ENTERGY CORP /DE/
Form 10-Q
August 06, 2015
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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 June 30, 2015 OR TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the transition period from ____________ to ____________

Commission File Number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number, and IRS Employer Identification No.	Commission File Number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number, and IRS Employer Identification No.
1-11299	ENTERGY CORPORATION (a Delaware corporation) 639 Loyola Avenue New Orleans, Louisiana 70113 Telephone (504) 576-4000 72-1229752	1-31508	ENTERGY MISSISSIPPI, INC. (a Mississippi corporation) 308 East Pearl Street Jackson, Mississippi 39201 Telephone (601) 368-5000 64-0205830
1-10764	ENTERGY ARKANSAS, INC. (an Arkansas corporation) 425 West Capitol Avenue Little Rock, Arkansas 72201 Telephone (501) 377-4000 71-0005900	1-35747	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. (a Louisiana limited liability company) 4809 Jefferson Highway Jefferson, Louisiana 70121 Telephone (504) 576-4000 74-0662730	1-34360	ENTERGY TEXAS, INC. (a Texas corporation) 9425 Pinecroft The Woodlands, Texas 77380 Telephone (409) 981-2000 61-1435798

1-32718	ENTERGY LOUISIANA, LLC (a Texas limited liability company) 4809 Jefferson Highway Jefferson, Louisiana 70121 Telephone (504) 576-4000 75-3206126	1-09067	SYSTEM ENERGY RESOURCES, INC. (an Arkansas corporation) Echelon One 1340 Echelon Parkway Jackson, Mississippi 39213 Telephone (601) 368-5000 72-0752777

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

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

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

	Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company
Entergy Corporation	ü			
Entergy Arkansas, Inc.			ü	
Entergy Gulf States Louisiana, L.L.C.			ü	
Entergy Louisiana, LLC			ü	
Entergy Mississippi, Inc.			ü	
Entergy New Orleans, Inc.			ü	
Entergy Texas, Inc.			ü	
System Energy Resources, Inc.			ü	

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

Common Stock Outstanding		Outstanding at July 31, 2015
Entergy Corporation	($0.01 par value)	179,528,314

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, 2014 and the Quarterly Report for Form 10-Q for the quarter ended March 31, 2015, filed by the individual registrants with the SEC, and should be read in conjunction therewith.

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FORWARD-LOOKING INFORMATION

In this combined report and from time to time, Entergy Corporation and the Registrant Subsidiaries each makes statements as a registrant concerning its expectations, beliefs, plans, objectives, goals, strategies, and future events or performance. Such statements are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “may,” “will,” “could,” “project,” “believe,” “anticipate,” “intend,” “expect,” “estimate,” “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, Entergy’s utility supply plan, and recovery of fuel and purchased power costs;
- the termination of Entergy Arkansas’s participation in the System Agreement, which occurred in December 2013, the termination of Entergy Mississippi’s participation in the System Agreement in November 2015, the termination of Entergy Texas’s, Entergy Gulf States Louisiana’s, and Entergy Louisiana’s participation in the System Agreement after expiration of the proposed 60-month notice period or such other period as approved by the FERC;
- regulatory and operating challenges and uncertainties and economic risks associated with the Utility operating companies’ move to MISO, which occurred in December 2013, including the effect of current or projected MISO market rules and system conditions in the MISO markets, the allocation of MISO system transmission upgrade costs, and the effect of planning decisions that MISO makes with respect to future transmission investments by the Utility operating companies;
- 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, and the application of more stringent transmission reliability requirements or market power criteria by the FERC;
- changes in the regulation or regulatory oversight of Entergy’s nuclear generating facilities and nuclear materials and fuel, including with respect to the planned or potential shutdown of nuclear generating facilities owned or operated by Entergy Wholesale Commodities, and the effects of new or existing safety or environmental concerns regarding nuclear power plants and nuclear fuel;
- resolution of pending or future applications, and related regulatory proceedings and litigation, for license renewals or modifications or other authorizations required 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 and the ability to hedge, meet credit support requirements for hedges, 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, emissions allowances, and other energy-related commodities, and the effect of those changes on Entergy and its customers;

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FORWARD-LOOKING INFORMATION (Concluded)

- 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 dioxide, nitrogen oxide, greenhouse gases, mercury, and other regulated air and water emissions, and changes in costs of compliance with environmental and other laws and regulations;
- uncertainty regarding the establishment of interim or permanent sites for spent nuclear fuel and nuclear waste storage and disposal and the level of spent fuel disposal fees charged by the U.S. government related to such sites;
- variations in weather and the occurrence of hurricanes and other storms and disasters, including uncertainties associated with efforts to remediate the effects of hurricanes, ice storms, or other weather events 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;
- changes in the quality and availability of water supplies and the related regulation of water use and diversion;
- 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 area and the Northeast United States and events and circumstances that could influence economic conditions in those areas, and the risk that anticipated load growth may not materialize;
- 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;
- changes in technology, including with respect to new, developing, or alternative sources of generation;
- the potential effects of threatened or actual terrorism, cyber attacks or data security breaches, including increased security costs, 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;
- future wage and employee benefit costs, including changes in discount rates and returns on benefit plan assets;
- changes in decommissioning trust fund values or earnings or in the timing of or cost to decommission nuclear plant sites;
- the implementation of the shutdown of Vermont Yankee and the related decommissioning of Vermont Yankee;
- the effectiveness of Entergy’s risk management policies and procedures and the ability and willingness of its counterparties to satisfy their financial and performance commitments;
- factors that could lead to impairment of long-lived assets; and
- 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.

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DEFINITIONS

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

Abbreviation or Acronym	Term
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
ASLB	Atomic Safety and Licensing Board, the board within the NRC that conducts hearings and performs other regulatory functions that the NRC authorizes
ASU	Accounting Standards Update issued by the FASB
Board	Board of Directors of Entergy Corporation
Cajun	Cajun Electric Power Cooperative, Inc.
capacity factor	Actual plant output divided by maximum potential plant output for the period
City Council or Council	Council of the City of New Orleans, Louisiana
D.C. Circuit	U.S. Court of Appeals for the District of Columbia Circuit
DOE	United States Department of Energy
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 formally created as part of 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 formally created as part of 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, operation, and decommissioning of nuclear power plants, the ownership of interests in non-nuclear power plants, and the sale of the electric power produced by its operating power plants to wholesale customers
EPA	United States Environmental Protection Agency
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
FitzPatrick	James A. FitzPatrick Nuclear Power Plant (nuclear), owned by an Entergy subsidiary in the Entergy Wholesale Commodities business segment
Form 10-K	Annual Report on Form 10-K for the calendar year ended December 31, 2014 filed with the SEC by Entergy Corporation and its Registrant Subsidiaries
FTR	Financial transmission right
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, LLC
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

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DEFINITIONS (Concluded)

Abbreviation or Acronym	Term
IRS	Internal Revenue Service
ISO	Independent System Operator
kW	Kilowatt, which equals one thousand watts
kWh	Kilowatt-hour(s)
LPSC	Louisiana Public Service Commission
MISO	Midcontinent Independent System Operator, Inc., a regional transmission organization
MMBtu	One million British Thermal Units
MPSC	Mississippi Public Service Commission
MW	Megawatt(s), which equals one thousand kilowatts
MWh	Megawatt-hour(s)
Net debt to net capital ratio	Gross debt less cash and cash equivalents divided by total capitalization less cash and cash equivalents
Net MW in operation	Installed capacity owned and operated
NRC	Nuclear Regulatory Commission
NYPA	New York Power Authority
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 or power purchase 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
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. Entergy Arkansas terminated its participation in the System Agreement effective December 18, 2013.
System Energy	System Energy Resources, Inc.
TWh	Terawatt-hour(s), which equals one billion kilowatt-hours
Unit Power Sales Agreement	Agreement, dated as of June 10, 1982, as amended and approved by FERC, among Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy, relating to the sale of capacity and energy from System Energy’s share of Grand Gulf
Utility	Entergy’s business segment that generates, transmits, distributes, and sells electric power, with a small amount of natural gas distribution
Utility operating companies	Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and Entergy Texas
Vermont Yankee	Vermont Yankee Nuclear Power Station (nuclear), owned by an Entergy subsidiary in the Entergy Wholesale Commodities business segment, which ceased power production in December 2014
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

White Bluff	White Bluff Steam Electric Generating Station, 57% owned by Entergy Arkansas

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ENTERGY CORPORATION AND SUBSIDIARIES

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Entergy operates primarily through two business segments: Utility and Entergy Wholesale Commodities.

- The Utility business segment includes the generation, transmission, distribution, and sale of electric power in portions of Arkansas, Mississippi, Texas, and Louisiana, including the City of New Orleans; and operation of a small natural gas distribution business.
- The Entergy Wholesale Commodities business segment includes the ownership, operation, and decommissioning of nuclear power plants located in the northern United States and the sale of the electric power produced by its operating plants to wholesale customers. Entergy Wholesale Commodities also provides services to other nuclear power plant owners and owns interests in non-nuclear power plants that sell the electric power produced by those plants to wholesale customers.

Results of Operations

Second Quarter 2015 Compared to Second Quarter 2014

Following are income statement variances for Utility, Entergy Wholesale Commodities, Parent & Other, and Entergy comparing the second quarter 2015 to the second quarter 2014 showing how much the line item increased or (decreased) in comparison to the prior period:

	Utility	Entergy Wholesale Commodities	Parent & Other (a)	Entergy
	(In Thousands)			
2nd Quarter 2014 Consolidated Net Income (Loss)	$212,134	$26,463	($44,316)	$194,281
Net revenue (operating revenue less fuel expense, purchased power, and other regulatory charges/credits)	70,002	(120,622)	(745)	(51,365)
Other operation and maintenance	55,441	(47,189)	4,678	12,930
Asset write-off, impairments, and related charges	—	(1,667)	—	(1,667)
Taxes other than income taxes	2,232	1,676	(266)	3,642
Depreciation and amortization	16,170	(7,100)	(458)	8,612
Other income	2,882	12,856	(4,160)	11,578
Interest expense	6,873	2,560	(5,428)	4,005
Other expenses	5,353	(3,141)	—	2,212
Income taxes	(5,086)	(22,897)	(979)	(28,962)
2nd Quarter 2015 Consolidated Net Income (Loss)	$204,035	($3,545)	($46,768)	$153,722

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

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

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Net Revenue

Utility

Following is an analysis of the change in net revenue comparing the second quarter 2015 to the second quarter 2014:

	Amount (In Millions)
2014 net revenue	$1,418
Retail electric price	44
Volume/weather	31
Other	(5)
2015 net revenue	$1,488

The retail electric price variance is primarily due to:

- formula rate plan increases at Entergy Gulf States Louisiana and Entergy Louisiana, as approved by the LPSC, effective December 2014 and January 2015;
- an annual net rate increase at Entergy Mississippi of $16 million, effective February 2015, as a result of the MPSC order in the June 2014 rate case; and
- an increase in energy efficiency rider revenue primarily due to an increase in the energy efficiency rider at Entergy Arkansas, as approved by the APSC, effective July 2014 and new energy efficiency riders at Entergy Gulf States Louisiana, Entergy Louisiana, and Entergy Mississippi that began in the fourth quarter 2014. Energy efficiency revenues are largely offset by costs included in other operation and maintenance expenses and have a minimal effect on net income.

See Note 2 to the financial statements herein and in the Form 10-K for a discussion of rate proceedings.

The volume/weather variance is primarily due to the effect of weather on residential and commercial sales and an increase in unbilled sales volume, partially offset by a decrease in industrial usage. The decrease in industrial usage is primarily due to extended seasonal outages for existing large refinery customers, partially offset by new customers and expansion projects primarily in the chemicals industry. See “MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS - Critical Accounting Estimates - Unbilled Revenue” in the Form 10-K for further discussion of the accounting for unbilled revenues.

Entergy Wholesale Commodities

Following is an analysis of the change in net revenue comparing the second quarter 2015 to the second quarter 2014:

	Amount (In Millions)
2014 net revenue	$471
Vermont Yankee shutdown in December 2014	(55)
Nuclear realized price changes	(48)
Nuclear volume, excluding Vermont Yankee	(25)
Other	7
2015 net revenue	$350

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As shown in the table above, net revenue for Entergy Wholesale Commodities decreased by $121 million in the second quarter 2015 compared to the second quarter 2014 primarily due to:

- a decrease in net revenue as a result of Vermont Yankee ceasing power production in December 2014;
- lower realized wholesale energy prices and lower capacity prices; and
- lower volume in the Entergy Wholesale Commodities nuclear fleet resulting from more refueling and unplanned outage days in the second quarter 2015 as compared to the second quarter 2014.

Following are key performance measures for Entergy Wholesale Commodities for the second quarter 2015 and 2014:

	2015	2014
Owned capacity (MW) (a)	5,463	6,068
GWh billed	9,578	11,533
Average revenue per MWh	$45.87	$49.75
Entergy Wholesale Commodities Nuclear Fleet		
Capacity factor	89%	95%
GWh billed	8,555	10,588
Average revenue per MWh	$45.84	$49.79
Refueling Outage Days:		
Pilgrim	34	—

(a) The reduction in owned capacity is due to the retirement of the 605 MW Vermont Yankee plant in December 2014.

Revenue per MWh for Entergy Wholesale Commodities Nuclear Plants

See “MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS – Results of Operations - Realized Revenue per MWh for Entergy Wholesale Commodities Nuclear Plants” in the Form 10-K for a discussion of the effects of sustained low natural gas prices and power market structure challenges on market prices for electricity in the New York and New England power regions over the past few years. As shown in the contracted sale of energy table in “Market and Credit Risk Sensitive Instruments,” Entergy Wholesale Commodities has sold forward 88% of its planned nuclear energy output for the second half of 2015 for an expected average contracted energy price of $44 per MWh based on market prices at June 30, 2015. In addition, Entergy Wholesale Commodities has sold forward 81% of its planned nuclear energy output for 2016 for an expected average contracted energy price of $47 per MWh based on market prices at June 30, 2015.

The market price trend presents a challenging economic situation for the Entergy Wholesale Commodities plants. The challenge is greater for some of these plants based on a variety of factors such as their market for both energy and capacity, their size, their contracted positions, and the amount of investment required to continue to operate and maintain the safety and integrity of the plants, including the estimated asset retirement costs. In addition, currently the market structure in which the plants operate does not adequately compensate merchant nuclear plants for their environmental and fuel diversity benefits in the region. If, in the future, economic conditions or regulatory activity no longer support the continued operation or recovery of the costs of a plant it could adversely affect Entergy’s results of operations through loss of revenue, impairment charges, increased depreciation rates, transitional costs, or accelerated decommissioning costs.

Impairment of long-lived assets and nuclear decommissioning costs, and the factors that influence these items, are both discussed in the Form 10-K in “Critical Accounting Estimates.”

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Other Income Statement Items

Utility

Other operation and maintenance expenses increased from $556 million for the second quarter 2014 to $612 million for the second quarter 2015 primarily due to:

- an increase of $27 million in nuclear generation expenses primarily due to higher labor costs, including contract labor, and an increase in regulatory compliance costs. The increase in regulatory compliance costs is primarily related to additional NRC inspection activities in second quarter 2015 as a result of the NRC's March 2015 decision to move ANO into the "multiple/repetitive degraded cornerstone column" of the NRC's reactor oversight process action matrix. See "ANO Damage, Outage, and NRC Reviews" below and in the Form 10-K for a discussion of the ANO stator incident and subsequent NRC reviews;
- an increase of $9 million in transmission expenses primarily due to an increase in the amount of transmission costs allocated by MISO. The net income effect is partially offset due to the method of recovery of these costs in certain jurisdictions. See Note 2 to the financial statements in the Form 10-K for further information on the recovery of these costs;
- an increase of $9 million in distribution expenses primarily due to vegetation maintenance;
- an increase of $8 million in energy efficiency costs. These costs are recovered through energy efficiency riders and have a minimal effect on net income;
- an increase of $6 million in fossil-fueled generation expenses primarily due to an increase in scope of work during second quarter 2015 compared to second quarter 2014; and
- an increase of $5 million due to the timing of annual Nuclear Electric Insurance Limited distributions received in 2015 as compared to 2014.

The increase was partially offset by a decrease of $7 million related to incentives recognized as a result of participation in energy efficiency programs and a decrease of $5 million in storm damage accruals primarily at Entergy Mississippi. See Note 2 to the financial statements in the Form 10-K for a discussion of storm cost recovery.

Depreciation and amortization expenses increased primarily due to additions to plant in service, including the Ninemile Unit 6 project which was placed in service in December 2014.

Entergy Wholesale Commodities

Other operation and maintenance expenses decreased from $259 million for the second quarter 2014 to $212 million for the second quarter 2015 primarily due to the shutdown of Vermont Yankee, which ceased power production in December 2014.

Depreciation and amortization expenses decreased primarily due to decreases in depreciable asset balances as a result of the shutdown of Vermont Yankee, which ceased power production in December 2014. See Note 1 to the financial statements in the Form 10-K for further discussion of impairment of long-lived assets.

Other income increased primarily due to realized decommissioning trust gains in the second quarter 2015 that resulted from portfolio reallocations for the Vermont Yankee nuclear decommissioning trust funds.

Income Taxes

The effective income tax rate was 39.4% for the second quarter 2015. The difference in the effective income tax rate for the second quarter 2015 versus the federal statutory rate of 35% was primarily due to state income taxes and certain book and tax differences related to utility plant items, partially offset by book and tax differences related to the allowance for equity funds used during construction.

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The effective income tax rate was 39.9% for the second quarter 2014. The difference in the effective income tax rate for the second quarter 2014 versus the federal statutory rate of 35% was primarily due to state income taxes, the provision for uncertain tax positions, and certain book and tax differences related to utility plant items.

Six Months Ended June 30, 2015 Compared to Six Months Ended June 30, 2014

Following are income statement variances for Utility, Entergy Wholesale Commodities, Parent & Other, and Entergy comparing the six months ended June 30, 2015 to the six months ended June 30, 2014 showing how much the line item increased or (decreased) in comparison to the prior period:

	Utility	Entergy Wholesale Commodities	Parent & Other (a)	Entergy
	(In Thousands)			
2014 Consolidated Net Income (Loss)	$417,574	$268,933	($86,173)	$600,334
Net revenue (operating revenue less fuel expense, purchased power, and other regulatory charges/credits)	143,119	(342,060)	(1,659)	(200,600)
Other operation and maintenance	113,630	(67,486)	1,186	47,330
Asset write-off, impairments, and related charges	—	(3,937)	—	(3,937)
Taxes other than income taxes	12,430	(5,944)	211	6,697
Depreciation and amortization	27,903	(14,984)	(1,044)	11,875
Other income	17,222	35,797	(9,263)	43,756
Interest expense	12,731	3,414	(7,451)	8,694
Other expenses	8,334	3,303	—	11,637
Income taxes	(28,899)	(71,583)	5,025	(95,457)
2015 Consolidated Net Income (Loss)	$431,786	$119,887	($95,022)	$456,651

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

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

Net Revenue

Utility

Following is an analysis of the change in net revenue comparing the six months ended June 30, 2015 to the six months ended June 30, 2014:

	Amount
	(In Millions)
2014 net revenue	$2,755
Retail electric price	112
Volume/weather	40
MISO deferral	(19)
Other	10
2015 net revenue	$2,898

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The retail electric price variance is primarily due to:

- formula rate plan increases at Entergy Gulf States Louisiana and Entergy Louisiana, as approved by the LPSC, effective December 2014 and January 2015;
- an annual net rate increase at Entergy Mississippi of $16 million, effective February 2015, as a result of the MPSC order in the June 2014 rate case; and
- an increase in energy efficiency rider revenue primarily due to an increase in the energy efficiency rider at Entergy Arkansas, as approved by the APSC, effective July 2014 and new energy efficiency riders at Entergy Gulf States Louisiana, Entergy Louisiana, and Entergy Mississippi that began in the fourth quarter 2014. Energy efficiency revenues are largely offset by costs included in other operation and maintenance expenses and have a minimal effect on net income.

See Note 2 to the financial statements herein and in the Form 10-K for a discussion of rate proceedings.

The volume/weather variance is primarily due to an increase in unbilled sales volume and an increase in industrial usage. The increase in industrial usage is primarily due to new customers and expansion projects primarily in the chemicals industry, partially offset by extended seasonal outages for existing large refinery customers and in the industrial gases industry. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Critical Accounting Estimates - Unbilled Revenue" in the Form 10-K for further discussion of the accounting for unbilled revenues.

The MISO deferral variance is primarily due to the deferral in 2014 of non-fuel MISO-related charges, as approved by the LPSC and the MPSC. The deferral of non-fuel MISO-related charges is partially offset in other operation and maintenance expenses. See Note 2 to the financial statements in the Form 10-K for further discussion of the recovery of non-fuel MISO-related charges.

Entergy Wholesale Commodities

Following is an analysis of the change in net revenue comparing the six months ended June 30, 2015 to the six months ended June 30, 2014:

	Amount (In Millions)
2014 net revenue	$1,219
Vermont Yankee shutdown in December 2014	(209)
Nuclear realized price changes	(147)
Mark-to-market, excluding Vermont Yankee	(52)
Nuclear volume, excluding Vermont Yankee	42
Other	24
2015 net revenue	$877

As shown in the table above, net revenue for Entergy Wholesale Commodities decreased by $342 million in the six months ended June 30, 2015 compared to the six months ended June 30, 2014 primarily due to:

- a decrease in net revenue as a result of Vermont Yankee ceasing power production in December 2014;
- lower realized wholesale energy prices and lower capacity prices; and
- mark-to-market activity, which was negative for the six months ended June 30, 2015. In the fourth quarter 2014, Entergy Wholesale Commodities entered into electricity derivative instruments that were not designated as hedges,

including additional financial power sales to lock in margins on some in-the-money purchased call options. When these positions settled, the turnaround of the positive year-end 2014 mark contributed to the negative mark-to-market variance for the six months ended June 30, 2015. In the fourth quarter 2013, Entergy

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Wholesale Commodities also entered into similar transactions. The effect of increases in forward prices resulted in negative mark-to-market activity in fourth quarter 2013. The turnaround of the negative year-end 2013 mark resulted in a positive mark in the six months ended June 30, 2014, which also contributed to the negative mark-to-market variance for the six months ended June 30, 2015. See Note 16 to the financial statements in the Form 10-K and Note 8 to the financial statements herein for discussion of derivative instruments.

The decrease was partially offset by higher volume in the Entergy Wholesale Commodities nuclear fleet resulting from fewer refueling outage days in the six months ended June 30, 2015 compared to the six months ended June 30, 2014 and larger exercise of resupply options in the six months ended June 30, 2014 compared to the six months ended June 30, 2015, partially offset by more unplanned outage days in the six months ended June 30, 2015 compared to the six months ended June 30, 2014.

Following are key performance measures for Entergy Wholesale Commodities for the six months ended June 30, 2015 and 2014:

	2015	2014
Owned capacity (MW) (a)	5,463	6,068
GWh billed	19,170	21,547
Average revenue per MWh	$56.44	$68.77
Entergy Wholesale Commodities Nuclear Fleet		
Capacity factor	89%	89%
GWh billed	17,173	19,667
Average revenue per MWh	$55.85	$67.83
Refueling Outage Days:		
Indian Point 2	—	24
Indian Point 3	23	—
Palisades	—	56
Pilgrim	34	—

(a) The reduction in owned capacity is due to the retirement of the 605 MW Vermont Yankee plant in December 2014.

Other Income Statement Items

Utility

Other operation and maintenance expenses increased from $1,054 million for the six months ended June 30, 2014 to $1,167 million for the six months ended June 30, 2015 primarily due to:

- an increase of $39 million in nuclear generation expenses primarily due to an increase in regulatory compliance costs, higher labor costs, including contract labor, and an overall higher scope of work done in 2015 as compared to the same period in 2014. The increase in regulatory compliance costs is primarily related to additional NRC inspection activities in 2015 as a result of the NRC’s March 2015 decision to move ANO into the “multiple/repetitive degraded cornerstone column” of the NRC’s reactor oversight process action matrix. See “ANO Damage, Outage, and NRC Reviews” below and in the Form 10-K for a discussion of the ANO stator incident and subsequent NRC reviews;
- an increase of $23 million in fossil-fueled generation expenses primarily due to an overall higher scope of work done in 2015 as compared to the same period in 2014 and higher long-term service agreement costs as a result of increased operation of certain plants;

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- an increase of $16 million in transmission expenses primarily due to an increase in the amount of transmission costs allocated by MISO. The net income effect is partially offset due to the method of recovery of these costs in certain jurisdictions. See Note 2 to the financial statements in the Form 10-K for further information on the recovery of these costs;
- an increase of $15 million in energy efficiency costs, including the effects of true-ups to the energy efficiency filings for fixed costs to be collected from customers. These costs are recovered through energy efficiency riders and have a minimal effect on net income; and
- an increase of $12 million in distribution expenses primarily due to vegetation maintenance.

Taxes other than income taxes increased primarily due to increases in payroll taxes and ad valorem taxes.

Depreciation and amortization expenses increased primarily due to additions to plant in service, including the Ninemile Unit 6 project which was placed in service in December 2014.

Other income increased primarily due to:

- an increase in realized gains on decommissioning trust fund investments in the six months ended June 30, 2015 as compared to the six months ended June 30, 2014. There is no effect on net income as the trust fund realized gains are offset by a corresponding amount of regulatory charges; and
- an increase in income earned on preferred membership interests purchased from Entergy Holdings Company with the proceeds received in August 2014 from the Act 55 storm cost financing. The distributions on preferred membership interests are eliminated in consolidation and have no effect on Entergy’s net income because the investment is in another Entergy subsidiary. See Note 2 to the financial statements in the Form 10-K for a discussion of the Act 55 storm cost financing.

The increase was partially offset by a decrease in allowance for equity funds used during construction due to a higher construction work in progress balance in 2014, which included the Ninemile Unit 6 project which was placed in service in December 2014.

Interest expense increased primarily due to net debt issuances in the fourth quarter 2014 by certain Utility operating companies including the issuance by Entergy Louisiana in November 2014 of $250 million of 4.95% Series first mortgage bonds due January 2045 and the issuance by Entergy Arkansas in December 2014 of $250 million of 4.95% Series first mortgage bonds due December 2044.

Entergy Wholesale Commodities

Other operation and maintenance expenses decreased from $492 million for the six months ended June 30, 2014 to $425 million for the six months ended June 30, 2015 primarily due to the shutdown of Vermont Yankee, which ceased power production in December 2014. The decrease was partially offset by lower deferral of costs for future amortization as a result of fewer refueling outage days.

Depreciation and amortization expenses decreased primarily due to decreases in depreciable asset balances as a result of the shutdown of Vermont Yankee, which ceased power production in December 2014. See Note 1 to the financial statements in the Form 10-K for further discussion of impairment of long-lived assets.

Other income increased primarily due to higher realized gains on decommissioning trust fund investments in 2015 as compared to 2014, including portfolio reallocations for the Vermont Yankee nuclear decommissioning trust funds.

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Income Taxes

The effective income tax rate was 35.4% for the six months ended June 30, 2015. The difference in the effective income tax rate for the six months ended June 30, 2015 versus the federal statutory rate of 35% was primarily due to state income taxes and certain book and tax differences related to utility plant items, partially offset by the reversal of a portion of the provision for uncertain tax positions resulting from the receipt of finalized tax and interest computations for the 2006-2007 audit from the IRS and book and tax differences related to the allowance for equity funds used during construction. See Note 10 to the financial statements for a discussion of the finalized tax and interest computations for the 2006-2007 IRS audit.

The effective income tax rate was 36.5% for the six months ended June 30, 2014. The difference in the effective income tax rate for the six months ended June 30, 2014 versus the federal statutory rate of 35% was primarily due to the provision for uncertain tax positions and certain book and tax differences related to utility plant items, partially offset by book and tax differences related to the allowance for equity funds used during construction and from a deferred state income tax reduction related to a New York tax law change. See Note 3 to the financial statements in the Form 10-K for a discussion of the New York tax law change.

Entergy Wholesale Commodities Authorizations to Operate Its Nuclear Power Plants

See the Form 10-K for a discussion of the NRC operating licenses for Indian Point 2 and Indian Point 3 and the NRC license renewal joint application in process for these plants. Following are updates to the discussion regarding the NRC and related proceedings.

In March 2015 the NRC resolved the remaining appeals from the ASLB’s Track 1 decisions in favor of Entergy and NRC staff. Those appeals addressed electrical transformers and environmental justice. All filings in response to the NRC’s request for additional information on Severe Accident Mitigation Alternatives (SAMA) issues raised by the pending two SAMA-related appeals have been completed. There is no deadline for the NRC to act on the SAMA-related appeals.

In March 2015 the ASLB granted New York State’s motions to amend and update two of the remaining three previously-admitted Track 2 contentions. The ASLB scheduled Track 2 hearings for November 2015.

As discussed in the Form 10-K, independent of the ASLB process, the NRC staff has performed its technical and environmental reviews of the Indian Point 2 and Indian Point 3 license renewal application. In June 2015 the NRC staff advised the ASLB that the schedule for issuance of a further Final Supplemental Environmental Impact Statement (FSEIS) supplement to address new information would be postponed by six months. Under the updated schedule, the new final FSEIS supplement is expected to be issued in September 2016.

In March 2015 the New York State Department of Environmental Conservation (NYSDEC) staff withdrew from consideration at trial before the ALJs its proposal for annual fish protection outages of 92 days. NYSDEC staff and Riverkeeper continue to advance other annual outage proposals. NYSDEC staff also withdrew from further consideration a $24 million annual interim payment that had been proposed as a condition of the draft water pollution control permit.

In March 2015, New York State Department of State’s (NYSDOS) motion for reargument or, alternatively, for leave to appeal the December 2014 Coastal Zone Management Act grandfathering decision to the New York State Court of Appeals was denied by the Appellate Division. In April 2015, as permitted by New York rules, NYSDOS filed a separate motion directly with the State Court of Appeals requesting leave to appeal that decision. The State Court of Appeals granted NYSDOS's motion for leave to appeal in June 2015 and scheduled briefing on the appeal through January 2016.

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In June 2015, Entergy and NYSDOS executed an agreement extending their agreement intended to preserve the parties’ respective positions on the effectiveness of Entergy’s November 2014 notice withdrawing the Indian Point consistency certification. Under the extension agreement, if NYSDOS is correct that withdrawal was not effective, the parties will be deemed to have agreed to a stay until September 28, 2015, thus making the deemed deadline for decision on the 2012 consistency certification October 5, 2015.

ANO Damage, Outage, and NRC Reviews

See “MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS - ANO Damage, Outage, and NRC Reviews” in the Form 10-K for a discussion of the ANO stator incident and subsequent NRC reviews.

As discussed in the Form 10-K, in January 2015 the NRC issued its final risk significance determination for the flood barrier violation originally cited in the September 2014 report. The NRC’s final risk significance determination was classified as “yellow with substantial safety significance.” In March 2015 the NRC issued a letter notifying Entergy of its decision to move ANO into the “multiple/repetitive degraded cornerstone column” of the NRC’s reactor oversight process action matrix. Placement into this column will require significant additional NRC inspection activities at the ANO site, including a review of the site’s root cause evaluation associated with the flood barrier and stator issues, an assessment of the effectiveness of the site’s corrective action program, an additional design basis inspection, a safety culture assessment, and possibly other inspection activities consistent with the NRC’s Inspection Procedure. Excluding remediation and response costs that may result from the additional NRC inspection activities, Entergy Arkansas expects to incur incremental costs of approximately $50 million in 2015, of which $18 million has been incurred as of June 30, 2015, and approximately $35 million in 2016 to prepare for the NRC inspection expected to occur in early 2016.

Liquidity and Capital Resources

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

Capital Structure

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

	June 30, 2015		December 31, 2014	
Debt to capital	57.0	%	57.6	%
Effect of excluding the securitization bonds	(1.4	%)	(1.4	%)
Debt to capital, excluding securitization bonds (a)	55.6	%	56.2	%
Effect of subtracting cash	(1.7	%)	(2.8	%)
Net debt to net capital, excluding securitization bonds (a)	53.9	%	53.4	%

(a) Calculation excludes the Arkansas, Louisiana, and Texas securitization bonds, which are non-recourse to Entergy Arkansas, Entergy Louisiana, and Entergy Texas, respectively.

Net debt consists of debt less cash and cash equivalents. Debt consists of notes payable and commercial paper, 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 debt to capital ratios excluding securitization bonds in analyzing its financial condition and believes they provide useful information to its investors and creditors in evaluating Entergy's financial condition because the securitization bonds are non-recourse to Entergy, as more fully described in Note 5 to the financial statements in the Form 10-K. Entergy also uses the net debt to net capital ratio excluding securitization bonds in analyzing its financial condition and believes it provides useful information to its investors and creditors in evaluating

Entergy's financial condition because net debt indicates Entergy's outstanding debt position that could not be readily satisfied by cash and cash equivalents on hand.

Entergy Corporation has in place a credit facility that has a borrowing capacity of $3.5 billion and expires in March 2019. Entergy Corporation also has the ability to issue letters of credit against 50% of the total borrowing capacity of the credit facility. The commitment fee is currently 0.275% of the undrawn commitment amount. Commitment 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 six months ended June 30, 2015 was 1.94% on the drawn portion of the facility. Following is a summary of the borrowings outstanding and capacity available under the facility as of June 30, 2015:

Capacity	Borrowings	Letters of Credit	Capacity Available
(In Millions)			
$3,500	$271	$9	$3,220

A covenant in Entergy Corporation's credit facility requires Entergy 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 is different than the calculation of the debt to capital ratio above. Entergy is currently in compliance with the covenant. If Entergy fails to meet this ratio, or if Entergy or one of the Utility operating companies (except Entergy New Orleans) defaults on other indebtedness or is in bankruptcy or insolvency proceedings, an acceleration of the facility's maturity date may occur. 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.

In January 2015, Entergy Nuclear Vermont Yankee entered into a credit facility with a borrowing capacity of $60 million and an uncommitted credit facility with a borrowing capacity of $85 million. Both facilities are guaranteed by Entergy Corporation and will expire in January 2018. As of June 30, 2015, no amounts were outstanding under these facilities. See Note 4 to the financial statements herein for additional discussion of these facilities.

Entergy Corporation has a commercial paper program with a Board-approved program limit of up to $1.5 billion. As of June 30, 2015, Entergy Corporation had $895 million of commercial paper outstanding. The weighted-average interest rate for the six months ended June 30, 2015 was 0.89%.

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 2015 through 2017. Following are updates to the discussion in the Form 10-K.

Union Power Station Purchase Agreement

As discussed in the Form 10-K, in December 2014, Entergy Arkansas, Entergy Gulf States Louisiana, and Entergy Texas entered into an asset purchase agreement to acquire the Union Power Station. The Union Power Station is a 1,980 MW (summer rating) power generation facility that consists of four power blocks, each rated at 495 MW. The purchase of the Union Power Station is contingent upon, among other things, obtaining necessary approvals, including cost recovery, from various federal and state regulatory and permitting agencies.

In December 2014, Entergy Texas filed its application for Certificate of Convenience and Necessity (CCN) with the PUCT seeking one of the two necessary PUCT approvals of the acquisition. In April 2015 intervenors, the Office of Public Utility Counsel, the Texas Industrial Energy Consumers, and the East Texas Electric Cooperative each filed testimony opposing the transaction. In May 2015, PUCT staff filed testimony opposing the transaction. The PUCT held a hearing in June 2015 on Entergy Texas's CCN application, resulting in a PUCT request for additional testimony, which Entergy Texas and intervenors filed in June and July 2015. In a separate proceeding initiated in June 2015, Entergy Texas filed a rate application to seek cost recovery of its power block acquisition costs and other costs. In July 2015 the PUCT requested briefing on legal and policy issues related to post-test year adjustments and other rate-recovery issues in Entergy Texas's base rate case. Based on the opposition to the acquisition of the power block, Entergy Texas determined it was appropriate to seek to dismiss the CCN filing and withdraw the rate case. In July 2015, Entergy Texas withdrew the rate case and, together with other parties, filed a motion with the PUCT to dismiss Entergy Texas's CCN application. On July 30, 2015, the PUCT granted the motion to dismiss the CCN case. The power block originally allocated to Entergy Texas will be acquired by Entergy New Orleans, subject to City Council approval and the satisfaction of other conditions to close the transaction. The acquisition by Entergy New Orleans would replace the power purchase agreement with Entergy Gulf States Louisiana that the City Council approved in June 2015. Entergy New Orleans will file an application for authorization to proceed with the acquisition and plans to seek City Council resolution by a date that would support closing the transaction by the end of 2015.

In January 2015, Entergy Gulf States Louisiana filed its application with the LPSC for approval of the acquisition and cost recovery. In May 2015 the LPSC staff and intervenors filed testimony. The LPSC staff supports the transaction. In June 2015, Entergy Gulf States Louisiana filed rebuttal testimony. Supplemental testimony was submitted in July 2015 explaining the reallocation of one of the power blocks to Entergy New Orleans. A hearing is scheduled in September 2015 with a decision expected in fourth quarter 2015.

In January 2015, Entergy Arkansas filed its application with the APSC for approval of the acquisition and cost recovery. The APSC staff and the Arkansas Attorney General filed testimony stating that the acquisition is in the public interest. Only one party intervened opposing the acquisition. In July 2015, Entergy Arkansas filed rebuttal testimony. A hearing is scheduled in September 2015 with a decision expected in November 2015.

In February 2015, Entergy Arkansas, Entergy Gulf States Louisiana, and Entergy Texas filed a notification and report form pursuant to the Hart-Scott-Rodino Antitrust Improvements Act (HSR Act) with the United States Department of Justice (DOJ) and Federal Trade Commission with respect to their planned acquisition of the Union Power Station. Union Power Partners, L.P. (UPP), the seller, also filed a notification and report form in February 2015. In March 2015 the DOJ requested additional information and documentary material from each of the purchasing companies and UPP. Also in March 2015, UPP, Entergy Arkansas, Entergy Gulf States Louisiana, and Entergy Texas filed an application with the FERC requesting authorization for the transaction. In April 2015, Entergy Texas and Entergy Gulf States Louisiana made a filing with the FERC to request authorization to recover their portions of the expected positive acquisition adjustment associated with the acquisition of the Union Power Station. Also in April 2015, Entergy Arkansas, Entergy Gulf States Louisiana, and Entergy Texas made a filing with the FERC for approval of their proposed accounting treatment of the amortization expenses relating to the acquisition adjustment. Closing is targeted to occur in late-2015.

Dividends

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 July 2015 meeting, the Board declared a dividend of $0.83 per share, which is the same quarterly dividend per share that Entergy has paid since the second quarter 2010.

Sources of Capital

In July 2015, Entergy Corporation issued $650 million of 4.0% Series senior notes due July 2022. Entergy Corporation will use the proceeds to pay, at maturity, its $550 million of 3.625% Series senior notes due September 2015, to repay a portion of its commercial paper outstanding, and to repay borrowings under the Entergy Corporation credit facility.

Hurricane Isaac

See the Form 10-K for a discussion of damages caused by Hurricane Isaac in August 2012. In May 2015, the City Council issued a financing order authorizing the issuance of securitization bonds to recover Entergy New Orleans's Hurricane Isaac storm restoration costs of $31.8 million, including carrying costs, the costs of funding and replenishing the storm recovery reserve in the amount of $63.9 million, and approximately $3 million for estimated up-front financing costs associated with the securitization. See Note 4 to the financial statements herein for a discussion of the July 2015 issuance of the securitization bonds.

Cash Flow Activity

As shown in Entergy's Consolidated Statements of Cash Flows, cash flows for the six months ended June 30, 2015 and 2014 were as follows:

	2015	2014
	(In Millions)	
Cash and cash equivalents at beginning of period	$1,422	$739
Cash flow provided by (used in):		
Operating activities	1,338	1,529
Investing activities	(1,370)	(1,391)
Financing activities	(480)	(227)
Net decrease in cash and cash equivalents	(512)	(89)
Cash and cash equivalents at end of period	$910	$650

Operating Activities

Net cash flow provided by operating activities decreased $191 million for the six months ended June 30, 2015 compared to the six months ended June 30, 2014 primarily due to:

- lower Entergy Wholesale Commodities net revenues in 2015 as compared to the same period in 2014, as discussed previously;
- an increase in income tax payments of $71 million primarily due to payments made in 2015 for the final settlement of amounts outstanding associated with the 2006-2007 IRS audit. See Note 10 to the financial statements for a discussion of the finalized tax and interest computations for the 2006-2007 IRS audit;
- an increase in spending of $50 million in 2015 related to Vermont Yankee, including severance and retention payments accrued in 2014 and defueling activities that took place after the plant ceased power production in December 2014;
- an increase of $28 million in interest paid in 2015 compared to the same period in 2014 primarily due to an increase in interest paid on the Grand Gulf sale-leaseback obligation. See Note 10 to the financial statements in the Form 10-K for details of the Grand Gulf sale-leaseback obligation; and
- an increase of $26 million in pension contributions in 2015. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates – Qualified Pension and Other Postretirement Benefits" in the Form 10-K and Note 6 to the financial statements herein for a discussion of qualified pension and other postretirement benefits funding.

The decrease was partially offset by:

- increased recovery of fuel costs in 2015 as compared to the same period in 2014;
- higher Utility net revenues in 2015 as compared to the same period in 2014, as discussed above;

- a decrease of $32 million in storm restoration spending in 2015 as compared to the same period in 2014; and
- a decrease of $24 million in spending on nuclear refueling outages in 2015 as compared to the same period in 2014.

Investing Activities

Net cash flow used in investing activities decreased $21 million for the six months ended June 30, 2015 compared to the six months ended June 30, 2014 primarily due to:

- deposit of Entergy Louisiana bond proceeds with a trustee in June 2014. Entergy Louisiana issued $170 million of 5.0% Series first mortgage bonds in June 2014 and used the proceeds, in July 2014, to redeem, prior to maturity, its $70 million of 6.4% Series first mortgage bonds due October 2034 and its $100 million of 6.3% Series first mortgage bonds due September 2035;
- a decrease in nuclear fuel purchases due to variations from year to year in the timing and pricing of fuel reload requirements, material and services deliveries, and the timing of cash payments during the nuclear fuel cycle; and
- disbursements from the Vermont Yankee decommissioning trust funds.

The decrease was partially offset by:

- an increase in construction expenditures primarily due to an overall higher scope of work on various projects, compliance with NRC post-Fukushima requirements, and a higher scope of work during plant outages in 2015 as compared to the same period in 2014, partially offset by a decrease in storm restoration spending and a decrease in spending on the Ninemile Unit 6 self-build project;
- a change in collateral deposit activity, reflected in the “Increase in other investments” line on the Consolidated Statement of Cash Flows, as certain Utility operating companies posted cash collateral of $54 million to support their obligations to MISO and Entergy Wholesale Commodities received net deposits of $28 million in 2014. Entergy Wholesale Commodities’ forward sales contracts are discussed in the “Market and Credit Risk Sensitive Instruments” section below;
- a decrease of $15 million in insurance proceeds primarily due to $13 million received in the first quarter 2015 related to the Baxter Wilson plant event and $24 million received in the first quarter 2014 for property damages related to the generator stator incident at ANO. See Note 1 to the financial statements herein and Note 8 to the financial statements in the Form 10-K for a discussion of the Baxter Wilson plant event and the ANO stator incident; and
- proceeds from the sale of aircraft in first quarter 2014.

Financing Activities

Net cash flow used in financing activities increased $253 million for the six months ended June 30, 2015 compared to the six months ended June 30, 2014 primarily due to:

- long-term debt activity using approximately $519 million of cash in 2015 compared to providing $7 million of cash in 2014. Included in the long-term debt activity is $424 million in 2015 and $60 million in 2014 for the repayment of borrowings on the Entergy Corporation long-term credit facility;
- a net decrease of $199 million in 2015 in short-term borrowings by the nuclear fuel company variable interest entities; and
- a decrease of $57 million in treasury stock issuances in 2015 primarily due to a larger amount of previously repurchased Entergy Corporation stock issued in 2014 to satisfy stock option exercises.

The increase was partially offset by net issuances of $411 million of commercial paper in 2015 compared to net repayments of $136 million of commercial paper in 2014.

For details of long-term debt activity and Entergy’s commercial paper program in 2015, see Note 4 to the financial statements herein and Note 5 to the financial statements 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.

Federal Regulation

See the Form 10-K for a discussion of federal regulatory proceedings.

Entergy’s Integration Into the MISO Regional Transmission Organization

See the Form 10-K for a discussion of pending FERC proceedings regarding Entergy’s integration into the MISO RTO. The following is an update to that discussion.

In May 2015, several parties filed a complaint against MISO related to certain charges for transmission service provided by MISO to them when their point-to-point service under the Entergy open access transmission tariff was transitioned to the MISO tariff in December 2013. The complainants request that the FERC order refunds for alleged overcharges since December 2013, or alternatively that the FERC institute a proceeding under Section 206 of the Federal Power Act to address the legality of transmission applicable rates and establish a different fifteen-month refund period from the period established in the FERC’s February 2014 order. In June 2015, another party filed a similar complaint against MISO. MISO filed answers to both complaints asking the FERC to dismiss the complaints and Entergy filed protests in support of MISO’s answers. Also in June 2015, the FERC issued an order denying rehearing of certain determinations in the February 2014 order regarding MISO’s regional through and out rates.

Market and Credit Risk Sensitive Instruments

Commodity Price Risk

Power Generation

As a wholesale generator, Entergy Wholesale Commodities’ core business is selling energy, measured in MWh, to its customers. Entergy Wholesale Commodities enters into forward contracts with its customers and also sells energy in the day ahead or spot markets. In addition to selling the energy produced by its plants, Entergy Wholesale Commodities sells unforced capacity, which allows load-serving entities to meet specified reserve and related requirements placed on them by the ISOs in their respective areas. Entergy Wholesale Commodities’ forward physical power contracts consist of contracts to sell energy only, contracts to sell capacity only, and bundled contracts in which it sells both capacity and energy. While the terminology and payment mechanics vary in these contracts, each of these types of contracts requires Entergy Wholesale Commodities to deliver MWh of energy, make capacity available, or both. In addition to its forward physical power contracts, Entergy Wholesale Commodities also uses a combination of financial contracts, including swaps, collars, and options, to manage forward commodity price risk. Certain hedge volumes have price downside and upside relative to market price movement. The contracted minimum, expected value, and sensitivities are provided in the table below to show potential variations. The sensitivities may not reflect the total maximum upside potential from higher market prices. The information contained in the following table represents projections at a point in time and will vary over time based on numerous factors, such as future market prices, contracting activities, and generation. Following is a summary of Entergy Wholesale Commodities' current forward capacity and generation contracts as well as total revenue projections based on market prices as of June 30, 2015 (2015 represents the remainder of the year):

Entergy Wholesale Commodities Nuclear Portfolio					
	2015	2016	2017	2018	2019
Energy					
Percent of planned generation under contract (a):					
Unit-contingent (b)	41%	32%	14%	14%	16%
Unit-contingent with availability guarantees (c)	22%	17%	18%	3%	3%
Firm LD (d)	43%	32%	7%	—%	—%
Offsetting positions (e)	(18%)	—%	—%	—%	—%
Total	88%	81%	39%	17%	19%
Planned generation (TWh) (f) (g)	18	36	35	35	36
Average revenue per MWh on contracted volumes:					
Minimum	$43	$45	$48	$56	$57
Expected based on market prices as of June 30, 2015	$44	$47	$50	$56	$57
Sensitivity: -/+ $10 per MWh market price change	$43-$45	$46-$48	$49-$52	$56	$57
Capacity					
Percent of capacity sold forward (h):					
Bundled capacity and energy contracts (i)	17%	17%	18%	18%	18%
Capacity contracts (j)	45%	16%	16%	16%	7%
Total	62%	33%	34%	34%	25%
Planned net MW in operation (g)	4,406	4,406	4,406	4,406	4,406
Average revenue under contract per kW per month (applies to capacity contracts only)	$5.8	$3.4	$5.6	$9.4	$11.1
Total Nuclear Energy and Capacity Revenues					
Expected sold and market total revenue per MWh	$48	$49	$48	$49	$51
Sensitivity: -/+ $10 per MWh market price change	$47-$51	$46-$52	$42-$55	$41-$57	$43-$59

Entergy Wholesale Commodities Non-Nuclear Portfolio

	2015	2016	2017	2018	2019
Energy					
Percent of planned generation under contract (a):					
Cost-based contracts (k)	34%	36%	34%	34%	34%
Firm LD (d)	17%	7%	7%	7%	7%
Total	51%	43%	41%	41%	41%
Planned generation (TWh) (f) (l)	3	6	6	6	6
Capacity					
Percent of capacity sold forward (h):					
Cost-based contracts (k)	24%	24%	26%	26%	26%
Bundled capacity and energy contracts (i)	8%	8%	8%	8%	8%
Capacity contracts (j)	53%	53%	57%	57%	24%
Total	85%	85%	91%	91%	58%
Planned net MW in operation (l)	1,052	1,052	977	977	977

(a) Percent of planned generation output sold or purchased forward under contracts, forward physical contracts, forward financial contracts, or options that mitigate price uncertainty that may require regulatory approval or approval of transmission rights. Positions that are not classified as hedges are netted in the planned generation under contract.

(b) Transaction under which power is supplied from a specific generation asset; if the asset is not operating, the seller is generally not liable to buyer for any damages.

(c) 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.

(d) 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, defaulting party must compensate the other party as specified in the contract, a portion of which may be capped through the use of risk management products. This also includes option transactions that may expire without being exercised.

(e) Transactions for the purchase of energy, generally to offset a Firm LD transaction.

(f) Amount of output expected to be generated by Entergy Wholesale Commodities resources considering plant operating characteristics, outage schedules, and expected market conditions that affect dispatch.

(g) Assumes NRC license renewals for plants whose current licenses expire within five years, and uninterrupted normal operation at all operating plants. NRC license renewal applications are in process for two units, as follows (with current license expirations in parentheses): Indian Point 2 (September 2013 and now operating under its period of extended operations while its application is pending) and Indian Point 3 (December 2015). For a discussion regarding the license renewals for Indian Point 2 and Indian Point 3, see "Entergy Wholesale Commodities Authorizations to Operate Its Nuclear Power Plants" above and in the Form10-K.

(h) Percent of planned qualified capacity sold to mitigate price uncertainty under physical or financial transactions.

(i) A contract for the sale of installed capacity and related energy, priced per megawatt-hour sold.

(j) A contract for the sale of an installed capacity product in a regional market.

(k) Contracts priced in accordance with cost-based rates, a ratemaking concept used for the design and development of rate schedules to ensure that the filed rate schedules recover only the cost of providing the service; these contracts are on owned non-utility resources located within Entergy's Utility service area and were executed

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prior to receiving market-based rate authority under MISO. The percentage sold assumes completion of the necessary transmission upgrades required for the approved transmission rights.

(1) Non-nuclear planned generation and net MW in operation include purchases from affiliated and non-affiliated counterparties under long-term contracts and exclude energy and capacity from Entergy Wholesale Commodities' wind investment. The decrease in planned net MW in operation beginning in 2017 is due to the expiration of a non-affiliated 75 MW contract.

Entergy estimates that a positive $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 June 30, 2015 market conditions, planned generation volumes, and hedged positions, would have a corresponding effect on pre-tax net income of $24 million for the remainder of 2015. As of June 30, 2014, a positive $10 per MWh change would have had a corresponding effect on pre-tax income of $126 million for the remainder of 2014. A negative $10 per MWh change in the annual average energy price in the markets based on June 30, 2015 market conditions, planned generation volumes, and hedged positions, would have a corresponding effect on pre-tax net income of ($24) million for the remainder of 2015. As of June 30, 2014, a negative $10 per MWh change would have had a corresponding effect on pre-tax income of ($55) million for the remainder of 2014.

Some of the agreements to sell the power produced by Entergy Wholesale Commodities' 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 June 30, 2015, based on power prices at that time, Entergy had liquidity exposure of $154 million under the guarantees in place supporting Entergy Wholesale Commodities transactions and $12 million of posted cash collateral. In the event of a decrease in Entergy Corporation's credit rating to below investment grade, based on power prices as of June 30, 2015, Entergy would have been required to provide approximately $55 million of additional cash or letters of credit under some of the agreements. As of June 30, 2015, the liquidity exposure associated with Entergy Wholesale Commodities assurance requirements, including return of previously posted collateral from counterparties, would increase by $36 million for a $1 per MMBtu increase in gas prices in both the short-and long-term markets.

As of June 30, 2015, credit exposure related to the planned energy output under contract for Entergy Wholesale Commodities nuclear plants through 2019 is with counterparties or their guarantors that have public investment grade credit ratings.

Nuclear Matters

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

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 are updates to that discussion.

Nuclear Decommissioning Costs

In the second quarter 2015, Entergy Wholesale Commodities recorded a revision to its estimated decommissioning cost liability for a nuclear site as a result of a revised decommissioning cost study. The revised estimate resulted in a $77.6 million reduction in the decommissioning cost liability, along with a corresponding reduction in the related asset retirement cost asset.

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Entergy Corporation and Subsidiaries
Management's Financial Discussion and Analysis

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. Final pronouncements that result from these projects could have a material effect on Entergy's future net income, financial position, or cash flows.

In February 2015 the FASB issued ASU No. 2015-02, "Consolidation (Topic 810): Amendments to Consolidation Analysis" which changes the analysis that a reporting entity must perform to determine whether it should consolidate certain types of legal entities. The ASU affects (1) limited partnerships and similar legal entities, (2) evaluating fees paid to a decision maker or a service provider as a variable interest, (3) the effect of fee arrangements on the primary beneficiary determination, (4) the effect of related parties on the primary beneficiary determination, and (5) certain investment funds. ASU 2015-02 is effective for Entergy for the first quarter 2016. Entergy does not expect ASU 2015-02 to affect materially its results of operations, financial position, or cash flows.

In April 2015 the FASB issued ASU No. 2015-03, "Interest-Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs." The ASU states that debt issuance costs shall be reported in the balance sheet as a direct deduction from the associated debt liability. ASU 2015-03 is effective for Entergy for the first quarter 2016. Entergy does not expect ASU 2015-03 to affect materially its results of operations, financial position, or cash flows.

In May 2015 the FASB issued ASU No. 2015-07, "Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)." The ASU removes the requirements to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. The ASU also removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. The disclosures are limited to investments for which the entity has elected to measure the fair value using that practical expedient. ASU 2015-07 is effective for Entergy for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. Entergy does not expect ASU 2015-03 to affect materially its results of operations, financial position, or cash flows.

In July 2015 the FASB issued ASU No. 2015-11, "Inventory (Topic 330): Simplifying the Subsequent Measurement of Inventory." The ASU does not apply to inventory that is measured using last-in, first-out or the retail inventory method. It applies to all other inventory, which includes inventory that is measured using first-in, first-out or average cost. The ASU changes the measurement principle for inventory within the scope of this ASU from the lower of cost or market to lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. ASU 2015-11 is effective for Entergy for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. Entergy does not expect ASU 2015-11 to affect materially its results of operations, financial position, or cash flows.

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ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
For the Three and Six Months Ended June 30, 2015 and 2014
(Unaudited)

	Three Months Ended		Six Months Ended	
	2015	2014	2015	2014
	(In Thousands, Except Share Data)			
OPERATING REVENUES				
Electric	$2,246,148	$2,373,842	$4,464,137	$4,600,306
Natural gas	27,777	35,469	87,288	113,689
Competitive businesses	439,306	587,339	1,081,896	1,491,498
TOTAL	2,713,231	2,996,650	5,633,321	6,205,493
OPERATING EXPENSES				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	549,702	604,081	1,180,156	1,147,910
Purchased power	322,929	517,898	664,951	1,092,525
Nuclear refueling outage expenses	67,129	66,497	131,998	126,041
Other operation and maintenance	827,872	814,942	1,597,983	1,550,653
Asset write-offs, impairments, and related charges	—	1,667	—	3,937
Decommissioning	68,830	67,250	138,729	133,049
Taxes other than income taxes	156,378	152,736	313,901	307,204
Depreciation and amortization	340,354	331,742	672,340	660,465
Other regulatory charges (credits)	2,654	(14,640)	13,111	(10,645)
TOTAL	2,335,848	2,542,173	4,713,169	5,011,139
OPERATING INCOME	377,383	454,477	920,152	1,194,354
OTHER INCOME				
Allowance for equity funds used during construction	11,974	14,788	23,712	29,917
Interest and investment income	39,705	24,245	107,839	59,493
Miscellaneous - net	(15,743)	(14,675)	(24,764)	(26,379)
TOTAL	35,936	24,358	106,787	63,031
INTEREST EXPENSE				
Interest expense	165,860	164,327	332,197	326,877
Allowance for borrowed funds used during construction	(6,044)	(8,516)	(12,161)	(15,535)
TOTAL	159,816	155,811	320,036	311,342
INCOME BEFORE INCOME TAXES	253,503	323,024	706,903	946,043
Income taxes	99,781	128,743	250,252	345,709
CONSOLIDATED NET INCOME	153,722	194,281	456,651	600,334
Preferred dividend requirements of subsidiaries	4,879	4,898	9,759	9,777
	$148,843	$189,383	$446,892	$590,557

NET INCOME ATTRIBUTABLE TO ENTERGY CORPORATION				
Earnings per average common share:				
Basic	$0.83	$1.06	$2.49	$3.30
Diluted	$0.83	$1.05	$2.48	$3.29
Dividends declared per common share	$0.83	$0.83	$1.66	$1.66
Basic average number of common shares outstanding	179,521,276	179,354,103	179,589,748	179,077,503
Diluted average number of common shares outstanding	180,119,837	180,045,432	180,298,233	179,547,020

See Notes to Financial Statements.

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ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Three and Six Months Ended June 30, 2015 and 2014
(Unaudited)

	Three Months Ended		Six Months Ended	
	2015	2014	2015	2014
	(In Thousands)			
Net Income	$153,722	$194,281	$456,651	$600,334
Other comprehensive income (loss)				
Cash flow hedges net unrealized gain (loss)				
(net of tax expense (benefit) of $20,706, ($3,772), $4,808, and $3,453)	38,696	(6,744)	9,366	7,010
Pension and other postretirement liabilities				
(net of tax expense of $4,165, $1,822, $7,340, and $19,583)	7,438	3,459	15,886	(9,237)
Net unrealized investment gains (losses)				
(net of tax expense (benefit) of ($30,292), $29,580, ($26,626), and $35,328)	(33,880)	39,235	(29,877)	62,224
Foreign currency translation				
(net of tax expense of $359, $172, $62, and $213)	667	320	116	395
Other comprehensive income (loss)	12,921	36,270	(4,509)	60,392
Comprehensive Income	166,643	230,551	452,142	660,726
Preferred dividend requirements of subsidiaries	4,879	4,898	9,759	9,777
Comprehensive Income Attributable to Entergy Corporation	$161,764	$225,653	$442,383	$650,949

See Notes to Financial Statements.

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ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 2015 and 2014
(Unaudited)

	2015	2014
	(In Thousands)	
OPERATING ACTIVITIES		
Consolidated net income	$456,651	$600,334
Adjustments to reconcile consolidated net income to net cash flow provided by operating activities:		
Depreciation, amortization, and decommissioning, including nuclear fuel amortization	1,069,888	1,041,970
Deferred income taxes, investment tax credits, and non-current taxes accrued	180,006	357,571
Changes in working capital:		
Receivables	(100,168)	(47,120)
Fuel inventory	(3,748)	32,125
Accounts payable	(104,595)	46,697
Taxes accrued	(19,027)	(39,317)
Interest accrued	(18,984)	1,508
Deferred fuel costs	72,449	(237,726)
Other working capital accounts	(124,146)	(115,605)
Changes in provisions for estimated losses	(6,987)	4,314
Changes in other regulatory assets	124,785	26,070
Changes in other regulatory liabilities	(15,059)	89,860
Changes in pensions and other postretirement liabilities	(116,896)	(128,922)
Other	(55,808)	(103,196)
Net cash flow provided by operating activities	1,338,361	1,528,563
INVESTING ACTIVITIES		
Construction/capital expenditures	(1,095,926)	(959,618)
Allowance for equity funds used during construction	25,165	31,577
Nuclear fuel purchases	(165,704)	(236,296)
Proceeds from sale of assets	—	10,100
Insurance proceeds received for property damages	12,745	28,226
Changes in securitization account	6,604	6,987
NYPA value sharing payment	(70,790)	(72,000)
Payments to storm reserve escrow account	(3,689)	(3,624)
Increase in other investments	(54,022)	(140,772)
Proceeds from nuclear decommissioning trust fund sales	948,542	981,530
Investment in nuclear decommissioning trust funds	(973,016)	(1,036,770)
Net cash flow used in investing activities	(1,370,091)	(1,390,660)

See Notes to Financial Statements.

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ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 2015 and 2014
(Unaudited)

	2015	2014
	(In Thousands)	
FINANCING ACTIVITIES		
Proceeds from the issuance of:		
Long-term debt	865,634	1,232,161
Treasury stock	23,897	81,358
Retirement of long-term debt	(1,384,658)	(1,224,733)
Repurchase of common stock	(25,078)	(18,259)
Changes in credit borrowings and commercial paper - net	341,578	(7,538)
Other	6,719	17,030
Dividends paid:		
Common stock	(298,259)	(297,228)
Preferred stock	(9,759)	(9,752)
Net cash flow used in financing activities	(479,926)	(226,961)
Net decrease in cash and cash equivalents	(511,656)	(89,058)
Cash and cash equivalents at beginning of period	1,422,026	739,126
Cash and cash equivalents at end of period	$910,370	$650,068
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest - net of amount capitalized	$340,993	$312,747
Income taxes	$90,767	$19,505

See Notes to Financial Statements.

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ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
ASSETS
June 30, 2015 and December 31, 2014
(Unaudited)

	2015	2014
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	$60,004	$131,327
Temporary cash investments	850,366	1,290,699
Total cash and cash equivalents	910,370	1,422,026
Accounts receivable:		
Customer	636,610	596,917
Allowance for doubtful accounts	(38,398)	(35,663)
Other	191,932	220,342
Accrued unbilled revenues	400,219	321,659
Total accounts receivable	1,190,363	1,103,255
Deferred fuel costs	98,196	155,140
Accumulated deferred income taxes	15,580	27,783
Fuel inventory - at average cost	209,182	205,434
Materials and supplies - at average cost	941,422	918,584
Deferred nuclear refueling outage costs	273,060	214,188
Prepayments and other	446,877	343,223
TOTAL	4,085,050	4,389,633
OTHER PROPERTY AND INVESTMENTS		
Investment in affiliates - at equity	34,634	36,234
Decommissioning trust funds	5,389,376	5,370,932
Non-utility property - at cost (less accumulated depreciation)	217,115	213,791
Other	409,860	405,169
TOTAL	6,050,985	6,026,126
PROPERTY, PLANT, AND EQUIPMENT		
Electric	45,613,586	44,881,419
Property under capital lease	945,119	945,784
Natural gas	384,748	377,565
Construction work in progress	1,349,863	1,425,981
Nuclear fuel	1,480,973	1,542,055
TOTAL PROPERTY, PLANT, AND EQUIPMENT	49,774,289	49,172,804
Less - accumulated depreciation and amortization	20,916,387	20,449,858
PROPERTY, PLANT, AND EQUIPMENT - NET	28,857,902	28,722,946
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
Regulatory asset for income taxes - net	791,580	836,064
Other regulatory assets (includes securitization property of $677,089 as of June 30, 2015 and $724,839 as of December 31, 2014)	4,858,300	4,968,553
Deferred fuel costs	238,771	238,102

Goodwill	377,172	377,172
Accumulated deferred income taxes	56,566	48,351
Other	949,325	920,907
TOTAL	7,271,714	7,389,149
TOTAL ASSETS	$46,265,651	$46,527,854

See Notes to Financial Statements.

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ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
LIABILITIES AND EQUITY
June 30, 2015 and December 31, 2014
(Unaudited)

	2015	2014
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	$794,777	$899,375
Notes payable and commercial paper	939,985	598,407
Accounts payable	1,013,026	1,166,431
Customer deposits	417,296	412,166
Taxes accrued	109,081	128,108
Accumulated deferred income taxes	124,598	38,039
Interest accrued	187,026	206,010
Deferred fuel costs	107,776	91,602
Obligations under capital leases	2,606	2,508
Pension and other postretirement liabilities	57,666	57,994
Other	244,534	248,251
TOTAL	3,998,371	3,848,891
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	9,190,368	9,133,161
Accumulated deferred investment tax credits	249,345	247,521
Obligations under capital leases	28,382	29,710
Other regulatory liabilities	1,338,598	1,383,609
Decommissioning and asset retirement cost liabilities	4,486,356	4,458,296
Accumulated provisions	411,157	418,128
Pension and other postretirement liabilities	3,521,728	3,638,295
Long-term debt (includes securitization bonds of $733,828 as of June 30, 2015 and $784,862 as of December 31, 2014)	12,092,042	12,500,109
Other	486,348	557,649
TOTAL	31,804,324	32,366,478
Commitments and Contingencies		
Subsidiaries' preferred stock without sinking fund	210,760	210,760
EQUITY		
Common Shareholders' Equity:		
Common stock, $.01 par value, authorized 500,000,000 shares; issued 254,752,788 shares in 2015 and in 2014	2,548	2,548
Paid-in capital	5,362,333	5,375,353
Retained earnings	10,318,290	10,169,657
Accumulated other comprehensive loss	(46,816)	(42,307)
Less - treasury stock, at cost (75,227,174 shares in 2015 and 75,512,079 shares in 2014)	5,478,159	5,497,526
Total common shareholders' equity	10,158,196	10,007,725
Subsidiaries' preferred stock without sinking fund	94,000	94,000

TOTAL	10,252,196	10,101,725
TOTAL LIABILITIES AND EQUITY	$46,265,651	$46,527,854

See Notes to Financial Statements.

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ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Six Months Ended June 30, 2015 and 2014
(Unaudited)

		Common Shareholders' Equity					
	Subsidiaries' Preferred Stock	Common Stock	Treasury Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
	(In Thousands)						
Balance at December 31, 2013	$94,000	$2,548	($5,533,942)	$5,368,131	$9,825,053	($29,324)	$9,726,466
Consolidated net income (a)	9,777	—	—	—	590,557	—	600,334
Other comprehensive income	—	—	—	—	—	60,392	60,392
Common stock repurchases	—	—	(18,259)	—	—	—	(18,259)
Common stock issuances related to stock plans	—	—	104,276	(9,736)	—	—	94,540
Common stock dividends declared	—	—	—	—	(297,228)	—	(297,228)
Preferred dividend requirements of subsidiaries (a)	(9,777)	—	—	—	—	—	(9,777)
Balance at June 30, 2014	$94,000	$2,548	($5,447,925)	$5,358,395	$10,118,382	$31,068	$10,156,468
Balance at December 31, 2014	$94,000	$2,548	($5,497,526)	$5,375,353	$10,169,657	($42,307)	$10,101,725
Consolidated net income (a)	9,759	—	—	—	446,892	—	456,651
Other comprehensive loss	—	—	—	—	—	(4,509)	(4,509)
Common stock repurchases	—	—	(25,078)	—	—	—	(25,078)
Common stock issuances related to stock plans	—	—	44,445	(13,020)	—	—	31,425
Common stock dividends declared	—	—	—	—	(298,259)	—	(298,259)

Preferred dividend requirements of subsidiaries (a)	(9,759)	—	—	—	—	—	(9,759)
Balance at June 30, 2015	$94,000	$2,548	($5,478,159)	$5,362,333	$10,318,290	($46,816)	$10,252,196

See Notes to Financial Statements.

(a) Consolidated net income and preferred dividend requirements of subsidiaries for 2015 and 2014 include $6.4 million and $6.4 million, respectively, of preferred dividends on subsidiaries’ preferred stock without sinking fund that is not presented within equity.

ENTERGY CORPORATION AND SUBSIDIARIES
SELECTED OPERATING RESULTS
For the Three and Six Months Ended June 30, 2015 and 2014
(Unaudited)

Description	Three Months Ended 2015	2014	Increase/ (Decrease)	%
	(Dollars in Millions)			
Utility Electric Operating Revenues:				
Residential	$733	$765	($32)	(4)
Commercial	597	627	(30)	(5)
Industrial	591	708	(117)	(17)
Governmental	55	57	(2)	(4)
Total retail	1,976	2,157	(181)	(8)
Sales for resale	86	53	33	62
Other	184	164	20	12
Total	$2,246	$2,374	($128)	(5)
Utility Billed Electric Energy Sales (GWh):				
Residential	7,364	7,266	98	1
Commercial	6,904	6,762	142	2
Industrial	10,737	10,902	(165)	(2)
Governmental	602	587	15	3
Total retail	25,607	25,517	90	—
Sales for resale	3,138	2,048	1,090	53
Total	28,745	27,565	1,180	4
Entergy Wholesale Commodities:				
Operating Revenues	$439	$578	($139)	(24)
Billed Electric Energy Sales (GWh)	9,578	11,533	(1,955)	(17)

Description	Six Months Ended 2015	2014	Increase/ (Decrease)	%
	(Dollars in Millions)			
Utility Electric Operating Revenues:				
Residential	$1,615	$1,669	($54)	(3)
Commercial	1,180	1,204	(24)	(2)
Industrial	1,167	1,263	(96)	(8)
Governmental	107	110	(3)	(3)
Total retail	4,069	4,246	(177)	(4)
Sales for resale	146	172	(26)	(15)
Other	249	182	67	37
Total	$4,464	$4,600	($136)	(3)
Utility Billed Electric Energy Sales (GWh):				
Residential	16,796	17,293	(497)	(3)
Commercial	13,625	13,563	62	—
Industrial	21,144	21,015	129	1

Governmental	1,194	1,170	24	2
Total retail	52,759	53,041	(282)	(1)
Sales for resale	4,949	4,282	667	16
Total	57,708	57,323	385	1
Entergy Wholesale Commodities:				
Operating Revenues	$1,082	$1,490	($408)	(27)
Billed Electric Energy Sales (GWh)	19,170	21,547	(2,377)	(11)

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

ANO Damage, Outage, and NRC Reviews

See Note 8 to the financial statements in the Form 10-K for a discussion of the ANO stator incident and subsequent NRC reviews.