summary of the borrowings outstanding and capacity available under the facility as of September 30, 2010.

Capacity	Borrowings	Letters of Credit	Capacity Available
(In Millions)			
\$3,472	\$1,775	\$25	\$1,672

Entergy Corporation's facility requires it to maintain a consolidated debt ratio of 65% or less of its total capitalization. Entergy is in compliance with this covenant. If Entergy fails to meet this ratio, or if Entergy Corporation or one of the Utility operating companies (except Entergy New Orleans) defaults on other indebtedness or

is in bankruptcy or insolvency proceedings, an acceleration of the facility maturity date may occur.

Entergy Corporation and Subsidiaries
Notes to Financial Statements

Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, and Entergy Texas each had credit facilities available as of September 30, 2010 as follows:

Company	Expiration Date	Amount of Facility	Interest Rate (a)	Amount Drawn as of September 30, 2010
Entergy Arkansas	April 2011	\$75.125 million (b)	2.75%	-
Entergy Gulf States Louisiana	August 2012	\$100 million (c)	0.67%	-
Entergy Louisiana	August 2012	\$200 million (d)	0.67%	-
Entergy Mississippi	May 2011	\$35 million (e)	2.01%	-
Entergy Mississippi	May 2011	\$25 million (e)	2.01%	-
Entergy Mississippi	May 2011	\$10 million (e)	2.01%	-
Entergy Texas	August 2012	\$100 million (f)	0.73%	-

(a) The interest rate is the rate as of September 30, 2010 that would be applied to outstanding borrowings under the facility.

(b) The credit facility requires Entergy Arkansas to maintain a debt ratio of 65% or less of its total capitalization. Borrowings under the Entergy Arkansas credit facility may be secured by a security interest in its accounts receivable.

(c) The credit facility allows Entergy Gulf States Louisiana to issue letters of credit against the borrowing capacity of the facility. As of September 30, 2010, no letters of credit were outstanding. The credit facility requires Entergy Gulf States Louisiana to maintain a consolidated debt ratio of 65% or less of its total capitalization. Pursuant to the terms of the credit agreement, the amount of debt assumed by Entergy Texas (\$0 as of September 30, 2010 and \$168 million as of December 31, 2009) is excluded from debt and capitalization in calculating the debt ratio.

(d) The credit facility allows Entergy Louisiana to issue letters of credit against the borrowing capacity of the facility. As of September 30, 2010, no letters of credit were outstanding. The credit facility requires Entergy Louisiana to maintain a consolidated debt ratio of 65% or less of its total capitalization.

(e)

Borrowings under the Entergy Mississippi credit facilities may be secured by a security interest in its accounts receivable. Entergy Mississippi is required to maintain a consolidated debt ratio of 65% or less of its total capitalization.

- (f) The credit facility allows Entergy Texas to issue letters of credit against the borrowing capacity of the facility. As of September 30, 2010, no letters of credit were outstanding. The credit facility requires Entergy Texas to maintain a consolidated debt ratio of 65% or less of its total capitalization. Pursuant to the terms of the credit agreement securitization bonds are excluded from debt and capitalization in calculating the debt ratio.

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

The short-term borrowings of the Registrant Subsidiaries are limited to amounts authorized by the FERC. The current FERC-authorized limits are effective through October 31, 2011 under a FERC order dated October 14, 2009. In addition to borrowings from commercial banks, these companies are authorized under a FERC order to borrow from the Entergy System money pool. The money pool is an inter-company borrowing arrangement designed to reduce the Utility subsidiaries' dependence on external short-term borrowings. Borrowings from the money pool and external borrowings combined may not exceed the FERC-authorized limits. The following are the FERC-authorized limits for short-term borrowings and the outstanding short-term borrowings as of September 30, 2010 (aggregating both money pool and external short-term borrowings) for the Registrant Subsidiaries:

	Authorized	Borrowings
	(In Millions)	
Entergy Arkansas	\$250	-
Entergy Gulf States Louisiana	\$200	-
Entergy Louisiana	\$250	-
Entergy Mississippi	\$175	\$22
Entergy New Orleans	\$100	-
Entergy Texas	\$200	-
System Energy	\$200	-

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

See Note 12 to the financial statements for a discussion of the consolidation of the nuclear fuel company variable interest entities (VIE) effective in the first quarter 2010. The variable interest entities have short-term credit facilities and also issue commercial paper to finance the acquisition and ownership of nuclear fuel as follows as of September 30, 2010:

Company	Expiration Date	Amount of Facility	Weighted Average Interest Rate on Borrowings (a)	Amount Outstanding as of September 30, 2010
(Dollars in Millions)				
Entergy Arkansas VIE	July 2013	\$85	2.36%	\$14.8
Entergy Gulf States Louisiana VIE	July 2013	\$85	2.50%	27.5
Entergy Louisiana	July 2013	\$90	2.37%	41.1

VIE				
System	July 2013	\$100	2.45%	56.0
Energy				
VIE				

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

The amount outstanding on these credit facilities and commercial paper issuances are presented as Notes payable on the balance sheets. The commitment fees on the credit facilities are 0.20% of the commitment amount. Each credit facility requires the respective lessee (Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, or Entergy Corporation as Guarantor for System Energy) to maintain a consolidated debt ratio of 70% or less of its total capitalization.

Entergy Corporation and Subsidiaries
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The variable interest entities had long-term notes payable that are included in long-term debt on the respective balance sheets as of September 30, 2010 as follows:

Company	Description	Amount
Entergy Arkansas VIE	5.60% Series G due September 2011	\$35 million
Entergy Arkansas VIE	9% Series H due June 2013	\$30 million
Entergy Arkansas VIE	5.69% Series I due July 2014	\$70 million
Entergy Gulf States Louisiana VIE	5.56% Series N due May 2013	\$75 million
Entergy Gulf States Louisiana VIE	5.41% Series O due July 2012	\$60 million
Entergy Louisiana VIE	5.69% Series E due July 2014	\$50 million
System Energy VIE	6.29% Series F due September 2013	\$70 million
System Energy VIE	5.33% Series G due April 2015	\$60 million

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

Debt Issuances and Redemptions

(Entergy Arkansas)

On June 1, 2010, Entergy Arkansas paid, at maturity, its \$100 million of 4.50% Series first mortgage bonds.

In June 2010, the APSC issued a financing order authorizing the issuance of bonds to recover Entergy Arkansas's January 2009 ice storm damage restoration costs, including carrying costs of \$11.5 million and \$4.6 million of up-front financing costs. In August 2010, Entergy Arkansas Restoration Funding, LLC, a company wholly-owned and consolidated by Entergy Arkansas, issued \$124.1 million of storm cost recovery bonds. The bonds have a coupon of 2.30% and an expected maturity date of August 2021. Although the principal amount is not due until the date given above, Entergy Arkansas Restoration Funding expects to make principal payments on the bonds over the next five years in the amounts of \$10.3 million for 2011, \$12.2 million for 2012, \$12.6 million for 2013, \$12.8 million for 2014, and \$13.2 million for 2015. With the proceeds, Entergy Arkansas Restoration Funding purchased from Entergy Arkansas the storm recovery property, which is the right to recover from customers through a storm recovery charge amounts sufficient to service the securitization bonds. The storm recovery property is reflected as a regulatory asset on the consolidated Entergy Arkansas balance sheet. The creditors of Entergy Arkansas do not have recourse to the assets or revenues of Entergy Arkansas Restoration Funding, including the storm recovery property, and the creditors of Entergy Arkansas Restoration Funding do not have recourse to the assets or revenues of Entergy Arkansas. Entergy Arkansas has no payment obligations to Entergy Arkansas Restoration Funding except to remit storm recovery charge collections.

In October 2010, Entergy Arkansas issued \$225 million of 5.75% Series first mortgage bonds due November 2040. In November 2010, Entergy Arkansas intends to use a portion of the proceeds to repay, prior to maturity, its \$100 million of 6.70% Series first mortgage bonds due April 2032 and its \$100 million of 6.0% Series first mortgage bonds due November 2032.

(Entergy Gulf States Louisiana)

In June 2010, pursuant to the debt assumption agreement with Entergy Texas, \$160 million of Entergy Gulf States Louisiana's first mortgage bonds 5.70% Series due June 2015 were repaid prior to maturity.

In July 2010, Entergy Gulf States Louisiana paid, at maturity, its \$11.975 million of 5.45% Series Calcasieu Parish governmental bonds.

In October 2010, Entergy Gulf States Louisiana issued \$250 million of 3.95% Series first mortgage bonds due October 2020. In November 2010, Entergy Gulf States Louisiana used the proceeds, together with other available funds, to repay, prior to maturity, (i) its first mortgage bonds, 5.25% Series due August 2015, which had an outstanding aggregate principal amount of \$92.12 million; (ii) its first mortgage bonds, 4.875% Series due November 2011, which had an outstanding aggregate principal amount of \$200 million; and (iii) its first mortgage bonds, 5.70% Series due June 2015, which had an outstanding aggregate principal amount of \$40 million.

In October 2010, Entergy Gulf States Louisiana arranged for the issuance by the Louisiana Public Facilities Authority of \$83.68 million of 5% Revenue Bonds (Entergy Gulf States Louisiana, L.L.C. Project) Series 2010A due September 2028, which are secured by a series of non-interest bearing first mortgage bonds.

In October 2010, Entergy Gulf States Louisiana arranged for the issuance by the Louisiana Public Facilities Authority of \$31.955 million of 2.875% Revenue Bonds (Entergy Gulf States Louisiana, L.L.C. Project) Series 2010B due November 2015, which are secured by a series of non-interest bearing first mortgage bonds.

(Entergy Louisiana)

In March 2010, Entergy Louisiana issued \$150 million of 6.0% Series first mortgage bonds due March 2040. Entergy Louisiana used the proceeds in April 2010, together with other available funds, to redeem, prior to maturity, all of its \$150 million 7.60% Series first mortgage bonds, due April 2032. Because the proceeds were deposited directly with a trustee and not held by Entergy Louisiana, the bond issuance and redemption are reported as non-cash financing activity on the cash flow statement.

On June 1, 2010, Entergy Louisiana paid, at maturity, its \$55 million of 4.67% Series first mortgage bonds.

In September 2010, Entergy Louisiana issued \$250 million of 4.44% Series first mortgage bonds due January 2026. In October 2010, Entergy Louisiana used the proceeds, together with other available funds, to repay, prior to maturity, all of its \$100 million 5.56% Series first mortgage bonds due September 2015 and all of its \$100 million Series 5.50% Series first mortgage bonds due April 2019. In November 2010, Entergy Louisiana used the proceeds, together with other available funds, to repay, prior to maturity, all of its \$115 million 5.09% Series first mortgage bonds due November 2014.

In October 2010, Entergy Louisiana arranged for the issuance by the Louisiana Public Facilities Authority of \$115 million of 5% Revenue Bonds (Entergy Louisiana, LLC Project) Series 2010 due June 2030, which are secured by a series of non-interest bearing first mortgage bonds.

In November 2010, Entergy Louisiana paid, at maturity, its \$150 million of 5.83% Series first mortgage bonds.

(Entergy Mississippi)

In April 2010, Entergy Mississippi issued \$80 million of 6.20% Series first mortgage bonds due April 2040. Entergy Mississippi used the proceeds in May 2010, together with other available funds, to redeem, prior to maturity, all of its \$100 million 7.25% Series first mortgage bonds due December 2032.

(Entergy New Orleans)

Pursuant to its plan of reorganization, in May 2007, Entergy New Orleans issued notes due in three years in satisfaction of its affiliate prepetition accounts payable (approximately \$74 million, including interest), including its indebtedness to the Entergy System money pool. In May 2010, Entergy New Orleans repaid, at maturity, the notes payable.

On July 1, 2010, Entergy New Orleans paid, at maturity, its \$30 million of 4.98% Series first mortgage bonds.

Entergy Corporation and Subsidiaries
Notes to Financial Statements

(Entergy Texas)

In May 2010, Entergy Texas issued \$200 million of 3.60% Series mortgage bonds due June 2015. Entergy Texas used a portion of the proceeds to pay prior to maturity Entergy Texas's remaining obligations (with interest rates ranging from 4.875% to 6.18% per annum and maturities ranging from November 1, 2011 to March 1, 2035) pursuant to the debt assumption agreement with Entergy Gulf States Louisiana.

(Entergy Corporation)

In May 2010, Entergy Corporation repaid, at maturity, its \$75 million 6.58% notes payable.

In June 2010, Entergy Corporation repaid, at maturity, its \$60 million bank term loan.

In September 2010, Entergy Corporation issued \$550 million of 3.625% Series senior notes due September 2015. Entergy Corporation used the proceeds to pay down borrowings outstanding under the Entergy Corporation credit facility.

In September 2010, Entergy Corporation issued \$450 million of 5.125% Series senior notes due September 2020. Entergy Corporation used the proceeds to pay down borrowings outstanding under the Entergy Corporation credit facility.

The interest rates on each of the 3.625% Series and the 5.125% Series senior notes can increase by as much as 2.0% if the credit rating assigned to the notes in the series is downgraded.

Fair Value

The book value and the fair value of long-term debt for Entergy Corporation and the Registrant Subsidiaries as of September 30, 2010 are as follows:

	Book Value of Long-Term Debt (a)	Fair Value of Long-Term Debt (a) (b)
	(In Thousands)	
Entergy	\$11,236,169	\$11,822,959
Entergy Arkansas	\$1,597,057	\$1,673,620
Entergy Gulf States Louisiana	\$1,580,391	\$1,690,930
Entergy Louisiana	\$1,783,260	\$1,921,679
Entergy Mississippi	\$825,359	\$827,302
	\$167,266	\$172,551

Entergy New Orleans		
Entergy Texas	\$1,668,151	\$1,907,305
System Energy	\$608,169	\$621,266

- (a) The values exclude lease obligations of \$224 million at Entergy Louisiana and \$222 million at System Energy, long-term DOE obligations of \$181 million at Entergy Arkansas, and the note payable to NYPA of \$170 million at Entergy, and include debt due within one year.
- (b) The fair value is determined by nationally recognized investment banking firms.

NOTE 5. STOCK-BASED COMPENSATION (Entergy Corporation)

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

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

	2010	2009
	(In Millions)	
Compensation expense included in Entergy's net income for the third quarter	\$3.7	\$4.2
Tax benefit recognized in Entergy's net income for the third quarter	\$1.4	\$1.6
Compensation expense included in Entergy's net income for the nine months ended September 30,	\$11.3	\$12.7
Tax benefit recognized in Entergy's net income for the nine months ended September 30,	\$4.4	\$4.9
Compensation cost capitalized as part of fixed assets and inventory as of September 30,	\$2.2	\$2.4

Entergy granted 1,407,900 stock options during the first quarter 2010 with a weighted-average fair value of \$13.18. At September 30, 2010, there were 11,470,073 stock options outstanding with a weighted-average exercise price of \$72.19. The aggregate intrinsic value of the stock options outstanding at September 30, 2010 was \$49.8 million.

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

Components of Net Pension Cost

Entergy's qualified pension cost, including amounts capitalized, for the third quarters of 2010 and 2009, included the following components:

	2010	2009
	(In Thousands)	
	\$26,239	\$22,412

Service cost - benefits earned during the period		
Interest cost on projected benefit obligation	57,802	54,543
Expected return on assets	(64,902)	(62,305)
Amortization of prior service cost	1,164	1,249
Amortization of loss	16,475	5,600
Net pension costs	\$36,778	\$21,499

Entergy Corporation and Subsidiaries
Notes to Financial Statements

Entergy's qualified pension cost, including amounts capitalized, for the nine months ended September 30, 2010 and 2009, included the following components:

	2010	2009
	(In Thousands)	
Service cost - benefits earned during the period	\$78,717	\$67,236
Interest cost on projected benefit obligation	173,406	163,629
Expected return on assets	(194,706)	(186,915)
Amortization of prior service cost	3,492	3,747
Amortization of loss	49,425	16,800
Net pension costs	\$110,334	\$64,497

The Registrant Subsidiaries' qualified pension cost, including amounts capitalized, for the third quarters of 2010 and 2009, included the following components:

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

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Net pension cost							
2009	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
(In Thousands)							
Service cost - benefits earned during the period							
	\$3,400	\$1,748	\$1,974	\$995	\$425	\$917	\$880
Interest cost on projected benefit obligation							
	11,761	5,279	6,940	3,676	1,470	3,935	2,139
Expected return on assets							
	(12,187)	(7,516)	(8,197)	(4,236)	(1,815)	(5,185)	(2,766)
Amortization of prior service cost							
	212	110	119	85	52	80	9
Amortization of loss							
	1,764	79	703	324	305	43	109
Net pension cost/(income)							
	\$4,950	(\$300)	\$1,539	\$844	\$437	(\$210)	\$371

The Registrant Subsidiaries' qualified pension cost, including amounts capitalized, for the nine months ended September 30, 2010 and 2009, included the following components:

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

2009	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
(In Thousands)							
Service cost - benefits earned during the period	\$10,200	\$5,244	\$5,922	\$2,985	\$1,275	\$2,751	\$2,640
Interest cost on projected benefit obligation	35,283	15,837	20,820	11,028	4,410	11,805	6,417
Expected return on assets	(36,561)	(22,548)	(24,591)	(12,708)	(5,445)	(15,555)	(8,298)

Amortization of prior service cost	636	330	357	255	156	240	27
Amortization of loss	5,292	237	2,109	972	915	129	327
Net pension cost/(income)	\$14,850	(\$900)	\$4,617	\$2,532	\$1,311	(\$630)	\$1,113

Entergy recognized \$4.7 million and \$10.4 million in pension cost for its non-qualified pension plans in the third quarters of 2010 and 2009, respectively. In the third quarters 2010 and 2009, Entergy recognized a \$0.4 million and a \$6.2 million settlement charge, respectively, related to the payment of lump sum benefits out of the plan that is included in the non-qualified pension plan cost above. Entergy recognized \$20.9 million and \$19.3 million in pension cost for its non-qualified pension plans for the nine months ended September 30, 2010 and 2009, respectively, including \$7.3 million and \$6.2 million in settlement charges recognized in the second and third quarters of 2010 and the third quarter of 2009, respectively.

Entergy Corporation and Subsidiaries
Notes to Financial Statements

The Registrant Subsidiaries recognized the following pension cost for their non-qualified pension plans in the third quarters of 2010 and 2009:

	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas
(In Thousands)						
Non-qualified pension cost third quarter 2010	\$105	\$41	\$6	\$52	\$6	\$169
Non-qualified pension cost third quarter 2009	\$99	\$1,021	\$14	\$43	\$21	\$186
Settlement charge recognized in the third quarter 2009 included in cost above	\$ -	\$947	\$9	\$ -	\$ -	\$ -

The Registrant Subsidiaries recognized the following pension cost for their non-qualified pension plans for the nine months ended September 30, 2010 and 2009:

	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas
(In Thousands)						
Non-qualified pension cost nine months ended September 30, 2010	\$395	\$122	\$17	\$153	\$19	\$515
Settlement charge recognized in the nine months ended September 30, 2010	\$86	\$ -	\$ -	\$ -	\$ -	\$5

included in cost above						
Non-qualified pension cost						
nine months ended September 30, 2009	\$297	\$1,215	\$26	\$129	\$61	\$556
Settlement charge recognized in the nine months ended September 30, 2009 included in cost above	\$ -	\$947	\$9	\$ -	\$ -	\$ -

Components of Net Other Postretirement Benefit Cost

Entergy's other postretirement benefit cost, including amounts capitalized, for the third quarters of 2010 and 2009, included the following components:

	2010	2009
	(In Thousands)	
Service cost - benefits earned during the period	\$13,078	\$11,691
Interest cost on APBO	19,020	18,816
Expected return on assets	(6,553)	(5,871)
Amortization of transition obligation	932	933
Amortization of prior service cost	(3,015)	(4,024)
Amortization of loss	4,317	4,743
Net other postretirement benefit cost	\$27,779	\$26,288

Entergy's other postretirement benefit cost, including amounts capitalized, for the nine months ended September 30, 2010 and 2009, included the following components:

	2010	2009
	(In Thousands)	
Service cost - benefits earned during the period	\$39,234	\$35,073
Interest cost on APBO	57,060	56,448
Expected return on assets	(19,659)	(17,613)
Amortization of transition obligation	2,796	2,799
Amortization of prior service cost	(9,045)	(12,072)
Amortization of loss	12,951	14,229
Net other postretirement benefit cost	\$83,337	\$78,864

The Registrant Subsidiaries' other postretirement benefit cost, including amounts capitalized, for the third quarters of 2010 and 2009, included the following components:

2010	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
	(In Thousands)						
Service cost - benefits earned during the period	\$1,843	\$1,370	\$1,371	\$550	\$347	\$697	\$563
Interest cost on APBO	3,629	2,144	2,269	1,093	900	1,582	641
Expected return on assets	(2,445)	-	-	(888)	(725)	(1,718)	(468)
Amortization of transition obligation	205	60	96	88	415	66	2
Amortization of prior service cost	(197)	(77)	117	(62)	90	19	(191)
Amortization of loss	1,690	663	609	476	274	752	325

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Net other postretirement benefit cost							
2009	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
	\$4,725	\$4,160	\$4,462	\$1,257	\$1,301	\$1,398	\$872
(In Thousands)							
Service cost - benefits earned during the period							
	\$1,765	\$1,196	\$1,147	\$530	\$311	\$619	\$513
Interest cost on APBO							
Expected return on assets	(2,143)	-	-	(757)	(684)	(1,556)	(414)
Amortization of transition obligation							
	205	60	96	88	416	66	2
Amortization of prior service cost							
	(197)	(77)	117	(62)	90	19	(245)
Amortization of loss							
	2,087	494	553	657	381	799	320
Net other postretirement benefit cost							
	\$5,476	\$3,678	\$4,210	\$1,629	\$1,481	\$1,437	\$781

Entergy Corporation and Subsidiaries
Notes to Financial Statements

The Registrant Subsidiaries' other postretirement benefit cost, including amounts capitalized, for the nine months ended September 30, 2010 and 2009, included the following components:

2010	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
(In Thousands)							
Service cost - benefits earned during the period	\$5,529	\$4,110	\$4,113	\$1,650	\$1,041	\$2,091	\$1,689
Interest cost on APBO	10,887	6,432	6,807	3,279	2,700	4,746	1,923
Expected return on assets	(7,335)	-	-	(2,664)	(2,175)	(5,154)	(1,404)
Amortization of transition obligation	615	180	288	264	1,245	198	6
Amortization of prior service cost	(591)	(231)	351	(186)	270	57	(573)
Amortization of loss	5,070	1,989	1,827	1,428	822	2,256	975
Net other postretirement benefit cost	\$14,175	\$12,480	\$13,386	\$3,771	\$3,903	\$4,194	\$2,616

2009	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
(In Thousands)							
Service cost - benefits earned during the period	\$5,295	\$3,588	\$3,441	\$1,590	\$933	\$1,857	\$1,539
Interest cost on APBO	11,277	6,015	6,891	3,519	2,901	4,470	1,815
Expected return on assets	(6,429)	-	-	(2,271)	(2,052)	(4,668)	(1,242)

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Amortization of transition obligation	615	180	288	264	1,248	198	6
Amortization of prior service cost	(591)	(231)	351	(186)	270	57	(735)
Amortization of loss	6,261	1,482	1,659	1,971	1,143	2,397	960
Net other postretirement benefit cost	\$16,428	\$11,034	\$12,630	\$4,887	\$4,443	\$4,311	\$2,343

Employer Contributions

As of the end of October 2010, Entergy contributed \$254 million to its pension plans in 2010. Guidance pursuant to the Pension Protection Act of 2006 rules, effective for the 2009 plan year and beyond, may affect the level of Entergy's pension contributions in the future.

The Registrant Subsidiaries contributed the following to qualified pension plans through October 2010:

	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
	(In Thousands)						
Pension contributions made through October 2010	\$71,177	\$18,858	\$35,909	\$17,792	\$6,961	\$10,635	\$16,094

Medicare Prescription Drug, Improvement and Modernization Act of 2003 (Medicare Act)

Based on actuarial analysis, the estimated effect of future Medicare subsidies reduced the December 31, 2009 Accumulated Postretirement Benefit Obligation (APBO) by \$215 million, and reduced the third quarter 2010 and 2009 other postretirement benefit cost by \$6.6 million and \$6.0 million, respectively. It reduced the nine months ended September 30, 2010 and 2009 other postretirement benefit cost by \$19.9 million and \$18.0 million, respectively. In the third quarter 2010, Entergy received \$2.2 million in Medicare subsidies for prescription drug claims. In the nine months ended September 30, 2010, Entergy received \$4 million in Medicare subsidies for prescription drug claims.

Based on actuarial analysis, the estimated effect of future Medicare subsidies reduced the December 31, 2009 APBO and the third quarters 2010 and 2009 other postretirement benefit cost and the nine months ended September 30, 2010 and 2009 other postretirement benefit cost for the Registrant Subsidiaries as follows:

	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
	(In Thousands)						
Reduction in 12/31/2009 APBO	(\$45,809)	(\$22,227)	(\$25,443)	(\$14,824)	(\$9,798)	(\$16,652)	(\$7,965)
Reduction in third quarter 2010							
other postretirement benefit cost	(\$1,314)	(\$850)	(\$786)	(\$412)	(\$268)	(\$277)	(\$267)
Reduction in third quarter 2009							
other postretirement	(\$1,235)	(\$814)	(\$695)	(\$391)	(\$261)	(\$240)	(\$231)

benefit cost								
Reduction in								
nine months								
ended								
September								
30, 2010 other								
postretirement	(\$3,942)	(\$2,550)	(\$2,358)	(\$1,236)	(\$804)	(\$831)	(\$801)	
benefit cost								
Reduction in								
nine months								
ended								
September								
30, 2009 other								
postretirement	(\$3,705)	(\$2,442)	(\$2,085)	(\$1,173)	(\$783)	(\$720)	(\$693)	
benefit cost								
Medicare								
subsidies								
received in the								
third quarter	\$502	\$293	\$332	\$170	\$179	\$254	\$56	
2010								
Medicare								
subsidies								
received in the								
nine months								
ended								
September 30,								
2010	\$907	\$525	\$593	\$309	\$316	\$456	\$100	

For further information on the Medicare Act refer to Note 11 to the financial statements in the Form 10-K.

Entergy Corporation and Subsidiaries
Notes to Financial Statements

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

Entergy Corporation

Entergy's reportable segments as of September 30, 2010 are Utility and Non-Utility Nuclear. Utility generates, transmits, distributes, and sells electric power in portions of Arkansas, Louisiana, Mississippi, and Texas, and provides natural gas utility service in portions of Louisiana. Non-Utility Nuclear owns and operates six nuclear power plants and is primarily focused on selling electric power produced by those plants to wholesale customers. "All Other" includes the parent company, Entergy Corporation, and other business activity, including the non-nuclear wholesale assets business, and earnings on the proceeds of sales of previously-owned businesses.

Entergy's segment financial information for the third quarters of 2010 and 2009 is as follows:

	Utility	Non-Utility Nuclear*	All Other*	Eliminations	Consolidated
	(In Thousands)				
2010					
Operating revenues	\$2,666,727	\$618,811	\$54,087	(\$7,449)	\$3,332,176
Income taxes (benefit)	\$216,590	\$44,129	(\$76,083)	\$-	\$184,636
Consolidated net income	\$337,941	\$133,863	\$55,290	(\$29,193)	\$497,901
2009					
Operating revenues	\$2,220,285	\$684,214	\$39,568	(\$6,972)	\$2,937,095
Income taxes (benefit)	\$180,054	\$114,045	(\$13,685)	\$-	\$280,414
Consolidated net income (loss)	\$299,090	\$200,432	(\$20,996)	(\$18,359)	\$460,167

Entergy's segment financial information for the nine months ended September 30, 2010 and 2009 is as follows:

	Utility	Non-Utility Nuclear*	All Other*	Eliminations	Consolidated
	(In Thousands)				
2010					
Operating revenues	\$7,016,664	\$1,813,438	\$145,952	(\$21,581)	\$8,954,473
Income taxes (benefit)	\$447,607	\$201,818	(\$113,198)	\$-	\$536,227

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Consolidated net income	\$711,085	\$347,589	\$44,236	(\$65,911)	\$1,036,999
Total assets	\$30,373,464	\$8,256,579	\$2,095,923	(\$2,057,759)	\$38,668,207
2009					
Operating revenues	\$6,270,322	\$1,885,330	\$111,899	(\$20,555)	\$8,246,996
Income taxes (benefit)	\$358,218	\$252,081	(\$76,198)	\$-	\$534,101
Consolidated net income (loss)	\$566,634	\$461,524	(\$40,770)	(\$55,078)	\$932,310
Total assets	\$29,033,139	\$8,584,590	\$988,402	(\$2,435,796)	\$36,170,335

Businesses marked with * are sometimes referred to as the "competitive businesses," with the exception of the parent company, Entergy Corporation. Eliminations are primarily intersegment activity. Almost all of Entergy's goodwill is related to the Utility segment.

On April 5, 2010, Entergy announced that, effective immediately, it plans to unwind the business infrastructure associated with its proposed plan to spin-off its Non-Utility Nuclear business. As a result of the plan to unwind the business infrastructure, Entergy has recorded expenses in the Non-Utility Nuclear segment, including \$25 million in the third quarter 2010, for the write-off of certain capitalized costs incurred in connection with the planned spin-off transaction. Other operation and maintenance expenses for the nine months ended September 30, 2010 include the write-off of \$58 million of capital costs, primarily for software that will not be utilized. Interest charges include the write-off in the first quarter 2010 of \$39 million of debt financing costs, primarily incurred for Enexus's \$1.2 billion credit facility. Approximately \$12 million of other costs have been incurred in connection with unwinding the planned Non-Utility Nuclear spin-off transaction, almost entirely in the third quarter 2010. Entergy expects that it will incur approximately \$15 million, after-tax, in additional expenses in unwinding this business, primarily through the remainder of 2010, including additional write-offs, dis-synergies, and certain other costs.

Registrant Subsidiaries

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

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

Market and Commodity Risks

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

Type of Risk	Affected Businesses
Power price risk	Utility, Non-Utility Nuclear, Non-nuclear wholesale assets
Fuel price risk	Utility, Non-Utility Nuclear, Non-nuclear wholesale assets
Foreign currency exchange rate risk	Utility, Non-Utility Nuclear, Non-nuclear wholesale assets
Equity price and interest rate risk - investments	Utility, Non-Utility Nuclear

Entergy manages a portion of these risks using derivative instruments, some of which are classified as cash flow hedges due to their financial settlement provisions while others are classified as normal purchase/normal sales transactions due to their physical settlement provisions. Normal purchase/normal sale risk management tools include power purchase and sales agreements and fuel purchase agreements, capacity contracts, and tolling agreements. Financially-settled cash flow hedges can include natural gas and electricity futures, forwards, swaps, and

options; foreign currency forwards; and interest rate swaps. Entergy enters into derivatives only to manage natural risks inherent in its physical or financial assets or liabilities.

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

Entergy Corporation and Subsidiaries
Notes to Financial Statements

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

Derivatives

The fair values of Entergy's derivative instruments in the consolidated balance sheet as of September 30, 2010 are as follows:

Instrument	Balance Sheet Location	Fair Value	Business
Derivatives designated as hedging instruments			
Assets:			
Electricity futures, forwards, and swaps	Prepayments and other (current portion)	\$240 million	Non-Utility Nuclear
Electricity futures, forwards, and swaps	Other deferred debits and other assets (non-current portion)	\$145 million	Non-Utility Nuclear
Liabilities:			
Electricity futures, forwards, and swaps	Other non-current liabilities (non-current portion)	\$1 million	Non-Utility Nuclear
Derivatives not designated as hedging instruments			
Liabilities:			
	Other current liabilities		Utility

Natural gas swaps	\$21 million
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The fair values of Entergy's derivative instruments in the consolidated balance sheet as of December 31, 2009 are as follows:

Instrument	Balance Sheet Location	Fair Value	Business
Derivatives designated as hedging instruments			
Assets:			
Electricity futures, forwards, and swaps	Prepayments and other (current portion)	\$109 million	Non-Utility Nuclear
Electricity futures, forwards, and swaps	Other deferred debits and other assets (non-current portion)	\$91 million	Non-Utility Nuclear
Derivatives not designated as hedging instruments			
Assets:			
Natural gas swaps	Prepayments and other	\$8 million	Utility

The effect of Entergy's derivative instruments designated as cash flow hedges on the consolidated statements of income for the three months ended September 30, 2010 and 2009 is as follows:

Instrument	Amount of gain (loss) recognized in OCI (effective portion)	Statement of Income location	Amount of gain (loss) reclassified from accumulated OCI into income (effective portion)
2010	\$118 million		\$43 million

Electricity futures, forwards, and swaps	Competitive businesses operating revenues
------------------------------------------------	-------------------------------------------------

2009

Electricity futures, forwards, and swaps	\$9 million	Competitive businesses operating revenues	\$106 million
------------------------------------------------	-------------	-------------------------------------------------	---------------

Entergy Corporation and Subsidiaries
Notes to Financial Statements

The effect of Entergy's derivative instruments designated as cash flow hedges on the consolidated statements of income for the nine months ended September 30, 2010 and 2009 is as follows:

Instrument	Amount of gain (loss) recognized in OCI (effective portion)	Statement of Income location	Amount of gain (loss) reclassified from accumulated OCI into income (effective portion)
2010			
Electricity futures, forwards, and swaps	\$315 million	Competitive businesses operating revenues	\$146 million
2009			
Electricity futures, forwards, and swaps	\$248 million	Competitive businesses operating revenues	\$239 million

Electricity over-the-counter swaps that financially settle against day-ahead power pool prices are used to manage price exposure for Non-Utility Nuclear generation. Based on market prices as of September 30, 2010, cash flow hedges relating to power sales totaled \$384 million of net gains, of which approximately \$240 million are expected to be reclassified from accumulated other comprehensive income (OCI) to operating revenues in the next twelve months. The actual amount reclassified from accumulated OCI, however, could vary due to future changes in market prices. Gains totaling approximately \$43 million and \$146 million were realized on the maturity of cash flow hedges for the three months ended September 30, 2010 and for the nine months ended September 30, 2010, respectively. Unrealized gains or losses recorded in OCI result from hedging power output at the Non-Utility Nuclear power plants. The related gains or losses from hedging power are included in operating revenues when realized. The maximum length of time over which Entergy is currently hedging the variability in future cash flows for forecasted power transactions at September 30, 2010 is approximately four years. Planned generation currently sold forward from Non-Utility Nuclear power plants is 90% for the remaining one quarter of 2010 of which approximately 42% is sold under financial derivatives and the remainder under normal purchase/sale contracts. The ineffective portion of the change in the value of Entergy's cash flow hedges during the three and nine months ended September 30, 2010 and 2009 was insignificant. Certain 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 when the current market prices exceed the contracted power prices. The primary form of collateral to satisfy these requirements is an Entergy Corporation guaranty. As of September 30, 2010, a hedge contract with one counterparty was in a liability position (approximately \$1 million total), but was significantly below the amount of the guarantee provided under the contract and no cash collateral was required. If the Entergy Corporation credit rating falls below

investment grade, the impact of the corporate guarantee is ignored and Entergy would have to post collateral equal to the estimated outstanding liability under the contract at the applicable date. From time to time, Entergy may effectively liquidate a cash flow hedge instrument by entering into a contract offsetting the original hedge, and then de-designating the original hedge. Gains or losses accumulated in OCI prior to de-designation continue to be deferred in OCI until they are included in income as the original hedged transaction occurs. From the point of de-designation, the gains or losses on the original hedge and the offsetting contract are recorded as assets or liabilities on the balance sheet and offset as they flow through to earnings.

Natural gas over-the-counter swaps that financially settle against NYMEX futures are used to manage fuel price volatility for the Utility's Louisiana and Mississippi customers. All benefits or costs of the program are recorded in fuel costs. The total volume of natural gas swaps outstanding as of September 30, 2010 is 25,880,000 MMBtu for Entergy, 8,490,000 MMBtu for Entergy Gulf States Louisiana, 10,770,000 MMBtu for Entergy Louisiana, and 4,530,000 MMBtu for Entergy Mississippi, and 2,090,000 MMBtu for Entergy New Orleans. Credit support for these natural gas swaps is covered by master agreements that do not require collateralization based on mark-to-market value, but do carry adequate assurance language that may lead to collateralization requests.

The effect of Entergy's derivative instruments not designated as hedging instruments on the consolidated statements of income for the three months ended September 30, 2010 and 2009 is as follows:

Instrument	Amount of gain (loss) recognized in OCI (de-designated hedges)	Statement of Income Location	Amount of gain (loss) recorded in income
2010			
Natural gas swaps	\$ -	Fuel, fuel-related expenses, and gas purchased for resale	(\$28) million
Electricity futures, forwards, and swaps de-designated as hedged items	\$12 million	Competitive business operating revenues	\$ -
2009			
Natural gas swaps	\$ -	Fuel, fuel-related expenses, and gas purchased for resale	(\$21) million

The effect of Entergy's derivative instruments not designated as hedging instruments on the consolidated statements of income for the nine months ended September 30, 2010 and 2009 is as follows:

Instrument	Amount of gain (loss) recognized in OCI (de-designated hedges)	Statement of Income Location	Amount of gain (loss) recorded in income
2010			
Natural gas swaps	\$ -	Fuel, fuel-related expenses, and gas purchased for resale	(\$91) million

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Electricity futures, forwards, and swaps de-designated as hedged items	\$15 million	Competitive business operating revenues	\$ -
2009			
Natural gas swaps	\$ -	Fuel, fuel-related expenses, and gas purchased for resale	(\$157) million

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

Entergy Corporation and Subsidiaries
Notes to Financial Statements

The fair values of the Registrant Subsidiaries' derivative instruments on their balance sheets as of September 30, 2010 are as follows:

Instrument	Balance Sheet Location	Fair Value	Registrant
Derivatives not designated as hedging instruments			
Liabilities:			
Natural gas swaps	Gas hedge contracts	\$6.7 million	Entergy Gulf States Louisiana
Natural gas swaps	Gas hedge contracts	\$8.7 million	Entergy Louisiana
Natural gas swaps	Gas hedge contracts	\$3.6 million	Entergy Mississippi
Natural gas swaps	Other current liabilities	\$1.6 million	Entergy New Orleans

The fair values of the Registrant Subsidiaries' derivative instruments on their balance sheets as of December 31, 2009 are as follows:

Instrument	Balance Sheet Location	Fair Value	Registrant
Derivatives not designated as hedging instruments			
Assets:			
Natural gas swaps	Prepayments and other	\$2.1 million	Entergy Gulf States Louisiana
Natural gas swaps	Gas hedge contracts	\$3.4 million	Entergy Louisiana
Natural gas swaps	Prepayments and other	\$2.9 million	Entergy Mississippi
Liabilities:			
Natural gas swaps	Gas hedge contracts	\$0.3 million	Entergy Gulf States Louisiana

The effects of the Registrant Subsidiaries' derivative instruments not designated as hedging instruments on their statements of income for the three months ended September 30, 2010 and 2009 are as follows:

Instrument	Statement of Income Location	Amount of gain (loss) recorded in income	Registrant
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2010

Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$8.2) million	Entergy Gulf States Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$11.7) million	Entergy Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$6.4) million	Entergy Mississippi
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$2.1) million	Entergy New Orleans

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Instrument	Statement of Income Location	Amount of gain (loss) recorded in income	Registrant
2009			
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$4.1) million	Entergy Gulf States Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$5.8) million	Entergy Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$7.5) million	Entergy Mississippi
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$3.5) million	Entergy New Orleans

The effects of the Registrant Subsidiaries' derivative instruments not designated as hedging instruments on their statements of income for the nine months ended September 30, 2010 and 2009 are as follows:

Instrument	Statement of Income Location	Amount of gain (loss) recorded in income	Registrant
2010			
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$24.5) million	Entergy Gulf States Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$38.7) million	Entergy Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$26.0) million	Entergy Mississippi

Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$ 2 . 1) million	Entergy New Orleans
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Instrument	Statement of Income Location	Amount of gain (loss) recorded in income	Registrant
2009			
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$41.6) million	Entergy Gulf States Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$62.9) million	Entergy Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$43.2) million	Entergy Mississippi
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$9.1) million	Entergy New Orleans

Entergy Corporation and Subsidiaries
Notes to Financial Statements

Fair Values

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

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

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

- Level 1 - Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 primarily consists of individually owned common stocks, cash equivalents, debt instruments, and gas hedge contracts.
- Level 2 - Level 2 inputs are inputs other than quoted prices included in Level 1 that are, either directly or indirectly, observable for the asset or liability at the measurement date. Assets are valued based on prices derived by independent third parties that use inputs such as benchmark yields, reported trades, broker/dealer quotes, and issuer spreads. Prices are reviewed and can be challenged with the independent parties and/or overridden by Entergy if it is believed such would be more reflective of fair value. Level 2 inputs include the following:
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability; or
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.Level 2 consists primarily of individually owned debt instruments or shares in common trusts. Common trust funds are stated at estimated fair value based on the fair market value of the underlying investments.
- Level 3 - Level 3 inputs are pricing inputs that are generally less observable or unobservable from objective sources. These inputs are used with internally developed methodologies to produce management's best estimate of fair value for the asset or liability. Level 3 consists primarily of derivative power contracts used as cash flow hedges of power sales at merchant power plants.

The values for the cash flow hedges that are recorded as derivative contract assets or liabilities are based on both observable inputs including public market prices and unobservable inputs such as model-generated prices for longer-term markets and are classified as Level 3 assets and liabilities. The amounts reflected as the fair value of derivative assets or liabilities are based on the estimated amount that the contracts are in-the-money at the balance sheet date (treated as an asset) or out-of-the-money at the balance sheet date (treated as a liability) and would equal the estimated amount receivable or payable by Entergy if the contracts were settled at that date. These derivative

contracts include cash flow hedges that swap fixed for floating cash flows for sales of the output from Entergy's Non-Utility Nuclear business. The fair values are based on the mark-to-market comparison between the fixed contract prices and the floating prices determined each period from a combination of quoted forward power market prices for the period for which such curves are available, and model-generated prices using quoted forward gas market curves and estimates regarding heat rates to convert gas to power and the costs associated with the transportation of the power from the plants' bus bar to the contract's point of delivery, generally a power market hub, for the period thereafter. The differences between the fixed price in the swap contract and these market-related prices multiplied by the volume specified in the contract and discounted at the counterparties' credit adjusted risk free rate are recorded as derivative contract assets or liabilities. As of September 30, 2010, Entergy had in-the-money cash flow hedges contracts with a fair value of \$384 million with counterparties or their guarantor who are all currently investment grade. \$1 million of the cash flow hedges as of September 30, 2010 are out-of-the-money contracts supported by corporate guarantees, which would require additional cash or letters of credit in the event of a decrease in Entergy Corporation's credit rating to below investment grade.

The following table sets forth, by level within the fair value hierarchy, Entergy's assets and liabilities that are accounted for at fair value on a recurring basis as of September 30, 2010 and December 31, 2009. The assessment of the significance of a particular input to a fair value measurement requires judgment and may affect their placement within the fair value hierarchy levels.

2010	Level 1	Level 2	Level 3	Total
(In Millions)				
Assets:				
Temporary cash investments	\$1,843	\$-	\$-	\$1,843
Decommissioning trust funds				
Equity securities	337	1,507	-	1,844
Debt securities	552	1,026	-	1,578
Power contracts	-	-	385	385
Securitization recovery trust account	36	-	-	36
Storm reserve escrow account	327	-	-	327
	\$3,095	\$2,533	\$385	\$6,013
Liabilities:				
Power contracts	\$-	\$-	\$1	\$1
Gas hedge contracts	21	-	-	21
	\$21	\$-	\$1	\$22
2009	Level 1	Level 2	Level 3	Total
(In Millions)				
Assets:				
	\$1,624	\$-	\$-	\$1,624

Temporary cash investments				
Decommissioning trust funds:				
Equity securities	528	1,260	-	1,788
Debt securities	443	980	-	1,423
Power contracts	-	-	200	200
Securitization recovery trust account	13	-	-	13
Gas hedge contracts	8	-	-	8
Other investments	42	-	-	42
	\$2,658	\$2,240	\$200	\$5,098

Entergy Corporation and Subsidiaries
Notes to Financial Statements

The following table sets forth a reconciliation of changes in the net assets for the fair value of derivatives classified as Level 3 in the fair value hierarchy for the three months ended September 30, 2010 and 2009:

	2010	2009
	(In Millions)	
Balance as of beginning of period	\$297	\$313
Price changes (unrealized gains/losses)	124	2
Originated	6	7
Settlements	(43)	(106)
Balance as of September 30,	\$384	\$216

The following table sets forth a reconciliation of changes in the net assets for the fair value of derivatives classified as Level 3 in the fair value hierarchy for the nine months ended September 30, 2010 and 2009:

	2010	2009
	(In Millions)	
Balance as of January 1,	\$200	\$207
Price changes (unrealized gains/losses)	316	239
Originated	14	9
Settlements	(146)	(239)
Balance as of September 30,	\$384	\$216

The following table sets forth, by level within the fair value hierarchy, the Registrant Subsidiaries' assets that are accounted for at fair value on a recurring basis as of September 30, 2010 and December 31, 2009. The assessment of the significance of a particular input to a fair value measurement requires judgment and may affect its placement within the fair value hierarchy levels.

Entergy Arkansas

2010	Level 1	Level 2	Level 3	Total
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(In Millions)

Assets:

Temporary cash investments	\$105.0	\$-	\$-	\$105.0
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Decommissioning trust funds:

Equity securities	5.8	259.5	-	265.3
Debt securities	45.1	158.1	-	203.2
	\$155.9	\$417.6	\$-	\$573.5

2009	Level 1	Level 2	Level 3	Total
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(In Millions)

Assets:

Temporary cash investments	\$82.9	\$-	\$-	\$82.9
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Decommissioning trust funds:

Equity securities	15.4	205.3	-	220.7
Debt securities	17.6	201.9	-	219.5
	\$115.9	\$407.2	\$-	\$523.1

Entergy Gulf States Louisiana

2010	Level 1	Level 2	Level 3	Total
(In Millions)				
Assets:				
Temporary cash investments	\$129.2	\$-	\$-	\$129.2
Decommissioning trust funds:				
Equity securities	4.6	205.8	-	210.4
Debt securities	34.4	127.6	-	162.0
Storm reserve escrow account	90.1	-	-	90.1
	\$258.3	\$333.4	\$-	\$591.7

Liabilities:

Gas hedge contracts	\$6.7	\$-	\$-	\$6.7
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2009	Level 1	Level 2	Level 3	Total
(In Millions)				

Assets:

Temporary cash investments	\$144.3	\$-	\$-	\$144.3
Decommissioning trust funds:				
Equity securities	6.7	175.5	-	182.2
Debt securities	25.3	142.0	-	167.3
Gas hedge contracts	2.1	-	-	2.1
	\$178.4	\$317.5	\$-	\$495.9

Liabilities:

Gas hedge contracts	\$0.3	\$-	\$-	\$0.3
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Entergy Louisiana

2010	Level 1	Level 2	Level 3	Total
(In Millions)				

Assets:

Temporary cash investments	\$293.9	\$-	\$-	\$293.9
Decommissioning trust funds:				

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Equity securities	4.3	126.4	-	130.7
Debt securities	48.4	47.2	-	95.6
Storm reserve escrow account	200.9	-	-	200.9
	\$547.5	\$173.6	\$-	\$721.1

Liabilities:

Gas hedge contracts	\$8.7	\$-	\$-	\$8.7
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2009	Level 1	Level 2	Level 3	Total
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(In Millions)

Assets:

Temporary cash investments	\$151.7	\$-	\$-	\$151.7
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Decommissioning trust funds:

Equity securities	7.0	110.9	-	117.9
Debt securities	44.3	46.9	-	91.2
Gas hedge contracts	3.4	-	-	3.4
Other investments	0.8	-	-	0.8
	\$207.2	\$157.8	\$-	\$365.0

Entergy Corporation and Subsidiaries
Notes to Financial Statements

Entergy Mississippi

2010	Level 1	Level 2	Level 3	Total
(In Millions)				
Assets:				
Storm reserve escrow account	\$31.8	\$-	\$-	\$31.8
Liabilities:				
Gas hedge contracts	\$3.6	\$-	\$-	\$3.6
2009	Level 1	Level 2	Level 3	Total
(In Millions)				
Assets:				
Temporary cash investments	\$90.3	\$-	\$-	\$90.3
Gas hedge contracts	2.9	-	-	2.9
Other investments	31.9	-	-	31.9
	\$125.1	\$-	\$-	\$125.1

Entergy New Orleans

2010	Level 1	Level 2	Level 3	Total
(In Millions)				
Assets:				
Temporary cash investments	\$99.1	\$-	\$-	\$99.1
Storm reserve escrow account	4.4	-	-	4.4
	\$103.5	\$-	\$-	\$103.5
Liabilities:				
Gas hedge contracts	\$1.6	\$-	\$-	\$1.6
2009	Level 1	Level 2	Level 3	Total
(In Millions)				
Assets:				
Temporary cash investments	\$190.0	\$-	\$-	\$190.0
Other investments	9.5	-	-	9.5
	\$199.5	\$-	\$-	\$199.5

Entergy Texas

2010	Level 1	Level 2	Level 3	Total
(In Millions)				
Assets:				
Temporary cash investments	\$45.5	\$-	\$-	\$45.5
Securitization recovery trust account	36.3	-	-	36.3
	\$81.8	\$-	\$-	\$81.8
2009	Level 1	Level 2	Level 3	Total
(In Millions)				
Assets:				
Temporary cash investments	\$199.2	\$-	\$-	\$199.2
Securitization recovery trust account	13.1	-	-	13.1
	\$212.3	\$-	\$-	\$212.3

System Energy

2010	Level 1	Level 2	Level 3	Total
(In Millions)				
Assets:				
Temporary cash investments	\$278.5	\$-	\$-	\$278.5
Decommissioning trust funds:				
Equity securities	4.2	196.3	-	200.5
Debt securities	105.0	58.6	-	163.6
	\$387.7	\$254.9	\$-	\$642.6
2009	Level 1	Level 2	Level 3	Total
(In Millions)				
Assets:				
Temporary cash investments	\$263.6	\$-	\$-	\$263.6
Decommissioning trust funds:				
Equity securities	2.1	180.2	-	182.3
Debt securities	78.4	66.3	-	144.7
	\$344.1	\$246.5	\$-	\$590.6

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

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

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

these trust funds are also recorded in the accumulated other comprehensive income component of shareholders' equity unless the unrealized loss is other than temporary and therefore recorded in earnings. Generally, Entergy records realized gains and losses on its debt and equity securities using the specific identification method to determine the cost basis of its securities.

Entergy Corporation and Subsidiaries
Notes to Financial Statements

The securities held as of September 30, 2010 and December 31, 2009 are summarized as follows:

	Fair Value	Total Unrealized Gains (In Millions)	Total Unrealized Losses
2010			
Equity Securities	\$1,844	\$313	\$26
Debt Securities	1,578	110	1
Total	\$3,422	\$423	\$27
2009			
Equity Securities	\$1,788	\$311	\$30
Debt Securities	1,423	63	8
Total	\$3,211	\$374	\$38

The amortized cost of debt securities was \$1,460 million as of September 30, 2010 and \$1,368 million as of December 31, 2009. As of September 30, 2010, the debt securities have an average coupon rate of approximately 4.35%, an average duration of approximately 5.36 years, and an average maturity of approximately 8.8 years. The equity securities are generally held in funds that are designed to approximate or somewhat exceed the return of the Standard & Poor's 500 Index. A relatively small percentage of the securities are held in funds intended to replicate the return of the Wilshire 4500 Index or the Russell 3000 Index.

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of September 30, 2010:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
(In Millions)				
Less than 12 months	\$79	\$4	\$130	\$1
More than 12 months	149	22	4	-
Total	\$228	\$26	\$134	\$1

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

2009:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$57	\$1	\$311	\$6
More than 12 months	205	29	18	2
Total	\$262	\$30	\$329	\$8

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

The fair value of debt securities, summarized by contractual maturities, as of September 30, 2010 and December 31, 2009 are as follows:

	2010	2009
	(In Millions)	
Less than 1 year	\$38	\$31
1 year - 5 years	548	676
5 years - 10 years	562	388
10 years - 15 years	152	131
15 years - 20 years	54	34
20 years+	224	163
Total	\$1,578	\$1,423

During the three months ended September 30, 2010 and 2009, proceeds from the dispositions of securities amounted to \$487 million and \$451 million, respectively. During the three months ended September 30, 2010 and 2009, gross gains of \$10 million and \$16 million, respectively, and gross losses of \$2 million and \$2 million, respectively, were reclassified out of accumulated other comprehensive income into earnings or recorded in earnings.

During the nine months ended September 30, 2010 and 2009, proceeds from the dispositions of securities amounted to \$1,974 million and \$1,733 million, respectively. During the nine months ended September 30, 2010 and 2009, gross gains of \$34 million and \$46 million, respectively, and gross losses of \$6 million and \$28 million, respectively, were reclassified out of accumulated other comprehensive income into earnings or recorded in earnings.

Entergy Arkansas

Entergy Arkansas holds debt and equity securities, classified as available-for-sale, in nuclear decommissioning trust accounts. The securities held as of September 30, 2010 and December 31, 2009 are summarized as follows:

	Fair Value	Total Unrealized Gains (In Millions)	Total Unrealized Losses
2010			
Equity Securities	\$265.3	\$70.0	\$2.5
Debt Securities	203.2	15.7	-
Total	\$468.5	\$85.7	\$2.5

2009			
Equity			
Securities	\$220.7	\$60.1	\$3.4
Debt			
Securities	219.5	10.7	1.7
Total	\$440.2	\$70.8	\$5.1

The amortized cost of debt securities was \$187.5 million as of September 30, 2010 and \$210.5 million as of December 31, 2009. As of September 30, 2010, the debt securities have an average coupon rate of approximately 4.12%, an average duration of approximately 4.71 years, and an average maturity of approximately 5.5 years. The equity securities are generally held in funds that are designed to approximate the return of the Standard & Poor's 500 Index. A relatively small percentage of the securities are held in funds intended to replicate the return of the Wilshire 4500 Index.

Entergy Corporation and Subsidiaries
Notes to Financial Statements

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of September 30, 2010:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$4.4	\$0.1	\$12.0	\$-
More than 12 months	18.6	2.4	-	-
Total	\$23.0	\$2.5	\$12.0	\$-

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of December 31, 2009:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$-	\$-	\$31.9	\$1.2
More than 12 months	26.8	3.4	3.9	0.5
Total	\$26.8	\$3.4	\$35.8	\$1.7

The fair value of debt securities, summarized by contractual maturities, as of September 30, 2010 and December 31, 2009 are as follows:

	2010	2009
	(In Millions)	
Less than 1 year	\$3.7	\$6.7
1 year - 5 years	82.1	133.2
5 years - 10 years	109.5	68.2
10 years - 15 years	2.6	5.1

15 years -		
20 years	-	-
20 years+	5.3	6.3
Total	\$203.2	\$219.5

During the three months ended September 30, 2010 and 2009, proceeds from the dispositions of securities amounted to \$46.1 million and \$31.9 million, respectively. During the three months ended September 30, 2010 and 2009, gross gains of \$2.2 million and \$0.6 million, respectively, and gross losses of \$0.04 million and \$0.1 million, respectively, were recorded in earnings.

During the nine months ended September 30, 2010 and 2009, proceeds from the dispositions of securities amounted to \$178.4 million and \$83.6 million, respectively. During the nine months ended September 30, 2010 and 2009, gross gains of \$4.8 million and \$0.8 million, respectively, and gross losses of \$0.6 million and \$1.3 million, respectively, were recorded in earnings.

Entergy Gulf States Louisiana

Entergy Gulf States Louisiana holds debt and equity securities, classified as available-for-sale, in nuclear decommissioning trust accounts. The securities held as of September 30, 2010 and December 31, 2009 are summarized as follows:

	Fair Value	Total Unrealized Gains (In Millions)	Total Unrealized Losses
2010			
Equity Securities	\$210.4	\$22.4	\$4.0
Debt Securities	162.0	15.5	0.1
Total	\$372.4	\$37.9	\$4.1
2009			
Equity Securities	\$182.2	\$17.0	\$5.3
Debt Securities	167.3	10.0	0.9
Total	\$349.5	\$27.0	\$6.2

The amortized cost of debt securities was \$146.2 million as of September 30, 2010 and \$158.5 million as of December 31, 2009. As of September 30, 2010, the debt securities have an average coupon rate of approximately 4.46%, an average duration of approximately 6.31 years, and an average maturity of approximately 8.9 years. The equity securities are generally held in funds that are designed to approximate the return of the Standard & Poor's 500 Index. A relatively small percentage of the securities are held in funds intended to replicate the return of the Wilshire 4500 Index.

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of September 30, 2010:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$9.6	\$0.1	\$1.7	\$-
More than 12 months	28.9	3.9	1.1	0.1
Total	\$38.5	\$4.0	\$2.8	\$0.1

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of December 31, 2009:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$-	\$-	\$24.7	\$0.6
More than 12 months	48.9	5.3	4.3	0.3
Total	\$48.9	\$5.3	\$29.0	\$0.9

Entergy Corporation and Subsidiaries
Notes to Financial Statements

The fair value of debt securities, summarized by contractual maturities, as of September 30, 2010 and December 31, 2009 are as follows:

	2010	2009
	(In Millions)	
Less than 1 year	\$5.4	\$3.3
1 year - 5 years	35.4	46.1
5 years - 10 years	57.7	53.9
10 years - 15 years	47.8	52.0
15 years - 20 years	4.7	3.5
20 years+	11.0	8.5
Total	\$162.0	\$167.3

During the three months ended September 30, 2010 and 2009, proceeds from the dispositions of securities amounted to \$4.8 million and \$8.7 million, respectively. During the three months ended September 30, 2010 and 2009, gross gains of \$0.05 million and \$0.1 million, respectively, and gross losses of \$0.2 million and \$0.03 million, respectively, were recorded in earnings.

During the nine months ended September 30, 2010 and 2009, proceeds from the dispositions of securities amounted to \$83.6 million and \$42.4 million, respectively. During the nine months ended September 30, 2010 and 2009, gross gains of \$1.6 million and \$1.0 million, respectively, and gross losses of \$0.4 million and \$0.53 million, respectively, were recorded in earnings.

Entergy Louisiana

Entergy Louisiana holds debt and equity securities, classified as available-for-sale, in nuclear decommissioning trust accounts. The securities held as of September 30, 2010 and December 31, 2009 are summarized as follows:

	Fair Value	Total Unrealized Gains (In Millions)	Total Unrealized Losses
2010			
Equity Securities	\$130.7	\$19.4	\$4.2
Debt Securities	95.6	8.3	-
Total	\$226.3	\$27.7	\$4.2
2009			

Equity			
Securities	\$117.9	\$15.3	\$5.3
Debt			
Securities	91.2	3.9	0.9
Total	\$209.1	\$19.2	\$6.2

The amortized cost of debt securities was \$87.1 million as of September 30, 2010 and \$88.2 million as of December 31, 2009. As of September 30, 2010, the debt securities have an average coupon rate of approximately 3.95%, an average duration of approximately 4.78 years, and an average maturity of approximately 9.7 years. The equity securities are generally held in funds that are designed to approximate the return of the Standard & Poor's 500 Index. A relatively small percentage of the securities are held in funds intended to replicate the return of the Wilshire 4500 Index.

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of September 30, 2010:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$9.1	\$0.1	\$0.7	\$-
More than 12 months	26.3	4.1	0.2	-
Total	\$35.4	\$4.2	\$0.9	\$-

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of December 31, 2009:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$-	\$-	\$29.7	\$0.8
More than 12 months	37.5	5.3	0.9	0.1
Total	\$37.5	\$5.3	\$30.6	\$0.9

The fair value of debt securities, summarized by contractual maturities, as of September 30, 2010 and December 31, 2009 are as follows:

	2010	2009
	(In Millions)	
Less than 1 year	\$4.7	\$2.2
1 year - 5 years	28.4	31.9
5 years - 10 years	25.6	23.7
10 years - 15 years	14.0	12.1

15 years -		
20 years	5.9	5.5
20 years+	17.0	15.8
Total	\$95.6	\$91.2

During the three months ended September 30, 2010 and 2009, proceeds from the dispositions of securities amounted to \$2.7 million and \$6.9 million, respectively. During the three months ended September 30, 2010 and 2009, gross gains of \$0.03 million and \$0.2 million, respectively, and gross losses of \$0.03 million and \$0.1 million, respectively, were recorded in earnings.

During the nine months ended September 30, 2010 and 2009, proceeds from the dispositions of securities amounted to \$29.4 million and \$40.4 million, respectively. During the nine months ended September 30, 2010 and 2009, gross gains of \$0.6 million and \$1.7 million, respectively, and gross losses of \$0.1 million and \$0.5 million, respectively, were recorded in earnings.

Entergy Corporation and Subsidiaries
Notes to Financial Statements

System Energy

System Energy holds debt and equity securities, classified as available-for-sale, in nuclear decommissioning trust accounts. The securities held as of September 30, 2010 and December 31, 2009 are summarized as follows:

	Fair Value	Total Unrealized Gains (In Millions)	Total Unrealized Losses
2010			
Equity Securities	\$200.5		
Debt Securities	163.6	\$22.7	\$12.4
Total	\$364.1	\$30.5	\$12.5
2009			
Equity Securities	\$182.3	\$17.8	\$14.7
Debt Securities	144.7	2.8	0.8
Total	\$327.0	\$20.6	\$15.5

The amortized cost of debt securities was \$155.6 million as of September 30, 2010 and \$142.8 million as of December 31, 2009. As of September 30, 2010, the debt securities have an average coupon rate of approximately 3.79%, an average duration of approximately 4.80 years, and an average maturity of approximately 7.9 years. The equity securities are generally held in funds that are designed to approximate the return of the Standard & Poor's 500 Index. A relatively small percentage of the securities are held in funds intended to replicate the return of the Wilshire 4500 Index.

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of September 30, 2010:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
(In Millions)				
Less than 12 months	\$11.0	\$0.2	\$13.6	\$0.1
More than 12 months	74.5	12.2	0.1	-
Total	\$85.5	\$12.4	\$13.7	\$0.1

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The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of December 31, 2009:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$-	\$-	\$56.4	\$0.6
More than 12 months	89.3	14.7	3.2	0.2
Total	\$89.3	\$14.7	\$59.6	\$0.8

The fair value of debt securities, summarized by contractual maturities, as of September 30, 2010 and December 31, 2009 are as follows:

	2010	2009
	(In Millions)	
Less than 1 year	\$1.4	\$1.0
1 year - 5 years	82.6	84.0
5 years - 10 years	51.6	36.2
10 years - 15 years	3.7	4.2
15 years - 20 years	1.2	2.3
20 years+	23.1	17.0
Total	\$163.6	\$144.7

During the three months ended September 30, 2010 and 2009, proceeds from the dispositions of securities amounted to \$98.5 million and \$16.1 million, respectively. During the three months ended September 30, 2010 and 2009, gross gains of \$2.2 million and \$0.2 million, respectively, and gross losses of \$0.1 million and \$0.02 million, respectively, were recorded in earnings.

During the nine months ended September 30, 2010 and 2009, proceeds from the dispositions of securities amounted to \$236.7 million and \$338.1 million, respectively. During the nine months ended September 30, 2010 and 2009, gross gains of \$3.6 million and \$3.9 million, respectively, and gross losses of \$0.3 million and \$6.32 million, respectively, were recorded in earnings.

Other-than-temporary impairments and unrealized gains and losses

Entergy, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, and System Energy evaluate unrealized losses at the end of each period to determine whether an other-than-temporary impairment has occurred. Effective January 1, 2009, Entergy adopted an accounting pronouncement providing guidance regarding recognition and presentation of other-than-temporary impairments related to investments in debt securities. The assessment of whether an investment in a debt security has suffered an other-than-temporary impairment is based on whether Entergy has the intent to sell or more likely than not will be required to sell the debt security before recovery of its amortized costs. Further, if Entergy does not expect to recover the entire amortized cost basis of the debt security, an other-than-temporary impairment is considered to have occurred and it is measured by the present value of cash flows expected to be collected less the amortized cost basis (credit loss). For debt securities held as of January 1, 2009 for which an other-than-temporary impairment had previously been recognized but for which assessment under the new guidance indicates this impairment is temporary, Entergy recorded an adjustment to its opening balance of retained earnings of \$11.3 million (\$6.4 million net-of-tax). Entergy did not have any material other-than-temporary impairments relating to credit losses on debt securities for the nine months ended September 30, 2010 or the nine months ended September 30, 2009. The assessment of whether an investment in an equity security has suffered an other-than-temporary impairment continues to be based on a number of factors including, first, whether Entergy has

the ability and intent to hold the investment to recover its value, the duration and severity of any losses, and, then, whether it is expected that the investment will recover its value within a reasonable period of time. Entergy's trusts are managed by third parties who operate in accordance with agreements that define investment guidelines and place restrictions on the purchases and sales of investments. Non-Utility Nuclear did not record any material charges to other income in the three months ended September 30, 2010 or the three months ended September 30, 2009. Non-Utility Nuclear recorded charges to other income of \$1 million and \$85 million in the nine months ended September 30, 2010 and 2009, respectively, resulting from the recognition of the other-than-temporary impairment of certain equity securities held in its decommissioning trust funds.

Entergy Corporation and Subsidiaries
Notes to Financial Statements

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

See Note 3 to the financial statements in the Form 10-K for a discussion of tax proceedings. Following are updates to that discussion.

Income Tax Litigation

In July 2010 the U.S. Tax Court held that the Utility operating companies' street light assets are not electric utility plant transmission and distribution assets, depreciable for tax purposes over 20 years. Rather, street light assets are a separate category of assets, and allowed a 7-year depreciable life. This decision upheld the Utility operating companies' claim of the shorter depreciable life on their tax returns.

In September 2010 the U.S. Tax Court held that the U.K. Windfall Tax paid by Entergy when it owned London Electricity can be used as a credit for purposes of computing the U.S. foreign tax credit. Entergy claimed this credit and established a provision for uncertain tax positions on the issue. With the receipt of the favorable Tax Court decision, Entergy reversed the \$43 million provision.

Income Tax Audits

2002-2003 IRS Audit

Because of the favorable Tax Court decisions discussed above in Income Tax Litigation, Entergy and the Utility operating companies no longer expect to receive a Notice of Deficiency from the IRS for the 2002 and 2003 tax years.

Other Tax Matters

Entergy and the Registrant Subsidiaries do not expect that total amounts of unrecognized tax benefits will significantly increase or decrease within the next 12 months resulting from litigation and audit proceedings. Entergy regularly pursues settlements, however, that could result in adjustments to the total amounts of unrecognized tax benefits.

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

Construction Expenditures in Accounts Payable

Construction expenditures included in accounts payable at September 30, 2010 are \$143.6 million for Entergy, \$10.4 million for Entergy Arkansas, \$11.2 million for Entergy Gulf States Louisiana, \$18.3 million for Entergy Louisiana, \$1.2 million for Entergy Mississippi, \$1.6 million for Entergy New Orleans, \$4 million for Entergy Texas, and \$20.1 million for System Energy.

Vermont Yankee

Four nuclear power plants in Entergy's Non-Utility Nuclear business have applications pending for NRC license renewals. This includes the Vermont Yankee plant, which currently has an operating license that expires March 21, 2012. In addition to its NRC license, the Vermont Public Service Board (VPSB) requires Vermont Yankee to obtain a state Certificate of Public Good (CPG) in order to operate the plant and store spent nuclear fuel beyond March 21, 2012, when the current CPG expires. On March 3, 2008, Non-Utility Nuclear filed an application with the VPSB to renew its CPG. Under Vermont law the VPSB cannot act on the CPG application until the Vermont General Assembly first votes affirmatively to permit the VPSB to do so. On February 24, 2010, a bill to approve the continued operation of Vermont Yankee was advanced to a vote in the Vermont Senate and defeated by a margin of 26 to 4. This vote does not preclude either house of the Vermont General Assembly from voting on a similar bill in the future.

Entergy evaluates its investments in long-lived assets, including Vermont Yankee, under the accounting rules for impairment whenever there are indications that impairments may exist. This evaluation involves a significant degree of estimation and uncertainty. In the Non-Utility Nuclear business, Entergy's investments are subject to impairment if adverse market conditions arise, if a unit ceases operation, or for certain units if their operating licenses will not be renewed. Specifically regarding Vermont Yankee, if Entergy concludes that Vermont Yankee is unlikely to operate significantly beyond its current license expiration date in 2012, it could result in an impairment of part or all of the carrying value of the plant. Entergy's evaluation of the probability associated with operations of the plant past 2012 include a number of factors such as the status of the NRC's evaluation of Entergy's application for license renewal, the status of state regulatory issues as described above, the potential sale of the plant, and the application of federal laws regarding the continued operations of nuclear facilities. As of September 30, 2010, the net carrying value of the plant, including nuclear fuel, is \$424 million.

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

Under applicable authoritative accounting guidance, a variable interest entity (VIE) is an entity that conducts a business or holds property that possesses any of the following characteristics: an insufficient amount of equity at risk to finance its activities, equity owners who do not have the power to direct the significant activities of the entity (or have voting rights that are disproportionate to their ownership interest), or where equity holders do not receive expected losses or returns. An entity may have an interest in a VIE through ownership or other contractual rights or obligations, and is required to consolidate a VIE if it is the VIE's primary beneficiary.

The FASB issued authoritative accounting guidance that became effective in the first quarter 2010 that revises the manner in which entities evaluate whether consolidation is required for VIEs. Under the revised guidance, the primary beneficiary of a VIE is the entity that has the power to direct the activities of the VIE that most significantly affect the VIE's economic performance, and has the obligation to absorb losses or has the right to residual returns that would potentially be significant to the entity. In conjunction with the adoption of the new guidance, Entergy updated reviews of its contracts and arrangements to determine whether Entergy is the primary beneficiary of a VIE based on the revisions to the previous consolidation model and other provisions of this standard. Based on this review Entergy determined that Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, and System Energy should consolidate the respective companies from which they lease nuclear fuel, usually in a sale and leaseback transaction. This determination is because Entergy directs the nuclear fuel companies with respect to nuclear fuel purchases, assists the nuclear fuel companies in obtaining financing, and, if financing cannot be arranged, the lessee (Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, or System Energy) is responsible to repurchase nuclear fuel to allow the nuclear fuel company (the VIE) to meet its obligations. Under the previous guidance, the determination of the primary beneficiary of a VIE was based on ownership interests and the risks and rewards in the entity attributable to the variable interest holders. Therefore, the Entergy companies did not previously consolidate the nuclear fuel companies. Because Entergy has historically accounted for the leases with the nuclear fuel companies as capital lease obligations, the effect of consolidating the nuclear fuel companies did not materially affect Entergy's financial statements. During the term of the arrangements, none of the Entergy operating companies have been required to provide financial support apart from their scheduled lease payments. These nuclear fuel leases are further described in Note 10 to the financial statements in the Form 10-K. See Note 4 to the financial statements herein for details of the nuclear fuel companies' credit facility and commercial paper borrowings and long-term debt that are reported by Entergy, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, and System Energy. These amounts also represent Entergy's and the respective Registrant Subsidiary's maximum exposure to losses associated

with their respective interests in the nuclear fuel companies.

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Entergy Corporation and Subsidiaries
Notes to Financial Statements

Entergy Texas determined that Entergy Gulf States Reconstruction Funding I, LLC, and Entergy Texas Restoration Funding, LLC, companies wholly-owned and consolidated by Entergy Texas, are variable interest entities and that Entergy Texas is the primary beneficiary. In June 2007, Entergy Gulf States Reconstruction Funding issued senior secured transition bonds (securitization bonds) to finance Entergy Texas's Hurricane Rita reconstruction costs. In November 2009, Entergy Texas Restoration Funding issued senior secured transition bonds (securitization bonds) to finance Entergy Texas's Hurricane Ike and Hurricane Gustav restoration costs. With the proceeds, the variable interest entities purchased from Entergy Texas the transition property, which is the right to recover from customers through a transition charge amounts sufficient to service the securitization bonds. The transition property is reflected as a regulatory asset on the consolidated Entergy Texas balance sheet. The creditors of Entergy Texas do not have recourse to the assets or revenues of the variable interest entities, including the transition property, and the creditors of the variable interest entities do not have recourse to the assets or revenues of Entergy Texas. Entergy Texas has no payment obligations to the variable interest entities except to remit transition charge collections. See Note 5 to the financial statements in the Form 10-K for additional details regarding the securitization bonds.

Entergy Arkansas Restoration Funding, LLC, a company wholly-owned and consolidated by Entergy Arkansas, is a variable interest entity and Entergy Arkansas is the primary beneficiary. In August 2010, Entergy Arkansas Restoration Funding issued storm cost recovery bonds to finance Entergy Arkansas's January 2009 ice storm damage restoration costs. With the proceeds, Entergy Arkansas Restoration Funding purchased from Entergy Arkansas the storm recovery property, which is the right to recover from customers through a storm recovery charge amounts sufficient to service the securitization bonds. The storm recovery property is reflected as a regulatory asset on the consolidated Entergy Arkansas balance sheet. The creditors of Entergy Arkansas do not have recourse to the assets or revenues of Entergy Arkansas Restoration Funding including the storm recovery property, and the creditors of Entergy Arkansas Restoration Funding do not have recourse to the assets or revenues of Entergy Arkansas. Entergy Arkansas has no payment obligations to Entergy Arkansas Restoration Funding except to remit storm recovery charge collections. See Note 4 to the financial statements herein for additional details regarding the storm cost recovery bonds.

Entergy Louisiana and System Energy are also considered to each hold a variable interest in the lessors from which they lease undivided interests representing approximately 9.3% of the Waterford 3 and 11.5% of the Grand Gulf nuclear plants, respectively. Entergy Louisiana and System Energy are the lessees under these arrangements, which are described in more detail in Note 10 to the consolidated financial statements in the Form 10-K. Entergy Louisiana made payments on its lease, including interest, of \$9.8 million and \$10.4 million in the three months ended September 30, 2010 and 2009, respectively. Entergy Louisiana made payments on its lease, including interest, of \$35.1 million and \$32.5 million in the nine months ended September 30, 2010 and 2009, respectively. System Energy made payments on its lease, including interest, of \$2.9 million and \$4.0 million in the three months ended September 30, 2010 and 2009, respectively. System Energy made payments on its lease, including interest, of \$48.6 million and \$47.8 million in the nine months ended September 30, 2010 and 2009, respectively. The lessors are banks acting in the capacity of owner trustee for the benefit of equity investors in the transactions pursuant to trust agreements entered solely for the purpose of facilitating the lease transactions. It is possible that Entergy Louisiana and System Energy may be considered as the primary beneficiary of the lessors, but Entergy is unable to apply the revised authoritative accounting guidance with respect to these VIEs because the lessors are not required to, and could not, provide the necessary financial information to consolidate the lessors. Because Entergy accounts for these leasing arrangements as capital financings, however, Entergy believes that consolidating the lessors would not materially affect the financial statements. In the unlikely event of default under a lease, remedies available to the lessor include payment by the lessee of the fair value of the undivided interest in the plant, payment of the present value of the basic rent payments, or payment of a predetermined casualty value. Entergy believes, however, that the obligations recorded on the

balance sheets materially represent each company's potential exposure to loss.

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Entergy has also reviewed various lease arrangements, power purchase agreements, and other agreements in which it holds a variable interest. In these cases, Entergy has determined that it is not the primary beneficiary of the related VIE because it does not have the power to direct the activities of the VIE that most significantly affect the VIE's economic performance, or it does not have the obligation to absorb losses or the right to residual returns that would potentially be significant to the entity, or both.

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

Part I, Item 4. Controls and Procedures

Disclosure Controls and Procedures

As of September 30, 2010, evaluations were performed under the supervision and with the participation of Entergy Corporation, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy (individually "Registrant" and collectively the "Registrants") management, including their respective Principal Executive Officers (PEO) and Principal Financial Officers (PFO). The evaluations assessed the effectiveness of the Registrants' disclosure controls and procedures. Based on the evaluations, each PEO and PFO has concluded that, as to the Registrant or Registrants for which they serve as PEO or PFO, the Registrant's or Registrants' disclosure controls and procedures are effective to ensure that information required to be disclosed by each Registrant in reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms; and that the Registrant's or Registrants' disclosure controls and procedures are also effective in reasonably assuring that such information is accumulated and communicated to the Registrant's or Registrants' management, including their respective PEOs and PFOs, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Controls over Financial Reporting

Under the supervision and with the participation of the Registrants' management, including their respective PEOs and PFOs, the Registrants evaluated changes in internal control over financial reporting that occurred during the quarter ended September 30, 2010 and found no change that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

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

Results of Operations

Net Income

Third Quarter 2010 Compared to Third Quarter 2009

Net income increased \$40.4 million primarily due to higher net revenue, lower depreciation and amortization expenses, and a lower effective income tax rate, partially offset by higher other operation and maintenance expenses.

Nine Months Ended September 30, 2010 Compared to Nine Months Ended September 30, 2009

Net income increased \$78.5 million primarily due to higher net revenue, a lower effective income tax rate, lower depreciation and amortization expenses, and higher other income, partially offset by higher other operation and maintenance expenses.

Net Revenue

Third Quarter 2010 Compared to Third Quarter 2009

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory credits. Following is an analysis of the change in net revenue comparing the third quarter 2010 to the third quarter 2009.

	Amount (In Millions)
2009 net revenue	\$337.5
Volume/weather	48.0
Retail electric price	15.6
Net wholesale revenue	(6.6)
Other	2.5
2010 net revenue	\$397.0

The volume/weather variance is primarily due to an increase of 904 GWh, or 15%, in billed electricity usage. Usage in the industrial sector increased primarily in the small industrial customers segment reflecting strong sales growth on continuing signs of economic recovery. The effect of more favorable weather was the primary driver of the increase in residential and commercial sales.

The retail electric price variance is primarily due to a base rate increase effective July 2010, partially offset by the recovery in 2009 of 2008 extraordinary storm costs, as approved by the APSC, which ceased in January 2010. The recovery of storm costs is offset in other operation and maintenance expenses. See Note 2 to the financial statements herein for more discussion of the rate case settlement. See Note 2 to the financial statements in the Form 10-K for a discussion of the 2008 extraordinary storm costs.

The net wholesale revenue variance is primarily due to reduced margin on wholesale contracts including lower capacity billings to an affiliate for a unit purchased at the end of 2009, the expiration of a contract with a wholesale customer, lower margins on co-owner contracts, and higher wholesale energy costs.

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

Gross operating revenues and purchased power expenses

Gross operating revenues decreased primarily due to:

- a decrease of \$99.7 million in rider revenues primarily due to lower System Agreement payments in 2010;
- a decrease of \$29.3 million in gross wholesale revenue due to decreased sales to affiliated customers and the expiration of a wholesale customer contract in 2009; and
- a decrease of \$25 million in fuel cost recovery revenues due to an energy cost recovery rider rate change effective April 2010.

The decrease was partially offset by an increase of \$48 million related to volume/weather and the base rate increase, as discussed above.

Purchased power expenses decreased primarily due to a decrease in the average price of purchased power.

Nine Months Ended September 30, 2010 Compared to Nine Months Ended September 30, 2009

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory credits. Following is an analysis of the change in net revenue comparing the nine months ended September 30, 2010 to the nine months ended September 30, 2009.

	Amount (In Millions)
2009 net revenue	\$880.0
Volume/weather	82.9
2009 capitalization of Ouachita Plant service charges	12.5
Retail electric price	9.2
Net wholesale revenue	(10.5)
Other	6.0
2010 net revenue	\$980.1

The volume/weather variance is primarily due to an increase of 1,772 GWh, or 12%, in billed electricity usage. Usage in the industrial sector increased primarily in the small industrial customers segment, as well as in the chemicals and pulp and paper industries, reflecting strong sales growth on continuing signs of economic recovery. The effect of more favorable weather was the primary driver of the increase in residential and commercial sales.

In 2009, Entergy Arkansas capitalized \$12.5 million of Ouachita Plant service charges that were previously expensed. The result of the capitalization in 2009 was a decrease in net revenues with an offsetting decrease in other operation and maintenance expenses.

The retail electric price variance is primarily due to a base rate increase effective July 2010, partially offset by the recovery in 2009 of 2008 extraordinary storm costs, as approved by the APSC, which ceased in January 2010. The

recovery of storm costs is offset in other operation and maintenance expenses. See Note 2 to the financial statements for more discussion of the rate case settlement. See Note 2 to the financial statements in the Form 10-K for a discussion of the 2008 extraordinary storm costs.

The net wholesale revenue variance is primarily due to reduced margin on wholesale contracts including lower capacity billings to an affiliate for a unit later purchased at the end of 2009, and the expiration of a contract with a wholesale customer, lower margins on co-owner contracts, somewhat offset by lower wholesale energy costs.

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

Gross operating revenues and purchased power expenses

Gross operating revenues decreased primarily due to:

- a decrease of \$108.3 million in fuel cost recovery revenues due to an energy cost recovery rider rate change effective April 2010;
- a decrease of \$50.3 million in gross wholesale revenue due to decreased sales to affiliated customers and the expiration of a wholesale customer contract in 2009; and
 - a decrease of \$18.2 million in rider revenues primarily due to lower System Agreement payments in 2010.

The decrease was partially offset by an increase of \$82.9 million related to volume/weather and the base rate increase, as discussed above.

Purchased power expenses decreased primarily due to a decrease in the average price of purchased power.

Other Income Statement Variances

Third Quarter 2010 Compared to Third Quarter 2009

Other operation and maintenance expenses increased primarily due to an increase of \$10.6 million in compensation and benefits costs, resulting from decreasing discount rates, the amortization of asset losses, and an increase in the accrual for incentive-based compensation. The increase is also due to \$3.6 million in nuclear expenses due to current year unplanned outages. The increase was partially offset by a decrease of \$5.0 million due to 2008 storm costs which were deferred per an APSC order and were recovered through revenues in 2009. See Note 11 to the financial statements in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefits costs.

Depreciation and amortization expenses decreased primarily due to a decrease in depreciation rates as a result of the rate case settlement agreement approved by the APSC in June 2010.

Nine Months Ended September 30, 2010 Compared to Nine Months Ended September 30, 2009

Other operation and maintenance expenses increased primarily due to an increase of \$16.5 million in compensation and benefits costs, resulting from decreasing discount rates, the amortization of asset losses, and an increase in the accrual for incentive-based compensation. The increase is also due to \$12.5 million due to the capitalization in 2009 of Ouachita Plant service charges previously expensed. The increase was partially offset by a decrease of \$14.9 million due to 2008 storm costs which were deferred per an APSC order and were recovered through revenues in 2009 and a decrease of \$10.1 million in fossil expenses due to plant outages in 2009. See Note 11 to the financial statements in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefits costs.

Depreciation and amortization expenses decreased primarily due to a decrease in depreciation rates as a result of the rate case settlement agreement approved by the APSC in June 2010.

Other income increased primarily due to carrying charges on storm restoration costs approved by the APSC related to the January 2009 Ice Storm. See "Entergy Arkansas January 2009 Ice Storm" below for a discussion.

Income Taxes

The effective income tax rates for the third quarter of 2010 and the nine months ended September 30, 2010 were 38.4% and 40.3%, respectively. The differences in the effective income tax rates for the third quarter 2010 and the nine months ended September 30, 2010 versus the federal statutory rate of 35.0% were primarily due to certain book and tax differences related to utility plant items and state income taxes, partially offset by the amortization of investment tax credits.

Entergy Arkansas, Inc. and Subsidiaries
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The effective income tax rates for the third quarter of 2009 and the nine months ended September 30, 2009 were 44.2% and 48.7%, respectively. The differences in the effective income tax rates for the third quarter 2009 and the nine months ended September 30, 2009 versus the federal statutory rate of 35.0% were primarily due to certain book and tax differences related to utility plant items and state income taxes, partially offset by the amortization of investment tax credits.

Liquidity and Capital Resources

Cash Flow

Cash flows for the nine months ended September 30, 2010 and 2009 were as follows:

	2010	2009
	(In Thousands)	
Cash and cash equivalents at beginning of period	\$86,233	\$39,568
Cash flow provided by (used in):		
Operating activities	453,333	321,846
Investing activities	(231,198)	(246,760)
Financing activities	(201,080)	(45,186)
Net increase in cash and cash equivalents	21,055	29,900
Cash and cash equivalents at end of period	\$107,288	\$69,468

Operating Activities

Cash flow from operations increased \$131.5 million for the nine months ended September 30, 2010 compared to the nine months ended September 30, 2009 primarily due to ice storm spending in 2009, offset by an increase of \$39.8 million in income tax payments and an increase of \$38.2 million in pension contributions. In the third quarter 2010 the Registrant Subsidiaries made tax payments in accordance with the Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement. The payments result from the reversal of temporary differences for which the Registrant Subsidiaries previously received cash tax benefits. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K for a discussion of qualified pension and other postretirement benefits funding.

Investing Activities

Net cash flow used in investing activities decreased \$15.6 million for the nine months ended September 30, 2010 compared to the nine months ended September 30, 2009 primarily due to:

- a decrease of \$57.1 million in nuclear fuel purchases due to the timing of refueling outages;
- decreases in distribution construction expenditures as a result of an ice storm hitting Entergy Arkansas's service territory in the first quarter 2009; and

- decreases in fossil construction expenditures resulting from various fossil projects that occurred in 2009, including outages and power facility upgrades.

The decrease was offset by proceeds from the sale/leaseback of nuclear fuel of \$69.3 million in 2009 and increases in nuclear construction expenditures primarily due to the reactor coolant pump upgrade project and security upgrades. See Note 12 to the financial statements herein for a discussion of the consolidation of the nuclear fuel company variable interest entity effective January 1, 2010.

Entergy Arkansas, Inc. and Subsidiaries
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Financing Activities

Net cash flow used in financing activities increased \$155.9 million for the nine months ended September 30, 2010 compared to the nine months ended September 30, 2009 primarily due to:

- an increase of \$133.6 million in common stock dividends paid in 2010;
- the retirement of \$100 million of 4.50% Series first mortgage bonds in June 2010; and
- the payment on credit borrowings of \$42.3 million by the nuclear fuel company variable interest entity.

The increase was offset by the issuance in August 2010 of \$124.1 million of storm cost recovery bonds by Entergy Arkansas Restoration Funding, LLC, a company wholly-owned and consolidated by Entergy Arkansas.

Capital Structure

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

	September 30, 2010	December 31, 2009
Debt to capital	54.2%	54.0%
Effect of excluding the securitization bonds	(1.7)%	0%
Debt to capital, excluding securitization bonds (1)	52.5%	54.0%
Effect of subtracting cash from debt	(1.7)%	(1.2)%
Net debt to net capital, excluding securitization bonds (1)	50.8%	52.8%

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

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

Uses and Sources of Capital

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources" in the Form 10-K for a discussion of Entergy Arkansas's uses and sources of capital. Entergy Arkansas is developing its capital plan for 2011 through 2013 and currently anticipates making \$1.3 billion in capital investments during that period, including approximately \$641 million for maintenance of existing assets. The remaining \$635 million is

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associated with specific investments such as environmental compliance spending, transmission upgrades and system improvements, and other investments, such as potential opportunities through the Utility's supply plan initiatives that support its ability to meet load growth, including resources identified in the Summer 2009 Request for Proposals. Following are additional updates to the information provided in the Form 10-K.

Entergy Arkansas's receivables from the money pool were as follows:

September 30, 2010	December 31, 2009	September 30, 2009	December 31, 2008
	(In Thousands)		
\$37,000	\$28,859	\$23,796	\$15,991

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

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

In April 2010, Entergy Arkansas renewed its credit facility through April 2011 in the amount of \$75.125 million. There were no outstanding borrowings under the Entergy Arkansas credit facility as of September 30, 2010.

On June 1, 2010, Entergy Arkansas paid, at maturity, its \$100 million of 4.50% Series first mortgage bonds.

In June 2010, the APSC issued a financing order authorizing the issuance of bonds to recover Entergy Arkansas's January 2009 ice storm damage restoration costs, including carrying costs of \$11.5 million and \$4.6 million of up-front financing costs. In August 2010, Entergy Arkansas Restoration Funding, LLC, a company wholly-owned and consolidated by Entergy Arkansas, issued \$124.1 million of storm cost recovery bonds. The bonds have a coupon of 2.30% and an expected maturity date of August 2021. Although the principal amount is not due until the date given above, Entergy Arkansas Restoration Funding expects to make principal payments on the bonds over the next five years in the amounts of \$10.3 million for 2011, \$12.2 million for 2012, \$12.6 million for 2013, \$12.8 million for 2014, and \$13.2 million for 2015. With the proceeds, Entergy Arkansas Restoration Funding purchased from Entergy Arkansas the storm recovery property, which is the right to recover from customers through a storm recovery charge amounts sufficient to service the securitization bonds. The storm recovery property is reflected as a regulatory asset on the consolidated Entergy Arkansas balance sheet. The creditors of Entergy Arkansas do not have recourse to the assets or revenues of Entergy Arkansas Restoration Funding, including the storm recovery property, and the creditors of Entergy Arkansas Restoration Funding do not have recourse to the assets or revenues of Entergy Arkansas. Entergy Arkansas has no payment obligations to Entergy Arkansas Restoration Funding except to remit storm recovery charge collections.

In October 2010, Entergy Arkansas issued \$225 million of 5.75% Series first mortgage bonds due November 2040. In November 2010, Entergy Arkansas intends to use a portion of the proceeds to repay, prior to maturity, its \$100 million of 6.70% Series first mortgage bonds due April 2032 and its \$100 million of 6.0% Series first mortgage bonds due November 2032.

Entergy Arkansas January 2009 Ice Storm

As discussed in the Form 10-K, in January 2009 a severe ice storm caused significant damage to Entergy Arkansas's transmission and distribution lines, equipment, poles, and other facilities. A law was enacted in April 2009 in Arkansas that authorizes securitization of storm damage restoration costs. In June 2010, the APSC issued a financing order authorizing the issuance of storm cost recovery bonds, including carrying costs of \$11.5 million and \$4.6 million of up-front financing costs. As discussed above, in August 2010, Entergy Arkansas Restoration Funding, LLC, a company wholly-owned and consolidated by Entergy Arkansas, issued \$124.1 million of storm cost recovery bonds.

White Bluff Coal Plant Project

In June 2005 the EPA issued final Best Available Retrofit Control Technology (BART) regulations that could potentially result in a requirement to install SO₂ and NO_x pollution control technology on certain of Entergy's coal and oil generation units. The rule leaves certain BART determinations to the states. The Arkansas Department of Environmental Quality (ADEQ) prepared a State Implementation Plan (SIP) for Arkansas facilities to implement its obligations under the Clean Air Visibility Rule. The ADEQ determined that Entergy Arkansas's White Bluff power plant affects a Class I Area's visibility and will be subject to the EPA's presumptive BART requirements to install scrubbers and low NO_x burners. Under then current regulations, the scrubbers would have had to be operational by October 2013. Entergy filed a petition in December 2009 with the Arkansas Pollution Control and Ecology (APC&E)

Commission requesting a variance from this deadline, however, because the EPA has not approved Arkansas's Regional Haze SIP and the EPA has recently expressed concerns about Arkansas's Regional Haze SIP and questioned the appropriateness of issuing an air permit prior to that approval. Entergy Arkansas's petition requested that, consistent with federal law, the compliance deadline be changed to as expeditiously as practicable, but in no event later than five years after EPA approval of the Arkansas Regional Haze SIP. The APC&E Commission approved the variance at its March 26, 2010 meeting. No party appealed the variance, and the ruling is final. The timeline for EPA action on the Arkansas Regional Haze SIP is uncertain at this time.

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In March 2009, Entergy Arkansas made a filing with the APSC seeking a declaratory order that the White Bluff project is in the public interest. In May 2009, the APSC Staff filed a motion requesting that the APSC require Entergy Arkansas to file testimony on several issues. In December 2009, in response to the EPA concerns regarding Arkansas's Regional Haze SIP, the APSC suspended the procedural schedule in the proceeding and directed Entergy Arkansas to file monthly status reports regarding developments between the EPA and the ADEQ concerning the EPA's approval of the Arkansas Regional Haze SIP. In May 2010, Entergy Arkansas withdrew its petition for a declaratory order and the APSC closed the proceeding.

Currently, the White Bluff project is suspended, but Entergy Arkansas estimates that its share of the project could cost approximately \$500 million. The plant would continue to operate during construction, although an outage would be necessary to complete the tie-in of the scrubbers. Entergy continues to review potential environmental spending needs and financing alternatives for any such spending, and future spending estimates are likely to change based on the results of this continuing analysis.

State and Local Rate Regulation

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

As discussed in the Form 10-K, on September 4, 2009, Entergy Arkansas filed with the APSC for a general change in rates, charges, and tariffs. In June 2010 the APSC approved a settlement and subsequent compliance tariffs that provide for a \$63.7 million rate increase, effective for bills rendered for the first billing cycle of July 2010. The settlement provides for a 10.2% return on common equity. Entergy Arkansas's proposed formula rate plan mechanism, including a recovery mechanism for APSC-approved costs for additional capacity purchases or construction/acquisition of new transmission or generating facilities, was not adopted under the settlement.

Energy Cost Recovery Rider - APSC Investigations

Entergy Arkansas' retail rates include an energy cost recovery rider. In early October 2005, the APSC initiated an investigation into Entergy Arkansas' interim energy cost rate. The investigation focused on Entergy Arkansas' 1) gas contracting, portfolio, and hedging practices; 2) wholesale purchases during the period; 3) management of the coal inventory at its coal generation plants; and 4) response to the contractual failure of the railroads to provide coal deliveries. In March 2006, the APSC extended its investigation to cover the costs included in Entergy Arkansas' March 2006 annual energy cost rate filing, and a hearing was held in the APSC energy cost recovery investigation in October 2006.

In January 2007, the APSC issued an order in its review of the energy cost rate. The APSC found that Entergy Arkansas failed to maintain an adequate coal inventory level going into the summer of 2005 and that Entergy Arkansas should be responsible for any incremental energy costs resulting from two outages caused by employee and contractor error. The coal plant generation curtailments were caused by railroad delivery problems and Entergy Arkansas has since resolved litigation with the railroad regarding the delivery problems. The APSC staff was directed to perform an analysis with Entergy Arkansas' assistance to determine the additional fuel and purchased energy costs associated with these findings and file the analysis within 60 days of the order. After a final determination of the costs is made by the APSC, Entergy Arkansas would be directed to refund that amount with interest to its customers as a credit on the energy cost recovery rider. Entergy Arkansas requested rehearing of the order. In March 2007, in order

to allow further consideration by the APSC, the APSC granted Entergy Arkansas' petition for rehearing and for stay of the APSC order.

In October 2008, Entergy Arkansas filed a motion to lift the stay and to rescind the APSC's January 2007 order in light of the arguments advanced in Entergy Arkansas' rehearing petition and because the value for Entergy Arkansas' customers obtained through the resolved railroad litigation is significantly greater than the incremental cost of actions identified by the APSC as imprudent. In December 2008, the APSC denied the motion to lift the stay

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

pending resolution of Entergy Arkansas' rehearing request and of the unresolved issues in the proceeding. The APSC ordered the parties to submit their unresolved issues list in the pending proceeding, which the parties did. In February 2010 the APSC denied Entergy Arkansas' request for rehearing, and held a hearing in September 2010 to determine the amount of damages, if any, that should be assessed against Entergy Arkansas. A decision is pending. Entergy Arkansas expects the amount of damages, if any, to have an immaterial effect on its results of operations, financial position, or cash flows.

The APSC also established a separate docket to consider the resolved railroad litigation, and in February 2010 it established a procedural schedule that concluded with testimony through September 2010. In a subsequent order the APSC scheduled a hearing for February 3, 2011.

Entergy Arkansas Storm Reserve Accounting

The APSC's June 2007 order in Entergy Arkansas's base rate proceeding 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 reinstated storm reserve accounting effective January 1, 2009. A hearing on Entergy Arkansas's request was held in March 2010, and in April 2010 the ALJ approved Entergy Arkansas's establishment of a storm cost reserve account.

Federal Regulation

See "System Agreement Proceedings", "Independent Coordinator of Transmission", "FERC Audit", and "U.S. Department of Justice Investigation" in the "Rate, Cost-recovery, and Other Regulation" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for updates to the discussion in the Form 10-K.

Nuclear Matters

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

Environmental Risks

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

Critical Accounting Estimates

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Critical Accounting Estimates" in the Form 10-K for a discussion of the estimates and judgments necessary in Entergy Arkansas's accounting for nuclear decommissioning costs, unbilled revenue, and qualified pension and other postretirement benefits.

Federal Healthcare Legislation

See the "Critical Accounting Estimates - Federal Healthcare Legislation" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for an update to the Form 10-K discussion on critical accounting estimates.

ENTERGY ARKANSAS, INC. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
For the Three and Nine Months Ended September 30, 2010 and 2009
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2010	2009	2010	2009
	(In Thousands)		(In Thousands)	
OPERATING REVENUES				
Electric	\$575,062	\$649,395	\$1,647,491	\$1,703,398
OPERATING EXPENSES				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	27,961	29,386	310,430	296,907
Purchased power	156,581	284,755	373,561	531,029
Nuclear refueling outage expenses	10,008	10,669	31,867	30,630
Other operation and maintenance	135,045	123,033	360,703	355,033
Decommissioning	9,016	8,477	26,635	25,967
Taxes other than income taxes	23,004	20,980	65,561	60,951
Depreciation and amortization	53,353	63,699	178,056	189,328
Other regulatory credits - net	(6,481)	(2,270)	(16,607)	(4,514)
TOTAL	408,487	538,729	1,330,206	1,485,331
OPERATING INCOME	166,575	110,666	317,285	218,067
OTHER INCOME				
Allowance for equity funds used during construction	677	1,804	3,435	4,429
Interest and dividend income	6,073	5,791	19,795	12,810
Miscellaneous - net	(452)	(680)	(537)	(2,750)
TOTAL	6,298	6,915	22,693	14,489
INTEREST AND OTHER CHARGES				
Interest on long-term debt	20,718	21,261	63,187	64,159
Other interest - net	1,145	2,540	4,035	4,424
Allowance for borrowed funds used during construction	(396)	(1,008)	(2,007)	(2,655)
TOTAL	21,467	22,793	65,215	65,928
INCOME BEFORE INCOME TAXES	151,406	94,788	274,763	166,628
Income taxes	58,116	41,849	110,819	81,196
NET INCOME	93,290	52,939	163,944	85,432
Preferred dividend requirements and other	1,718	1,718	5,155	5,155
EARNINGS APPLICABLE TO				

COMMON STOCK	\$91,572	\$51,221	\$158,789	\$80,277
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See Notes to Financial Statements.

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ENTERGY ARKANSAS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 2010 and 2009
(Unaudited)

	2010	2009
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	\$ 163,944	\$ 85,432
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Reserve for regulatory adjustments	(3,100)	(741)
Other regulatory credits - net	(16,607)	(4,514)
Depreciation, amortization, and decommissioning, including nuclear fuel amortization	261,978	215,295
Deferred income taxes, investment tax credits, and non-current taxes accrued	54,376	56,579
Changes in working capital:		
Receivables	(22,478)	(12,459)
Fuel inventory	(10,265)	735
Accounts payable	(37,034)	(258,033)
Interest accrued	(2,133)	(1,606)
Deferred fuel costs	61,311	73,018
Other working capital accounts	44,039	217,620
Provision for estimated losses and reserves	(8,563)	(2,494)
Changes in other regulatory assets	(30,562)	(24,704)
Changes in pension and other postretirement liabilities	(50,900)	(14,578)
Other	49,327	(7,704)
Net cash flow provided by operating activities	453,333	321,846
INVESTING ACTIVITIES		
Construction expenditures	(212,468)	(235,543)
Allowance for equity funds used during construction	3,435	4,429
Nuclear fuel purchases	(12,261)	(69,403)
Proceeds from sale/leaseback of nuclear fuel	-	69,326
Changes in other investments	2,415	-
Proceeds from nuclear decommissioning trust fund sales	178,441	83,648
Investment in nuclear decommissioning trust funds	(185,126)	(91,412)
Change in money pool receivable - net	(8,141)	(7,805)
Proceeds from sale of equipment	2,489	-
Other	18	-
Net cash flow used in investing activities	(231,198)	(246,760)
FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	119,782	-
Retirement of long-term debt	(100,000)	-
Changes in credit borrowings - net	(42,307)	-
Dividends paid:		

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Common stock	(173,400)	(39,800)
Preferred stock	(5,155)	(5,155)
Other	-	(231)
Net cash flow used in financing activities	(201,080)	(45,186)
Net increase in cash and cash equivalents	21,055	29,900
Cash and cash equivalents at beginning of period	86,233	39,568
Cash and cash equivalents at end of period	\$ 107,288	\$ 69,468

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid during the period for:

Interest - net of amount capitalized	\$65,337	\$66,358
Income taxes	\$56,847	\$17,008

See Notes to Financial Statements.

ENTERGY ARKANSAS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

ASSETS

September 30, 2010 and December 31, 2009

(Unaudited)

2010 2009
(In Thousands)

CURRENT ASSETS

Cash and cash equivalents		
Cash	\$2,327	\$3,336
Temporary cash investments	104,961	82,897
Total cash and cash equivalents	107,288	86,233
Accounts receivable:		
Customer	121,567	93,754
Allowance for doubtful accounts	(22,732)	(21,853)
Associated companies	79,735	91,650
Other	56,423	55,381
Accrued unbilled revenues	90,684	76,126
Total accounts receivable	325,677	295,058
Deferred fuel costs	61,491	122,802
Fuel inventory - at average cost	25,325	15,060
Materials and supplies - at average cost	135,717	132,182
Deferred nuclear refueling outage costs	31,626	34,492
System agreement cost equalization	25,976	70,000
Prepayments and other	43,236	32,668
TOTAL	756,336	788,495

OTHER PROPERTY AND INVESTMENTS

Investment in affiliates - at equity	11,201	11,201
Decommissioning trust funds	468,543	440,220
Non-utility property - at cost (less accumulated depreciation)	1,686	1,435
Other	2,976	2,976
TOTAL	484,406	455,832

UTILITY PLANT

Electric	7,725,276	7,602,975
Property under capital lease	1,319	1,364
Construction work in progress	108,194	114,998
Nuclear fuel under capital lease	-	173,076
Nuclear fuel	137,001	11,543
TOTAL UTILITY PLANT	7,971,790	7,903,956
Less - accumulated depreciation and amortization	3,646,786	3,534,056
UTILITY PLANT - NET	4,325,004	4,369,900

DEFERRED DEBITS AND OTHER ASSETS

Regulatory assets:		
Regulatory asset for income taxes - net	46,519	51,340

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Other regulatory assets (includes securitization transition property of \$120,732 as of September 30, 2010)	821,481	746,955
Other	27,246	23,118
TOTAL	895,246	821,413
TOTAL ASSETS	\$6,460,992	\$6,435,640

See Notes to Financial Statements.

ENTERGY ARKANSAS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
LIABILITIES AND EQUITY
September 30, 2010 and December 31, 2009
(Unaudited)

	2010	2009
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	\$35,000	\$100,000
Notes payable	14,759	-
Accounts payable:		
Associated companies	65,382	107,584
Other	113,818	111,523
Customer deposits	70,987	67,480
Accumulated deferred income taxes	62,196	74,794
Interest accrued	24,461	24,104
Obligations under capital leases	67	72,838
Other	24,902	14,742
TOTAL	411,572	573,065
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	1,591,552	1,493,580
Accumulated deferred investment tax credits	45,426	47,909
Obligations under capital leases	1,252	101,601
Other regulatory liabilities	135,568	101,370
Decommissioning	593,008	566,374
Accumulated provisions	4,654	13,217
Pension and other postretirement liabilities	397,521	448,421
Long-term debt (includes securitization bonds of \$124,065 as of September 30, 2010)	1,742,916	1,518,569
Other	24,223	43,623
TOTAL	4,536,120	4,334,664
Commitments and Contingencies		
Preferred stock without sinking fund	116,350	116,350
COMMON EQUITY		
Common stock, \$0.01 par value, authorized 325,000,000 shares; issued and outstanding 46,980,196 shares in 2010 and 2009	470	470
Paid-in capital	588,444	588,444
Retained earnings	808,036	822,647
TOTAL	1,396,950	1,411,561
TOTAL LIABILITIES AND EQUITY	\$6,460,992	\$6,435,640

See Notes to Financial Statements.

ENTERGY ARKANSAS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Nine Months Ended September 30, 2010 and 2009
(Unaudited) (In Thousands)

	Common Equity Common Stock	Paid-in Capital	Retained Earnings	Total
Balance at December 31, 2008	\$470	\$588,444	\$810,945	\$1,399,859
Net income	-	-	85,432	85,432
Common stock dividends	-	-	(39,800)	(39,800)
Preferred stock dividends	-	-	(5,155)	(5,155)
Balance at September 30, 2009	\$470	\$588,444	\$851,422	\$1,440,336
Balance at December 31, 2009	\$470	\$588,444	\$822,647	\$1,411,561
Net income	-	-	163,944	163,944
Common stock dividends	-	-	(173,400)	(173,400)
Preferred stock dividends	-	-	(5,155)	(5,155)
Balance at September 30, 2010	\$470	\$588,444	\$808,036	\$1,396,950

See Notes to Financial Statements.

ENTERGY ARKANSAS, INC. AND SUBSIDIARIES
 SELECTED OPERATING RESULTS
 For the Three and Nine Months Ended September 30, 2010 and 2009
 (Unaudited)

Description	Three Months Ended		Increase/ (Decrease)	%
	2010	2009		
(Dollars In Millions)				
Electric Operating Revenues:				
Residential	\$245	\$250	\$(5)	(2)
Commercial	123	146	(23)	(16)
Industrial	112	129	(17)	(13)
Governmental	5	6	(1)	(17)
Total retail	485	531	(46)	(9)
Sales for resale				
Associated companies	70	94	(24)	(26)
Non-associated companies	17	23	(6)	(26)
Other	3	1	2	200
Total	\$575	\$649	\$(74)	(11)

Billed Electric Energy

Sales (GWh):				
Residential	2,777	2,307	470	20
Commercial	1,910	1,745	165	9
Industrial	2,006	1,744	262	15
Governmental	83	76	7	9
Total retail	6,776	5,872	904	15
Sales for resale				
Associated companies	1,852	2,529	(677)	(27)
Non-associated companies	150	189	(39)	(21)
Total	8,778	8,590	188	2

Description	Nine Months Ended		Increase/ (Decrease)	%
	2010	2009		
(Dollars In Millions)				
Electric Operating Revenues:				
Residential	\$628	\$611	\$17	3
Commercial	343	366	(23)	(6)
Industrial	322	326	(4)	(1)
Governmental	15	17	(2)	(12)
Total retail	1,308	1,320	(12)	(1)
Sales for resale				
Associated companies	225	253	(28)	(11)
Non-associated companies	57	80	(23)	(29)
Other	57	50	7	14
Total	\$1,647	\$1,703	\$(56)	(3)

Billed Electric Energy

Sales (GWh):

Residential	6,802	5,897	905	15
Commercial	4,718	4,456	262	6
Industrial	5,331	4,733	598	13
Governmental	211	204	7	3
Total retail	17,062	15,290	1,772	12
Sales for resale				
Associated companies	5,908	6,929	(1,021)	(15)
Non-associated companies	537	1,215	(678)	(56)
Total	23,507	23,434	73	-

ENTERGY GULF STATES LOUISIANA, L.L.C.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Results of Operations

Net Income

Third Quarter 2010 Compared to Third Quarter 2009

Net income increased by \$30.7 million primarily due to higher net revenue and lower interest expense, partially offset by higher other operation and maintenance expenses and lower other income.

Nine Months Ended September 30, 2010 Compared to Nine Months Ended September 30, 2009

Net income increased by \$45 million primarily due to higher net revenue and lower interest expense, partially offset by higher other operation and maintenance expenses and lower other income.

Net Revenue

Third Quarter 2010 Compared to Third Quarter 2009

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses and 3) other regulatory credits. Following is an analysis of the change in net revenue comparing the third quarter 2010 to the third quarter 2009.

	Amount (In Millions)
2009 net revenue	\$228.7
Retail electric price	35.1
Volume/weather	12.2
Net wholesale revenue	4.7
Other	1.4
2010 net revenue	\$282.1

The retail electric price variance is primarily due to formula rate plan increases effective January 2010, September 2010, and November 2009. See Note 2 to the financial statements in the Form 10-K and herein for further discussion of the formula rate plan increases.

The volume/weather variance is primarily due to an increase of 381 GWh, or 7%, in billed electricity usage, primarily in the industrial sector as a result of increased consumption in the chemical industry, and also the effect of more favorable weather on the residential and commercial sectors.

The net wholesale revenue variance is primarily due to increased capacity revenue, primarily from River Bend, partially offset by the transfer of several wholesale customers to Entergy Texas in 2009.

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Gross operating revenues and fuel and purchased power expenses

Gross operating revenues increased primarily due to:

- an increase of \$42.9 million in fuel cost recovery revenues due to higher fuel rates and increased usage;
 - an increase of \$42.3 million in rider revenues due to lower System Agreement credits in 2010;
 - an increase of \$12.2 million related to volume/weather, as discussed above; and
- formula rate plan increases effective January 2010, September 2010, and November 2009, as discussed above.

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

Nine Months Ended September 30, 2010 Compared to Nine Months Ended September 30, 2009

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory credits. Following is an analysis of the change in net revenue comparing the nine months ended September 30, 2010 to the nine months ended September 30, 2009.

	Amount (In Millions)
2009 net revenue	\$626.1
Retail electric price	63.1
Volume/weather	32.6
Fuel recovery	7.8
Other	(0.2)
2010 net revenue	\$729.4

The retail electric price variance is primarily due to formula rate plan increases effective January 2010, September 2010, and November 2009. See Note 2 to the financial statements in the Form 10-K and herein for further discussion of the formula rate plan increases.

The volume/weather variance is primarily due to an increase of 1,678 GWh, or 12%, in billed electricity usage, primarily in the industrial sector as a result of increased consumption in the chemical industry, and also the effect of more favorable weather on the residential and commercial sectors.

The fuel recovery variance is primarily due to certain nuclear fuel costs now included as recoverable costs after a revision to the fuel adjustment clause methodology, partially offset by fuel cost true-ups.

Gross operating revenues and purchased power expenses

Gross operating revenues increased primarily due to:

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- an increase of \$55.3 million in rider revenues due to lower System Agreement credits in 2010;
 - an increase of \$50.5 million in fuel cost recovery revenues due to increased usage;
 - an increase of \$32.6 million related to volume/weather, as discussed above;
 - an increase of \$14.4 million in gross gas revenues primarily due to increased usage; and
- formula rate plan increases effective January 2010, September 2010, and November 2009, as discussed above.

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Management's Financial Discussion and Analysis

Purchased power expenses increased primarily due to an increase in net area demand and an increase in the average market price of purchased power.

Other Income Statement Variances

Third Quarter 2010 Compared to Third Quarter 2009

Other operation and maintenance expenses increased primarily due to an increase of \$8.2 million in compensation and benefits costs, resulting from decreasing discount rates, the amortization of asset losses, and an increase in the accrual for incentive-based compensation. The increase is also due to \$1.5 million in fossil expenses primarily due to higher plant maintenance costs and plant outages. See Note 11 to the financial statements in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefit costs.

Other income decreased primarily due to a decrease of \$8.6 million in interest and dividend income related to the debt assumption agreement with Entergy Texas. In June 2010, Entergy Texas repaid the outstanding assumed debt and the debt assumption agreement was terminated.

Interest expense decreased primarily due to a decrease in long-term debt outstanding as a result of the redemption, pursuant to the debt assumption agreement with Entergy Texas and prior to maturity, of \$160 million of first mortgage bonds 5.70% Series in June 2010 and the redemption of \$11.975 million of 5.45% Series Calcasieu Parish governmental bonds in July 2010.

Nine Months Ended September 30, 2010 Compared to Nine Months Ended September 30, 2009

Other operation and maintenance expenses increased primarily due to an increase of \$11 million in compensation and benefits costs, resulting from decreasing discount rates, the amortization of asset losses, and an increase in the accrual for incentive-based compensation. The increase is also due to \$7.5 million in fossil expenses due to higher plant maintenance costs and plant outages. The increase was partially offset by a decrease of \$3.1 million due to higher write-offs of uncollectible customer accounts in 2009. See Note 11 to the financial statements in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefit costs.

Other income decreased primarily due to a decrease of \$23 million in interest and dividend income related to the debt assumption agreement with Entergy Texas. In June 2010, Entergy Texas repaid the outstanding assumed debt and the debt assumption agreement was terminated.

Interest expense decreased primarily due to a decrease in long-term debt outstanding as a result of the redemption, pursuant to the debt assumption agreement with Entergy Texas and prior to maturity, of \$160 million of first mortgage bonds 5.70% Series in June 2010 and the redemption of \$11.975 million of 5.45% Series Calcasieu Parish governmental bonds in July 2010.

Income Taxes

The effective income tax rate was 34.1% for the third quarter 2010 and 38.7% for the nine months ended September 30, 2010. The difference in the effective income tax rates for the third quarter 2010 versus the federal statutory rate of 35% is primarily due to book and tax differences related to storm cost financing, partially offset by flow-through book and tax timing differences. The difference in the effective income tax rate for the nine months ended September 30,

2010 versus the federal statutory rate of 35% is primarily due to certain book and tax differences related to utility plant items and state income taxes, partially offset by book and tax differences related to storm cost financing and the amortization of investment tax credits.

The effective income tax rate was 37.2% for the third quarter 2009 and 38.6% for the nine months ended September 30, 2009. The differences in the effective income tax rates for the third quarter 2009 and the nine months

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

ended September 30, 2009 versus the federal statutory rate of 35% was primarily due to certain book and tax differences related to utility plant items and state income taxes, partially offset by book and tax differences related to storm cost financing, the amortization of investment tax credits, flow-through book and tax timing differences, and book and tax differences related to allowance for equity funds used during construction.

Liquidity and Capital Resources

Cash Flow

Cash flows for the nine months ended September 30, 2010 and 2009 were as follows:

	2010	2009
	(In Thousands)	
Cash and cash equivalents at beginning of period	\$144,460	\$49,303
Cash flow provided by (used in):		
Operating activities	571,576	261,353
Investing activities	(438,753)	(155,064)
Financing activities	(147,806)	(23,607)
Net increase (decrease) in cash and cash equivalents	(14,983)	82,682
Cash and cash equivalents at end of period	\$129,477	\$131,985

Operating Activities

Net cash flow provided by operating activities increased \$310.2 million for the nine months ended September 30, 2010 compared to the nine months ended September 30, 2009 primarily due to storm cost proceeds of \$240.3 million received from the LURC as a result of the Act 55 storm cost financings and storm restoration spending in 2009. See "Hurricane Gustav and Hurricane Ike" below and Note 2 to the financial statements herein for a discussion of the storm cost financings.

Investing Activities

Net cash flow used in investing activities increased \$283.7 million for the nine months ended September 30, 2010 compared to the nine months ended September 30, 2009 primarily due to:

- the investment of \$150.3 million in affiliate securities and the investment of \$90 million in the storm reserve escrow account as a result of the Act 55 storm cost financings. See "Hurricane Gustav and Hurricane Ike" below and Note 2 to the financial statements herein for a discussion of the storm cost financings;
- proceeds from the sale/leaseback of nuclear fuel of \$52.6 million in 2009. See Note 12 to the financial statements herein for discussion of the consolidation of nuclear fuel company variable interest entities effective January 1, 2010; and

- an increase in construction expenditures resulting from \$24.9 million in costs associated with the development of new nuclear generation at River Bend, as discussed below, and an increase in spending on nuclear plant security upgrades.

The increase was partially offset by a decrease in distribution construction expenditures related to Hurricane Gustav and Hurricane Ike work in 2009 and money pool activity.

Decreases in Entergy Gulf States Louisiana's receivable from the money pool are a source of cash flow, and Entergy Gulf States Louisiana's receivable from the money pool decreased by \$4.8 million for the nine months ended September 30, 2010 compared to increasing by \$33.4 million for the nine months ended September 30, 2009. The money pool is an inter-company borrowing arrangement designed to reduce the Utility subsidiaries' need for external short-term borrowings.

Entergy Gulf States Louisiana, L.L.C.
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Financing Activities

Net cash flow used in financing activities increased \$124.2 million for the nine months ended September 30, 2010 compared to the nine months ended September 30, 2009 primarily due to an increase of \$101.6 million in common equity distributions.

Capital Structure

Entergy Gulf States Louisiana's capitalization is balanced between equity and debt, as shown in the following table. The calculation below does not reduce the debt by the debt assumed by Entergy Texas (\$0 as of September 30, 2010, and \$168 million as of December 31, 2009) because Entergy Gulf States Louisiana was still primarily liable on the debt.

	September 30, 2010	December 31, 2009
Debt to capital	52.3%	55.3%
E f f e c t o f subtracting cash from debt	(2.1)%	(2.1)%
Net debt to net capital	50.2%	53.2%

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

Uses and Sources of Capital

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources" in the Form 10-K for a discussion of Entergy Gulf States Louisiana's uses and sources of capital. Entergy Gulf States Louisiana is developing its capital plan for 2011 through 2013 and currently anticipates making \$674 million in capital investments during that period, including approximately \$408 million for maintenance of existing assets. The remaining \$266 million is associated with specific investments such as environmental compliance spending, transmission upgrades and system improvements, and other investments such as potential opportunities through the Utility's supply plan initiatives that support its ability to meet load growth. Following are additional updates to the information provided in the Form 10-K.

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

September 30, 2010	December 31, 2009	September 30, 2009	December 31, 2008
(In Thousands)			

\$45,373	\$50,131	\$44,970	\$11,589
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See Note 4 to the financial statements in the Form 10-K for a description of the money pool.

As discussed in the Form 10-K, Entergy Gulf States Louisiana has a credit facility in the amount of \$100 million scheduled to expire in August 2012. No borrowings were outstanding under the facility as of September 30, 2010.

In June 2010, pursuant to the debt assumption agreement with Entergy Texas, \$160 million of Entergy Gulf States Louisiana's first mortgage bonds 5.70% Series due June 2015 were repaid prior to maturity.

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In July 2010, Entergy Gulf States Louisiana paid, at maturity, its \$11.975 million of 5.45% Series Calcasieu Parish governmental bonds.

In October 2010, Entergy Gulf States Louisiana issued \$250 million of 3.95% Series first mortgage bonds due October 2020. In November 2010, Entergy Gulf States Louisiana used the proceeds, together with other available funds, to repay, prior to maturity, (i) its first mortgage bonds, 5.25% Series due August 2015, which had an outstanding aggregate principal amount of \$92.12 million; (ii) its first mortgage bonds, 4.875% Series due November 2011, which had an outstanding aggregate principal amount of \$200 million; and (iii) its first mortgage bonds, 5.70% Series due June 2015, which had an outstanding aggregate principal amount of \$40 million.

In October 2010, Entergy Gulf States Louisiana arranged for the issuance by the Louisiana Public Facilities Authority of \$83.68 million of 5% Revenue Bonds (Entergy Gulf States Louisiana, L.L.C. Project) Series 2010A due September 2028, which are secured by a series of non-interest bearing first mortgage bonds.

In October 2010, Entergy Gulf States Louisiana arranged for the issuance by the Louisiana Public Facilities Authority of \$31.955 million of 2.875% Revenue Bonds (Entergy Gulf States Louisiana, L.L.C. Project) Series 2010B due November 2015, which are secured by a series of non-interest bearing first mortgage bonds.

New Nuclear Development

As discussed in the Form 10-K, Entergy Gulf States Louisiana and Entergy Louisiana provided public notice to the LPSC of their intention to make a filing pursuant to the LPSC's general order that governs the development of new nuclear generation in Louisiana. The project option being developed by the companies is for new nuclear generation at River Bend. Entergy Gulf States Louisiana and Entergy Louisiana, together with Entergy Mississippi, have been engaged in the development of options to construct new nuclear generation at the River Bend and Grand Gulf sites. Entergy Gulf States Louisiana and Entergy Louisiana are leading the development at River Bend, and Entergy Mississippi is leading the development at Grand Gulf. This project is in the early stages, and several issues remain to be addressed over time before significant additional capital would be committed to this project. In the first quarter 2010, Entergy Gulf States Louisiana and Entergy Louisiana each paid for and recognized on its books \$24.9 million in costs associated with the development of new nuclear generation at the River Bend site; these costs previously had been recorded on the books of Entergy New Nuclear Utility Development, LLC, a System Energy subsidiary. Entergy Gulf States Louisiana and Entergy Louisiana will share costs going forward on a 50/50 basis, which reflects each company's current participation level in the project. In March 2010, Entergy Gulf States Louisiana and Entergy Louisiana filed with the LPSC seeking approval to continue the development activities. The parties have agreed to a procedural schedule that includes a hearing in May 2011.

Hurricane Gustav and Hurricane Ike

As discussed in the Form 10-K, in September 2008, Hurricane Gustav and Hurricane Ike caused catastrophic damage to Entergy's service territory. Entergy Gulf States Louisiana and Entergy Louisiana filed their Hurricane Gustav and Hurricane Ike storm cost recovery case with the LPSC in May 2009. In September 2009, Entergy Gulf States Louisiana and Entergy Louisiana and the Louisiana Utilities Restoration Corporation (LURC), an instrumentality of the State of Louisiana, filed with the LPSC an application requesting that the LPSC grant financing orders authorizing the financing of Entergy Gulf States Louisiana's and Entergy Louisiana's storm costs, storm reserves, and issuance costs pursuant to Act 55 of the Louisiana Regular Session of 2007 (Act 55 financings). Entergy Gulf States Louisiana's and Entergy Louisiana's Hurricane Katrina and Hurricane Rita storm costs were financed primarily by Act

55 financings, as discussed in the Form 10-K. Entergy Gulf States Louisiana and Entergy Louisiana also filed an application requesting LPSC approval for ancillary issues including the mechanism to flow charges and Act 55 financing savings to customers via a Storm Cost Offset rider. On December 30, 2009, Entergy Gulf States Louisiana and Entergy Louisiana entered into a stipulation agreement with the LPSC Staff that provides for total recoverable

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Management's Financial Discussion and Analysis

costs of approximately \$234 million for Entergy Gulf States Louisiana and \$394 million for Entergy Louisiana, including carrying costs. Under this stipulation, Entergy Gulf States Louisiana agrees not to recover \$4.4 million and Entergy Louisiana agrees not to recover \$7.2 million of their storm restoration spending. The stipulation also permits replenishing Entergy Gulf States Louisiana's storm reserve in the amount of \$90 million and Entergy Louisiana's storm reserve in the amount of \$200 million when the Act 55 financings are accomplished. In March and April 2010, Entergy Gulf States Louisiana, Entergy Louisiana, and other parties to the proceeding filed with the LPSC an uncontested stipulated settlement that includes these terms and also includes Entergy Gulf States Louisiana's and Entergy Louisiana's proposals under the Act 55 financings, which includes a commitment to pass on to customers a minimum of \$15.5 million and \$27.75 million of customer benefits, respectively, through prospective annual rate reductions of \$3.1 million and \$5.55 million for five years. A stipulation hearing was held before the ALJ on April 13, 2010. On April 21, 2010, the LPSC approved the settlement and subsequently issued two financing orders and one ratemaking order intended to facilitate the implementation of the Act 55 financings. In June 2010 the Louisiana State Bond Commission approved the Act 55 financings.

On July 22, 2010, the Louisiana Local Government Environmental Facilities and Community Development Authority (LCDA) issued \$244.1 million in bonds under Act 55. From the \$240.3 million of bond proceeds loaned by the LCDA to the LURC, the LURC deposited \$90 million in a restricted escrow account as a storm damage reserve for Entergy Gulf States Louisiana and transferred \$150.3 million directly to Entergy Gulf States Louisiana. From the bond proceeds received by Entergy Gulf States Louisiana from the LURC, Entergy Gulf States Louisiana used \$150.3 million to acquire 1,502,643.04 Class B preferred, non-voting, membership interest units of Entergy Holdings Company LLC, a company wholly-owned and consolidated by Entergy, that carry a 9% annual distribution rate. Distributions are payable quarterly commencing on September 15, 2010, and the membership interests have a liquidation price of \$100 per unit. The preferred membership interests are callable at the option of Entergy Holdings Company LLC after ten years under the terms of the LLC agreement. The terms of the membership interests include certain financial covenants to which Entergy Holdings Company LLC is subject, including the requirement to maintain a net worth of at least \$1 billion.

Entergy Gulf States Louisiana does not report the bonds on its balance sheet because the bonds are the obligation of the LCDA and there is no recourse against Entergy or Entergy Gulf States Louisiana in the event of a bond default. To service the bonds, Entergy Gulf States Louisiana collects a system restoration charge on behalf of the LURC, and remits the collections to the bond indenture trustee. Entergy Gulf States Louisiana does not report the collections as revenue because it is merely acting as the billing and collection agent for the state.

State and Local Rate Regulation

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

See the Form 10-K for a discussion of Entergy Gulf States Louisiana's formula rate plan that the LPSC approved for the 2008, 2009, and 2010 test years. Entergy Gulf States Louisiana, effective with the November 2009 billing cycle, reset its rates to achieve a 10.65% return on equity for the 2008 test year. The rate reset, a \$44.3 million increase that includes a \$36.9 million cost of service adjustment, plus \$7.4 million net for increased capacity costs and a base rate reclassification, was implemented for the November 2009 billing cycle, and the rate reset was subject to refund pending review of the 2008 test year filing that was made in October 2009. In January 2010, Entergy Gulf States Louisiana implemented an additional \$23.9 million rate increase pursuant to a special rate implementation filing made in December 2009, primarily for incremental capacity costs approved by the LPSC. In May 2010, Entergy Gulf States

Louisiana and the LPSC staff submitted a joint report on the 2008 test year filing and requested that the LPSC accept the report, which will result in a \$0.8 million reduction in current rates effective in the June 2010 billing cycle and a \$0.5 million refund. At its May 19, 2010 meeting, the LPSC accepted the joint report.

In May 2010, Entergy Gulf States Louisiana made its formula rate plan filing with the LPSC for the 2009 test year. The filing reflected a 10.25% return on common equity, which is within the allowed earnings bandwidth, indicating no cost of service rate change is necessary under the formula rate plan. The filing does reflect, however, consistent with a December 2009 filing, a revenue requirement increase to provide supplemental funding for the

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decommissioning trust maintained for the LPSC-regulated 70% share of River Bend, in response to a NRC notification of a projected shortfall of decommissioning funding assurance. The filing also reflects a rate increase for incremental capacity costs. In July 2010 the LPSC approved a \$7.8 million increase in the revenue requirement for decommissioning, effective September 2010. In August 2010, Entergy Gulf States Louisiana made a revised 2009 test year filing. The revised filing reflected a 10.12% earned return on common equity, which is within the allowed earnings bandwidth resulting in no cost of service adjustment. The revised filing also reflected two increases outside of the formula rate plan sharing mechanism: (1) the previously approved decommissioning revenue requirement, and (2) \$25.2 million for capacity costs. The rates reflected in the revised filing became effective, beginning with the first billing cycle of September 2010, subject to refund and final approval by the LPSC. The September 2010 rate change contributed approximately \$2.8 million to Entergy Gulf States Louisiana's revenues in the third quarter 2010.

In January 2010, Entergy Gulf States Louisiana filed with the LPSC its gas rate stabilization plan for the test year ended September 30, 2009. The filing showed an earned return on common equity of 10.87%, which is within the earnings bandwidth of 10.5% plus or minus fifty basis points, resulting in no rate change. In April 2010, Entergy Gulf States Louisiana filed a revised evaluation report reflecting changes agreed upon with the LPSC Staff. The revised evaluation report also results in no rate change.

In January 2003, the LPSC authorized its staff to initiate a proceeding to audit the fuel adjustment clause filings of Entergy Gulf States Louisiana and its affiliates pursuant to a November 1997 LPSC general order. The audit includes a review of the reasonableness of charges flowed by Entergy Gulf States Louisiana through its fuel adjustment clause for the period January 1995 through December 2002. In June 2005 the LPSC expanded the audit period to include the years through 2004. Discovery has largely concluded, but the LPSC Staff has not issued its report. The LPSC recently directed its staff to issue the report by the end of December 2010. A procedural schedule will be set to establish a hearing process to address any issues noted in the LPSC Staff report that are contested by Entergy Gulf States Louisiana. Entergy Gulf States Louisiana has recorded provisions for the estimated effect of this proceeding.

In April 2010 the LPSC authorized its staff to initiate an audit of Entergy Gulf States Louisiana's purchased gas adjustment clause filings for its gas distribution operations pursuant to a March 1999 LPSC general order. The audit includes a review of the reasonableness of charges flowed through by Entergy Gulf States Louisiana for the period from January 2003 through December 2008. Discovery is in progress, but a procedural schedule has not been established.

Federal Regulation

See "System Agreement Proceedings", "Independent Coordinator of Transmission", "FERC Audit", and "U.S. Department of Justice Investigation" in the "Rate, Cost-recovery, and Other Regulation" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for updates to the discussion in the Form 10-K.

Nuclear Matters

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

Environmental Risks

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

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Critical Accounting Estimates

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Critical Accounting Estimates" in the Form 10-K for a discussion of the estimates and judgments necessary in Entergy Gulf States Louisiana's accounting for nuclear decommissioning costs, unbilled revenue, and qualified pension and other postretirement benefits.

Federal Healthcare Legislation

See the "Critical Accounting Estimates - Federal Healthcare Legislation" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for an update to the Form 10-K discussion on critical accounting estimates.

ENTERGY GULF STATES LOUISIANA, L.L.C.
 INCOME STATEMENTS
 For the Three and Nine Months Ended September 30, 2010 and 2009
 (Unaudited)

	Three Months Ended		Nine Months Ended	
	2010	2009	2010	2009
	(In Thousands)		(In Thousands)	
OPERATING REVENUES				
Electric	\$622,200	\$477,825	\$1,576,985	\$1,367,696
Natural gas	10,572	8,947	63,687	49,244
TOTAL	632,772	486,772	1,640,672	1,416,940
OPERATING EXPENSES				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	117,475	65,320	250,464	239,007
Purchased power	235,010	203,647	667,037	555,111
Nuclear refueling outage expenses	6,448	5,375	17,771	15,903
Other operation and maintenance	95,433	85,089	262,312	247,189
Decommissioning	3,374	3,431	9,978	10,089
Taxes other than income taxes	20,258	17,373	56,668	52,542
Depreciation and amortization	28,752	33,384	96,554	101,115
Other regulatory credits - net	(1,803)	(10,865)	(6,233)	(3,298)
TOTAL	504,947	402,754	1,354,551	1,217,658
OPERATING INCOME	127,825	84,018	286,121	199,282
OTHER INCOME				
Allowance for equity funds used during construction	1,329	1,220	4,140	4,504
Interest and dividend income	11,288	19,387	30,666	54,491
Miscellaneous - net	(1,996)	(2,280)	(5,348)	(5,501)
TOTAL	10,621	18,327	29,458	53,494
INTEREST AND OTHER CHARGES				
Interest on long-term debt	21,641	26,534	69,839	81,632
Other interest - net	979	3,020	8,386	7,585
Allowance for borrowed funds used during construction	(869)	(802)	(2,668)	(2,835)
TOTAL	21,751	28,752	75,557	86,382
INCOME BEFORE INCOME TAXES	116,695	73,593	240,022	166,394
Income taxes	39,756	27,381	92,846	64,259
NET INCOME	76,939	46,212	147,176	102,135
Preferred distribution requirements and other	206	206	621	619

EARNINGS APPLICABLE TO COMMON EQUITY	\$76,733	\$46,006	\$146,555	\$101,516
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See Notes to Financial Statements.

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ENTERGY GULF STATES LOUISIANA, L.L.C.
 STATEMENTS OF CASH FLOWS
 For the Nine Months Ended September 30, 2010 and 2009
 (Unaudited)

	2010	2009
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	\$147,176	\$102,135
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Reserve for regulatory adjustments	829	-
Other regulatory credits - net	(6,233)	(3,298)
Depreciation, amortization, and decommissioning, including nuclear fuel amortization	142,212	111,204
Deferred income taxes, investment tax credits, and non-current taxes accrued	94,696	125,502
Changes in working capital:		
Receivables	(95,713)	110,184
Fuel inventory	5,308	1,302
Accounts payable	53,474	(77,903)
Prepaid taxes and taxes accrued	(24,945)	17,779
Interest accrued	10,043	2,023
Deferred fuel costs	(20,694)	66
Other working capital accounts	17,511	(30,266)
Provision for estimated losses and reserves	82,647	(190)
Changes in other regulatory assets	144,721	(19,648)
Other	20,544	(77,537)
Net cash flow provided by operating activities	571,576	261,353
INVESTING ACTIVITIES		
Construction expenditures	(171,142)	(140,224)
Allowance for equity funds used during construction	4,140	4,504
Insurance proceeds	2,243	-
Nuclear fuel purchases	(33,363)	(31,169)
Proceeds from sale/leaseback of nuclear fuel	-	52,639
Investment in affiliates	(150,264)	160
Payment to storm reserve escrow account	(90,026)	-
Proceeds from nuclear decommissioning trust fund sales	83,625	42,445
Investment in nuclear decommissioning trust funds	(91,860)	(50,038)
Change in money pool receivable - net	4,758	(33,381)
Changes in other investments	3,136	-
Net cash flow used in investing activities	(438,753)	(155,064)
FINANCING ACTIVITIES		
Retirement of long-term debt	(12,721)	-
Changes in credit borrowings - net	(8,300)	-
Dividends/distributions paid:		
Common equity	(124,300)	(22,700)
Preferred membership interests	(621)	(619)

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Other	(1,864)	(288)
Net cash flow used in financing activities	(147,806)	(23,607)
Net increase (decrease) in cash and cash equivalents	(14,983)	82,682
Cash and cash equivalents at beginning of period	144,460	49,303
Cash and cash equivalents at end of period	\$129,477	\$131,985
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest - net of amount capitalized	\$65,992	\$84,971
Income taxes	\$38,220	\$29,337
Noncash financing activities:		
Repayment by Entergy Texas of assumed long-term debt	\$167,742	\$70,825
See Notes to Financial Statements.		

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

ASSETS

September 30, 2010 and December 31, 2009

(Unaudited)

2010 2009
(In Thousands)

CURRENT ASSETS

Cash and cash equivalents:		
Cash	\$255	\$139
Temporary cash investments	129,222	144,321
Total cash and cash equivalents	129,477	144,460
Accounts receivable:		
Customer	97,821	38,633
Allowance for doubtful accounts	(2,190)	(1,235)
Associated companies	123,214	102,807
Other	27,201	22,425
Accrued unbilled revenues	63,964	56,425
Total accounts receivable	310,010	219,055
Fuel inventory - at average cost	23,990	29,298
Materials and supplies - at average cost	113,753	107,531
Deferred nuclear refueling outage costs	10,031	26,722
Debt assumption by Entergy Texas	-	167,742
Prepaid taxes	57,715	32,770
Prepayments and other	5,108	9,376
TOTAL	650,084	736,954

OTHER PROPERTY AND INVESTMENTS

Investment in affiliate preferred membership interests	339,664	189,400
Decommissioning trust funds	372,377	349,527
Non-utility property - at cost (less accumulated depreciation)	150,641	146,190
Storm reserve escrow account	90,078	52
Other	11,912	11,290
TOTAL	964,672	696,459

UTILITY PLANT

Electric	6,863,140	6,855,075
Natural gas	118,704	113,970
Construction work in progress	110,388	84,161
Nuclear fuel under capital lease	-	156,996
Nuclear fuel	159,033	6,005
TOTAL UTILITY PLANT	7,251,265	7,216,207
Less - accumulated depreciation and amortization	3,786,711	3,714,199
UTILITY PLANT - NET	3,464,554	3,502,008

DEFERRED DEBITS AND OTHER ASSETS

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Regulatory assets:		
Regulatory asset for income taxes - net	264,324	288,313
Other regulatory assets	281,007	299,793
Deferred fuel costs	100,124	100,124
Long-term receivables	987	967
Other	14,971	11,564
TOTAL	661,413	700,761
TOTAL ASSETS	\$5,740,723	\$5,636,182

See Notes to Financial Statements.

ENTERGY GULF STATES LOUISIANA, L.L.C.
BALANCE SHEETS
LIABILITIES AND EQUITY
September 30, 2010 and December 31, 2009
(Unaudited)

	2010	2009
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	\$-	\$ 11,975
Notes payable	26,000	-
Accounts payable:		
Associated companies	112,649	52,622
Other	82,975	91,604
Customer deposits	47,888	45,645
Accumulated deferred income taxes	4,603	12,219
Interest accrued	36,767	24,709
Deferred fuel costs	21,657	42,351
Obligations under capital leases	-	30,387
Pension and other postretirement liabilities	8,284	8,021
Gas hedge contracts	6,725	263
System agreement cost equalization	-	10,000
Other	15,732	8,790
TOTAL	363,280	338,586
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	1,443,695	1,345,984
Accumulated deferred investment tax credits	85,705	88,246
Obligations under capital leases	-	126,226
Other regulatory liabilities	73,511	47,423
Decommissioning and asset retirement cost liabilities	335,133	321,158
Accumulated provisions	97,316	14,669
Pension and other postretirement liabilities	224,403	234,473
Long-term debt	1,580,391	1,614,366
Long-term payables - associated companies	32,998	34,340
Other	38,678	28,952
TOTAL	3,911,830	3,855,837
Commitments and Contingencies		
EQUITY		
Preferred membership interests without sinking fund	10,000	10,000
Member's equity	1,496,170	1,473,930
Accumulated other comprehensive loss	(40,557)	(42,171)
TOTAL	1,465,613	1,441,759
TOTAL LIABILITIES AND EQUITY	\$5,740,723	\$5,636,182

See Notes to Financial Statements.

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ENTERGY GULF STATES LOUISIANA, L.L.C.
 STATEMENTS OF CHANGES IN EQUITY AND COMPREHENSIVE INCOME
 For the Nine Months Ended September 30, 2010 and 2009
 (Unaudited) (In Thousands)

	Preferred Membership Interests	Member's Equity	Common Equity Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 31, 2008	\$ 10,000	\$1,352,408	\$ (30,265)	\$1,332,143
Net income	-	102,135	-	102,135
Other comprehensive income:				
Pension and other postretirement liabilities (net of tax expense of \$1,053)	-	-	942	942
Total comprehensive income				103,077
Dividends/distributions declared on common equity	-	(22,700)	-	(22,700)
Dividends/distributions declared on preferred membership interests	-	(619)	-	(619)
Other	-	(14)	-	(14)
Balance at September 30, 2009	\$ 10,000	\$1,431,210	\$ (29,323)	\$1,411,887
Balance at December 31, 2009	\$ 10,000	\$1,473,930	\$ (42,171)	\$1,441,759
Net income	-	147,176	-	147,176
Other comprehensive income:				
Pension and other postretirement liabilities (net of tax expense of \$1,556)	-	-	1,614	1,614
Total comprehensive income				148,790
Dividends/distributions declared on common equity	-	(124,300)	-	(124,300)
Dividends/distributions declared on preferred membership interests	-	(621)	-	(621)
Other	-	(15)	-	(15)
Balance at September 30, 2010	\$ 10,000	\$1,496,170	\$ (40,557)	\$1,465,613

See Notes to Financial Statements.

ENTERGY GULF STATES LOUISIANA, L.L.C.
 SELECTED OPERATING RESULTS
 For the Three and Nine Months Ended September 30, 2010 and 2009
 (Unaudited)

Description	Three Months Ended		Increase/ (Decrease)	%
	2010	2009		
(Dollars In Millions)				
Electric Operating Revenues:				
Residential	\$167	\$122	\$45	37
Commercial	125	91	34	37
Industrial	130	90	40	44
Governmental	5	5	-	-
Total retail	427	308	119	39
Sales for resale				
Associated companies	163	141	22	16
Non-associated companies	16	27	(11)	(41)
Other	16	2	14	700
Total	\$622	\$478	\$144	30

Billed Electric Energy**Sales (GWh):**

Residential	1,844	1,751	93	5
Commercial	1,548	1,487	61	4
Industrial	2,276	2,049	227	11
Governmental	53	53	-	-
Total retail	5,721	5,340	381	7
Sales for resale				
Associated companies	2,804	1,975	829	42
Non-associated companies	340	748	(408)	(55)
Total	8,865	8,063	802	10

Description	Nine Months Ended		Increase/ (Decrease)	%
	2010	2009		
(Dollars In Millions)				
Electric Operating Revenues:				
Residential	\$393	\$311	\$82	26
Commercial	324	276	48	17
Industrial	371	297	74	25
Governmental	15	14	1	7
Total retail	1,103	898	205	23
Sales for resale				
Associated companies	372	342	30	9
Non-associated companies	62	90	(28)	(31)
Other	40	38	2	5
Total	\$1,577	\$1,368	\$209	15

Billed Electric Energy				
Sales (GWh):				
Residential	4,364	3,933	431	11
Commercial	3,991	3,823	168	4
Industrial	6,605	5,527	1,078	20
Governmental	160	159	1	1
Total retail	15,120	13,442	1,678	12
Sales for resale				
Associated companies	6,710	5,688	1,022	18
Non-associated companies	1,297	2,152	(855)	(40)
Total	23,127	21,282	1,845	9

ENTERGY LOUISIANA, LLC

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Results of Operations

Net Income

Third Quarter 2010 Compared to Third Quarter 2009

Net income increased \$7.4 million primarily due to higher net revenue and a lower effective income tax rate, substantially offset by higher other operation and maintenance expenses.

Nine Months Ended September 30, 2010 Compared to Nine Months Ended September 30, 2009

Net income increased \$28.9 million primarily due to higher net revenue, partially offset by higher other operation and maintenance expenses and higher interest expense.

Net Revenue

Third Quarter 2010 Compared to Third Quarter 2009

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory credits. Following is an analysis of the change in net revenue comparing the third quarter 2010 to the third quarter 2009.

	Amount (In Millions)
2009 net revenue	\$299.4
Volume/weather	14.9
Other	(0.3)
2010 net revenue	\$314.0

The volume/weather variance is primarily due to an increase of 619 GWh, or 8%, in billed electricity usage. Usage in the industrial sector increased primarily as a result of increased consumption by a large industrial customer in the petroleum refining industry. The effect of more favorable weather was the primary driver of the increase in the residential and commercial sales.

Gross operating revenues and fuel and purchased power expenses

Gross operating revenues increased primarily due to:

- an increase of \$64.9 million in fuel cost recovery revenues due to higher fuel rates and increased usage;
- an increase of \$53 million in rider revenues primarily due to lower System Agreement credits in 2010; and
 - an increase of \$14.9 million related to volume/weather, as discussed above.

Fuel and purchased power expenses increased primarily due to an increase in the average market price of purchased power and an increase in demand.

Entergy Louisiana, LLC
Management's Financial Discussion and Analysis

Nine Months Ended September 30, 2010 Compared to Nine Months Ended September 30, 2009

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges (credits). Following is an analysis of the change in net revenue comparing the nine months ended September 30, 2010 to the nine months ended September 30, 2009.

	Amount (In Millions)
2009 net revenue	\$752.9
Volume/weather	48.6
Retail electric price	25.0
Other	(5.1)
2010 net revenue	\$821.4

The volume/weather variance is primarily due to an increase of 1,789 GWh, or 8%, in billed electricity usage. Usage in the industrial sector increased primarily as a result of increased consumption by a large industrial customer in the petroleum refining industry, as well as increases in the chemical industry. The effect of more favorable weather was the primary driver of the increase in the residential and commercial sales.

The retail electric price variance is primarily due to a formula rate plan provision of \$12.9 million recorded in the third quarter 2009 for refunds made to customers in November 2009 in accordance with a settlement approved by the LPSC and a net increase in the formula rate plan effective November 2009 which allowed Entergy Louisiana to reset its rates to achieve a 10.25% return on equity for the 2008 test year. See Note 2 to the financial statements in the Form 10-K for further discussion of settlement and the formula rate plan reset.

Gross operating revenues and fuel and purchased power expenses

Gross operating revenues increased primarily due to:

- an increase of \$171.2 million in fuel cost recovery revenues due to higher fuel rates and increased usage;
- an increase of \$69.3 million in rider revenues primarily due to lower System Agreement credits in 2010;
 - an increase of \$48.6 million related to volume/weather, as discussed above; and
- an increase of \$12.1 million in gross wholesale revenue due to an increase in sales to affiliated customers.

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

Other Income Statement Variances

Third Quarter 2010 Compared to Third Quarter 2009

Other operation and maintenance expenses increased primarily due to an increase of \$9.9 million in compensation and benefits costs, resulting from decreasing discount rates, the amortization of asset losses, and an increase in the accrual for incentive-based compensation. The increase is also due to \$3.9 million in fossil expenses due to higher outage expenses compared to same period prior year. See Note 11 to the financial statements in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefits costs.

Entergy Louisiana, LLC
Management's Financial Discussion and Analysis

Interest expense increased primarily due to an increase in long-term debt outstanding as a result of the issuance of \$400 million of 5.40% Series first mortgage bonds in November 2009 and the issuance of \$150 million of 6.0% Series first mortgage bonds in March 2010. In April 2010, Entergy Louisiana used the proceeds from the March 2010 issuance, together with other available funds, to redeem, prior to maturity, all of its \$150 million 7.60% Series first mortgage bonds, due April 2032.

Nine Months Ended September 30, 2010 Compared to Nine Months Ended September 30, 2009

Other operation and maintenance expenses increased primarily due to:

- an increase of \$13.1 million in compensation and benefits costs, resulting from decreasing discount rates, the amortization of asset losses, and an increase in the accrual for incentive-based compensation. See Note 11 to the financial statements in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefits costs;
 - an increase of \$5.2 million in nuclear expenses due to higher nuclear labor and contract costs; and
 - an increase of \$4.0 million in fossil expenses due to higher outage expenses compared to prior year.

The increase was partially offset by a decrease of \$2.2 million due to higher write-offs of uncollectible customer accounts in 2009.

Interest expense increased primarily due to an increase in long-term debt outstanding as a result of the issuance of \$400 million of 5.40% Series first mortgage bonds in November 2009 and the issuance of \$150 million of 6.0% Series first mortgage bonds in March 2010. In April 2010, Entergy Louisiana used the proceeds from the March 2010 issuance, together with other available funds, to redeem, prior to maturity, all of its \$150 million 7.60% Series first mortgage bonds, due April 2032.

Income Taxes

The effective income tax rate for the third quarter of 2010 was 25.7%. The difference in the effective income tax rate for the third quarter of 2010 versus the federal statutory rate of 35.0% was primarily due to book and tax differences related to storm cost financing, allowance for equity funds used during construction, and state income taxes, partially offset by certain book and tax differences related to utility plant items.

The effective income tax rate for the nine months ended September 30, 2010 was 28.1%. The difference in the effective income tax rate for the nine months ended September 30, 2010 versus the federal statutory rate of 35.0% was primarily due to book and tax differences related to storm cost financing and allowance for equity funds used during construction, partially offset by certain book and tax differences related to utility plant items.

The effective income tax rates for the third quarter of 2009 and the nine months ended September 30, 2009 were 33.5% and 30.9%, respectively. The differences in the effective income tax rates for the third quarter of 2009 and the nine months ended September 30, 2009 versus the federal statutory rate of 35.0% were primarily due to book and tax differences related to storm cost financing and allowance for equity funds used during construction, partially offset by certain book and tax differences related to utility plant items and state income taxes.

Entergy Louisiana, LLC
Management's Financial Discussion and Analysis

Liquidity and Capital Resources

Cash Flow

Cash flows for the nine months ended September 30, 2010 and 2009 were as follows:

	2010	2009
	(In Thousands)	
Cash and cash equivalents at beginning of period	\$151,849	\$138,918
Cash flow provided by (used in):		
Operating activities	821,481	278,249
Investing activities	(806,079)	(294,075)
Financing activities	127,085	(32,687)
Net increase (decrease) in cash and cash equivalents	142,487	(48,513)
Cash and cash equivalents at end of period	\$294,336	\$90,405

Operating Activities

Cash flow provided by operating activities increased \$543.2 million for the nine months ended September 30, 2010 compared to the nine months ended September 30, 2009 primarily due to proceeds of \$462.4 million received from the LURC as a result of the Act 55 storm cost financings, storm restoration spending in 2009 as a result of Hurricane Gustav, and increased recovery of fuel costs due to a higher fuel rate for the period, offset by an increase of \$23.5 million in pension contributions and income tax payments of \$10.6 million in 2010 compared to income tax refunds of \$31.0 million in 2009. See "Hurricane Gustav and Hurricane Ike" below and Note 2 to the financial statements herein for a discussion of the storm cost financings. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K for a discussion of qualified pension and other postretirement benefits. In the third quarter 2010 the Registrant Subsidiaries made tax payments in accordance with the Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement. The payments result from the reversal of temporary differences for which the Registrant Subsidiaries previously received cash tax benefits.

Investing Activities

Net cash flow used in investing activities increased \$512.0 million for the nine months ended September 30, 2010 compared to the nine months ended September 30, 2009 primarily due to

- the investment in 2010 of \$262.4 million in affiliate securities and the investment of \$200 million in the storm reserve escrow account as a result of the Act 55 storm cost financings. See "Hurricane Gustav and Hurricane Ike" below and Note 2 to the financial statements for a discussion of the storm cost financings;
 - money pool activity; and

- an increase in construction expenditures resulting from \$24.9 million in costs associated with the development of new nuclear generation at River Bend, as discussed below, and increased nuclear construction expenditures primarily due to the Waterford 3 steam generator replacement project, the dry fuel storage project, and security upgrades.

The increase was partially offset by a decrease in construction expenditures as a result of higher distribution construction expenditures in 2009 due to Hurricane Gustav and decreased fossil construction expenditures due to the suspension of the Little Gypsy repowering project in 2009. See MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - "Little Gypsy Repowering Project" in the Form 10-K for a discussion of the suspension.

Entergy Louisiana, LLC
Management's Financial Discussion and Analysis

Increases in Entergy Louisiana's receivable from the money pool are a use of cash flow, and Entergy Louisiana's receivable from the money pool increased by \$50.8 million for the nine months ended September 30, 2010 compared to decreasing by \$30.3 million for the nine months ended September 30, 2009. The money pool is an inter-company borrowing arrangement designed to reduce the Utility subsidiaries' need for external short-term borrowings.

Financing Activities

Entergy Louisiana's financing activities provided \$127.1 million of cash for the nine months ended September 30, 2010 compared to using \$32.7 million for the nine months ended September 30, 2009. The following financing cash flow activity occurred:

- the issuance in September 2010 of \$250 million of 4.44% Series first mortgage bonds;
 - the retirement in June 2010 of \$55 million of 4.67% Series first mortgage bonds;
- the retirement in January 2010 of the \$30 million Series D note by the nuclear fuel company variable interest entity;
 - \$20.6 million in common equity distributions in 2009; and
- a principal payment of \$17.3 million in 2010 for the Waterford 3 sale-leaseback obligation compared to a principal payment of \$6.6 million in 2009.

In March 2010, Entergy Louisiana issued \$150 million of 6.0% Series first mortgage bonds due March 2040. Because the proceeds were deposited directly with a trustee and not held by Entergy Louisiana, the bond issuance is reported as a non-cash financing activity on the cash flow statement. In April 2010 the proceeds were used, together with other available funds, to redeem, prior to maturity, all of its \$150 million 7.60% Series first mortgage bonds, due April 2032.

Capital Structure

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

	September 30, 2010	December 31, 2009
Debt to capital	49.4%	49.9%
E f f e c t o f subtracting cash from debt	(3.9)%	(2.1)%
Net debt to net capital	45.5%	47.8%

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 and members' equity. Net capital consists of capital less cash and cash equivalents. Entergy Louisiana uses the net debt to net capital ratio in analyzing its financial condition and believes it provides useful information to its investors and creditors in evaluating Entergy Louisiana's financial condition.

Uses and Sources of Capital

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources" in the Form 10-K for a discussion of Entergy Louisiana's uses and sources of capital. Entergy Louisiana is developing its capital plan for 2011 through 2013 and currently anticipates making \$2.1 billion in capital investments during that period, including approximately \$588 million for maintenance of existing assets. The remaining \$1.5 billion is associated with specific investments such as environmental compliance spending, transmission upgrades and system improvements, and other investments, such as the Waterford 3 steam generator replacement and potential opportunities through the Utility's supply plan initiatives that support its ability to meet load growth, including the Acadia Unit 2 purchase and resources identified in the Summer 2009 Request for Proposal, including a self-build option at Entergy Louisiana's Ninemile site. Following are additional updates to the information provided in the Form 10-K.

Entergy Louisiana, LLC
Management's Financial Discussion and Analysis

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

September 30, 2010	December 31, 2009	September 30, 2009	December 31, 2008
(In Thousands)			
\$103,593	\$52,807	\$30,971	\$61,236

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

As discussed in the Form 10-K, Entergy Louisiana has a credit facility in the amount of \$200 million scheduled to expire in August 2012. No borrowings were outstanding under the facility as of September 30, 2010.

In March 2010, Entergy Louisiana issued \$150 million of 6.0% Series first mortgage bonds due March 2040. Entergy Louisiana used the proceeds in April 2010, together with other available funds, to redeem, prior to maturity, all of its \$150 million 7.60% Series first mortgage bonds, due April 2032. Because the proceeds were deposited directly with a trustee and not held by Entergy Louisiana, the bond issuance and redemption are reported as non-cash financing activity on the cash flow statement.

On June 1, 2010, Entergy Louisiana paid, at maturity, its \$55 million of 4.67% Series first mortgage bonds.

In September 2010, Entergy Louisiana issued \$250 million of 4.44% Series first mortgage bonds due January 2026. In October 2010, Entergy Louisiana used the proceeds, together with other available funds, to repay, prior to maturity, all of its \$100 million 5.56% Series first mortgage bonds due September 2015 and all of its \$100 million Series 5.50% Series first mortgage bonds due April 2019. In November 2010, Entergy Louisiana used the proceeds, together with other available funds, to repay, prior to maturity, all of its \$115 million 5.09% Series first mortgage bonds due November 2014.

In October 2010, Entergy Louisiana arranged for the issuance by the Louisiana Public Facilities Authority of \$115 million of 5% Revenue Bonds (Entergy Louisiana, LLC Project) Series 2010 due June 2030, which are secured by a series of non-interest bearing first mortgage bonds.

In November 2010, Entergy Louisiana paid, at maturity, its \$150 million of 5.83% Series first mortgage bonds.

Acadia Unit 2 Purchase Agreement

As discussed more fully in the Form 10-K, in October 2009, Entergy Louisiana announced that it has signed an agreement to acquire Unit 2 of the Acadia Energy Center, a 580 MW generating unit located near Eunice, La., from Acadia Power Partners, LLC, an independent power producer. Entergy Louisiana and Acadia Power Partners also have entered into two purchase power agreements that are intended to provide access to the capacity and energy output of the unit during the period before the acquisition closes. The initial purchase power agreement was a call option agreement that commenced on June 1, 2010 and terminated on September 30, 2010. Beginning October 1, 2010, Entergy Louisiana began purchasing 100 percent of the output of Acadia Unit 2 under a tolling agreement. The LPSC has approved both purchase power agreements. Entergy Louisiana's purchase of the plant is contingent upon, among other things, obtaining necessary approvals, including full cost recovery, from various federal and state

regulatory and permitting agencies. The parties have agreed to a procedural schedule for review of the acquisition that includes a hearing before the ALJ in December 2010. Currently the closing is expected to occur in early 2011.

Entergy Louisiana, LLC
Management's Financial Discussion and Analysis

Little Gypsy Repowering Project

See the Form 10-K for a discussion of the Little Gypsy repowering project. In October 2009, Entergy Louisiana made a filing with the LPSC seeking permission to cancel the project and seeking recovery over a five-year period of the project costs. In June 2010 and August 2010, the LPSC Staff and Intervenors filed testimony. The LPSC Staff (1) agreed that it was prudent to move the project from long-term suspension to cancellation and that the timing of the decision to suspend on a longer-term basis was not imprudent; (2) indicated that, except for \$0.8 million in compensation-related costs, the costs incurred should be deemed prudent; (3) recommended recovery from customers over ten years but stated that the LPSC may want to consider 15 years; (4) allowed for recovery of carrying costs and earning a return on project costs, but at a reduced rate approximating the cost of debt, while also acknowledging that the LPSC may consider ordering no return; and (5) indicated that Entergy Louisiana should be directed to securitize project costs, if legally feasible and in the public interest. In the third quarter 2010, in accordance with accounting standards, Entergy Louisiana determined that it is probable that the Little Gypsy repowering project will be abandoned and accordingly has reclassified \$199.8 million of project costs from construction work in progress to a regulatory asset. This accounting reclassification does not modify Entergy Louisiana's requested relief pending before the LPSC. The procedural schedule calls for hearings to begin in November 2010.

New Nuclear Development

As discussed in the Form 10-K, Entergy Gulf States Louisiana and Entergy Louisiana provided public notice to the LPSC of their intention to make a filing pursuant to the LPSC's general order that governs the development of new nuclear generation in Louisiana. The project option being developed by the companies is for new nuclear generation at River Bend. Entergy Gulf States Louisiana and Entergy Louisiana, together with Entergy Mississippi, have been engaged in the development of options to construct new nuclear generation at the River Bend and Grand Gulf sites. Entergy Gulf States Louisiana and Entergy Louisiana are leading the development at River Bend, and Entergy Mississippi is leading the development at Grand Gulf. This project is in the early stages, and several issues remain to be addressed over time before significant additional capital would be committed to this project. In the first quarter 2010, Entergy Gulf States Louisiana and Entergy Louisiana each paid for and recognized on its books \$24.9 million in costs associated with the development of new nuclear generation at the River Bend site; these costs previously had been recorded on the books of Entergy New Nuclear Utility Development, LLC, a System Energy subsidiary. Entergy Gulf States Louisiana and Entergy Louisiana will share costs going forward on a 50/50 basis, which reflects each company's current participation level in the project. In March 2010, Entergy Gulf States Louisiana and Entergy Louisiana filed with the LPSC seeking approval to continue the development activities. The parties have agreed to a procedural schedule that includes a hearing in May 2011.

Hurricane Gustav and Hurricane Ike

As discussed in the Form 10-K, in September 2008, Hurricane Gustav and Hurricane Ike caused catastrophic damage to Entergy's service territory. Entergy Gulf States Louisiana and Entergy Louisiana filed their Hurricane Gustav and Hurricane Ike storm cost recovery case with the LPSC in May 2009. In September 2009, Entergy Gulf States Louisiana and Entergy Louisiana and the Louisiana Utilities Restoration Corporation (LURC), an instrumentality of the State of Louisiana, filed with the LPSC an application requesting that the LPSC grant financing orders authorizing the financing of Entergy Gulf States Louisiana's and Entergy Louisiana's storm costs, storm reserves, and issuance costs pursuant to Act 55 of the Louisiana Regular Session of 2007 (Act 55 financings). Entergy Gulf States Louisiana's and Entergy Louisiana's Hurricane Katrina and Hurricane Rita storm costs were financed primarily by Act 55 financings, as discussed in the Form 10-K. Entergy Gulf States Louisiana and Entergy Louisiana also filed an

application requesting LPSC approval for ancillary issues including the mechanism to flow charges and Act 55 financing savings to customers via a Storm Cost Offset rider. On December 30, 2009, Entergy Gulf States Louisiana and Entergy Louisiana entered into a stipulation agreement with the LPSC Staff that provides for total recoverable

Entergy Louisiana, LLC
Management's Financial Discussion and Analysis

costs of approximately \$234 million for Entergy Gulf States Louisiana and \$394 million for Entergy Louisiana, including carrying costs. Under this stipulation, Entergy Gulf States Louisiana agrees not to recover \$4.4 million and Entergy Louisiana agrees not to recover \$7.2 million of their storm restoration spending. The stipulation also permits replenishing Entergy Gulf States Louisiana's storm reserve in the amount of \$90 million and Entergy Louisiana's storm reserve in the amount of \$200 million when the Act 55 financings are accomplished. In March and April 2010, Entergy Gulf States Louisiana, Entergy Louisiana, and other parties to the proceeding filed with the LPSC an uncontested stipulated settlement that includes these terms and also includes Entergy Gulf States Louisiana's and Entergy Louisiana's proposals under the Act 55 financings, which includes a commitment to pass on to customers a minimum of \$15.5 million and \$27.75 million of customer benefits, respectively, through prospective annual rate reductions of \$3.1 million and \$5.55 million for five years. A stipulation hearing was held before the ALJ on April 13, 2010. On April 21, 2010, the LPSC approved the settlement and subsequently issued two financing orders and one ratemaking order intended to facilitate the implementation of the Act 55 financings. In June 2010 the Louisiana State Bond Commission approved the Act 55 financings.

On July 22, 2010, the Louisiana Local Government Environmental Facilities and Community Development Authority (LCDA) issued \$468.9 million in bonds under Act 55. From the \$462.4 million of bond proceeds loaned by the LCDA to the LURC, the LURC deposited \$200 million in a restricted escrow account as a storm damage reserve for Entergy Louisiana and transferred \$262.4 million directly to Entergy Louisiana. From the bond proceeds received by Entergy Louisiana from the LURC, Entergy Louisiana used \$262.4 million to acquire 2,624,297.11 Class B preferred, non-voting, membership interest units of Entergy Holdings Company LLC, a company wholly-owned and consolidated by Entergy, that carry a 9% annual distribution rate. Distributions are payable quarterly commencing on September 15, 2010, and the membership interests have a liquidation price of \$100 per unit. The preferred membership interests are callable at the option of Entergy Holdings Company LLC after ten years under the terms of the LLC agreement. The terms of the membership interests include certain financial covenants to which Entergy Holdings Company LLC is subject, including the requirement to maintain a net worth of at least \$1 billion.

Entergy Louisiana does not report the bonds on its balance sheet because the bonds are the obligation of the LCDA and there is no recourse against Entergy or Entergy Louisiana in the event of a bond default. To service the bonds, Entergy Louisiana collects a system restoration charge on behalf of the LURC, and remits the collections to the bond indenture trustee. Entergy Louisiana does not report the collections as revenue because it is merely acting as the billing and collection agent for the state.

State and Local Rate Regulation

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

See the Form 10-K for a discussion of Entergy Louisiana's formula rate plan that the LPSC approved for the 2008, 2009, and 2010 test years. Entergy Louisiana, effective with the November 2009 billing cycle, reset its rates to achieve a 10.25% return on equity for the 2008 test year. The rate reset, a \$2.5 million increase that includes a \$16.3 million cost of service adjustment less a \$13.8 million net reduction for decreased capacity costs and a base rate reclassification, was implemented for the November 2009 billing cycle, and the rate reset was subject to refund pending review of the 2008 test year filing that was made in October 2009. In April 2010, Entergy Louisiana and the LPSC staff submitted a joint report on the 2008 test year filing and requested that the LPSC accept the report, which will result in a \$0.1 million reduction in current rates effective in the May 2010 billing cycle and a \$0.1 million refund. In addition, Entergy Louisiana will move the recovery of approximately \$12.5 million of capacity costs from

fuel adjustment clause recovery to base rate recovery. At its April 21, 2010 meeting, the LPSC accepted the joint report.

In May 2010, Entergy Louisiana made its formula rate plan filing with the LPSC for the 2009 test year. The filing reflected a 10.82% return on common equity, which is within the allowed earnings bandwidth, indicating no cost of service rate change is necessary under the formula rate plan. The filing does reflect, however, consistent with a December 2009 filing, a revenue requirement increase to provide supplemental funding for the decommissioning trust maintained for Waterford 3, in response to a NRC notification of a projected shortfall of decommissioning funding assurance. The filing also reflects a rate change for incremental capacity costs. In July 2010 the LPSC approved a \$3.5 million increase in the retail revenue requirement for decommissioning, effective September 2010. In August 2010 Entergy Louisiana made a revised 2009 test year formula rate plan filing. The revised filing reflected a 10.82% earned

Entergy Louisiana, LLC
Management's Financial Discussion and Analysis

return on common equity, which is within the allowed earnings bandwidth resulting in no cost of service adjustment. The filing also reflected two increases outside of the formula rate plan sharing mechanism: (1) the previously approved decommissioning revenue requirement, and (2) \$2.2 million for capacity costs. The rates reflected in the revised filing became effective beginning with the first billing cycle of September 2010, subject to refund and final approval by the LPSC. The September 2010 rate change contributed approximately \$0.5 million to Entergy Louisiana's revenues in the third quarter 2010.

In April 2010 the LPSC authorized its staff to initiate an audit of Entergy Louisiana's fuel adjustment clause filings pursuant to a November 1997 LPSC general order. The audit includes a review of the reasonableness of charges flowed through by Entergy Louisiana for the period from January 2005 through December 2009. Discovery is in progress, but a procedural schedule has not been established.

Federal Regulation

See "System Agreement Proceedings", "Independent Coordinator of Transmission", "FERC Audit", and "U.S. Department of Justice Investigation" in the "Rate, Cost-recovery, and Other Regulation" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for updates to the discussion in the Form 10-K.

Nuclear Matters

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

Environmental Risks

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

Critical Accounting Estimates

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Critical Accounting Estimates" in the Form 10-K for a discussion of the estimates and judgments necessary in Entergy Louisiana's accounting for nuclear decommissioning costs, unbilled revenue, and qualified pension and other postretirement benefits.

Federal Healthcare Legislation

See the "Critical Accounting Estimates - Federal Healthcare Legislation" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for an update to the Form 10-K discussion on critical accounting estimates.

ENTERGY LOUISIANA, LLC
INCOME STATEMENTS

For the Three and Nine Months Ended September 30, 2010 and 2009
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2010	2009	2010	2009
	(In Thousands)		(In Thousands)	
OPERATING REVENUES				
Electric	\$768,190	\$624,829	\$1,999,187	\$1,681,242
OPERATING EXPENSES				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	213,587	145,265	516,262	364,832
Purchased power	245,043	187,243	677,518	558,379
Nuclear refueling outage expenses	6,293	5,364	18,563	16,433
Other operation and maintenance	112,931	94,397	319,617	296,208
Decommissioning	5,790	5,391	17,065	15,888
Taxes other than income taxes	18,269	16,890	51,427	50,605
Depreciation and amortization	49,878	51,465	147,396	151,481
Other regulatory charges (credits) - net	(4,473)	(7,105)	(15,976)	5,109
TOTAL	647,318	498,910	1,731,872	1,458,935
OPERATING INCOME	120,872	125,919	267,315	222,307
OTHER INCOME				
Allowance for equity funds used during construction	7,551	7,028	21,078	21,888
Interest and dividend income	22,950	19,939	57,858	58,271
Miscellaneous - net	(687)	(838)	(2,759)	(3,036)
TOTAL	29,814	26,129	76,177	77,123
INTEREST AND OTHER CHARGES				
Interest on long-term debt	27,477	23,354	84,669	70,262
Other interest - net	1,390	2,446	5,387	6,651
Allowance for borrowed funds used during construction	(5,044)	(4,528)	(14,080)	(14,120)
TOTAL	23,823	21,272	75,976	62,793
INCOME BEFORE INCOME TAXES	126,863	130,776	267,516	236,637
Income taxes	32,543	43,807	75,105	73,141
NET INCOME	94,320	86,969	192,411	163,496
Preferred dividend requirements and other	1,738	1,738	5,213	5,213
EARNINGS APPLICABLE TO COMMON EQUITY	\$92,582	\$85,231	\$187,198	\$158,283

See Notes to Financial Statements.

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ENTERGY LOUISIANA, LLC
 STATEMENTS OF CASH FLOWS
 For the Nine Months Ended September 30, 2010 and 2009
 (Unaudited)

	2010	2009
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	\$192,411	\$163,496
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Other regulatory charges (credits) - net	(15,976)	5,109
Depreciation, amortization, and decommissioning, including nuclear fuel amortization	212,507	167,369
Deferred income taxes, investment tax credits, and non-current taxes accrued	59,004	(166,221)
Changes in working capital:		
Receivables	(112,911)	134,842
Accounts payable	10,024	(55,788)
Taxes accrued	36,387	301,546
Interest accrued	(3,502)	(13,998)
Deferred fuel costs	17,681	(40,462)
Other working capital accounts	(7,157)	(127,282)
Provision for estimated losses and reserves	202,439	1,073
Changes in other regulatory assets	235,374	(86,552)
Other	(4,800)	(4,883)
Net cash flow provided by operating activities	821,481	278,249
INVESTING ACTIVITIES		
Construction expenditures	(316,756)	(342,308)
Allowance for equity funds used during construction	21,078	21,888
Nuclear fuel purchases	-	(75,925)
Proceeds from the sale/leaseback of nuclear fuel	-	75,871
Payment to storm reserve escrow account	(200,060)	-
Investment in affiliates	(262,430)	160
Changes in other investments - net	9,353	995
Proceeds from nuclear decommissioning trust fund sales	29,419	40,432
Investment in nuclear decommissioning trust funds	(35,468)	(45,453)
Change in money pool receivable - net	(50,786)	30,265
Other	(429)	-
Net cash flow used in investing activities	(806,079)	(294,075)
FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	240,725	-
Retirement of long-term debt	(102,326)	(6,597)
Changes in short-term borrowings - net	(6,101)	-
Distributions paid:		
Common equity	-	(20,600)
Preferred membership interests	(5,213)	(5,213)
Other	-	(277)
Net cash flow provided by (used in) financing activities	127,085	(32,687)

Net increase (decrease) in cash and cash equivalents	142,487	(48,513)
Cash and cash equivalents at beginning of period	151,849	138,918
Cash and cash equivalents at end of period	\$294,336	\$90,405

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid/(received) during the period for:

Interest - net of amount capitalized	\$90,774	\$88,357
Income taxes	\$10,580	\$(31,044)

Noncash investing and financing activities:

Proceeds from long-term debt issued for the purpose

of refunding prior long-term debt	\$150,000	\$-
Long-term debt refunded with proceeds from long-term debt issued in prior period	\$(150,000)	\$-

See Notes to Financial Statements.

ENTERGY LOUISIANA, LLC
BALANCE SHEETS
ASSETS

September 30, 2010 and December 31, 2009
(Unaudited)

2010 2009
(In Thousands)

CURRENT ASSETS

Cash and cash equivalents:		
Cash	\$463	\$160
Temporary cash investments	293,873	151,689
Total cash and cash equivalents	294,336	151,849
Accounts receivable:		
Customer	152,026	56,978
Allowance for doubtful accounts	(2,884)	(1,312)
Associated companies	164,598	110,425
Other	10,042	9,174
Accrued unbilled revenues	87,730	72,550
Total accounts receivable	411,512	247,815
Note receivable - Entergy New Orleans	-	9,353
Materials and supplies - at average cost	136,194	127,812
Deferred nuclear refueling outage costs	17,032	36,783
Gas hedge contracts	-	3,409
Prepayments and other	14,217	10,633
TOTAL	873,291	587,654

OTHER PROPERTY AND INVESTMENTS

Investment in affiliate preferred membership interests	807,424	544,994
Decommissioning trust funds	226,315	209,070
Non-utility property - at cost (less accumulated depreciation)	988	1,124
Storm reserve escrow account	200,866	806
Other	4	4
TOTAL	1,235,597	755,998

UTILITY PLANT

Electric	7,158,306	7,190,609
Property under capital lease	262,111	262,111
Construction work in progress	460,333	509,667
Nuclear fuel under capital lease	-	122,011
Nuclear fuel	74,584	-
TOTAL UTILITY PLANT	7,955,334	8,084,398
Less - accumulated depreciation and amortization	3,414,843	3,370,225
UTILITY PLANT - NET	4,540,491	4,714,173

DEFERRED DEBITS AND OTHER ASSETS

Regulatory assets:		
Regulatory asset for income taxes - net	135,474	132,086

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Other regulatory assets	570,858	477,020
Deferred fuel costs	67,998	67,998
Long-term receivables	1,500	1,500
Other	21,610	18,762
TOTAL	797,440	697,366
TOTAL ASSETS	\$7,446,819	\$6,755,191

See Notes to Financial Statements.

ENTERGY LOUISIANA, LLC
BALANCE SHEETS
LIABILITIES AND EQUITY
September 30, 2010 and December 31, 2009
(Unaudited)

	2010	2009
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	\$185,550	\$222,326
Notes payable	41,090	-
Accounts payable:		
Associated companies	73,446	56,057
Other	126,294	141,311
Customer deposits	83,656	82,864
Taxes accrued	62,380	25,993
Accumulated deferred income taxes	18,337	13,349
Interest accrued	31,378	32,955
Deferred fuel costs	19,314	1,633
Obligations under capital leases	-	56,528
Pension and other postretirement liabilities	9,389	9,153
System agreement cost equalization	14,847	54,000
Gas hedge contracts	8,653	-
Other	20,952	9,831
TOTAL	695,286	706,000
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	1,783,540	1,703,272
Accumulated deferred investment tax credits	77,252	79,650
Obligations under capital leases	-	65,483
Other regulatory liabilities	75,801	45,711
Decommissioning	315,281	298,216
Accumulated provisions	222,740	20,301
Pension and other postretirement liabilities	277,063	296,347
Long-term debt	1,821,512	1,557,226
Other	78,002	71,176
TOTAL	4,651,191	4,137,382
Commitments and Contingencies		
EQUITY		
Preferred membership interests without sinking fund	100,000	100,000
Member's equity	2,024,546	1,837,348
Accumulated other comprehensive loss	(24,204)	(25,539)
TOTAL	2,100,342	1,911,809
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$7,446,819	\$6,755,191

See Notes to Financial Statements.

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ENTERGY LOUISIANA, LLC
 STATEMENTS OF CHANGES IN EQUITY AND COMPREHENSIVE INCOME
 For the Nine Months Ended September 30, 2010 and 2009
 (Unaudited) (In Thousands)

	Preferred Membership Interests	Member's Equity	Common Equity Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 31, 2008	\$ 100,000	\$1,632,053	\$ (24,215)	\$1,707,838
Net income	-	163,496	-	163,496
Other comprehensive income:				
Pension and other postretirement liabilities (net of tax expense of \$1,045)	-	-	1,253	1,253
Total comprehensive income				164,749
Dividends/distributions declared on common equity	-	(20,600)	-	(20,600)
Dividends/distributions declared on preferred membership interests	-	(5,213)	-	(5,213)
Balance at September 30, 2009	\$ 100,000	\$1,769,736	\$ (22,962)	\$1,846,774
Balance at December 31, 2009	\$ 100,000	\$1,837,348	\$ (25,539)	\$1,911,809
Net income	-	192,411	-	192,411
Other comprehensive income:				
Pension and other postretirement liabilities (net of tax expense of \$1,132)	-	-	1,335	1,335
Total comprehensive income				193,746
Dividends/distributions declared on preferred membership interests	-	(5,213)	-	(5,213)
Balance at September 30, 2010	\$ 100,000	\$2,024,546	\$ (24,204)	\$2,100,342
See Notes to Financial Statements.				

ENTERGY LOUISIANA, LLC
SELECTED OPERATING RESULTS

For the Three and Nine Months Ended September 30, 2010 and 2009
(Unaudited)

Description	Three Months Ended		Increase/ (Decrease)	%
	2010	2009		
(Dollars In Millions)				
Electric Operating Revenues:				
Residential	\$282	\$216	\$66	31
Commercial	160	124	36	29
Industrial	212	156	56	36
Governmental	11	8	3	38
Total retail	665	504	161	32
Sales for resale				
Associated companies	86	91	(5)	(5)
Non-associated companies	1	1	-	-
Other	16	29	(13)	(45)
Total	\$768	\$625	\$143	23

Billed Electric Energy

Sales (GWh):				
Residential	3,111	2,896	215	7
Commercial	1,835	1,724	111	6
Industrial	3,739	3,452	287	8
Governmental	121	115	6	5
Total retail	8,806	8,187	619	8
Sales for resale				
Associated companies	1,288	523	765	146
Non-associated companies	12	17	(5)	(29)
Total	10,106	8,727	1,379	16

Description	Nine Months Ended		Increase/ (Decrease)	%
	2010	2009		
(Dollars In Millions)				
Electric Operating Revenues:				
Residential	\$674	\$531	\$143	27
Commercial	418	354	64	18
Industrial	620	514	106	21
Governmental	32	27	5	19
Total retail	1,744	1,426	318	22
Sales for resale				
Associated companies	181	169	12	7
Non-associated companies	4	4	-	-
Other	70	82	(12)	(15)
Total	\$1,999	\$1,681	\$318	19

Billed Electric Energy

Sales (GWh):

Residential	7,521	6,730	791	12
Commercial	4,673	4,435	238	5
Industrial	10,666	9,930	736	7
Governmental	365	341	24	7
Total retail	23,225	21,436	1,789	8
Sales for resale				
Associated companies	2,481	1,262	1,219	97
Non-associated companies	71	83	(12)	(14)
Total	25,777	22,781	2,996	13

ENTERGY MISSISSIPPI, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Results of Operations

Net Income

Third Quarter 2010 Compared to Third Quarter 2009

Net income remained relatively flat, decreasing \$0.5 million, primarily due to higher other operation and maintenance expenses, offset by a lower effective income tax rate.

Nine Months Ended September 30, 2010 Compared to Nine Months Ended September 30, 2009

Net income increased \$14.8 million primarily due to higher net revenue, lower other operation and maintenance expenses, a lower effective income tax rate, and higher other income, partially offset by higher interest expense.

Net Revenue

Third Quarter 2010 Compared to Third Quarter 2009

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory credits. Following is an analysis of the change in net revenue comparing the third quarter 2010 to the third quarter 2009.

	Amount (In Millions)
2 0 0 9 n e t revenue	\$157.0
Volume/weather	9.4
Retail electric price	(5.9)
Other	(3.8)
2 0 1 0 n e t revenue	\$156.7

The volume/weather variance is primarily due to an increase of 393 GWh, or 10%, in billed electricity usage in all sectors, primarily due to the effect of more favorable weather on the residential sector.

The retail electric price variance is primarily due to the elimination of the summer/winter residential rate differential effective September 2010.

Gross operating revenues and fuel and purchased power expenses

Gross operating revenues increased primarily due to an increase of \$57.5 million in fuel cost recovery revenues due to higher fuel rates and increased usage.

Fuel and purchased power expenses increased primarily due to increases in the average market prices of purchased power and natural gas, coupled with increased net area demand.

Entergy Mississippi, Inc.
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Nine Months Ended September 30, 2010 Compared to Nine Months Ended September 30, 2009

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges (credits). Following is an analysis of the change in net revenue comparing the nine months ended September 30, 2010 to the nine months ended September 30, 2009.

	Amount (In Millions)
2009 net revenue	\$410.2
Volume/weather	16.3
Other	(3.3)
2010 net revenue	\$423.2

The volume/weather variance is primarily due to an increase of 928 GWh, or 10%, in billed electricity usage in all sectors, primarily due to the effect of more favorable weather on the residential sector.

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

Gross operating revenues increased primarily due to an increase of \$26.8 million in power management rider revenue as the result of increased usage, the volume/weather variance discussed above, and an increase in Grand Gulf rider revenue as a result of higher rates and increased usage, offset by a decrease of \$21.2 million in fuel cost recovery revenues due to lower fuel rates.

Fuel and purchased power expenses decreased primarily due to a decrease in deferred fuel expense as a result of refunds or prior over-collections, offset by an increase in the average market price of purchased power coupled with increased net area demand.

Other regulatory charges increased primarily due to increased recovery of costs associated with the power management recovery rider. There is no material effect on net income due to quarterly adjustments to the power management recovery rider. See Note 2 to the financial statements in the Form 10-K for a discussion of the power management recovery rider.

Other Income Statement Variances

Third Quarter 2010 Compared to Third Quarter 2009

Other operation and maintenance expenses increased primarily due to:

- an increase of \$3.8 million in compensation and benefit costs, resulting from an increase in the accrual for incentive-based compensation; and
 - an increase of \$2.8 million in distribution expenses primarily due to the timing of contract work.

The increase was partially offset by a decrease of \$1.5 million in loss reserves for insurance premiums and storm damages.

Nine Months Ended September 30, 2010 Compared to Nine Months Ended September 30, 2009

Other operation and maintenance expenses decreased primarily due to:

- a decrease of \$7.1 million in legal expenses due to the deferral in 2010, in accordance with regulatory treatment, of certain litigation costs previously expensed;
 - a decrease of \$2.1 million due to higher write-offs of uncollectible customer accounts in 2009; and
 - a decrease of \$0.9 million in loss reserves for insurance premiums and storm damages.

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

The decrease was partially offset by an increase of \$5.5 million in compensation and benefit costs, resulting from decreasing discount rates, the amortization of asset losses, and an increase in the accrual for incentive-based compensation. See Note 11 to the financial statements in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefits costs.

Other income increased primarily due to an increase in the allowance for equity funds used during construction due to more construction work in progress in 2010.

Interest expense increased primarily due to the issuance of \$150 million of 6.64% Series first mortgage bonds in June 2009.

Income Taxes

The effective income tax rate was 33.8% for the third quarter 2010 and 32.7% for the nine months ended September 30, 2010. The difference in the effective income tax rate for the third quarter 2010 versus the federal statutory rate of 35% is primarily due to certain book and tax differences related to utility plant items, the allowance for equity funds used during construction, and an adjustment to the provision for uncertain tax positions, offset by state income taxes. The difference in the effective income tax rate for the nine months ended September 30, 2010 versus the federal statutory rate of 35% is primarily due to the allowance for equity funds used during construction, certain book and tax differences related to utility plant items, and the amortization of investment tax credits, offset by state income taxes.

The effective income tax rate was 37.3% for the third quarter 2009 and 37.4% for the nine months ended September 30, 2009. The difference in the effective income tax rate for the third quarter 2009 versus the federal statutory rate of 35% is primarily due to state income taxes. The difference in the effective income tax rate for the nine months ended September 30, 2009 versus the federal statutory rate of 35% is primarily due to state income taxes and certain book and tax differences related to utility plant items.

Liquidity and Capital Resources

Cash Flow

Cash flows for the nine months ended September 30, 2010 and 2009 were as follows:

	2010	2009
	(In Thousands)	
Cash and cash equivalents at beginning of period	\$91,451	\$1,082
Cash flow provided by (used in):		
Operating activities	66,386	139,757
Investing activities	(111,906)	(113,028)
Financing activities	(45,913)	41,810
Net increase (decrease) in cash and cash equivalents	(91,433)	68,539

Cash and cash equivalents at end of period	\$18	\$69,621
--------------------------------------------	------	----------

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

Operating Activities

Cash flow provided by operating activities decreased \$73.3 million for the nine months ended September 30, 2010 compared to the nine months ended September 30, 2009 primarily due to decreased recovery of fuel costs primarily because the price of fuel and purchased power has increased while the fuel rate has decreased during the period. See Note 2 to the financial statements in the Form 10-K for a discussion of Entergy Mississippi's fuel and purchased power cost recovery mechanism.

Investing Activities

Cash flow used in investing activities decreased \$1.1 million for the nine months ended September 30, 2010 compared to the nine months ended September 30, 2009 primarily due to money pool activity, almost entirely offset by increased construction expenditures resulting from a \$49 million payment to a System Energy subsidiary for costs associated with the development of new nuclear generation at Grand Gulf, as discussed below.

Decreases in Entergy Mississippi's receivable from the money pool are a source of cash flow, and Entergy Mississippi's receivable from the money pool decreased \$31.4 million for the nine months ended September 30, 2010 compared to increasing \$23.9 million for the nine months ended September 30, 2009. The money pool is an inter-company borrowing arrangement designed to reduce the Utility subsidiaries' need for external short-term borrowings.

Financing Activities

Entergy Mississippi's financing activities used \$45.9 million in cash flow for the nine months ended September 30, 2010 compared to providing \$41.8 million in cash flow for the nine months ended September 30, 2009 primarily due to:

- the redemption, prior to maturity, of \$100 million of 7.25% Series first mortgage bonds in April 2010;
 - the issuance of \$150 million of 6.64% Series first mortgage bonds in June 2009; and
 - the issuance of \$80 million of 6.20% Series first mortgage bonds in April 2010; offset by
 - money pool activity.

Increases in Entergy Mississippi's payable to the money pool are a source of cash flow, and Entergy Mississippi's payable to the money pool increased by \$22.4 million for the nine months ended September 30, 2010 compared to decreasing \$66.0 million for the nine months ended September 30, 2009.

Capital Structure

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

	September 30, 2010	December 31, 2009
Debt to capital	52.0%	53.5%
	0.0%	(2.8)%

E f f e c t o f
subtracting cash
from debt

Net debt to net capital	52.0%	50.7%
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Net debt consists of debt less cash and cash equivalents. Debt consists of notes payable, capital lease obligations, and long-term debt, including the currently maturing portion. Capital consists of debt, preferred stock without sinking fund, and common equity. Net capital consists of capital less cash and cash equivalents. Entergy Mississippi uses the net debt to net capital ratio in analyzing its financial condition and believes it provides useful information to its investors and creditors in evaluating Entergy Mississippi's financial condition.

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

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

Formula Rate Plan

In September 2009, Entergy Mississippi filed with the MPSC proposed modifications to its formula rate plan rider. In March 2010 the MPSC issued an order: (1) providing the opportunity for a reset of Entergy Mississippi's return on common equity to a point within the formula rate plan bandwidth and eliminating the 50/50 sharing that had been in the plan, (2) modifying the performance measurement process, and (3) replacing the revenue change limit of two percent of revenues, which was subject to a \$14.5 million revenue adjustment cap, with a limit of four percent of revenues, although any adjustment above two percent requires a hearing before the MPSC. The MPSC did not approve Entergy Mississippi's request to use a projected test year for its annual scheduled formula rate plan filing and, therefore, Entergy Mississippi will continue to use a historical test year for its annual evaluation reports under the plan.

As discussed in the Form 10-K, in March 2010, Entergy Mississippi submitted its 2009 test year filing, its first annual filing under the new formula rate plan rider. In June 2010 the MPSC approved a joint stipulation between Entergy Mississippi and the Mississippi Public Utilities Staff that provides for no change in rates, but does provide for the deferral as a regulatory asset of \$3.9 million of legal expenses associated with certain litigation involving the Mississippi Attorney General, as well as ongoing legal expenses in that litigation until the litigation is resolved.

Fuel and Purchased Power Cost Recovery

In August 2009 the MPSC retained an independent audit firm to audit Entergy Mississippi's fuel adjustment clause submittals for the period October 2007 through September 2009. The independent audit firm submitted its report to the MPSC in December 2009. The report does not recommend that any costs be disallowed for recovery. The report did suggest that some costs, less than one percent of the fuel and purchased power costs recovered during the period, may have been more reasonably charged to customers through base rates rather than through fuel charges, but the report did not suggest that customers should not have paid for those costs. In November 2009 the MPSC also retained another firm to review processes and practices related to fuel and purchased energy. The results of that review were filed with the MPSC in March 2010. In that report, the independent consulting firm found that the practices and procedures in activities that directly affect the costs recovered through Entergy Mississippi's fuel adjustment clause appear reasonable. Both audit reports were certified by the MPSC to the Mississippi Legislature, as required by Mississippi law.

Federal Regulation

See "System Agreement Proceedings", "Independent Coordinator of Transmission", "FERC Audit", and "U.S. Department of Justice Investigation" in the "Rate, Cost-recovery, and Other Regulation" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for updates to the discussion in the Form 10-K.

Critical Accounting Estimates

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Critical Accounting Estimates" in the Form 10-K for a discussion of the estimates and judgments necessary in Entergy Mississippi's accounting for unbilled revenue and qualified pension and other postretirement benefits.

Federal Healthcare Legislation

See the "Critical Accounting Estimates - Federal Healthcare Legislation" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for an update to the Form 10-K discussion on critical accounting estimates.

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ENTERGY MISSISSIPPI, INC.
INCOME STATEMENTS

For the Three and Nine Months Ended September 30, 2010 and 2009
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2010	2009	2010	2009
	(In Thousands)		(In Thousands)	
OPERATING REVENUES				
Electric	\$407,906	\$356,545	\$959,956	\$908,865
OPERATING EXPENSES				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	137,516	102,847	220,806	284,008
Purchased power	118,273	96,866	302,367	271,985
Other operation and maintenance	54,552	51,119	153,331	159,544
Taxes other than income taxes	17,928	16,590	50,537	48,402
Depreciation and amortization	22,527	21,967	66,907	64,980
Other regulatory charges (credits) - net	(4,592)	(177)	13,581	(57,345)
TOTAL	346,204	289,212	807,529	771,574
OPERATING INCOME	61,702	67,333	152,427	137,291
OTHER INCOME				
Allowance for equity funds used during construction	1,815	781	4,914	2,499
Interest and dividend income	49	257	370	706
Miscellaneous - net	109	300	164	(880)
TOTAL	1,973	1,338	5,448	2,325
INTEREST AND OTHER CHARGES				
Interest on long-term debt	12,504	12,939	38,731	34,399
Other interest - net	828	1,094	3,744	3,314
Allowance for borrowed funds used during construction	(1,013)	(448)	(2,742)	(1,494)
TOTAL	12,319	13,585	39,733	36,219
INCOME BEFORE INCOME TAXES	51,356	55,086	118,142	103,397
Income taxes	17,342	20,528	38,666	38,674
NET INCOME	34,014	34,558	79,476	64,723
Preferred dividend requirements and other	707	707	2,121	2,121
EARNINGS APPLICABLE TO COMMON STOCK	\$33,307	\$33,851	\$77,355	\$62,602

See Notes to Financial Statements.

ENTERGY MISSISSIPPI, INC.
 STATEMENTS OF CASH FLOWS
 For the Nine Months Ended September 30, 2010 and 2009
 (Unaudited)

	2010	2009
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	\$79,476	\$64,723
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Other regulatory charges (credits) - net	13,581	(57,345)
Depreciation and amortization	66,907	64,980
Deferred income taxes, investment tax credits, and non-current taxes accrued	27,892	(4,908)
Changes in working capital:		
Receivables	(56,998)	11,098
Fuel inventory	(1,307)	2,642
Accounts payable	7,364	(17,461)
Taxes accrued	14	32,061
Interest accrued	363	529
Deferred fuel costs	(77,487)	65,221
Other working capital accounts	23,388	(25,210)
Provision for estimated losses and reserves	(3,172)	4,318
Changes in other regulatory assets	10,110	(38,116)
Other	(23,745)	37,225
Net cash flow provided by operating activities	66,386	139,757
INVESTING ACTIVITIES		
Construction expenditures	(159,870)	(91,553)
Allowance for equity funds used during construction	4,914	2,499
Changes in other investments - net	7,629	-
Change in money pool receivable - net	31,435	(23,892)
Proceeds from the sale of assets	3,951	(162)
Other	35	80
Net cash flow used in investing activities	(111,906)	(113,028)
FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	77,167	148,475
Retirement of long-term debt	(100,000)	-
Change in money pool payable - net	22,441	(66,044)
Dividends paid:		
Common stock	(43,400)	(38,500)
Preferred stock	(2,121)	(2,121)
Net cash flow provided by (used in) financing activities	(45,913)	41,810
Net increase (decrease) in cash and cash equivalents	(91,433)	68,539
Cash and cash equivalents at beginning of period	91,451	1,082

Cash and cash equivalents at end of period	\$18	\$69,621
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SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid during the period for:

Interest - net of amount capitalized	\$40,168	\$35,576
Income taxes	\$1,127	\$-

See Notes to Financial Statements.

ENTERGY MISSISSIPPI, INC.
BALANCE SHEETS
ASSETS
September 30, 2010 and December 31, 2009
(Unaudited)

	2010	2009
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	\$9	\$1,147
Temporary cash investments	9	90,304
Total cash and cash equivalents	18	91,451
Accounts receivable:		
Customer	97,410	50,092
Allowance for doubtful accounts	(1,185)	(1,018)
Associated companies	16,643	36,565
Other	10,856	12,842
Accrued unbilled revenues	41,457	41,137
Total accounts receivable	165,181	139,618
Note receivable - Entergy New Orleans	-	7,610
Deferred fuel costs	4,580	-
Accumulated deferred income taxes	9,020	294
Fuel inventory - at average cost	7,182	5,875
Materials and supplies - at average cost	31,588	37,979
Prepayments and other	7,126	2,820
TOTAL	224,695	285,647
OTHER PROPERTY AND INVESTMENTS		
Investment in affiliates - at equity	5,535	5,535
Non-utility property - at cost (less accumulated depreciation)	4,760	4,864
Storm reserve escrow account	31,848	31,867
TOTAL	42,143	42,266
UTILITY PLANT		
Electric	3,132,825	3,070,109
Property under capital lease	13,713	6,418
Construction work in progress	127,778	62,866
TOTAL UTILITY PLANT	3,274,316	3,139,393
Less - accumulated depreciation and amortization	1,151,816	1,115,756
UTILITY PLANT - NET	2,122,500	2,023,637
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
Regulatory asset for income taxes - net	45,609	34,114
Other regulatory assets	230,274	251,407
Other	18,133	19,564

TOTAL	294,016	305,085
TOTAL ASSETS	\$2,683,354	\$2,656,635

See Notes to Financial Statements.

ENTERGY MISSISSIPPI, INC.
BALANCE SHEETS
LIABILITIES AND EQUITY
September 30, 2010 and December 31, 2009
(Unaudited)

	2010	2009
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	\$ 80,000	\$-
Accounts payable:		
Associated companies	64,259	58,421
Other	53,391	31,176
Customer deposits	64,911	62,316
Taxes accrued	41,617	41,603
Interest accrued	19,542	19,179
Deferred fuel costs	-	72,907
System agreement cost equalization	11,129	-
Gas hedge contracts	3,625	-
Other	9,353	5,399
TOTAL	347,827	291,001
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	634,264	578,759
Accumulated deferred investment tax credits	6,784	7,514
Obligations under capital lease	11,298	4,949
Other regulatory liabilities	-	2,905
Asset retirement cost liabilities	5,297	5,071
Accumulated provisions	38,231	41,403
Pension and other postretirement liabilities	97,751	111,437
Long-term debt	745,359	845,304
Other	23,442	29,146
TOTAL	1,562,426	1,626,488
Commitments and Contingencies		
Preferred stock without sinking fund	50,381	50,381
COMMON EQUITY		
Common stock, no par value, authorized 12,000,000 shares; issued and outstanding 8,666,357 shares in 2010 and 2009	199,326	199,326
Capital stock expense and other	(690)	(690)
Retained earnings	524,084	490,129
TOTAL	722,720	688,765
TOTAL LIABILITIES AND EQUITY	\$2,683,354	\$2,656,635

See Notes to Financial Statements.

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ENTERGY MISSISSIPPI, INC.
 STATEMENTS OF CHANGES IN EQUITY
 For the Nine Months Ended September 30, 2010 and 2009
 (Unaudited) (In Thousands)

	Common Equity			Total
	Common Stock	Capital Stock Expense and Other	Retained Earnings	
Balance at December 31, 2008	\$199,326	\$(690)	\$466,621	\$665,257
Net income	-	-	64,723	64,723
Common stock dividends	-	-	(38,500)	(38,500)
Preferred stock dividends	-	-	(2,121)	(2,121)
Balance at September 30, 2009	\$199,326	\$(690)	\$490,723	\$689,359
Balance at December 31, 2009	\$199,326	\$(690)	\$490,129	\$688,765
Net income	-	-	79,476	79,476
Common stock dividends	-	-	(43,400)	(43,400)
Preferred stock dividends	-	-	(2,121)	(2,121)
Balance at September 30, 2010	\$199,326	\$(690)	\$524,084	\$722,720
See Notes to Financial Statements.				

ENTERGY MISSISSIPPI, INC.
SELECTED OPERATING RESULTS

For the Three and Nine Months Ended September 30, 2010 and 2009
(Unaudited)

Description	Three Months Ended		Increase/ (Decrease)	%
	2010	2009		
(Dollars In Millions)				
Electric Operating Revenues:				
Residential	\$191	\$159	\$32	20
Commercial	133	114	19	17
Industrial	44	39	5	13
Governmental	11	10	1	10
Total retail	379	322	57	18
Sales for resale				
Associated companies	14	17	(3)	(18)
Non-associated companies	12	9	3	33
Other	3	9	(6)	(67)
Total	\$408	\$357	\$51	14

Billed Electric Energy

Sales (GWh):

Residential	2,071	1,808	263	15
Commercial	1,528	1,421	107	8
Industrial	622	599	23	4
Governmental	118	118	-	-
Total retail	4,339	3,946	393	10
Sales for resale				
Associated companies	76	69	7	10
Non-associated companies	175	115	60	52
Total	4,590	4,130	460	11

Description	Nine Months Ended		Increase/ (Decrease)	%
	2010	2009		
(Dollars In Millions)				
Electric Operating Revenues:				
Residential	\$407	\$367	\$40	11
Commercial	314	302	12	4
Industrial	110	111	(1)	(1)
Governmental	29	28	1	4
Total retail	860	808	52	6
Sales for resale				
Associated companies	34	32	2	6
Non-associated companies	30	23	7	30
Other	36	46	(10)	(22)
Total	\$960	\$909	\$51	6

Billed Electric Energy				
Sales (GWh):				
Residential	4,851	4,186	665	16
Commercial	3,797	3,607	190	5
Industrial	1,690	1,625	65	4
Governmental	314	306	8	3
Total retail	10,652	9,724	928	10
Sales for resale				
Associated companies	230	154	76	49
Non-associated companies	357	268	89	33
Total	11,239	10,146	1,093	11

ENTERGY NEW ORLEANS, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Results of Operations

Net Income

Third Quarter 2010 Compared to Third Quarter 2009

Net income increased \$3.2 million primarily due to higher net revenue and lower interest expense, partially offset by higher other operation and maintenance expenses and higher taxes other than income taxes.

Nine Months Ended September 30, 2010 Compared to Nine Months Ended September 30, 2009

Net income increased \$5.8 million primarily due to higher net revenue, a lower effective income tax rate, and lower interest expense, partially offset by higher other operation and maintenance expenses, higher taxes other than income taxes, and lower other income.

Net Revenue

Third Quarter 2010 Compared to Third Quarter 2009

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges (credits). Following is an analysis of the changes in net revenue comparing the third quarter 2010 to the third quarter 2009.

	Amount (In Millions)
2009 net revenue	\$68.8
Volume/weather	7.8
Gas cost recovery asset	2.3
Other	2.1
2010 net revenue	\$81.0

The volume/weather variance is primarily due to an increase of 83 GWh, or 6%, in billed retail electricity usage primarily due to more favorable weather compared to the same period in 2009.

The gas cost recovery asset variance results from the recognition of a \$3 million gas operations regulatory asset associated with the settlement of Entergy New Orleans' electric and gas formula rate plan case, and the amortization of \$0.7 million of that asset. See Note 2 to the financial statements herein for further discussion of the formula rate plan settlement.

Gross operating revenues and fuel and purchased power expenses

Gross operating revenues increased primarily due to:

- increased gas and electricity usage due to the effect of more favorable volume/weather, as discussed above;
- a increase of \$6.6 million in electric fuel cost recovery revenues primarily due to the effect of higher usage, as discussed above and higher fuel rates; and
 - an increase of \$1.2 million in gas fuel cost recovery revenues due to higher prices.

Entergy New Orleans, Inc.
Management's Financial Discussion and Analysis

Fuel and purchased power expenses increased primarily due to an increase in the average market price of purchased power coupled with an increase in net area demand.

Nine Months Ended September 30, 2010 Compared to Nine Months Ended September 30, 2009

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges (credits). Following is an analysis of the changes in net revenue comparing the nine months ended September 30, 2010 to the nine months ended September 30, 2009.

	Amount (In Millions)
2009 net revenue	\$187.9
Volume/weather	15.6
Net gas revenue	11.8
Effect of rate case settlement	(5.0)
Other	6.9
2010 net revenue	\$217.2

The volume/weather variance is primarily due to an increase of 315 GWh, or 9%, in billed retail electricity usage primarily due to more favorable weather compared to the same period in 2009.

The net gas variance is primarily due to more favorable weather compared to the same period in 2009, along with the recognition of a \$3 million gas operations regulatory asset associated with the settlement of Entergy New Orleans's electric and gas formula rate plan case. See Note 2 to the financial statements herein for further discussion of the formula rate plan settlement.

The effect of 2009 rate case settlement variance results from the April 2009 settlement of Entergy New Orleans's rate case, and includes the effects of realigning non-fuel costs associated with the operation of Grand Gulf from the fuel adjustment clause to electric base rates effective June 2009. See Note 2 to the financial statements in the Form 10-K for further discussion of the rate case settlement.

Other Income Statement Variances

Third Quarter 2010 Compared to Third Quarter 2009

Other operation and maintenance expenses increased primarily due to:

- an increase of \$2.5 million in compensation and benefits costs resulting from an increase in the accrual for incentive-based compensation;
 - an increase of \$1.6 million in litigation expenses; and
- an increase of \$1.1 million in fossil expenses due to the timing of outages and the increased scope of work during this year's outage.

Taxes other than income taxes increased primarily due to higher millage rates and an increase in local franchise taxes resulting from higher electric and gas retail revenues as compared with the same period in 2009.

Interest expense decreased primarily due to the repayment of the notes payable issued to affiliates as part of Entergy New Orleans' plan of reorganization, as described more fully in Note 18 to the financial statements in the Form 10-K.

Entergy New Orleans, Inc.
Management's Financial Discussion and Analysis

Nine Months Ended September 30, 2010 Compared to Nine Months Ended September 30, 2009

Other operation and maintenance expenses increased primarily due to:

- an increase of \$13.7 million in fossil expenses due to the timing of outages and the increased scope of work during this year's outages; and
- an increase of \$2.7 million in compensation and benefits costs, resulting from decreasing discount rates, the amortization of asset losses, and an increase in the accrual for incentive-based compensation. See Note 11 to the financial statements in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefits costs.

Taxes other than income taxes increased primarily due to higher millage rates and an increase in local franchise taxes resulting from higher electric and gas retail revenues as compared with the same period in 2009.

Other income decreased primarily due to carrying costs on Hurricane Gustav and Hurricane Ike storm restoration costs recorded in 2009.

Interest expense decreased primarily due to a decrease in the interest rate on notes payable issued to affiliates as part of Entergy New Orleans' plan of reorganization, in addition to their repayment in May 2010, as described more fully in Note 18 to the financial statements in the Form 10-K.

Income Taxes

The effective income tax rate was 34.6% for the third quarter 2010 and 32.2% for the nine months ended September 30, 2010. The difference in the effective income tax rate for the nine months ended September 30, 2010 versus the federal statutory rate of 35% is primarily due to flow-through book and tax timing differences, partially offset by state income taxes and certain book and tax differences related to utility plant items.

The effective income tax rate was 33.6% for the third quarter 2009 and 37.0% for the nine months ended September 30, 2009. The difference in the effective income tax rate for the third quarter 2009 versus the federal statutory rate of 35% is primarily due to flow-through book and tax timing differences, partially offset by state income taxes. The difference in the effective income tax rate for the nine months ended September 30, 2009 versus the federal statutory rate of 35% is primarily due to state income taxes and certain book and tax differences related to utility plant items, partially offset by flow-through book and tax timing differences.

Liquidity and Capital Resources

Cash Flow

Cash flows for the nine months ended September 30, 2010 and 2009 were as follows:

	2010	2009
	(In Thousands)	
Cash and cash equivalents at beginning of period	\$191,191	\$137,444

Cash flow provided by (used in):		
Operating activities	65,362	78,945
Investing activities	(19,138)	(44,402)
Financing activities	(137,266)	(21,520)
Net increase (decrease) in cash and cash equivalents	(91,042)	13,023
Cash and cash equivalents at end of period	\$100,149	\$150,467

Entergy New Orleans, Inc.
Management's Financial Discussion and Analysis

Operating Activities

Net cash flow provided by operating activities decreased \$13.6 million for the nine months ended September 30, 2010 compared to the nine months ended September 30, 2009 primarily due to income tax payments of \$21.3 million made in 2010 compared to refunds of \$3.2 million received in 2009 and an increase in pension contributions of \$4.8 million. In the third quarter 2010 the Registrant Subsidiaries made tax payments in accordance with the Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement. The payments result from the reversal of temporary differences for which the Registrant Subsidiaries previously received cash tax benefits. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K for a discussion of qualified pension and other postretirement benefits. The decrease was partially offset by the receipt of \$19.2 million of Community Development Block Grant funds, as discussed in Note 2 to the financial statements herein.

Investing Activities

Net cash flow used in investing activities decreased \$25.3 million for the nine months ended September 30, 2010 compared to the nine months ended September 30, 2009 primarily due to money pool activity and a withdrawal from the storm escrow account that was related to Hurricane Gustav costs.

Decreases in Entergy New Orleans's receivable from the money pool are a source of cash flow, and Entergy New Orleans's receivable from the money pool decreased by \$31.2 million in the nine months ended September 30, 2010 compared to decreasing by \$8.5 million in the nine months ended September 30, 2009. The money pool is an inter-company borrowing arrangement designed to reduce the Utility subsidiaries' need for external short-term borrowings.

Financing Activities

Net cash flow used in financing activities increased \$115.7 million for the nine months ended September 30, 2010 compared to the nine months ended September 30, 2009 primarily due to:

- the repayment of \$74.3 million of affiliate notes payable in May 2010;
- the repayment, at maturity, of \$30 million of 4.98% Series first mortgage bonds in July 2010; and
- an increase of \$11.5 million in dividends paid on common stock.

See Note 4 to the financial statements for the details of the long-term debt activity.

Capital Structure

Entergy New Orleans's capitalization is balanced between equity and debt, as shown in the following table. The decrease in the debt to capital ratio is primarily due to the repayment of affiliate notes payable in May 2010 and the repayment of first mortgage bonds in July 2010, as discussed below.

September	December
30,	31,
2010	2009

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Debt to capital	42.2%	54.4%
E f f e c t o f subtracting cash from debt	(19.5)%	(28.2)%
Net debt to net capital	22.7%	26.2%

Net debt consists of debt less cash and cash equivalents. Debt consists of notes payable and long-term debt, including the currently maturing portion. Capital consists of debt, preferred stock without sinking fund, and shareholders' equity. Net capital consists of capital less cash and cash equivalents. Entergy New Orleans uses the net debt to net capital ratio in analyzing its financial condition and believes it provides useful information to its investors and creditors in evaluating Entergy New Orleans's financial condition.

Corporation and Subsidiaries Management's Financial Discussion and Analysis for updates to the discussion in the Form 10-K.

Entergy New Orleans, Inc.
Management's Financial Discussion and Analysis

Environmental Risks

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

Critical Accounting Estimates

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Critical Accounting Estimates" in the Form 10-K for a discussion of the estimates and judgments necessary in Entergy New Orleans's accounting for unbilled revenue and qualified pension and other postretirement benefits.

Federal Healthcare Legislation

See the "Critical Accounting Estimates - Federal Healthcare Legislation" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for an update to the Form 10-K discussion on critical accounting estimates.

ENTERGY NEW ORLEANS, INC.
INCOME STATEMENTS

For the Three and Nine Months Ended September 30, 2010 and 2009
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2010	2009	2010	2009
	(In Thousands)		(In Thousands)	
OPERATING REVENUES				
Electric	\$172,908	\$158,988	\$417,540	\$404,632
Natural gas	16,691	15,083	90,739	77,670
TOTAL	189,599	174,071	508,279	482,302
OPERATING EXPENSES				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	51,184	49,182	123,142	143,741
Purchased power	59,031	55,370	168,169	149,734
Other operation and maintenance	33,414	26,524	98,595	80,233
Taxes other than income taxes	12,503	11,407	34,574	30,623
Depreciation and amortization	8,795	8,520	26,320	25,290
Other regulatory charges (credits) - net	(1,585)	766	(253)	944
TOTAL	163,342	151,769	450,547	430,565
OPERATING INCOME	26,257	22,302	57,732	51,737
OTHER INCOME				
Allowance for equity funds used during construction	174	71	535	180
Interest and dividend income	160	697	456	3,714
Miscellaneous - net	(209)	(180)	(680)	(701)
TOTAL	125	588	311	3,193
INTEREST AND OTHER CHARGES				
Interest on long-term debt	2,535	2,903	8,344	8,722
Other interest - net	250	1,541	2,034	3,955
Allowance for borrowed funds used during construction	(84)	(35)	(258)	(74)
TOTAL	2,701	4,409	10,120	12,603
INCOME BEFORE INCOME TAXES	23,681	18,481	47,923	42,327
Income taxes	8,200	6,209	15,414	15,661
NET INCOME	15,481	12,272	32,509	26,666
Preferred dividend requirements and other	242	241	724	724
EARNINGS APPLICABLE TO COMMON STOCK	\$15,239	\$12,031	\$31,785	\$25,942

See Notes to Financial Statements.

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ENTERGY NEW ORLEANS, INC.
 STATEMENTS OF CASH FLOWS
 For the Nine Months Ended September 30, 2010 and 2009
 (Unaudited)

	2010	2009
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	\$32,509	\$26,666
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Reserve for regulatory adjustment	198	-
Other regulatory charges (credits) - net	(253)	944
Depreciation and amortization	26,320	25,290
Deferred income taxes, investment tax credits, and non-current taxes accrued	(56,664)	18,847
Changes in working capital:		
Receivables	(3,350)	21,904
Fuel inventory	(750)	4,681
Accounts payable	(330)	(16,069)
Taxes accrued	50,278	(1,053)
Interest accrued	(2,149)	(1,500)
Deferred fuel costs	5,649	4,819
Other working capital accounts	(8,114)	(8,341)
Provision for estimated losses and reserves	(6,451)	4,995
Changes in other regulatory assets	6,474	(3,782)
Changes in pension and other postretirement liabilities	(7,394)	(2,940)
Other	29,389	4,484
Net cash flow provided by operating activities	65,362	78,945
INVESTING ACTIVITIES		
Construction expenditures	(56,088)	(47,992)
Allowance for equity funds used during construction	535	180
Change in money pool receivable - net	31,209	8,485
Changes in other investments - net	5,091	(5,094)
Other	115	19
Net cash flow used in investing activities	(19,138)	(44,402)
FINANCING ACTIVITIES		
Retirement of long-term debt	(104,993)	(728)
Dividends paid:		
Common stock	(31,200)	(19,700)
Preferred stock	(724)	(724)
Other	(349)	(368)
Net cash flow used in financing activities	(137,266)	(21,520)
Net increase (decrease) in cash and cash equivalents	(91,042)	13,023
Cash and cash equivalents at beginning of period	191,191	137,444
Cash and cash equivalents at end of period	\$100,149	\$150,467

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid/(received) during the period for:

Interest - net of amount capitalized	\$ 12,020	\$ 13,697
Income taxes	\$ 21,325	\$(3,212)

See Notes to Financial Statements.

ENTERGY NEW ORLEANS, INC.
BALANCE SHEETS

ASSETS

September 30, 2010 and December 31, 2009

(Unaudited)

2010 2009
(In Thousands)

CURRENT ASSETS

Cash and cash equivalents		
Cash	\$1,029	\$1,179
Temporary cash investments	99,120	190,012
Total cash and cash equivalents	100,149	191,191
Accounts receivable:		
Customer	51,510	41,284
Allowance for doubtful accounts	(1,211)	(1,166)
Associated companies	39,937	78,670
Other	3,170	2,299
Accrued unbilled revenues	20,150	20,328
Total accounts receivable	113,556	141,415
Deferred fuel costs	-	3,996
Accumulated deferred income taxes	399	2,584
Fuel inventory - at average cost	3,283	2,533
Materials and supplies - at average cost	9,956	9,674
Prepayments and other	5,719	4,311
TOTAL	233,062	355,704

OTHER PROPERTY AND INVESTMENTS

Investment in affiliates - at equity	3,259	3,259
Non-utility property at cost (less accumulated depreciation)	1,016	1,016
Storm reserve escrow account	4,408	9,499
TOTAL	8,683	13,774

UTILITY PLANT

Electric	813,699	789,367
Natural gas	201,950	199,847
Construction work in progress	11,021	21,148
TOTAL UTILITY PLANT	1,026,670	1,010,362
Less - accumulated depreciation and amortization	526,906	514,609
UTILITY PLANT - NET	499,764	495,753

DEFERRED DEBITS AND OTHER ASSETS

Regulatory assets:		
Deferred fuel costs	4,080	4,080
Other regulatory assets	118,572	125,686
Other	5,693	6,079
TOTAL	128,345	135,845

TOTAL ASSETS	\$869,854	\$1,001,076
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See Notes to Financial Statements.

ENTERGY NEW ORLEANS, INC.
BALANCE SHEETS
LIABILITIES AND EQUITY
September 30, 2010 and December 31, 2009
(Unaudited)

	2010	2009
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	\$-	\$ 30,000
Notes payable - associated companies	-	74,230
Accounts payable:		
Associated companies	26,332	28,138
Other	26,751	23,653
Customer deposits	20,970	20,505
Taxes accrued	51,955	1,677
Interest accrued	1,800	3,949
Deferred fuel costs	1,653	-
System agreement cost equalization	-	6,000
Other	4,914	5,803
TOTAL CURRENT LIABILITIES	134,375	193,955
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	99,247	147,496
Accumulated deferred investment tax credits	1,914	2,153
Regulatory liability for income taxes - net	59,133	58,970
Other regulatory liabilities	39,712	43,148
Retirement cost liability	3,339	3,174
Accumulated provisions	9,540	15,991
Pension and other postretirement liabilities	36,379	43,773
Long-term debt	167,266	168,023
Gas system rebuild insurance proceeds	81,216	90,116
Other	8,782	5,911
TOTAL NON-CURRENT LIABILITIES	506,528	578,755
Commitments and Contingencies		
Preferred stock without sinking fund	19,780	19,780
COMMON EQUITY		
Common stock, \$4 par value, authorized 10,000,000 shares; issued and outstanding 8,435,900 shares in 2010 and 2009	33,744	33,744
Paid-in capital	36,294	36,294
Retained earnings	139,133	138,548

TOTAL	209,171	208,586
TOTAL LIABILITIES AND EQUITY	\$869,854	\$1,001,076

See Notes to Financial Statements.

ENTERGY NEW ORLEANS, INC.
 STATEMENTS OF CHANGES IN EQUITY
 For the Nine Months Ended September 30, 2010 and 2009
 (Unaudited) (In Thousands)

	Common Equity			Total
	Common Stock	Paid-in Capital	Retained Earnings	
Balance at December 31, 2008	\$33,744	\$36,294	\$141,388	\$211,426
Net income	-	-	26,666	26,666
Common stock dividends	-	-	(19,700)	(19,700)
Preferred stock dividends	-	-	(724)	(724)
Balance at September 30, 2009	\$33,744	\$36,294	\$147,630	\$217,668
Balance at December 31, 2009	\$33,744	\$36,294	\$138,548	\$208,586
Net income	-	-	32,509	32,509
Common stock dividends	-	-	(31,200)	(31,200)
Preferred stock dividends	-	-	(724)	(724)
Balance at September 30, 2010	\$33,744	\$36,294	\$139,133	\$209,171
See Notes to Financial Statements.				

ENTERGY NEW ORLEANS, INC.
SELECTED OPERATING RESULTS

For the Three and Nine Months Ended September 30, 2010 and 2009
(Unaudited)

Description	Three Months Ended		Increase/ (Decrease)	%
	2010	2009		
(Dollars In Millions)				
Electric Operating Revenues:				
Residential	\$71	\$63	\$8	13
Commercial	55	51	4	8
Industrial	11	11	-	-
Governmental	22	21	1	5
Total retail	159	146	13	9
Sales for resale				
Associated companies	12	13	(1)	(8)
Other	2	-	2	-
Total	\$173	\$159	\$14	9
Billed Electric Energy				
Sales (GWh):				
Residential	608	549	59	11
Commercial	555	525	30	6
Industrial	139	148	(9)	(6)
Governmental	231	228	3	1
Total retail	1,533	1,450	83	6
Sales for resale				
Associated companies	184	241	(57)	(24)
Non-associated companies	1	2	(1)	(50)
Total	1,718	1,693	25	1

Description	Nine Months Ended		Increase/ (Decrease)	%
	2010	2009		
(Dollars In Millions)				
Electric Operating Revenues:				
Residential	\$158	\$129	\$29	22
Commercial	133	126	7	6
Industrial	27	28	(1)	(4)
Governmental	54	52	2	4
Total retail	372	335	37	11
Sales for resale				
Associated companies	34	64	(30)	(47)
Other	12	6	6	100
Total	\$418	\$405	\$13	3

Billed Electric Energy

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Sales (GWh):

Residential	1,473	1,219	254	21
Commercial	1,441	1,370	71	5
Industrial	380	395	(15)	(4)
Governmental	605	600	5	1
Total retail	3,899	3,584	315	9
Sales for resale				
Associated companies	488	1,106	(618)	(56)
Non-associated companies	10	11	(1)	(9)
Total	4,397	4,701	(304)	(6)

ENTERGY TEXAS, INC. AND SUBSIDIARIES

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Results of Operations

Net Income

Third Quarter 2010 Compared to Third Quarter 2009

Net income decreased by \$7 million primarily due to higher other operation and maintenance expenses and lower other income, partially offset by higher net revenue and lower interest expense.

Nine Months Ended September 30, 2010 Compared to Nine Months Ended September 30, 2009

Net income increased by \$16.2 million primarily due to higher net revenue and lower interest expense, partially offset by lower other income, higher taxes other than income taxes, and higher other operation and maintenance expenses.

Net Revenue

Third Quarter 2010 Compared to Third Quarter 2009

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges. Following is an analysis of the change in net revenue comparing the third quarter 2010 to the third quarter 2009.

	Amount (In Millions)
2009 net revenue	\$153.2
Retail electric price	8.8
Volume/weather	6.5
Securitization transition charge	4.5
Net wholesale revenue	3.0
Purchased power capacity	(14.4)
Other	1.3
2010 net revenue	\$162.9

The retail electric price variance is primarily due to rate actions, including an annual base rate increase of \$59 million beginning August 2010 as a result of the settlement of the December 2009 rate case. See Note 2 to the financial statements herein for further discussion of the rate case settlement.

The volume/weather variance is primarily due to increased electricity usage primarily in the residential and commercial sectors, resulting from an increase of 2.7% in customers, coupled with the effect of more favorable weather during the unbilled sales period. Billed electricity usage increased a total of 121 GWh, or 3%. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K for a discussion of unbilled revenues.

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

The securitization transition charge variance is due to the issuance of securitization bonds. In November 2009, Entergy Texas Restoration Funding, LLC, a company wholly-owned and consolidated by Entergy Texas, issued securitization bonds and with the proceeds purchased from Entergy Texas the transition property, which is the right to recover from customers through a transition charge amounts sufficient to service the securitization bonds. The securitization transition charge is offset with a corresponding increase in interest on long-term debt with no impact on net income. See Note 5 to the financial statements in the Form 10-K for further discussion of the securitization bond issuance.

The net wholesale revenue variance is primarily due to increased sales to municipal and co-op customers due to the addition of new contracts.

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

Gross operating revenues and fuel and purchased power expenses

Gross operating revenues increased primarily due to an increase of \$52.6 million in fuel cost recovery revenues primarily attributable to higher fuel rates and increased usage, and an increase of \$43.2 million in gross wholesale revenues as a result of the addition of new customer contracts, as discussed above.

Fuel and purchased power expenses increased primarily due to increases in the average market prices of purchased power and natural gas.

Nine Months Ended September 30, 2010 Compared to Nine Months Ended September 30, 2009

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges. Following is an analysis of the change in net revenue comparing the nine months ended September 30, 2010 to the nine months ended September 30, 2009.

	Amount (In Millions)
2009 net revenue	\$360.9
Volume/weather	25.6
Net wholesale revenue	25.2
Rough production cost equalization	18.6
Securitization transition charge	13.7
Retail electric price	6.2
Purchased power capacity	(31.8)

Other	5.3
2010 net revenue	\$423.7

The volume/weather variance is primarily due to increased electricity usage primarily in the residential and commercial sectors, resulting from an increase of 3.7% in customers, coupled with the effect of more favorable weather on residential sales. Billed electricity usage increased a total of 642 GWh, or 5%.

The net wholesale revenue variance is primarily due to increased sales to municipal and co-op customers due to the addition of new contracts.

The rough production cost equalization variance is due to an additional \$18.6 million allocation recorded in the second quarter of 2009 of 2007 rough production cost equalization receipts ordered by the PUCT to Texas retail customers over what was originally allocated to Entergy Texas prior to the jurisdictional separation of Entergy Gulf States, Inc. into Entergy Gulf States Louisiana and Entergy Texas, effective December 2007, as discussed in Note 2 to the financial statements.

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

The securitization transition charge variance is due to the issuance of securitization bonds. In November 2009, Entergy Texas Restoration Funding, LLC, a company wholly-owned and consolidated by Entergy Texas, issued securitization bonds and with the proceeds purchased from Entergy Texas the transition property, which is the right to recover from customers through a transition charge amounts sufficient to service the securitization bonds. The securitization transition charge is offset with a corresponding increase in interest on long-term debt with no impact on net income. See Note 5 to the financial statements in the Form 10-K for further discussion of the securitization bond issuance.

The retail electric price variance is primarily due to rate actions, including an annual base rate increase of \$59 million beginning August 2010 as a result of the settlement of the December 2009 rate case. See Note 2 to the financial statements herein for further discussion of the rate case settlement.

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

Gross operating revenues and fuel and purchased power expenses

Gross operating revenues increased primarily due to an increase of \$155.7 million in gross wholesale revenues as a result of the addition of new customer contracts and an increase of \$25.6 million related to volume/weather, as discussed above. The increase was partially offset by a decrease of \$27.8 million in rider revenues and a decrease of \$26.6 million in fuel cost recovery revenues primarily attributable to lower fuel rates and the interim fuel refund in the first quarter 2010. The interim fuel refund and the PUCT approval is discussed in Note 2 to the financial statements in the Form 10-K.

Fuel and purchased power expenses increased primarily due to increases in the average market prices of purchased power and natural gas, substantially offset by a decrease in deferred fuel expenses as the result of lower fuel revenues, as discussed above.

Other Income Statement Variances

Third Quarter 2010 Compared to Third Quarter 2009

Other operation and maintenance expenses increased primarily due to the amortization of \$11 million of rate case expenses. See Note 2 to the financial statements herein for further discussion of the rate case settlement.

Other income decreased primarily due to carrying costs recorded in 2009 on storm restoration costs as approved by Texas legislation. See Note 2 to the financial statements in the Form 10-K for further discussion of Hurricane Ike storm cost recovery filings.

Interest and other charges decreased primarily due to lower interest on deferred fuel costs and the pay-down of the debt assumption agreement liability, partially offset by the issuance of \$546 million in securitization bonds in November 2009 and the issuance of \$200 million of 3.6% Series mortgage bonds in May 2010.

Nine Months Ended September 30, 2010 Compared to Nine Months Ended September 30, 2009

Other operation and maintenance expenses increased primarily due to the amortization of \$11 million of rate case expenses. See Note 2 to the financial statements herein for further discussion of the rate case settlement. The increase

was partially offset by a charge of \$6.8 million in June 2009 resulting from the Hurricane Ike and Hurricane Gustav storm cost recovery settlement with the PUCT. See Note 2 to the financial statements in the Form 10-K for discussion of this settlement.

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

Taxes other than income taxes increased primarily due to a provision recorded for potential additional sales and use taxes.

Other income decreased primarily due to carrying costs recorded in 2009 on storm restoration costs as approved by Texas legislation. See Note 2 to the financial statements in the Form 10-K for further discussion of Hurricane Ike storm cost recovery filings.

Interest and other charges decreased primarily due to lower interest on deferred fuel costs, the repayment of Entergy Texas's \$160 million note payable from Entergy Corporation in January 2009, and the pay-down of the debt assumption agreement liability. The decrease was partially offset by the issuance of \$546 million in securitization bonds in November 2009, the issuance of \$150 million of 7.875% Series mortgage bonds in May 2009 and the issuance of \$200 million of 3.6% Series mortgage bonds in May 2010.

Income Taxes

The effective income tax rate was 38.5% for the third quarter 2010 and 39.3% for the nine months ended September 30, 2010. The difference in the effective income tax rate for the third quarter 2010 versus the federal statutory rate of 35% is primarily due to certain book and tax differences related to utility plant items. The difference in the effective income tax rate for the nine months ended September 30, 2010 versus the federal statutory rate of 35% is primarily due to certain book and tax differences related to utility plant items and state income taxes, partially offset by book and tax differences related to allowance for equity funds used during construction and the amortization of investment tax credits.

The effective income tax rate was 35.6% for the third quarter 2009 and 38.6% for the nine months ended September 30, 2009. The difference in the effective income tax rate for the nine months ended September 30, 2009 versus the federal statutory rate of 35% is primarily due to state income taxes and certain book and tax differences related to utility plant items, partially offset by book and tax differences related to the allowance for equity funds used during construction and the amortization of investment tax credits.

Liquidity and Capital Resources

Cash Flow

Cash flows for the nine months ended September 30, 2010 and 2009 were as follows:

	2010	2009
	(In Thousands)	
Cash and cash equivalents at beginning of period	\$200,703	\$2,239
Cash flow provided by (used in):		
Operating activities	(326)	46,255
Investing activities	(76,769)	(156,231)
Financing activities	(77,933)	243,169
	(155,028)	133,193

Net increase (decrease) in cash
and cash equivalents

Cash and cash equivalents at end of period	\$45,675	\$135,432
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Operating Activities

Entergy Texas's operating activities used \$0.3 million of cash for the nine months ended September 30, 2010 compared to providing \$46.3 million of cash for the nine months ended September 30, 2009 primarily due to the timing of collection of receivables from customers and an \$87.8 million fuel cost refund made in the first quarter 2010, which is discussed further in the Form 10-K, partially offset by Hurricane Ike restoration spending in 2009.

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

Investing Activities

Net cash flow used in investing activities decreased \$79.5 million for the nine months ended September 30, 2010 compared to the nine months ended September 30, 2009 primarily due to money pool activity and a decrease in construction expenditures due to Hurricane Ike spending in 2009, offset by a decrease of \$27.6 million in insurance proceeds and increased remittances to the securitization trust account as a result of the issuance of \$546 million in securitization bonds in November 2009. See Note 5 to the financial statements in the Form 10-K for further discussion of the issuance of the securitization bonds.

Decreases in Entergy Texas's receivable from the money pool are a source of cash flow, and Entergy Texas's receivable from the money pool decreased by \$53.3 million for the nine months ended September 30, 2010 compared to increasing by \$46.4 million for the nine months ended September 30, 2009. The money pool is an inter-company borrowing arrangement designed to reduce Entergy's subsidiaries' need for external short-term borrowings.

Financing Activities

Entergy Texas's financing activities used \$77.9 million of cash for the nine months ended September 30, 2010 compared to providing \$243.2 million of cash for the nine months ended September 30, 2009 primarily due to:

- the issuance of \$500 million of 7.125% Series mortgage bonds in January 2009;
- the issuance of \$150 million of 7.875% Series mortgage bonds in May 2009;
- the issuance of \$200 million of 3.60% Series mortgage bonds in May 2010;
- the retirement of \$190 million of long-term debt in 2010 compared to \$80 million in 2009; and
- an increase of \$83 million in common equity distributions.

The use of cash was partially offset by:

- the repayment of Entergy Texas's \$160 million note payable to Entergy Corporation in January 2009;
- the repayment of \$100 million outstanding on Entergy Texas's credit facility in February 2009; and
- money pool activity.

Decreases in Entergy Texas's payable to the money pool is a use of cash flow, and Entergy Texas's payable to the money pool decreased by \$50.8 million for the nine months ended September 30, 2009.

Capital Structure

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

	September 30, 2010	December 31, 2009
Debt to capital	66.9%	66.3%
Effect of excluding the securitization bonds	(16.1)%	(17.1)%
	50.8%	49.2%

Debt to capital, excluding securitization bonds (1)		
Effect of subtracting cash from debt	(1.3)%	(6.9)%
Net debt to net capital, excluding securitization bonds (1)	49.5%	42.3%

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

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

70% share of River Bend for which Entergy Texas retail customers are partially responsible, in response to an NRC notification of a projected shortfall of decommissioning funding assurance. Beginning in May 2010, Entergy Texas implemented a \$17.5 million interim rate increase, subject to refund. Intervenors and PUCT Staff filed testimony opposing the riders discussed above and recommended adjustments that would result in a maximum rate increase of, based on the PUCT Staff's testimony, \$58 million. Hearings regarding the merits of the competitive generation service tariff, which was a proposal required by law that would allow eligible customers to obtain alternative generation supply, were held in July 2010.

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

The parties filed a settlement in August 2010 intended to resolve the other issues in the rate case proceeding. The settlement provides for a \$59 million base rate increase for electricity usage beginning August 15, 2010, with an additional increase of \$9 million for bills rendered beginning May 2, 2011. The settlement stipulates an authorized return on equity of 10.125%. The settlement provides that Entergy Texas's proposed cost of service adjustment rider, purchased power recovery rider, and transmission cost recovery factors will not be approved in the rate case proceeding, although baseline values were established to be used in Entergy Texas's request for a transmission recovery factor that will be made in a separate proceeding. The settlement states that Entergy Texas's fuel costs for the period April 2007 through June 2009 are reconciled, with \$3.25 million of disallowed costs, which were included in the interim fuel refund discussed below. The settlement also sets River Bend decommissioning costs at \$2.0 million annually. Consistent with the settlement, in the third quarter 2010, Entergy Texas amortized \$11 million of rate case costs. The May and August 2010 rate changes have contributed approximately \$11.8 million to Entergy Texas's revenues in 2010. In October 2010 the ALJ forwarded the settlement to the PUCT for its consideration and also recommended rejection of the competitive generation service tariff. The PUCT is scheduled to consider the settlement and ALJ's recommendation in November 2010.

As discussed in the Form 10-K, 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. In December 2008 the PUCT adopted an ALJ proposal for decision recommending an additional \$18.6 million allocation to Texas retail customers. Because the PUCT allocation to Texas retail customers is inconsistent with the LPSC allocation to Louisiana retail customers, the PUCT's decision results in trapped costs between the Texas and Louisiana jurisdictions with no mechanism for recovery. The PUCT denied Entergy Texas's motion for rehearing and Entergy Texas commenced proceedings in both state and federal district courts seeking to reverse the PUCT's decision. The federal proceeding had been abated pending appeal of the FERC's order in the proceeding discussed below.

Entergy Texas filed with the FERC a proposed amendment to the System Agreement bandwidth formula to specifically calculate the payments to Entergy Gulf States Louisiana and Entergy Texas of Entergy Gulf States, Inc.'s rough production cost equalization receipts for 2007. In May 2009 the FERC issued an order rejecting the proposed amendment. Because of the FERC's order, Entergy Texas recorded the effects of the PUCT's allocation of the additional \$18.6 million to Texas retail customers in the second quarter 2009. On an after-tax basis, the charge to earnings was approximately \$13.0 million (including interest). In May 2010 the FERC rejected Entergy's request for rehearing of the FERC's order. On July 14, 2010, Entergy appealed the FERC's decision to the U.S. Court of Appeals for the District of Columbia.

In the settlement of Entergy Texas's December 2009 rate case proceeding, Entergy Texas agreed to credit to customers \$18.6 million after the settlement is approved by the PUCT, with the parties agreeing that this amount represents the remaining portion of the 2007 rough production cost equalization payments received by Entergy Texas. Entergy Texas also agreed to dismiss the state and federal district court proceedings and its appeal of the FERC's decision, all of which were seeking to change the result of the December 2008 PUCT decision. The settlement of the 2009 rate case is pending before the PUCT.

In June 2010, Entergy Texas filed with the PUCT a request to refund approximately \$66 million, including interest, of fuel cost recovery over-collections through May 2010. In September 2010 the PUCT issued an order providing for a \$77 million refund for fuel cost recovery over-collections through June 2010. The refund will be made for most customers over a three-month period beginning with the September 2010 billing cycle.

Federal Regulation

See "System Agreement Proceedings", "Independent Coordinator of Transmission", "FERC Audit", and "U.S. Department of Justice Investigation" in the "Rate, Cost-recovery, and Other Regulation" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for updates to the discussion in the Form 10-K.

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

Environmental Risks

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

Critical Accounting Estimates

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Critical Accounting Estimates" in the Form 10-K for a discussion of the unbilled revenue and qualified pension and other postretirement benefits.

Federal Healthcare Legislation

See the "Critical Accounting Estimates - Federal Healthcare Legislation" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for an update to the Form 10-K discussion on critical accounting estimates.

ENTERGY TEXAS, INC. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
For the Three and Nine Months Ended September 30, 2010 and 2009
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2010	2009	2010	2009
	(In Thousands)		(In Thousands)	
OPERATING REVENUES				
Electric	\$514,786	\$399,496	\$1,322,145	\$1,190,289
OPERATING EXPENSES				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	103,386	77,529	238,842	347,405
Purchased power	229,229	159,088	610,805	438,505
Other operation and maintenance	57,747	44,735	153,070	150,320
Decommissioning	52	49	154	145
Taxes other than income taxes	15,141	14,356	45,900	42,298
Depreciation and amortization	17,428	19,721	56,334	56,924
Other regulatory charges - net	19,307	9,691	48,846	43,478
TOTAL	442,290	325,169	1,153,951	1,079,075
OPERATING INCOME	72,496	74,327	168,194	111,214
OTHER INCOME				
Allowance for equity funds used during construction	887	1,042	5,025	4,561
Interest and dividend income	2,179	11,956	5,815	40,404
Miscellaneous - net	(3,672)	(658)	(2,523)	336
TOTAL	(606)	12,340	8,317	45,301
INTEREST AND OTHER CHARGES				
Interest on long-term debt	23,580	25,854	72,462	71,801
Other interest - net	(1,657)	2,045	(1,337)	6,104
Allowance for borrowed funds used during construction	(632)	(482)	(3,143)	(2,201)
TOTAL	21,291	27,417	67,982	75,704
INCOME BEFORE INCOME TAXES	50,599	59,250	108,529	80,811
Income taxes	19,467	21,069	42,646	31,155
NET INCOME	\$31,132	\$38,181	\$65,883	\$49,656

See Notes to Financial Statements.

ENTERGY TEXAS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 2010 and 2009
(Unaudited)

	2010	2009
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	\$65,883	\$49,656
Adjustments to reconcile net income to net cash flow provided by (used in) operating activities:		
Reserve for regulatory adjustments	692	-
Other regulatory charges - net	48,846	43,478
Depreciation, amortization, and decommissioning	56,488	57,069
Deferred income taxes, investment tax credits, and non-current taxes accrued	60,787	6,844
Changes in working capital:		
Receivables	(80,774)	182,852
Fuel inventory	1,475	(1,852)
Accounts payable	42,552	(113,033)
Taxes accrued	(11,120)	(49,595)
Interest accrued	(4,220)	8,831
Deferred fuel costs	(52,115)	93,449
Other working capital accounts	(116,661)	(97,392)
Provision for estimated losses and reserves	(2,507)	(4,004)
Changes in other regulatory assets	64,672	(167,389)
Other	(74,324)	37,341
Net cash flow provided by (used in) operating activities	(326)	46,255
INVESTING ACTIVITIES		
Construction expenditures	(119,518)	(138,916)
Allowance for equity funds used during construction	5,025	4,561
Insurance proceeds	5,293	32,895
Change in money pool receivable - net	53,295	(46,412)
Changes in transition charge account	(23,182)	(8,359)
Changes in other investments	2,318	-
Net cash flow used in investing activities	(76,769)	(156,231)
FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	198,489	637,341
Retirement of long-term debt	(190,022)	(79,978)
Changes in money pool payable - net	-	(50,794)
Repayment of loan from Entergy Corporation	-	(160,000)
Changes in credit borrowings - net	-	(100,000)
Dividends paid:		
Common stock	(86,400)	(3,400)
Net cash flow provided by (used in) financing activities	(77,933)	243,169

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Net increase (decrease) in cash and cash equivalents	(155,028)	133,193
Cash and cash equivalents at beginning of period	200,703	2,239
Cash and cash equivalents at end of period	\$45,675	\$ 135,432

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid during the period for:

Interest - net of amount capitalized	\$72,170	\$66,330
Income taxes	\$5,124	\$6,000

See Notes to Financial Statements.

ENTERGY TEXAS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

ASSETS

September 30, 2010 and December 31, 2009

(Unaudited)

2010 2009
(In Thousands)

CURRENT ASSETS

Cash and cash equivalents:		
Cash	\$ 185	\$ 1,552
Temporary cash investments	45,490	199,151
Total cash and cash equivalents	45,675	200,703
Securitization recovery trust account	36,280	13,098
Accounts receivable:		
Customer	69,914	51,194
Allowance for doubtful accounts	(2,590)	(844)
Associated companies	75,700	75,437
Other	10,692	10,688
Accrued unbilled revenues	45,965	35,727
Total accounts receivable	199,681	172,202
Accumulated deferred income taxes	18,329	59,399
Fuel inventory - at average cost	53,482	54,957
Materials and supplies - at average cost	28,949	30,432
Prepayments and other	16,388	16,357
TOTAL	398,784	547,148

OTHER PROPERTY AND INVESTMENTS

Investments in affiliates - at equity	833	845
Non-utility property - at cost (less accumulated depreciation)	1,296	1,496
Other	16,887	16,309
TOTAL	19,016	18,650

UTILITY PLANT

Electric	3,157,378	3,074,334
Construction work in progress	94,141	82,167
TOTAL UTILITY PLANT	3,251,519	3,156,501
Less - accumulated depreciation and amortization	1,235,695	1,210,172
UTILITY PLANT - NET	2,015,824	1,946,329

DEFERRED DEBITS AND OTHER ASSETS

Regulatory assets:		
Regulatory asset for income taxes - net	93,550	95,894
Other regulatory assets (includes securitization transition property of \$774,774 as of September 30, 2010)	1,168,711	1,232,101
Long-term receivables	32,998	34,340
Other	20,939	21,176
TOTAL	1,316,198	1,383,511

TOTAL ASSETS	\$3,749,822	\$3,895,638
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See Notes to Financial Statements.

ENTERGY TEXAS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
LIABILITIES AND EQUITY
September 30, 2010 and December 31, 2009
(Unaudited)

	2010	2009
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing portion of debt assumption liability	\$-	\$ 167,742
Accounts payable:		
Associated companies	94,477	47,677
Other	65,526	70,147
Customer deposits	37,883	39,665
Taxes accrued	66,461	77,581
Interest accrued	26,355	30,575
Deferred fuel costs	50,633	102,748
Pension and other postretirement liabilities	1,152	935
System agreement cost equalization	-	117,204
Other	5,648	2,674
TOTAL	348,135	656,948
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	769,608	740,074
Accumulated deferred investment tax credits	21,335	22,532
Other regulatory liabilities	24,169	20,417
Asset retirement cost liabilities	3,598	3,445
Accumulated provisions	6,203	8,710
Pension and other postretirement liabilities	65,679	78,722
Long-term debt (includes securitization bonds of \$816,088 as of September 30, 2010)	1,668,151	1,490,283
Other	18,971	30,017
TOTAL	2,577,714	2,394,200
Commitments and Contingencies		
COMMON EQUITY		
Common stock, no par value, authorized 200,000,000 shares; issued and outstanding 46,525,000 shares in 2010 and 2009	49,452	49,452
Paid-in capital	481,994	481,994
Retained earnings	292,527	313,044
TOTAL	823,973	844,490
TOTAL LIABILITIES AND EQUITY	\$3,749,822	\$3,895,638

See Notes to Financial Statements.

ENTERGY TEXAS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Nine Months Ended September 30, 2010 and 2009
(Unaudited) (In Thousands)

	Common Equity			Total
	Common Stock	Paid-in Capital	Retained Earnings	
Balance at December 31, 2008	\$49,452	\$481,994	\$368,703	\$900,149
Net income	-	-	49,656	49,656
Common stock dividends	-	-	(3,400)	(3,400)
Balance at September 30, 2009	\$49,452	\$481,994	\$414,959	\$946,405
Balance at December 31, 2009	\$49,452	\$481,994	\$313,044	\$844,490
Net income	-	-	65,883	65,883
Common stock dividends	-	-	(86,400)	(86,400)
Balance at September 30, 2010	\$49,452	\$481,994	\$292,527	\$823,973
See Notes to Financial Statements.				

ENTERGY TEXAS, INC. AND SUBSIDIARIES
 SELECTED OPERATING RESULTS
 For the Three and Nine Months Ended September 30, 2010 and 2009
 (Unaudited)

Description	Three Months Ended		Increase/ (Decrease)	%
	2010	2009		
(Dollars In Millions)				
Electric Operating Revenues:				
Residential	\$195	\$157	\$38	24
Commercial	94	70	24	34
Industrial	63	58	5	9
Governmental	6	4	2	50
Total retail	358	289	69	24
Sales for resale				
Associated companies	128	106	22	21
Non-associated companies	25	4	21	525
Other	4	-	4	-
Total	\$515	\$399	\$116	29

Billed Electric Energy**Sales (GWh):**

Residential	1,955	1,902	53	3
Commercial	1,284	1,228	56	5
Industrial	1,494	1,482	12	1
Governmental	73	73	-	-
Total retail	4,806	4,685	121	3
Sales for resale				
Associated companies	1,253	1,198	55	5
Non-associated companies	385	93	292	314
Total	6,444	5,976	468	8

Description	Nine Months Ended		Increase/ (Decrease)	%
	2010	2009		
(Dollars In Millions)				
Electric Operating Revenues:				
Residential	\$433	\$416	\$17	4
Commercial	245	254	(9)	(4)
Industrial	212	249	(37)	(15)
Governmental	17	16	1	6
Total retail	907	935	(28)	(3)
Sales for resale				
Associated companies	318	221	97	44
Non-associated companies	64	6	58	967
Other	33	28	5	18
Total	\$1,322	\$1,190	\$132	11

Billed Electric Energy

Sales (GWh):

Residential	4,706	4,243	463	11
Commercial	3,313	3,150	163	5
Industrial	4,199	4,191	8	-
Governmental	202	194	8	4
Total retail	12,420	11,778	642	5
Sales for resale				
Associated companies	2,904	3,041	(137)	(5)
Non-associated companies	1,079	134	945	705
Total	16,403	14,953	1,450	10

SYSTEM ENERGY RESOURCES, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Results of Operations

System Energy's principal asset consists of a 90% ownership and leasehold interest in Grand Gulf. The capacity and energy from its 90% interest is sold under the Unit Power Sales Agreement to its only four customers, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans. System Energy's operating revenues are derived from the allocation of the capacity, energy, and related costs associated with its 90% interest in Grand Gulf pursuant to the Unit Power Sales Agreement. Payments under the Unit Power Sales Agreement are System Energy's only source of operating revenues.

Net income remained relatively flat, increasing \$0.3 million for the third quarter 2010 compared to the third quarter of 2009.

Net income decreased \$4.8 million for the nine months ended September 30, 2010 compared to the nine months ended September 30, 2009 primarily due to a decrease in rate base resulting in lower operating income.

Liquidity and Capital Resources

Cash Flow

Cash flows for the nine months ended September 30, 2010 and 2009 were as follows:

	2010	2009
	(In Thousands)	
Cash and cash equivalents at beginning of period	\$264,482	\$102,788
Cash flow provided by (used in):		
Operating activities	190,759	206,833
Investing activities	(135,115)	(67,745)
Financing activities	(41,450)	(92,277)
Net increase in cash and cash equivalents	14,194	46,811
Cash and cash equivalents at end of period	\$278,676	\$149,599

Operating Activities

Net cash provided by operating activities decreased \$16.1 million for the nine months ended September 30, 2010 compared to the nine months ended September 30, 2009 primarily due to an increase of \$18.3 million in income tax payments and an increase of \$8.9 million in pension contributions. In the third quarter 2010 the Registrant Subsidiaries made tax payments in accordance with the Entergy Corporation and Subsidiary Companies Intercompany

Income Tax Allocation Agreement. The payments result from the reversal of temporary differences for which the Registrant Subsidiaries previously received cash tax benefits. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K for a discussion of qualified pension and other postretirement benefits.

System Energy Resources, Inc.
Management's Financial Discussion and Analysis

Investing Activities

Net cash used in investing activities increased \$67.4 million for the nine months ended September 30, 2010 compared to the nine months ended September 30, 2009 primarily due to:

- an increase of \$129.5 million in nuclear fuel purchases due to the timing of refueling outages; and
- an increase of \$57.2 million in construction costs primarily due to the Grand Gulf power uprate project.

The increase was partially offset by:

- the proceeds from the transfer of \$100.3 million in development costs related to Entergy New Nuclear Development, LLC, as discussed in the Form 10-K; and
- the repayment of \$25.6 million by Entergy New Orleans of a note issued in resolution of its bankruptcy proceedings.

Financing Activities

Net cash used in financing activities decreased \$50.8 million for the nine months ended September 30, 2010 compared to the nine months ended September 30, 2009 primarily due to:

- the issuance in April 2010 of \$60 million of 5.33% Series G notes by the nuclear fuel company variable interest entity to finance its fuel procurement activities; and
- the net issuance of \$37.8 million of commercial paper by the nuclear fuel company variable interest entity to finance its fuel procurement activities.

The decrease was partially offset by:

- an increase of \$33.4 million in dividends paid on common stock; and
- an increase of \$13.3 million in the January 2010 principal payment made on the Grand Gulf sale-leaseback compared to the January 2009 principal payment.

Capital Structure

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

	September 30, 2010	December 31, 2009
Debt to capital	52.6%	49.7%
E f f e c t o f subtracting cash from debt	(9.4)%	(9.6)%
Net debt to net capital	43.2%	40.1%

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 and common shareholder's equity. Net capital consists of capital less cash and cash equivalents. System Energy uses the net debt to net capital ratio in analyzing its financial condition and believes it provides useful information to its investors and creditors in evaluating System Energy's financial condition.

SYSTEM ENERGY RESOURCES, INC.
INCOME STATEMENTS

For the Three and Nine Months Ended September 30, 2010 and 2009
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2010	2009	2010	2009
	(In Thousands)		(In Thousands)	
OPERATING REVENUES				
Electric	\$151,781	\$148,789	\$404,783	\$406,548
OPERATING EXPENSES				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	21,387	16,152	49,012	47,480
Nuclear refueling outage expenses	4,069	4,811	13,287	14,398
Other operation and maintenance	31,941	32,020	92,231	90,485
Decommissioning	7,912	7,364	23,318	21,953
Taxes other than income taxes	5,600	6,032	17,689	18,538
Depreciation and amortization	41,027	42,212	94,328	94,373
Other regulatory credits - net	(2,188)	(3,263)	(7,803)	(13,744)
TOTAL	109,748	105,328	282,062	273,483
OPERATING INCOME	42,033	43,461	122,721	133,065
OTHER INCOME				
Allowance for equity funds used during construction	2,630	2,825	6,862	9,439
Interest and dividend income	4,003	2,683	10,625	4,239
Miscellaneous - net	(104)	(183)	(333)	(445)
TOTAL	6,529	5,325	17,154	13,233
INTEREST AND OTHER CHARGES				
Interest on long-term debt	14,453	12,798	37,166	35,154
Other interest - net	4	86	11	214
Allowance for borrowed funds used during construction	(910)	(950)	(2,375)	(3,167)
TOTAL	13,547	11,934	34,802	32,201
INCOME BEFORE INCOME TAXES	35,015	36,852	105,073	114,097
Income taxes	12,716	14,826	41,719	45,986
NET INCOME	\$22,299	\$22,026	\$63,354	\$68,111

See Notes to Financial Statements.

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SYSTEM ENERGY RESOURCES, INC.
STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 2010 and 2009
(Unaudited)

	2010	2009
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	\$63,354	\$68,111
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Other regulatory credits - net	(7,803)	(13,744)
Depreciation, amortization, and decommissioning, including nuclear fuel amortization	152,269	116,326
Deferred income taxes, investment tax credits, and non-current taxes accrued	(69,029)	164,366
Changes in working capital:		
Receivables	(5,668)	(950)
Accounts payable	(7,970)	8,616
Prepaid taxes and taxes accrued	77,667	(132,362)
Interest accrued	(17,978)	(15,847)
Other working capital accounts	(19,727)	7,320
Provision for estimated losses and reserves	(2,009)	(99)
Changes in other regulatory assets	38,221	(9,558)
Pensions and other postretirement liabilities	(11,594)	(3,013)
Other	1,026	17,667
Net cash flow provided by operating activities	190,759	206,833
INVESTING ACTIVITIES		
Construction expenditures	(113,771)	(56,605)
Proceeds from the transfer of development costs	100,280	-
Allowance for equity funds used during construction	6,862	9,439
Nuclear fuel purchases	(129,504)	-
Proceeds from nuclear decommissioning trust fund sales	236,685	338,124
Investment in nuclear decommissioning trust funds	(257,258)	(356,897)
Changes in money pool receivable - net	(3,969)	(1,964)
Changes in other investments	25,560	158
Net cash flow used in investing activities	(135,115)	(67,745)
FINANCING ACTIVITIES		
Proceeds from the issuance of long term debt	56,688	-
Retirement of long-term debt	(41,715)	(28,440)
Changes in short-term borrowings - net	37,777	-
Dividends paid:		
Common stock	(94,200)	(60,800)
Other	-	(3,037)
Net cash flow used in financing activities	(41,450)	(92,277)
Net increase in cash and cash equivalents	14,194	46,811

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Cash and cash equivalents at beginning of period	264,482	102,788
Cash and cash equivalents at end of period	\$278,676	\$149,599

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid during the period for:

Interest - net of amount capitalized	\$50,324	\$47,425
Income taxes	\$26,617	\$8,336

See Notes to Financial Statements.

SYSTEM ENERGY RESOURCES, INC.
BALANCE SHEETS
ASSETS

September 30, 2010 and December 31, 2009
(Unaudited)

	2010	2009
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	\$126	\$926
Temporary cash investments	278,550	263,556
Total cash and cash equivalents	278,676	264,482
Accounts receivable:		
Associated companies	146,473	139,602
Other	7,245	4,479
Total accounts receivable	153,718	144,081
Note receivable - Entergy New Orleans	-	25,560
Materials and supplies - at average cost	82,690	80,934
Deferred nuclear refueling outage costs	26,794	8,432
Prepaid taxes	-	69,366
Prepayments and other	2,543	936
TOTAL	544,421	593,791
OTHER PROPERTY AND INVESTMENTS		
Decommissioning trust funds	364,121	327,046
TOTAL	364,121	327,046
UTILITY PLANT		
Electric	3,365,163	3,324,876
Property under capital lease	483,960	481,065
Construction work in progress	163,899	198,887
Nuclear fuel under capital lease	-	75,438
Nuclear fuel	173,275	9,333
TOTAL UTILITY PLANT	4,186,297	4,089,599
Less - accumulated depreciation and amortization	2,389,249	2,315,141
UTILITY PLANT - NET	1,797,048	1,774,458
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
Regulatory asset for income taxes - net	90,365	101,915
Other regulatory assets	254,095	290,048
Other	20,724	11,824
TOTAL	365,184	403,787
TOTAL ASSETS	\$3,070,774	\$3,099,082

See Notes to Financial Statements.

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SYSTEM ENERGY RESOURCES, INC.
BALANCE SHEETS
LIABILITIES AND EQUITY
September 30, 2010 and December 31, 2009
(Unaudited)

	2010	2009
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	\$33,740	\$41,715
Notes payable	56,038	-
Accounts payable:		
Associated companies	7,253	5,349
Other	37,841	45,826
Taxes accrued	8,301	-
Accumulated deferred income taxes	10,115	3,040
Interest accrued	34,599	51,257
Obligations under capital leases	-	50,445
Other	1,998	-
TOTAL	189,885	197,632
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	514,401	588,722
Accumulated deferred investment tax credits	55,624	58,231
Obligations under capital leases	-	24,993
Other regulatory liabilities	206,479	197,437
Decommissioning	444,726	421,408
Accumulated provisions	-	2,009
Pension and other postretirement liabilities	63,854	75,448
Long-term debt	796,709	703,260
TOTAL	2,081,793	2,071,508
Commitments and Contingencies		
COMMON EQUITY		
Common stock, no par value, authorized 1,000,000 shares; issued and outstanding 789,350 shares in 2010 and 2009	789,350	789,350
Retained earnings	9,746	40,592
TOTAL	799,096	829,942
TOTAL LIABILITIES AND EQUITY	\$3,070,774	\$3,099,082

See Notes to Financial Statements.

SYSTEM ENERGY RESOURCES, INC.
 STATEMENTS OF CHANGES IN EQUITY
 For the Nine Months Ended September 30, 2010 and 2009
 (Unaudited) (In Thousands)

	Common Equity		Total
	Common Stock	Retained Earnings	
Balance at December 31, 2008	\$789,350	\$66,984	\$856,334
Net income	-	68,111	68,111
Common stock dividends	-	(60,800)	(60,800)
Balance at September 30, 2009	\$789,350	\$74,295	\$863,645
Balance at December 31, 2009	\$789,350	\$40,592	\$829,942
Net income	-	63,354	63,354
Common stock dividends	-	(94,200)	(94,200)
Balance at September 30, 2010	\$789,350	\$9,746	\$799,096
See Notes to Financial Statements.			

ENTERGY CORPORATION AND SUBSIDIARIES
PART II. OTHER INFORMATION

Item 1. Legal Proceedings

See "PART I, Item 1, Litigation" in the Form 10-K for a discussion of legal, administrative, and other regulatory proceedings affecting Entergy. Following is an update to that discussion. Also see "Item 5, Other Information, Environmental Regulation", below, for updates regarding environmental proceedings and regulation.

Entergy New Orleans Fuel Adjustment Clause Litigation

As discussed in more detail in the Form 10-K, in April 1999 a group of ratepayers filed a complaint against Entergy New Orleans, Entergy Corporation, Entergy Services, and Entergy Power in state court in Orleans Parish purportedly on behalf of all Entergy New Orleans ratepayers. The plaintiffs sought treble damages for alleged injuries arising from the defendants' alleged violations of Louisiana's antitrust laws in connection with certain costs passed on to ratepayers in Entergy New Orleans' fuel adjustment filings with the City Council. In the fourth quarter 2010, Entergy reached an agreement with the plaintiffs that, if approved by the court, will end the proceeding.

Entergy New Orleans Rate of Return Lawsuit

As discussed in more detail in the Form 10-K, in April 1998 a group of residential and business ratepayers filed a complaint against Entergy New Orleans in state court in Orleans Parish purportedly on behalf of all ratepayers in New Orleans. The plaintiffs allege that Entergy New Orleans overcharged ratepayers in violation of limits on Entergy New Orleans' rate of return that the plaintiffs allege were established by ordinances passed by the City Council in 1922. In May 2000, a court of appeal granted Entergy New Orleans' exception to jurisdiction in the case and dismissed the proceeding. The Louisiana Supreme Court denied the plaintiffs' request for a writ of certiorari. The plaintiffs then commenced a similar proceeding before the City Council. In December 2003, the City Council advisors filed a motion in the City Council proceedings to bifurcate the hearing in this matter, such that the effect of the provision of the 1922 Ordinance in setting lawful rates would be considered first. Only if it is determined that this provision establishes a limitation would remaining issues be reached.

The motion to bifurcate was granted by the City Council in April 2004, and a hearing on the first part of the bifurcated proceeding was completed in June 2005. After the submission of briefs and oral argument in April 2006, the City Council dismissed with prejudice the plaintiffs' claims on multiple grounds. In May 2006, the plaintiffs appealed the City Council's decision. Entergy New Orleans also appealed, separately, certain evidentiary rulings included in the City Council's decision. These matters were consolidated and oral argument on these appeals took place before the Civil District Court in August 2008. On July 6, 2010, one of the exceptions raised by Entergy New Orleans in response to plaintiffs' claims, the exception of no cause of action, was granted by the Civil District Court, dismissing plaintiffs' claims with prejudice. Plaintiffs have initiated an appeal to the Louisiana Fourth Circuit Court of Appeal. In the fourth quarter 2010, Entergy New Orleans reached an agreement with the plaintiffs, if approved by the court, that will end the proceeding.

Item 1A. Risk Factors

There have been no material changes to the risk factors discussed in "PART I, Item 1A, Risk Factors" in the Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities (1)

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of a Publicly Announced Plan	Maximum \$ Amount of Shares that May Yet be Purchased Under a Plan (2)
7/01/2010-7/31/2010	915,951	\$76.93	915,951	\$622,711,381
8/01/2010-8/31/2010	1,605,600	\$78.69	1,605,600	\$536,352,868
9/01/2010-9/30/2010	4,243,000	\$78.03	4,243,000	\$208,902,845
Total	6,764,551		6,764,551	

(1) In accordance with Entergy's stock-based compensation plans, Entergy periodically grants stock options to key employees, which may be exercised to obtain shares of Entergy's common stock. According to the plans, these shares can be newly issued shares, treasury stock, or shares purchased on the open market. Entergy's management has been authorized by the Board to repurchase on the open market shares up to an amount sufficient to fund the exercise of grants under the plans. See Note 12 to the financial statements in the Form 10-K for additional discussion of the stock-based compensation plans. In addition to this authority, in October 2009 the Board granted authority for a \$750 million share repurchase program.

(2) Maximum amount of shares that may yet be repurchased does not include an estimate of the amount of shares that may be purchased to fund the exercise of grants under the stock-based compensation plans.

In October 2010 the Board granted authority for an additional \$500 million share repurchase program. The amount of share repurchases under these programs may vary as a result of material changes in business results or capital spending or new investment opportunities.

Item 5. Other Information

Environmental Regulation

Following are updates to the Environmental Regulation section of Part I, Item 1 of the Form 10-K.

Clean Air Act and Subsequent Amendments

New Source Review (NSR)

Preconstruction permits are required for new facilities and for existing facilities that undergo a modification that results in a significant net emissions increase and is not classified as routine repair, maintenance, or

replacement. Units that undergo a non-routine modification must obtain a permit modification and may be required to install additional air pollution control technologies. Entergy has an established process for identifying modifications requiring additional permitting approval and has followed the regulations and associated guidance provided by the states and the federal government with regard to the determination of routine repair, maintenance, and replacement. In recent years, however, the EPA has begun an enforcement initiative, aimed primarily at coal plants, to identify modifications that it does not consider routine and that have failed to obtain a permit modification. Various courts and the EPA have been inconsistent in their judgments regarding what modifications are considered routine.

In April 2007 the U.S. Supreme Court ruled that the applicability of Clean Air Act NSR requirements is not limited only to modifications that create an increase in hourly emission rates, but also can apply to modifications that create an increase in annual emission rates (*Environmental Defense v. Duke Energy*). This Supreme Court decision has resulted in a renewed effort by the EPA to bring enforcement actions against electric generating units for major non-permitted facility modifications.

In September 2010, the owner of a minority interest in Entergy's White Bluff and Independence facilities, located in Arkansas, received a request from the EPA for several categories of information concerning capital and maintenance projects at the facilities, in order to determine compliance with the Clean Air Act. It is likely that this request eventually will be referred to Entergy for response as the majority owner and operator. No allegation of a violation of law is made in the EPA request for information. Entergy will respond to the information request as appropriate.

Ozone Nonattainment

As discussed in the Form 10-K, Entergy Gulf States Louisiana and Entergy Texas each operate fossil-fueled generating units in geographic areas that are not in attainment of the currently-enforced national ambient air quality standards for ozone. The Louisiana nonattainment area that affects Entergy Gulf States Louisiana is the Baton Rouge area. Texas nonattainment areas that affect Entergy Texas are the Houston-Galveston-Brazoria and the Beaumont-Port Arthur areas. Areas in nonattainment are classified as "marginal," "moderate," "serious," or "severe." When an area fails to meet the ambient air standard, the EPA requires state regulatory authorities to prepare state implementation plans meant to cause progress toward bringing the area into attainment with applicable standards.

In April 2004, the EPA issued a final rule, effective June 2005, revoking a 1-hour ozone standard, including designations and classifications. In a separate action over the same period, the EPA enacted 8-hour ozone nonattainment classifications and stated that areas designated as nonattainment under a new 8-hour ozone standard shall have one year to adjust to the new requirements with submittal of a new attainment plan.

The Baton Rouge area was classified as a "marginal" nonattainment area under the 8-hour standard with an attainment date of June 15, 2007. On March 21, 2008, the EPA published a notice that the Baton Rouge area had failed to meet the standard by the attainment date and that the EPA was proceeding with a "bump-up" of the area to the next higher nonattainment level. The Baton Rouge area is now classified as a "moderate" nonattainment area with an attainment date of June 15, 2010. On June 25, 2010, the EPA published a notice in the Federal Register of a proposed determination that the Baton Rouge nonattainment area has attained the 1997 8-hour ozone standard.

The Beaumont-Port Arthur area was originally classified as a "marginal" nonattainment area under the 1997 8-hour standard with an attainment date of June 15, 2007. On March 18, 2008, the EPA published a notice that the Beaumont-Port Arthur area had failed to meet the standard by the attainment date based on the area's 2004-2006 monitoring data and that the EPA was proceeding with a "bump-up" of the area to the next higher nonattainment level. The 2005-2007 and subsequent monitoring data showed the area to be in attainment, however, and on July 9, 2008, the Texas Commission on Environmental Quality proposed a plan for EPA re-designation of the area from nonattainment to attainment under both the 8-hour ozone standard and the previous 1-hour standard. On October 20, 2010, the EPA published notice of final redesignation of the Beaumont-Port Arthur area to attainment status for both the 1997 8-hour ozone standard and the revoked 1-hour ozone standard.

Interstate Air Transport

In March 2005, the EPA finalized the Clean Air Interstate Rule (CAIR), which is intended to reduce SO₂ and NO_x emissions from electric generation plants in order to improve air quality in twenty-nine eastern states. The rule requires a combination of investment of capital to install pollution control equipment and increased operating costs through the purchase of emission allowances. Entergy's capital investment and annual allowance purchase costs under the CAIR will depend on the economic assessment of NO_x and SO₂ allowance markets, the cost of control technologies, and unit usage. Entergy began implementation in 2007, including installation of controls at several facilities and the development of an emission allowance procurement strategy.

Based on several court challenges, the CAIR was vacated by the U.S. Court of Appeals for the District of Columbia in July 2008. The court found that the EPA failed to address basic obligations under the Clean Air Act's "good neighbor" provision regarding "upwind" states' contribution to air quality impairment in "downwind" states. The court also ruled favorably on Entergy's challenge, finding that the EPA exceeded its statutory authority when it included a fuel adjustment factor to calculate the state NOx emission budgets.

On December 23, 2008, the U.S. Court of Appeals for the District of Columbia remanded the CAIR decision to the EPA without vacatur, allowing the CAIR to become effective on January 1, 2009, while the EPA revises the rule. The revised rule must address all the flaws identified in the Court of Appeals decision, including the use of a fuel adjustment factor and the use of acid rain SO₂ allowances for the CAIR. Entergy has reactivated its compliance effort for the CAIR based on this court ruling.

The EPA released the proposed Transport Rule to replace the CAIR on July 9, 2010. The EPA accepted comments until October 1, 2010 and expects to issue the final Transport Rule in late spring 2011. As proposed, the rule will become effective January 2012. Entergy's capital investment and annual allowance purchase costs under the Transport Rule will depend on the economic assessment of NO_x and SO₂ allowance markets, the cost of control technologies, generation unit utilization and availability/cost of purchased power.

Regional Haze

In June 2005, the EPA issued final Best Available Retrofit Control Technology (BART) regulations that could potentially result in a requirement to install SO₂ and NO_x pollution control technology on certain of Entergy's coal and oil generation units. The rule leaves certain BART determinations to the states. The Arkansas Department of Environmental Quality (ADEQ) prepared a State Implementation Plan (SIP) for Arkansas facilities to implement its obligations under the Clean Air Visibility Rule. The ADEQ determined that Entergy Arkansas's White Bluff power plant affects a Class I Area's visibility and will be subject to the EPA's presumptive BART requirements to install scrubbers and low NO_x burners. Under then current regulations, the scrubbers would have had to be operational by October 2013. Entergy filed a petition in December 2009 with the Arkansas Pollution Control and Ecology (APC&E) Commission requesting a variance from this deadline, however, because the EPA has not approved Arkansas's Regional Haze SIP and the EPA has recently expressed concerns about Arkansas's Regional Haze SIP and questioned the appropriateness of issuing an air permit prior to that approval. Entergy Arkansas's petition requested that, consistent with federal law, the compliance deadline be changed to as expeditiously as practicable, but in no event later than five years after EPA approval of the Arkansas Regional Haze SIP. The APC&E Commission approved the variance at the Commission's March 26, 2010 meeting. No party appealed the variance, and the ruling is final. The timeline for EPA action on the Arkansas Regional Haze SIP is uncertain at this time.

In March 2009, Entergy Arkansas made a filing with the APSC seeking a declaratory order that the White Bluff project is in the public interest. In May 2009 the APSC Staff filed a motion requesting that the APSC require Entergy Arkansas to file testimony on several issues. In December 2009, in response to the EPA concerns regarding Arkansas's Regional Haze SIP, the APSC suspended the procedural schedule in the proceeding and directed Entergy Arkansas to file monthly status reports regarding developments between the EPA and the ADEQ concerning the EPA's approval of the Arkansas Regional Haze SIP. In May 2010, Entergy Arkansas withdrew its petition for a declaratory order and the APSC closed the proceeding.

Currently, the White Bluff project is suspended, but Entergy Arkansas estimates that its share of the project could cost approximately \$500 million. The plant would continue to operate during construction, although an outage would be necessary to complete the tie-in of the scrubbers. Entergy continues to review potential environmental spending needs and financing alternatives for any such spending, and future spending estimates are likely to change based on the results of this continuing analysis.

Potential Legislative, Regulatory, and Judicial Developments (Air)

As discussed further in the Form 10-K, in 2009, the EPA published an "endangerment finding" stating that the emission of greenhouse gases "may reasonably be anticipated to endanger public health or welfare" and that the emission of these pollutants from mobile sources (such as cars and trucks) contributes to this endangerment. The EPA

issued final mobile source emission regulations on April 1, 2010. On April 2, 2010, the EPA issued a policy stating that the regulation of greenhouse gas emissions from mobile sources would, as of January 2, 2011 (the date that the mobile source rule "takes effect"), trigger the regulation of greenhouse gases from stationary sources under the Prevention of Significant Deterioration (PSD) and Title V programs of the Clean Air Act.

On June 3, 2010, the EPA published the final Tailoring Rule outlining the applicability criteria that determine which stationary sources and modification projects become subject to permitting requirements for greenhouse gas emissions under the Clean Air Act. The Tailoring Rule establishes a two-step process for implementing regulation of greenhouse gas emissions under the PSD and Title V programs. The first step, which will begin on January 2, 2011, limits the applicability of the PSD and Title V requirements for greenhouse gas emissions to sources that are already subject to PSD and Title V based on the emission of non-greenhouse gas pollutants. Specifically, projects undertaken at stationary sources will trigger PSD permitting requirements if the project increases net greenhouse gas emissions by at least 75,000 tons per year carbon dioxide equivalent and significantly increases emissions of at least one non-greenhouse gas pollutant. During step one, only sources subject to Title V based on their emission of non-greenhouse gas pollutants will be required to address greenhouse gas emissions in their Title V permit.

The second step of the Tailoring Rule, which will begin on July 1, 2011, subjects to Title V requirements any new or existing source not already subject to Title V that emits, or has the potential to emit, at least 100,000 tons per year carbon dioxide equivalent. In addition, sources that emit or have the potential to emit at least 75,000 tons per year carbon dioxide equivalent will also be subject to PSD requirements.

The Tailoring Rule went into effect on August 2, 2010 but will not immediately affect Entergy's cost of operations.

Clean Water Act

NPDES Permits and Section 401 Water Quality Certifications

Indian Point

As discussed further in the Form 10-K, in a February 2010 feasibility report, Non-Utility Nuclear provided an updated estimate of the cost to retrofit Indian Point 2 and Indian Point 3 with cooling towers. Construction costs for retrofitting with cooling towers are estimated to be at least \$1.19 billion, in addition to lost generation of approximately 14.5 terawatt-hours (TWh) during the estimated 42-week forced outage of both units. Non-Utility Nuclear also proposed an alternative to the cooling towers, the use of wedgewire screens, that are now expected to cost approximately \$200 million to \$250 million to install. Due to fluctuations in power pricing and because a retrofitting of this size and complexity has never been undertaken at an operating nuclear facility, significant uncertainties exist in these estimates and, therefore, they could be materially higher than estimated.

As discussed further in the Form 10-K, on April 6, 2009, with a reservation of rights regarding the applicability of the section, Entergy's Indian Point facility submitted a Section 401 water quality certification to the New York State Department of Environmental Conservation (NYSDEC). The certification, or a waiver or exemption of the same, is potentially required pursuant to Section 401 of the Clean Water Act as a supporting document to the NRC's license renewal decision. On April 2, 2010, the NYSDEC denied Indian Point's water quality certification concluding that Indian Point's continued operation during a renewed NRC license period would not comply with existing New York state water quality standards. The denial was a NYSDEC staff decision and Entergy filed comments on this decision and has requested a hearing before a NYSDEC ALJ. The ALJs held the Legislative Hearing (agency public comment session) and the Issues Conference (pre-trial conference) in July 2010. Pre-trial decisions concerning proper party status or standing and the selection of issues to be resolved are pending. After the full hearing on the merits (not expected to begin prior to mid-2011), a party to the proceeding can appeal the decision to the Commissioner of the NYSDEC and then to state court. The NYSDEC staff decision does not restrict Indian Point operations, but the issuance of a certification is potentially required prior to NRC issuance of renewed unit licenses.

316(b) Cooling Water Intake Structures

See the Form 10-K for a discussion of the EPA regulations governing the intake of water at large existing power plants employing cooling water intake structures and the regulations' potential effect on Entergy. In March 2010 the NYSDEC released a new proposed policy establishing closed cycle cooling as the presumptive performance goal for best technology available (BTA) determinations for cooling water intake structures. The proposed policy applies primarily to electric generating facilities with thermal discharges and capacity factors of greater than fifteen percent that also are designed to withdraw at least 20 million gallons of water per day. If closed cycle cooling is not available for a particular facility because of construction, operational, or other relevant reasons, then the facility must implement an alternative technology that achieves a level of protection for aquatic life that is within ten percent of the expected or projected reductions associated with closed cycle cooling. The NYSDEC would make BTA determinations through the State Pollution Discharge Elimination System (SPDES) permitting program, but BTA decisions would be subject to further review and modification under the State Environmental Quality Review Act. Public comments on the draft policy were due July 9, 2010. Entergy filed comments and will continue to monitor these developments.

Groundwater at Certain Nuclear Sites

As discussed further in the Form 10-K, in January 2010, Vermont Yankee was notified by its off-site analytical laboratory that a sample collected from a groundwater monitoring well in mid-November 2009 showed elevated levels of tritium. Tritium is a radioactive form of hydrogen that occurs naturally and is also a byproduct of nuclear plant operations. In March 2010, Vermont Yankee announced that it has identified the source of the tritium leakage at the plant, and that it has stopped the leakage. Remediation of the soil is complete and groundwater remediation is ongoing. In October 2010, Vermont Yankee received lab results confirming the presence of low levels of tritium at concentrations well below the EPA drinking water limit in a former on-site drinking water well. Vermont Yankee has discontinued use of this well as a drinking water source since February 2010. To date no tritium has been detected in the Connecticut River. Both the NRC and the Vermont Department of Health have stated that tritium at the Vermont Yankee facility has not been a threat to public health and safety. Non-Utility Nuclear expects to incur approximately \$17.5 million in operating expenses related to the investigation of the leakage and its remediation, including approximately \$14 million incurred through September 2010.

In February 2010 the Vermont Public Service Board (VPSB) began a proceeding to conduct an investigation into whether Non-Utility Nuclear should be required to cease operations at Vermont Yankee, or take other ameliorative actions, pending completion of repairs to stop releases of tritium or other radionuclides into the environment. This investigation will also consider whether good cause exists to modify or revoke the Vermont Yankee certificate of public good that the VPSB issued in 2002 and whether any penalties should be imposed on Non-Utility Nuclear for any identified violations of Vermont statutes or VPSB orders related to those releases. The proceeding and VPSB investigation were opened prior to Non-Utility Nuclear locating the source and beginning the remediation of the tritium leaking into groundwater at Vermont Yankee. The VPSB conceded in its order that its jurisdiction to conduct all or portions of the investigation may be preempted by federal law or regulation, and the parties were asked to brief preemption issues during the initial phase of the proceeding. Initial and reply briefs on the issue of the VPSB's jurisdiction were filed by the parties, including Vermont Yankee, in August and September 2010. On October 22, 2010, the VPSB ordered the parties to appear for evidentiary hearings in December 2010. Resolution of the jurisdictional issue is still pending.

As part of the industry's voluntary groundwater initiative, Entergy continues to monitor groundwater wells at each of its other nuclear sites. Entergy has notified the NRC and appropriate state or local officials in Massachusetts, Mississippi, and New York of low levels of tritium that have been detected in groundwater monitoring wells at the Pilgrim, Grand Gulf, and Indian Point nuclear sites. In each case, no new leaks have been identified, and the tritium

levels detected are not necessarily indicative of a leaking plant system. Nonetheless, Entergy is taking measures to identify the source of the tritium at these sites and to fully inform appropriate officials.

Coal Combustion Residuals

On June 21, 2010, the EPA issued a proposed rule on coal combustion residuals (CCRs) that contains two primary regulatory options: (1) regulating CCRs destined for disposal in landfills or received (including stored) in surface impoundments as so-called "special wastes" under the hazardous waste program of RCRA Subtitle C; or (2) regulating CCRs destined for disposal in landfills or surface impoundments as non-hazardous wastes under Subtitle D of RCRA. Under both options, CCRs that are beneficially used would remain excluded from hazardous waste regulation.

As written, the proposed regulations would require new compliance requirements including modified storage, new notification and reporting practices, new financial assurance requirements, and product disposal considerations. According to EPA estimates, the annualized cost of on-site disposal under the two proposals would be \$3.6 million to \$9 million for the White Bluff and Independence facilities and \$1.7 million to \$3.3 million for the Nelson Unit 6 facility. If Entergy utilized off-site disposal, which it would not plan to do, the EPA's total cost estimates for disposal of CCRs under Subtitle C regulation ranges from \$250 to \$350 million per year.

Other Environmental Matters

Entergy Gulf States Louisiana and Entergy Texas

The Texas Commission on Environmental Quality (TCEQ) notified Entergy Gulf States, Inc. that the TCEQ believed that Entergy Gulf States, Inc. is one of many potentially responsible parties (PRP) concerning contamination existing at the Spector Salvage Yard proposed state superfund site in Orange, Texas. The TCEQ conducted a removal action consisting of the excavation and offsite disposal of contaminated surface soil. Entergy Gulf States Louisiana and Entergy Texas do not believe that the former Gulf States Utilities contributed any significant amount of hazardous substances to this site. Entergy Gulf States Louisiana and Entergy Texas, as members of a site response group, have negotiated a settlement with TCEQ and the Texas Attorney General to complete this litigation within its existing cleanup provisions. The settlement has been judicially approved.

Property

Following is an update to the Non-Utility Nuclear, Property section of Part I, Item 1 of the Form 10-K.

Generating Stations

As discussed further in the Form 10-K, the Pilgrim operating license expires in June 2012 and the Vermont Yankee operating license expires in March 2012. License renewal applications are pending at the NRC. The NRC's Atomic Safety and Licensing Board (ASLB) proceeding regarding the Pilgrim license renewal was completed, but Pilgrim Watch filed a petition for NRC review of the ASLB's decision. In March 2010 the NRC issued a decision reversing and remanding part of the ASLB's decision in which it had granted a summary disposition dismissing Pilgrim Watch's contention that challenged the Entergy Environmental Report's severe accident mitigation alternatives analysis. The NRC remanded consideration of this contention to the ASLB for hearing. Pilgrim Watch's two other contentions were dismissed by the NRC in June 2010. In May 2010, Pilgrim Watch filed a motion for the disqualification of one of the ASLB judges on a claim of bias, but the NRC denied the motion in August 2010. In September 2010 the ASLB established deadlines for initial and rebuttal testimony that would support a hearing by early March 2011.

The ASLB has completed its proceedings regarding Vermont Yankee, including the ASLB's denial on October 28, 2010 of New England Coalition's (NEC) motion to re-open the record. NEC has the right to file an appeal of this decision by November 12, 2010.

Spent Nuclear Fuel

As discussed in Part I, Item 1 of the Form 10-K, as a result of the DOE's failure to begin disposal of spent nuclear fuel in 1998 pursuant to the Nuclear Waste Policy Act of 1982 and the spent fuel disposal contracts, Entergy's nuclear owner/licensee subsidiaries have incurred and will continue to incur damages. In November 2003 these subsidiaries, except for the owner of Palisades, began litigation to recover the damages caused by the DOE's delay in performance. In October 2007 the U.S. Court of Federal Claims awarded \$48.7 million, jointly to System Fuels and Entergy Arkansas, in damages related to the DOE's breach of its obligations. In a revised decision issued in March 2010, in a separate proceeding, the court awarded \$9.7 million jointly to System Fuels, System Energy, and SMEPA. Also in March 2010, in two separate decisions, the court awarded \$106.1 million to Entergy Nuclear Indian Point 2 and \$4.2 million to Entergy Nuclear Generation Company, the owner of the Pilgrim plant. In September 2010 the court awarded \$46.6 million to Entergy Nuclear Vermont Yankee. All of these decisions are subject to appeal by the DOE, and appeals have been filed of the Entergy Arkansas, Entergy Nuclear Generation Company, Entergy Nuclear Indian Point 2, and System Energy decisions with the U.S. Court of Appeals for the Federal Circuit. Management cannot predict the timing or amount of any potential recoveries on other claims filed by Entergy subsidiaries, and cannot predict the timing of any eventual receipt from the DOE of the U.S. Court of Federal Claims damage awards.

Regulation of the Nuclear Power Industry

Nuclear Plant Decommissioning

As discussed further in the Form 10-K, on June 18, 2009, the NRC issued letters indicating that the NRC staff had concluded that there were shortfalls in the amount of decommissioning funding assurance provided for certain of Entergy's plants, including River Bend. For River Bend, Entergy made the appropriate filings by December 31, 2009 with its retail regulators to request increases in rates to address the shortfalls identified by the NRC. By order dated July 28, 2010, the LPSC increased and reinstated decommissioning collections from customers for River Bend. On August 6, 2010, Entergy Texas filed a settlement agreement among parties to Entergy Texas's pending rate case providing for reinstated decommissioning collections for River Bend. On September 23, 2010, the NRC issued Entergy Gulf States Louisiana a letter suggesting three apparent violations relating to River Bend decommissioning, including proposed violations relating to the decommissioning funding shortfall, Entergy Gulf States Louisiana's disclosure of a contract for collection of decommissioning funds from Entergy Texas, and the terms of that contract. Entergy Gulf States Louisiana has denied the violations, and requested a pre-decisional enforcement conference to discuss the proposed violations with the NRC. The pre-decisional enforcement conference is scheduled for November 19, 2010.

Earnings Ratios (Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy)

The Registrant Subsidiaries have calculated ratios of earnings to fixed charges and ratios of earnings to combined fixed charges and preferred dividends/distributions pursuant to Item 503 of Regulation S-K of the SEC as follows:

	Ratios of Earnings to Fixed Charges					
	Twelve Months Ended					September
	December 31,					30,
	2005	2006	2007	2008	2009	2010
Entergy Arkansas	3.75	3.37	3.19	2.33	2.39	3.56
	3.34	3.01	2.84	2.44	2.99	3.87

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Entergy Gulf States Louisiana						
Entergy Louisiana	3.50	3.23	3.44	3.14	3.52	3.55
Entergy	3.16	2.54	3.22	2.92	3.25	3.33
Mississippi						
Entergy New Orleans	1.22	1.52	2.74	3.71	3.66	4.40
Entergy Texas	2.06	2.12	2.07	2.04	1.92	2.25
System Energy	3.85	4.05	3.95	3.29	3.73	3.67

	Ratios of Earnings to Combined Fixed Charges and Preferred Dividends/Distributions Twelve Months Ended					
	December 31,					September 30,
	2005	2006	2007	2008	2009	2010
Entergy Arkansas	3.34	3.06	2.88	1.95	2.09	3.13
Entergy Gulf States Louisiana	3.18	2.90	2.73	2.42	2.95	3.82
Entergy Louisiana	3.50	2.90	3.08	2.87	3.27	3.33
Entergy Mississippi	2.83	2.34	2.97	2.67	3.01	3.10
Entergy New Orleans	1.12	1.35	2.54	3.45	3.38	4.04

The Registrant Subsidiaries accrue interest expense related to unrecognized tax benefits in income tax expense and do not include it in fixed charges.

Item 6. Exhibits *

- ** 4(a) - Officer's Certificate for Entergy Corporation relating to 3.625% Senior Notes due September 15, 2005 (4.02(a) to Form 8-K dated September 16, 2010 in 1-11299).
- ** 4(b) - Officer's Certificate for Entergy Corporation relating to 5.125% Senior Notes due September 15, 2020 (4.02(b) to Form 8-K dated September 16, 2010 in 1-11299).
- ** 4(c) - Sixty-eighth Supplemental Indenture, dated as of September 1, 2010, to Entergy Louisiana, LLC Mortgage and Deed of Trust, dated as of April 1, 1944 (4.08 to Form 8-K dated September 24, 2010 in 1-32718).
- ** 4(d) - Seventy-eighth Supplemental Indenture, dated as of September 1, 2010, to Entergy Gulf States Louisiana, L.L.C. Indenture of Mortgage, dated as of September 1, 1926 (4.07 to Form 8-K dated October 1, 2010 in 0-20371).
- ** 4(e) - Sixty-ninth Supplemental Indenture, dated as of October 1, 2010, to Entergy Arkansas, Inc. Mortgage and Deed of Trust, dated as of October 1, 1944 (4.06 to Form 8-K dated October 8, 2010 in 1-10764).
- ** 4(f) - Sixty-ninth Supplemental Indenture, dated as of October 1, 2010, to Entergy Louisiana, LLC Mortgage and Deed of Trust, dated as of April 1, 1944 (4(c) to Form 8-K dated October 12, 2010 in 1-32718).
- ** 4(g) - Seventy-ninth Supplemental Indenture, dated as of October 1, 2010, to Entergy Gulf States Louisiana, L.L.C. Indenture of Mortgage, dated as of September 1, 1926 (4(c) to Form 8-K dated October 12, 2010 in 0-20371).

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- ** 4(h) - Eightieth Supplemental Indenture, dated as of October 1, 2010, to Entergy Gulf States Louisiana, L.L.C. Indenture of Mortgage, dated as of September 1, 1926 (4(f) to Form 8-K dated October 12, 2010 in 0-20371).

- 10(a) - Sixth Amendment dated October 11, 2010 to Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement.

- 12(a) - Entergy Arkansas's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Dividends, as defined.

- 12(b) - Entergy Gulf States Louisiana's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Distributions, as defined.
- 12(c) - Entergy Louisiana's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Distributions, as defined.
- 12(d) - Entergy Mississippi's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Dividends, as defined.
- 12(e) - Entergy New Orleans's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Dividends, as defined.
- 12(f) - Entergy Texas's Computation of Ratios of Earnings to Fixed Charges, as defined.
- 12(g) - System Energy's Computation of Ratios of Earnings to Fixed Charges, as defined.
- 31(a) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Corporation.
- 31(b) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Corporation.
- 31(c) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Arkansas.
- 31(d) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Arkansas.
- 31(e) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Gulf States Louisiana.
- 31(f) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Gulf States Louisiana.
- 31(g) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Louisiana.
- 31(h) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Louisiana.
- 31(i) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Mississippi.
- 31(j) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Mississippi.
- 31(k) - Rule 13a-14(a)/15d-14(a) Certification for Entergy New Orleans.
- 31(l) - Rule 13a-14(a)/15d-14(a) Certification for Entergy New Orleans.
- 31(m) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Texas.
- 31(n) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Texas.
- 31(o) - Rule 13a-14(a)/15d-14(a) Certification for System Energy.
- 31(p) - Rule 13a-14(a)/15d-14(a) Certification for System Energy.

- 32(a) - Section 1350 Certification for Entergy Corporation.
- 32(b) - Section 1350 Certification for Entergy Corporation.
- 32(c) - Section 1350 Certification for Entergy Arkansas.
- 32(d) - Section 1350 Certification for Entergy Arkansas.
- 32(e) - Section 1350 Certification for Entergy Gulf States Louisiana.

32(f) - Section 1350 Certification for Entergy Gulf States Louisiana.

32(g) - Section 1350 Certification for Entergy Louisiana.

32(h) - Section 1350 Certification for Entergy Louisiana.

32(i) - Section 1350 Certification for Entergy Mississippi.

32(j) - Section 1350 Certification for Entergy Mississippi.

32(k) - Section 1350 Certification for Entergy New Orleans.

32(l) - Section 1350 Certification for Entergy New Orleans.

32(m) - Section 1350 Certification for Entergy Texas.

32(n) - Section 1350 Certification for Entergy Texas.

32(o) - Section 1350 Certification for System Energy.

32(p) - Section 1350 Certification for System Energy.

101 INSBRL Instance Document.

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101 SCHXBRL Taxonomy Extension Schema Document.

-

101 PREXBRL Taxonomy Presentation Linkbase Document.

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101 LABXBRL Taxonomy Label Linkbase Document.

-

101 CALXBRL Taxonomy Calculation Linkbase Document.

-

101 DEFBRL Definition Linkbase Document.

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Pursuant to Item 601(b)(4)(iii) of Regulation S-K, Entergy Corporation agrees to furnish to the Commission upon request any instrument with respect to long-term debt that is not registered or listed herein as an Exhibit because the total amount of securities authorized under such agreement does not exceed ten percent of the total assets of Entergy Corporation and its subsidiaries on a consolidated basis.

* Reference is made to a duplicate list of exhibits being filed as a part of this report on Form 10-Q for the quarter ended September 30, 2010, which list, prepared in accordance with Item 102 of Regulation S-T of the SEC, immediately precedes the exhibits being filed with this report on Form 10-Q for the quarter ended September 30, 2010.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. The signature for each undersigned company shall be deemed to relate only to matters having reference to such company or its subsidiaries.

ENTERGY
CORPORATION
ENTERGY
ARKANSAS, INC.
ENTERGY GULF
STATES LOUISIANA,
L.L.C.
ENTERGY
LOUISIANA, LLC
ENTERGY
MISSISSIPPI, INC.
ENTERGY NEW
ORLEANS, INC.
ENTERGY TEXAS,
INC.
SYSTEM ENERGY
RESOURCES, INC.

/s/ Theodore H. Bunting,
Jr.
Theodore H. Bunting, Jr
Senior Vice President
and Chief Accounting
Officer
(For each Registrant and
for each as
Principal Accounting
Officer)

Date: November 5, 2010

