

ENTERGY CORP /DE/
Form 425
November 13, 2012

Creating Sustainable Value
47
th
Edison Electric Institute
Financial Conference

November 11

13, 2012

Filed by Entergy Corporation Pursuant to Rule 425

Under the Securities Act of 1933

Subject Company: Entergy Corporation

Commission File No. 001-11299

1
Caution Regarding Forward-Looking Statements and
Caution Regarding Forward-Looking Statements and
Regulation G Compliance
Regulation G Compliance
In
this

presentation,
and
from
time
to
time,
Entergy
Corporation
makes
certain

forward-looking
statements
within

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

Forward-looking statements involve a number of risks and uncertainties. There are factors that could cause actual results to differ materially from those expressed or implied in the forward-looking statements, including (a) those factors discussed in: (i) Entergy's Form 10-K for the year ended Dec. 31, 2011, (ii) Entergy's Form 10-Q for the quarters ended March 31, 2012, June 30, 2012 and Sept. 30, 2012 and (iii) Entergy's other reports and filings made under the Securities Exchange Act of 1934; (b) uncertainties associated with rate proceedings, formula rate plans and other cost recovery mechanisms; (c) uncertainties associated with efforts to remediate the effects of major storms and recover related restoration costs; (d) nuclear plant relicensing, operating and regulatory risks, including

any
changes
resulting

from
the
nuclear
crisis
in

Japan
following
its
catastrophic
earthquake

and
tsunami;

(e) legislative and regulatory actions and risks and uncertainties associated with claims or litigation by or against Entergy and its subsidiaries; (f) conditions in commodity and capital markets during the periods covered by the forward-looking statements, in addition to other factors described elsewhere in this presentation and subsequent securities filings and (g) risks inherent in the proposed spin-off and subsequent merger of Entergy's electric transmission business with a subsidiary of ITC Holdings Corp. Entergy cannot provide any assurances that the spin-off

and
merger
transaction
will
be

completed
and
cannot
give
any
assurance
as
to
the
terms
on
which
such

transaction will be consummated. The spin-off and merger transaction is subject to certain conditions precedent, including regulatory approvals and approval by ITC Holdings Corp. shareholders.

This presentation includes the non-GAAP measures of operational return on equity, operational non-fuel operation and maintenance expense, operational adjusted EBITDA and operational earnings per share when describing Entergy's results of operations and financial performance. We have prepared reconciliations of these measures

to
the
most
directly
comparable
GAAP
measures.
These
reconciliations

can
be
found
on
slides
56
59.

Further
information about these measures can be found in Entergy's investor earnings releases, which are posted on our website at www.entergy.com.

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Additional Information and Where to Find It

Additional Information and Where to Find It

On Sept. 25, 2012, ITC filed a registration statement on Form S-4 with the Securities and Exchange Commission (SEC) registering shares of ITC common stock to be issued to Entergy shareholders in connection with the proposed transactions, but this registration statement has not become effective. This registration statement includes a proxy statement of ITC that also constitutes a prospectus of ITC, and will be sent to ITC shareholders.

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

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Entergy s Scope of Operations Today

Entergy s Scope of Operations Today

Entergy s Scope of Operations

Entergy s Businesses

30,000 MW electric generating capacity

One of the nation's leading nuclear generators

2.8 million utility customers

More than \$11 billion revenues

~15,000 employees

Utility

6 vertically integrated electric utilities

4 contiguous
states

Arkansas,
Louisiana,
Mississippi, Texas

~21,000 MW generating capacity

More than 15,800 miles high-voltage
transmission lines

1
EWC's ownership interest
(5 retail regulators)

Entergy Wholesale Commodities

6 nuclear units owned at 5 sites (5,011 MW)

2 gas,

1

gas

/

oil
facilities

(1,340

MW

)

2 wind
facilities

(80

MW

)

2 coal
facilities

(181

MW

)

1 nuclear plant managed (800 MW)

1

1

4
Business Model Has Two Main Dimensions
Business Model Has Two Main Dimensions
Based on Dynamic Point of View
Based on Dynamic Point of View
Portfolio
Management

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

5
Create
Options
Business
Strategy
Business Model Has Two Main Dimensions
Business Model Has Two Main Dimensions

Based on Dynamic Point of View

Based on Dynamic Point of View

Driven by:

Markets

Skills

Scale

Scope

Positions

5

Entergy's Business Model

Operational

Excellence

Produce

Products/

Services

Achieve

Productivity

Manage

Relationships

Industry

Standards

6
The Foundation: Safe, Secure and
The Foundation: Safe, Secure and
Efficient Operations
Efficient Operations
2012 Operational Accomplishments Year-to-Date
Restored power to

90% of customers
within 4
5 days
after Hurricane Isaac
moved through
service area
Obtained approvals
subject to conditions
of MISO proposal
in LA, TX and AR
Maintained flat
non-fuel electric rates
from 2011 to 2012
Utility
EWC
Completed breaker-to-
breaker run at FitzPatrick
Obtained Pilgrim
20-year license
renewal from NRC
Received positive
decisions in Vermont
Yankee proceedings
Operational
Excellence

Active Regulatory Calendar
Active Regulatory Calendar
Constructive Regulatory Relationships
Constructive Regulatory Relationships
1
Revised after receipt of PUCT Staff's workpapers
Arkansas

Hot Spring acquisition approved Jul 2012, with cost recovery through capacity rider; DOJ review ongoing

Next base rate case expected to be filed in 1Q13; 10-month statutory deadline
Louisiana

Base rate case filings for EGSL and ELL to be made by Jan 2013; 12-month statutory deadline
Mississippi

2012 test year FRP to be filed Mar 2013

Hinds cost recovery through rider approved Aug 2012; DOJ review ongoing

Staff
report
on
electric
utility
ROE
methodology
expected
by
end
of
2012
New Orleans

Seeking possible renewal or extension of FRP

Current FRP ended with 2011 test year
Texas

PUCT issued final rate case order in Sep 2012; reflects a 9.8% return on equity and a \$27.7M base rate increase (ongoing EPS effect ~\$0.03)

Proposal on purchased power capacity rider expected to be issued
Nov 2012
Operational
Excellence

7
1

Strategy and Recovery Mechanisms Key
Strategy and Recovery Mechanisms Key
Rate Case
Specific
Recovery
Cost Recovery
Formula Rate

Plan

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

Illustrative

Regulatory Mechanisms for Cost Recovery

Non-fuel O&M

Maintenance capital

Example

Acquisitions

Capacity costs

Emission costs

Energy efficiency

Renewables

Storm

Full review of costs

Rate design

X%

X%

14ft

Operational

Excellence

Acadia Unit 2

8

9
For a Utility, What Really Matters
For a Utility, What Really Matters
Is What You Earn. . .
Is What You Earn. . .
5-Year Average
Allowed ROE Range

(Min / Max)

2012 Allowed ROE

Return on Equity: ETR Utilities vs Peer Utility Holding Companies

%

ETR

Utilities

5-Year Book ROE

Range

1

1

Utility

Holding

Companies

with

market

capitalization

greater

than

\$5B;

for

companies

with

multiple

utility

subsidiaries,

ranges

reflect

ROEs of each

company

0

Operational

Excellence

9

10

11

12

13

14

15

1

...While Keeping Customer Rates Affordable
...While Keeping Customer Rates Affordable
Utility Average Residential Customer Rates
2011; ¢
per kWh
Note:
Regulated

utilities,
excluding
primarily
hydro-electric
Utility Average Residential Customer Rates with \$30/mt Carbon Tax
2011; ¢
per kWh
0
10
20
30
40
0
10
20
30
40
ELL
EGSL
EMI
EAI
ENOI
ETI
ENOI
EMI
EGSL
EAI
ELL
ETI
Operational
Excellence
10

11
Challenges in Texas Remain,
Challenges in Texas Remain,
But We Have Options
But We Have Options
Operational ROE
2007

2012E; %

As-Reported

Key Legislative and Regulatory Events

2007 rate case

\$47M base rate

increase in Jan 2009

2011: SB 1693

Distribution

investment rider

recovery

2009 rate case

\$17.5M increase in May 2010

\$41.5M increase in Aug 2010

\$9M increase in May 2011

2006 & 2009:

Storm cost legislation

and securitizations

(hurricanes Rita

and Ike)

\$68M

total

Purchased power recovery rulemaking
(draft rider rule under development)

Special relief through fuel adjustment
clause

Transmission Cost Recovery Factor
(authorized but not used to date)

Next

base

rate

case

(timing

TBD)

Pursue relief in courts

2011 rate case

\$27.7M increase in Jul 2012

Paths for Improving ROE in Texas

Operational

Excellence

12
Increased Investment on Horizon
Increased Investment on Horizon
Requires Prudent Management
Requires Prudent Management
Key Drivers
Issue

Investment Types

Growing

demand

~3.7 GW projected Entergy

region load growth by 2020

Portfolio

transformation

Ninemile 6 CCGT

Aging

infrastructure

~12 GW of existing Utility

generation is 35 years or older

Major projects

Waterford 3

Steam Generator

Replacement

Environmental

regulation

Environmental

controls

Scrubbers at

White Bluff Plant

2

NERC

compliance

Reliability investments to meet

increasing standards

Transmission

investments

Critical Infrastructure

Protection

Every day

Routine maintenance of

generation, transmission and

distribution facilities

~\$900M

annually

1

Largely dependent on state action

2

Project

suspended;

limits

for

NOx

and

SO₂

at

White

Bluff

depends

on

final

State

or

Federal

Implementation

Plan

MATS compliance by 2015 2016

Regional Haze likely by 2019

SO

2

NAAQS likely by 2019

CSAPR or replacement rule?

1

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13
NRC License Renewal Status
Issued for 20 years
Unit
Expiration
Recent Events /
Next Steps

Indian
Point 2
9/28/13

Final Safety Evaluation
Report issued in 2009;
SER Supplement issued
8/30/11

FSEIS
1
issued Dec 2010

Further supplements to
FSEIS and FSER expected
in next few months

ASLB
2
Track 1 hearings
on 10 of 13 issues (so far)
scheduled to conclude by
end of 2012

Indian
Point 3
12/12/15
Pending
Palisades renewed on 1/17/07
(expires 3/24/31)
FitzPatrick renewed on 9/8/08
(expires 10/17/34)
VT Yankee renewed on 3/21/11
(expires 3/21/32)
Pilgrim renewed on 5/29/12
(expires 6/8/32)
Pilgrim: 4 years
from 2008 Hearings
to 2012 Decision

Timely Renewal Protection
available if necessary
Time to resolve issues raised
by DC Circuit Waste
Confidence Decision

1
Final Supplemental Environmental Impact Statement

2
Atomic Safety and Licensing Board
Apply that to Indian Point
At EWC, Resolution of License Renewal
At EWC, Resolution of License Renewal

Could Take Up to 7 to 10 Years
Could Take Up to 7 to 10 Years
Operational
Excellence

Indian Point State Water Quality
Indian Point State Water Quality
Proceedings Ongoing
Proceedings Ongoing
Current Status
Our Response

We believe operation of IP causes no significant impact to Hudson River; however, offered wedgewire screens as best technology available

Water quality certification has been waived by NY State

Adjudicatory hearings in joint proceeding of WQC / SPDES

1
before
NY State Department of Environmental Conservation underway

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

1
State Pollutant Discharge Elimination System permit
Wedgewire Screens vs Cooling Towers

a)
Air quality
probably not permissible

b)
Aesthetic
size / visible plume ~10% of time

c)
Zoning
Village of Buchanan not supportive

d)
Bottom line
in operation approximately 13 years after approvals

a)
Would significantly reduce fish entrainment and impingement

b)
Bottom line
in operation approximately 4 years after approvals

Capital estimate:
\$250M
\$300M
Capital estimate: at least \$1.19B
(2009\$, direct capital cost)
+ 14.5 TWh of lost generation over 42-week outage period

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Excellence

Wedgewire Screen
Cooling
Towers
14

15
Pursuing Several Paths to Resolve
Pursuing Several Paths to Resolve
Coastal Zone Management Issue
Coastal Zone Management Issue
Our Response
Current Status

Filed ASLB motion for declaratory order on 7/30/12 that no further consistency review required; answers to motion due 1/14/13

In the event the State agency has previously reviewed a license or permit activity, further review is limited to cases where the activity will be modified substantially causing new coastal zone effects.

U.S. Statute
Coastal Zone Management Act
Operational
Excellence

The projects which meet one of the following two criteria will not be subject to New York State's Coastal Management Program...

--
York
CMP
§
II-9,
at
1
(2006)
New York State
Coastal Management Program
Our Response

Indian
Point
is
grandfathered
under
the
New York Coastal Management Program
Current Status

Filed with NYS Dept of State a petition for declaratory order on 11/7/12 confirming that Indian Point is grandfathered

No
new
coastal
zone
effects
will
be

caused
by
license
renewal
and
NY
State
has
previously
reviewed
and
found
Indian
Point
consistent
with
NY
coastal
policies

--
44 Fed. Reg. 37,142, 37,150 (June 25, 1979)

16
An Assessment of Energy
Needs in Westchester County
Indian Point Safe, Secure, Vital
Indian Point Safe, Secure, Vital
and Has Public Support
and Has Public Support

Polling Results Over Time; %

Favor

Oppose

Don't Know

53

28

19

Fukushima

Mar 11, 2011

Q: Do

you

favor

or

oppose

renewing

the

licenses

for

the

electricity-generating nuclear plants at the Indian Point

Energy Center?

0

15

30

45

60

Aug

2010

Mar

2011

Aug 7-10

2011

Aug 31

2011

Oct

2011

Feb

2012

Operational

Excellence

17
Create
Options
Operational
Excellence
Produce
Products/

Services
Achieve
Productivity
Manage
Relationships
Industry
Standards
Rigorous
Analysis
Supply / Demand
Climate / Weather Data
Environment
Competitive Behavior
Fuel Prices
Legislation / Regulation
Credit Markets
Capital Markets
Business Model Has Two Main Dimensions
Business Model Has Two Main Dimensions
Based on Dynamic Point of View
Based on Dynamic Point of View
Current
Point of
View
17
Entergy s Business Model

18

Cautiously Optimistic on Northeast Power Prices

Cautiously Optimistic on Northeast Power Prices

Illustrative

Market response

Unit shutdown

Environmental regulation

Out-of-market regulation

Ongoing gas oversupply

Potential 5-year out

view for

NE power prices

1

Source: New York Independent System Operator, ISO New England, internal analysis

Current forward: ~\$50

Upside: ~\$80

Downside: ~\$40

1

Includes energy and capacity

Historical Northeast Market Power Prices (Energy Only)

\$/MWh; Rolling Averages

Potential for improvement in heat rates, capacity markets, natural gas markets

Rolling 365-Day

Spot Price

Rolling Prompt

12-Month

Forward Prices

Implied Spot

Using

Forward Prices

Increased Hedging

Mid-2010

0

20

40

60

80

100

120

Jan-02

Jan-04

Jan-06

Jan-08

Jan-10

Jan-12

Current

Point of

View

19
Previous Hedging Preserved Value
Previous Hedging Preserved Value
Current
Point of
View
EWC Nuclear Portfolio Energy Under Contract

2009

2017E; % as reported on Nov 5, 2012

1

Realized through Sep 2012

EWC Nuclear Portfolio Revenue With and Without Contracting

2009

2017E; \$/MWh; Capacity and Acquisition PPA Recognized at Contract Prices

Historical Spot and

Current Forwards

Realized MTM Gain since 2009: ~\$1.6B

Not Yet Realized MTM Gain: ~\$0.2B

1

0

10

20

30

40

50

60

70

80

09

10

11

12E

13E

14E

15E

16E

17E

86

90

96

85

84

73

25

25

26

09

10

11

12E

13E

14E

15E

16E

17E

20

Current Hedging Product Selection

Current Hedging Product Selection

Designed to Benefit If Prices Rise

Designed to Benefit If Prices Rise

EWC Nuclear Revenue Sensitivity on

Contracted

Energy

Based on market prices as of Sep 30, 2012

Market Price Change, \$/MWh

2014

2013

Avg expected

contracted

revenue/MWh

\$45 on ~33.6 TWh

\$45 on ~29.9 TWh

Optimizing hedge timing,

volumes and products

around POV

Firm products with call

options for post-license

renewal volumes

Cap operational and

liquidity risks

Allow for market upside

Larger volumes of collars

Cap downside, allow for

market upside

Optimizing UC / LD mix

Maximize liquidity,

optimize timing, minimize

transaction costs

Using portfolio length,

including RISEC

Mitigate operational risk,

lower UC costs

(10)

(5)

0

5

10

(20)

(10)

0

10

20

Current

Point of

View

21
Short Positions
Long Positions
Strict Risk
Limits
Structured
Contracts

Asset
Development/
Acquisitions
Asset
Disposition
Structured
Contracts
Business Model Has Two Main Dimensions
Business Model Has Two Main Dimensions
Based on Dynamic Point of View
Based on Dynamic Point of View
Create
Options
Rigorous
Analysis
Supply / Demand
Climate / Weather Data
Environment
Competitive Behavior
Fuel Prices
Legislation / Regulation
Credit Markets
Capital Markets
Current
Point of
View
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Entergy's Business Model
Portfolio
Management

22
Significant Progress Made in Advancing
Significant Progress Made in Advancing
MISO Proposal
MISO Proposal
MISO Proposal
Entergy

Service

Territory

Joining MISO Benefits

All Stakeholders

EAI is hereby authorized to sign the
MISO Transmission Owners Agreement
and move forward with the
EAI / MISO integration process

--

the Commission finds that ETI's
application, as modified is in the public
interest and approves the proposed transfer
of operational control to MISO

--

The Companies
Application filed in
this docket is approved as in the public
interest, subject to contingencies
and conditions

--

To Do
Portfolio
Management

CCNO

settlement filed 11/8/12; on agenda
for 11/12/12 Utility Committee Meeting

MPSC

settlement reached with Staff;
on agenda for 11/15/12 Open Meeting

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The Next Step, ITC Transaction

The Next Step, ITC Transaction

Benefits for Customers, Other Stakeholders

Benefits for Customers, Other Stakeholders

Utility

OpCos

Entergy
Wholesale
Commodities
Entergy
Shareholders
Illustrative
Mid South
TransCo LLC
(New Holdco)
ITC
Shareholders
ITC Merger
Sub
Transco Subs
Proposed Spin-Merge of Transmission Business

Generation

Distribution

Retail
customer
service

Transmission
\$700M
recapitalization
(pre-close)
ETR and
OpCos
reduce
debt and
redeem
preferred
equity with
the
\$1.775B
\$1.775B debt
transferred
with assets
Trust
Up to ~5%
ITC Shares
(split-off)
ITC
Shares
ETR
Shares
ETR
Shares

~5%

ITC Shares`

Expected closing in 2013

Entergy Shareholders will own stock in *two companies*

Entergy Shareholders will own stock in *two companies*

ETR After

ETR After

ITC After

ITC After

Portfolio

Management

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The Common Dividend: Current Structure vs

The Common Dividend: Current Structure vs

Post ITC Transaction

Post ITC Transaction

Share Repurchases

Dividends

Future dividends

at \$3.32/sh

Return to shareholders, \$B

Common Dividend Post Spin-Merge, Annualized \$/sh

~\$4B

Current business supports the current dividend of \$3.32 per share

Objective: ETR + ITC dividends accretive for ETR shareholders

ITC

Illustrative

Illustrative

ETR

X Dividend

exchange

ratio

1

1

Dividend exchange ratio will depend on several factors, including the form of ITC's \$700M recapitalization (repurchase or split-off), the distribution of ITC shares at closing (spin-off or split-off) and the amount of ITC shares held in trust and split-off post-merger.

\$3.32

Today

Accretive

\$1.51

Up to

\$3.32

+ ITC

dividend

0

1

2

3

4

10

11

12E

13E

14E

10 -

14E

1

2

\$3.32

Total

Neutral

25

The Common Dividend: Our Objectives

The Common Dividend: Our Objectives

1

Current business supports the current dividend of \$3.32 per share

ETR Today

2

Objective: ETR + ITC dividends accretive for ETR shareholders
Post Spin-Merge
Current procedural schedules point to dividend decision at least
10 mos away
Considerations for dividend level

Utility
investment
profile
(planned
and
potential)

Regulatory
outcomes
Current cases (including ETI)
Major investments (e.g., Waterford 3
steam generator replacement,
Hinds and Hot Spring acquisitions)
Three rate cases in 2013
3

Bottom line
when the time comes, we'll make the right decision
4

Previously, we've said the long-term financial outlook supported maintaining
Entergy's dividend at the current \$3.32 per share annualized level

Point
of
view
on
commodity
markets,
EWC's
ability
to
temporarily
supplement
dividend

Number
of
ITC
shares
to
Entergy
shareholders

Credit
and

liquidity

Payout
ratio

Benefits from Independence
Benefits from Independence
Regional Transmission Planning
Regional Transmission Planning
Aligns with national policy objectives
Greater participation, disclosure by
third parties

Facilitates competitive markets

Transmission Planning

ITC

Sources: Velocity Suite Online and Ventyx, an ABB Company

Portfolio

Management

26

Optimize

projects

across

both systems and other

regions

Better

access

to

information

Within

MISO

and

beyond