

ENTERGY CORP /DE/
Form 425
November 13, 2012

Creating Sustainable Value
47
th
Edison Electric Institute
Financial Conference

November 11

13, 2012

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Under the Securities Act of 1933

Subject Company: Entergy Corporation

Commission File No. 001-11299

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Caution Regarding Forward-Looking Statements and
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Regulation G Compliance
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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

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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

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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

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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
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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