

ENTERGY ARKANSAS INC
Form 10-Q
May 09, 2011

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

FORM 10-Q

(Mark
One)

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

For the Quarterly Period Ended March 31, 2011
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.
1-11299	ENTERGY CORPORATION (a Delaware corporation) 639 Loyola Avenue New Orleans, Louisiana 70113 Telephone (504) 576-4000 72-1229752	1-31508	ENTERGY MISSISSIPPI, INC. (a Mississippi corporation) 308 East Pearl Street Jackson, Mississippi 39201 Telephone (601) 368-5000 64-0205830
1-10764	ENTERGY ARKANSAS, INC. (an Arkansas corporation) 425 West Capitol Avenue Little Rock, Arkansas 72201 Telephone (501) 377-4000 71-0005900	0-05807	ENTERGY NEW ORLEANS, INC. (a Louisiana corporation) 1600 Perdido Street New Orleans, Louisiana 70112 Telephone (504) 670-3700 72-0273040
0-20371	ENTERGY GULF STATES LOUISIANA, L.L.C.	1-34360	ENTERGY TEXAS, INC. (a Texas corporation)

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1-32718 ENTERGY LOUISIANA, LLC
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1-09067 SYSTEM ENERGY RESOURCES,
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(an Arkansas corporation)
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Table of Contents

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

C o m m o n S t o c k	Outstanding at April 29, 2011
Entergy Corporation (\$0.01 par value)	177,967,942

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, 2010, filed by

the individual registrants with the SEC, and should be read in conjunction therewith.

Table of Contents

ENTERGY CORPORATION AND SUBSIDIARIES
INDEX TO QUARTERLY REPORT ON FORM 10-Q
March 31, 2011

	Page Number
<u>Forward-looking information</u>	iv
<u>Definitions</u>	vi
Entergy Corporation and Subsidiaries	
Management's Financial Discussion and Analysis	
<u>Results of Operations</u>	1
<u>Liquidity and Capital Resources</u>	4
<u>Rate, Cost-recovery, and Other Regulation</u>	8
<u>Market and Credit Risk Sensitive Instruments</u>	9
<u>Nuclear Matters</u>	11
<u>Critical Accounting Estimates</u>	11
<u>New Accounting Pronouncements</u>	11
<u>Consolidated Statements of Income</u>	13
<u>Consolidated Statements of Cash Flows</u>	14
<u>Consolidated Balance Sheets</u>	16
<u>Consolidated Statements of Changes in Equity and Comprehensive Income</u>	18
<u>Selected Operating Results</u>	19
<u>Notes to Financial Statements</u>	20
<u>Part 1. Item 4. Controls and Procedures</u>	54
Entergy Arkansas, Inc. and Subsidiaries	
Management's Financial Discussion and Analysis	
<u>Results of Operations</u>	55
<u>Liquidity and Capital Resources</u>	56
<u>State and Local Rate Regulation</u>	58
<u>Federal Regulation</u>	58
<u>Nuclear Matters</u>	58
<u>Environmental Risks</u>	58
<u>Critical Accounting Estimates</u>	58
<u>Consolidated Income Statements</u>	59
<u>Consolidated Statements of Cash Flows</u>	61
<u>Consolidated Balance Sheets</u>	62
<u>Consolidated Statements of Changes in Common Equity</u>	64
<u>Selected Operating Results</u>	65
Entergy Gulf States Louisiana, L.L.C.	
Management's Financial Discussion and Analysis	
<u>Results of Operations</u>	66
<u>Liquidity and Capital Resources</u>	67
<u>State and Local Rate Regulation</u>	68
<u>Federal Regulation</u>	69
<u>Nuclear Matters</u>	69
<u>Environmental Risks</u>	69
<u>Critical Accounting Estimates</u>	69
<u>Income Statements</u>	70
<u>Statements of Cash Flows</u>	71

<u>Balance Sheets</u>	72
<u>Statements of Changes in Equity and Comprehensive Income</u>	74
<u>Selected Operating Results</u>	75

Table of Contents

ENTERGY CORPORATION AND SUBSIDIARIES
INDEX TO QUARTERLY REPORT ON FORM 10-Q
March 31, 2011

	Page Number
Entergy Louisiana, LLC	
Management's Financial Discussion and Analysis	
<u>Results of Operations</u>	76
<u>Liquidity and Capital Resources</u>	77
<u>State and Local Rate Regulation</u>	80
<u>Federal Regulation</u>	80
<u>Nuclear Matters</u>	80
<u>Environmental Risks</u>	80
<u>Critical Accounting Estimates</u>	80
<u>Income Statements</u>	81
<u>Statements of Cash Flows</u>	83
<u>Balance Sheets</u>	84
<u>Statements of Changes in Equity and Comprehensive Income</u>	86
<u>Selected Operating Results</u>	87
Entergy Mississippi, Inc.	
Management's Financial Discussion and Analysis	
<u>Results of Operations</u>	88
<u>Liquidity and Capital Resources</u>	89
<u>State and Local Rate Regulation</u>	91
<u>Federal Regulation</u>	91
<u>Critical Accounting Estimates</u>	91
<u>Income Statements</u>	92
<u>Statements of Cash Flows</u>	93
<u>Balance Sheets</u>	94
<u>Statements of Changes in Common Equity</u>	96
<u>Selected Operating Results</u>	97
Entergy New Orleans, Inc.	
Management's Financial Discussion and Analysis	
<u>Results of Operations</u>	98
<u>Liquidity and Capital Resources</u>	99
<u>State and Local Rate Regulation</u>	100
<u>Federal Regulation</u>	100
<u>Environmental Risks</u>	100
<u>Critical Accounting Estimates</u>	100
<u>Income Statements</u>	101
<u>Statements of Cash Flows</u>	103
<u>Balance Sheets</u>	104
<u>Statements of Changes in Common Equity</u>	106
<u>Selected Operating Results</u>	107

Table of Contents

ENTERGY CORPORATION AND SUBSIDIARIES
INDEX TO QUARTERLY REPORT ON FORM 10-Q
March 31, 2011

	Page Number
Entergy Texas, Inc. and Subsidiaries	
Management's Financial Discussion and Analysis	
<u>Results of Operations</u>	108
<u>Liquidity and Capital Resources</u>	109
<u>State and Local Rate Regulation</u>	111
<u>Federal Regulation</u>	111
<u>Environmental Risks</u>	111
<u>Critical Accounting Estimates</u>	111
<u>Consolidated Income Statements</u>	112
<u>Consolidated Statements of Cash Flows</u>	113
<u>Consolidated Balance Sheets</u>	114
<u>Consolidated Statements of Changes in Common Equity</u>	116
<u>Selected Operating Results</u>	117
System Energy Resources, Inc.	
Management's Financial Discussion and Analysis	
<u>Results of Operations</u>	118
<u>Liquidity and Capital Resources</u>	118
<u>Nuclear Matters</u>	120
<u>Environmental Risks</u>	120
<u>Critical Accounting Estimates</u>	120
<u>Income Statements</u>	121
<u>Statements of Cash Flows</u>	123
<u>Balance Sheets</u>	124
<u>Statements of Changes in Common Equity</u>	126
Part II. Other Information	
<u>Item 1. Legal Proceedings</u>	127
<u>Item 1A. Risk Factors</u>	127
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	127
<u>Item 5. Other Information</u>	128
<u>Item 6. Exhibits</u>	131
<u>Signature</u>	133

Table of Contents

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 or any successor agreement or arrangement, 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 transition to a successor or alternative arrangement, including possible participation in a regional transmission organization, and the application of more stringent transmission reliability requirements or market power criteria by the FERC
- changes in regulation of nuclear generating facilities and nuclear materials and fuel, including possible shutdown of nuclear generating facilities, particularly those owned or operated by the Entergy Wholesale Commodities business, and the effects of new or existing safety concerns regarding nuclear power plants and nuclear fuel
- 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 Entergy Wholesale Commodities nuclear plants,
 - the prices and availability of fuel and power Entergy must purchase for its Utility customers, and Entergy's ability to meet credit support requirements for fuel and power supply contracts
 - 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

Table of Contents

FORWARD-LOOKING INFORMATION (Concluded)

- uncertainty regarding the establishment of interim or permanent sites for spent nuclear fuel and nuclear waste storage and disposal
- variations in weather and the occurrence of hurricanes and other storms and disasters, including uncertainties associated with efforts to remediate the effects of hurricanes and ice storms 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
 - Entergy's ability to attract and retain talented management and directors
 - changes in accounting standards and corporate governance
- declines in the market prices of marketable securities and resulting funding requirements for Entergy's defined benefit pension and other postretirement benefit plans
- changes in decommissioning trust fund values or earnings or in the timing of or cost to decommission nuclear plant sites
 - factors that could lead to impairment of long-lived assets
- 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

Table of Contents

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
Board	Board of Directors of Entergy Corporation
capacity factor	Actual plant output divided by maximum potential plant output for the period
City 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.
Entergy Wholesale Commodities	Entergy's non-utility business segment primarily comprised of the ownership and operation of six nuclear power plants, the ownership of interests in non-nuclear power plants, and the sale of the electric power produced by those plants to wholesale customers
EPA	United States Environmental Protection Agency
ERCOT	Electric Reliability Council of Texas
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
firm LD	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
FitzPatrick	James A. FitzPatrick Nuclear Power Plant (nuclear), owned by an Entergy subsidiary in the Entergy Wholesale Commodities business segment
Form 10-K	Annual Report on Form 10-K for the calendar year ended December 31, 2010 filed with the SEC by Entergy Corporation and its Registrant Subsidiaries
Grand Gulf	Unit No. 1 of Grand Gulf Nuclear Station (nuclear), 90% owned or leased by System Energy
GWh	Gigawatt-hour(s), which equals one million kilowatt-hours
Independence	Independence Steam Electric Station (coal), owned 16% by Entergy Arkansas, 25% by Entergy Mississippi, and 7% by Entergy Power
Indian Point 2	Unit 2 of Indian Point Energy Center (nuclear), owned by an Entergy subsidiary in the Entergy Wholesale Commodities business segment
Indian Point 3	Unit 3 of Indian Point Energy Center (nuclear), owned by an Entergy subsidiary in the Entergy Wholesale Commodities business segment
IRS	Internal Revenue Service

Table of Contents

DEFINITIONS (Continued)

Abbreviation or Acronym	Term
ISO	Independent System Operator
kW	Kilowatt, which equals one thousand watts
kWh	Kilowatt-hour(s)
LPSC	Louisiana Public Service Commission
MISO	Midwest Independent Transmission System Operator, Inc.
MMBtu	One million British Thermal Units
MPSC	Mississippi Public Service Commission
MW	Megawatt(s), which equals one thousand kilowatts
MWh	Megawatt-hour(s)
Net MW	Installed capacity owned and operated operation
NRC	Nuclear Regulatory Commission
NYPA	New York Power Authority
Offsetting positions	Transactions for the purchase of energy, generally to offset a firm LD transaction
Palisades	Palisades Power Plant (nuclear), owned by an Entergy subsidiary in the Entergy Wholesale Commodities business segment
Pilgrim	Pilgrim Nuclear Power Station (nuclear), owned by an Entergy subsidiary in the Entergy Wholesale Commodities business segment
PPA	Purchased power agreement
PUCT	Public Utility Commission of Texas
Registrant Subsidiaries	Entergy Arkansas, Inc., Entergy Gulf States Louisiana, L.L.C., Entergy Louisiana, LLC, Entergy Mississippi, Inc., Entergy New Orleans, Inc., Entergy Texas, Inc., and System Energy Resources, Inc.
River Bend	River Bend Station (nuclear), owned by Entergy Gulf States Louisiana
RTO	Regional transmission organization
SEC	Securities and Exchange Commission
SPP	Southwest Power Pool
System Agreement	Agreement, effective January 1, 1983, as modified, among the Utility operating companies relating to the sharing of generating capacity and other power resources
System Energy	System Energy Resources, Inc.
TWh	Terawatt-hour(s), which equals one billion kilowatt-hours
unit-contingent	Transaction under which power is supplied from a specific generation asset; if the asset is not operating, the seller is generally not liable to the

	buyer for any damages
Unit Power Sales Agreement	Agreement, dated as of June 10, 1982, as amended and approved by FERC, among Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy, relating to the sale of capacity and energy from System Energy's share of Grand Gulf
Utility	Entergy's business segment that generates, transmits, distributes, and sells electric power, with a small amount of natural gas distribution
Utility operating companies	Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and Entergy Texas
Vermont Yankee	Vermont Yankee Nuclear Power Station (nuclear), owned by an Entergy subsidiary in the Entergy Wholesale Commodities business segment
Waterford 3	Unit No. 3 (nuclear) of the Waterford Steam Electric Station, 100% owned or leased by Entergy Louisiana
weather-adjusted usage	Electric usage excluding the effects of deviations from normal weather

Table of Contents

ENTERGY CORPORATION AND SUBSIDIARIES

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Entergy operates primarily through its two, reportable, operating segments: Utility and Entergy Wholesale Commodities.

- 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.
 - The Entergy Wholesale Commodities business segment includes the ownership and operation of six nuclear power plants located in the northern United States and the sale of the electric power produced by those plants to wholesale customers. This business also provides services to other nuclear power plant owners. Entergy Wholesale Commodities also owns interests in non-nuclear power plants that sell the electric power produced by those plants to wholesale customers while it focuses on improving operating and financial performance of these plants, consistent with Entergy's market-based point-of-view.

In the fourth quarter 2010, Entergy finished integrating its former Non-Utility Nuclear business segment and its non-nuclear wholesale asset business into the new Entergy Wholesale Commodities business in an internal reorganization. The prior period financial information in this Form 10-Q has been restated to reflect the change in reportable segments.

Results of Operations

Income Statement Variances

Following are income statement variances for Utility, Entergy Wholesale Commodities, Parent & Other, and Entergy comparing the first quarter 2011 to the first quarter 2010 showing how much the line item increased or (decreased) in comparison to the prior period:

	Utility	Entergy Wholesale Commodities (In Thousands)	Parent & Other (1)	Entergy
1st Qtr 2010 Consolidated Net Income	\$142,971	\$90,542	(\$14,699)	\$218,814
Net revenue (operating revenue less fuel expense, purchased power, and other regulatory charges/credits)	18,241	(40,141)	224	(21,676)
Other operation and maintenance expenses	13,033	(50,554)	(9,220)	(46,741)
Taxes other than income taxes	(6,239)	(3,454)	(485)	(10,178)

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Depreciation and amortization	(6,942)	2,718	(95)	(4,319)
Other income	(747)	(23,487)	(2,112)	(26,346)
Interest expense	(8,892)	(47,198)	12,492	(43,598)
Other expenses	618	4,768	(1)	5,385
Income taxes	234	(2,599)	18,930	16,565
1st Qtr 2011 Consolidated Net Income	\$168,653	\$123,233	(\$38,208)	\$253,678

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

1

Entergy Corporation and Subsidiaries
Management's Financial Discussion and Analysis

Table of Contents

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

Net Revenue

Utility

Following is an analysis of the change in net revenue comparing the first quarter 2011 to the first quarter 2010.

	Amount (In Millions)
2010 net revenue	\$1,130
Retail electric price	18
Volume/weather	11
Net gas revenue	(6)
Other	(5)
2011 net revenue	\$1,148

The retail electric price variance is primarily due to a base rate increase at Entergy Arkansas effective July 2010 and rate actions at Entergy Texas, including a base rate increase effective August 2010. This was partially offset by a formula rate plan decrease at Entergy New Orleans effective October 2010. See Note 2 to the financial statements in the Form 10-K for further discussion of these proceedings.

The volume/weather variance is primarily due to an increase of 911 GWh in weather-adjusted usage in the residential and industrial sectors. Despite favorable weather in first quarter 2011, the weather effect declined compared to the near-record-setting cold weather experienced in the first quarter 2010. Weather-adjusted residential retail sales growth reflected both an increase in the number of customers as well as higher usage per customer. Industrial sales have realized sustained growth since the beginning of 2010 and the first quarter 2011 continued the trend. Entergy's service territory has benefitted from the national manufacturing economy as well as industrial facility expansions. Industrial customers in Entergy's service territory also have benefitted from the need to re-stock inventory and export trends.

The net gas revenue variance is primarily due to milder weather as compared to last year.

Entergy Wholesale Commodities

Following is an analysis of the change in net revenue comparing the first quarter 2011 to the first quarter 2010.

	Amount (In Millions)
2010 net revenue	\$565
Volume	(19)
Realized price changes	(13)
Other	(8)
2011 net revenue	\$525

As shown in the table above, net revenue for Entergy Wholesale Commodities decreased by \$40 million, or 7%, in the first quarter 2011 compared to the first quarter 2010 primarily due to lower volume resulting from an increase in forced outages for Entergy Wholesale Commodities' nuclear fleet in 2011 and lower pricing in its contracts to sell power. Included in net revenue is \$11 million and \$12 million of amortization of the Palisades purchased power agreement in the first quarters 2011 and 2010, respectively, which is non-cash revenue and is discussed in Note 15 to the financial statements in the Form 10-K. Included in Other in the table above is a decrease of \$5 million in net revenue from the Harrison County plant, which was sold in December 2010.

2

Entergy Corporation and Subsidiaries
Management's Financial Discussion and Analysis

Table of Contents

Following are key performance measures for Entergy Wholesale Commodities' nuclear plants for the first quarter 2011 and 2010:

	2011	2010
Net MW in operation at March 31	4,998	4,998
Average realized revenue per MWh	\$57.46	\$58.72
GWh billed	9,913	10,255
Capacity factor	91%	94%
Refueling Outage Days:		
Indian Point 2	-	22
Indian Point 3	23	-

Overall, including its non-nuclear plants, Entergy Wholesale Commodities billed 10,519 GWh in the first quarter 2011 and 11,128 GWh in the first quarter 2010, with average realized revenue per MWh of \$56.98 in the first quarter 2011 and \$58.31 in the first quarter 2010.

Realized Price per MWh

See the Form 10-K for a discussion of Entergy Wholesale Commodities nuclear business's realized price per MWh, including the factors that influence it and the decrease in the annual average realized price per MWh to \$59.16 in 2010 from \$61.07 for 2009. Entergy Wholesale Commodities' nuclear business is almost certain to experience a decrease again in 2011 because, as shown in the contracted sale of energy table "Market and Credit Risk Sensitive Instruments," Entergy Wholesale Commodities has sold forward 96% of its planned nuclear energy output for the remainder of 2011 for an average contracted energy price of \$53 per MWh. In addition, Entergy Wholesale Commodities has sold forward 87% of its planned nuclear energy output for 2012 for an average contracted energy price of \$49 per MWh.

Other Income Statement Items

Utility

Other operation and maintenance expenses increased from \$435 million for the first quarter 2010 to \$448 million for the first quarter 2011 primarily due to:

- an increase of \$6 million in transmission and distribution expenses primarily due to vegetation and maintenance expenses;
 - an increase of \$4 million in nuclear expenses primarily due to higher labor costs;
- an increase of \$3 million in legal expenses primarily resulting from the U.S. Department of Justice investigation that is discussed in "U.S. Department of Justice Investigation" in the "Rate, Cost-recovery, and Other Regulation – Federal Regulation" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis in the Form 10-K; and
 - several individually insignificant items.

These increases were partially offset by a decrease of \$7 million in fossil expenses resulting from more outages in first quarter 2010 and an increase of \$6 million in nuclear insurance refunds received in 2011 as compared to the same period in 2010.

3

Entergy Corporation and Subsidiaries
Management's Financial Discussion and Analysis

Table of Contents

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.

Entergy Wholesale Commodities

Other operation and maintenance expenses decreased from \$260 million for the first quarter 2010 to \$209 million for the first quarter 2011 primarily due to:

- the write-off of \$32 million of capital costs in first quarter 2010, primarily for software that will not be utilized, in connection with Entergy's decision to unwind the infrastructure created for the planned spin-off of its non-utility nuclear business; and
- a decrease of \$6 million due to the absence of expenses from the Harrison County plant which was sold in the fourth quarter 2010.

Other income decreased primarily due to a decrease of \$11 million in realized earnings on decommissioning trust fund investments and a decrease in interest income earned on loans to the parent company, Entergy Corporation.

Interest expense decreased primarily due to the write-off of \$37 million of debt financing costs in the first quarter 2010, primarily incurred for a \$1.2 billion credit facility that will not be used, in connection with Entergy's decision to unwind the infrastructure created for the planned spin-off of its non-utility nuclear business.

Parent & Other

Interest expense increased primarily due to \$1 billion of Entergy Corporation notes payable issued in September 2010 with the proceeds used to pay down the borrowings outstanding on Entergy Corporation's revolving credit facility, which were at a lower interest rate.

Income Taxes

The effective income tax rates for the first quarters 2011 and 2010 were 39.3% and 40.3%, respectively. The difference in the effective income tax rate versus the statutory rate of 35% for the first quarter 2011 is primarily due to state income taxes and certain book and tax differences for utility plant items. The difference in the effective income tax rate versus the statutory rate of 35% for the first quarter 2010 is primarily due to:

- a charge of \$16 million recorded in first quarter 2010 resulting from a change in tax law associated with the federal healthcare legislation enacted in March 2010. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K for a discussion of the federal healthcare legislation; and
 - state income taxes and certain book and tax differences for utility plant items.

These factors were partially offset by:

- a \$19 million tax benefit recorded first quarter 2010 in connection with Entergy's decision to unwind the infrastructure created for the planned spin-off of its non-utility nuclear business; and
 - book and tax differences related to the allowance for equity funds used during construction.

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.

4

Entergy Corporation and Subsidiaries
Management's Financial Discussion and Analysis

Table of Contents

Capital Structure

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

	March 31, 2011	December 31, 2010
Debt to capital	57.6%	57.3%
Effect of excluding the Arkansas and Texas securitization bonds	(1.9)%	(2.0)%
Debt to capital, excluding securitization bonds (1)	55.7%	55.3%
Effect of subtracting cash	(1.7)%	(3.2)%
Net debt to net capital, excluding securitization bonds (1)	54.0%	52.1%

(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.

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 March 31, 2011, the capacity and amounts outstanding under the credit facility are:

Capacity	Borrowings	Letters of Credit	Capacity Available
(In Millions)			
\$3,465	\$1,727	\$25	\$1,713

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 one of the indentures 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 certain Entergy Corporation 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 2011 through 2013. Following are updates to the discussion in the Form 10-K.

5

Entergy Corporation and Subsidiaries
Management's Financial Discussion and Analysis

Table of Contents

Acadia Unit 2 Purchase Agreement

See the Form 10-K for a discussion of the agreement Entergy Louisiana signed 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 acquired the plant on April 29, 2011.

Summer 2009 Long-Term Request for Proposal

As discussed in the Form 10-K, the construction or purchase of three resources identified in the Summer 2009 Long-Term Request for Proposal were included in the 2011-2013 capital expenditure estimates in the Form 10-K. In addition to the self-build option at Entergy Louisiana's Ninemile site noted in the Form 10-K, in April 2011 two Entergy Utility operating companies announced that they have signed agreements to acquire the other two resources, the 620 MW Hot Spring Energy facility and the 450 MW Hinds Energy Facility.

Hot Spring Energy Facility Purchase Agreement

In April 2011, Entergy Arkansas announced that it has signed an asset purchase agreement to acquire the Hot Spring Energy Facility, a 620 MW natural gas-fired combined-cycle turbine plant located in Hot Spring County, Arkansas, from a subsidiary of KGen Power Corporation. The purchase price is approximately \$253 million. Entergy Arkansas also expects to invest in various plant upgrades at the facility after closing and expects the total cost of the acquisition to be approximately \$277 million. The acquisition is expected to require investment in Entergy's transmission system, and studies are currently under way to estimate the cost. The purchase is contingent upon, among other things, obtaining necessary approvals, including full cost recovery, from various federal and state regulatory and permitting agencies. These include regulatory approvals from the APSC and FERC, as well as clearance under the Hart-Scott-Rodino anti-trust law. Because Hot Spring represents a substantial portion of KGen Power's remaining assets, Delaware law requires KGen Power to obtain shareholder approval prior to selling the Hot Spring facility. KGen Power intends to mail a proxy to its stockholders with a vote expected to be held in mid-June 2011. Closing is expected to occur in mid-2012. Entergy Arkansas expects to initiate its request for approval for the acquisition and cost recovery from the APSC in June 2011.

Hinds Energy Facility Purchase Agreement

In April 2011, Entergy Mississippi announced that it has signed an asset purchase agreement to acquire the Hinds Energy Facility, a 450 MW natural gas-fired combined-cycle turbine plant located in Jackson, Mississippi, from a subsidiary of KGen Power Corporation. The purchase price is approximately \$206 million. Entergy Mississippi also expects to invest in various plant upgrades at the facility after closing and expects the total cost of the acquisition to be approximately \$246 million. The acquisition is expected to require investment in Entergy's transmission system, and studies are currently under way to estimate the cost. The purchase is contingent upon, among other things, obtaining necessary approvals, including full cost recovery, from various federal and state regulatory and permitting agencies. These include regulatory approvals from the MPSC and FERC, as well as clearance under the Hart-Scott-Rodino anti-trust law. Because Hinds represents a substantial portion of KGen Power's remaining assets, Delaware law requires KGen Power to obtain shareholder approval prior to selling the Hinds facility. KGen Power intends to mail a proxy to its stockholders with a vote expected to be held in mid-June 2011. Closing is expected to occur in mid-2012. Entergy Mississippi expects to initiate its request for approval for the acquisition and cost recovery from the MPSC in Summer 2011.

Waterford 3 Steam Generator Replacement Project

See the Form 10-K for a discussion of the Waterford 3 Steam Generator Replacement project. With regard to the delay in the delivery of the steam generators, Entergy Louisiana is working with the manufacturer to fully develop and evaluate repair options. Extensive inspections of the existing steam generators at Waterford 3 in cooperation with the manufacturer were completed in April 2011. The review of data obtained during these inspections supports the conclusion that Waterford 3 can operate safely for another full cycle before the replacement of the existing steam generators. Entergy Louisiana is required to report its findings to the NRC through a report made 180

6

Entergy Corporation and Subsidiaries
Management's Financial Discussion and Analysis

Table of Contents

days after plant start up. At this time, a requirement to perform a mid-cycle outage for further inspections in order to allow the plant to continue operation until its Fall 2012 refueling outage is not anticipated. Entergy Louisiana expects to file a special LPSC monitoring report in second quarter 2011 that will reflect the updated project cost and schedule. Entergy Louisiana also expects to resume the revenue requirement proceeding before the LPSC in Fall 2012. Entergy Louisiana currently expects the cost of the project, including carrying costs, to increase to approximately \$687 million if the replacement occurs during the Fall 2012 refueling outage.

Dividends and Stock Repurchases

Declarations of dividends on Entergy's common stock are made at the discretion of the Board. Among other things, the Board evaluates the level of Entergy's common stock dividends based upon Entergy's earnings, financial strength, and future investment opportunities. At its January and April 2011 meetings, the Board declared dividends of \$0.83 per share, which is the same quarterly dividend per share that Entergy has paid since second quarter 2010.

Cash Flow Activity

As shown in Entergy's Consolidated Statements of Cash Flows, cash flows for the three months ended March 31, 2011 and 2010 were as follows:

	2011	2010
	(In Millions)	
Cash and cash equivalents at beginning of period	\$1,294	\$1,710
Cash flow provided by (used in):		
Operating activities	323	674
Investing activities	(897)	(515)
Financing activities	6	(212)
Net decrease in cash and cash equivalents	(568)	(53)
Cash and cash equivalents at end of period	\$726	\$1,657

Operating Activities

Entergy's cash flow provided by operating activities decreased by \$351 million for the three months ended March 31, 2011 compared to the three months ended March 31, 2010, primarily due to an increase of \$147 million in pension contributions. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for a discussion of qualified pension and other postretirement benefits funding. A decrease in deferred fuel cost collections, a \$42 million increase in incentive compensation payments, which occur annually in the first quarter, and the decrease in Entergy Wholesale Commodities net revenue that is discussed above also contributed to the decrease, as well as several other individually insignificant factors.

Investing Activities

Net cash used in investing activities increased by \$381 million for the three months ended March 31, 2011 compared to the three months ended March 31, 2010, primarily due to:

- an increase in nuclear fuel purchases, as more plants were preparing for refueling outages in the spring 2011 than in the spring 2010;
- a change in collateral deposit activity, as Entergy received deposits from Entergy Wholesale Commodities' counterparties during 2010 and made a small amount of collateral deposits in 2011. Entergy Wholesale Commodities' forward sales contracts are discussed in the Market and Credit Risk Sensitive Instruments section below; and
- an increase in construction expenditures, primarily in the Utility business. Entergy's construction spending plans for 2011 through 2013 are discussed in the Form 10-K.

7

Entergy Corporation and Subsidiaries
Management's Financial Discussion and Analysis

Table of Contents

Financing Activities

Financing activities provided \$6 million of cash for the three months ended March 31, 2011 compared to using \$212 million of cash for the three months ended March 31, 2010 primarily because long-term debt activity provided approximately \$133 million of cash in 2011 and used approximately \$58 million of cash in 2010. For details of Entergy's long-term debt activity in 2011 see Note 4 to the financial statements herein. In addition the Entergy Gulf States Louisiana and Entergy Louisiana nuclear fuel company variable interest entities borrowed on their credit facilities to finance nuclear fuel acquisitions in the first quarter 2011. Offsetting these increases in sources of cash, Entergy repurchased \$54 million of its common stock in the first quarter 2011 and none in the first quarter 2010. Entergy's share repurchase programs are discussed in the Form 10-K.

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.

On May 2, 2011, Entergy Louisiana made a special formula rate plan rate implementation filing with the LPSC that implements effective with the May 2011 billing cycle a \$43.1 million net rate increase to reflect adjustments in accordance with a previous LPSC order relating to acquisition of Unit 2 of the Acadia Energy Center. The net rate increase represents the decrease in the additional capacity revenue requirement resulting from the termination of the power purchase agreement with Acadia and the increase in the revenue requirement resulting from the ownership of the Acadia facility.

Federal Regulation

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

System Agreement and Independent Coordinator of Transmission (ICT)

As discussed in the Form 10-K, in November 2010 the FERC issued an order accepting the Utility operating companies' proposal to extend the ICT arrangement with SPP by an additional term of two years, providing time for analysis of longer term structures. In addition, in December 2010 the FERC issued an order that granted the Entergy Regional State Committee (E-RSC) additional authority over transmission upgrades and cost allocation. The E-RSC, comprised of one representative from each of the Utility operating company retail regulators, was formed in 2009 to consider several of the issues related to the Entergy transmission system. The Utility operating companies expect that the E-RSC will review the cost-benefit analysis the Utility operating companies will submit in May 2011 to each of their respective retail regulators comparing the ICT arrangement to joining the SPP RTO or MISO.

Table of Contents

Also as discussed in the Form 10-K, in February 2010 the APSC issued a show cause order opening an inquiry to conduct an investigation regarding the prudence of Entergy Arkansas's entering a successor pooling agreement with the other Entergy Utility operating companies, as opposed to becoming a standalone entity upon exit from the System Agreement in December 2013, and whether Entergy Arkansas, as a standalone utility, should join the SPP RTO. The APSC subsequently added evaluation of Entergy Arkansas joining MISO on a standalone basis as an alternative to be considered. In August 2010, the APSC directed Entergy Arkansas and all parties to compare five strategic options at the same time as follows: (1) Entergy Arkansas Self-Provide; (2) Entergy Arkansas with 3rd party coordination agreements; (3) Successor Arrangements; (4) Entergy Arkansas as a standalone member of SPP RTO; and (5) Entergy Arkansas as a standalone member of MISO.

On April 25, 2011, Entergy announced that it proposes joining a regional transmission organization. After comprehensive review and analysis, Entergy concluded that joining the Midwest Independent Transmission System Operator (MISO) will provide meaningful long-term benefits for the customers of the Utility operating companies. The Utility operating companies will provide analysis in May 2011 to their retail regulators supporting these conclusions. Entergy Arkansas's analysis filing is due May 12, 2011, and the APSC's procedural schedule includes an evidentiary hearing scheduled for September 7, 2011. The Utility operating companies also expect to make filings in the third quarter 2011 with their retail regulators regarding the transfer of control of their transmission assets to MISO. The target implementation date for joining MISO is December 2013.

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 Wholesale Commodities, unless otherwise contracted, is subject to the fluctuation of market power prices. Following is an updated summary of the amount of Entergy Wholesale Commodities nuclear power plants' planned energy output that is sold forward as of March 31, 2011 under physical or financial contracts (2011 represents the remainder of the year):

	2011	2012	2013	2014	2015
Percent of planned generation sold forward:					
Unit-contingent	78%	59%	36%	14%	12%
Unit-contingent with guarantee of availability (1)	18%	14%	6%	3%	3%
Firm LD	3%	24%	3%	8%	-%
Offsetting positions	(3)%	(10)%	-%	-%	-%
Total energy sold forward	96%	87%	45%	25%	15%
Planned generation (TWh) (2)	31	41	40	41	41
Average revenue under contract per MWh (3) (4)	\$53	\$49	\$45	\$51	\$51

(1) A sale of power on a unit-contingent basis coupled with a guarantee of availability provides for the payment to the power purchaser of contract damages, if incurred, in the event the

seller fails to deliver power as a result of the failure of the specified generation unit to generate power at or above a specified availability threshold. All of Entergy's outstanding guarantees of availability provide for dollar limits on Entergy's maximum liability under such guarantees.

- (2) Assumes license renewal for plants whose current licenses expire within five years and the continued operation of all six plants. License renewal applications are in process for three units, as follows (with current license expirations in parentheses): Pilgrim (June 2012), Indian Point 2 (September 2013), and Indian Point 3 (December 2015).
- (3) The Vermont Yankee acquisition included a 10-year PPA under which the former owners will buy most of the power produced by the plant through March 21, 2012. The PPA includes an adjustment clause under which the prices specified in the PPA will be adjusted downward monthly, beginning in November 2005, if power market prices drop below PPA prices, which has not happened thus far.
- (4) Average revenue under contract may fluctuate due to positive or negative basis differences, option premiums, costs to convert firm LD to unit-contingent, and other risk management costs. Also, average revenue under contract excludes payments owed under the value sharing agreement with NYPA.

Table of Contents

Entergy estimates that a \$10 per MWh change in the annual average energy price in the markets in which the Entergy Wholesale Commodities nuclear business sells power, based on March 31, 2011 market conditions, planned generation volume, and hedged position, would have a corresponding effect on pre-tax net income of \$13 million in 2011.

Some of the agreements to sell the power produced by Entergy Wholesale Commodities' 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 Entergy Wholesale Commodities sells power. The primary form of collateral to satisfy these requirements is an Entergy Corporation guaranty. Cash and letters of credit are also acceptable forms of collateral. At March 31, 2011, based on power prices at that time, Entergy had liquidity exposure of \$26 million under the guarantees in place supporting Entergy Nuclear Power Marketing (a subsidiary in the Entergy Wholesale Commodities segment) transactions, \$20 million of guarantees that support letters of credit, and \$6 million of posted cash collateral to the ISOs. As of March 31, 2011, the credit exposure associated with Entergy Wholesale Commodities assurance requirements would increase by \$97 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 March 31, 2011, Entergy would have been required to provide approximately \$70 million of additional cash or letters of credit under some of the agreements.

As of March 31, 2011, the counterparties or their guarantors for 99.8% of the planned energy output under contract for Entergy Wholesale Commodities through 2015 have public investment grade credit ratings and 0.2% is with load-serving entities without public credit ratings.

In addition to selling the power produced by its plants, Entergy Wholesale Commodities sells unforced capacity to load-serving distribution companies in order for those companies to meet requirements placed on them by the ISO in their area. Following is a summary of the amount of the Entergy Wholesale Commodities nuclear plants' installed capacity that is currently sold forward, and the blended amount of Entergy Wholesale Commodities nuclear plants' planned generation output and installed capacity that is sold forward as of March 31, 2011 (2011 represents the remainder of the year):

	2011	2012	2013	2014	2015
Percent of capacity sold forward:					
Bundled capacity and energy contracts	25%	18%	16%	16%	16%
Capacity contracts	31%	30%	26%	10%	-%
Total capacity sold forward	56%	48%	42%	26%	16%
Planned net MW in operation	4,998	4,998	4,998	4,998	4,998
Average revenue under contract per kW per month (applies to capacity contracts only)	\$2.7	\$2.9	\$3.1	\$3.5	N/A
Blended Capacity and Energy Recap (based on revenues)					
% of planned generation and capacity sold forward	96%	87%	43%	25%	14%
Average revenue under contract per MWh	\$54	\$51	\$48	\$53	\$52

Entergy Corporation and Subsidiaries
Management's Financial Discussion and Analysis

Table of Contents

Nuclear Matters

After the nuclear incident in Japan resulting from the March 2011 earthquake and tsunami, the NRC has established a task force to conduct a review of processes and regulations relating to nuclear facilities in the United States. The lessons learned from the events in Japan and the NRC review may affect future operations of U.S. nuclear facilities, including Entergy's, and could, among other things, result in increased costs and capital requirements associated with operating Entergy's nuclear plants.

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

Nuclear Decommissioning Costs

In the first quarter 2011, System Energy recorded a revision to its estimated decommissioning cost liability for Grand Gulf as a result of a revised decommissioning cost study. The revised estimate resulted in a \$38.9 million reduction in its decommissioning liability, along with a corresponding reduction in the related regulatory asset.

New Accounting Pronouncements

The accounting standard-setting process, including projects between the FASB and the International Accounting Standards Board (IASB) to converge U.S. GAAP and International Financial Reporting Standards, is ongoing and the FASB and the IASB are each currently working on several projects that have not yet resulted in final pronouncements. Final pronouncements that result from these projects could have a material effect on Entergy's future net income or financial position.

Table of Contents

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12

Table of Contents

ENTERGY CORPORATION AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF INCOME
 For the Three Months Ended March 31, 2011 and 2010
 (Unaudited)

	2011	2010
	(In Thousands, Except Share Data)	
OPERATING REVENUES		
Electric	\$1,865,899	\$2,006,931
Natural gas	71,123	96,027
Competitive businesses	604,186	656,389
TOTAL	2,541,208	2,759,347
OPERATING EXPENSES		
Operating and Maintenance:		
Fuel, fuel-related expenses, and gas purchased for resale	507,693	558,668
Purchased power	362,618	474,903
Nuclear refueling outage expenses	63,985	62,289
Other operation and maintenance	655,748	702,489
Decommissioning	55,265	51,576
Taxes other than income taxes	125,234	135,412
Depreciation and amortization	264,885	269,204
Other regulatory charges (credits) - net	(5,111)	28,092
TOTAL	2,030,317	2,282,633
OPERATING INCOME	510,891	476,714
OTHER INCOME		
Allowance for equity funds used during construction	17,289	13,296
Interest and investment income	26,747	48,209
Miscellaneous - net	(9,399)	(522)
TOTAL	34,637	60,983
INTEREST EXPENSE		
Interest expense	136,134	179,199
Allowance for borrowed funds used during construction	(8,534)	(8,001)
TOTAL	127,600	171,198
INCOME BEFORE INCOME TAXES	417,928	366,499
Income taxes	164,250	147,685
CONSOLIDATED NET INCOME	253,678	218,814
Preferred dividend requirements of subsidiaries	5,015	5,015

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NET INCOME ATTRIBUTABLE TO ENTERGY CORPORATION	\$248,663	\$213,799
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Earnings per average common share:

Basic	\$1.39	\$1.13
Diluted	\$1.38	\$1.12

Dividends declared per common share	\$0.83	\$0.75
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Basic average number of common shares outstanding	178,834,342	189,202,684
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Diluted average number of common shares outstanding	180,083,830	191,283,703
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See Notes to Financial Statements.

Table of Contents

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2011 and 2010
(Unaudited)

	2011	2010
	(In Thousands)	
OPERATING ACTIVITIES		
Consolidated net income	\$253,678	\$218,814
Adjustments to reconcile consolidated net income to net cash flow provided by operating activities:		
Depreciation, amortization, and decommissioning, including nuclear fuel amortization	422,411	423,432
Deferred income taxes, investment tax credits, and non-current taxes accrued	173,784	133,533
Changes in working capital:		
Receivables	102,711	43,830
Fuel inventory	(12,508)	(6,324)
Accounts payable	(154,398)	(79,250)
Prepaid taxes and taxes accrued	(63,918)	(15,038)
Interest accrued	(67,978)	(36,676)
Deferred fuel	(66,548)	964
Other working capital accounts	(102,294)	34,565
Changes in provisions for estimated losses	(779)	(35,870)
Changes in other regulatory assets	48,889	(66,248)
Changes in pensions and other postretirement liabilities	(190,958)	(40,884)
Other	(18,991)	99,417
Net cash flow provided by operating activities	323,101	674,265
INVESTING ACTIVITIES		
Construction/capital expenditures	(486,561)	(447,476)
Allowance for equity funds used during construction	17,289	13,296
Nuclear fuel purchases	(300,975)	(65,336)
Proceeds from sale of assets and businesses	-	9,675
Changes in securitization account	6,360	(21,940)
NYPA value sharing payment	(72,000)	(72,000)
Payments to storm reserve escrow account	(1,736)	(1,609)
Receipts from storm reserve escrow account	-	9,925
Decrease (increase) in other investments	(21,212)	88,100
Proceeds from nuclear decommissioning trust fund sales	492,682	770,781
Investment in nuclear decommissioning trust funds	(530,672)	(798,864)
Net cash flow used in investing activities	(896,825)	(515,448)

See Notes to Financial Statements.

Table of Contents

ENTERGY CORPORATION AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF CASH FLOWS
 For the Three Months Ended March 31, 2011 and 2010
 (Unaudited)

	2011	2010
	(In Thousands)	
FINANCING ACTIVITIES		
Proceeds from the issuance of:		
Long-term debt	411,444	42,545
Common stock and treasury stock	12,280	6,078
Retirement of long-term debt	(278,084)	(100,289)
Repurchase of common stock	(54,404)	-
Changes in credit borrowings - net	68,244	(13,368)
Dividends paid:		
Common stock	(148,678)	(141,892)
Preferred stock	(5,015)	(5,015)
Net cash flow provided by (used in) financing activities	5,787	(211,941)
Effect of exchange rates on cash and cash equivalents	(298)	607
Net decrease in cash and cash equivalents	(568,235)	(52,517)
Cash and cash equivalents at beginning of period	1,294,472	1,709,551
Cash and cash equivalents at end of period	\$726,237	\$1,657,034
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid (received) during the period for:		
Interest - net of amount capitalized	\$164,563	\$130,371
Income taxes	\$(4,380)	\$(1,385)

See Notes to Financial Statements.

Table of Contents

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

ASSETS

March 31, 2011 and December 31, 2010

(Unaudited)

	2011	2010
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	\$ 103,797	\$ 76,290
Temporary cash investments	622,440	1,218,182
Total cash and cash equivalents	726,237	1,294,472
Securitization recovery trust account	36,684	43,044
Accounts receivable:		
Customer	557,102	602,796
Allowance for doubtful accounts	(30,754)	(31,777)
Other	141,294	161,662
Accrued unbilled revenues	264,495	302,901
Total accounts receivable	932,137	1,035,582
Deferred fuel costs	52,150	64,659
Accumulated deferred income taxes	9,301	8,472
Fuel inventory - at average cost	220,028	207,520
Materials and supplies - at average cost	866,598	866,908
Deferred nuclear refueling outage costs	263,301	218,423
System agreement cost equalization	52,160	52,160
Prepaid taxes	365,725	301,807
Prepayments and other	253,265	246,036
TOTAL	3,777,586	4,339,083
OTHER PROPERTY AND INVESTMENTS		
Investment in affiliates - at equity	40,171	40,697
Decommissioning trust funds	3,733,078	3,595,716
Non-utility property - at cost (less accumulated depreciation)	260,133	257,847
Other	408,933	405,946
TOTAL	4,442,315	4,300,206
PROPERTY, PLANT AND EQUIPMENT		
Electric	37,449,490	37,153,061
Property under capital lease	796,566	800,078
Natural gas	334,766	330,608
Construction work in progress	1,764,437	1,661,560
Nuclear fuel	1,532,579	1,377,962
TOTAL PROPERTY, PLANT AND EQUIPMENT	41,877,838	41,323,269
Less - accumulated depreciation and amortization	17,682,149	17,474,914
PROPERTY, PLANT AND EQUIPMENT - NET	24,195,689	23,848,355

DEFERRED DEBITS AND OTHER ASSETS

Regulatory assets:		
Regulatory asset for income taxes - net	839,752	845,725
Other regulatory assets (includes securitization property of \$867,105 as of March 31, 2011 and \$882,346 as of December 31, 2010)	3,768,072	3,838,237
Deferred fuel costs	172,202	172,202
Goodwill	377,172	377,172
Accumulated deferred income taxes	74,271	54,523
Other	951,507	909,773
TOTAL	6,182,976	6,197,632
TOTAL ASSETS	\$38,598,566	\$38,685,276

See Notes to Financial Statements.

Table of Contents

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
LIABILITIES AND EQUITY
March 31, 2011 and December 31, 2010
(Unaudited)

	2011	2010
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	\$208,655	\$299,548
Notes payable	183,079	154,135
Accounts payable	986,307	1,181,099
Customer deposits	340,279	335,058
Accumulated deferred income taxes	68,570	49,307
Interest accrued	149,707	217,685
Deferred fuel costs	87,351	166,409
Obligations under capital leases	3,461	3,388
Pension and other postretirement liabilities	39,897	39,862
System agreement cost equalization	52,160	52,160
Other	191,278	277,598
TOTAL	2,310,744	2,776,249
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	8,759,164	8,573,646
Accumulated deferred investment tax credits	288,591	292,330
Obligations under capital leases	41,187	42,078
Other regulatory liabilities	605,940	539,026
Decommissioning and asset retirement cost liabilities	3,164,406	3,148,479
Accumulated provisions	394,985	395,250
Pension and other postretirement liabilities	1,984,371	2,175,364
Long-term debt (includes securitization bonds of \$910,053 as of March 31, 2011 and \$931,131 as of December 31, 2010)	11,581,318	11,317,157
Other	621,980	618,559
TOTAL	27,441,942	27,101,889
Commitments and Contingencies		
Subsidiaries' preferred stock without sinking fund	216,742	216,738
EQUITY		
Common Shareholders' Equity:		
Common stock, \$.01 par value, authorized 500,000,000 shares; issued 254,752,788 shares in 2011 and in 2010	2,548	2,548
Paid-in capital	5,366,518	5,367,474
Retained earnings	8,789,534	8,689,401
Accumulated other comprehensive loss	(67,177)	(38,212)
Less - treasury stock, at cost (76,484,580 shares in 2011 and		

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76,006,920 shares in 2010)	5,556,285	5,524,811
Total common shareholders' equity	8,535,138	8,496,400
Subsidiaries' preferred stock without sinking fund	94,000	94,000
TOTAL	8,629,138	8,590,400
TOTAL LIABILITIES AND EQUITY	\$38,598,566	\$38,685,276

See Notes to Financial Statements.

Table of Contents

ENTERGY CORPORATION AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY AND COMPREHENSIVE INCOME
 For the Three Months Ended March 31, 2011 and 2010
 (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, 2009	\$ 94,000	\$ 2,548	\$(4,727,167)	\$ 5,370,042	\$ 8,043,122	\$ (75,185)	\$ 8,707,360
Consolidated net income (a)	5,015	-	-	-	213,799	-	218,814
Other comprehensive income:							
Cash flow hedges net unrealized gain (net of tax expense of \$87,259)	-	-	-	-	-	142,538	142,538
Pension and other postretirement liabilities (net of tax expense of \$891)	-	-	-	-	-	1,805	1,805
Net unrealized investment gains (net of tax expense of \$17,813)	-	-	-	-	-	16,841	16,841
Foreign currency translation (net of tax benefit of \$327)	-	-	-	-	-	(607)	(607)
Total comprehensive income							379,391
Common stock issuances related	-	-	10,872	3,382	-	-	14,254

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to								
stock plans								
Common stock								
dividends								
declared	-	-	-	-	(141,911)	-		(141,911)
Preferred								
dividend								
requirements of								
subsidiaries (a)	(5,015)	-	-	-	-	-		(5,015)
Balance at March								
31, 2010	\$ 94,000	\$ 2,548	\$(4,716,295)	\$5,373,424	\$8,115,010	\$ 85,392		\$8,954,079
Balance at								
December 31,								
2010	\$ 94,000	\$ 2,548	\$(5,524,811)	\$5,367,474	\$8,689,401	\$ (38,212)		\$8,590,400
Consolidated net								
income (a)	5,015	-	-	-	248,663	-		253,678
Other								
comprehensive								
income:								
Cash flow								
hedges net								
unrealized								
loss (net of tax								
benefit of								
\$34,635)	-	-	-	-	-	(58,208)		(58,208)
Pension and								
other								
postretirement								
liabilities (net								
of tax expense of								
\$1,093)	-	-	-	-	-	4,259		4,259
Net unrealized								
investment gains								
(net of tax								
expense of								
\$25,340)	-	-	-	-	-	24,685		24,685
Foreign								
currency								
translation (net								
of tax expense								
of \$161)	-	-	-	-	-	299		299
Total								
comprehensive								
income								224,713
Common stock								
repurchases	-	-	(54,404)	-	-	-		(54,404)

Common stock issuances related to							
stock plans	-	-	22,930	(956)	-	-	21,974
Common stock dividends declared	-	-	-	-	(148,530)	-	(148,530)
Preferred dividend requirements of subsidiaries (a)	(5,015)	-	-	-	-	-	(5,015)
Balance at March 31, 2011	\$ 94,000	\$ 2,548	\$(5,556,285)	\$5,366,518	\$8,789,534	\$ (67,177)	\$8,629,138

See Notes to Financial Statements.

(a) Consolidated net income and preferred dividend requirements of subsidiaries for both 2010 and 2011 include \$3.3 million of preferred dividends on subsidiaries' preferred stock without sinking fund that is not presented as equity.

Table of Contents

ENTERGY CORPORATION AND SUBSIDIARIES
 SELECTED OPERATING RESULTS
 For the Three Months Ended March 31, 2011 and 2010
 (Unaudited)

Description	2011	2010	Increase/ (Decrease)	%
	(Dollars in Millions)			
Utility Electric Operating Revenues:				
Residential	\$748	\$818	\$(70)	(9)
Commercial	501	526	(25)	(5)
Industrial	479	521	(42)	(8)
Governmental	47	50	(3)	(6)
Total retail	1,775	1,915	(140)	(7)
Sales for resale	64	83	(19)	(23)
Other	27	9	18	200
Total	\$1,866	\$2,007	\$(141)	(7)
Utility Billed Electric Energy				
Sales (GWh):				
Residential	9,042	9,645	(603)	(6)
Commercial	6,449	6,472	(23)	-
Industrial	9,516	8,733	783	9
Governmental	583	592	(9)	(2)
Total retail	25,590	25,442	148	1
Sales for resale	947	1,317	(370)	(28)
Total	26,537	26,759	(222)	(1)
Competitive Business:				
Operating Revenues	\$604	\$656	\$(52)	(8)
Billed Electric Energy Sales (GWh)	10,519	11,128	(609)	(5)

Table of Contents

ENTERGY CORPORATION AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

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

Entergy and the Registrant Subsidiaries are involved in a number of legal, regulatory, and tax proceedings before various courts, regulatory commissions, and governmental agencies in the ordinary course of business. While management is unable to predict the outcome of such proceedings, management does not believe that the ultimate resolution of these matters will have a material adverse effect on Entergy's results of operations, cash flows, or financial condition, except as otherwise discussed in the Form 10-K or in this report. Entergy discusses regulatory proceedings in Note 2 to the financial statements in the Form 10-K and herein, discusses tax proceedings in Note 3 to the financial statements in the Form 10-K and Note 10 to the financial statements herein, and discusses a judicial proceeding involving Vermont Yankee in Note 11 to the financial statements herein.

Nuclear Insurance

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

Conventional Property Insurance

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

Employment Litigation

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

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

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

Table of Contents

Entergy Corporation and Subsidiaries
Notes to Financial Statements

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

Regulatory Assets

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

Fuel and Purchased Power Cost Recovery

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. The audit includes a review of the reasonableness of charges flowed by Entergy Gulf States Louisiana through its fuel adjustment clause for the period 1995 through 2004. The LPSC Staff issued its audit report in December 2010. The report recommends the disallowance of \$23 million of costs which, with interest, will total \$43 million. \$2.3 million of this total relates to a realignment to and recovery through base rates of certain SO₂ costs. Entergy Gulf States Louisiana filed comments disputing the findings in the report. A hearing on the merits is scheduled to begin in November 2011. Entergy Gulf States Louisiana has recorded provisions for the estimated effect of this proceeding.

Entergy Texas

In December 2010, Entergy Texas filed with the PUCT a request to refund fuel cost recovery over-collections through October 2010. Pursuant to a stipulation among the parties that was approved by the PUCT in March 2011, Entergy Texas will refund over-collections through November 2010 of approximately \$72.7 million, including interest through the refund period. The refund will be made for most customers over a three-month period that began with the February 2011 billing cycle.

Little Gypsy Repowering Project (Entergy and Entergy Louisiana)

See the Form 10-K for a discussion of the Little Gypsy repowering project. As of March 2011, \$207.6 million of costs, including carrying costs, had been incurred by Entergy Louisiana for the project. As discussed in the Form 10-K, in January 2011 all parties conducted a mediation on the disputed issues, and thereafter, reached agreement on a settlement of all disputed issues, including cost recovery and cost allocation. The proposed settlement, which provides for Entergy Louisiana to recover \$200 million as of March 31, 2011, and carrying costs on that amount on specified terms thereafter, is expected to be presented to the LPSC for approval at its May 2011 meeting. The proposed settlement also provides for Entergy Louisiana to recover the approved project costs by securitization. In April 2011, Entergy Louisiana filed an application with the LPSC to recover the project costs by securitization. The LPSC is expected to consider Entergy Louisiana's application for securitization during the second quarter 2011.

Retail Rate Proceedings

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

Table of Contents

Entergy Corporation and Subsidiaries
Notes to Financial Statements

Filings with the LPSC

(Entergy Gulf States Louisiana)

In January 2011, Entergy Gulf States Louisiana filed with the LPSC its gas rate stabilization plan for the test year ended September 30, 2010. The filing showed an earned return on common equity of 8.84% and a revenue deficiency of \$0.3 million. In March 2011, the LPSC staff filed its findings, suggesting an adjustment that will produce an 11.76% earned return on common equity for the test year and a \$0.2 million rate reduction. Entergy Gulf States Louisiana will implement the \$0.2 million rate reduction effective with the May 2011 billing cycle.

Filings with the MPSC

In March 2011, Entergy Mississippi submitted its formula rate plan 2010 test year filing. The filing shows an earned return on common equity of 10.65% for the test year, which is within the earnings bandwidth and results in no change in rates. The filing is currently subject to MPSC review.

System Agreement Cost Equalization Proceedings

See Note 2 to the financial statements in the Form 10-K for detailed information regarding the System Agreement Cost Equalization Proceedings. The following are updates to the Form 10-K.

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, and supplemented the filing in September 2010. 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. Subsequently, in January 2011 the ALJ issued an order directing the parties and FERC staff to show cause why this proceeding should not be stayed pending the issuance of FERC decisions in the prior production cost proceedings currently before the FERC on review. In March 2011 the ALJ issued an order placing this proceeding in abeyance. The LPSC's requests for rehearing and interlocutory appeal of the abeyance order have been denied.

Interruptible Load Proceeding

See the Form 10-K for a discussion of the interruptible load proceeding. 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. The settlement proceedings are ongoing. In the first quarter 2011 the Utility operating companies recorded regulatory assets or liabilities for the potential outcome of this proceeding. The Utility operating companies recorded regulatory assets because under the Federal Power Act the FERC can order the refunds among the companies only if they are recoverable from customers.

Entergy Arkansas filed a request with the APSC for recovery of the refund that it paid and the APSC staff has filed a motion to dismiss the request. A procedural schedule has not been set in the proceeding.

Table of Contents

Entergy Corporation and Subsidiaries
Notes to Financial Statements

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 March 31,					
	2011			2010		
	(In Millions, Except Per Share Data)					
Basic earnings per share	Income	Shares	\$/share	Income	Shares	\$/share
Net income attributable to Entergy Corporation	\$248.7	178.8	\$1.39	\$213.8	189.2	\$1.13
Average dilutive effect of:						
Stock options	-	1.1	(0.01)	-	2.1	(0.01)
Restricted stock	-	0.2	-	-	-	-
Diluted earnings per share	\$248.7	180.1	\$1.38	\$213.8	191.3	\$1.12

Entergy's stock options and other equity compensation plans are discussed in Note 5 herein, and in Note 12 to the financial statements in the Form 10-K.

Treasury Stock

During the first quarter 2011, Entergy Corporation issued 314,340 shares of its previously repurchased common stock to satisfy stock option exercises and other stock-based awards. Also during the first quarter 2011, Entergy Corporation repurchased 792,000 shares of its common stock for a total purchase price of \$54.4 million.

Retained Earnings

On April 6, 2011 Entergy Corporation's Board of Directors declared a common stock dividend of \$0.83 per share, payable on June 1, 2011 to holders of record as of May 12, 2011.

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:

23

Table of Contents

Entergy Corporation and Subsidiaries
Notes to Financial Statements

	Entergy		Entergy Gulf States Louisiana		Entergy Louisiana	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
	(In Thousands)					
Cash flow hedges net unrealized gain	\$48,050	\$106,258	\$-	\$-	\$-	\$-
Pension and other postretirement liabilities	(272,207)	(276,466)	(39,561)	(40,304)	(24,228)	(24,962)
Net unrealized investment gains	154,370	129,685	-	-	-	-
Foreign currency translation	2,610	2,311	-	-	-	-
Total	(\$67,177)	(\$38,212)	(\$39,561)	(\$40,304)	(\$24,228)	(\$24,962)

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 three months ended March 31, 2011 was 0.752% on the drawn portion of the facility. Following is a summary of the borrowings outstanding and capacity available under the facility as of March 31, 2011.

Capacity	Borrowings	Letters of Credit	Capacity Available
(In Millions)			
\$3,465	\$1,727	\$25	\$1,713

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.

Table of ContentsEntergy 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 March 31, 2011 as follows:

Company	Expiration Date	Amount of Facility	Interest Rate (a)	Amount Drawn as of March 31, 2011
Entergy Arkansas	April 2011	\$75.125 million (b)	3.25%	-
Entergy Gulf States Louisiana	August 2012	\$100 million (c)	0.66%	-
Entergy Louisiana	August 2012	\$200 million (d)	0.66%	-
Entergy Mississippi	May 2011	\$35 million (e)	1.99%	-
Entergy Mississippi	May 2011	\$25 million (e)	1.99%	-
Entergy Mississippi	May 2011	\$10 million (e)	1.99%	-
Entergy Texas	August 2012	\$100 million (f)	0.72%	-

- (a) The interest rate is the rate as of March 31, 2011 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. In April 2011, at the expiration of this facility, Entergy Arkansas entered into a new \$78 million credit facility that expires in April 2012.
- (c) The credit facility allows Entergy Gulf States Louisiana to issue letters of credit against the borrowing capacity of the facility. As of March 31, 2011, 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.
- (d) The credit facility allows Entergy Louisiana to issue letters of credit against the borrowing capacity of the facility. As of March 31, 2011, 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. Prior to expiration on May 31, 2011,

Entergy Mississippi expects to renew all of its credit facilities.

- (f) The credit facility allows Entergy Texas to issue letters of credit against the borrowing capacity of the facility. As of March 31, 2011, 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 March 31, 2011 (aggregating both money pool and external short-term borrowings) for the Registrant Subsidiaries:

Table of Contents

Entergy Corporation and Subsidiaries

Notes to Financial Statements

	Authorized	Borrowings
	(In Millions)	
Entergy Arkansas	\$250	-
Entergy Gulf States Louisiana	\$200	-
Entergy Louisiana	\$250	-
Entergy Mississippi	\$175	\$126
Entergy New Orleans	\$100	-
Entergy Texas	\$200	\$6
System Energy	\$200	-

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

See Note 18 to the financial statements in the Form 10-K for a discussion of the consolidation of the nuclear fuel company variable interest entities (VIE). The variable interest entities have credit facilities and also issue commercial paper to finance the acquisition and ownership of nuclear fuel as follows as of March 31, 2011:

Company	Expiration Date	Amount of Facility	Weighted Average Interest Rate on Borrowings (a)	Amount Outstanding as of March 31, 2011
(Dollars in Millions)				
Entergy Arkansas VIE	July 2013	\$85	2.44%	\$54.8
Entergy Gulf States Louisiana VIE	July 2013	\$85	2.13%	64.6
Entergy Louisiana VIE	July 2013	\$90	2.45%	84.3
System Energy VIE	July 2013	\$100	2.33%	16.0

(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 Entergy Gulf States Louisiana's credit facility is included in long-term debt on its balance sheet and the commercial paper outstanding for the other VIEs is classified as a current liability on the respective 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.

Table of ContentsEntergy Corporation and Subsidiaries
Notes to Financial Statements

The variable interest entities had long-term notes payable that are included in long-term debt on the respective balance sheets as of March 31, 2011 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
Entergy Louisiana VIE	3.30% Series F, due March 2016	\$20 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 reported in fuel expense.

Debt Issuances

(Entergy Louisiana)

In March 2011, Entergy Louisiana issued \$200 million of 4.80% Series first mortgage bonds due May 2021. Entergy Louisiana used the proceeds, together with other available funds, to purchase Unit 2 of the Acadia Energy Center, a 580MW generating unit located near Eunice, Louisiana.

(Entergy Mississippi)

In April 2011, Entergy Mississippi issued \$150 million of 6.0% Series first mortgage bonds due May 2051. Entergy Mississippi used a portion of the proceeds to pay at maturity its \$80 million 4.65% Series first mortgage bonds due May 2011.

Fair Value

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

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	Book Value of Long-Term Debt	Fair Value of Long-Term Debt (a) (b)
	(In Thousands)	
Entergy	\$11,789,973	\$11,295,166
Entergy Arkansas	\$1,863,998	\$1,702,252
Entergy Gulf States Louisiana	\$1,624,691	\$1,596,238
Entergy Louisiana	\$1,996,520	\$1,851,238
Entergy Mississippi	\$825,396	\$859,892
Entergy New Orleans	\$167,218	\$171,083
Entergy Texas	\$1,638,253	\$1,787,626
System Energy	\$786,992	\$618,077

(a) The values exclude lease obligations of \$194 million at Entergy Louisiana and \$179 million at System Energy, long-term DOE obligations of \$181 million at Entergy Arkansas, and the note payable to NYPA of \$157 million at Entergy, and include debt due within one year.

(b) Fair values are based on prices derived by independent third parties that use inputs such as benchmark yields, reported trades, broker/dealer quotes, and issuer spreads.

Table of Contents

Entergy Corporation and Subsidiaries

Notes to Financial Statements

NOTE 5. STOCK-BASED COMPENSATION (Entergy Corporation)

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

Stock Options

Entergy granted 388,200 stock options during the first quarter 2011 with a weighted-average fair value of \$11.48. At March 31, 2011, there were 11,270,653 stock options outstanding with a weighted-average exercise price of \$73.35. The intrinsic value, which has no effect on net income, of the outstanding stock options is calculated by the difference in the weighted average exercise price of the stock options granted and Entergy Corporation's common stock price as of March 31, 2011. Because Entergy's stock price at March 31, 2011 is less than the weighted average exercise price, the aggregate intrinsic value of the stock options outstanding as of March 31, was zero. The intrinsic value of "in the money" stock options is \$62 million as of March 31, 2011.

The following table includes financial information for stock options for the first quarter for each of the years presented:

	2011	2010
	(In Millions)	
Compensation expense included in Entergy's net income for the first quarter	\$3.0	\$3.9
Tax benefit recognized in Entergy's net income for the first quarter	\$1.2	\$1.5
Compensation cost capitalized as part of fixed assets and inventory as of March 31,	\$0.6	\$0.7

Restricted Stock Awards

In January 2011, the Board approved and Entergy granted 166,800 restricted stock awards under the 2007 Equity Ownership and Long-term Cash Incentive Plan. The grants were made effective as of January 27, 2011 and were valued at \$72.79 per share, which was the closing price of Entergy's common stock on that date. One-third of the restricted stock awards will vest upon each anniversary of the grant date and are expensed ratably over the three year vesting period. Shares of restricted stock have the same dividend and voting rights as other common stock and are considered issued and outstanding shares of Entergy upon vesting.

The following table includes financial information for restricted stock for the first quarter for each of the years presented:

	2011	2010
	(In Millions)	
Compensation expense included in Entergy's net income for the first quarter	\$1.0	\$-
Tax benefit recognized in Entergy's net income for the first quarter	\$0.4	\$-

Compensation cost capitalized as part of fixed assets and inventory as of March 31,	\$0.2	\$-
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Table of Contents

Entergy Corporation and Subsidiaries
Notes to Financial Statements

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 first quarters of 2011 and 2010, included the following components:

	2011	2010
	(In Thousands)	
Service cost - benefits earned during the period	\$30,490	\$26,239
Interest cost on projected benefit obligation	59,248	57,802
Expected return on assets	(75,319)	(64,902)
Amortization of prior service cost	838	1,164
Amortization of loss	23,244	16,475
Net pension costs	\$38,501	\$36,778

The Registrant Subsidiaries' qualified pension cost, including amounts capitalized, for the first quarters of 2011 and 2010, included the following components:

2011	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	\$4,518	\$2,462	\$2,886	\$1,327	\$561	\$1,197	\$1,235
Interest cost on projected benefit obligation	12,991	5,928	8,159	3,909	1,762	3,993	2,939
Expected return on assets	(15,609)	(8,339)	(9,716)	(5,038)	(2,114)	(5,501)	(3,784)
Amortization of prior service cost	115	20	70	38	9	16	4

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Amortization of loss	6,421	2,279	4,497	1,680	1,166	1,394	1,321
Net pension cost	\$8,436	\$2,350	\$5,896	\$1,916	\$1,384	\$1,099	\$1,715

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	\$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
Net pension cost	\$7,926	\$2,503	\$3,654	\$1,827	\$897	\$758	\$473

Table of Contents

Entergy Corporation and Subsidiaries

Notes to Financial Statements

Entergy recognized \$4.9 million and \$4.7 million in pension cost for its non-qualified pension plans in the first quarters of 2011 and 2010, respectively.

The Registrant Subsidiaries recognized the following pension cost for their non-qualified pension plans in the first quarters of 2011 and 2010:

	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas
	(In Thousands)					
Non-qualified pension cost first quarter 2011	\$115	\$42	\$4	\$48	\$16	\$192
Non-qualified pension cost first quarter 2010	\$101	\$41	\$6	\$50	\$6	\$170

Components of Net Other Postretirement Benefit Cost

Entergy's other postretirement benefit cost, including amounts capitalized, for the first quarters of 2011 and 2010, included the following components:

	2011	2010
	(In Thousands)	
Service cost - benefits earned during the period	\$14,835	\$13,078
Interest cost on APBO	18,631	19,020
Expected return on assets	(7,369)	(6,553)
Amortization of transition obligation	796	932
Amortization of prior service cost	(3,518)	(3,015)
Amortization of loss	5,298	4,317
Net other postretirement benefit cost	\$28,673	\$27,779

The Registrant Subsidiaries' other postretirement benefit cost, including amounts capitalized, for the first quarters of 2011 and 2010, included the following components:

	Entergy	Entergy	Entergy	Entergy	Entergy System
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2011	Arkansas	Gulf States Louisiana	Louisiana	Mississippi	New Orleans	Texas	Energy
(In Thousands)							
Service cost - benefits earned during the period	\$2,013	\$1,540	\$1,635	\$658	\$362	\$769	\$661
Interest cost on APBO	3,436	2,075	2,192	1,093	806	1,486	667
Expected return on assets	(2,882)	-	-	(977)	(800)	(1,874)	(529)
Amortization of transition obligation	205	60	96	88	298	47	2
Amortization of prior service cost	(133)	(206)	(62)	(35)	10	(107)	(147)
Amortization of loss	1,610	723	698	540	241	700	369
Net other postretirement benefit cost	\$4,249	\$4,192	\$4,559	\$1,367	\$917	\$1,021	\$1,023

Table of ContentsEntergy Corporation and Subsidiaries
Notes to Financial Statements

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
Net other postretirement benefit cost	\$4,725	\$4,160	\$4,462	\$1,257	\$1,301	\$1,398	\$872

Employer Contributions

Based on current assumptions, Entergy expects to contribute \$400.5 million to its qualified pension plans in 2011. As of the end of April 2011, Entergy had contributed \$275.1 million to its pension plans. Therefore, Entergy presently anticipates contributing an additional \$125.4 million to fund its qualified pension plans in 2011.

Based on current assumptions, the Registrant Subsidiaries expect to contribute the following to qualified pension plans in 2011:

	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
(In Thousands)							
Expected 2011 pension contributions	\$120,400	\$27,318	\$60,597	\$29,169	\$12,160	\$18,235	\$28,351
Pension contributions made	\$88,004	\$17,912	\$42,207	\$21,169	\$8,419	\$11,651	\$20,546

through April 2011 Remaining estimated pension contributions to be made in 2011	\$32,396	\$9,406	\$18,390	\$8,000	\$3,741	\$6,584	\$7,805
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Table of Contents

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 March 31, 2011 are Utility and Entergy Wholesale Commodities. Utility includes the generation, transmission, distribution, and sale of electric power in portions of Arkansas, Louisiana, Mississippi, and Texas, and natural gas utility service in portions of Louisiana. Entergy Wholesale Commodities includes the ownership and operation of six nuclear power plants located in the northern United States and the sale of the electric power produced by those plants to wholesale customers. Entergy Wholesale Commodities also includes the ownership of interests in non-nuclear power plants that sell the electric power produced by those plants to wholesale customers. "All Other" includes the parent company, Entergy Corporation, and other business activity, including the earnings on the proceeds of sales of previously-owned businesses.

In the fourth quarter 2010, Entergy finished integrating its former Non-Utility Nuclear segment and its non-nuclear wholesale asset business into the new Entergy Wholesale Commodities business in an internal reorganization. The 2010 information in the tables below has been restated to reflect the change in reportable segments.

Entergy's segment financial information for the first quarters of 2011 and 2010 is as follows:

	Utility	Entergy Wholesale Commodities*	All Other	Eliminations	Consolidated
	(In Thousands)				
2011					
Operating revenues	\$1,937,618	\$610,146	\$1,101	(\$7,657)	\$2,541,208
Income taxes (benefit)	\$90,204	\$84,941	(\$10,895)	\$-	\$164,250
Consolidated net income (loss)	\$168,653	\$123,233	(\$10,563)	(\$27,645)	\$253,678
2010					