ENTERGY ARKANSAS INC
Form 10-Q
August 08, 2011

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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, 2011

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. |
|---|---|
| 1-11299 | ENTERGY CORPORATION<br>(a Delaware corporation)<br>639 Loyola Avenue<br>New Orleans, Louisiana 70113<br>Telephone (504) 576-4000<br>72-1229752 |
| 1-10764 | ENTERGY ARKANSAS, INC.<br>(an Arkansas corporation)<br>425 West Capitol Avenue<br>Little Rock, Arkansas 72201<br>Telephone (501) 377-4000<br>71-0005900 |
| 0-20371 | ENTERGY GULF STATES LOUISIANA, L.L.C.<br>(a Louisiana limited liability company)<br>446 North Boulevard<br>Baton Rouge, Louisiana 70802<br>Telephone (800) 368-3749<br>74-0662730 |
| 1-31508 | ENTERGY MISSISSIPPI, INC.<br>(a Mississippi corporation)<br>308 East Pearl Street<br>Jackson, Mississippi 39201<br>Telephone (601) 368-5000<br>64-0205830 |
| 0-05807 | ENTERGY NEW ORLEANS, INC.<br>(a Louisiana corporation)<br>1600 Perdido Street<br>New Orleans, Louisiana 70112<br>Telephone (504) 670-3700<br>72-0273040 |
| 1-34360 | ENTERGY TEXAS, INC.<br>(a Texas corporation)<br>350 Pine Street<br>Beaumont, Texas 77701<br>Telephone (409) 981-2000<br>61-1435798 |

| | | | |
|---|---|---|---|
| 1-32718 | ENTERGY LOUISIANA, LLC<br>(a Texas limited liability company)<br>446 North Boulevard<br>Baton Rouge, Louisiana 70802<br>Telephone (800) 368-3749<br>75-3206126 | 1-09067 | SYSTEM ENERGY RESOURCES, INC.<br>(an Arkansas corporation)<br>Echelon One<br>1340 Echelon Parkway<br>Jackson, Mississippi 39213<br>Telephone (601) 368-5000<br>72-0752777 |

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 þ 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 þ 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 | Ö | | | |
| Entergy Arkansas, Inc. | | | Ö | |
| Entergy Gulf States Louisiana, L.L.C. | | | Ö | |
| Entergy Louisiana, LLC | | | Ö | |
| Entergy Mississippi, Inc. | | | Ö | |
| Entergy New Orleans, Inc. | | | Ö | |
| Entergy Texas, Inc. | | | Ö | |
| System Energy Resources, Inc. | | | Ö | |

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

| Common Stock Outstanding | | Outstanding at July 29, 2011 |
|---|---|---|
| Entergy Corporation | ($0.01 par value) | 176,781,300 |

Entergy Corporation, Entergy Arkansas, Inc., Entergy Gulf States Louisiana, L.L.C., Entergy Louisiana, LLC, Entergy Mississippi, Inc., Entergy New Orleans, Inc., Entergy Texas, Inc., and System Energy Resources, Inc. separately file this combined Quarterly Report on Form 10-Q. Information contained herein relating to any individual company is filed by such company on its own behalf. Each company reports herein only as to itself and makes no other representations whatsoever as to any other company. This combined Quarterly Report on Form 10-Q supplements and updates the Annual Report on Form 10-K for the calendar year ended December 31, 2010 and the Quarterly Report on Form 10-Q for the quarter ended March 31, 2011, 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, and other regulatory proceedings, including those related to Entergy's System Agreement or any successor agreement or arrangement, Entergy's utility supply plan, recovery of storm costs, and recovery of fuel and purchased power costs
- changes in utility regulation, including the beginning or end of retail and wholesale competition, the ability to recover net utility assets and other potential stranded costs, the operations of the independent coordinator of transmission for Entergy's utility service territory and transition to a successor or alternative arrangement, including possible participation in a regional transmission organization, and the application of more stringent transmission reliability requirements or market power criteria by the FERC
- changes in regulation of nuclear generating facilities and nuclear materials and fuel, including possible shutdown of nuclear generating facilities, particularly those owned or operated by the Entergy Wholesale Commodities business, and the effects of new or existing safety concerns regarding nuclear power plants and nuclear fuel
- resolution of pending or future applications for license renewals or modifications of nuclear generating facilities
- the performance of and deliverability of power from Entergy's generation resources, including the capacity factors at its nuclear generating facilities
- Entergy's ability to develop and execute on a point of view regarding future prices of electricity, natural gas, and other energy-related commodities
- prices for power generated by Entergy's merchant generating facilities and the ability to hedge, sell power forward or otherwise reduce the market price risk associated with those facilities, including the Entergy Wholesale Commodities nuclear plants
- the prices and availability of fuel and power Entergy must purchase for its Utility customers, and Entergy's ability to meet credit support requirements for fuel and power supply contracts
- volatility and changes in markets for electricity, natural gas, uranium, and other energy-related commodities
- changes in law resulting from federal or state energy legislation or legislation subjecting energy derivatives used in hedging and risk management transactions to governmental regulation
- changes in environmental, tax, and other laws, including requirements for reduced emissions of sulfur, nitrogen, carbon, mercury, and other substances, and changes in costs of compliance with environmental and other laws and regulations

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FORWARD-LOOKING INFORMATION (Concluded)

- uncertainty regarding the establishment of interim or permanent sites for spent nuclear fuel and nuclear waste storage and disposal
- variations in weather and the occurrence of hurricanes and other storms and disasters, including uncertainties associated with efforts to remediate the effects of hurricanes and ice storms and the recovery of costs associated with restoration, including accessing funded storm reserves, federal and local cost recovery mechanisms, securitization, and insurance
- effects of climate change
- Entergy's ability to manage its capital projects and operation and maintenance costs
- Entergy's ability to purchase and sell assets at attractive prices and on other attractive terms
- the economic climate, and particularly economic conditions in Entergy's Utility service territory and the Northeast United States and events that could influence economic conditions in those areas
- the effects of Entergy's strategies to reduce tax payments
- changes in the financial markets, particularly those affecting the availability of capital and Entergy's ability to refinance existing debt, execute share repurchase programs, and fund investments and acquisitions
- actions of rating agencies, including changes in the ratings of debt and preferred stock, changes in general corporate ratings, and changes in the rating agencies' ratings criteria
- changes in inflation and interest rates
- the effect of litigation and government investigations or proceedings
- advances in technology
- the potential effects of threatened or actual terrorism, cyber attacks or data security breaches, and war or a catastrophic event such as a nuclear accident or a natural gas pipeline explosion
- Entergy's ability to attract and retain talented management and directors
- changes in accounting standards and corporate governance
- declines in the market prices of marketable securities and resulting funding requirements for Entergy's defined benefit pension and other postretirement benefit plans
- changes in decommissioning trust fund values or earnings or in the timing of or cost to decommission nuclear plant sites
- factors that could lead to impairment of long-lived assets
- the ability to successfully complete merger, acquisition, or divestiture plans, regulatory or other limitations imposed as a result of merger, acquisition, or divestiture, and the success of the business following a merger, acquisition, or divestiture

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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 |
| ASU | Accounting Standards Update issued by the FASB |
| Board | Board of Directors of Entergy Corporation |
| capacity factor | Actual plant output divided by maximum potential plant output for the period |
| City Council or Council | Council of the City of New Orleans, Louisiana |
| Entergy | Entergy Corporation and its direct and indirect subsidiaries |
| Entergy Corporation | Entergy Corporation, a Delaware corporation |
| Entergy Gulf States, Inc. | Predecessor company for financial reporting purposes to Entergy Gulf States Louisiana that included the assets and business operations of both Entergy Gulf States Louisiana and Entergy Texas |
| Entergy Gulf States Louisiana | Entergy Gulf States Louisiana, L.L.C., a company created in connection with the jurisdictional separation of Entergy Gulf States, Inc. and the successor company to Entergy Gulf States, Inc. for financial reporting purposes. The term is also used to refer to the Louisiana jurisdictional business of Entergy Gulf States, Inc., as the context requires. |
| Entergy Texas | Entergy Texas, Inc., a company created in connection with the jurisdictional separation of Entergy Gulf States, Inc. The term is also used to refer to the Texas jurisdictional business of Entergy Gulf States, Inc., as the context requires. |
| Entergy Wholesale Commodities (EWC) | Entergy's non-utility business segment primarily comprised of the ownership and operation of six nuclear power plants, the ownership of interests in non-nuclear power plants, and the sale of the electric power produced by those plants to wholesale customers |
| EPA | United States Environmental Protection Agency |
| ERCOT | Electric Reliability Council of Texas |
| FASB | Financial Accounting Standards Board |
| FERC | Federal Energy Regulatory Commission |
| firm LD | Transaction that requires receipt or delivery of energy at a specified delivery point (usually at a market hub not associated with a specific asset) or settles financially on notional quantities; if a party fails to deliver or receive energy, the defaulting party must compensate the other party as specified in the contract |
| FitzPatrick | James A. FitzPatrick Nuclear Power Plant (nuclear), owned by an Entergy subsidiary in the Entergy Wholesale Commodities business segment |
| Form 10-K | Annual Report on Form 10-K for the calendar year ended December 31, 2010 filed with the SEC by Entergy Corporation and its Registrant Subsidiaries |
| Grand Gulf | Unit No. 1 of Grand Gulf Nuclear Station (nuclear), 90% owned or leased by System Energy |
| GWh | Gigawatt-hour(s), which equals one million kilowatt-hours |
| Independence | Independence Steam Electric Station (coal), owned 16% by Entergy Arkansas, 25% by Entergy Mississippi, and 7% by Entergy Power |
| Indian Point 2 | |

| | |
|---|---|
| | Unit 2 of Indian Point Energy Center (nuclear), owned by an Entergy subsidiary in the Entergy Wholesale Commodities business segment |
| Indian Point 3 | Unit 3 of Indian Point Energy Center (nuclear), owned by an Entergy subsidiary in the Entergy Wholesale Commodities business segment |
| IRS | Internal Revenue Service |

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DEFINITIONS (Continued)

| Abbreviation or Acronym | Term |
|---|---|
| ISO | Independent System Operator |
| kW | Kilowatt, which equals one thousand watts |
| kWh | Kilowatt-hour(s) |
| LPSC | Louisiana Public Service Commission |
| MISO | Midwest Independent Transmission System Operator, Inc., 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 MW in operation | Installed capacity owned and operated |
| NRC | Nuclear Regulatory Commission |
| NYPA | New York Power Authority |
| Offsetting positions | Transactions for the purchase of energy, generally to offset a firm LD transaction |
| Palisades | Palisades Power Plant (nuclear), owned by an Entergy subsidiary in the Entergy Wholesale Commodities business segment |
| Pilgrim | Pilgrim Nuclear Power Station (nuclear), owned by an Entergy subsidiary in the Entergy Wholesale Commodities business segment |
| PPA | Purchased power agreement 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 |
| SPP | Southwest Power Pool |
| System Agreement | Agreement, effective January 1, 1983, as modified, among the Utility operating companies relating to the sharing of generating capacity and other power resources |
| System Energy | System Energy Resources, Inc. |
| TWh | Terawatt-hour(s), which equals one billion kilowatt-hours |
| unit-contingent | Transaction under which power is supplied from a specific generation asset; if the asset is not operating, the seller is generally not liable to the buyer for any damages |
| Unit Power Sales Agreement | Agreement, dated as of June 10, 1982, as amended and approved by FERC, among Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy, relating to the sale of capacity and energy from System Energy's share of Grand Gulf |
| Utility | Entergy's business segment that generates, transmits, distributes, and sells electric power, with a small amount of natural gas distribution |
| Utility operating companies | Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and Entergy Texas |
| Vermont Yankee | |

| | |
|---|---|
| | Vermont Yankee Nuclear Power Station (nuclear), owned by an Entergy subsidiary in the Entergy Wholesale Commodities business segment |
| Waterford 3 | Unit No. 3 (nuclear) of the Waterford Steam Electric Station, 100% owned or leased by Entergy Louisiana |
| weather-adjusted usage | Electric usage excluding the effects of deviations from normal weather |

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ENTERGY CORPORATION AND SUBSIDIARIES

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

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

- Utility generates, transmits, distributes, and sells electric power in service territories in four states that include portions of Arkansas, Mississippi, Texas, and Louisiana, including the City of New Orleans; and operates a small natural gas distribution business.
- The Entergy Wholesale Commodities business segment includes the ownership and operation of six nuclear power plants located in the northern United States and the sale of the electric power produced by those plants to wholesale customers. This business also provides services to other nuclear power plant owners. Entergy Wholesale Commodities also owns interests in non-nuclear power plants that sell the electric power produced by those plants to wholesale customers.

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

Results of Operations

Second Quarter 2011 Compared to Second Quarter 2010

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

| | Utility | Entergy Wholesale Commodities | Parent & Other (1) | Entergy |
|---|---|---|---|---|
| | | (In Thousands) | | |
| 2nd Qtr 2010 Consolidated Net Income | $230,173 | $104,557 | ($14,447) | $320,283 |
| Net revenue (operating revenue less fuel expense, purchased power, and other regulatory charges/credits) | 11,992 | (55,659) | 1,117 | (42,550) |
| Other operation and maintenance expenses | 13,669 | (19,296) | 17,919 | 12,292 |
| Taxes other than income taxes | 4,493 | (2,454) | 208 | 2,247 |
| | 2,547 | 5,983 | 109 | 8,639 |

| | | | | |
|---|---|---|---|---|
| Depreciation and amortization | | | | |
| Other income | 11,004 | (4,272) | (2,825) | 3,907 |
| Interest expense | (17,590) | (4,594) | 11,227 | (10,957) |
| Other expenses | (680) | 2,455 | - | 1,775 |
| Income taxes | (2,011) | (3,024) | (47,919) | (52,954) |
| | | | | |
| 2nd Qtr 2011 Consolidated Net Income | $252,741 | $65,556 | $2,301 | $320,598 |

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

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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 second quarter 2011 to the second quarter 2010.

| | Amount (In Millions) |
|---|---|
| 2010 net revenue | $1,293 |
| Retail electric price | 21 |
| Volume/weather | 14 |
| Purchased power capacity | (4) |
| Net wholesale revenue | (11) |
| Other | (8) |
| 2011 net revenue | $1,305 |

The retail electric price variance is primarily due to:

- a base rate increase at Entergy Arkansas effective July 2010;
- rate actions at Entergy Texas, including a base rate increase effective August 2010 and an additional increase beginning May 2011; and
- formula rate plan increases at Entergy Louisiana effective September 2010 and May 2011.

These were partially offset by a formula rate plan decrease at Entergy New Orleans effective October 2010. See Note 2 to the financial statements in the Form 10-K and herein for further discussion of these proceedings.

The volume/weather variance is primarily due to an increase of 730 GWh in billed electricity usage in all sectors, including the effect of more favorable weather on the residential and commercial sectors. Industrial sales growth leveled off somewhat after significant growth since the beginning of 2010. Entergy’s service territory continues to benefit from expansions, while there has been some pullback in the paper and wood segments and small industrials.

The purchased power capacity variance is primarily due to price increases for ongoing purchased power capacity and additional capacity purchases.

The net wholesale revenue variance is primarily due to lower margins on co-owner contracts and higher wholesale energy costs.

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Entergy Wholesale Commodities

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

| | Amount (In Millions) |
|---|---|
| 2010 net revenue | $530 |
| Realized price changes | (52) |
| Volume | 5 |
| Other | (9) |
| 2011 net revenue | $474 |

As shown in the table above, net revenue for Entergy Wholesale Commodities decreased by $56 million, or 11%, in the second quarter 2011 compared to the second quarter 2010 primarily due to lower pricing in its contracts to sell power.

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

| | 2011 | 2010 |
|---|---|---|
| Net MW in operation at June 30 | 4,998 | 4,998 |
| Average realized revenue per MWh | $52.38 | $57.69 |
| GWh billed | 9,993 | 9,868 |
| Capacity factor | 91% | 90% |
| Refueling Outage Days: | | |
| Indian Point 2 | - | 11 |
| Indian Point 3 | 7 | - |
| Pilgrim | 25 | - |
| Vermont Yankee | - | 29 |

Overall, including its non-nuclear plants, Entergy Wholesale Commodities billed 10,652 GWh in the second quarter 2011 and 10,498 GWh in the second quarter 2010, with average realized revenue per MWh of $52.32 in the second quarter 2011 and $58.15 in the second quarter 2010.

Realized Price per MWh

See the Form 10-K for a discussion of Entergy Wholesale Commodities nuclear business's realized price per MWh, including the factors that influence it and the decrease in the annual average realized price per MWh to $59.16 in 2010 from $61.07 for 2009. Entergy Wholesale Commodities' nuclear business is almost certain to experience a decrease again in 2011 because, as shown in the contracted sale of energy table "Market and Credit Risk Sensitive Instruments," Entergy Wholesale Commodities has sold forward 96% of its planned nuclear energy output for the remainder of 2011 for an average contracted energy price of $54 per MWh. In addition, Entergy Wholesale Commodities has sold forward 87% of its planned nuclear energy output for 2012 for an average contracted energy

price of $49 per MWh.

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Other Income Statement Items

Utility

Other operation and maintenance expenses increased from $471 million for the second quarter 2010 to $485 million for the second quarter 2011 primarily due to:

- an increase of $13 million in nuclear expenses primarily due to higher labor costs;
- an increase of $5 million in legal expenses primarily resulting from an increase in legal and regulatory activity increasing the use of outside legal services;
- an increase of $4 million in legal expenses due to the deferral in 2010 of certain litigation expenses in accordance with regulatory treatment; and
- an increase of $3 million due to the deferral in 2010 of 2009 Entergy Arkansas rate case expenses.

These increases were partially offset by a decrease of $11 million in fossil expenses resulting from a greater number and scope of outages in second quarter 2010 compared to second quarter 2011.

Other income increased due to:

- an increase in distributions of $6 million earned by Entergy Louisiana and $3 million earned by Entergy Gulf States Louisiana on investments in preferred membership interests of Entergy Holdings Company. The distributions on preferred membership interests are eliminated in consolidation and have no effect on 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 discussion of these investments in preferred membership interests; and
- an increase of $5 million in realized earnings on decommissioning trust fund investments.

These increases were partially offset by a decrease due to $8 million in carrying charges on storm restoration costs recorded in the second quarter 2010.

Interest expense decreased primarily due to the refinancing of long-term debt at lower interest rates by certain of the Utility operating companies. Also contributing to the decrease was interest expense accrued in 2010 related to the expected result of the LPSC staff audit of the fuel adjustment clause for the period 1995 through 2004.

Entergy Wholesale Commodities

Other operation and maintenance expenses decreased from $250 million for the second quarter 2010 to $231 million for the second quarter 2011 primarily due to:

- a decrease in costs related to spin-off dis-synergies;
- a decrease of $7 million due to the absence of expenses from the Harrison County plant, which was sold in December 2010; and
- a decrease in spending on tritium remediation work.

Parent & Other

The increase in other operation and maintenance expenses is primarily due to activity, which eliminates in consolidation, between the parent company and the two reportable business segments.

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

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Income Taxes

The effective income tax rates for the second quarters 2011 and 2010 were 32% and 38.9%, respectively. The difference in the effective income tax rate versus the statutory rate of 35% for the second quarter 2011 is primarily due to a settlement regarding an issue which had previously been considered an uncertain tax position. These factors were partially offset by a Michigan tax law change that repealed the business tax and enacted a corporate income tax, which eliminates a deduction that was available under the business tax; state income taxes; and certain book and tax differences for Utility plant items. The difference in the effective income tax rate versus the statutory rate of 35% for the second quarter 2010 was primarily due to state income taxes and certain book and tax differences for Utility plant items.

Six Months Ended June 30, 2011 Compared to Six Months Ended June 30, 2010

Following are income statement variances for Utility, Entergy Wholesale Commodities, Parent & Other, and Entergy comparing the six months ended June 30, 2011 to the six months ended June 30, 2010 showing how much the line item increased or (decreased) in comparison to the prior period:

| | Utility | Entergy Wholesale Commodities | Parent & Other (1) | Entergy |
|---|---|---|---|---|
| | | (In Thousands) | | |
| 2010 Consolidated Net Income | $373,144 | $195,099 | ($29,146) | $539,097 |
| Net revenue (operating revenue less fuel expense, purchased power, and other regulatory charges/credits) | 30,233 | (95,800) | 1,342 | (64,225) |
| Other operation and maintenance expenses | 26,702 | (69,851) | 8,702 | (34,447) |
| Taxes other than income taxes | (1,746) | (5,908) | (277) | (7,931) |
| Depreciation and amortization | (4,394) | 8,701 | 12 | 4,319 |
| Other income | 10,257 | (27,760) | (4,935) | (22,438) |
| Interest expense | (26,482) | (51,792) | 23,719 | (54,555) |
| Other expenses | (64) | 7,223 | 1 | 7,160 |
| Income taxes | (1,776) | (5,623) | (28,990) | (36,389) |
| 2011 Consolidated Net Income | $421,394 | $188,789 | ($35,906) | $574,277 |

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

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

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Net Revenue

Utility

Following is an analysis of the change in net revenue comparing the six months ended June 30, 2011 to the six months ended June 30, 2010.

| | Amount (In Millions) |
|---|---|
| 2010 net revenue | $2,423 |
| Retail electric price | 39 |
| Volume/weather | 23 |
| Net gas revenue | (7) |
| Purchased power capacity | (9) |
| Net wholesale revenue | (14) |
| Other | (2) |
| 2011 net revenue | $2,453 |

The retail electric price variance is primarily due to:

- a base rate increase at Entergy Arkansas effective July 2010;
- rate actions at Entergy Texas, including a base rate increase effective August 2010 and an additional increase beginning May 2011; and
- formula rate plan increases at Entergy Louisiana effective September 2010 and May 2011.

These were partially offset by a formula rate plan decrease at Entergy New Orleans effective October 2010. See Note 2 to the financial statements in the Form 10-K for further discussion of these proceedings.

The volume/weather variance is primarily due to an increase of 1,202 GWh in weather-adjusted usage across all sectors. Weather-adjusted residential retail sales growth reflected an increase in the number of customers. Industrial sales have realized sustained growth since the beginning of 2010 and the first half of 2011 continued the trend. Entergy's service territory has benefitted from the national manufacturing economy as well as industrial facility expansions. Industrial customers in Entergy's service territory also have benefitted from the need to re-stock inventory and export trends. The weather effect declined, despite the experience of favorable weather in the first half of 2011, primarily because the near-record-setting cold weather experienced in the first quarter 2010 was even more favorable.

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

The purchased power capacity variance is primarily due to price increases for ongoing purchased power capacity and additional capacity purchases.

The net wholesale revenue variance is primarily due to lower margins on co-owner contracts and higher wholesale energy costs.

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Entergy Wholesale Commodities

Following is an analysis of the change in net revenue comparing the six months ended June 30, 2011 to the six months ended June 30, 2010.

| | Amount (In Millions) |
|---|---|
| 2010 net revenue | $1,095 |
| Realized price changes | (67) |
| Volume | (14) |
| Other | (15) |
| 2011 net revenue | $999 |

As shown in the table above, net revenue for Entergy Wholesale Commodities decreased by $96 million, or 9%, in the six months ended June 30, 2011 compared to the six months ended June 30, 2010 primarily due to lower pricing in its contracts to sell power and lower volume resulting from an increase in forced outages for Entergy Wholesale Commodities' nuclear fleet in 2011.

Following are key performance measures for Entergy Wholesale Commodities' nuclear plants for the six months ended June 30, 2011 and 2010:

| | 2011 | 2010 |
|---|---|---|
| Net MW in operation at June 30 | 4,998 | 4,998 |
| Average realized revenue per MWh | $54.91 | $58.22 |
| GWh billed | 19,906 | 20,123 |
| Capacity factor | 91% | 92% |
| Refueling Outage Days: | | |
| Indian Point 2 | - | 33 |
| Indian Point 3 | 30 | - |
| Pilgrim | 25 | - |
| Vermont Yankee | - | 29 |

Overall, including its non-nuclear plants, Entergy Wholesale Commodities billed 21,171 GWh in the six months ended June 30, 2011 and 21,626 GWh in the six months ended June 30, 2010, with average realized revenue per MWh of $54.64 in the six months ended June 30, 2011 and $58.23 in the six months ended June 30, 2010. See also the discussion in "Realized Price per MWh" in the Second Quarter 2011 Compared to Second Quarter 2010 section.

Other Income Statement Items

Utility

Other operation and maintenance expenses increased from $906 million for the six months ended June 30, 2010 to $933 million for the six months ended June 30, 2011 primarily due to:

- an increase of $17 million in nuclear expenses primarily due to higher labor and benefits costs;
- an increase of $8 million in legal expenses primarily resulting from an increase in legal and regulatory activity increasing the use of outside legal services;
- an increase of $6 million in transmission and distribution expenses primarily due to vegetation and maintenance expenses; and
- several individually insignificant items.

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These increases were partially offset by a decrease of $18 million in fossil expenses resulting from more outages in the first half of 2010 and an increase of $6 million in nuclear insurance refunds received in 2011 as compared to the same period in 2010.

Other income increased due to an increase in distributions of $12 million earned by Entergy Louisiana and $7 million earned by Entergy Gulf States Louisiana on investments in preferred membership interests of Entergy Holdings Company. The distributions on preferred membership interests are eliminated in consolidation and have no effect on 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 discussion of these investments in preferred membership interests. This was partially offset by a decrease due to $8 million in carrying charges on storm restoration costs recorded in the second quarter 2010.

Interest expense decreased primarily due to the refinancing of long-term debt at lower interest rates by certain of the Utility operating companies. Also contributing to the decrease was interest expense accrued in 2010 related to the expected result of the LPSC staff audit of Entergy Gulf States Louisiana's fuel adjustment clause for the period 1995 through 2004.

Entergy Wholesale Commodities

Other operation and maintenance expenses decreased from $510 million for the six months ended June 30, 2010 to $440 million for the six months ended June 30, 2011 primarily due to:

- the write-off of $32 million of capital costs in first quarter 2010, primarily for software that will not be utilized, in connection with Entergy's decision to unwind the infrastructure created for the planned spin-off of its non-utility nuclear business;
- a decrease of $13 million due to the absence of expenses from the Harrison County plant which was sold in December 2010;
- a decrease in spending on tritium remediation work; and
- several other individually insignificant factors.

Other income decreased primarily due to a decrease in interest income earned on loans to the parent company, Entergy Corporation, and a decrease of $9 million in realized earnings on decommissioning trust fund investments.

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

Parent & Other

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

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Income Taxes

The effective income tax rates for the six months ended June 30, 2011 and 2010 were 35.4% and 39.5%, respectively. The difference in the effective income tax rate versus the statutory rate of 35% for the six months ended June 30, 2011 is primarily due to a settlement regarding an issue which had previously been considered an uncertain tax position. This was partially offset by:

- a Michigan tax law change that repealed the business tax and enacted a corporate income tax, which eliminates a deduction that was available under the business tax;
- state income taxes; and
- certain book and tax differences for Utility plant items.

The difference in the effective income tax rate versus the statutory rate of 35% for the six months ended June 30, 2010 was primarily due to:

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

These factors were partially offset by:

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

Liquidity and Capital Resources

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

Capital Structure

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

| | June 30, 2011 | December 31, 2010 |
|---|---|---|
| Debt to capital | 58.1% | 57.3% |
| Effect of excluding the Arkansas and Texas securitization bonds | (1.8)% | (2.0)% |
| Debt to capital, excluding securitization bonds (1) | 56.3% | 55.3% |
| Effect of subtracting cash | (1.2)% | (3.2)% |

| | | |
|---|---|---|
| Net debt to net capital, excluding securitization bonds (1) | 55.1% | 52.1% |

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

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

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As discussed in the Form 10-K, Entergy Corporation has in place a revolving credit facility that expires in August 2012. Entergy Corporation has the ability to issue letters of credit against the total borrowing capacity of the facility. As of June 30, 2011, the capacity and amounts outstanding under the credit facility are:

| Capacity | Borrowings | Letters of Credit | Capacity Available |
|---|---|---|---|
| | (In Millions) | | |
| $3,465 | $1,895 | $25 | $1,545 |

Entergy Corporation's credit facility requires it to maintain a consolidated debt ratio of 65% or less of its total capitalization. The calculation of this debt ratio under Entergy Corporation's credit facility is different than the calculation of the debt to capital ratio above. Entergy is currently in compliance with this covenant. If Entergy fails to meet this ratio, or if Entergy Corporation or one of the Utility operating companies (except Entergy New Orleans) defaults on other indebtedness or is in bankruptcy or insolvency proceedings, an acceleration of the facility's maturity date may occur.

See Note 4 to the financial statements herein for additional discussion of the Entergy Corporation credit facility and discussion of the Registrant Subsidiaries' credit facilities.

Capital Expenditure Plans and Other Uses of Capital

See the table and discussion in the Form 10-K under "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources - Capital Expenditure Plans and Other Uses of Capital," that sets forth the amounts of planned construction and other capital investments by operating segment for 2011 through 2013. Following are updates to the discussion in the Form 10-K.

Acadia Unit 2 Purchase Agreement

See the Form 10-K for a discussion of the agreement Entergy Louisiana signed to acquire Unit 2 of the Acadia Energy Center, a 580 MW generating unit located near Eunice, La., from Acadia Power Partners, LLC, an independent power producer. Entergy Louisiana acquired the plant on April 29, 2011.

Summer 2009 Long-Term Request for Proposal

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

Ninemile Point Unit 6 Self-Build Project

In June 2011, Entergy Louisiana filed with the LPSC an application seeking certification that the public necessity and convenience would be served by Entergy Louisiana's construction of a combined-cycle gas turbine generating facility (Ninemile 6) at its existing Ninemile Point electric generating station. Ninemile 6 will be a nominally-sized 550 MW unit that is estimated to cost approximately $721 million to construct, excluding interconnection and transmission upgrades. Entergy Gulf States Louisiana joined in the application, seeking certification of its purchase under a life-of-unit power purchase agreement of up to 35% of the capacity and energy generated by Ninemile 6. The

Ninemile 6 capacity and energy is proposed to be allocated 55% to Entergy Louisiana, 25% to Entergy Gulf States Louisiana, and 20% to Entergy New Orleans. Entergy New Orleans has filed a request with the City Council to approve its purchase under a life-of-unit power purchase agreement of this capacity and energy. If the City Council does not approve this power purchase agreement in a timely manner, then an allocation of 65% to Entergy Louisiana and 35% to Entergy Gulf States Louisiana is proposed. If approvals are obtained from the LPSC and other permitting agencies, Ninemile 6 construction is expected to begin in 2012, and the unit is expected to commence commercial operation by mid-2015.

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Hot Spring Energy Facility Purchase Agreement

In April 2011, Entergy Arkansas announced that it has signed an asset purchase agreement to acquire the Hot Spring Energy Facility, a 620 MW natural gas-fired combined-cycle turbine plant located in Hot Spring County, Arkansas, from a subsidiary of KGen Power Corporation. The purchase price is expected to be approximately $253 million. Entergy Arkansas also expects to invest in various plant upgrades at the facility after closing and expects the total cost of the acquisition to be approximately $277 million. A transmission study estimates that the acquisition could require investment for supplemental upgrades in the Entergy transmission system, but there are still uncertainties associated with the results of this study that must be resolved. The purchase is contingent upon, among other things, obtaining necessary approvals, including full cost recovery, from various federal and state regulatory and permitting agencies. These include regulatory approvals from the APSC and FERC, as well as clearance under the Hart-Scott-Rodino anti-trust law. Closing is expected to occur in mid-2012. In July 2011, Entergy Arkansas filed its application with the APSC requesting approval of the acquisition and full cost recovery.

Hinds Energy Facility Purchase Agreement

In April 2011, Entergy Mississippi announced that it has signed an asset purchase agreement to acquire the Hinds Energy Facility, a 450 MW natural gas-fired combined-cycle turbine plant located in Jackson, Mississippi, from a subsidiary of KGen Power Corporation. The purchase price is expected to be approximately $206 million. Entergy Mississippi also expects to invest in various plant upgrades at the facility after closing and expects the total cost of the acquisition to be approximately $246 million. A transmission study estimates that the acquisition could require investment for supplemental upgrades in the Entergy transmission system, but there are still uncertainties associated with the results of this study that must be resolved. The purchase is contingent upon, among other things, obtaining necessary approvals, including full cost recovery, from various federal and state regulatory and permitting agencies. These include regulatory approvals from the MPSC and FERC, as well as clearance under the Hart-Scott-Rodino anti-trust law. Closing is expected to occur in mid-2012. In July 2011, Entergy Mississippi filed with the MPSC requesting approval of the acquisition and full cost recovery.

Waterford 3 Steam Generator Replacement Project

See the Form 10-K for a discussion of the Waterford 3 Steam Generator Replacement project. With regard to the delay in the delivery of the steam generators, Entergy Louisiana worked with the manufacturer to fully develop and evaluate repair options, and expects the replacement steam generators to be delivered in time for the Fall 2012 refueling outage. Extensive inspections of the existing steam generators at Waterford 3 in cooperation with the manufacturer were completed in April 2011. The review of data obtained during these inspections supports the conclusion that Waterford 3 can operate safely for another full cycle before the replacement of the existing steam generators. Entergy Louisiana is required to report formally its findings to the NRC through a report made 180 days after plant start up. At this time, a requirement to perform a mid-cycle outage for further inspections in order to allow the plant to continue operation until its Fall 2012 refueling outage is not anticipated. Entergy Louisiana currently expects the cost of the project, including carrying costs, to increase to approximately $687 million if the replacement occurs during the Fall 2012 refueling outage.

Entergy Louisiana’s existing formula rate plan provides for rate treatment of the Waterford 3 project costs, including in-service rate recovery without regulatory lag and treatment outside of the formula rate plan earnings sharing formula; however, these provisions contemplated the project being placed in service during the term of the current formula rate plan and will not apply at the time of the expected in-service date in the Fall 2012. Entergy Louisiana will seek to reestablish comparable rate recovery provisions for the project through renewal or extension of the current formula rate plan provisions or through a base rate filing.

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Dividends and Stock Repurchases

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

Cash Flow Activity

As shown in Entergy's Consolidated Statements of Cash Flows, cash flows for the six months ended June 30, 2011 and 2010 were as follows:

| | 2011 | 2010 |
|---|---|---|
| | (In Millions) | |
| Cash and cash equivalents at beginning of period | $1,294 | $1,710 |
| Cash flow provided by (used in): | | |
| Operating activities | 977 | 1,468 |
| Investing activities | (1,827) | (1,173) |
| Financing activities | 86 | (670) |
| Effect of exchange rates on cash and cash equivalents | - | 1 |
| Net decrease in cash and cash equivalents | (764) | (374) |
| Cash and cash equivalents at end of period | $530 | $1,336 |

Operating Activities

Entergy's cash flow provided by operating activities decreased by $491 million for the six months ended June 30, 2011 compared to the six months ended June 30, 2010, primarily due to a decrease in deferred fuel cost collections and an increase of $163 million in pension contributions. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for a discussion of qualified pension and other postretirement benefits funding. A $42 million increase in incentive compensation payments, which occur in the first quarter, and the decrease in Entergy Wholesale Commodities net revenue that is discussed above also contributed to the decrease, as well as several other individually insignificant factors.

Investing Activities

Net cash used in investing activities increased by $654 million for the six months ended June 30, 2011 compared to the six months ended June 30, 2010 primarily due to:

- the purchase of the Acadia Power Plant by Entergy Louisiana for approximately $300 million in April 2011;
- an increase in nuclear fuel purchases, as more plants were preparing for refueling outages in the spring 2011 than in the spring 2010;

- a change in collateral deposit activity, reflected in the “Decrease (increase) in other investments” line, as Entergy received net deposits from Entergy Wholesale Commodities’ counterparties during 2010 and made net collateral deposits in 2011. Entergy Wholesale Commodities’ forward sales contracts are discussed in the Market and Credit Risk Sensitive Instruments section below; and

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- an increase in construction expenditures, primarily in the Utility business. Entergy's construction spending plans for 2011 through 2013 are discussed in the Form 10-K. April 2011 storms that caused damage to transmission and distribution lines, equipment, poles, and other facilities, primarily in Arkansas, also contributed to the increase. The estimated capital cost of repairing that damage is approximately $55 million.

Financing Activities

Financing activities provided $86 million of cash for the six months ended June 30, 2011 compared to using $670 million of cash for the six months ended June 30, 2010 primarily because long-term debt activity provided approximately $519 million of cash in 2011 and used approximately $249 million of cash in 2010. For details of Entergy's long-term debt activity in 2011 see Note 4 to the financial statements herein. Offsetting these increases in sources of cash, Entergy repurchased $160 million of its common stock in the six months ended June 30, 2011 and repurchased $138 million of its common stock in the six months ended June 30, 2010. Entergy's share repurchase programs are discussed in the Form 10-K.

Rate, Cost-recovery, and Other Regulation

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

State and Local Rate Regulation and Fuel-Cost Recovery

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

Federal Regulation

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

System Agreement and Independent Coordinator of Transmission (ICT)

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

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

agreements; (3) Successor Arrangements; (4) Entergy Arkansas as a standalone member of SPP RTO; and (5) Entergy Arkansas as a standalone member of MISO.

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On April 25, 2011, Entergy announced that each of the Utility operating companies propose joining MISO, which is expected to provide long-term benefits for the customers of each of the Utility operating companies. MISO is a regional transmission organization that operates in 13 U.S. states (Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Montana, North Dakota, Ohio, Pennsylvania, South Dakota, and Wisconsin) and also in Canada. The Utility operating companies provided analysis in May 2011 to their retail regulators supporting this decision. The APSC has requested additional information from both Entergy and MISO. The APSC's procedural schedule for the proceeding includes an evidentiary hearing scheduled for September 7, 2011. Entergy's May 2011 filings estimate that the expected transition and implementation costs of joining MISO are approximately $105 million if all of the Utility operating companies join MISO, most of which will be spent in late 2012 and 2013. Maintaining the viability of the alternatives of Entergy Arkansas joining MISO alone or standing alone within an ICT arrangement is expected to result in an additional cost of approximately $35 million, for a total cost of approximately $140 million. This amount could increase with extended litigation in various regulatory proceedings. It is expected that costs will be incurred to obtain regulatory approvals, to revise or implement commercial and legal agreements, to integrate transmission and generation facilities, to develop back-office accounting and settlement systems, and to build out communications infrastructure. The Utility operating companies also expect to make filings later in 2011 with their retail regulators regarding the transfer of control of their transmission assets to MISO. The target implementation date for joining MISO is December 2013.

In June 2011, MISO filed with the FERC a request for a transitional waiver of provisions of its open access transmission energy and operating reserve markets tariff regarding allocation of transmission network upgrade costs, in order to establish a transition for the integration of the Utility operating companies. Several parties have intervened in the proceeding, including Entergy, the APSC, the LPSC, and the City Council, and some of the parties have also filed comments or protests. A procedural schedule has not been established.

Market and Credit Risk Sensitive Instruments

Commodity Price Risk

Power Generation

As discussed more fully in the Form 10-K, the sale of electricity from the power generation plants owned by Entergy Wholesale Commodities, unless otherwise contracted, is subject to the fluctuation of market power prices. Following is an updated summary of the amount of Entergy Wholesale Commodities nuclear power plants' planned energy output that is sold forward under physical or financial contracts as of August 2, 2011 (2011 represents the remainder of the year):

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|
| Percent of planned generation sold forward: | | | | | |
| Unit-contingent | 76% | 59% | 36% | 14% | 12% |
| Unit-contingent with guarantee of availability (1) | 20% | 14% | 16% | 13% | 13% |
| Firm LD | 3% | 24% | 24% | 8% | -% |
| Offsetting positions | (3)% | (10)% | -% | -% | -% |
| Total energy sold forward | 96% | 87% | 76% | 35% | 25% |
| Planned generation (TWh) (2) | 21 | 41 | 40 | 41 | 41 |
| | $54 | $49 | $45-51 | $49-55 | $49-57 |

| | |
|---|---|
| Average revenue under contract per MWh (3) (4) | |

(1) A sale of power on a unit-contingent basis coupled with a guarantee of availability provides for the payment to the power purchaser of contract damages, if incurred, in the event the seller fails to deliver power as a result of the failure of the specified generation unit to generate power at or above a specified availability threshold. All of Entergy's outstanding guarantees of availability provide for dollar limits on Entergy's maximum liability under such guarantees.

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(2) Assumes NRC license renewal for plants whose current licenses expire within five years and the continued operation of all six plants. NRC license renewal applications are in process for three units, as follows (with current license expirations in parentheses): Pilgrim (June 2012), Indian Point 2 (September 2013), and Indian Point 3 (December 2015). See also Note 11 to the financial statements for a discussion regarding the continued operation of Vermont Yankee.

(3) The Vermont Yankee acquisition included a 10-year PPA under which the former owners will buy most of the power produced by the plant through March 21, 2012. The PPA includes an adjustment clause under which the prices specified in the PPA will be adjusted downward monthly, beginning in November 2005, if power market prices drop below PPA prices, which has not happened thus far.

(4) Average revenue under contract may fluctuate due to factors including positive or negative basis differentials, option premiums and market prices at time of option expiration, costs to convert firm LD to unit-contingent, and other risk management costs. Also, average revenue under contract excludes payments owed under the value sharing agreement with NYPA.

Entergy estimates that a $10 per MWh change in the annual average energy price in the markets in which the Entergy Wholesale Commodities nuclear business sells power, based on June 30, 2011 market conditions, planned generation volume, and hedged position, would have a corresponding effect on pre-tax net income of $9 million in 2011.

Some of the agreements to sell the power produced by Entergy Wholesale Commodities' nuclear power plants contain provisions that require an Entergy subsidiary to provide collateral to secure its obligations under the agreements. The Entergy subsidiary is required to provide collateral based upon the difference between the current market and contracted power prices in the regions where Entergy Wholesale Commodities sells power. The primary form of collateral to satisfy these requirements is an Entergy Corporation guaranty. Cash and letters of credit are also acceptable forms of collateral. At June 30, 2011, based on power prices at that time, Entergy had liquidity exposure of $61 million under the guarantees in place supporting Entergy Nuclear Power Marketing (a subsidiary in the Entergy Wholesale Commodities segment) transactions, $20 million of guarantees that support letters of credit, and $6 million of posted cash collateral to the ISOs. As of June 30, 2011, the credit exposure associated with Entergy Wholesale Commodities assurance requirements would increase by $116 million for a $1 per MMBtu increase in gas prices in both the short-and long-term markets. In the event of a decrease in Entergy Corporation's credit rating to below investment grade, based on power prices as of June 30, 2011, Entergy would have been required to provide approximately $53 million of additional cash or letters of credit under some of the agreements.

As of June 30, 2011, the counterparties or their guarantors for 99.8% of the planned energy output under contract for Entergy Wholesale Commodities through 2015 have public investment grade credit ratings and 0.2% is with load-serving entities without public credit ratings.

In addition to selling the power produced by its plants, Entergy Wholesale Commodities sells unforced capacity to load-serving distribution companies in order for those companies to meet requirements placed on them by the ISO in their area. Following is a summary of the amount of the Entergy Wholesale Commodities nuclear plants' installed capacity that is currently sold forward, and the blended amount of Entergy Wholesale Commodities nuclear plants' planned generation output and installed capacity that is sold forward as of August 2, 2011 (2011 represents the remainder of the year):

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| | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|
| Percent of capacity sold forward: | | | | | |
| Bundled capacity and energy contracts | 26% | 18% | 16% | 16% | 16% |
| Capacity contracts | 33% | 30% | 26% | 25% | 11% |
| Total capacity sold forward | 59% | 48% | 42% | 41% | 27% |
| Planned net MW in operation | 4,998 | 4,998 | 4,998 | 4,998 | 4,998 |
| Average revenue under contract per kW per month (applies to capacity contracts only) | $2.4 | $2.9 | $3.2 | $3.1 | $2.9 |
| | | | | | |
| Blended Capacity and Energy Recap (based on revenues) | | | | | |
| % of planned generation and capacity sold forward | 96% | 87% | 74% | 37% | 25% |
| Blended revenue under contract per MWh | $55 | $51 | $49 | $54 | $56 |

Nuclear Matters

After the nuclear incident in Japan resulting from the March 2011 earthquake and tsunami, the NRC established a task force to conduct a review of processes and regulations relating to nuclear facilities in the United States. The task force issued a near term (90-day) report in July 2011 that has made recommendations, which are currently being evaluated. The lessons learned from the events in Japan and the NRC recommendations may affect future operations of U.S. nuclear facilities, including Entergy's, and could, among other things, result in increased costs and capital requirements associated with operating Entergy's nuclear plants.

Critical Accounting Estimates

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

Nuclear Decommissioning Costs

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

New Accounting Pronouncements

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

net income or financial position.

In May 2011 the FASB issued ASU No. 2011-4, “Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs,” which states that the ASU explains how to measure fair value. The ASU states that: 1) the amendments in the ASU result in common fair value measurement and disclosure requirements in U.S. GAAP and International Financial Reporting Standards; 2) consequently, the amendments change the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements; 3) for many of the requirements, the

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FASB does not intend for the ASU to result in a change in the application of the requirements of current U.S. GAAP; 4) some of the amendments clarify the FASB's intent about the application of existing fair value measurement requirements; and 5) other amendments change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. ASU No. 2011-4 is effective for Entergy for the first quarter 2012. Entergy does not expect ASU No. 2011-4 to affect materially its results of operations, financial position, or cash flows.

In June 2011 the FASB issued ASU No. 2011-5, "Comprehensive Income (Topic 220): Presentation of Comprehensive Income." The amendments require that all non-owner changes in stockholders' equity be presented either in a single continuous statement of comprehensive income or in two separate but consecutive statements. ASU No. 2011-5 is effective for Entergy for the first quarter 2012. ASU No. 2011-5 will have no effect on Entergy's results of operations, financial position, or cash flows.

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ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
For the Three and Six Months Ended June 30, 2011 and 2010
(Unaudited)

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | 2011 | 2010 | 2011 | 2010 |
| | (In Thousands, Except Share Data) | | | |
| OPERATING REVENUES | | | | |
| Electric | $2,212,038 | $2,214,108 | $4,077,936 | $4,221,038 |
| Natural gas | 28,891 | 31,136 | 100,014 | 127,163 |
| Competitive businesses | 562,350 | 617,706 | 1,166,538 | 1,274,095 |
| TOTAL | 2,803,279 | 2,862,950 | 5,344,488 | 5,622,296 |
| | | | | |
| OPERATING EXPENSES | | | | |
| Operating and Maintenance: | | | | |
| Fuel, fuel-related expenses, and gas purchased for resale | 563,333 | 631,546 | 1,071,026 | 1,190,214 |
| Purchased power | 451,227 | 416,458 | 813,845 | 891,361 |
| Nuclear refueling outage expenses | 62,966 | 64,221 | 126,951 | 126,510 |
| Other operation and maintenance | 712,496 | 700,204 | 1,368,245 | 1,402,692 |
| Decommissioning | 55,497 | 52,467 | 110,762 | 104,043 |
| Taxes other than income taxes | 129,215 | 126,968 | 254,449 | 262,380 |
| Depreciation and amortization | 264,206 | 255,567 | 529,090 | 524,771 |
| Other regulatory charges (credits) - net | 5,601 | (10,722) | 491 | 17,370 |
| TOTAL | 2,244,541 | 2,236,709 | 4,274,859 | 4,519,341 |
| | | | | |
| OPERATING INCOME | 558,738 | 626,241 | 1,069,629 | 1,102,955 |
| | | | | |
| OTHER INCOME | | | | |
| Allowance for equity funds used during construction | 20,753 | 17,630 | 38,042 | 30,926 |
| Interest and investment income | 35,921 | 34,955 | 62,668 | 83,164 |
| Miscellaneous - net | (16,962) | (16,780) | (26,360) | (17,302) |
| TOTAL | 39,712 | 35,805 | 74,350 | 96,788 |
| | | | | |
| INTEREST EXPENSE | | | | |
| Interest expense | 136,049 | 148,179 | 272,183 | 327,379 |
| Allowance for borrowed funds used during construction | (9,150) | (10,323) | (17,684) | (18,325) |
| TOTAL | 126,899 | 137,856 | 254,499 | 309,054 |
| | | | | |
| INCOME BEFORE INCOME TAXES | 471,551 | 524,190 | 889,480 | 890,689 |
| | | | | |
| Income taxes | 150,953 | 203,907 | 315,203 | 351,592 |
| | | | | |
| CONSOLIDATED NET INCOME | 320,598 | 320,283 | 574,277 | 539,097 |

| | | | | |
|---|---|---|---|---|
| Preferred dividend requirements of subsidiaries | 5,015 | 5,017 | 10,031 | 10,033 |
| NET INCOME ATTRIBUTABLE TO ENTERGY CORPORATION | $315,583 | $315,266 | $564,246 | $529,064 |
| Earnings per average common share: | | | | |
| Basic | $1.77 | $1.67 | $3.16 | $2.80 |
| Diluted | $1.76 | $1.65 | $3.14 | $2.77 |
| Dividends declared per common share | $0.83 | $0.83 | $1.66 | $1.58 |
| Basic average number of common shares outstanding | 177,808,890 | 188,776,240 | 178,318,784 | 188,988,284 |
| Diluted average number of common shares outstanding | 178,925,180 | 190,717,958 | 179,502,551 | 190,999,699 |

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, 2011 and 2010
(Unaudited)

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| OPERATING ACTIVITIES | | |
| Consolidated net income | $574,277 | $539,097 |
| Adjustments to reconcile consolidated net income to net cash flow provided by operating activities: | | |
| Depreciation, amortization, and decommissioning, including nuclear fuel amortization | 852,028 | 831,785 |
| Deferred income taxes, investment tax credits, and non-current taxes accrued | 305,121 | 342,641 |
| Changes in working capital: | | |
| Receivables | (168,253) | (177,445) |
| Fuel inventory | (5,457) | 5,002 |
| Accounts payable | (76,803) | 23,094 |
| Prepaid taxes and taxes accrued | (2,810) | 10,104 |
| Interest accrued | (39,404) | (28,815) |
| Deferred fuel | (198,052) | (2,070) |
| Other working capital accounts | (112,386) | (126,824) |
| Changes in provisions for estimated losses | (5,954) | (30,218) |
| Changes in other regulatory assets | 96,549 | (22,703) |
| Changes in pensions and other postretirement liabilities | (232,306) | (74,187) |
| Other | (9,301) | 178,373 |
| Net cash flow provided by operating activities | 977,249 | 1,467,834 |
| | | |
| INVESTING ACTIVITIES | | |
| Construction/capital expenditures | (991,293) | (918,582) |
| Allowance for equity funds used during construction | 38,681 | 30,926 |
| Nuclear fuel purchases | (403,168) | (218,829) |
| Payment for purchase of plant | (299,590) | - |
| Proceeds from sale of assets and businesses | - | 9,675 |
| Changes in securitization account | 9,106 | (22,528) |
| NYPA value sharing payment | (72,000) | (72,000) |
| Payments to storm reserve escrow account | (3,294) | (3,030) |
| Receipts from storm reserve escrow account | - | 9,925 |
| Decrease (increase) in other investments | (42,994) | 55,430 |
| Proceeds from nuclear decommissioning trust fund sales | 636,359 | 1,487,387 |
| Investment in nuclear decommissioning trust funds | (699,530) | (1,531,275) |
| Net cash flow used in investing activities | (1,827,723) | (1,172,901) |

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, 2011 and 2010
(Unaudited)

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| FINANCING ACTIVITIES | | |
| Proceeds from the issuance of: | | |
| Long-term debt | 1,075,180 | 525,789 |
| Common stock and treasury stock | 16,958 | 8,716 |
| Retirement of long-term debt | (555,940) | (774,772) |
| Repurchase of common stock | (159,602) | (137,749) |
| Changes in credit borrowings - net | 15,960 | 17,123 |
| Dividends paid: | | |
| Common stock | (296,355) | (298,796) |
| Preferred stock | (10,031) | (10,033) |
| Net cash flow provided by (used in) financing activities | 86,170 | (669,722) |
| | | |
| Effect of exchange rates on cash and cash equivalents | (310) | 762 |
| | | |
| Net decrease in cash and cash equivalents | (764,614) | (374,027) |
| | | |
| Cash and cash equivalents at beginning of period | 1,294,472 | 1,709,551 |
| | | |
| Cash and cash equivalents at end of period | $529,858 | $1,335,524 |
| | | |
| | | |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: | | |
| Cash paid during the period for: | | |
| Interest - net of amount capitalized | $267,493 | $268,624 |
| Income taxes | $77 | $26,054 |

See Notes to Financial Statements.

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ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
ASSETS
June 30, 2011 and December 31, 2010
(Unaudited)

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| CURRENT ASSETS | | |
| Cash and cash equivalents: | | |
| Cash | $94,968 | $76,290 |
| Temporary cash investments | 434,890 | 1,218,182 |
| Total cash and cash equivalents | 529,858 | 1,294,472 |
| Securitization recovery trust account | 33,938 | 43,044 |
| Accounts receivable: | | |
| Customer | 693,937 | 602,796 |
| Allowance for doubtful accounts | (31,002) | (31,777) |
| Other | 162,190 | 161,662 |
| Accrued unbilled revenues | 377,977 | 302,901 |
| Total accounts receivable | 1,203,102 | 1,035,582 |
| Deferred fuel costs | 111,444 | 64,659 |
| Accumulated deferred income taxes | 6,975 | 8,472 |
| Fuel inventory - at average cost | 212,982 | 207,520 |
| Materials and supplies - at average cost | 869,341 | 866,908 |
| Deferred nuclear refueling outage costs | 287,282 | 218,423 |
| System agreement cost equalization | 66,351 | 52,160 |
| Prepaid taxes | 304,617 | 301,807 |
| Prepayments and other | 237,252 | 246,036 |
| TOTAL | 3,863,142 | 4,339,083 |
| | | |
| OTHER PROPERTY AND INVESTMENTS | | |
| Investment in affiliates - at equity | 44,172 | 40,697 |
| Decommissioning trust funds | 3,775,026 | 3,595,716 |
| Non-utility property - at cost (less accumulated depreciation) | 260,614 | 257,847 |
| Other | 412,090 | 405,946 |
| TOTAL | 4,491,902 | 4,300,206 |
| | | |
| PROPERTY, PLANT AND EQUIPMENT | | |
| Electric | 38,179,664 | 37,153,061 |
| Property under capital lease | 790,533 | 800,078 |
| Natural gas | 336,814 | 330,608 |
| Construction work in progress | 1,799,906 | 1,661,560 |
| Nuclear fuel | 1,451,087 | 1,377,962 |
| TOTAL PROPERTY, PLANT AND EQUIPMENT | 42,558,004 | 41,323,269 |
| Less - accumulated depreciation and amortization | 17,919,151 | 17,474,914 |
| PROPERTY, PLANT AND EQUIPMENT - NET | 24,638,853 | 23,848,355 |
| | | |
| DEFERRED DEBITS AND OTHER ASSETS | | |

| | | |
|---|---|---|
| Regulatory assets: | | |
| Regulatory asset for income taxes - net | 841,137 | 845,725 |
| Other regulatory assets (includes securitization property of $852,723 as of June 30, 2011 and $882,346 as of December 31, 2010) | 3,736,785 | 3,838,237 |
| Deferred fuel costs | 172,202 | 172,202 |
| Goodwill | 377,172 | 377,172 |
| Accumulated deferred income taxes | 80,910 | 54,523 |
| Other | 927,658 | 909,773 |
| TOTAL | 6,135,864 | 6,197,632 |
| | | |
| TOTAL ASSETS | $39,129,761 | $38,685,276 |

See Notes to Financial Statements.

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ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
LIABILITIES AND EQUITY
June 30, 2011 and December 31, 2010
(Unaudited)

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| CURRENT LIABILITIES | | |
| Currently maturing long-term debt | $128,062 | $299,548 |
| Notes payable | 130,795 | 154,135 |
| Accounts payable | 1,044,217 | 1,181,099 |
| Customer deposits | 345,079 | 335,058 |
| Accumulated deferred income taxes | 99,147 | 49,307 |
| Interest accrued | 178,280 | 217,685 |
| Deferred fuel costs | 15,142 | 166,409 |
| Obligations under capital leases | 3,599 | 3,388 |
| Pension and other postretirement liabilities | 40,235 | 39,862 |
| System agreement cost equalization | 66,351 | 52,160 |
| Other | 191,497 | 277,598 |
| TOTAL | 2,242,404 | 2,776,249 |
| | | |
| NON-CURRENT LIABILITIES | | |
| Accumulated deferred income taxes and taxes accrued | 8,867,158 | 8,573,646 |
| Accumulated deferred investment tax credits | 284,852 | 292,330 |
| Obligations under capital leases | 40,177 | 42,078 |
| Other regulatory liabilities | 578,821 | 539,026 |
| Decommissioning and asset retirement cost liabilities | 3,218,881 | 3,148,479 |
| Accumulated provisions | 390,089 | 395,250 |
| Pension and other postretirement liabilities | 1,942,685 | 2,175,364 |
| Long-term debt (includes securitization bonds of $895,824 as of June 30, 2011 and $931,131 as of December 31, 2010) | 12,057,368 | 11,317,157 |
| Other | 599,015 | 618,559 |
| TOTAL | 27,979,046 | 27,101,889 |
| | | |
| Commitments and Contingencies | | |
| | | |
| Subsidiaries' preferred stock without sinking fund | 216,745 | 216,738 |
| | | |
| EQUITY | | |
| Common Shareholders' Equity: | | |
| Common stock, $.01 par value, authorized 500,000,000 shares; issued 254,752,788 shares in 2011 and in 2010 | 2,548 | 2,548 |
| Paid-in capital | 5,366,132 | 5,367,474 |
| Retained earnings | 8,957,516 | 8,689,401 |
| Accumulated other comprehensive loss | (75,156) | (38,212) |
| Less - treasury stock, at cost (77,919,322 shares in 2011 and 76,006,920 shares in 2010) | 5,653,474 | 5,524,811 |

| | | |
|---|---|---|
| Total common shareholders' equity | 8,597,566 | 8,496,400 |
| Subsidiaries' preferred stock without sinking fund | 94,000 | 94,000 |
| TOTAL | 8,691,566 | 8,590,400 |
| | | |
| TOTAL LIABILITIES AND EQUITY | $39,129,761 | $38,685,276 |

See Notes to Financial Statements.

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ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY AND COMPREHENSIVE INCOME
For the Six Months Ended June 30, 2011 and 2010
(Unaudited) (In Thousands)

| | | Common Shareholders' Equity | | | | | |
|---|---|---|---|---|---|---|---|
| | Subsidiaries' Preferred Stock | Common Stock | Treasury Stock | Paid-in Capital | Retained Earnings | Accumulated Other Comprehensive Income (Loss) | Total |
| Balance at December 31, 2009 | $94,000 | $2,548 | $(4,727,167) | $5,370,042 | $8,043,122 | $ (75,185) | $8,707,360 |
| Consolidated net income (a) | 10,033 | - | - | - | 529,064 | - | 539,097 |
| Other comprehensive income: | | | | | | | |
| Cash flow hedges net unrealized gain (net of tax expense of $36,587) | - | - | - | - | - | 59,071 | 59,071 |
| Pension and other postretirement liabilities (net of tax expense of $2,541) | - | - | - | - | - | 5,010 | 5,010 |
| Net unrealized investment losses (net of tax benefit of $16,078) | - | - | - | - | - | (19,202) | (19,202) |
| Foreign currency translation (net of tax benefit of $409) | - | - | - | - | - | (759) | (759) |
| Total comprehensive income | | | | | | | 583,217 |
| Common stock repurchases | - | - | (137,749) | - | - | - | (137,749) |
| | - | - | 13,899 | 7,077 | - | - | 20,976 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Common stock issuances related to stock plans | | | | | | | |
| Common stock dividends declared | - | - | - | - | (299,033) | - | (299,033) |
| Preferred dividend requirements of subsidiaries (a) | (10,033) | - | - | - | - | - | (10,033) |
| | | | | | | | |
| Balance at June 30, 2010 | $94,000 | $2,548 | $(4,851,017) | $5,377,119 | $8,273,153 | $ (31,065) | $8,864,738 |
| | | | | | | | |
| | | | | | | | |
| Balance at December 31, 2010 | $94,000 | $2,548 | $(5,524,811) | $5,367,474 | $8,689,401 | $ (38,212) | $8,590,400 |
| | | | | | | | |
| Consolidated net income (a) | 10,031 | - | - | - | 564,246 | - | 574,277 |
| Other comprehensive income: | | | | | | | |
| Cash flow hedges net unrealized loss (net of tax benefit of $41,843) | - | - | - | - | - | (71,724) | (71,724) |
| Pension and other postretirement liabilities (net of tax expense of $3,057) | - | - | - | - | - | 6,598 | 6,598 |
| Net unrealized investment gains (net of tax expense of $28,726) | - | - | - | - | - | 27,871 | 27,871 |
| Foreign currency translation (net of tax expense of $167) | - | - | - | - | - | 311 | 311 |
| Total comprehensive income | | | | | | | 537,333 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Common stock repurchases | - | - | (159,602) | - | - | - | (159,602) |
| Common stock issuances related to stock plans | - | - | 30,939 | (1,342) | - | - | 29,597 |
| Common stock dividends declared | - | - | - | - | (296,131) | - | (296,131) |
| Preferred dividend requirements of subsidiaries (a) | (10,031) | - | - | - | - | - | (10,031) |
| Balance at June 30, 2011 | $94,000 | $2,548 | $(5,653,474) | $5,366,132 | $8,957,516 | $ (75,156) | $8,691,566 |

See Notes to Financial Statements.

(a) Consolidated net income and preferred dividend requirements of subsidiaries for both 2010 and 2011 include $6.6 million of preferred dividends on subsidiaries' preferred stock without sinking fund that is not presented as equity.

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ENTERGY CORPORATION AND SUBSIDIARIES
SELECTED OPERATING RESULTS
For the Three and Six Months Ended June 30, 2011 and 2010
(Unaudited)

| Description | Three Months Ended 2011 | 2010 | Increase/ (Decrease) | % |
|---|---|---|---|---|
| | (Dollars in Millions) | | | |
| Utility Electric Operating Revenues: | | | | |
| Residential | $760 | $724 | $36 | 5 |
| Commercial | 575 | 562 | 13 | 2 |
| Industrial | 589 | 570 | 19 | 3 |
| Governmental | 52 | 52 | - | - |
| Total retail | 1,976 | 1,908 | 68 | 4 |
| Sales for resale | 64 | 62 | 2 | 3 |
| Other | 172 | 244 | (72) | (30) |
| Total | $2,212 | $2,214 | $(2) | - |
| | | | | |
| Utility Billed Electric Energy Sales (GWh): | | | | |
| Residential | 7,993 | 7,705 | 288 | 4 |
| Commercial | 6,944 | 6,803 | 141 | 2 |
| Industrial | 10,140 | 9,862 | 278 | 3 |
| Governmental | 604 | 581 | 23 | 4 |
| Total retail | 25,681 | 24,951 | 730 | 3 |
| Sales for resale | 1,036 | 971 | 65 | 7 |
| Total | 26,717 | 25,922 | 795 | 3 |
| | | | | |
| Competitive Businesses: | | | | |
| Operating Revenues | $562 | $618 | $(56) | (9) |
| Billed Electric Energy Sales (GWh) | 10,652 | 10,498 | 154 | 1 |

| Description | Six Months Ended 2011 | 2010 | Increase/ (Decrease) | % |
|---|---|---|---|---|
| | (Dollars in Millions) | | | |
| Utility Electric Operating Revenues: | | | | |
| Residential | $1,508 | $1,542 | $(34) | (2) |
| Commercial | 1,076 | 1,088 | (12) | (1) |
| Industrial | 1,068 | 1,091 | (23) | (2) |
| Governmental | 99 | 102 | (3) | (3) |
| Total retail | 3,751 | 3,823 | (72) | (2) |
| Sales for resale | 128 | 145 | (17) | (12) |
| Other | 199 | 253 | (54) | (21) |
| Total | $4,078 | $4,221 | $(143) | (3) |

| | | | | |
|---|---|---|---|---|
| Utility Billed Electric Energy | | | | |
| Sales (GWh): | | | | |
| Residential | 17,034 | 17,350 | (316) | (2) |
| Commercial | 13,394 | 13,275 | 119 | 1 |
| Industrial | 19,657 | 18,596 | 1,061 | 6 |
| Governmental | 1,186 | 1,173 | 13 | 1 |
| Total retail | 51,271 | 50,394 | 877 | 2 |
| Sales for resale | 1,983 | 2,287 | (304) | (13) |
| Total | 53,254 | 52,681 | 573 | 1 |
| | | | | |
| Competitive Businesses: | | | | |
| Operating Revenues | $1,167 | $1,274 | $(107) | (8) |
| Billed Electric Energy Sales (GWh) | 21,171 | 21,626 | (455) | (2) |

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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, discusses tax proceedings in Note 3 to the financial statements in the Form 10-K and Note 10 to the financial statements herein, and discusses a judicial proceeding involving Vermont Yankee in Note 11 to the financial statements herein.

Nuclear Insurance

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

Conventional Property Insurance

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

Employment Litigation

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

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

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

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

Regulatory Assets

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

Fuel and Purchased Power Cost Recovery

Entergy Gulf States Louisiana

In January 2003 the LPSC authorized its staff to initiate a proceeding to audit the fuel adjustment clause filings of Entergy Gulf States Louisiana and its affiliates. The audit includes a review of the reasonableness of charges flowed by Entergy Gulf States Louisiana through its fuel adjustment clause for the period 1995 through 2004. The LPSC Staff issued its audit report in December 2010. The report recommends the disallowance of $23 million of costs which, with interest, would total $43 million. $2 million of this total relates to a realignment to and recovery through base rates of certain SO2 costs. Entergy Gulf States Louisiana filed comments disputing the findings in the report. Entergy Gulf States Louisiana and the LPSC Staff have reached a settlement that, if approved by the LPSC, will resolve this matter. The settlement requires Entergy Gulf States Louisiana to refund $18 million to customers, including the realignment to base rates of the $2 million of SO2 costs. The procedural schedule requires Entergy Gulf States Louisiana and the LPSC Staff to file the settlement by August 29, 2011, with hearings to take place either in September 2011, if the settlement is uncontested, or in late October or early November 2011, if the settlement is contested. The Louisiana Energy Users Group is the sole active intervenor in the case and is currently reviewing the settlement. Entergy Gulf States Louisiana has recorded provisions for the estimated effect of this proceeding.

In April 2010 the LPSC authorized its staff to initiate an audit of Entergy Gulf States Louisiana's purchased gas adjustment clause filings for its gas distribution operations. The audit includes a review of the reasonableness of charges flowed through by Entergy Gulf States Louisiana for the period from 2003 through 2008. Discovery is complete and, in June 2011, the LPSC staff filed an audit report generally supporting the appropriateness of charges flowed through the purchased gas adjustment clause filings. LPSC consideration of the audit report is pending.

Entergy Texas

In December 2010, Entergy Texas filed with the PUCT a request to refund fuel cost recovery over-collections through October 2010. Pursuant to a stipulation among the parties that was approved by the PUCT in March 2011, Entergy Texas refunded over-collections through November 2010 of approximately $73 million, including interest through the refund period. The refund was made for most customers over a three-month period that began with the February 2011 billing cycle.

Little Gypsy Repowering Project (Entergy and Entergy Louisiana)

See the Form 10-K for a discussion of the Little Gypsy repowering project. As discussed in the Form 10-K, in January 2011 all parties conducted a mediation on the disputed issues, and thereafter, reached agreement on a settlement of all disputed issues, including cost recovery and cost allocation. The settlement provides for Entergy

Louisiana to recover $200 million as of March 31, 2011, and carrying costs on that amount on specified terms thereafter. The settlement also provides for Entergy Louisiana to recover the approved project costs by securitization. In April 2011, Entergy Louisiana filed an application with the LPSC to authorize the securitization of the

investment recovery costs associated with the project and to issue a financing order by which Entergy Louisiana may accomplish such securitization. In June 2011 the LPSC issued an order approving the settlement and also issued a financing order for the securitization. Due to the need for additional public notice to be published in connection with the securitization of the project costs, a filing was made on July 21, 2011, requesting that the LPSC re-approve and re-issue a financing order with respect to the securitization of the investment recovery costs. Entergy Louisiana will continue its efforts to complete in the third quarter 2011 the securitization of the investment recovery costs.

Retail Rate Proceedings

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

Filings with the LPSC

(Entergy Gulf States Louisiana)

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

In May 2011, Entergy Gulf States Louisiana made a special formula rate plan rate implementation filing with the LPSC that implements effective with the May 2011 billing cycle a $5.1 million rate decrease to reflect adjustments in accordance with a previous LPSC order relating to the acquisition of Unit 2 of the Acadia Energy Center by Entergy Louisiana. As a result of the closing of the acquisition and termination of the pre-acquisition power purchase agreement with Acadia, Entergy Gulf States Louisiana's allocation of capacity related to this unit ended, resulting in a reduction in the additional capacity revenue requirement.

In May 2011, Entergy Gulf States Louisiana made its formula rate plan filing with the LPSC for the 2010 test year. The filing reflects an 11.11% earned return on common equity, which is within the allowed earnings bandwidth, indicating no cost of service rate change is necessary under the formula rate plan. The filing also reflects a $22.8 million rate decrease for incremental capacity costs. The filing is currently subject to LPSC review.

(Entergy Louisiana)

In May 2011, Entergy Louisiana made a special formula rate plan rate implementation filing with the LPSC that implements effective with the May 2011 billing cycle a $43.1 million net rate increase to reflect adjustments in accordance with a previous LPSC order relating to the acquisition of Unit 2 of the Acadia Energy Center. The net rate increase represents the decrease in the additional capacity revenue requirement resulting from the termination of the power purchase agreement with Acadia and the increase in the revenue requirement resulting from the ownership of the Acadia facility. The filing is currently subject to LPSC review. The May 2011 rate change contributed approximately $9 million to Entergy Louisiana's revenues in the second quarter 2011.

In May 2011, Entergy Louisiana made its formula rate plan filing with the LPSC for the 2010 test year. The filing reflects an 11.07% earned return on common equity, which is just outside of the allowed earnings bandwidth and results in no cost of service rate change under the formula rate plan. The filing also reflects a very slight ($9 thousand) rate increase for incremental capacity costs. The filing is currently subject to LPSC review.

Filings with the MPSC

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

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Filings with the City Council

In May 2011, Entergy New Orleans filed its electric and gas formula rate plan evaluation reports for the 2010 test year. The filings request a $6.5 million electric base revenue decrease and a $1.1 million gas base revenue decrease. As part of the filing, Entergy New Orleans is also requesting to increase annual funding for its storm reserve by approximately $3.7 million. The new rates would be effective, if approved, with the first billing cycle in October 2011. The City Council's and its Advisors' review of these filings is pending.

System Agreement Cost Equalization Proceedings

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

Rough Production Cost Equalization Rates

2011 Rate Filing Based on Calendar Year 2010 Production Costs

In May 2011, Entergy filed with the FERC the 2011 rates in accordance with the FERC's orders in the System Agreement proceeding. The filing shows the following payments/receipts among the Utility operating companies for 2011, based on calendar year 2010 production costs, commencing for service in June 2011, are necessary to achieve rough production cost equalization under the FERC's orders:

| | Payments or (Receipts) (In Millions) |
|---|---|
| Entergy Arkansas | $77 |
| Entergy Gulf States Louisiana | ($12) |
| Entergy Louisiana | $- |
| Entergy Mississippi | ($40) |
| Entergy New Orleans | ($25) |
| Entergy Texas | $- |

Several parties intervened in the proceeding at the FERC, including the LPSC, which filed a protest as well. On July 26, 2011, the FERC accepted Entergy's proposed rates for filing, effective June 1, 2011, subject to refund, set the proceeding for hearing procedures, and then held those procedures in abeyance pending FERC decisions in the prior production cost proceedings currently before the FERC on review.

2010 Rate Filing Based on Calendar Year 2009 Production Costs

In May 2010, Entergy filed with the FERC the 2010 rates in accordance with the FERC's orders in the System Agreement proceeding, and supplemented the filing in September 2010. Several parties intervened in the proceeding at the FERC, including the LPSC and the City Council, which have also filed protests. In July 2010 the FERC accepted Entergy's proposed rates for filing, effective June 1, 2010, subject to refund, and set the proceeding for hearing and settlement procedures. Settlement procedures have been terminated, and the ALJ scheduled hearings to

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

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Interruptible Load Proceeding

See the Form 10-K for a discussion of the interruptible load proceeding, including the FERC's motion requesting the D.C. Circuit hold the appeal of the FERC's decisions ordering refunds in the interruptible load proceeding in abeyance and remand the record to the FERC. The D.C. Circuit granted the FERC's unopposed motion in June 2009. In December 2009 the FERC established a paper hearing to determine whether the FERC had the authority and, if so, whether it would be appropriate to order refunds resulting from changes in the treatment of interruptible load in the allocation of capacity costs by the Utility operating companies. In August 2010 the FERC issued an order stating that it has the authority and refunds are appropriate. The APSC, MPSC, and Entergy requested rehearing of the FERC's decision. In June 2011 the FERC issued an order granting rehearing in part and denying rehearing in part, in which the FERC determined to invoke its discretion to deny refunds. The FERC held that in this case where "the Entergy system as a whole collected the proper level of revenue, but, as was later established incorrectly allocated peak load responsibility among various operating companies….the Commission will apply here our usual practice in such cases, invoking our equitable discretion to not order refunds, notwithstanding our authority to do so." The LPSC has requested rehearing of the FERC's June 2011 decision.

In September 2010 the FERC had issued an order setting the refund report filed in the proceeding in November 2007 for hearing and settlement judge procedures. In May 2011, Entergy filed a settlement agreement that resolved all issues relating to the refund report set for hearing. In June 2011 the settlement judge certified the settlement as uncontested and the settlement agreement is currently pending before the FERC. In July 2011, Entergy filed an amended/corrected refund report and a motion to defer action on the settlement agreement until after the FERC rules on the LPSC's rehearing request regarding the June 2011 decision denying refunds.

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

Common Stock

Earnings per Share

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

| | For the Three Months Ended June 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2011 | | | 2010 | | |
| | (In Millions, Except Per Share Data) | | | | | |
| Basic earnings per share | Income | Shares | $/share | Income | Shares | $/share |
| Net income attributable to Entergy Corporation | $315.6 | 177.8 | $1.77 | $315.3 | 188.8 | $1.67 |
| Average dilutive effect of: | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Stock options | - | 1.0 | (0.01) | - | 1.9 | (0.02) |
| Restricted stock | - | 0.1 | - | - | - | - |
| | | | | | | |
| Diluted earnings per share | $315.6 | 178.9 | $1.76 | $315.3 | 190.7 | $1.65 |

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| | For the Six Months Ended June, | | | | | |
|---|---|---|---|---|---|---|
| | 2011 | | | 2010 | | |
| | (In Millions, Except Per Share Data) | | | | | |
| Basic earnings per share | Income | Shares | $/share | Income | Shares | $/share |
| Net income attributable to Entergy Corporation | $564.2 | 178.3 | $3.16 | $529.1 | 189.0 | $2.80 |
| Average dilutive effect of: | | | | | | |
| Stock options | - | 1.0 | (0.02) | - | 2.0 | (0.03) |
| Restricted stock | - | 0.2 | - | - | - | - |
| Diluted earnings per share | $564.2 | 179.5 | $3.14 | $529.1 | 191.0 | $2.77 |

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

Treasury Stock

During the six months ended June 30, 2011, Entergy Corporation issued 424,598 shares of its previously repurchased common stock to satisfy stock option exercises and other stock-based awards. Also during the six months ended June 30, 2011, Entergy Corporation repurchased 2,337,000 shares of its common stock for a total purchase price of $159.6 million.

Retained Earnings

On July 29, 2011 Entergy Corporation's Board of Directors declared a common stock dividend of $0.83 per share, payable on September 1, 2011 to holders of record as of August 11, 2011.

Comprehensive Income

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

| | Entergy | Entergy Gulf States Louisiana | Entergy Louisiana |
|---|---|---|---|
| | June 30, | June 30, | June 30, |

| | 2011 | December 31, 2010 | 2011 | December 31, 2010 | 2011 | December 31, 2010 |
|---|---|---|---|---|---|---|
| | | | (In Thousands) | | | |
| Cash flow hedges net unrealized gain | $34,534 | $106,258 | $- | $- | $- | $- |
| Pension and other postretirement liabilities | (269,868) | (276,466) | (39,075) | (40,304) | (23,861) | (24,962) |
| Net unrealized investment gains | 157,556 | 129,685 | - | - | - | - |
| Foreign currency translation | 2,622 | 2,311 | - | - | - | - |
| Total | ($75,156) | ($38,212) | ($39,075) | ($40,304) | ($23,861) | ($24,962) |

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Other comprehensive income and total comprehensive income for the six months ended June 30, 2011 and 2010 are presented in Entergy's, Entergy Gulf States Louisiana's, and Entergy Louisiana's Statements of Changes in Equity and Comprehensive Income. Other comprehensive income and total comprehensive income, for the three months ended June 30, 2011 and 2010, are (all of the components of other comprehensive income are attributable to common equity):

| | Entergy | |
|---|---|---|
| Three Months Ended June 30, | 2011 | 2010 |
| | (In Thousands) | |
| Consolidated net income | $320,598 | $320,283 |
| Other comprehensive income | | |
| Cash flow hedges net unrealized loss (a) | (13,516) | (83,467) |
| Pension and other postretirement liabilities (b) | 2,339 | 3,205 |
| Net unrealized investment gain (loss) (c) | 3,186 | (36,043) |
| Foreign currency translation (d) | 11 | (152) |
| Total | $312,618 | $203,826 |

(a) Net of tax benefit of $7,208 and $50,672, respectively.
(b) Net of tax expense of $1,964 and $1,650, respectively.
(c) Net of tax expense (benefit) of $3,386 and ($33,891), respectively.
(d) Net of tax expense (benefit) of $6 and ($82), respectively.

| | Entergy Gulf States Louisiana | | Entergy Louisiana | |
|---|---|---|---|---|
| Three Months Ended June 30, | 2011 | 2010 | 2011 | 2010 |
| | (In Thousands) | | | |
| Net income | $49,310 | $32,154 | $75,103 | $61,259 |
| Other comprehensive income | | | | |
| Pension and other postretirement liabilities (e) | 486 | 519 | 367 | 445 |
| Total | $49,796 | $32,673 | $75,470 | $61,704 |

(e) Net of tax expense of $508, $505, $365, and $377, respectively.

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

Entergy Corporation has in place a credit facility that expires in August 2012 and has a borrowing capacity of approximately $3.5 billion. Entergy Corporation also has the ability to issue letters of credit against the total borrowing capacity of the credit facility. The facility fee is currently 0.125% of the commitment amount. Facility fees and interest rates on loans under the credit facility can fluctuate depending on the senior unsecured debt ratings of Entergy Corporation. The weighted average interest rate for the six months ended June 30, 2011 was 0.762% 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, 2011.

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| Capacity | Borrowings | Letters of Credit | Capacity Available |
|---|---|---|---|
| | (In Millions) | | |
| $3,465 | $1,895 | $25 | $1,545 |

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

Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, and Entergy Texas each had credit facilities available as of June 30, 2011 as follows:

| Company | Expiration Date | Amount of Facility | Interest Rate (a) | Amount Drawn as of June 30, 2011 |
|---|---|---|---|---|
| Entergy Arkansas | April 2012 | $78 million (b) | 3.25% | - |
| Entergy Gulf States Louisiana | August 2012 | $100 million (c) | 0.60% | - |
| Entergy Louisiana | August 2012 | $200 million (d) | 0.61% | $100 million |
| Entergy Mississippi | May 2012 | $35 million (e) | 1.94% | - |
| Entergy Mississippi | May 2012 | $25 million (e) | 1.94% | - |
| Entergy Mississippi | May 2012 | $10 million (e) | 1.94% | - |
| Entergy Texas | August 2012 | $100 million (f) | 0.66% | - |

(a) The interest rate is the rate as of June 30, 2011 that would be applied to outstanding borrowings under the facility.

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

(c) The credit facility allows Entergy Gulf States Louisiana to issue letters of credit against the borrowing capacity of the facility. As of June 30, 2011, no letters of credit were outstanding. The credit facility requires Entergy Gulf States Louisiana to maintain a consolidated debt ratio of 65% or less of its total capitalization.

(d) The credit facility allows Entergy Louisiana to issue letters of credit against the borrowing capacity of the facility. As of June 30, 2011, no letters of credit were outstanding. The credit facility requires Entergy Louisiana to maintain a consolidated debt ratio of 65% or less of its total capitalization.

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

(f) The credit facility allows Entergy Texas to issue letters of credit against the borrowing capacity of the facility. As of June 30, 2011, no letters of credit were outstanding. The credit facility requires Entergy Texas to maintain a consolidated debt ratio of 65% or less of its total capitalization. Pursuant to the terms of the credit agreement securitization bonds are excluded from debt and capitalization in calculating the debt ratio.

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

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

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| | Authorized | Borrowings |
|---|---|---|
| | (In Millions) | |
| Entergy Arkansas | $250 | - |
| Entergy Gulf States Louisiana | $200 | - |
| Entergy Louisiana | $250 | $212 |
| Entergy Mississippi | $175 | $27 |
| Entergy New Orleans | $100 | - |
| Entergy Texas | $200 | $21 |
| System Energy | $200 | - |

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

See Note 18 to the financial statements in the Form 10-K for a discussion of the consolidation of the nuclear fuel company variable interest entities (VIE). The variable interest entities have credit facilities and also issue commercial paper to finance the acquisition and ownership of nuclear fuel as follows as of June 30, 2011:

| Company | Expiration Date | Amount of Facility | Weighted Average Interest Rate on Borrowings (a) | Amount Outstanding as of June 30, 2011 |
|---|---|---|---|---|
| | | (Dollars in Millions) | | |
| Entergy Arkansas VIE | July 2013 | $85 | 2.34% | $37.6 |
| Entergy Gulf States Louisiana VIE | July 2013 | $85 | 2.13% | $56.3 |
| Entergy Louisiana VIE | July 2013 | $90 | 2.28% | $64.2 |
| System Energy VIE | July 2013 | $100 | 2.28% | $0.5 |

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

The amount outstanding on Entergy Gulf States Louisiana's credit facility is included in long-term debt on its balance sheet and the commercial paper outstanding for the other VIEs is classified as a current liability on the respective balance sheets. The commitment fees on the credit facilities are 0.20% of the undrawn commitment amount. Each

credit facility requires the respective lessee (Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, or Entergy Corporation as guarantor for System Energy) to maintain a consolidated debt ratio of 70% or less of its total capitalization.

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The variable interest entities had notes payable that are included in long-term debt on the respective balance sheets as of June 30, 2011 as follows:

| Company | Description | Amount |
|---|---|---|
| Entergy Arkansas VIE | 5.60% Series G due September 2011 | $35 million |
| Entergy Arkansas VIE | 9% Series H due June 2013 | $30 million |
| Entergy Arkansas VIE | 5.69% Series I due July 2014 | $70 million |
| Entergy Arkansas VIE | 3.23% Series J due July 2016 | $55 million |
| Entergy Gulf States Louisiana VIE | 5.56% Series N due May 2013 | $75 million |
| Entergy Gulf States Louisiana VIE | 5.41% Series O due July 2012 | $60 million |
| Entergy Louisiana VIE | 5.69% Series E due July 2014 | $50 million |
| Entergy Louisiana VIE | 3.30% Series F due March 2016 | $20 million |
| System Energy VIE | 6.29% Series F due September 2013 | $70 million |
| System Energy VIE | 5.33% Series G due April 2015 | $60 million |

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

Debt Issuances and Redemptions

(Entergy Louisiana)

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

(Entergy Mississippi)

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

In May 2011, Entergy Mississippi issued $125 million of 3.25% Series first mortgage bonds due June 2016. Entergy Mississippi used a portion of the proceeds to pay prior to maturity its $100 million 5.92% Series first mortgage bonds due February 2016.

Fair Value

The book value and the fair value of long-term debt for Entergy Corporation and the Registrant Subsidiaries as of June 30, 2011 are as follows:

| | Book Value of Long-Term Debt | Fair Value of Long-Term Debt (a) (b) |
|---|---|---|
| | (In Thousands) | |
| Entergy | $12,185,430 | $11,797,794 |
| Entergy Arkansas | $1,914,895 | $1,769,498 |
| Entergy Gulf States Louisiana | $1,616,551 | $1,666,022 |
| Entergy Louisiana | $2,096,561 | $1,900,873 |
| Entergy Mississippi | $920,409 | $957,438 |
| Entergy New Orleans | $166,714 | $171,567 |
| Entergy Texas | $1,628,270 | $1,807,543 |
| System Energy | $787,011 | $628,293 |

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(a) The values exclude lease obligations of $194 million at Entergy Louisiana and $179 million at System Energy, long-term DOE obligations of $181 million at Entergy Arkansas, and the note payable to NYPA of $158 million at Entergy, and include debt due within one year.
(b) Fair values are based on prices derived by independent third parties that use inputs such as benchmark yields, reported trades, broker/dealer quotes, and issuer spreads.

NOTE 5. STOCK-BASED COMPENSATION (Entergy Corporation)

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

Stock Options

Entergy granted 388,200 stock options during the first quarter 2011 with a weighted-average fair value of $11.48. At June 30, 2011, there were 11,140,268 stock options outstanding with a weighted-average exercise price of $73.63. The intrinsic value, which has no effect on net income, of the outstanding stock options is calculated by the difference in the weighted average exercise price of the stock options granted and Entergy Corporation's common stock price as of June 30, 2011. Because Entergy's stock price at June 30, 2011 is less than the weighted average exercise price, the aggregate intrinsic value of the stock options outstanding as of June 30, 2011 was zero. The intrinsic value of "in the money" stock options is $62.1 million as of June 30, 2011.

The following table includes financial information for stock options for the second quarter and six months ended June 30 for each of the years presented:

| | 2011 | 2010 |
|---|---|---|
| | (In Millions) | |
| Compensation expense included in Entergy's net income for the second quarter | $2.5 | $3.7 |
| Tax benefit recognized in Entergy's net income for the second quarter | $1.0 | $1.4 |
| | | |
| Compensation expense included in Entergy's net income for the six months ended June 30, | $5.5 | $7.6 |
| Tax benefit recognized in Entergy's net income for the six months ended June 30, | $2.1 | $2.9 |
| Compensation cost capitalized as part of fixed assets and inventory as of June 30, | $1.0 | $1.4 |

Restricted Stock Awards

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

The following table includes financial information for restricted stock for the second quarter and six months ended June 30 for each of the years presented:

| | 2011 | 2010 |
|---|---|---|
| | (In Millions) | |
| Compensation expense included in Entergy's net income for the second quarter | $1.0 | $- |
| Tax benefit recognized in Entergy's net income for the second quarter | $0.4 | $- |
| | | |
| Compensation expense included in Entergy's net income for the six months ended June 30, | $2.0 | $- |
| Tax benefit recognized in Entergy's net income for the six months ended June 30 | $0.8 | $- |
| Compensation cost capitalized as part of fixed assets and inventory as of June 30, | $0.3 | $- |

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

Components of Net Pension Cost

Entergy's qualified pension cost, including amounts capitalized, for the second quarters of 2011 and 2010, included the following components:

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

Entergy's qualified pension cost, including amounts capitalized, for the six months ended June 30, 2011 and 2010, included the following components:

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| Service cost - benefits earned during the period | $60,980 | $52,478 |
| Interest cost on projected benefit obligation | 118,496 | 115,604 |
| Expected return on assets | (150,638) | (129,804) |
| Amortization of prior service cost | 1,676 | 2,328 |
| Amortization of loss | 46,488 | 32,950 |
| Net pension costs | $77,002 | $73,556 |

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

| 2011 | Entergy Arkansas | Entergy Gulf States Louisiana | Entergy Louisiana | Entergy Mississippi | Entergy New Orleans | Entergy Texas | System Energy |
|---|---|---|---|---|---|---|---|
| | | | (In Thousands) | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Service cost - benefits earned during the period | $4,518 | $2,462 | $2,886 | $1,327 | $561 | $1,197 | $1,235 |
| Interest cost on projected benefit obligation | 12,991 | 5,928 | 8,159 | 3,909 | 1,762 | 3,993 | 2,939 |
| Expected return on assets | (15,609) | (8,339) | (9,716) | (5,038) | (2,114) | (5,501) | (3,784) |
| Amortization of prior service cost | 115 | 20 | 70 | 38 | 9 | 16 | 4 |
| Amortization of loss | 6,421 | 2,279 | 4,497 | 1,680 | 1,166 | 1,394 | 1,321 |
| Net pension cost | $8,436 | $2,350 | $5,896 | $1,916 | $1,384 | $1,099 | $1,715 |

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

The Registrant Subsidiaries' qualified pension cost, including amounts capitalized, for the six months ended June 30, 2011 and 2010, included the following components:

| 2011 | Entergy Arkansas | Entergy Gulf States Louisiana | Entergy Louisiana | Entergy Mississippi | Entergy New Orleans | Entergy Texas | System Energy |
|---|---|---|---|---|---|---|---|
| | | | (In Thousands) | | | | |
| Service cost - benefits earned during the period | $9,036 | $4,924 | $5,772 | $2,654 | $1,122 | $2,394 | $2,470 |
| Interest cost on projected benefit obligation | 25,982 | 11,856 | 16,318 | 7,818 | 3,524 | 7,986 | 5,878 |
| Expected return on | (31,218) | (16,678) | (19,432) | (10,076) | (4,228) | (11,002) | (7,568) |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| assets | | | | | | | |
| Amortization of prior service cost | 230 | 40 | 140 | 76 | 18 | 32 | 8 |
| Amortization of loss | 12,842 | 4,558 | 8,994 | 3,360 | 2,332 | 2,788 | 2,642 |
| Net pension cost | $16,872 | $4,700 | $11,792 | $3,832 | $2,768 | $2,198 | $3,430 |

| 2010 | Entergy Arkansas | Entergy Gulf States Louisiana | Entergy Louisiana | Entergy Mississippi | Entergy New Orleans | Entergy Texas | System Energy |
|---|---|---|---|---|---|---|---|
| | | | (In Thousands) | | | | |
| Service cost - benefits earned during the period | $7,888 | $4,232 | $4,886 | $2,326 | $1,032 | $2,134 | $2,066 |
| Interest cost on projected benefit obligation | 24,638 | 12,188 | 14,270 | 7,614 | 3,020 | 7,934 | 4,504 |
| Expected return on assets | (25,318) | (15,376) | (16,388) | (8,626) | (3,618) | (10,274) | (5,904) |
| Amortization of prior service cost | 392 | 150 | 238 | 158 | 88 | 118 | 16 |
| Amortization of loss | 8,252 | 3,812 | 4,302 | 2,182 | 1,272 | 1,604 | 264 |
| Net pension cost | $15,852 | $5,006 | $7,308 | $3,654 | $1,794 | $1,516 | $946 |

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Entergy recognized $4.9 million and $11.5 million in pension cost for its non-qualified pension plans in the second quarters of 2011 and 2010, respectively.In the second quarter 2010, Entergy recognized a $6.9 million settlement charge related to the payment of lump sum benefits out of the plan that is included in the non-qualified pension cost above. Entergy recognized $9.8 million and $16.1 million in pension cost for its non-qualified pension plans for the six months ended June 30, 2011 and 2010, respectively, including the $6.9 million settlement charge recognized in the second quarter 2010.

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

| | Entergy Arkansas | Entergy Gulf States Louisiana | Entergy Louisiana | Entergy Mississippi | Entergy New Orleans | Entergy Texas |
|---|---|---|---|---|---|---|
| | | | (In Thousands) | | | |
| Non-qualified pension cost second quarter 2011 | $115 | $42 | $4 | $48 | $16 | $192 |
| Non-qualified pension cost second quarter 2010 | $189 | $41 | $6 | $51 | $6 | $175 |
| Settlement charge recognized in the second quarter 2010 included in cost above | $86 | $ - | $ - | $ - | $ - | $5 |

The Registrant Subsidiaries recognized the following pension cost for their non-qualified pension plans for the six months ended June 30, 2011 and 2010:

| | Entergy Arkansas | Entergy Gulf States Louisiana | Entergy Louisiana | Entergy Mississippi | Entergy New Orleans | Entergy Texas |
|---|---|---|---|---|---|---|
| | | | (In Thousands) | | | |
| Non-qualified pension cost six months ended June 30, 2011 | $230 | $84 | $8 | $96 | $32 | $384 |
| Non-qualified pension cost | $290 | $82 | $12 | $101 | $13 | $345 |

| | | | | | | |
|---|---|---|---|---|---|---|
| six months ended June 30, 2010 | | | | | | |
| Settlement charge recognized in the six months ended June 30, 2010 included in cost above | $86 | $ - | $ - | $ - | $ - | $5 |

Components of Net Other Postretirement Benefit Cost

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

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

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Entergy's other postretirement benefit cost, including amounts capitalized, for the six months ended June 30, 2011 and 2010, included the following components:

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| Service cost - benefits earned during the period | $29,670 | $26,156 |
| Interest cost on APBO | 37,262 | 38,040 |
| Expected return on assets | (14,738) | (13,106) |
| Amortization of transition obligation | 1,592 | 1,864 |
| Amortization of prior service cost | (7,036) | (6,030) |
| Amortization of loss | 10,596 | 8,634 |
| Net other postretirement benefit cost | $57,346 | $55,558 |

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

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

| 2010 | Entergy Arkansas | Entergy Gulf States Louisiana | Entergy Louisiana | Entergy Mississippi | Entergy New Orleans | Entergy Texas | System Energy |
|---|---|---|---|---|---|---|---|
| | | | (In Thousands) | | | | |
| Service cost - benefits earned during the period | $1,843 | $1,370 | $1,371 | $550 | $347 | $697 | $563 |
| Interest cost on APBO | 3,629 | 2,144 | 2,269 | 1,093 | 900 | 1,582 | 641 |
| Expected return on assets | (2,445) | - | - | (888) | (725) | (1,718) | (468) |
| Amortization of transition obligation | 205 | 60 | 96 | 88 | 415 | 66 | 2 |
| Amortization of prior service cost | (197) | (77) | 117 | (62) | 90 | 19 | (191) |
| Amortization of loss | 1,690 | 663 | 609 | 476 | 274 | 752 | 325 |
| Net other postretirement benefit cost | $4,725 | $4,160 | $4,462 | $1,257 | $1,301 | $1,398 | $872 |

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The Registrant Subsidiaries' other postretirement benefit cost, including amounts capitalized, for the six months ended June 30, 2011 and 2010, included the following components:

| 2011 | Entergy Arkansas | Entergy Gulf States Louisiana | Entergy Louisiana | Entergy Mississippi | Entergy New Orleans | Entergy Texas | System Energy |
|---|---|---|---|---|---|---|---|
| | | | (In Thousands) | | | | |
| Service cost - benefits earned during the period | $4,026 | $3,080 | $3,270 | $1,316 | $724 | $1,538 | $1,322 |
| Interest cost on APBO | 6,872 | 4,150 | 4,384 | 2,186 | 1,612 | 2,972 | 1,334 |
| Expected return on assets | (5,764) | - | - | (1,954) | (1,600) | (3,748) | (1,058) |
| Amortization of transition obligation | 410 | 120 | 192 | 176 | 596 | 94 | 4 |
| Amortization of prior service cost | (266) | (412) | (124) | (70) | 20 | (214) | (294) |
| Amortization of loss | 3,220 | 1,446 | 1,396 | 1,080 | 482 | 1,400 | 738 |
| Net other postretirement benefit cost | $8,498 | $8,384 | $9,118 | $2,734 | $1,834 | $2,042 | $2,046 |

| 2010 | Entergy Arkansas | Entergy Gulf States Louisiana | Entergy Louisiana | Entergy Mississippi | Entergy New Orleans | Entergy Texas | System Energy |
|---|---|---|---|---|---|---|---|
| | | | (In Thousands) | | | | |
| Service cost - benefits earned during the period | $3,686 | $2,740 | $2,742 | $1,100 | $694 | $1,394 | $1,126 |
| Interest cost on APBO | 7,258 | 4,288 | 4,538 | 2,186 | 1,800 | 3,164 | 1,282 |
| Expected return on assets | (4,890) | - | - | (1,776) | (1,450) | (3,436) | (936) |
| Amortization of transition | | | | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| obligation | 410 | 120 | 192 | 176 | 830 | 132 | 4 |
| Amortization of prior service cost | (394) | (154) | 234 | (124) | 180 | 38 | (382) |
| Amortization of loss | 3,380 | 1,326 | 1,218 | 952 | 548 | 1,504 | 650 |
| Net other postretirement benefit cost | $9,450 | $8,320 | $8,924 | $2,514 | $2,602 | $2,796 | $1,744 |

Employer Contributions

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

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

| | Entergy Arkansas | Entergy Gulf States Louisiana | Entergy Louisiana | Entergy Mississippi | Entergy New Orleans | Entergy Texas | System Energy |
|---|---|---|---|---|---|---|---|
| | | | | (In Thousands) | | | |
| Expected 2011 pension contributions | $120,400 | $27,318 | $60,597 | $29,169 | $12,160 | $18,235 | $28,351 |
| Pension contributions made through June 2011 | $88,004 | $17,912 | $42,207 | $21,169 | $8,419 | $11,651 | $20,546 |
| Remaining estimated pension contributions to be made in 2011 | $32,396 | $9,406 | $18,390 | $8,000 | $3,741 | $6,584 | $7,805 |

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

Entergy Corporation

Entergy's reportable segments as of June 30, 2011 are Utility and Entergy Wholesale Commodities. Utility includes the generation, transmission, distribution, and sale of electric power in portions of Arkansas, Louisiana, Mississippi, and Texas, and natural gas utility service in portions of Louisiana. Entergy Wholesale Commodities includes the ownership and operation of six nuclear power plants located in the northern United States and the sale of the electric power produced by those plants to wholesale customers. Entergy Wholesale Commodities also includes the ownership of interests in non-nuclear power plants that sell the electric power produced by those plants to wholesale customers. "All Other" includes the parent company, Entergy Corporation, and other business activity, including the earnings on the proceeds of sales of previously-owned businesses.

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

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

Entergy

| | Utility | Wholesale Commodities* | All Other | Eliminations | Consolidated |
|---|---|---|---|---|---|
| | | | (In Thousands) | | |
| 2011 | | | | | |
| Operating revenues | $2,241,475 | $568,076 | $1,038 | ($7,310) | $2,803,279 |
| Income taxes (benefit) | $139,036 | $64,324 | ($52,407) | $- | $150,953 |
| Consolidated net income | $252,741 | $65,556 | $29,946 | ($27,645) | $320,598 |
| | | | | | |
| 2010 | | | | | |
| Operating revenues | $2,246,108 | $622,067 | $2,068 | ($7,293) | $2,862,950 |
| Income taxes (benefit) | $141,047 | $67,348 | ($4,488) | $- | $203,907 |
| Consolidated net income | $230,173 | $104,557 | $3,912 | ($18,359) | $320,283 |

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Entergy's segment financial information for the six months ended June 30, 2011 and 2010 is as follows:

| | Utility | Entergy Wholesale Commodities* | All Other | Eliminations | Consolidated |
|---|---|---|---|---|---|
| | | | (In Thousands) | | |
| 2011 | | | | | |
| Operating revenues | $4,179,093 | $1,178,223 | $2,138 | ($14,966) | $5,344,488 |
| Income taxes (benefit) | $229,241 | $149,265 | ($63,303) | $- | $315,203 |
| Consolidated net income | $421,394 | $188,789 | $19,383 | ($55,289) | $574,277 |
| | | | | | |
| 2010 | | | | | |
| Operating revenues | $4,349,937 | $1,282,466 | $4,025 | ($14,132) | $5,622,296 |
| Income taxes (benefit) | $231,017 | $154,888 | ($34,313) | $- | $351,592 |
| Consolidated net income | $373,144 | $195,099 | $7,573 | ($36,719) | $539,097 |

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

Registrant Subsidiaries

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

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

Market and Commodity Risks

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

| Type of Risk | Affected Businesses |
|---|---|
| Power price risk | |

| | |
|---|---|
| | Utility, Entergy Wholesale Commodities |
| Fuel price risk | Utility, Entergy Wholesale Commodities |
| Foreign currency exchange rate risk | Entergy Wholesale Commodities |
| Equity price and interest rate risk - investments | Utility, Entergy Wholesale Commodities |

Entergy manages a portion of these risks using derivative instruments, some of which are classified as cash flow hedges due to their financial settlement provisions while others are classified as normal purchase/normal sales transactions due to their physical settlement provisions. Normal purchase/normal sale risk management tools include power purchase and sales agreements, fuel purchase agreements, capacity contracts, and tolling agreements. Financially-settled cash flow hedges can include natural gas and electricity futures, forwards, swaps, and options; foreign currency forwards; and interest rate swaps. Entergy has entered into financially settled option contracts to manage market risk under certain hedging transactions, which may or may not be designated as hedging instruments. Entergy enters into derivatives only to manage natural risks inherent in its physical or financial assets or liabilities.

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

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

Derivatives

The fair values of Entergy's derivative instruments in the consolidated balance sheet as of June 30, 2011 are as follows:

| Instrument | Balance Sheet Location | Fair Value (a) | Offset (a) | Business |
|---|---|---|---|---|
| Derivatives designated as hedging instruments | | | | |
| Assets: | | | | |
| Electricity forwards, swaps and options | Prepayments and other (current portion) | $120 million | ($19) million | Entergy Wholesale Commodities |
| Electricity forwards, swaps and options | Other deferred debits and other assets (non-current portion) | $41 million | ($30) million | Entergy Wholesale Commodities |
| Liabilities: | | | | |
| Electricity forwards, swaps and options | Other current liabilities (current portion) | $24 million | ($23) million | Entergy Wholesale Commodities |

| | | | | |
|---|---|---|---|---|
| Electricity forwards, swaps and options | Other non-current liabilities (non-current portion) | $47 million | ($30) million | Entergy Wholesale Commodities |

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| Instrument | Balance Sheet Location | Fair Value (a) | Offset (a) | Business |
|---|---|---|---|---|
| Derivatives not designated as hedging instruments | | | | |
| Assets: | | | | |
| Electricity forwards, swaps and options | Prepayments and other (current portion) | $15 million | ($11) million | Entergy Wholesale Commodities |
| Electricity forwards, swaps and options | Other deferred debits and other assets (non-current portion) | $5 million | ($5) million | Entergy Wholesale Commodities |
| Liabilities: | | | | |
| Electricity forwards, swaps and options | Other current liabilities (current portion) | $7 million | ($7) million | Entergy Wholesale Commodities |
| Electricity forwards, swaps and options | Other non-current liabilities (non-current portion) | $4 million | ($4) million | Entergy Wholesale Commodities |
| Natural gas swaps | Other current liabilities | $2 million | $- | Utility |

The fair values of Entergy's derivative instruments in the consolidated balance sheet as of December 31, 2010 are as follows:

| Instrument | Balance Sheet Location | Fair Value (a) | Offset (a) | Business |
|---|---|---|---|---|
| Derivatives designated as hedging instruments | | | | |
| Assets: | | | | |
| Electricity forwards, | Prepayments and other (current | $160 million | ($7) million | Entergy Wholesale |

| | | | | |
|---|---|---|---|---|
| swaps and options | portion) | | | Commodities |
| Electricity forwards, swaps and options | Other deferred debits and other assets (non-current portion) | $82 million | ($29) million | Entergy Wholesale Commodities |
| | | | | |
| Liabilities: | | | | |
| Electricity forwards, swaps and options | Other current liabilities (current portion) | $5 million | ($5) million | Entergy Wholesale Commodities |
| Electricity forwards, swaps and options | Other non-current liabilities (non-current portion) | $47 million | ($30) million | Entergy Wholesale Commodities |

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| Instrument | Balance Sheet Location | Fair Value (a) | Offset (a) | Business |
|---|---|---|---|---|
| Derivatives not designated as hedging instruments | | | | |
| Assets: | | | | |
| Electricity forwards, swaps and options | Prepayments and other (current portion) | $2 million | $- | Entergy Wholesale Commodities |
| Electricity forwards, swaps and options | Other deferred debits and other assets (non-current portion) | $14 million | ($8) million | Entergy Wholesale Commodities |
| Liabilities: | | | | |
| Electricity forwards, swaps and options | Other current liabilities (current portion) | $2 million | ($2 million) | Entergy Wholesale Commodities |
| Electricity forwards, swaps and options | Other non-current liabilities (non-current portion) | $7 million | ($7) million | Entergy Wholesale Commodities |
| Natural gas swaps | Other current liabilities | $2 million | $- | Utility |

(a) The balances of derivative assets and liabilities in these tables are presented gross. Certain investments, including those not designated as hedging instruments, are subject to master netting agreements and are presented on the Entergy Consolidated Balance Sheets on a net basis in accordance with accounting guidance for Derivatives and Hedging.

The effect of Entergy's derivative instruments designated as cash flow hedges on the consolidated income statements for the three months ended June 30, 2011 and 2010 are as follows:

| Instrument | Amount of gain (loss) recognized in OCI | Income Statement location | Amount of gain reclassified from accumulated OCI into |
|---|---|---|---|

| | | | |
|---|---|---|---|
| | (effective portion) | | income (effective portion) |
| 2011 | | | |
| Electricity forwards, swaps and options | $19 million | Competitive businesses operating revenues | $32 million |
| 2010 | | | |
| Electricity forwards, swaps and options | ($71) million | Competitive businesses operating revenues | $67 million |

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The effect of Entergy's derivative instruments designated as cash flow hedges on the consolidated income statements for the six months ended June 30, 2011 and 2010 are as follows:

| Instrument | Amount of gain (loss) recognized in OCI (effective portion) | Income Statement location | Amount of gain reclassified from accumulated OCI into income (effective portion) |
|---|---|---|---|
| 2011 | | | |
| Electricity forwards, swaps and options | ($54) million | Competitive businesses operating revenues | $61 million |
| 2010 | | | |
| Electricity forwards, swaps and options | $197 million | Competitive businesses operating revenues | $103 million |

Electricity over-the-counter swaps that financially settle against day-ahead power pool prices are used to manage price exposure for Entergy Wholesale Commodities generation. Based on market prices as of June 30, 2011, cash flow hedges relating to power sales totaled $90 million of net unrealized gains. Approximately $96 million are expected to be reclassified from accumulated other comprehensive income (OCI) to operating revenues in the next twelve months. The actual amount reclassified from accumulated OCI could vary, however, due to future changes in market prices. Gains totaling approximately $32 million and $67 million were realized on the maturity of cash flow hedges, before taxes of $11 million and $23 million, for the three months ended June 30, 2011 and 2010, respectively. Gains totaling approximately $61 million and $103 million were realized on the maturity of cash flow hedges, before taxes of $21 million and $36 million, for the six months ended June 30, 2011 and 2010, respectively. Unrealized gains or losses recorded in OCI result from hedging power output at the Entergy Wholesale Commodities power plants. The related gains or losses from hedging power are included in operating revenues when realized. The maximum length of time over which Entergy is currently hedging the variability in future cash flows with derivatives for forecasted power transactions at June 30, 2011 is approximately 3.5 years. Planned generation currently sold forward from Entergy Wholesale Commodities power plants is 96% for the remaining two quarters of 2011, of which approximately 46% is sold under financial derivatives and the remainder under normal purchase/sale contracts. The change in the value of Entergy's cash flow hedges due to ineffectiveness during the three and six months ended June 30, 2011 and 2010 was insignificant. Certain 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 when the current market prices exceed the contracted power prices. The primary form of collateral to satisfy these requirements is an Entergy Corporation guaranty. As of June 30, 2011, hedge contracts with four counterparties were in a liability position (approximately $9 million total), but were significantly below the amount of the guarantee provided under the contract and no cash collateral was required. If the Entergy Corporation credit rating falls below investment grade, the effect of the corporate guarantee is ignored and Entergy would have to post collateral equal to the estimated outstanding liability under the contract at the applicable date. Entergy may effectively liquidate a cash flow hedge

instrument by entering into a contract offsetting the original hedge, and then de-designating the original hedge in this situation. Gains or losses accumulated in OCI prior to de-designation continue to be deferred in OCI until they are included in income as the original hedged transaction occurs. From the point of de-designation, the gains or losses on the original hedge and the offsetting contract are recorded as assets or liabilities on the balance sheet and offset as they flow through to earnings.

Natural gas over-the-counter swaps that financially settle against NYMEX futures are used to manage fuel price volatility for the Utility's Louisiana and Mississippi customers. All benefits or costs of the program are recorded in fuel costs. The total volume of natural gas swaps outstanding as of June 30, 2011 is 31,620,000 MMBtu for Entergy, 8,210,000 MMBtu for Entergy Gulf States Louisiana, 13,670,000 MMBtu for Entergy Louisiana, and 9,170,000 MMBtu for Entergy Mississippi, and 570,000 MMBtu for Entergy New Orleans. Credit support for these natural gas swaps is covered by master agreements that do not require collateralization based on mark-to-market value, but do carry adequate assurance language that may lead to collateralization requests.

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The effect of Entergy's derivative instruments not designated as hedging instruments on the consolidated income statements for the three months ended June 30, 2011 and 2010 is as follows:

| Instrument | Amount of gain (loss) recognized in OCI | Income Statement location | Amount of gain (loss) recorded in income |
|---|---|---|---|
| 2011 | | | |
| Natural gas swaps | $- | Fuel, fuel-related expenses, and gas purchased for resale | ($9) million |
| Electricity forwards, swaps and options de-designated as hedged items | ($4) million | Competitive business operating revenues | $4 million |
| | | | |
| 2010 | | | |
| Natural gas swaps | $- | Fuel, fuel-related expenses, and gas purchased for resale | $22 million |
| Electricity forwards, swaps and options de-designated as hedged items | $3 million | Competitive business operating revenues | $- |

The effect of Entergy's derivative instruments not designated as hedging instruments on the consolidated income statements for the six months ended June 30, 2011 and 2010 is as follows:

| Instrument | Amount of gain recognized in OCI | Income Statement location | Amount of gain (loss) recorded in income |
|---|---|---|---|
| 2011 | | | |
| Natural gas swaps | $- | Fuel, fuel-related expenses, and gas purchased for resale | ($12) million |
| Electricity forwards, swaps | $6 million | Competitive business | $6 million |

| | | | |
|---|---|---|---|
| and options de-designated as hedged items | | operating revenues | |
| 2010 | | | |
| Natural gas swaps | $- | Fuel, fuel-related expenses, and gas purchased for resale | ($63) million |
| Electricity forwards, swaps and options de-designated as hedged items | $3 million | Competitive business operating revenues | $- |

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

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The fair values of the Registrant Subsidiaries' derivative instruments on their balance sheets as of June 30, 2011 are as follows:

| Instrument | Balance Sheet Location | Fair Value | Registrant |
|---|---|---|---|
| Derivatives not designated as hedging instruments | | | |
| Liabilities: | | | |
| Natural gas swaps | Other current liabilities | $0.4 million | Entergy Gulf States Louisiana |
| Natural gas swaps | Other current liabilities | $0.6 million | Entergy Louisiana |
| Natural gas swaps | Other current liabilities | $0.3 million | Entergy Mississippi |
| Natural gas swaps | Other current liabilities | $0.1 million | Entergy New Orleans |

The fair values of the Registrant Subsidiaries' derivative instruments on their balance sheets as of December 31, 2010 are as follows:

| Instrument | Balance Sheet Location | Fair Value | Registrant |
|---|---|---|---|
| Derivatives not designated as hedging instruments | | | |
| Assets: | | | |
| Natural gas swaps | Prepayments and other | $0.3 million | Entergy Mississippi |
| | | | |
| Liabilities: | | | |
| Natural gas swaps | Other current liabilities | $1.0 million | Entergy Gulf States Louisiana |
| Natural gas swaps | Other current liabilities | $0.4 million | Entergy Louisiana |
| Natural gas swaps | Other current liabilities | $0.5 million | Entergy New Orleans |

The effects of the Registrant Subsidiaries' derivative instruments not designated as hedging instruments on their statements of income for the three months ended June 30, 2011 and 2010 are as follows:

| Instrument | Amount of gain | Registrant |
|---|---|---|

| | Statement of Income Location | (loss) recorded in income | |
|---|---|---|---|
| 2011 | | | |
| Natural gas swaps | Fuel, fuel-related expenses, and gas purchased for resale | ($2.3) million | Entergy Gulf States Louisiana |
| Natural gas swaps | Fuel, fuel-related expenses, and gas purchased for resale | ($3.9) million | Entergy Louisiana |
| Natural gas swaps | Fuel, fuel-related expenses, and gas purchased for resale | ($2.8) million | Entergy Mississippi |
| Natural gas swaps | Fuel, fuel-related expenses, and gas purchased for resale | ($0.1) million | Entergy New Orleans |
| | | | |
| 2010 | | | |
| Natural gas swaps | Fuel, fuel-related expenses, and gas purchased for resale | $4.9 million | Entergy Gulf States Louisiana |
| Natural gas swaps | Fuel, fuel-related expenses, and gas purchased for resale | $9.2 million | Entergy Louisiana |
| Natural gas swaps | Fuel, fuel-related expenses, and gas purchased for resale | $8.2 million | Entergy Mississippi |

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The effects of the Registrant Subsidiaries' derivative instruments not designated as hedging instruments on their statements of income for the six months ended June 30, 2011 and 2010 are as follows:

| Instrument | Statement of Income Location | Amount of loss recorded in income | Registrant |
|---|---|---|---|
| 2011 | | | |
| Natural gas swaps | Fuel, fuel-related expenses, and gas purchased for resale | ($4.2) million | Entergy Gulf States Louisiana |
| Natural gas swaps | Fuel, fuel-related expenses, and gas purchased for resale | ($5.0) million | Entergy Louisiana |
| Natural gas swaps | Fuel, fuel-related expenses, and gas purchased for resale | ($2.5) million | Entergy Mississippi |
| Natural gas swaps | Fuel, fuel-related expenses, and gas purchased for resale | ($0.9) million | Entergy New Orleans |
| | | | |
| 2010 | | | |
| Natural gas swaps | Fuel, fuel-related expenses, and gas purchased for resale | ($16.3) million | Entergy Gulf States Louisiana |
| Natural gas swaps | Fuel, fuel-related expenses, and gas purchased for resale | ($27.0) million | Entergy Louisiana |
| Natural gas swaps | Fuel, fuel-related expenses, and gas purchased for resale | ($19.6) million | Entergy Mississippi |

Fair Values

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

Accounting standards define fair value as an exit price, or the price that would be received to sell an asset or the amount that would be paid to transfer a liability in an orderly transaction between knowledgeable market participants at the date of measurement. Entergy and the Registrant Subsidiaries use assumptions or market input data that market

participants would use in pricing assets or liabilities at fair value. The inputs can be readily observable, corroborated by market data, or generally unobservable. Entergy and the Registrant Subsidiaries endeavor to use the best available information to determine fair value.

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

- Level 1 - Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 primarily consists of individually owned common stocks, cash equivalents, debt instruments, and gas hedge contracts.

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- Level 2 - Level 2 inputs are inputs other than quoted prices included in Level 1 that are, either directly or indirectly, observable for the asset or liability at the measurement date. Assets are valued based on prices derived by independent third parties that use inputs such as benchmark yields, reported trades, broker/dealer quotes, and issuer spreads. Prices are reviewed and can be challenged with the independent parties and/or overridden by Entergy if it is believed such would be more reflective of fair value. Level 2 inputs include the following:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; or
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 2 consists primarily of individually owned debt instruments or shares in common trusts. Common trust funds are stated at estimated fair value based on the fair market value of the underlying investments.

- Level 3 - Level 3 inputs are pricing inputs that are generally less observable or unobservable from objective sources. These inputs are used with internally developed methodologies to produce management's best estimate of fair value for the asset or liability. Level 3 consists primarily of derivative power contracts used as cash flow hedges of power sales at merchant power plants.

The values for the cash flow hedges that are recorded as derivative contract assets or liabilities are based on both observable inputs including public market prices and unobservable inputs such as model-generated prices for longer-term markets and are classified as Level 3 assets and liabilities. The amounts reflected as the fair value of derivative assets or liabilities are based on the estimated amount that the contracts are in-the-money at the balance sheet date (treated as an asset) or out-of-the-money at the balance sheet date (treated as a liability) and would equal the estimated amount receivable or payable by Entergy if the contracts were settled at that date. These derivative contracts include cash flow hedges that swap fixed for floating cash flows for sales of the output from Entergy's Entergy Wholesale Commodities business. The fair values are based on the mark-to-market comparison between the fixed contract prices and the floating prices determined each period from a combination of quoted forward power market prices for the period for which such curves are available, and model-generated prices using quoted forward gas market curves and estimates regarding heat rates to convert gas to power and the costs associated with the transportation of the power from the plants' bus bar to the contract's point of delivery, generally a power market hub, for the period thereafter. The differences between the fixed price in the swap contract and these market-related prices multiplied by the volume specified in the contract and discounted at the counterparties' credit adjusted risk free rate are recorded as derivative contract assets or liabilities. As of June 30, 2011, Entergy had in-the-money derivative contracts with a fair value of $107 million with counterparties or their guarantor who are all currently investment grade. $9 million of the derivative contracts as of June 30, 2011 are out-of-the-money contracts supported by corporate guarantees, which would require additional cash or letters of credit in the event of a decrease in Entergy Corporation's credit rating to below investment grade.

The following table sets forth, by level within the fair value hierarchy, Entergy's assets and liabilities that are accounted for at fair value on a recurring basis as of June 30, 2011 and December 31, 2010. The assessment of the significance of a particular input to a fair value measurement requires judgment and may affect their placement within the fair value hierarchy levels.

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| 2011 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | | (In Millions) | | |
| Assets: | | | | |
| Temporary cash investments | $435 | $- | $- | $435 |
| Decommissioning trust funds (a): | | | | |
| Equity securities | 401 | 1,803 | - | 2,204 |
| Debt securities | 581 | 990 | - | 1,571 |
| Power contracts | - | - | 116 | 116 |
| Securitization recovery trust account | 34 | - | - | 34 |
| Storm reserve escrow account | 332 | - | - | 332 |
| | $1,783 | $2,793 | $116 | $4,692 |
| | | | | |
| Liabilities: | | | | |
| Gas hedge contracts | $2 | $- | $- | $2 |
| Power contracts | - | - | 18 | 18 |
| | $2 | $- | $18 | $20 |

| 2010 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | | (In Millions) | | |
| Assets: | | | | |
| Temporary cash investments | $1,218 | $- | $- | $1,218 |
| Decommissioning trust funds (a): | | | | |
| Equity securities | 387 | 1,689 | - | 2,076 |
| Debt securities | 497 | 1,023 | - | 1,520 |
| Power contracts | - | - | 214 | 214 |
| Securitization recovery trust account | 43 | - | - | 43 |
| Storm reserve escrow account | 329 | - | - | 329 |
| | $2,474 | $2,712 | $214 | $5,400 |
| | | | | |
| Liabilities: | | | | |
| Power contracts | $- | $- | $17 | $17 |
| Gas hedge contracts | 2 | - | - | 2 |
| | $2 | $- | $17 | $19 |

The following table sets forth a reconciliation of changes in the net assets (liabilities) for the fair value of derivatives classified as Level 3 in the fair value hierarchy for the three months ended June 30, 2011 and 2010:

| | 2011 | 2010 |
|---|---|---|
| | (In Millions) | |
| Balance as of beginning of period | $104 | $432 |
| Unrealized gains/(losses) from price changes | 9 | (68) |
| Unrealized gains/(losses) on originations | 17 | - |
| Realized losses on settlements | (32) | (67) |
| Balance as of June 30, | $98 | $297 |

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The following table sets forth a reconciliation of changes in the net assets (liabilities) for the fair value of derivatives classified as Level 3 in the fair value hierarchy for the six months ended June 30, 2011 and 2010:

| | 2011 | 2010 |
|---|---|---|
| | (In Millions) | |
| Balance as of January 1, | $197 | $200 |
| Unrealized gains/(losses) from price changes | (53) | 193 |
| Unrealized gains/(losses) on originations | 15 | 7 |
| Realized losses on settlements | (61) | (103) |
| Balance as of June 30, | $98 | $297 |

The following table sets forth, by level within the fair value hierarchy, the Registrant Subsidiaries' assets that are accounted for at fair value on a recurring basis as of June 30, 2011 and December 31, 2010. The assessment of the significance of a particular input to a fair value measurement requires judgment and may affect its placement within the fair value hierarchy levels.

Entergy Arkansas

| 2011 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | | (In Millions) | | |
| Assets: | | | | |
| Temporary cash investments | $4.9 | $- | $- | $4.9 |
| Decommissioning trust funds (a): | | | | |
| Equity securities | 1.3 | 341.5 | - | 342.8 |
| Debt securities | 60.6 | 147.6 | - | 208.2 |
| Securitization recovery trust account | 2.9 | - | - | 2.9 |
| | $69.7 | $489.1 | $- | $558.8 |

| 2010 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | | (In Millions) | | |
| Assets: | | | | |
| Temporary cash investments | $101.9 | $- | $- | $101.9 |
| Decommissioning trust funds (a): | | | | |

| | | | | |
|---|---|---|---|---|
| Equity securities | 3.4 | 316.3 | - | 319.7 |
| Debt securities | 41.4 | 159.7 | - | 201.1 |
| Securitization recovery trust account | 2.4 | - | - | 2.4 |
| | $149.1 | $476.0 | $- | $625.1 |

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Entergy Gulf States Louisiana

| 2011 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | | (In Millions) | | |
| Assets: | | | | |
| Temporary cash investments | $37.7 | $- | $- | $37.7 |
| Decommissioning trust funds (a): | | | | |
| Equity securities | 4.5 | 248.2 | - | 252.7 |
| Debt securities | 37.5 | 127.9 | - | 165.4 |
| Storm reserve escrow account | 90.2 | - | - | 90.2 |
| | $169.9 | $376.1 | $- | $546.0 |
| | | | | |
| Liabilities: | | | | |
| Gas hedge contracts | $0.4 | $- | $- | $0.4 |

| 2010 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | | (In Millions) | | |
| Assets: | | | | |
| Temporary cash investments | $154.9 | $- | $- | $154.9 |
| Decommissioning trust funds (a): | | | | |
| Equity securities | 3.8 | 231.1 | - | 234.9 |
| Debt securities | 32.2 | 126.5 | - | 158.7 |
| Storm reserve escrow account | 90.1 | - | - | 90.1 |
| | $281.0 | $357.6 | $- | $638.6 |
| | | | | |
| Liabilities: | | | | |
| Gas hedge contracts | $1.0 | $- | $- | $1.0 |

Entergy Louisiana

| 2011 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | | (In Millions) | | |
| Assets: | | | | |
| Decommissioning trust funds (a): | | | | |
| Equity securities | $3.4 | $152.2 | $- | $155.6 |
| Debt securities | 44.3 | 54.8 | - | 99.1 |

| | | | | |
|---|---|---|---|---|
| Storm reserve escrow account | 201.1 | - | - | 201.1 |
| | $248.8 | $207.0 | $- | $455.8 |
| | | | | |
| Liabilities: | | | | |
| Gas hedge contracts | $0.6 | $- | $- | $0.6 |

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| 2010 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | | (In Millions) | | |
| Assets: | | | | |
| Temporary cash investments | $122.5 | $- | $- | $122.5 |
| Decommissioning trust funds (a): | | | | |
| Equity securities | 1.3 | 142.6 | - | 143.9 |
| Debt securities | 45.7 | 50.9 | - | 96.6 |
| Storm reserve escrow account | 201.0 | - | - | 201.0 |
| | $370.5 | $193.5 | $- | $564.0 |
| | | | | |
| Liabilities: | | | | |
| Gas hedge contracts | $0.4 | $- | $- | $0.4 |

Entergy Mississippi

| 2011 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | | (In Millions) | | |
| Assets: | | | | |
| Storm reserve escrow account | $31.9 | $- | $- | $31.9 |
| | | | | |
| Liabilities: | | | | |
| Gas hedge contracts | $0.3 | $- | $- | $0.3 |

| 2010 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | | (In Millions) | | |
| Assets: | | | | |
| Gas hedge contracts | $0.3 | $- | $- | $0.3 |
| Storm reserve escrow account | 31.9 | - | - | 31.9 |
| | $32.2 | $- | $- | $32.2 |

Entergy New Orleans

| 2011 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | | (In Millions) | | |
| Assets: | | | | |
| | $15.5 | $- | $- | $15.5 |

| | | | | |
|---|---|---|---|---|
| Temporary cash investments | | | | |
| Storm reserve escrow account | 9.0 | - | - | 9.0 |
| | $24.5 | $- | $- | $24.5 |
| | | | | |
| Liabilities: | | | | |
| Gas hedge contracts | $0.1 | $- | $- | $0.1 |

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| 2010 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | | (In Millions) | | |
| Assets: | | | | |
| Temporary cash investments | $53.6 | $- | $- | $53.6 |
| Storm reserve escrow account | 6.0 | - | - | 6.0 |
| | $59.6 | $- | $- | $59.6 |
| | | | | |
| Liabilities: | | | | |
| Gas hedge contracts | $0.5 | $- | $- | $0.5 |

Entergy Texas

| 2011 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | | (In Millions) | | |
| Assets: | | | | |
| Securitization recovery trust account | $31.0 | $- | $- | $31.0 |

| 2010 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | | (In Millions) | | |
| Assets: | | | | |
| Temporary cash investments | $33.6 | $- | $- | $33.6 |
| Securitization recovery trust account | 40.6 | - | - | 40.6 |
| | $74.2 | $- | $- | $74.2 |

System Energy

| 2011 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | | (In Millions) | | |
| Assets: | | | | |
| Temporary cash investments | $67.7 | $- | $- | $67.7 |
| Decommissioning trust funds (a): | | | | |
| Equity securities | 0.8 | 241.0 | - | 241.8 |
| Debt securities | 103.4 | 72.3 | - | 175.7 |
| | $171.9 | $313.3 | $- | $485.2 |

| 2010 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | | (In Millions) | | |
| Assets: | | | | |
| Temporary cash investments | $262.9 | $- | $- | $262.9 |
| Decommissioning trust funds (a): | | | | |
| Equity securities | 3.1 | 220.9 | - | 224.0 |
| Debt securities | 95.7 | 68.2 | - | 163.9 |
| | $361.7 | $289.1 | $- | $650.8 |

(a) The decommissioning trust funds hold equity and fixed income securities. Equity securities are invested to approximate the returns of major market indexes. Fixed income securities are held in various governmental and corporate securities with an average coupon rate of 4.23%. See Note 9 for additional information on the investment portfolios.

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

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

Entergy records decommissioning trust funds on the balance sheet at their fair value. Because of the ability of the Registrant Subsidiaries to recover decommissioning costs in rates and in accordance with the regulatory treatment for decommissioning trust funds, the Registrant Subsidiaries have recorded an offsetting amount of unrealized gains/(losses) on investment securities in other regulatory liabilities/assets. For the nonregulated portion of River Bend, Entergy Gulf States Louisiana has recorded an offsetting amount of unrealized gains/(losses) in other deferred credits. Decommissioning trust funds for Pilgrim, Indian Point 1 and 2, Vermont Yankee, and Palisades do not meet the criteria for regulatory accounting treatment. Accordingly, unrealized gains recorded on the assets in these trust funds are recognized in the accumulated other comprehensive income component of common shareholders' equity because these assets are classified as available for sale. Unrealized losses (where cost exceeds fair market value) on the assets in these trust funds are also recorded in the accumulated other comprehensive income component of shareholders' equity unless the unrealized loss is other than temporary and therefore recorded in earnings. Generally, Entergy records realized gains and losses on its debt and equity securities using the specific identification method to determine the cost basis of its securities.

The securities held as of June 30, 2011 and December 31, 2010 are summarized as follows:

| | Fair Value | Total Unrealized Gains (In Millions) | Total Unrealized Losses |
|---|---|---|---|
| 2011 | | | |
| Equity Securities | $2,204 | $525 | $5 |
| Debt Securities | 1,571 | 75 | 5 |
| Total | $3,775 | $600 | $10 |
| | | | |
| 2010 | | | |
| Equity Securities | $2,076 | $436 | $9 |
| Debt Securities | 1,520 | 67 | 12 |
| Total | $3,596 | $503 | $21 |

Deferred taxes on unrealized gains/(losses) are recorded in other comprehensive income for the decommissioning trusts which do not meet the criteria for regulatory accounting treatment as described above. Unrealized gains/(losses)

above are reported before deferred taxes of $159 million and $130 million as of June 30, 2011 and December 31, 2010, respectively. The amortized cost of debt securities was $1,508 million as of June 30, 2011 and $1,475 million as of December 31, 2010. As of June 30, 2011, the debt securities have an average coupon rate of approximately 4.23%, an average duration of approximately 5.16 years, and an average maturity of approximately 8.62 years. The equity securities are generally held in funds that are designed to approximate or somewhat exceed the return of the Standard & Poor's 500 Index. A relatively small percentage of the securities are held in funds intended to replicate the return of the Wilshire 4500 Index or the Russell 3000 Index.

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The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of June 30, 2011:

| | Equity Securities | | Debt Securities | |
|---|---|---|---|---|
| | Fair Value | Gross Unrealized Losses | Fair Value | Gross Unrealized Losses |
| | (In Millions) | | | |
| Less than 12 months | $49 | $1 | $314 | $5 |
| More than 12 months | 52 | 4 | 5 | - |
| Total | $101 | $5 | $319 | $5 |

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of December 31, 2010:

| | Equity Securities | | Debt Securities | |
|---|---|---|---|---|
| | Fair Value | Gross Unrealized Losses | Fair Value | Gross Unrealized Losses |
| | (In Millions) | | | |
| Less than 12 months | $15 | $1 | $474 | $11 |
| More than 12 months | 105 | 8 | 4 | 1 |
| Total | $120 | $9 | $478 | $12 |

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

The fair value of debt securities, summarized by contractual maturities, as of June 30, 2011 and December 31, 2010 are as follows:

| | 2011 | 2010 |
|---|---|---|
| | (In Millions) | |
| Less than 1 year | $51 | $37 |
| 1 year - 5 years | 564 | 557 |
| 5 years - 10 years | 548 | 512 |
| 10 years - 15 years | 161 | 163 |

| | | |
|---|---|---|
| 15 years - 20 years | 46 | 47 |
| 20 years+ | 201 | 204 |
| Total | $1,571 | $1,520 |

During the three months ended June 30, 2011 and 2010, proceeds from the dispositions of securities amounted to $144 million and $716 million, respectively. During the three months ended June 30, 2011 and 2010, gross gains of $4 million and $9 million, respectively, and gross losses of $1 million and $2 million, respectively, were reclassified out of other comprehensive income into earnings.

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During the six months ended June 30, 2011 and 2010, proceeds from the dispositions of securities amounted to $636 million and $1,487 million, respectively. During the six months ended June 30, 2011 and 2010, gross gains of $8 million and $24 million, respectively, and gross losses of $6 million and $4 million, respectively, were reclassified out of other comprehensive income into earnings.

Entergy Arkansas

Entergy Arkansas holds debt and equity securities, classified as available-for-sale, in nuclear decommissioning trust accounts. The securities held as of June 30, 2011 and December 31, 2010 are summarized as follows:

| | Fair Value | Total Unrealized Gains | Total Unrealized Losses |
|---|---|---|---|
| | | (In Millions) | |
| 2011 | | | |
| Equity Securities | $342.8 | $90.7 | $0.1 |
| Debt Securities | 208.2 | 11.1 | 0.5 |
| Total | $551.0 | $101.8 | $0.6 |
| | | | |
| 2010 | | | |
| Equity Securities | $319.7 | $74.2 | $0.3 |
| Debt Securities | 201.1 | 11.0 | 1.0 |
| Total | $520.8 | $85.2 | $1.3 |

The amortized cost of debt securities was $198.4 million as of June 30, 2011 and $191.2 million as of December 31, 2010. As of June 30, 2011, the debt securities have an average coupon rate of approximately 4.02%, an average duration of approximately 4.78 years, and an average maturity of approximately 5.61 years. The equity securities are generally held in funds that are designed to approximate the return of the Standard & Poor's 500 Index. A relatively small percentage of the securities are held in funds intended to replicate the return of the Wilshire 4500 Index.

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of June 30, 2011:

| | Equity Securities | | Debt Securities | |
|---|---|---|---|---|
| | Fair Value | Gross Unrealized Losses | Fair Value | Gross Unrealized Losses |
| | | (In Millions) | | |
| Less than 12 months | $3.1 | $0.1 | $43.9 | $0.5 |
| More than 12 months | 0.1 | - | - | - |
| Total | $3.2 | $0.1 | $43.9 | $0.5 |

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of December 31, 2010:

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| | Equity Securities | | Debt Securities | |
|---|---|---|---|---|
| | Fair Value | Gross Unrealized Losses | Fair Value | Gross Unrealized Losses |
| | (In Millions) | | | |
| Less than 12 months | $- | $- | $44.3 | $1.0 |
| More than 12 months | 6.6 | 0.3 | - | - |
| Total | $6.6 | $0.3 | $44.3 | $1.0 |

The fair value of debt securities, summarized by contractual maturities, as of June 30, 2011 and December 31, 2010 are as follows:

| | 2011 | 2010 |
|---|---|---|
| | (In Millions) | |
| Less than 1 year | $3.6 | $5.3 |
| 1 year - 5 years | 98.9 | 100.1 |
| 5 years - 10 years | 97.0 | 85.2 |
| 10 years - 15 years | 3.6 | 4.5 |
| 15 years - 20 years | - | - |
| 20 years+ | 5.1 | 6.0 |
| Total | $208.2 | $201.1 |

During the three months ended June 30, 2011 and 2010, proceeds from the dispositions of securities amounted to $15.1 million and $33.3 million, respectively. During the three months ended June 30, 2011 and 2010, gross gains of $0.7 million and $0.6 million, respectively, and gross losses of $0.03 million and $0.3 million, respectively, were reclassified out of other comprehensive income into earnings.

During the six months ended June 30, 2011 and 2010, proceeds from the dispositions of securities amounted to $46.2 million and $132.3 million, respectively. During the six months ended June 30, 2011 and 2010, gross gains of $1.3 million and $2.6 million, respectively, and gross losses of $0.03 million and $0.6 million, respectively, were reclassified out of other comprehensive income into earnings.

Entergy Gulf States Louisiana

Entergy Gulf States Louisiana holds debt and equity securities, classified as available-for-sale, in nuclear decommissioning trust accounts. The securities held as of June 30, 2011 and December 31, 2010 are summarized as

follows:

| | Fair Value | Total Unrealized Gains (In Millions) | Total Unrealized Losses |
|---|---|---|---|
| 2011 | | | |
| Equity Securities | $252.7 | $53.2 | $0.6 |
| Debt Securities | 165.4 | 11.1 | 0.4 |
| Total | $418.1 | $64.3 | $1.0 |
| | | | |
| 2010 | | | |
| Equity Securities | $234.9 | $41.7 | $1.4 |
| Debt Securities | 158.7 | 8.8 | 0.8 |
| Total | $393.6 | $50.5 | $2.2 |

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The amortized cost of debt securities was $153.8 million as of June 30, 2011 and $150.0 million as of December 31, 2010. As of June 30, 2011, the debt securities have an average coupon rate of approximately 4.50%, an average duration of approximately 5.97 years, and an average maturity of approximately 8.91 years. The equity securities are generally held in funds that are designed to approximate the return of the Standard & Poor's 500 Index. A relatively small percentage of the securities are held in funds intended to replicate the return of the Wilshire 4500 Index.

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of June 30, 2011:

| | Equity Securities | | Debt Securities | |
|---|---|---|---|---|
| | Fair Value | Gross Unrealized Losses | Fair Value | Gross Unrealized Losses |
| | (In Millions) | | | |
| Less than 12 months | $3.7 | $- | $16.0 | $0.2 |
| More than 12 months | 8.7 | 0.6 | 1.0 | 0.2 |
| Total | $12.4 | $0.6 | $17.0 | $0.4 |

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of December 31, 2010:

| | Equity Securities | | Debt Securities | |
|---|---|---|---|---|
| | Fair Value | Gross Unrealized Losses | Fair Value | Gross Unrealized Losses |
| | (In Millions) | | | |
| Less than 12 months | $- | $- | $22.6 | $0.6 |
| More than 12 months | 18.6 | 1.4 | 0.9 | 0.2 |
| Total | $18.6 | $1.4 | $23.5 | $0.8 |

The fair value of debt securities, summarized by contractual maturities, as of June 30, 2011 and December 31, 2010 are as follows:

| | 2011 | 2010 |
|---|---|---|
| | (In Millions) | |
| Less than 1 year | $4.9 | $4.7 |

| | | |
|---|---|---|
| 1 year - 5 years | 34.2 | 35.0 |
| 5 years - 10 years | 57.7 | 54.2 |
| 10 years - 15 years | 52.1 | 48.1 |
| 15 years - 20 years | 4.9 | 3.7 |
| 20 years+ | 11.6 | 13.0 |
| Total | $165.4 | $158.7 |

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During the three months ended June 30, 2011 and 2010, proceeds from the dispositions of securities amounted to $8.8 million and $36.5 million, respectively. During the three months ended June 30, 2011 and 2010, gross gains of $0.4 million and $0.6 million, respectively, and gross losses of $0.03 million and $0.1 million, respectively, were reclassified out of other comprehensive income into earnings.

During the six months ended June 30, 2011 and 2010, proceeds from the dispositions of securities amounted to $20.7 million and $78.8 million, respectively. During the six months ended June 30, 2011 and 2010, gross gains of $0.4 million and $1.5 million, respectively, and gross losses of $0.07 million and $0.2 million, respectively, were reclassified out of other comprehensive income into earnings.

Entergy Louisiana

Entergy Louisiana holds debt and equity securities, classified as available-for-sale, in nuclear decommissioning trust accounts. The securities held as of June 30, 2011 and December 31, 2010 are summarized as follows:

| | Fair Value | Total Unrealized Gains (In Millions) | Total Unrealized Losses |
|---|---|---|---|
| 2011 | | | |
| Equity Securities | $155.6 | $37.7 | $0.8 |
| Debt Securities | 99.1 | 6.0 | 0.1 |
| Total | $254.7 | $43.7 | $0.9 |
| | | | |
| 2010 | | | |
| Equity Securities | $143.9 | $31.0 | $1.7 |
| Debt Securities | 96.6 | 5.3 | 0.1 |
| Total | $240.5 | $36.3 | $1.8 |

The amortized cost of debt securities was $92.8 million as of June 30, 2011 and $91.0 million as of December 31, 2010. As of June 30, 2011, the debt securities have an average coupon rate of approximately 3.97%, an average duration of approximately 4.64 years, and an average maturity of approximately 9.08 years. The equity securities are generally held in funds that are designed to approximate the return of the Standard & Poor's 500 Index. A relatively small percentage of the securities are held in funds intended to replicate the return of the Wilshire 4500 Index.

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of June 30, 2011:

| | Equity Securities | | Debt Securities | |
|---|---|---|---|---|
| | Fair Value | Gross Unrealized Losses | Fair Value | Gross Unrealized Losses |

(In Millions)

| | | | | |
|---|---|---|---|---|
| Less than 12 months | $2.4 | $- | $4.1 | $0.1 |
| More than 12 months | 10.8 | 0.8 | 0.1 | - |
| Total | $13.2 | $0.8 | $4.2 | $0.1 |

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of December 31, 2010:

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| | Equity Securities | | Debt Securities | |
|---|---|---|---|---|
| | Fair Value | Gross Unrealized Losses | Fair Value | Gross Unrealized Losses |
| | (In Millions) | | | |
| Less than 12 months | $- | $- | $4.8 | $0.1 |
| More than 12 months | 18.9 | 1.7 | 0.2 | - |
| Total | $18.9 | $1.7 | $5.0 | $0.1 |

The fair value of debt securities, summarized by contractual maturities, as of June 30, 2011 and December 31, 2010 are as follows:

| | 2011 | 2010 |
|---|---|---|
| | (In Millions) | |
| Less than 1 year | $2.1 | $5.3 |
| 1 year - 5 years | 35.4 | 28.1 |
| 5 years - 10 years | 25.3 | 31.5 |
| 10 years - 15 years | 17.8 | 14.1 |
| 15 years - 20 years | 1.8 | 2.9 |
| 20 years+ | 16.7 | 14.7 |
| Total | $99.1 | $96.6 |

During the three months ended June 30, 2011 and 2010, proceeds from the dispositions of securities amounted to $1.7 million and $6.2 million, respectively. During the three months ended June 30, 2011 and 2010, gross gains of $0.03 million and $0.02 million, respectively, and gross losses of $0.02 million and $0.1 million, respectively, were reclassified out of other comprehensive income into earnings.

During the six months ended June 30, 2011 and 2010, proceeds from the dispositions of securities amounted to $7.8 million and $26.7 million, respectively. During the six months ended June 30, 2011 and 2010, gross gains of $0.09 million and $0.6 million, respectively, and gross losses of $0.03 million and $0.1 million, respectively, were reclassified out of other comprehensive income into earnings.

System Energy

System Energy holds debt and equity securities, classified as available-for-sale, in nuclear decommissioning trust accounts. The securities held as of June 30, 2011 and December 31, 2010 are summarized as follows:

| | Fair Value | Total Unrealized Gains (In Millions) | Total Unrealized Losses |
|---|---|---|---|
| 2011 | | | |
| Equity Securities | $241.8 | $46.2 | $2.5 |
| Debt Securities | 175.7 | 5.0 | 0.5 |
| Total | $417.5 | $51.2 | $3.0 |
| | | | |
| 2010 | | | |
| Equity Securities | $224.0 | $37.3 | $5.2 |
| Debt Securities | 163.9 | 4.4 | 1.5 |
| Total | $387.9 | $41.7 | $6.7 |

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The amortized cost of debt securities was $169.1 million as of June 30, 2011 and $159.3 million as of December 31, 2010. As of June 30, 2011, the debt securities have an average coupon rate of approximately 3.68%, an average duration of approximately 4.73 years, and an average maturity of approximately 7.38 years. The equity securities are generally held in funds that are designed to approximate the return of the Standard & Poor's 500 Index. A relatively small percentage of the securities are held in funds intended to replicate the return of the Wilshire 4500 Index.

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of June 30, 2011:

| | Equity Securities | | Debt Securities | |
|---|---|---|---|---|
| | Fair Value | Gross Unrealized Losses | Fair Value | Gross Unrealized Losses |
| | (In Millions) | | | |
| Less than 12 months | $18.6 | $0.3 | $33.3 | $0.5 |
| More than 12 months | 31.5 | 2.2 | - | - |
| Total | $50.1 | $2.5 | $33.3 | $0.5 |

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of December 31, 2010:

| | Equity Securities | | Debt Securities | |
|---|---|---|---|---|
| | Fair Value | Gross Unrealized Losses | Fair Value | Gross Unrealized Losses |
| | (In Millions) | | | |
| Less than 12 months | $- | $- | $63.0 | $1.5 |
| More than 12 months | 61.1 | 5.2 | - | - |
| Total | $61.1 | $5.2 | $63.0 | $1.5 |

The fair value of debt securities, summarized by contractual maturities, as of June 30, 2011 and 2010 are as follows:

| | 2011 | 2010 |
|---|---|---|
| | (In Millions) | |
| Less than 1 year | $8.8 | $1.8 |

| | | |
|---|---|---|
| 1 year - 5 years | 85.7 | 79.8 |
| 5 years - 10 years | 53.5 | 52.3 |
| 10 years - 15 years | 0.5 | 2.5 |
| 15 years - 20 years | 5.0 | 3.8 |
| 20 years+ | 22.2 | 23.7 |
| Total | $175.7 | $163.9 |

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During the three months ended June 30, 2011 and 2010, proceeds from the dispositions of securities amounted to $17.9 million and $56.8 million, respectively. During the three months ended June 30, 2011 and 2010, gross gains of $0.1 million and $0.4 million, respectively, and gross losses of $0.02 million and $0.1 million, respectively, were reclassified out of other comprehensive income into earnings.

During the six months ended June 30, 2011 and 2010, proceeds from the dispositions of securities amounted to $106.5 million and $138.2 million, respectively. During the six months ended June 30, 2011 and 2010, gross gains of $0.5 million and $1.4 million, respectively, and gross losses of $1 million and $0.2 million, respectively, were reclassified out of other comprehensive income into earnings.

Other-than-temporary impairments and unrealized gains and losses

Entergy, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, and System Energy evaluate unrealized losses at the end of each period to determine whether an other-than-temporary impairment has occurred. The assessment of whether an investment in a debt security has suffered an other-than-temporary impairment is based on whether Entergy has the intent to sell or more likely than not will be required to sell the debt security before recovery of its amortized costs. Further, if Entergy does not expect to recover the entire amortized cost basis of the debt security, an other-than-temporary impairment is considered to have occurred and it is measured by the present value of cash flows expected to be collected less the amortized cost basis (credit loss). Entergy did not have any material other-than-temporary impairments relating to credit losses on debt securities for the three and six months ended June 30, 2011 and 2010. The assessment of whether an investment in an equity security has suffered an other-than-temporary impairment continues to be based on a number of factors including, first, whether Entergy has the ability and intent to hold the investment to recover its value, the duration and severity of any losses, and, then, whether it is expected that the investment will recover its value within a reasonable period of time. Entergy's trusts are managed by third parties who operate in accordance with agreements that define investment guidelines and place restrictions on the purchases and sales of investments. Entergy Wholesale Commodities did not record material charges to other income in the three and six months ended June 30, 2011 and 2010, respectively, resulting from the recognition of the other-than-temporary impairment of certain equity securities held in its decommissioning trust funds.

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

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

Income Tax Litigation

As discussed in more detail in the Form 10-K, in October 2010 the United States Tax Court entered a decision in favor of Entergy for tax years 1997 and 1998. There were two issues before the Court, depreciation of street lighting assets and the ability to credit the UK Windfall Tax as a foreign tax credit. The IRS has not appealed street lighting depreciation, but has appealed the foreign tax credit matter to the United States Court of Appeals for the Fifth Circuit.

Other Tax Matters

During the second quarter 2011, Entergy effectively settled an uncertain tax position with the IRS resulting in the reversal of a provision for uncertain tax positions of approximately $41 million.

During the second quarter 2011, Entergy filed an Application for Change in Accounting Method related to the allocation of overhead costs between production and non-production activity. The requested method is one that has been accepted for other public utilities by the IRS staff. The accounting method affects the amount of overhead that will be capitalized and deducted for tax purposes.

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

Acquisition

In April 2011, Entergy Louisiana purchased Unit 2 of the Acadia Energy Center, a 580 MW generating unit located near Eunice, Louisiana, from an independent power producer. The Acadia Energy Center, which entered commercial service in 2002, consists of two combined-cycle gas-fired generating units, each nominally rated at 580 MW. Entergy Louisiana purchased 100 percent of Acadia Unit 2 and a 50 percent ownership interest in the facility's common assets for approximately $300 million. In a separate transaction, Cleco Power acquired Acadia Unit 1 and the other 50 percent interest in the facility's common assets. Cleco Power will serve as operator for the entire facility. The FERC and the LPSC approved the transaction.

Construction Expenditures in Accounts Payable

Construction expenditures included in accounts payable at June 30, 2011 are $109.5 million for Entergy, $18.1 million for Entergy Arkansas, $8.7 million for Entergy Gulf States Louisiana, $21.3 million for Entergy Louisiana, $3.1 million for Entergy Mississippi, $0.3 million for Entergy New Orleans, $4.0 million for Entergy Texas, and $19.1 million for System Energy.

Vermont Yankee

See Impairment of Long-Lived Assets in Note 1 to the financial statements in the Form 10-K, including a discussion of the Vermont Yankee nuclear power plant. Following are updates to that discussion.

In March 2011 the NRC renewed Vermont Yankee's operating license for an additional 20 years, as a result of which the license now expires in 2032. In July 2011 the Vermont Department of Public Service and the New England Coalition petitioned the United States Court of Appeals for the District of Columbia seeking a summary reversal of the NRC's issuance of the renewed operating license alleging that the license had been issued without a valid and effective water quality certification under Section 401 of the Clean Water Act. Entergy has intervened in the proceeding. The current schedule calls for briefing of all summary motions to be complete in September 2011.

On April 18, 2011, Entergy Nuclear Vermont Yankee, the owner of Vermont Yankee, and Entergy Nuclear Operations, the operator of Vermont Yankee, filed a complaint in the United States District Court for the District of Vermont seeking a declaratory judgment and injunctive relief to prevent the state of Vermont from forcing Vermont Yankee to cease operation on March 21, 2012. Specifically the complaint asserts, in part, the following:

- Atomic Energy Act Preemption. Under the Supremacy Clause of the U.S. Constitution, the U.S. Supreme Court held in 1983 that a state has no authority over (1) nuclear power plant licensing and operations or (2) the radiological safety of a nuclear power plant. In violation of these legal principles, Vermont has asserted that it can shut down a federally licensed and operating nuclear power plant, and that it can regulate the plant based upon Vermont's safety concerns.

- Federal Power Act Preemption and the Commerce Clause of the U.S. Constitution. Vermont is prohibited from conditioning post-March 2012 operation of Vermont Yankee on the plant's agreement to provide power to Vermont

utilities at preferential wholesale rates. The Federal Power Act preempts any state interference with the FERC's exclusive regulation of rates in the wholesale power market. The Commerce Clause of the U.S. Constitution bars a state from discriminatory regulation of private markets that favors in-state over out-of-state residents.

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In addition to seeking a declaratory judgment, the complaint also requests a preliminary and permanent injunction enjoining the enforcement of Vermont statutes, regulations, or other laws purporting to regulate the operation and licensing and/or the radiological safety of Vermont Yankee; enjoining Vermont and its officials from undertaking any steps, based on denial of a certificate of public good, to shutdown Vermont Yankee, to prevent Vermont Yankee from delivering power to the interstate grid, or to prohibit the storage at Vermont Yankee of spent nuclear fuel; and enjoining Vermont and its officials from conditioning Vermont Yankee's continued operation upon Entergy Nuclear Vermont Yankee's agreement to provide below-market wholesale electricity rates to Vermont retail utilities. On April 22, 2011, Entergy Nuclear Vermont Yankee and Entergy Nuclear Operations filed in the proceeding a motion for a preliminary injunction. A hearing on the motion for a preliminary injunction was held on June 23 and 24, 2011. On July 18, 2011, the court denied Entergy's motion for preliminary injunction solely on the ground that Entergy had not shown that any irreparable harm it might suffer before the trial on the complaint for a declaratory judgment would be ameliorated or redressed by a preliminary injunction. The court's preliminary injunction ruling did not decide whether Entergy had shown a likelihood of success on the merits of its preemption claims. A trial on the complaint for a declaratory judgment is currently scheduled for September 2011.

As discussed further in the Form 10-K, after evaluating various factors, including the progress of the litigation in the U.S. District Court, if Entergy concludes that Vermont Yankee is unlikely to operate significantly beyond its original license expiration date in 2012, it could result in an impairment of part or all of the carrying value of the plant. In preparing its second quarter 2011 financial statements Entergy evaluated these factors and concluded that the carrying value of Vermont Yankee is not impaired as of June 30, 2011. As of June 30, 2011, the net carrying value of the plant, including nuclear fuel, is $415 million.

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

See Note 18 to the financial statements in the Form 10-K for a discussion of variable interest entities.

Entergy Louisiana and System Energy are each considered to each hold a variable interest in the lessors from which they lease, respectively, undivided interests representing approximately 9.3% of the Waterford 3 and 11.5% of the Grand Gulf nuclear plants. Entergy Louisiana and System Energy are the lessees under these arrangements, which are described in more detail in Note 10 to the consolidated financial statements in the Form 10-K. Entergy Louisiana made payments on its lease, including interest, of $37.6 million and $25.3 million in the six months ended June 30, 2011 and 2010, respectively. System Energy made payments on its lease, including interest, of $47.4 million and $45.7 million in the six months ended June 30, 2011 and 2010, respectively.

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

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Part I, Item 4. Controls and Procedures

Disclosure Controls and Procedures

As of June 30, 2011, evaluations were performed under the supervision and with the participation of Entergy Corporation, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy (individually "Registrant" and collectively the "Registrants") management, including their respective Principal Executive Officers (PEO) and Principal Financial Officers (PFO). The evaluations assessed the effectiveness of the Registrants' disclosure controls and procedures. Based on the evaluations, each PEO and PFO has concluded that, as to the Registrant or Registrants for which they serve as PEO or PFO, the Registrant's or Registrants' disclosure controls and procedures are effective to ensure that information required to be disclosed by each Registrant in reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms; and that the Registrant's or Registrants' disclosure controls and procedures are also effective in reasonably assuring that such information is accumulated and communicated to the Registrant's or Registrants' management, including their respective PEOs and PFOs, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Controls over Financial Reporting

Under the supervision and with the participation of the Registrants' management, including their respective PEOs and PFOs, the Registrants evaluated changes in internal control over financial reporting that occurred during the quarter ended June 30, 2011 and found no change that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

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ENTERGY ARKANSAS, INC. AND SUBSIDIARIES

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Results of Operations

Net Income

Second Quarter 2011 Compared to Second Quarter 2010

Net income decreased $5.1 million primarily due to higher other operation and maintenance expenses and lower net revenue, partially offset by lower depreciation and amortization expenses and lower interest expense.

Six Months Ended June 30, 2011 Compared to Six Months Ended June 30, 2010

Net income increased $5.3 million primarily due to lower depreciation and amortization expenses, higher net revenue, lower taxes other than income taxes, lower interest expense, and a lower effective income tax rate, partially offset by higher other operation and maintenance expenses and lower other income.

Net Revenue

Second Quarter 2011 Compared to Second Quarter 2010

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory credits. Following is an analysis of the change in net revenue comparing the second quarter 2011 to the second quarter 2010.

| | Amount (In Millions) |
|---|---|
| 2010 net revenue | $322.7 |
| Retail electric price | 13.5 |
| Volume/weather | (6.2) |
| Net wholesale revenue | (4.9) |
| Capacity acquisition recovery | (4.3) |
| Other | (1.6) |
| 2011 net revenue | $319.2 |

The retail electric price variance is primarily due to a base rate increase effective July 2010. See Note 2 to the financial statements in the Form 10-K for discussion of the rate case settlement.

The volume/weather variance is primarily due to less favorable weather and usage during the unbilled sales period compared to the same period in 2010.

The net wholesale revenue variance is primarily due to lower margins on co-owner contracts and higher wholesale energy costs.

The capacity acquisition recovery variance is primarily due to the cessation of the capacity acquisition rider to recover expenses incurred because those costs are recovered in base rates effective July 2010.

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Management's Financial Discussion and Analysis

Gross operating revenues and fuel and purchased power expenses

Gross operating revenues decreased primarily due to a decrease of $83.7 million in rider revenues primarily due to lower System Agreement production cost equalization payments. The decrease was partially offset by an increase of $51.3 million in fuel cost recovery revenues due to a change in the energy cost recovery rider effective April 2011, and the base rate increase effective July 2010, as discussed above.

Fuel and purchased power expenses decreased primarily due to a reduction in the rough production cost equalization recovery rate because Entergy Arkansas's obligation has decreased.

Six Months Ended June 30, 2011 Compared to Six Months Ended June 30, 2010

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory credits. Following is an analysis of the change in net revenue comparing the six months ended June 30, 2011 to the six months ended June 30, 2010.

| | Amount (In Millions) |
|---|---|
| 2010 net revenue | $583.1 |
| Retail electric price | 27.6 |
| Net wholesale revenue | (8.5) |
| Capacity acquisition recovery | (8.4) |
| Volume/weather | (4.8) |
| Other | 2.2 |
| 2011 net revenue | $591.2 |

The retail electric price variance is primarily due to a base rate increase effective July 2010. See Note 2 to the financial statements in the Form 10-K for discussion of the rate case settlement.

The net wholesale revenue variance is primarily due to lower margins on co-owner contracts and higher wholesale energy costs.

The capacity acquisition recovery variance is primarily due to the cessation of the capacity acquisition rider to recover expenses incurred because those costs are recovered in base rates effective July 2010.

The volume/weather variance is primarily due to a decrease of 149 GWh, or 1%, in billed electricity usage, primarily in the residential sector due to less favorable weather, partially offset by more favorable volume in the unbilled sales period as compared to the same period in 2010.

Gross operating revenues and fuel and purchased power expenses

Gross operating revenues decreased primarily due to a decrease of $178.4 million in rider revenues primarily due to lower System Agreement production cost equalization payments. The decrease was partially offset by an increase of $59.3 million in fuel cost recovery revenues due to a change in the energy cost recovery rider effective April 2011, and the base rate increase effective July 2010, as discussed above.

Fuel and purchased power expenses decreased primarily due to a reduction in the rough production cost equalization recovery rate because Entergy Arkansas's obligation has decreased.

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

Other Income Statement Variances

Second Quarter 2011 Compared to Second Quarter 2010

Other operation and maintenance expenses increased primarily due to:

- an increase of $5.2 million in fossil costs primarily due to higher fossil plant outage costs;
- an increase of $4.6 million in nuclear expenses primarily due to higher labor and contract costs; and
- an increase of $3.2 million due to the deferral and subsequent amortization of 2009 rate case expenses, which began in July 2010.

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

Interest expense decreased primarily due to the refinancing of debt at lower interest rates.

Six Months Ended June 30, 2011 Compared to Six Months Ended June 30, 2010

Other operation and maintenance expenses increased primarily due to:

- an increase of $6.8 million in nuclear expenses primarily due to higher labor and contract costs;
- an increase of $4.5 million in fossil costs due to higher fossil plant outage costs; and
- an increase of $3.2 million due to the deferral and subsequent amortization of 2009 rate case expenses, which began in July 2010.

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

Taxes other than income taxes decreased primarily due to a decrease in local franchise taxes as a result of lower residential and commercial gross revenues.

Other income decreased primarily due to lower earnings on decommissioning trust fund investments.

Interest expense decreased primarily due to the refinancing of debt at lower interest rates.

Income Taxes

The effective income tax rates for the second quarter 2011 and the six months ended June 30, 2011 were 40.7% and 41.3% respectively. The differences in the effective income tax rates for the second quarter 2011 and the six months ended June 30, 2011 versus the federal statutory rate of 35.0% are primarily due to state income taxes and book and tax differences related to utility plant items.

The effective income tax rates for the second quarter 2010 and the six months ended June 30, 2010 were 40.8% and 42.7%, respectively. The differences in the effective income tax rates for the second quarter 2010 and the six months ended June 30, 2010 versus the federal statutory rate of 35.0% were primarily due to certain book and tax differences

related to utility plant items.

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Management's Financial Discussion and Analysis

Liquidity and Capital Resources

April 2011 Storms

In April 2011, several thunderstorms with either tornados or straight-line winds caused damage to Entergy Arkansas's transmission and distribution lines, equipment, poles, and other facilities. The estimated cost of repairing that damage is approximately $70 million, of which approximately $20 million is estimated to be operating and maintenance costs that will be charged against the storm cost provision, and the remainder is estimated to be capital investment.

Cash Flow

Cash flows for the six months ended June 30, 2011 and 2010 were as follows:

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| Cash and cash equivalents at beginning of period | $106,102 | $86,233 |
| Cash flow provided by (used in): | | |
| Operating activities | 164,799 | 351,346 |
| Investing activities | (251,633) | (155,857) |
| Financing activities | (8,837) | (183,430) |
| Net increase (decrease) in cash and cash equivalents | (95,671) | 12,059 |
| Cash and cash equivalents at end of period | $10,431 | $98,292 |

Operating Activities

Cash flow from operations decreased $186.5 million for the six months ended June 30, 2011 compared to the six months ended June 30, 2010 primarily due to a change of $128 million in deferred fuel costs primarily due to a reduction in the rough production cost equalization recovery rate because Entergy Arkansas's obligation has decreased, along with an increase of $55.8 million in pension contributions. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for a discussion of qualified pension and other postretirement benefits funding.

Investing Activities

Net cash flow used in investing activities increased $95.8 million for the six months ended June 30, 2011 compared to the six months ended June 30, 2010 primarily due to an increase of $98.7 million in nuclear fuel purchases primarily due to the purchase of nuclear fuel from System Fuels because the Utility companies will now purchase nuclear fuel as System Fuels procures it, rather than primarily at the time of refueling. The increase is also due to an increase of $40 million in storm restoration spending resulting from the April 2011 storms, as discussed above. The increase was partially offset by money pool activity, and the repayment by System Fuels of Entergy Arkansas's $11 million investment in System Fuels.

Decreases in Entergy Arkansas's receivable from the money pool are a source of cash flow, and Entergy Arkansas's receivable from the money pool decreased $29.5 million in the six months ended June 30, 2011 compared to increasing $2.9 million in the six months ended June 30, 2010. The money pool is an inter-company borrowing arrangement designed to reduce the Utility subsidiaries' need for external short-term borrowings.

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

Financing Activities

Net cash flow used in financing activities decreased $174.6 million for the six months ended June 30, 2011 compared to the six months ended June 30, 2010 primarily due to the retirement in June 2010, at maturity, of $100 million of 4.50% Series first mortgage bonds, the issuance in June 2011 of $55 million of Series J notes by the nuclear fuel company variable interest entity, and a $24 million decrease in dividends paid on common stock compared to the same period in 2010.

Capital Structure

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

| | June 30, 2011 | December 31, 2010 |
|---|---|---|
| Debt to capital | 55.5% | 55.9% |
| Effect of excluding the securitization bonds | (1.6)% | (1.6)% |
| Debt to capital, excluding securitization bonds (1) | 53.9% | 54.3% |
| Effect of subtracting cash | (0.1)% | (1.5)% |
| Net debt to net capital, excluding securitization bonds (1) | 53.8% | 52.8% |

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

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

Uses and Sources of Capital

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources" in the Form 10-K for a discussion of Entergy Arkansas's uses and sources of capital. Following are additional updates to the information provided in the Form 10-K.

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

| June 30, 2011 | December 31, 2010 | June 30, 2010 | December 31, 2009 |
|---|---|---|---|
| | (In Thousands) | | |

| | | | |
|---|---|---|---|
| $11,992 | $41,463 | $31,782 | $28,859 |

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

No borrowings were outstanding under Entergy Arkansas's credit facility as of June 30, 2011. In April 2011, at the expiration of this facility, Entergy Arkansas entered into a new $78 million credit facility that expires in April 2012.

Hot Spring Energy Facility Purchase Agreement

In April 2011, Entergy Arkansas announced that it has signed an asset purchase agreement to acquire the Hot Spring Energy Facility, a 620 MW natural gas-fired combined-cycle turbine plant located in Hot Spring County, Arkansas, from a subsidiary of KGen Power Corporation. The purchase price is expected to be approximately $253 million. Entergy Arkansas also expects to invest in various plant upgrades at the facility after closing and expects the total cost of the acquisition to be approximately $277 million. A transmission study estimates that the acquisition could require investment for supplemental upgrades in the Entergy transmission system, but there are still

uncertainties associated with the results of this study that must be resolved. The purchase is contingent upon, among other things, obtaining necessary approvals, including full cost recovery, from various federal and state regulatory and permitting agencies. These include regulatory approvals from the APSC and FERC, as well as clearance under the Hart-Scott-Rodino anti-trust law. Closing is expected to occur in mid-2012. In July 2011, Entergy Arkansas filed its application with the APSC requesting approval of the acquisition and full cost recovery.

State and Local Rate Regulation

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

Federal Regulation

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

Nuclear Matters

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

Environmental Risks

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

Critical Accounting Estimates

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

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ENTERGY ARKANSAS, INC. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
For the Three and Six Months Ended June 30, 2011 and 2010
(Unaudited)

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | 2011 | 2010 | 2011 | 2010 |
| | (In Thousands) | | (In Thousands) | |
| OPERATING REVENUES | | | | |
| Electric | $516,833 | $540,535 | $960,331 | $1,072,429 |
| OPERATING EXPENSES | | | | |
| Operation and Maintenance: | | | | |
| Fuel, fuel-related expenses, and gas purchased for resale | 86,882 | 116,739 | 169,113 | 282,469 |
| Purchased power | 115,489 | 108,830 | 208,343 | 216,980 |
| Nuclear refueling outage expenses | 10,258 | 10,748 | 20,219 | 21,859 |
| Other operation and maintenance | 127,246 | 113,518 | 244,230 | 225,658 |
| Decommissioning | 9,442 | 8,877 | 18,739 | 17,619 |
| Taxes other than income taxes | 18,952 | 20,033 | 38,531 | 42,557 |
| Depreciation and amortization | 54,252 | 60,705 | 109,510 | 124,703 |
| Other regulatory credits - net | (4,760) | (7,708) | (8,331) | (10,126) |
| TOTAL | 417,761 | 431,742 | 800,354 | 921,719 |
| OPERATING INCOME | 99,072 | 108,793 | 159,977 | 150,710 |
| OTHER INCOME | | | | |
| Allowance for equity funds used during construction | 1,815 | 1,304 | 2,880 | 2,758 |
| Interest and investment income | 5,381 | 6,034 | 9,161 | 13,722 |
| Miscellaneous - net | (1,140) | (323) | (1,889) | (85) |
| TOTAL | 6,056 | 7,015 | 10,152 | 16,395 |
| INTEREST EXPENSE | | | | |
| Interest expense | 20,960 | 23,023 | 42,023 | 45,359 |
| Allowance for borrowed funds used during construction | (622) | (762) | (1,101) | (1,611) |
| TOTAL | 20,338 | 22,261 | 40,922 | 43,748 |
| INCOME BEFORE INCOME TAXES | 84,790 | 93,547 | 129,207 | 123,357 |
| Income taxes | 34,492 | 38,146 | 53,301 | 52,703 |
| NET INCOME | 50,298 | 55,401 | 75,906 | 70,654 |
| Preferred dividend requirements and other | 1,718 | 1,718 | 3,437 | 3,437 |
| EARNINGS APPLICABLE TO | | | | |

| | | | | |
|---|---|---|---|---|
| COMMON STOCK | $48,580 | $53,683 | $72,469 | $67,217 |

See Notes to Financial Statements.

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ENTERGY ARKANSAS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 2011 and 2010
(Unaudited)

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| OPERATING ACTIVITIES | | |
| Net income | $75,906 | $70,654 |
| Adjustments to reconcile net income to net cash flow provided by operating activities: | | |
| Depreciation, amortization, and decommissioning, including nuclear fuel amortization | 167,451 | 179,316 |
| Deferred income taxes, investment tax credits, and non-current taxes accrued | 53,803 | (156,174) |
| Changes in working capital: | | |
| Receivables | (42,944) | (21,628) |
| Fuel inventory | 719 | (4,815) |
| Accounts payable | 35,435 | (51,095) |
| Prepaid taxes and taxes accrued | (7,142) | 172,506 |
| Interest accrued | 2,204 | (836) |
| Deferred fuel costs | 9,409 | 137,385 |
| Other working capital accounts | (22,042) | 70,417 |
| Changes in provisions for estimated losses | (2,486) | (8,125) |
| Changes in other regulatory assets | 13,074 | (38,326) |
| Changes in pension and other postretirement liabilities | (91,437) | (28,336) |
| Other | (27,151) | 30,403 |
| Net cash flow provided by operating activities | 164,799 | 351,346 |
| INVESTING ACTIVITIES | | |
| Construction expenditures | (173,311) | (144,478) |
| Allowance for equity funds used during construction | 3,518 | 2,758 |
| Nuclear fuel purchases | (110,848) | (12,129) |
| Proceeds from sale of equipment | - | 2,489 |
| Changes in other investments | - | 2,415 |
| Proceeds from nuclear decommissioning trust fund sales | 46,176 | 132,340 |
| Investment in nuclear decommissioning trust funds | (57,102) | (136,329) |
| Change in money pool receivable - net | 29,471 | (2,923) |
| Investment in affiliates | 10,994 | - |
| Remittances to transition charge account | (6,867) | - |
| Payments from transition charge account | 6,336 | - |
| Net cash flow used in investing activities | (251,633) | (155,857) |
| FINANCING ACTIVITIES | | |
| Proceeds from the issuance of long-term debt | 54,905 | - |
| Retirement of long-term debt | (4,145) | (100,000) |
| Changes in short-term borrowings - net | (27,160) | (25,777) |
| Dividends paid: | | |
| Common stock | (29,000) | (53,400) |
| Preferred stock | (3,437) | (3,437) |

| | | |
|---|---|---|
| Other | - | (816) |
| Net cash flow used in financing activities | (8,837) | (183,430) |
| | | |
| Net increase (decrease) in cash and cash equivalents | (95,671) | 12,059 |
| | | |
| Cash and cash equivalents at beginning of period | 106,102 | 86,233 |
| | | |
| Cash and cash equivalents at end of period | $10,431 | $98,292 |
| | | |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: | | |
| Cash paid during the period for: | | |
| Interest - net of amount capitalized | $37,358 | $43,570 |
| Income taxes | $- | $10,000 |

See Notes to Financial Statements.

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ENTERGY ARKANSAS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
ASSETS
June 30, 2011 and December 31, 2010
(Unaudited)

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| CURRENT ASSETS | | |
| Cash and cash equivalents: | | |
| Cash | $5,537 | $4,250 |
| Temporary cash investments | 4,894 | 101,852 |
| Total cash and cash equivalents | 10,431 | 106,102 |
| Securitization recovery trust account | 2,943 | 2,412 |
| Accounts receivable: | | |
| Customer | 96,199 | 79,905 |
| Allowance for doubtful accounts | (23,955) | (24,402) |
| Associated companies | 52,555 | 82,583 |
| Other | 64,754 | 61,135 |
| Accrued unbilled revenues | 97,368 | 74,227 |
| Total accounts receivable | 286,921 | 273,448 |
| Deferred fuel costs | 52,093 | 61,502 |
| Fuel inventory - at average cost | 36,980 | 37,699 |
| Materials and supplies - at average cost | 139,289 | 140,095 |
| Deferred nuclear refueling outage costs | 38,893 | 23,099 |
| System agreement cost equalization | 66,351 | 52,160 |
| Prepaid taxes | 93,835 | 86,693 |
| Prepayments and other | 10,052 | 7,877 |
| TOTAL | 737,788 | 791,087 |
| | | |
| OTHER PROPERTY AND INVESTMENTS | | |
| Decommissioning trust funds | 551,003 | 520,841 |
| Non-utility property - at cost (less accumulated depreciation) | 1,681 | 1,684 |
| Other | 3,182 | 14,176 |
| TOTAL | 555,866 | 536,701 |
| | | |
| UTILITY PLANT | | |
| Electric | 7,871,282 | 7,787,348 |
| Property under capital lease | 1,269 | 1,303 |
| Construction work in progress | 182,127 | 114,324 |
| Nuclear fuel | 260,315 | 188,611 |
| TOTAL UTILITY PLANT | 8,314,993 | 8,091,586 |
| Less - accumulated depreciation and amortization | 3,775,019 | 3,683,001 |
| UTILITY PLANT - NET | 4,539,974 | 4,408,585 |
| | | |
| DEFERRED DEBITS AND OTHER ASSETS | | |
| Regulatory assets: | | |

| | | |
|---|---|---|
| Regulatory asset for income taxes - net | 93,203 | 98,836 |
| Other regulatory assets (includes securitization property of $113,023 as of June 30, 2011 and $118,505 as of December 31, 2010) | 885,492 | 892,449 |
| Other | 29,553 | 23,710 |
| TOTAL | 1,008,248 | 1,014,995 |
| | | |
| TOTAL ASSETS | $6,841,876 | $6,751,368 |

See Notes to Financial Statements.

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ENTERGY ARKANSAS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
LIABILITIES AND EQUITY
June 30, 2011 and December 31, 2010
(Unaudited)

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| CURRENT LIABILITIES | | |
| Currently maturing long-term debt | $35,000 | $35,000 |
| Short-term borrowings | 35,617 | 62,777 |
| Accounts payable: | | |
| Associated companies | 106,654 | 92,627 |
| Other | 138,034 | 114,454 |
| Customer deposits | 78,209 | 72,535 |
| Accumulated deferred income taxes | 91,148 | 82,820 |
| Interest accrued | 29,224 | 27,020 |
| Other | 24,753 | 21,115 |
| TOTAL | 538,639 | 508,348 |
| | | |
| NON-CURRENT LIABILITIES | | |
| Accumulated deferred income taxes and taxes accrued | 1,704,262 | 1,661,365 |
| Accumulated deferred investment tax credits | 43,933 | 44,928 |
| Other regulatory liabilities | 150,017 | 140,801 |
| Decommissioning | 620,903 | 602,164 |
| Accumulated provisions | 5,484 | 7,970 |
| Pension and other postretirement liabilities | 324,488 | 415,925 |
| Long-term debt (includes securitization bonds of $119,922 as of June 30, 2011 and $124,066 as of December 31, 2010) | 1,879,895 | 1,828,910 |
| Other | 10,530 | 20,701 |
| TOTAL | 4,739,512 | 4,722,764 |
| | | |
| Commitments and Contingencies | | |
| | | |
| Preferred stock without sinking fund | 116,350 | 116,350 |
| | | |
| COMMON EQUITY | | |
| Common stock, $0.01 par value, authorized 325,000,000 shares; issued and outstanding 46,980,196 shares in 2011 and 2010 | 470 | 470 |
| Paid-in capital | 588,444 | 588,444 |
| Retained earnings | 858,461 | 814,992 |
| TOTAL | 1,447,375 | 1,403,906 |
| | | |
| TOTAL LIABILITIES AND EQUITY | $6,841,876 | $6,751,368 |

See Notes to Financial Statements.

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ENTERGY ARKANSAS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN COMMON EQUITY
For the Six Months Ended June 30, 2011 and 2010
(Unaudited) (In Thousands)

| | Common Equity | | | |
|---|---|---|---|---|
| | Common Stock | Paid-in Capital | Retained Earnings | Total |
| Balance at December 31, 2009 | $470 | $588,444 | $822,647 | $1,411,561 |
| Net income | - | - | 70,654 | 70,654 |
| Common stock dividends | - | - | (53,400) | (53,400) |
| Preferred stock dividends | - | - | (3,437) | (3,437) |
| Balance at June 30, 2010 | $470 | $588,444 | $836,464 | $1,425,378 |
| Balance at December 31, 2010 | $470 | $588,444 | $814,992 | $1,403,906 |
| Net income | - | - | 75,906 | 75,906 |
| Common stock dividends | - | - | (29,000) | (29,000) |
| Preferred stock dividends | - | - | (3,437) | (3,437) |
| Balance at June 30, 2011 | $470 | $588,444 | $858,461 | $1,447,375 |

See Notes to Financial Statements.

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ENTERGY ARKANSAS, INC.
SELECTED OPERATING RESULTS
For the Three and Six Months Ended June 30, 2011 and 2010
(Unaudited)

| Description | Three Months Ended 2011 | 2010 | Increase/ (Decrease) | % |
|---|---|---|---|---|
| | (Dollars In Millions) | | | |
| Electric Operating Revenues: | | | | |
| Residential | $157 | $164 | $(7) | (4) |
| Commercial | 107 | 111 | (4) | (4) |
| Industrial | 101 | 109 | (8) | (7) |
| Governmental | 6 | 4 | 2 | 50 |
| Total retail | 371 | 388 | (17) | (4) |
| Sales for resale | | | | |
| Associated companies | 73 | 76 | (3) | (4) |
| Non-associated companies | 23 | 16 | 7 | 44 |
| Other | 50 | 61 | (11) | (18) |
| Total | $517 | $541 | $(24) | (4) |
| | | | | |
| Billed Electric Energy Sales (GWh): | | | | |
| Residential | 1,654 | 1,624 | 30 | 2 |
| Commercial | 1,425 | 1,429 | (4) | - |
| Industrial | 1,704 | 1,739 | (35) | (2) |
| Governmental | 65 | 62 | 3 | 5 |
| Total retail | 4,848 | 4,854 | (6) | - |
| Sales for resale | | | | |
| Associated companies | 1,723 | 2,070 | (347) | (17) |
| Non-associated companies | 301 | 139 | 162 | 117 |
| Total | 6,872 | 7,063 | (191) | (3) |

| Description | Six Months Ended 2011 | 2010 | Increase/ (Decrease) | % |
|---|---|---|---|---|
| | (Dollars In Millions) | | | |
| Electric Operating Revenues: | | | | |
| Residential | $332 | $383 | $(51) | (13) |
| Commercial | 199 | 220 | (21) | (10) |
| Industrial | 184 | 210 | (26) | (12) |
| Governmental | 9 | 9 | - | - |
| Total retail | 724 | 822 | (98) | (12) |
| Sales for resale | | | | |
| Associated companies | 137 | 155 | (18) | (12) |
| Non-associated companies | 47 | 40 | 7 | 18 |
| Other | 52 | 55 | (3) | (5) |
| Total | $960 | $1,072 | $(112) | (10) |

| Billed Electric Energy | | | | |
|---|---|---|---|---|
| Sales (GWh): | | | | |
| Residential | 3,905 | 4,025 | (120) | (3) |
| Commercial | 2,785 | 2,809 | (24) | (1) |
| Industrial | 3,317 | 3,325 | (8) | - |
| Governmental | 129 | 126 | 3 | 2 |
| Total retail | 10,136 | 10,285 | (149) | (1) |
| Sales for resale | | | | |
| Associated companies | 3,381 | 4,057 | (676) | (17) |
| Non-associated companies | 625 | 387 | 238 | 61 |
| Total | 14,142 | 14,729 | (587) | (4) |

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ENTERGY GULF STATES LOUISIANA, L.L.C.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Results of Operations

Net Income

Second Quarter 2011 Compared to Second Quarter 2010

Net income increased by $17.2 million primarily due to higher net revenue, lower interest expense, and a lower effective income tax rate, partially offset by higher depreciation and amortization expenses.

Six Months Ended June 30, 2011 Compared to Six Months Ended June 30, 2010

Net income increased by $24.7 million primarily due to higher net revenue, lower interest expense, and a lower effective income tax rate, partially offset by higher depreciation and amortization expenses.

Net Revenue

Second Quarter 2011 Compared to Second Quarter 2010

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory credits. Following is an analysis of the change in net revenue comparing the second quarter 2011 to the second quarter 2010.

| | Amount (In Millions) |
|---|---|
| 2010 net revenue | $229.3 |
| Volume/weather | 7.6 |
| Other | 2.7 |
| 2011 net revenue | $239.6 |

The volume/weather variance is primarily due to an increase in sales volume in the unbilled period as well as an increase of 94 GWh, or 2%, in billed electricity usage, including the effect of more favorable weather on the residential and commercial sectors.

Six Months Ended June 30, 2011 Compared to Six Months Ended June 30, 2010

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory credits. Following is an analysis of the change in net revenue comparing the six months ended June 30, 2011 to the six months ended June 30, 2010.

| | Amount |
|---|---|

| | (In Millions) |
|---|---|
| 2010 net revenue | $447.3 |
| Volume/weather | 7.6 |
| Fuel recovery | 7.0 |
| Net wholesale revenue | 4.0 |
| Other | (1.2) |
| 2011 net revenue | $464.7 |

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

The volume/weather variance is primarily due to an increase in sales volume in the unbilled period as well as an increase of 192 GWh, or 2%, in billed electricity usage, primarily in the industrial sector as a result of increased consumption in the chemicals industry, and the effect of more favorable weather on the commercial sector.

The fuel recovery variance resulted primarily from an adjustment to deferred fuel costs in the first quarter 2010.

The net wholesale revenue variance is primarily due to higher revenue as a result of sales to Entergy Texas.

Other Income Statement Variances

Second Quarter 2011 Compared to Second Quarter 2010

Depreciation and amortization expenses increased primarily due to a revision in the second quarter 2010 related to depreciation on storm cost-related assets and an increase in plant in service. Recovery of the storm cost-related assets will now be through the Act 55 financing of storm costs as approved by the LPSC in June 2010. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Hurricane Gustav and Hurricane Ike" and Note 2 to the financial statements in the Form 10-K for a discussion of the Act 55 storm cost financing.

Interest expense decreased primarily due to:

- interest expense accrued in 2010 related to the expected result of the LPSC staff audit of the fuel adjustment clause for the period 1995 through 2004; and
- redemptions of first mortgage bonds of $68 million in June 2010 and $304 million in November 2010, partially offset by the issuance of first mortgage bonds of $250 million in October 2010. See Note 4 to the financial statements in the Form 10-K for details of long-term debt.

Six Months Ended June 30, 2011 Compared to Six Months Ended June 30, 2010

Depreciation and amortization expenses increased primarily due to a revision in the second quarter 2010 related to depreciation on storm cost-related assets and an increase in plant in service. Recovery of the storm cost-related assets will now be through the Act 55 financing of storm costs as approved by the LPSC in June 2010. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Hurricane Gustav and Hurricane Ike" and Note 2 to the financial statements in the Form 10-K for a discussion of the Act 55 storm cost financing.

Interest expense decreased primarily due to:

- interest expense accrued in 2010 related to the expected result of the LPSC staff audit of the fuel adjustment clause for the period 1995 through 2004; and
- redemptions of first mortgage bonds of $68 million in June 2010 and $304 million in November 2010, partially offset by the issuance of first mortgage bonds of $250 million in October 2010. See Note 4 to the financial statements in the Form 10-K for details of long-term debt.

Income Taxes

The effective income tax rate was 38.7% for the second quarter 2011 and 37.5% for the six months ended June 30, 2011. The differences in the effective income tax rates for the second quarter 2011 and for the six months ended June 30, 2011 versus the federal statutory rate of 35% are primarily due to state income taxes, book and tax differences related to utility plant items, and flow-through tax accounting, partially offset by book and tax differences related to non-taxable distributions earned on the preferred membership interests purchased from Entergy Holdings Company with the proceeds received from the Act 55 storm cost financings and the amortization of investment tax credits.

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

The effective income tax rate was 47.9% for the second quarter 2010 and 43.0% for the six months ended June 30, 2010. The differences in the effective income tax rates for the second quarter 2010 and for the six months ended June 30, 2010 versus the federal statutory rate of 35% were primarily due to book and tax differences related to utility plant items, state income taxes, and the reversal of prior flow through items related to the effects of storm cost financing, partially offset by book and tax differences related to non-taxable distributions earned on the preferred membership interests purchased from Entergy Holdings Company with the proceeds received from the Act 55 storm cost financings and the amortization of investment tax credits.

Liquidity and Capital Resources

Cash Flow

Cash flows for the six months ended June 30, 2011 and 2010 were as follows:

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| Cash and cash equivalents at beginning of period | $155,173 | $144,460 |
| Cash flow provided by (used in): | | |
| Operating activities | 176,653 | 208,179 |
| Investing activities | (203,048) | (128,780) |
| Financing activities | (90,861) | (75,311) |
| Net increase (decrease) in cash and cash equivalents | (117,256) | 4,088 |
| Cash and cash equivalents at end of period | $37,917 | $148,548 |

Operating Activities

Net cash flow provided by operating activities decreased $31.5 million for the six months ended June 30, 2011 compared to the six months ended June 30, 2010 primarily due to higher nuclear refueling outage spending at River Bend and an increase of $11.0 million in pension contributions. River Bend had a refueling outage in the first half of 2011 and did not have one in the first half of 2010. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for a discussion of qualified pension and other postretirement benefits.

Investing Activities

Net cash flow used in investing activities increased $74.3 million for the six months ended June 30, 2011 compared to the six months ended June 30, 2010 primarily due to an increase of $58.7 million in nuclear fuel purchases and money pool activity, partially offset by a decrease in construction expenditures resulting from $24.9 million in costs associated with the development of new nuclear generation at River Bend in 2010.

Increases in Entergy Gulf States Louisiana's receivable from the money pool are a use of cash flow, and Entergy Gulf States Louisiana's receivable from the money pool increased by $28.5 million for the six months ended June 30, 2011

compared to decreasing by $0.1 million for the six months ended June 30, 2010. The money pool is an inter-company borrowing arrangement designed to reduce the Utility operating companies' need for external short-term borrowings.

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

Financing Activities

Net cash flow used in financing activities increased $15.6 million for the six months ended June 30, 2011 compared to the six months ended June 30, 2010 primarily due to an increase of $57.9 million in common equity distributions, partially offset by net borrowings of $32.1 million against the nuclear fuel company variable interest entity credit facility in 2011. See Note 4 to the financial statements for a discussion of the credit facility.

Capital Structure

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

| | June 30, 2011 | December 31, 2010 |
|---|---|---|
| Debt to capital | 52.2% | 51.2% |
| Effect of subtracting cash | (0.6)% | (2.6)% |
| Net debt to net capital | 51.6% | 48.6% |

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

Uses and Sources of Capital

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources" in the Form 10-K for a discussion of Entergy Gulf States Louisiana's uses and sources of capital. Following are additional updates to the information provided in the Form 10-K.

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

| June 30, 2011 | December 31, 2010 | June 30, 2010 | December 31, 2009 |
|---|---|---|---|
| | (In Thousands) | | |
| $91,453 | $63,003 | $50,032 | $50,131 |

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

As discussed in the Form 10-K, Entergy Gulf States Louisiana has a credit facility in the amount of $100 million scheduled to expire in August 2012. No borrowings were outstanding under the facility as of June 30, 2011.

New Nuclear Development

See the Form 10-K for a discussion of the project option being developed by Entergy Gulf States Louisiana and Entergy Louisiana for new nuclear generation at River Bend. In March 2010, Entergy Gulf States Louisiana and Entergy Louisiana filed with the LPSC seeking approval to continue the development activities. In April 2011 the procedural schedule was suspended to allow for further settlement discussions among the parties. Discovery is complete and the parties have filed testimony and pre-hearing briefs. The testimony and pre-hearing brief of the LPSC staff generally support the request of Entergy Gulf States Louisiana and Entergy Louisiana, although other parties filed briefs, without supporting testimony, in opposition to the request. An evidentiary hearing has been scheduled for October 3 and 7, 2011.

Entergy Louisiana’s Ninemile Point Unit 6 Self-Build Project

In June 2011, Entergy Louisiana filed with the LPSC an application seeking certification that the public necessity and convenience would be served by Entergy Louisiana’s construction of a combined-cycle gas turbine generating facility (Ninemile 6) at its existing Ninemile Point electric generating station. Ninemile 6 will be a nominally-sized 550 MW unit that is estimated to cost approximately $721 million to construct, excluding interconnection and transmission upgrades. Entergy Gulf States Louisiana joined in the application, seeking certification of its purchase under a life-of-unit power purchase agreement of up to 35% of the capacity and energy generated by Ninemile 6. The Ninemile 6 capacity and energy is proposed to be allocated 55% to Entergy Louisiana, 25% to Entergy Gulf States Louisiana, and 20% to Entergy New Orleans. Entergy New Orleans has filed a request with the City Council to approve its purchase under a life-of-unit power purchase agreement of this capacity and energy. If the City Council does not approve this power purchase agreement in a timely manner, then an allocation of 65% to Entergy Louisiana and 35% to Entergy Gulf States Louisiana is proposed. If approvals are obtained from the LPSC and other permitting agencies, Ninemile 6 construction is expected to begin in 2012, and the unit is expected to commence commercial operation by mid-2015.

State and Local Rate Regulation

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

In January 2003 the LPSC authorized its staff to initiate a proceeding to audit the fuel adjustment clause filings of Entergy Gulf States Louisiana and its affiliates. The audit includes a review of the reasonableness of charges flowed by Entergy Gulf States Louisiana through its fuel adjustment clause for the period 1995 through 2004. The LPSC Staff issued its audit report in December 2010. The report recommends the disallowance of $23 million of costs which, with interest, will total $43 million. $2 million of this total relates to a realignment to and recovery through base rates of certain SO2 costs. Entergy Gulf States Louisiana filed comments disputing the findings in the report. Entergy Gulf States Louisiana and the LPSC Staff have reached a settlement that, if approved by the LPSC, will resolve this matter. The settlement requires Entergy Gulf States Louisiana to refund $18 million to customers, including the realignment to base rates of the $2 million of SO2 costs. The procedural schedule requires Entergy Gulf States Louisiana and the LPSC Staff to file the settlement by August 29, 2011, with hearings to take place either in September 2011, if the settlement is uncontested, or in late October or early November 2011, if the settlement is contested. The Louisiana Energy Users Group is the sole active intervenor in the case and is currently reviewing the settlement. Entergy Gulf States Louisiana has recorded provisions for the estimated effect of this proceeding.

In April 2010 the LPSC authorized its staff to initiate an audit of Entergy Gulf States Louisiana’s purchased gas adjustment clause filings for its gas distribution operations. The audit includes a review of the reasonableness of charges flowed through by Entergy Gulf States Louisiana for the period from 2003 through 2008. Discovery is complete and, in June 2011, the LPSC staff filed an audit report generally supporting the appropriateness of charges flowed through the purchased gas adjustment clause filings. LPSC consideration of the audit report is pending.

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

now closed.

In May 2011, Entergy Gulf States Louisiana made a special formula rate plan rate implementation filing with the LPSC that implements effective with the May 2011 billing cycle a $5.1 million rate decrease to reflect adjustments in accordance with a previous LPSC order relating to the acquisition of Unit 2 of the Acadia Energy Center by Entergy Louisiana. As a result of the closing of the acquisition and termination of the pre-acquisition power purchase agreement with Acadia, Entergy Gulf States Louisiana's allocation of capacity related to this unit ended, resulting in a reduction in the additional capacity revenue requirement.

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

In May 2011, Entergy Gulf States Louisiana made its formula rate plan filing with the LPSC for the 2010 test year. The filing reflects an 11.11% earned return on common equity, which is within the allowed earnings bandwidth, indicating no cost of service rate change is necessary under the formula rate plan. The filing also reflects a $22.8 million rate decrease for incremental capacity costs. The filing is currently subject to LPSC review.

Federal Regulation

See "System Agreement" and "Independent Coordinator of Transmission" in the "Rate, Cost-recovery, and Other Regulation" section of Entergy Corporation and Subsidiaries Management’s Financial Discussion and Analysis for updates to the discussion in the Form 10-K.

Nuclear Matters

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

Environmental Risks

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

Critical Accounting Estimates

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

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ENTERGY GULF STATES LOUISIANA, L.L.C.
INCOME STATEMENTS
For the Three and Six Months Ended June 30, 2011 and 2010
(Unaudited)

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | 2011 | 2010 | 2011 | 2010 |
| | (In Thousands) | | (In Thousands) | |
| OPERATING REVENUES | | | | |
| Electric | $511,648 | $497,004 | $978,689 | $954,785 |
| Natural gas | 10,914 | 12,221 | 39,771 | 53,115 |
| TOTAL | 522,562 | 509,225 | 1,018,460 | 1,007,900 |
| | | | | |
| OPERATING EXPENSES | | | | |
| Operation and Maintenance: | | | | |
| Fuel, fuel-related expenses, and gas purchased for resale | 75,923 | 68,853 | 156,558 | 132,989 |
| Purchased power | 207,389 | 213,417 | 398,497 | 432,027 |
| Nuclear refueling outage expenses | 4,324 | 5,605 | 9,342 | 11,323 |
| Other operation and maintenance | 87,472 | 87,240 | 166,485 | 166,879 |
| Decommissioning | 3,522 | 3,325 | 6,993 | 6,604 |
| Taxes other than income taxes | 18,777 | 17,954 | 37,578 | 36,410 |
| Depreciation and amortization | 35,675 | 32,613 | 71,399 | 67,802 |
| Other regulatory credits - net | (380) | (2,376) | (1,322) | (4,430) |
| TOTAL | 432,702 | 426,631 | 845,530 | 849,604 |
| | | | | |
| OPERATING INCOME | 89,860 | 82,594 | 172,930 | 158,296 |
| | | | | |
| OTHER INCOME | | | | |
| Allowance for equity funds used during construction | 2,163 | 1,525 | 3,903 | 2,811 |
| Interest and investment income | 10,473 | 8,780 | 19,831 | 19,378 |
| Miscellaneous - net | (1,712) | (1,773) | (3,873) | (3,352) |
| TOTAL | 10,924 | 8,532 | 19,861 | 18,837 |
| | | | | |
| INTEREST EXPENSE | | | | |
| Interest expense | 21,231 | 30,423 | 42,580 | 55,605 |
| Allowance for borrowed funds used during construction | (828) | (982) | (1,693) | (1,799) |
| TOTAL | 20,403 | 29,441 | 40,887 | 53,806 |
| | | | | |
| INCOME BEFORE INCOME TAXES | 80,381 | 61,685 | 151,904 | 123,327 |
| | | | | |
| Income taxes | 31,071 | 29,531 | 56,923 | 53,090 |
| | | | | |
| NET INCOME | 49,310 | 32,154 | 94,981 | 70,237 |
| | | | | |
| Preferred distribution requirements and other | 206 | 208 | 412 | 414 |

| | | | | |
|---|---|---|---|---|
| EARNINGS APPLICABLE TO COMMON EQUITY | $49,104 | $31,946 | $94,569 | $69,823 |

See Notes to Financial Statements.

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ENTERGY GULF STATES LOUISIANA, L.L.C.
STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 2011 and 2010
(Unaudited)

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| OPERATING ACTIVITIES | | |
| Net income | $94,981 | $70,237 |
| Adjustments to reconcile net income to net cash flow provided by operating activities: | | |
| Depreciation, amortization, and decommissioning, including nuclear fuel amortization | 101,561 | 98,435 |
| Deferred income taxes, investment tax credits, and non-current taxes accrued | 13,995 | (301,383) |
| Changes in working capital: | | |
| Receivables | (58,808) | (66,006) |
| Fuel inventory | (2,435) | 1,973 |
| Accounts payable | (17,147) | 62,841 |
| Prepaid taxes and taxes accrued | 63,111 | 325,175 |
| Interest accrued | (692) | 229 |
| Deferred fuel costs | (38,044) | (29,431) |
| Other working capital accounts | (10,757) | 39,676 |
| Changes in provisions for estimated losses | 840 | (7,322) |
| Changes in other regulatory assets | 21,505 | (2,998) |
| Changes in pension and other postretirement liabilities | (14,164) | (3,428) |
| Other | 22,707 | 20,181 |
| Net cash flow provided by operating activities | 176,653 | 208,179 |
| | | |
| INVESTING ACTIVITIES | | |
| Construction expenditures | (108,261) | (118,261) |
| Allowance for equity funds used during construction | 3,903 | 2,811 |
| Nuclear fuel purchases | (70,728) | (12,023) |
| Proceeds from the sale of nuclear fuel | 9,647 | - |
| Proceeds from nuclear decommissioning trust fund sales | 20,668 | 78,849 |
| Investment in nuclear decommissioning trust funds | (29,749) | (83,391) |
| Change in money pool receivable - net | (28,450) | 99 |
| Changes in other investments | (78) | 3,136 |
| Net cash flow used in investing activities | (203,048) | (128,780) |
| | | |
| FINANCING ACTIVITIES | | |
| Changes in credit borrowings - net | 32,100 | (9,500) |
| Dividends/distributions paid: | | |
| Common equity | (122,250) | (64,300) |
| Preferred membership interests | (412) | (414) |
| Other | (299) | (1,097) |
| Net cash flow used in financing activities | (90,861) | (75,311) |
| | | |
| Net increase (decrease) in cash and cash equivalents | (117,256) | 4,088 |
| | | |
| Cash and cash equivalents at beginning of period | 155,173 | 144,460 |

| | | |
|---|---|---|
| Cash and cash equivalents at end of period | $37,917 | $148,548 |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: | | |
| Cash paid/(received) during the period for: | | |
| Interest - net of amount capitalized | $41,695 | $53,905 |
| Income taxes | $(7) | $394 |
| Noncash financing activities: | | |
| Repayment by Entergy Texas of assumed long-term debt | $- | $167,742 |

See Notes to Financial Statements.

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ENTERGY GULF STATES LOUISIANA, L.L.C.
BALANCE SHEETS
ASSETS
June 30, 2011 and December 31, 2010
(Unaudited)

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| CURRENT ASSETS | | |
| Cash and cash equivalents: | | |
| Cash | $183 | $231 |
| Temporary cash investments | 37,734 | 154,942 |
| Total cash and cash equivalents | 37,917 | 155,173 |
| Accounts receivable: | | |
| Customer | 78,021 | 60,369 |
| Allowance for doubtful accounts | (1,511) | (1,306) |
| Associated companies | 181,304 | 119,252 |
| Other | 26,014 | 27,728 |
| Accrued unbilled revenues | 66,089 | 56,616 |
| Total accounts receivable | 349,917 | 262,659 |
| Deferred fuel costs | 15,743 | - |
| Fuel inventory - at average cost | 28,262 | 25,827 |
| Materials and supplies - at average cost | 110,638 | 113,302 |
| Deferred nuclear refueling outage costs | 30,164 | 7,372 |
| Prepaid taxes | - | 40,946 |
| Prepayments and other | 7,721 | 5,127 |
| TOTAL | 580,362 | 610,406 |
| | | |
| OTHER PROPERTY AND INVESTMENTS | | |
| Investment in affiliate preferred membership interests | 339,664 | 339,664 |
| Decommissioning trust funds | 418,129 | 393,580 |
| Non-utility property - at cost (less accumulated depreciation) | 161,964 | 156,845 |
| Storm reserve escrow account | 90,204 | 90,125 |
| Other | 12,519 | 12,011 |
| TOTAL | 1,022,480 | 992,225 |
| | | |
| UTILITY PLANT | | |
| Electric | 6,985,003 | 6,907,268 |
| Natural gas | 127,473 | 124,020 |
| Construction work in progress | 118,621 | 119,017 |
| Nuclear fuel | 205,730 | 202,609 |
| TOTAL UTILITY PLANT | 7,436,827 | 7,352,914 |
| Less - accumulated depreciation and amortization | 3,860,793 | 3,812,394 |
| UTILITY PLANT - NET | 3,576,034 | 3,540,520 |
| | | |
| DEFERRED DEBITS AND OTHER ASSETS | | |
| Regulatory assets: | | |
| Regulatory asset for income taxes - net | 228,514 | 234,406 |

| | | |
|---|---|---|
| Other regulatory assets | 254,317 | 270,883 |
| Deferred fuel costs | 100,124 | 100,124 |
| Other | 17,571 | 14,832 |
| TOTAL | 600,526 | 620,245 |
| | | |
| TOTAL ASSETS | $5,779,402 | $5,763,396 |

See Notes to Financial Statements.

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ENTERGY GULF STATES LOUISIANA, L.L.C.
BALANCE SHEETS
LIABILITIES AND EQUITY
June 30, 2011 and December 31, 2010
(Unaudited)

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| CURRENT LIABILITIES | | |
| Accounts payable: | | |
| Associated companies | $100,634 | $71,601 |
| Other | 110,589 | 160,246 |
| Customer deposits | 49,462 | 48,631 |
| Taxes accrued | 22,165 | - |
| Accumulated deferred income taxes | 12,367 | 1,749 |
| Interest accrued | 26,569 | 27,261 |
| Deferred fuel costs | - | 22,301 |
| Pension and other postretirement liabilities | 7,606 | 7,415 |
| System agreement cost equalization | 10,282 | - |
| Other | 15,710 | 15,049 |
| TOTAL | 355,384 | 354,253 |
| | | |
| NON-CURRENT LIABILITIES | | |
| Accumulated deferred income taxes and taxes accrued | 1,406,839 | 1,405,374 |
| Accumulated deferred investment tax credits | 83,189 | 84,858 |
| Other regulatory liabilities | 94,518 | 83,479 |
| Decommissioning and asset retirement cost liabilities | 349,717 | 339,925 |
| Accumulated provisions | 98,520 | 97,680 |
| Pension and other postretirement liabilities | 206,268 | 220,432 |
| Long-term debt | 1,616,551 | 1,584,332 |
| Long-term payables - associated companies | 31,791 | 32,596 |
| Other | 53,879 | 51,254 |
| TOTAL | 3,941,272 | 3,899,930 |
| | | |
| Commitments and Contingencies | | |
| | | |
| EQUITY | | |
| Preferred membership interests without sinking fund | 10,000 | 10,000 |
| Member's equity | 1,511,821 | 1,539,517 |
| Accumulated other comprehensive loss | (39,075) | (40,304) |
| TOTAL | 1,482,746 | 1,509,213 |
| | | |
| TOTAL LIABILITIES AND EQUITY | $5,779,402 | $5,763,396 |

See Notes to Financial Statements.

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ENTERGY GULF STATES LOUISIANA, L.L.C.
STATEMENTS OF CHANGES IN EQUITY AND COMPREHENSIVE INCOME
For the Six Months Ended June 30, 2011 and 2010
(Unaudited) (In Thousands)

| | | Common Equity | | |
|---|---|---|---|---|
| | Preferred Membership Interests | Member's Equity | Accumulated Other Comprehensive Income (Loss) | Total |
| Balance at December 31, 2009 | $ 10,000 | $1,473,930 | $ (42,171) | $1,441,759 |
| Net income | - | 70,237 | - | 70,237 |
| Other comprehensive income: | | | | |
| Pension and other postretirement liabilities (net of tax expense of $1,048) | - | - | 1,098 | 1,098 |
| Total comprehensive income | | | | 71,335 |
| Dividends/distributions declared on common equity | - | (64,300) | - | (64,300) |
| Dividends/distributions declared on preferred membership interests | - | (414) | - | (414) |
| Other | - | (10) | - | (10) |
| Balance at June 30, 2010 | $ 10,000 | $1,479,443 | $ (41,073) | $1,448,370 |
| Balance at December 31, 2010 | $ 10,000 | $1,539,517 | $ (40,304) | $1,509,213 |
| Net income | - | 94,981 | - | 94,981 |
| Other comprehensive income: | | | | |
| Pension and other postretirement liabilities (net of tax expense of $1,015) | - | - | 1,229 | 1,229 |
| Total comprehensive income | | | | 96,210 |
| Dividends/distributions declared on common equity | - | (122,250) | - | (122,250) |
| Dividends/distributions declared on preferred membership interests | - | (412) | - | (412) |
| Other | - | (15) | - | (15) |
| Balance at June 30, 2011 | $ 10,000 | $1,511,821 | $ (39,075) | $1,482,746 |

See Notes to Financial Statements.

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ENTERGY GULF STATES LOUISIANA, L.L.C.
SELECTED OPERATING RESULTS
For the Three and Six Months Ended June 30, 2011 and 2010
(Unaudited)

| Description | Three Months Ended 2011 | 2010 | Increase/ (Decrease) | % |
|---|---|---|---|---|
| | (Dollars In Millions) | | | |
| Electric Operating Revenues: | | | | |
| Residential | $110 | $107 | $3 | 3 |
| Commercial | 103 | 101 | 2 | 2 |
| Industrial | 128 | 128 | 0 | - |
| Governmental | 6 | 5 | 1 | 20 |
| Total retail | 347 | 341 | 6 | 2 |
| Sales for resale | | | | |
| Associated companies | 126 | 116 | 10 | 9 |
| Non-associated companies | 15 | 22 | (7) | (32) |
| Other | 24 | 18 | 6 | 33 |
| Total | $512 | $497 | $15 | 3 |
| | | | | |
| Billed Electric Energy Sales (GWh): | | | | |
| Residential | 1,229 | 1,195 | 34 | 3 |
| Commercial | 1,275 | 1,244 | 31 | 2 |
| Industrial | 2,345 | 2,319 | 26 | 1 |
| Governmental | 54 | 51 | 3 | 6 |
| Total retail | 4,903 | 4,809 | 94 | 2 |
| Sales for resale | | | | |
| Associated companies | 2,262 | 2,216 | 46 | 2 |
| Non-associated companies | 306 | 480 | (174) | (36) |
| Total | 7,471 | 7,505 | (34) | - |

| Description | Six Months Ended 2011 | 2010 | Increase/ (Decrease) | % |
|---|---|---|---|---|
| | (Dollars In Millions) | | | |
| Electric Operating Revenues: | | | | |
| Residential | $220 | $226 | $(6) | (3) |
| Commercial | 200 | 199 | 1 | 1 |
| Industrial | 243 | 241 | 2 | 1 |
| Governmental | 11 | 10 | 1 | 10 |
| Total retail | 674 | 676 | (2) | - |
| Sales for resale | | | | |
| Associated companies | 245 | 209 | 36 | 17 |
| Non-associated companies | 28 | 46 | (18) | (39) |
| Other | 32 | 24 | 8 | 33 |

| | | | | |
|---|---|---|---|---|
| Total | $979 | $955 | $24 | 3 |
| | | | | |
| Billed Electric Energy Sales (GWh): | | | | |
| Residential | 2,476 | 2,520 | (44) | (2) |
| Commercial | 2,488 | 2,443 | 45 | 2 |
| Industrial | 4,520 | 4,329 | 191 | 4 |
| Governmental | 107 | 107 | - | - |
| Total retail | 9,591 | 9,399 | 192 | 2 |
| Sales for resale | | | | |
| Associated companies | 4,136 | 3,906 | 230 | 6 |
| Non-associated companies | 510 | 957 | (447) | (47) |
| Total | 14,237 | 14,262 | (25) | - |

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ENTERGY LOUISIANA, LLC

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Results of Operations

Net Income

Second Quarter 2011 Compared to Second Quarter 2010

Net income increased $13.8 million primarily due to higher net revenue, higher other income, and a lower effective income tax rate, partially offset by higher depreciation and amortization expenses and higher taxes other than income taxes.

Six Months Ended June 30, 2011 Compared to Six Months Ended June 30, 2010

Net income increased $17.3 million primarily due to higher net revenue, higher other income, and a lower effective income tax rate, partially offset by higher other operation and maintenance expenses, higher depreciation and amortization expenses, and higher taxes other than income taxes.

Net Revenue

Second Quarter 2011 Compared to Second Quarter 2010

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory credits. Following is an analysis of the change in net revenue comparing the second quarter 2011 to the second quarter 2010.

| | Amount (In Millions) |
|---|---|
| 2010 net revenue | $269.1 |
| Retail electric price | 16.9 |
| 2011 net revenue | $286.0 |

The retail electric price variance is primarily due to formula rate plan increases effective September 2010 and May 2011, partially offset by more credits passed on to customers in 2011 compared to 2010 related to the Act 55 storm cost financing. See Note 2 to the financial statements herein and in the Form 10-K for discussions of the formula rate plan increases and the Act 55 storm cost financing.

Gross operating revenues and fuel and purchased power expenses

Gross operating revenues increased primarily due to an increase of $29.9 million in fuel cost recovery revenues due to higher fuel rates. Entergy Louisiana's fuel and purchased power recovery mechanism is discussed in Note 2 to the financial statements in the Form 10-K.

Fuel and purchased power expenses increased primarily due to an increase in the demand for gas-fired generation because of a refueling outage at Waterford 3 in the second quarter 2011.

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Entergy Louisiana, LLC
Management's Financial Discussion and Analysis

Six Months Ended June 30, 2011 Compared to Six Months Ended June 30, 2010

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory credits. Following is an analysis of the change in net revenue comparing the six months ended June 30, 2011 to the six months ended June 30, 2010.

| | Amount (In Millions) |
|---|---|
| 2010 net revenue | $507.4 |
| Retail electric price | 9.2 |
| Other | 3.2 |
| 2011 net revenue | $519.8 |

The retail electric price variance is primarily due to formula rate plan increases effective September 2010 and May 2011, partially offset by more credits passed on to customers in 2011 compared to 2010 related to the Act 55 storm cost financing. See Note 2 to the financial statements herein and in the Form 10-K for discussions of the formula rate plan increases and the Act 55 storm cost financing.

Gross operating revenues and fuel and purchased power expenses

Gross operating revenues decreased primarily due to a decrease of $61.9 million in fuel cost recovery revenues due to lower fuel rates. Entergy Louisiana’s fuel and purchased power recovery mechanism is discussed in Note 2 to the financial statements in the Form 10-K.

Fuel and purchased power expenses decreased primarily due to a decrease in the recovery from customers of deferred fuel costs, partially offset by an increase in demand for gas-fired generation because of a refueling outage at Waterford 3 in the second quarter 2011.

Other Income Statement Variances

Second Quarter 2011 Compared to Second Quarter 2010

Taxes other than income taxes increased primarily due to an increase in ad valorem taxes as a result of a higher 2011 assessment and a reduction in capitalized property taxes as compared to 2010 and an increase in local franchise taxes as a result of higher revenues primarily in the residential and commercial sectors.

Depreciation and amortization expenses increased primarily due to a revision in the second quarter 2010 related to depreciation on storm cost-related assets. Recovery of the cost of those assets will now be through the Act 55 financing of storm costs as approved by the LPSC in June 2010. See “MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS – Hurricane Gustav and Hurricane Ike” and Note 2 to the financial statements in the Form 10-K for a discussion of the Act 55 storm cost financing.

Other income increased primarily due to an increase of $5.9 million in distributions earned on preferred membership interests purchased from Entergy Holdings Company with the proceeds received from the Act 55 storm cost financing. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Hurricane Gustav and Hurricane Ike" and Note 2 to the financial statements in the Form 10-K for a discussion of the Act 55 storm cost financing.

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Six Months Ended June 30, 2011 Compared to Six Months Ended June 30, 2010

Other operation and maintenance expenses increased primarily due to:

- an increase of $2.9 million in nuclear expenses due to higher nuclear labor costs;
- an increase of $1.6 million in loss provisions in 2011; and
- an increase of $1.3 million in legal expenses primarily resulting from an increase in legal and regulatory activity increasing the use of outside legal services.

Taxes other than income taxes increased primarily due to an increase in ad valorem taxes as a result of a higher 2011 assessment and a reduction in capitalized property taxes as compared to 2010.

Depreciation and amortization expenses increased primarily due to a revision in the second quarter 2010 related to depreciation on storm cost-related assets. Recovery of the cost of those assets will now be through the Act 55 financing of storm costs as approved by the LPSC in June 2010. See “MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS – Hurricane Gustav and Hurricane Ike” and Note 2 to the financial statements in the Form 10-K for a discussion of the Act 55 storm cost financing.

Other income increased primarily due to an increase of $11.8 million in distributions earned on preferred membership interests purchased from Entergy Holdings Company with the proceeds received from the Act 55 storm cost financing. See “MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS – Hurricane Gustav and Hurricane Ike” and Note 2 to the financial statements in the Form 10-K for a discussion of the Act 55 storm cost financing.

Income Taxes

The effective income tax rate was 26.5% for the second quarter 2011 and 24.3% for the six months ended June 30, 2011. The differences in the effective income tax rates for the second quarter 2011 and the six months ended June 30, 2011 versus the federal statutory rate of 35.0% are primarily due to book and tax differences related to non-taxable distributions earned on the preferred membership interests purchased from Entergy Holdings Company with the proceeds received from the Act 55 storm cost financings and book and tax differences related to the allowance for equity funds used during construction, partially offset by state income taxes.

The effective income tax rate was 31.1% for the second quarter 2010 and 30.3% for the six months ended June 30, 2010. The differences in the effective income tax rates for the second quarter 2010 and the six months ended June 30, 2010 versus the federal statutory rate of 35.0% were primarily due to book and tax differences related to non-taxable distributions earned on the preferred membership interests purchased from Entergy Holdings Company with the proceeds received from the Act 55 storm cost financings and book and tax differences related to allowance for equity funds used during construction, partially offset by state income taxes.

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Liquidity and Capital Resources

Cash Flow

Cash flows for the six months ended June 30, 2011 and 2010 were as follows:

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| Cash and cash equivalents at beginning of period | $123,254 | $151,849 |
| Cash flow provided by (used in): | | |
| Operating activities | 51,486 | 226,060 |
| Investing activities | (578,247) | (175,517) |
| Financing activities | 405,519 | (103,357) |
| Net decrease in cash and cash equivalents | (121,242) | (52,814) |
| Cash and cash equivalents at end of period | $2,012 | $99,035 |

Operating Activities

Cash flow provided by operating activities decreased $174.6 million for the six months ended June 30, 2011 compared to the six months ended June 30, 2010 primarily due to decreased recovery of fuel costs due to a decrease in the amount of deferred fuel to be recovered compared to last year, an increase of $30.9 million in pension contributions, and the purchase of $28.1 million of fuel oil from System Fuels because System Fuels will no longer procure fuel oil for the Utility companies. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for a discussion of qualified pension and other postretirement benefits.

Investing Activities

Net cash flow used in investing activities increased $402.7 million for the six months ended June 30, 2011 compared to the six months ended June 30, 2010 primarily due to the purchase of the Acadia Power Plant for approximately $300 million in April 2011 and an increase of $119 million in nuclear fuel purchases because of the timing of refueling outages and the purchase of nuclear fuel from System Fuels because the Utility companies will now purchase nuclear fuel as System Fuels procures it, rather than primarily at the time of refueling. The increase was partially offset by money pool activity.

Decreases in Entergy Louisiana's receivable from the money pool are a source of cash flow, and Entergy Louisiana's receivable from the money pool decreased by $49.9 million for the six months ended June 30, 2011 compared to decreasing by $18.7 million for the six months ended June 30, 2010. The money pool is an inter-company borrowing arrangement designed to reduce the Utility subsidiaries' need for external short-term borrowings.

Financing Activities

Entergy Louisiana's financing activities provided $405.5 million of cash for the six months ended June 30, 2011 compared to using $103.4 million for the six months ended June 30, 2010 primarily due to the following cash flow activity:

- the issuance of $200 million of 4.8% Series first mortgage bonds in March 2011;
- money pool activity;
- borrowings of $100 million on Entergy Louisiana's credit facility;
- an increase in borrowings on the nuclear fuel company variable interest entity's credit facility;
- the issuance of the $20 million Series F note by the nuclear fuel company variable interest entity in March 2011;

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- the retirement of $55 million of 4.67% Series first mortgage bonds in June 2010; and
- the retirement of the $30 million Series D note by the nuclear fuel company variable interest entity in January 2010.

These increases were offset by the following:

- a principal payment of $30.3 million in 2011 for the Waterford 3 sale-leaseback obligation compared to a principal payment of $17.3 million in 2010; and
- $31.2 million in common equity dividends paid in 2011.

Increases in Entergy Louisiana's payable to the money pool are a source of cash flow, and Entergy Louisiana's payable to the money pool increased by $111.8 million for the six months ended June 30, 2011.

Capital Structure

Entergy Louisiana's capitalization is balanced between equity and debt, as shown in the following table. The increase in the debt to capital for Entergy Louisiana as of June 30, 2011 is primarily due to the issuance of $200 million of 4.8% Series first mortgage bonds in March 2011 and the $100 million borrowing on the credit facility.

| | June 30, 2011 | December 31, 2010 |
|---|---|---|
| Debt to capital | 49.3% | 46.1% |
| Effect of subtracting cash | 0.0% | (1.7)% |
| Net debt to net capital | 49.3% | 44.4% |

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

Uses and Sources of Capital

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources" in the Form 10-K for a discussion of Entergy Louisiana's uses and sources of capital. Following are updates to the information provided in the Form 10-K.

Entergy Louisiana's receivables from or (payables to) the money pool were as follows:

| June 30, 2011 | December 31, 2010 | June 30, 2010 | December 31, 2009 |
|---|---|---|---|
| | (In Thousands) | | |

| | | | |
|---|---|---|---|
| ($111,848) | $49,887 | $34,131 | $52,807 |

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

As discussed in the Form 10-K, Entergy Louisiana has a credit facility in the amount of $200 million scheduled to expire in August 2012. As of June 30, 2011, $100 million was outstanding on the credit facility.

In March 2011, Entergy Louisiana issued $200 million of 4.80% Series first mortgage bonds due May 2021. Entergy Louisiana used the proceeds, together with other available funds, to purchase Unit 2 of the Acadia Energy Center, as discussed below.

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Acadia Unit 2 Purchase Agreement

As discussed more fully in the Form 10-K, in October 2009, Entergy Louisiana announced that it signed an agreement to acquire Unit 2 of the Acadia Energy Center, a 580 MW generating unit located near Eunice, La., from Acadia Power Partners, LLC, an independent power producer. Entergy Louisiana acquired the plant on April 29, 2011.

Little Gypsy Repowering Project

See the Form 10-K for a discussion of the Little Gypsy repowering project. As discussed in the Form 10-K, in January 2011 all parties conducted a mediation on the disputed issues, and thereafter, reached agreement on a settlement of all disputed issues, including cost recovery and cost allocation. The settlement provides for Entergy Louisiana to recover $200 million as of March 31, 2011, and carrying costs on that amount on specified terms thereafter. The settlement also provides for Entergy Louisiana to recover the approved project costs by securitization. In April 2011, Entergy Louisiana filed an application with the LPSC to authorize the securitization of the investment recovery costs associated with the project and to issue a financing order by which Entergy Louisiana may accomplish such securitization. In June 2011 the LPSC issued an order approving the settlement and also issued a financing order for the securitization. Due to the need for additional public notice to be published in connection with the securitization of the project costs, a filing was made on July 21, 2011, requesting that the LPSC re-approve and re-issue a financing order with respect to the securitization of the investment recovery costs. Entergy Louisiana anticipates continuing its efforts to complete in the third quarter 2011 the securitization of the investment recovery costs.

Waterford 3 Steam Generator Replacement Project

See the Form 10-K for a discussion of the Waterford 3 Steam Generator Replacement project. With regard to the delay in the delivery of the steam generators, Entergy Louisiana worked with the manufacturer to fully develop and evaluate repair options, and expects the replacement steam generators to be delivered in time for the Fall 2012 refueling outage. Extensive inspections of the existing steam generators at Waterford 3 in cooperation with the manufacturer were completed in April 2011. The review of data obtained during these inspections supports the conclusion that Waterford 3 can operate safely for another full cycle before the replacement of the existing steam generators. Entergy Louisiana is required to report formally its findings to the NRC through a report made 180 days after plant start up. At this time, a requirement to perform a mid-cycle outage for further inspections in order to allow the plant to continue operation until its Fall 2012 refueling outage is not anticipated. Entergy Louisiana currently expects the cost of the project, including carrying costs, to increase to approximately $687 million if the replacement occurs during the Fall 2012 refueling outage.

Entergy Louisiana’s existing formula rate plan provides for rate treatment of the Waterford 3 project costs, including in-service rate recovery without regulatory lag and treatment outside of the formula rate plan earnings sharing formula; however, these provisions contemplated the project being placed in service during the term of the current formula rate plan and will not apply at the time of the expected in-service date in the Fall 2012. Entergy Louisiana will seek to reestablish comparable rate recovery provisions for the project through renewal or extension of the current formula rate plan provisions or through a base rate filing.

New Nuclear Development

See the Form 10-K for a discussion of the project option being developed by Entergy Gulf States Louisiana and Entergy Louisiana for new nuclear generation at River Bend. In March 2010, Entergy Gulf States Louisiana and Entergy Louisiana filed with the LPSC seeking approval to continue the development activities. In April 2011 the procedural schedule was suspended to allow for further settlement discussions among the parties. Discovery is complete and the parties have filed testimony and pre-hearing briefs. The testimony and pre-hearing brief of the LPSC staff generally support the request of Entergy Gulf States Louisiana and Entergy Louisiana, although other parties filed briefs, without supporting testimony, in opposition to the request. An evidentiary hearing has been scheduled for October 3 and 7, 2011.

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Entergy Louisiana, LLC
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Ninemile Point Unit 6 Self-Build Project

In June 2011, Entergy Louisiana filed with the LPSC an application seeking certification that the public necessity and convenience would be served by Entergy Louisiana's construction of a combined-cycle gas turbine generating facility (Ninemile 6) at its existing Ninemile Point electric generating station. Ninemile 6 will be a nominally-sized 550 MW unit that is estimated to cost approximately $721 million to construct, excluding interconnection and transmission upgrades. Entergy Gulf States Louisiana joined in the application, seeking certification of its purchase under a life-of-unit power purchase agreement of up to 35% of the capacity and energy generated by Ninemile 6. The Ninemile 6 capacity and energy is proposed to be allocated 55% to Entergy Louisiana, 25% to Entergy Gulf States Louisiana, and 20% to Entergy New Orleans. Entergy New Orleans has filed a request with the City Council to approve its purchase under a life-of-unit power purchase agreement of this capacity and energy. If the City Council does not approve this power purchase agreement in a timely manner, then an allocation of 65% to Entergy Louisiana and 35% to Entergy Gulf States Louisiana is proposed. If approvals are obtained from the LPSC and other permitting agencies, Ninemile 6 construction is expected to begin in 2012, and the unit is expected to commence commercial operation by mid-2015.

State and Local Rate Regulation

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

In May 2011, Entergy Louisiana made a special formula rate plan rate implementation filing with the LPSC that implements effective with the May 2011 billing cycle a $43.1 million net rate increase to reflect adjustments in accordance with a previous LPSC order relating to the acquisition of Unit 2 of the Acadia Energy Center. The net rate increase represents the decrease in the additional capacity revenue requirement resulting from the termination of the power purchase agreement with Acadia and the increase in the revenue requirement resulting from the ownership of the Acadia facility. The filing is currently subject to LPSC review. The May 2011 rate change contributed approximately $9 million to Entergy Louisiana's revenues in the second quarter 2011.

In May 2011, Entergy Louisiana made its formula rate plan filing with the LPSC for the 2010 test year. The filing reflects an 11.07% earned return on common equity, which is just outside of the allowed earnings bandwidth and results in no cost of service rate change under the formula rate plan. The filing also reflects a very slight ($9 thousand) rate increase for incremental capacity costs. The filing is currently subject to LPSC review.

Federal Regulation

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

Nuclear Matters

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

Environmental Risks

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

Critical Accounting Estimates

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

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ENTERGY LOUISIANA, LLC
INCOME STATEMENTS
For the Three and Six Months Ended June 30, 2011 and 2010
(Unaudited)

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | 2011 | 2010 | 2011 | 2010 |
| | (In Thousands) | | (In Thousands) | |
| OPERATING REVENUES | | | | |
| Electric | $651,847 | $619,473 | $1,167,281 | $1,230,997 |
| OPERATING EXPENSES | | | | |
| Operation and Maintenance: | | | | |
| Fuel, fuel-related expenses, and gas purchased for resale | 143,532 | 143,426 | 228,757 | 302,675 |
| Purchased power | 230,546 | 212,402 | 430,924 | 432,475 |
| Nuclear refueling outage expenses | 6,706 | 6,172 | 14,181 | 12,270 |
| Other operation and maintenance | 106,439 | 104,706 | 212,804 | 206,686 |
| Decommissioning | 6,108 | 5,688 | 12,109 | 11,275 |
| Taxes other than income taxes | 18,345 | 15,158 | 35,084 | 33,158 |
| Depreciation and amortization | 51,777 | 47,291 | 101,423 | 97,518 |
| Other regulatory credits - net | (8,254) | (5,485) | (12,210) | (11,503) |
| TOTAL | 555,199 | 529,358 | 1,023,072 | 1,084,554 |
| OPERATING INCOME | 96,648 | 90,115 | 144,209 | 146,443 |
| OTHER INCOME | | | | |
| Allowance for equity funds used during construction | 8,277 | 6,990 | 15,651 | 13,527 |
| Interest and investment income | 23,716 | 18,566 | 44,126 | 34,908 |
| Miscellaneous - net | (134) | (1,250) | (656) | (2,072) |
| TOTAL | 31,859 | 24,306 | 59,121 | 46,363 |
| INTEREST EXPENSE | | | | |
| Interest expense | 30,700 | 30,152 | 59,335 | 61,189 |
| Allowance for borrowed funds used during construction | (4,306) | (4,668) | (8,403) | (9,036) |
| TOTAL | 26,394 | 25,484 | 50,932 | 52,153 |
| INCOME BEFORE INCOME TAXES | 102,113 | 88,937 | 152,398 | 140,653 |
| Income taxes | 27,010 | 27,678 | 36,997 | 42,562 |
| NET INCOME | 75,103 | 61,259 | 115,401 | 98,091 |
| Preferred distribution requirements and other | 1,738 | 1,738 | 3,475 | 3,475 |
| EARNINGS APPLICABLE TO COMMON EQUITY | $73,365 | $59,521 | $111,926 | $94,616 |

See Notes to Financial Statements.

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ENTERGY LOUISIANA, LLC
STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 2011 and 2010
(Unaudited)

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| OPERATING ACTIVITIES | | |
| Net income | $115,401 | $98,091 |
| Adjustments to reconcile net income to net cash flow provided by operating activities: | | |
| Depreciation, amortization, and decommissioning, including nuclear fuel amortization | 137,175 | 140,665 |
| Deferred income taxes, investment tax credits, and non-current taxes accrued | 92,865 | 86,180 |
| Changes in working capital: | | |
| Receivables | (91,060) | (56,595) |
| Fuel inventory | (27,750) | - |
| Accounts payable | 27,363 | 25,101 |
| Prepaid taxes and taxes accrued | (32,083) | (25,993) |
| Interest accrued | 3,749 | (1,646) |
| Deferred fuel costs | (77,308) | 16,177 |
| Other working capital accounts | (27,956) | (27,190) |
| Changes in provisions for estimated losses | (6,315) | 3,120 |
| Changes in other regulatory assets | (18,412) | (26,468) |
| Changes in pension and other postretirement liabilities | (35,923) | (5,859) |
| Other | (8,260) | 477 |
| Net cash flow provided by operating activities | 51,486 | 226,060 |
| | | |
| INVESTING ACTIVITIES | | |
| Construction expenditures | (219,667) | (213,121) |
| Allowance for equity funds used during construction | 15,651 | 13,527 |
| Nuclear fuel purchases | (130,489) | - |
| Proceeds from sale of nuclear fuel | 11,570 | - |
| Payment for purchase of plant | (299,589) | - |
| Changes in other investments - net | - | 9,353 |
| Proceeds from nuclear decommissioning trust fund sales | 7,785 | 26,668 |
| Investment in nuclear decommissioning trust funds | (13,224) | (30,176) |
| Change in money pool receivable - net | 49,887 | 18,676 |
| Other | (171) | (444) |
| Net cash flow used in investing activities | (578,247) | (175,517) |
| | | |
| FINANCING ACTIVITIES | | |
| Proceeds from the issuance of long-term debt | 217,047 | - |
| Changes in short-term borrowings - net | 141,583 | 7,990 |
| Retirement of long-term debt | (30,284) | (102,326) |
| Changes in money pool payable - net | 111,848 | - |
| Distributions paid: | | |
| Common equity | (31,200) | - |

| | | |
|---|---|---|
| Preferred membership interests | (3,475) | (3,475) |
| Other | - | (5,546) |
| Net cash flow provided by (used in) financing activities | 405,519 | (103,357) |
| | | |
| Net decrease in cash and cash equivalents | (121,242) | (52,814) |
| | | |
| Cash and cash equivalents at beginning of period | 123,254 | 151,849 |
| | | |
| Cash and cash equivalents at end of period | $2,012 | $99,035 |
| | | |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: | | |
| Cash paid/(received) during the period for: | | |
| Interest - net of amount capitalized | $53,606 | $60,992 |
| Income taxes | $(77) | $4,527 |
| | | |
| Noncash investing and financing activities: | | |
| Proceeds from long-term debt issued for the purpose | | |
| of refunding prior long-term debt | $- | $150,000 |
| Long-term debt refunded with proceeds from long-term | | |
| debt issued in prior period | $- | $(150,000) |

See Notes to Financial Statements.

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ENTERGY LOUISIANA, LLC
BALANCE SHEETS
ASSETS
June 30, 2011 and December 31, 2010
(Unaudited)

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| CURRENT ASSETS | | |
| Cash and cash equivalents: | | |
| Cash | $2,012 | $708 |
| Temporary cash investments | - | 122,546 |
| Total cash and cash equivalents | 2,012 | 123,254 |
| Accounts receivable: | | |
| Customer | 153,827 | 85,799 |
| Allowance for doubtful accounts | (1,878) | (1,961) |
| Associated companies | 35,705 | 81,050 |
| Other | 10,327 | 14,594 |
| Accrued unbilled revenues | 94,333 | 71,659 |
| Total accounts receivable | 292,314 | 251,141 |
| Deferred fuel costs | 18,081 | - |
| Accumulated deferred income taxes | - | 7,072 |
| Fuel inventory | 27,753 | 3 |
| Materials and supplies - at average cost | 139,724 | 138,047 |
| Deferred nuclear refueling outage costs | 36,420 | 11,364 |
| Prepaid taxes | 57,093 | 25,010 |
| Prepayments and other | 18,723 | 10,719 |
| TOTAL | 592,120 | 566,610 |
| | | |
| OTHER PROPERTY AND INVESTMENTS | | |
| Investment in affiliate preferred membership interests | 807,424 | 807,424 |
| Decommissioning trust funds | 254,659 | 240,535 |
| Storm reserve escrow account | 201,147 | 200,972 |
| Non-utility property - at cost (less accumulated depreciation) | 851 | 946 |
| TOTAL | 1,264,081 | 1,249,877 |
| | | |
| UTILITY PLANT | | |
| Electric | 7,732,472 | 7,216,146 |
| Property under capital lease | 264,266 | 264,266 |
| Construction work in progress | 560,935 | 521,172 |
| Nuclear fuel | 156,262 | 134,528 |
| TOTAL UTILITY PLANT | 8,713,935 | 8,136,112 |
| Less - accumulated depreciation and amortization | 3,599,637 | 3,457,190 |
| UTILITY PLANT - NET | 5,114,298 | 4,678,922 |
| | | |
| DEFERRED DEBITS AND OTHER ASSETS | | |
| Regulatory assets: | | |
| Regulatory asset for income taxes - net | 245,047 | 235,404 |

| | | |
|---|---|---|
| Other regulatory assets | 670,296 | 662,746 |
| Deferred fuel costs | 67,998 | 67,998 |
| Other | 32,415 | 26,866 |
| TOTAL | 1,015,756 | 993,014 |
| | | |
| TOTAL ASSETS | $7,986,255 | $7,488,423 |

See Notes to Financial Statements.

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ENTERGY LOUISIANA, LLC
BALANCE SHEETS
LIABILITIES AND EQUITY
June 30, 2011 and December 31, 2010
(Unaudited)

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| CURRENT LIABILITIES | | |
| Currently maturing long-term debt | $24,864 | $35,550 |
| Short-term borrowings | 64,649 | 23,066 |
| Accounts payable: | | |
| Associated companies | 176,861 | 148,528 |
| Other | 165,080 | 140,564 |
| Customer deposits | 85,989 | 84,437 |
| Accumulated deferred income taxes | 11,117 | - |
| Interest accrued | 35,638 | 31,889 |
| Deferred fuel costs | - | 59,227 |
| Pension and other postretirement liabilities | 8,767 | 8,632 |
| Other | 22,608 | 17,514 |
| TOTAL | 595,573 | 549,407 |
| | | |
| NON-CURRENT LIABILITIES | | |
| Accumulated deferred income taxes and taxes accrued | 1,985,025 | 1,896,685 |
| Accumulated deferred investment tax credits | 74,868 | 76,453 |
| Other regulatory liabilities | 101,542 | 88,899 |
| Decommissioning | 333,285 | 321,176 |
| Accumulated provisions | 217,241 | 223,556 |
| Pension and other postretirement liabilities | 309,802 | 345,725 |
| Long-term debt | 2,071,697 | 1,771,566 |
| Other | 78,524 | 78,085 |
| TOTAL | 5,171,984 | 4,802,145 |
| | | |
| Commitments and Contingencies | | |
| | | |
| EQUITY | | |
| Preferred membership interests without sinking fund | 100,000 | 100,000 |
| Member's equity | 2,142,559 | 2,061,833 |
| Accumulated other comprehensive loss | (23,861) | (24,962) |
| TOTAL | 2,218,698 | 2,136,871 |
| | | |
| TOTAL LIABILITIES AND EQUITY | $7,986,255 | $7,488,423 |

See Notes to Financial Statements.

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ENTERGY LOUISIANA, LLC
STATEMENTS OF CHANGES IN EQUITY AND COMPREHENSIVE INCOME
For the Six Months Ended June 30, 2011 and 2010
(Unaudited) (In Thousands)

| | | Common Equity | | |
|---|---|---|---|---|
| | Preferred Membership Interests | Member's Equity | Accumulated Other Comprehensive Income (Loss) | Total |
| Balance at December 31, 2009 | $ 100,000 | $1,837,348 | $ (25,539) | $1,911,809 |
| Net income | - | 98,091 | - | 98,091 |
| Other comprehensive income: | | | | |
| Pension and other postretirement liabilities (net of tax expense of $754) | - | - | 891 | 891 |
| Total comprehensive income | | | | 98,982 |
| Dividends/distributions declared on preferred membership interests | - | (3,475) | - | (3,475) |
| Balance at June 30, 2010 | $ 100,000 | $1,931,964 | $ (24,648) | $2,007,316 |
| Balance at December 31, 2010 | $ 100,000 | $2,061,833 | $ (24,962) | $2,136,871 |
| Net income | - | 115,401 | - | 115,401 |
| Other comprehensive income: | | | | |
| Pension and other postretirement liabilities (net of tax expense of $731) | - | - | 1,101 | 1,101 |
| Total comprehensive income | | | | 116,502 |
| Dividends/distributions declared on common equity | - | (31,200) | - | (31,200) |
| Dividends/distributions declared on preferred membership interests | - | (3,475) | - | (3,475) |
| Balance at June 30, 2011 | $ 100,000 | $2,142,559 | $ (23,861) | $2,218,698 |

See Notes to Financial Statements.

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ENTERGY LOUISIANA, LLC
SELECTEED OPERATING RESULSTS
For the Three and Six Months Ended June 30, 2011 and 2010
(Unaudited)

| Description | Three Months Ended 2011 | 2010 | Increase/ (Decrease) | % |
|---|---|---|---|---|
| | (Dollars In Millions) | | | |
| Electric Operating Revenues: | | | | |
| Residential | $199 | $177 | $22 | 12 |
| Commercial | 139 | 127 | 12 | 9 |
| Industrial | 218 | 205 | 13 | 6 |
| Governmental | 10 | 10 | - | - |
| Total retail | 566 | 519 | 47 | 9 |
| Sales for resale: | | | | |
| Associated companies | 37 | 58 | (21) | (36) |
| Non-associated companies | 3 | 1 | 2 | 200 |
| Other | 46 | 41 | 5 | 12 |
| Total | $652 | $619 | $33 | 5 |
| | | | | |
| Billed Electric Energy Sales (GWh): | | | | |
| Residential | 2,101 | 2,022 | 79 | 4 |
| Commercial | 1,493 | 1,455 | 38 | 3 |
| Industrial | 3,784 | 3,703 | 81 | 2 |
| Governmental | 115 | 112 | 3 | 3 |
| Total retail | 7,493 | 7,292 | 201 | 3 |
| Sales for resale: | | | | |
| Associated companies | 631 | 959 | (328) | (34) |
| Non-associated companies | 44 | 8 | 36 | 450 |
| Total | 8,168 | 8,259 | (91) | (1) |

| Description | Six Months Ended 2011 | 2010 | Increase/ (Decrease) | % |
|---|---|---|---|---|
| | (Dollars In Millions) | | | |
| Electric Operating Revenues: | | | | |
| Residential | $371 | $392 | $(21) | (5) |
| Commercial | 253 | 259 | (6) | (2) |
| Industrial | 393 | 409 | (16) | (4) |
| Governmental | 20 | 22 | (2) | (9) |
| Total retail | 1,037 | 1,082 | (45) | (4) |
| Sales for resale: | | | | |
| Associated companies | 69 | 95 | (26) | (27) |
| Non-associated companies | 5 | 3 | 2 | 67 |
| Other | 56 | 51 | 5 | 10 |
| Total | $1,167 | $1,231 | $(64) | (5) |

| Billed Electric Energy | | | | |
|---|---|---|---|---|
| Sales (GWh): | | | | |
| Residential | 4,352 | 4,411 | (59) | (1) |
| Commercial | 2,896 | 2,839 | 57 | 2 |
| Industrial | 7,415 | 6,927 | 488 | 7 |
| Governmental | 234 | 240 | (6) | (3) |
| Total retail | 14,897 | 14,417 | 480 | 3 |
| Sales for resale: | | | | |
| Associated companies | 1,103 | 1,193 | (90) | (8) |
| Non-associated companies | 83 | 59 | 24 | 41 |
| Total | 16,083 | 15,669 | 414 | 3 |

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ENTERGY MISSISSIPPI, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Results of Operations

Net Income

Second Quarter 2011 Compared to Second Quarter 2010

Net income decreased $10.4 million primarily due to lower net revenue, higher other operation and maintenance expenses, and a higher effective income tax rate.

Six Months Ended June 30, 2011 Compared to Six Months Ended June 30, 2010

Net income decreased $4.3 million primarily due to higher other operation and maintenance expenses and a higher effective income tax rate, partially offset by higher net revenue.

Net Revenue

Second Quarter 2011 Compared to Second Quarter 2010

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges (credits). Following is an analysis of the change in net revenue comparing the second quarter 2011 to the second quarter 2010.

| | Amount (In Millions) |
|---|---|
| 2010 net revenue | $154.0 |
| Retail electric price | (7.0) |
| Other | (0.8) |
| 2011 net revenue | $146.2 |

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

Six Months Ended June 30, 2011 Compared to Six Months Ended June 30, 2010

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges. Following is an analysis of the change in net revenue comparing the six months ended June 30, 2011 to the six months ended June 30, 2010.

| | Amount (In Millions) |
|---|---|

| | |
|---|---|
| 2010 net revenue | $266.5 |
| Volume/weather | 3.6 |
| Other | 1.5 |
| 2011 net revenue | $271.6 |

The volume/weather variance is primarily due to increased electricity usage in the commercial sector due to an increase in customers and in the industrial sector primarily in the primary metals industry. The increase was partially offset by the effect of milder weather on the residential sector compared to the same period in 2010.

Gross operating revenues and fuel and purchased power expenses

Gross operating revenues increased primarily due to an increase of $50.2 million in fuel cost recovery revenues due to higher fuel rates, partially offset by a decrease of $15.8 million in power management rider revenue.

Fuel and purchased power expenses increased primarily due to an increase in deferred fuel expense as a result of higher fuel revenues, as discussed above, partially offset by a decrease in the average market prices of natural gas and purchased power.

Other Income Statement Variances

Second Quarter 2011 Compared to Second Quarter 2010

Other operation and maintenance expenses increased primarily due to an increase of $3.9 million in legal expenses due to the deferral in 2010 of certain litigation expenses in accordance with regulatory treatment.

Six Months Ended June 30, 2011 Compared to Six Months Ended June 30, 2010

Other operation and maintenance expenses increased primarily due to an increase of $3.9 million in legal expenses due to the deferral in 2010 of certain litigation expenses in accordance with regulatory treatment.

Income Taxes

The effective income tax rate was 36.3% for the second quarter 2011 and 35.8% for the six months ended June 30, 2011. The difference in the effective income tax rate for second quarter 2011 versus the federal statutory rate of 35% is primarily due to state income taxes, book and tax differences related to utility plant items, and the provision for uncertain tax positions, partially offset by book and tax differences related to the allowance for equity funds used during construction.

The effective income tax rate was 33.0% for the second quarter 2010 and 31.9% for the six months ended June 30, 2010. The difference in the effective income tax rate for the second quarter of 2010 versus the federal statutory rate of 35% was primarily due to state income taxes, book and tax differences related to the allowance for equity funds used during construction, book and tax differences related to utility plant items, and the amortization of investment tax credits, offset by an adjustment to the provision for uncertain tax positions. The difference in the effective income tax rate for the six months ended June 30, 2010 versus the federal statutory rate of 35% was primarily due to book and tax differences related to the allowance for equity funds used during construction, state income taxes, the amortization of investment tax credits, and book and tax differences related to utility plant items, partially offset by an adjustment to the provision for uncertain tax positions.

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Management's Financial Discussion and Analysis

Liquidity and Capital Resources

Cash Flow

Cash flows for the six months ended June 30, 2011 and 2010 were as follows:

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| Cash and cash equivalents at beginning of period | $1,216 | $91,451 |
| Cash flow provided by (used in): | | |
| Operating activities | (2,462) | 4,482 |
| Investing activities | (76,670) | (70,940) |
| Financing activities | 78,487 | (23,775) |
| Net decrease in cash and cash equivalents | (645) | (90,233) |
| Cash and cash equivalents at end of period | $571 | $1,218 |

Operating Activities

Entergy Mississippi's operating activities used $2.5 million of cash for the six months ended June 30, 2011 compared to providing $4.5 million of cash for the six months ended June 30, 2010 primarily due to the purchase of $42.6 million of fuel oil from System Fuels because System Fuels will no longer procure fuel oil for the Utility companies and an increase of $13.7 million in pension contributions, partially offset by increased recovery of deferred fuel costs. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for a discussion of qualified pension and other postretirement benefits.

Investing Activities

Cash flow used in investing activities increased $5.7 million for the six months ended June 30, 2011 compared to the six months ended June 30, 2010 primarily due to money pool activity, an increase in transmission construction expenditures resulting from an increase in reliability work in 2011, and the repayment by Entergy New Orleans in 2010 of a $7.6 million note issued in resolution of its bankruptcy proceedings. The increase was substantially offset by a decrease in construction expenditures resulting from a $49 million payment in 2010 to a System Energy subsidiary for costs associated with the development of new nuclear generation at Grand Gulf and the repayment by System Fuels of Entergy Mississippi's $5.5 million investment in System Fuels.

Decreases in Entergy Mississippi's receivable from the money pool are a source of cash flow, and Entergy Mississippi's receivable from the money pool decreased $31.4 million for the six months ended June 30, 2010. Entergy Mississippi did not have a receivable from the money pool for the six months ended June 30, 2011. The money pool is an inter-company borrowing arrangement designed to reduce the Utility subsidiaries' need for external short-term borrowings.

Financing Activities

Entergy Mississippi's financing activities provided $78.5 million in cash flow for the six months ended June 30, 2011 compared to using $23.8 million in cash flow for the six months ended June 30, 2010 primarily due to:

- the issuance of $275 million of first mortgage bonds in 2011 compared to the issuance of $80 million of first mortgage bonds in 2010; and
- a decrease of $16.9 million in common equity distributions; partially offset by:

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Entergy Mississippi, Inc.
Management's Financial Discussion and Analysis

- the redemption of $180 million of first mortgage bonds in 2011 compared to the redemption of $100 million of first mortgage bonds in 2010; and
- money pool activity.

Decreases in Entergy Mississippi's payable to the money pool are a use of cash flow, and Entergy Mississippi's payable to the money pool decreased by $5.8 million for the six months ended June 30, 2011 compared to increasing by $20.6 million for the six months ended June 30, 2010.

Capital Structure

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

| | June 30, 2011 | December 31, 2010 |
|---|---|---|
| Debt to capital | 53.3% | 51.8% |
| Effect of subtracting cash | 0.0% | 0.0% |
| Net debt to net capital | 53.3% | 51.8% |

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

Uses and Sources of Capital

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources" in the Form 10-K for a discussion of Entergy Mississippi's uses and sources of capital. Following are additional updates to the information provided in the Form 10-K.

Entergy Mississippi's receivables from or (payables to) the money pool were as follows:

| June 30, 2011 | December 31, 2010 | June 30, 2010 | December 31, 2009 |
|---|---|---|---|
| | (In Thousands) | | |
| ($27,494) | ($33,255) | ($20,591) | $31,435 |

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

In May 2011, Entergy Mississippi renewed its three separate credit facilities through May 2012 in the aggregate amount of $70 million. No borrowings were outstanding under the credit facilities as of June 30, 2011.

In May 2011, Entergy Mississippi issued $125 million of 3.25% Series first mortgage bonds due June 2016. Entergy Mississippi used a portion of the proceeds to pay prior to maturity its $100 million 5.92% Series first mortgage bonds due February 2016.

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

Hinds Energy Facility Purchase Agreement

In April 2011, Entergy Mississippi announced that it has signed an asset purchase agreement to acquire the Hinds Energy Facility, a 450 MW natural gas-fired combined-cycle turbine plant located in Jackson, Mississippi, from a subsidiary of KGen Power Corporation. The purchase price is expected to be approximately $206 million. Entergy Mississippi also expects to invest in various plant upgrades at the facility after closing and expects the total cost of the acquisition to be approximately $246 million. A transmission study estimates that the acquisition could require investment for supplemental upgrades in the Entergy transmission system, but there are still uncertainties associated with the results of this study that must be resolved. The purchase is contingent upon, among other things, obtaining necessary approvals, including full cost recovery, from various federal and state regulatory and permitting agencies. These include regulatory approvals from the MPSC and FERC, as well as clearance under the Hart-Scott-Rodino anti-trust law. Closing is expected to occur in mid-2012. In July 2011, Entergy Mississippi filed with the MPSC requesting approval of the acquisition and full cost recovery.

State and Local Rate Regulation

See "MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS - State and Local Rate Regulation" in the Form 10-K for a discussion of the formula rate plan and fuel and purchased power cost recovery. Following is an update to that discussion.

Formula Rate Plan

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

Federal Regulation

See "System Agreement" and "Independent Coordinator of Transmission" in the "Rate, Cost-recovery, and Other Regulation" section of Entergy Corporation and Subsidiaries Management’s Financial Discussion and Analysis for updates to the discussion in the Form 10-K.

Critical Accounting Estimates

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

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ENTERGY MISSISSIPPI, INC.
INCOME STATEMENTS
For the Three and Six Months Ended June 30, 2011 and 2010
(Unaudited)

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | 2011 | 2010 | 2011 | 2010 |
| | (In Thousands) | | (In Thousands) | |
| OPERATING REVENUES | | | | |
| Electric | $302,263 | $308,492 | $591,175 | $552,050 |
| OPERATING EXPENSES | | | | |
| Operation and Maintenance: | | | | |
| Fuel, fuel-related expenses, and gas purchased for resale | 50,564 | 75,236 | 131,870 | 83,289 |
| Purchased power | 100,370 | 83,758 | 175,504 | 184,094 |
| Other operation and maintenance | 55,339 | 51,379 | 103,346 | 98,780 |
| Taxes other than income taxes | 17,391 | 16,561 | 34,562 | 32,609 |
| Depreciation and amortization | 23,167 | 22,275 | 46,154 | 44,380 |
| Other regulatory charges (credits) - net | 5,083 | (4,521) | 12,175 | 18,173 |
| TOTAL | 251,914 | 244,688 | 503,611 | 461,325 |
| OPERATING INCOME | 50,349 | 63,804 | 87,564 | 90,725 |
| OTHER INCOME | | | | |
| Allowance for equity funds used during construction | 2,225 | 1,708 | 4,319 | 3,099 |
| Interest and investment income | 16 | 133 | 67 | 321 |
| Miscellaneous - net | (1,283) | 25 | (1,837) | 55 |
| TOTAL | 958 | 1,866 | 2,549 | 3,475 |
| INTEREST EXPENSE | | | | |
| Interest expense | 15,046 | 15,493 | 28,449 | 29,143 |
| Allowance for borrowed funds used during construction | (1,237) | (953) | (2,402) | (1,729) |
| TOTAL | 13,809 | 14,540 | 26,047 | 27,414 |
| INCOME BEFORE INCOME TAXES | 37,498 | 51,130 | 64,066 | 66,786 |
| Income taxes | 13,626 | 16,861 | 22,924 | 21,324 |
| NET INCOME | 23,872 | 34,269 | 41,142 | 45,462 |
| Preferred dividend requirements and other | 707 | 707 | 1,414 | 1,414 |
| EARNINGS APPLICABLE TO COMMON STOCK | $23,165 | $33,562 | $39,728 | $44,048 |

See Notes to Financial Statements.

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ENTERGY MISSISSIPPI, INC.
STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 2011 and 2010
(Unaudited)

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| OPERATING ACTIVITIES | | |
| Net income | $41,142 | $45,462 |
| Adjustments to reconcile net income to net cash flow provided by (used in) operating activities: | | |
| Depreciation and amortization | 46,154 | 44,380 |
| Deferred income taxes, investment tax credits, and non-current taxes accrued | 26,630 | (14,794) |
| Changes in working capital: | | |
| Receivables | (12,059) | (33,931) |
| Fuel inventory | (48,329) | (1,512) |
| Accounts payable | 23,229 | 10,020 |
| Taxes accrued | (24,760) | 15,305 |
| Interest accrued | 258 | 904 |
| Deferred fuel costs | (22,371) | (83,156) |
| Other working capital accounts | (4,103) | 35,061 |
| Changes in provision for estimated losses | (181) | (2,870) |
| Changes in other regulatory assets | (2,225) | (14,171) |
| Changes in pension and other postretirement liabilities | (21,690) | (7,070) |
| Other | (4,157) | 10,854 |
| Net cash flow provided by (used in) operating activities | (2,462) | 4,482 |
| | | |
| INVESTING ACTIVITIES | | |
| Construction expenditures | (86,497) | (117,021) |
| Allowance for equity funds used during construction | 4,319 | 3,099 |
| Proceeds from sale of assets | - | 3,951 |
| Change in money pool receivable - net | - | 31,435 |
| Changes in other investments - net | - | 7,610 |
| Investments in affiliates | 5,527 | - |
| Other | (19) | (14) |
| Net cash flow used in investing activities | (76,670) | (70,940) |
| | | |
| FINANCING ACTIVITIES | | |
| Proceeds from the issuance of long-term debt | 268,962 | 77,248 |
| Retirement of long-term debt | (180,000) | (100,000) |
| Change in money pool payable - net | (5,761) | 20,591 |
| Dividends paid: | | |
| Common stock | (3,300) | (20,200) |
| Preferred stock | (1,414) | (1,414) |
| Net cash flow provided by (used in) financing activities | 78,487 | (23,775) |
| | | |
| Net decrease in cash and cash equivalents | (645) | (90,233) |

| | | |
|---|---|---|
| Cash and cash equivalents at beginning of period | 1,216 | 91,451 |
| | | |
| Cash and cash equivalents at end of period | $571 | $1,218 |
| | | |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: | | |
| Cash paid during the period for: | | |
| Interest - net of amount capitalized | $26,874 | $26,957 |
| Income taxes | $- | $1,500 |

See Notes to Financial Statements.

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ENTERGY MISSISSIPPI, INC.
BALANCE SHEETS
ASSETS
June 30, 2011 and December 31, 2010
(Unaudited)

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| CURRENT ASSETS | | |
| Cash and cash equivalents: | | |
| Cash | $562 | $1,207 |
| Temporary cash investments | 9 | 9 |
| Total cash and cash equivalents | 571 | 1,216 |
| Accounts receivable: | | |
| Customer | 66,147 | 58,204 |
| Allowance for doubtful accounts | (828) | (985) |
| Associated companies | 39,413 | 41,803 |
| Other | 7,534 | 7,500 |
| Accrued unbilled revenues | 48,029 | 41,714 |
| Total accounts receivable | 160,295 | 148,236 |
| Deferred fuel costs | 25,528 | 3,157 |
| Accumulated deferred income taxes | 14,509 | 19,308 |
| Fuel inventory - at average cost | 55,207 | 6,878 |
| Materials and supplies - at average cost | 33,946 | 34,499 |
| Prepayments and other | 8,134 | 4,902 |
| TOTAL | 298,190 | 218,196 |
| | | |
| OTHER PROPERTY AND INVESTMENTS | | |
| Non-utility property - at cost (less accumulated depreciation) | 4,739 | 4,753 |
| Storm reserve escrow account | 31,880 | 31,862 |
| TOTAL | 36,619 | 36,615 |
| | | |
| UTILITY PLANT | | |
| Electric | 3,261,985 | 3,174,148 |
| Property under capital lease | 11,960 | 13,197 |
| Construction work in progress | 131,465 | 147,169 |
| TOTAL UTILITY PLANT | 3,405,410 | 3,334,514 |
| Less - accumulated depreciation and amortization | 1,201,334 | 1,166,463 |
| UTILITY PLANT - NET | 2,204,076 | 2,168,051 |
| | | |
| DEFERRED DEBITS AND OTHER ASSETS | | |
| Regulatory assets: | | |
| Regulatory asset for income taxes - net | 64,374 | 63,533 |
| Other regulatory assets | 254,750 | 253,231 |
| Other | 23,253 | 22,009 |
| TOTAL | 342,377 | 338,773 |
| | | |
| TOTAL ASSETS | $2,881,262 | $2,761,635 |

See Notes to Financial Statements.

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ENTERGY MISSISSIPPI, INC.
BALANCE SHEETS
LIABILITIES AND EQUITY
June 30, 2011 and December 31, 2010
(Unaudited)

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| CURRENT LIABILITIES | | |
| Currently maturing long-term debt | $- | $80,000 |
| Accounts payable: | | |
| Associated companies | 75,687 | 75,128 |
| Other | 66,689 | 53,417 |
| Customer deposits | 67,031 | 65,873 |
| Taxes accrued | 2,979 | 27,739 |
| Interest accrued | 21,352 | 21,094 |
| System agreement cost equalization | 34,269 | 36,650 |
| Other | 9,694 | 9,895 |
| TOTAL | 277,701 | 369,796 |
| | | |
| NON-CURRENT LIABILITIES | | |
| Accumulated deferred income taxes and taxes accrued | 704,236 | 680,467 |
| Accumulated deferred investment tax credits | 6,063 | 6,541 |
| Obligations under capital lease | 9,355 | 10,747 |
| Other regulatory liabilities | - | 262 |
| Asset retirement cost liabilities | 5,534 | 5,375 |
| Accumulated provisions | 39,285 | 39,466 |
| Pension and other postretirement liabilities | 83,222 | 104,912 |
| Long-term debt | 920,409 | 745,378 |
| Other | 22,424 | 22,086 |
| TOTAL | 1,790,528 | 1,615,234 |
| | | |
| Commitments and Contingencies | | |
| | | |
| Preferred stock without sinking fund | 50,381 | 50,381 |
| | | |
| COMMON EQUITY | | |
| Common stock, no par value, authorized 12,000,000 | | |
| shares; issued and outstanding 8,666,357 shares in 2011 and 2010 | 199,326 | 199,326 |
| Capital stock expense and other | (690) | (690) |
| Retained earnings | 564,016 | 527,588 |
| TOTAL | 762,652 | 726,224 |
| | | |
| TOTAL LIABILITIES AND EQUITY | $2,881,262 | $2,761,635 |

See Notes to Financial Statements.

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ENTERGY MISSISSIPPI, INC.
STATEMENTS OF CHANGES IN COMMON EQUITY
For the Six Months Ended June 30, 2011 and 2010
(Unaudited) (In Thousands)

| | Common Stock | Common Equity Capital Stock Expense and Other | Retained Earnings | Total |
|---|---|---|---|---|
| Balance at December 31, 2009 | $199,326 | $(690) | $490,129 | $688,765 |
| Net income | - | - | 45,462 | 45,462 |
| Common stock dividends | - | - | (20,200) | (20,200) |
| Preferred stock dividends | - | - | (1,414) | (1,414) |
| Balance at June 30, 2010 | $199,326 | $(690) | $513,977 | $712,613 |
| | | | | |
| Balance at December 31, 2010 | $199,326 | $(690) | $527,588 | $726,224 |
| Net income | - | - | 41,142 | 41,142 |
| Common stock dividends | - | - | (3,300) | (3,300) |
| Preferred stock dividends | - | - | (1,414) | (1,414) |
| Balance at June 30, 2011 | $199,326 | $(690) | $564,016 | $762,652 |

See Notes to Financial Statements.

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ENTERGY MISSISSIPPI, INC.
SELECTED OPERATING RESULTS
For the Three and Six Months Ended June 30, 2011 and 2010
(Unaudited)

| Description | Three Months Ended 2011 | 2010 | Increase/ (Decrease) | % |
|---|---|---|---|---|
| | (Dollars In Millions) | | | |
| Electric Operating Revenues: | | | | |
| Residential | $110 | $110 | $- | - |
| Commercial | 99 | 97 | 2 | 2 |
| Industrial | 38 | 37 | 1 | 3 |
| Governmental | 9 | 9 | - | - |
| Total retail | 256 | 253 | 3 | 1 |
| Sales for resale | | | | |
| Associated companies | 12 | 12 | - | - |
| Non-associated companies | 8 | 10 | (2) | (20) |
| Other | 26 | 33 | (7) | (21) |
| Total | $302 | $308 | $(6) | (2) |
| | | | | |
| Billed Electric Energy Sales (GWh): | | | | |
| Residential | 1,253 | 1,235 | 18 | 1 |
| Commercial | 1,188 | 1,173 | 15 | 1 |
| Industrial | 565 | 566 | (1) | - |
| Governmental | 101 | 99 | 2 | 2 |
| Total retail | 3,107 | 3,073 | 34 | 1 |
| Sales for resale | | | | |
| Associated companies | 35 | 87 | (52) | (60) |
| Non-associated companies | 100 | 107 | (7) | (7) |
| Total | 3,242 | 3,267 | (25) | (1) |

| Description | Six Months Ended 2011 | 2010 | Increase/ (Decrease) | % |
|---|---|---|---|---|
| | (Dollars In Millions) | | | |
| Electric Operating Revenues: | | | | |
| Residential | $235 | $216 | $19 | 9 |
| Commercial | 194 | 181 | 13 | 7 |
| Industrial | 74 | 66 | 8 | 12 |
| Governmental | 18 | 18 | - | - |
| Total retail | 521 | 481 | 40 | 8 |
| Sales for resale | | | | |
| Associated companies | 28 | 20 | 8 | 40 |
| Non-associated companies | 13 | 18 | (5) | (28) |
| Other | 29 | 33 | (4) | (12) |
| Total | $591 | $552 | $39 | 7 |

| Billed Electric Energy | | | | |
|---|---|---|---|---|
| Sales (GWh): | | | | |
| Residential | 2,695 | 2,780 | (85) | (3) |
| Commercial | 2,312 | 2,269 | 43 | 2 |
| Industrial | 1,104 | 1,068 | 36 | 3 |
| Governmental | 196 | 196 | - | - |
| Total retail | 6,307 | 6,313 | (6) | - |
| Sales for resale | | | | |
| Associated companies | 205 | 154 | 51 | 33 |
| Non-associated companies | 152 | 182 | (30) | (16) |
| Total | 6,664 | 6,649 | 15 | - |

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ENTERGY NEW ORLEANS, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Results of Operations

Net Income

Second Quarter 2011 Compared to Second Quarter 2010

Net income increased $2.7 million primarily due to lower other operation and maintenance expenses, offset by lower net revenue and a higher effective income tax rate.

Six Months Ended June 30, 2011 Compared to Six Months Ended June 30, 2010

Net income remained relatively unchanged, increasing $0.1 million, primarily due to lower other operation and maintenance expenses and lower interest expense, substantially offset by lower net revenue and a higher effective income tax rate.

Net Revenue

Second Quarter 2011 Compared to Second Quarter 2010

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges. Following is an analysis of the changes in net revenue comparing the second quarter 2011 to the second quarter 2010.

| | Amount (In Millions) |
|---|---|
| 2010 net revenue | $65.9 |
| Retail electric price | (4.2) |
| Volume/weather | 3.0 |
| Other | (1.0) |
| 2011 net revenue | $63.7 |

The retail electric price variance is primarily due to a formula rate plan decrease effective October 2010. See Note 2 to the financial statements in the Form 10-K for a discussion of the formula rate plan filing.

The volume/weather variance is primarily due to the effect of more favorable weather on residential and commercial sales compared to last year.

Gross operating revenues and fuel and purchased power expenses

Gross operating revenues increased primarily due to an increase of $18.7 million in gross wholesale revenue due to increased sales to affiliated customers and more favorable volume/weather, as discussed above, partially offset by a formula rate plan decrease effective October 2010, as discussed above, and a decrease of $4.2 million in electric fuel cost recovery revenues due to lower fuel rates.

Fuel and purchased power expenses increased primarily due to an increase in demand for gas-fired generation offset by a decrease in the market price of purchased power.

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Six Months Ended June 30, 2011 Compared to Six Months Ended June 30, 2010

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges. Following is an analysis of the changes in net revenue comparing the six months ended June 30, 2011 to the six months ended June 30, 2010.

| | Amount (In Millions) |
|---|---|
| 2010 net revenue | $136.3 |
| Retail electric price | (8.2) |
| Net gas revenue | (5.2) |
| Volume/weather | 4.2 |
| Other | 0.6 |
| 2011 net revenue | $127.7 |

The retail electric price variance is primarily due to a formula rate plan decrease effective October 2010. See Note 2 to the financial statements in the Form 10-K for a discussion of the formula rate plan filing.

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

The volume/weather variance is primarily due to an increase in electricity usage as a result of an increase in customers in the residential and commercial sectors, partially offset by the effect of less favorable weather on residential sales. Billed electricity usage increased 64 GWh compared to last year, an increase of 3%, and total reported customers increased 3.7% compared to last year.

Gross operating revenues

Gross operating revenues decreased primarily due to:

- a decrease of $13.8 million in gross gas revenues primarily due to lower fuel cost recovery revenues as a result of lower fuel rates and the effect of milder weather;
- a formula rate plan decrease effective October 2010, as discussed above; and
- a decrease of $7.0 million in electric fuel cost recovery revenues due to lower fuel rates.

The decrease was partially offset by an increase of $16.1 million in gross wholesale revenue due to increased sales to affiliated customers and more favorable volume/weather, as discussed above.

Other Income Statement Variances

Second Quarter 2011 Compared to Second Quarter 2010

Other operation and maintenance expenses decreased primarily due to a decrease of $8.8 million in fossil expenses due to higher plant outage costs in 2010 due to a greater scope of work at the Michoud plant.

Six Months Ended June 30, 2011 Compared to Six Months Ended June 30, 2010

Other operation and maintenance expenses decreased primarily due to a decrease of $11.1 million in fossil expenses due to higher plant outage costs in 2010 due to a greater scope of work at the Michoud plant.

Interest expense decreased primarily due to the repayment in May 2010 of the notes payable issued to affiliates as part of Entergy New Orleans' plan of reorganization and the repayment, at maturity, of $30 million of 4.98% Series first mortgage bonds in July 2010.

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Management's Financial Discussion and Analysis

Income Taxes

The effective income tax rate was 36.0% for the second quarter 2011 and 36.4% for the six months ended June 30, 2011. The differences in the effective income tax rates for the second quarter 2011 and the six months ended June 30, 2011 versus the federal statutory rate of 35% are primarily due to state income taxes and book and tax differences related to utility plant items, partially offset by flow-through tax accounting.

The effective income tax rate was 16.5% for the second quarter 2010 and 29.8% for the six months ended June 30, 2010. The differences in the effective income tax rates for the second quarter 2010 and the six months ended June 30, 2010 versus the federal statutory rate of 35% were primarily due to flow-through book and tax timing differences, partially offset by certain book and tax differences related to utility plant items and state income taxes.

Liquidity and Capital Resources

Cash Flow

Cash flows for the six months ended June 30, 2011 and 2010 were as follows:

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| Cash and cash equivalents at beginning of period | $54,986 | $191,191 |
| Cash flow provided by (used in): | | |
| Operating activities | 19,098 | 49,828 |
| Investing activities | (44,172) | (10,226) |
| Financing activities | (13,671) | (90,398) |
| Net decrease in cash and cash equivalents | (38,745) | (50,796) |
| Cash and cash equivalents at end of period | $16,241 | $140,395 |

Operating Activities

Cash flow provided by operating activities decreased $30.7 million for the six months ended June 30, 2011 compared to the six months ended June 30, 2010 primarily due to the receipt of $19.2 million of Community Development Block Grant funds in 2010 related to Hurricane Katrina costs and an increase of $6.2 million in pension contributions. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for a discussion of qualified pension and other postretirement benefits.

Investing Activities

Net cash flow used in investing activities increased $33.9 million for the six months ended June 30, 2011 compared to the six months ended June 30, 2010 primarily due to money pool activity and a withdrawal in 2010 from the storm escrow account related to Hurricane Gustav costs. The increase was partially offset by a decrease in construction

expenditures due to decreased spending on the gas system rebuild project and System Fuels repayment of Entergy New Orleans's $3.3 million investment in System Fuels.

Increases in Entergy New Orleans's receivable from the money pool are a use of cash flow, and Entergy New Orleans's receivable from the money pool increased by $16.2 million for the six months ended June 30, 2011 compared to decreasing by $18.1 million for the six months ended June 30, 2010. The money pool is an inter-company borrowing arrangement designed to reduce the Utility subsidiaries' need for external short-term borrowings.

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Financing Activities

Net cash flow used in financing activities decreased $76.7 million for the six months ended June 30, 2011 compared to the six months ended June 30, 2010 primarily due to the repayment in 2010 of $74.3 million of affiliate notes payable that were issued to affiliates as part of Entergy New Orleans's plan of reorganization.

Capital Structure

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

| | June 30, 2011 | December 31, 2010 |
|---|---|---|
| Debt to capital | 43.6% | 44.2% |
| Effect of subtracting cash | (2.5)% | (9.5)% |
| Net debt to net capital | 41.1% | 34.7% |

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

Uses and Sources of Capital

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources" in the Form 10-K for a discussion of Entergy New Orleans's uses and sources of capital. Following are updates to the information provided in the Form 10-K.

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

| June 30, 2011 | December 31, 2010 | June 30, 2010 | December 31, 2009 |
|---|---|---|---|
| | (In Thousands) | | |
| $38,048 | $21,820 | $48,078 | $66,149 |

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

Entergy Louisiana's Ninemile Point Unit 6 Self-Build Project

In June 2011, Entergy Louisiana filed with the LPSC an application seeking certification that the public necessity and convenience would be served by Entergy Louisiana's construction of a combined-cycle gas turbine generating facility (Ninemile 6) at its existing Ninemile Point electric generating station. Ninemile 6 will be a nominally-sized 550 MW unit that is estimated to cost approximately $721 million to construct, excluding interconnection and transmission upgrades. Entergy Gulf States Louisiana joined in the application, seeking certification of its purchase under a life-of-unit power purchase agreement of up to 35% of the capacity and energy generated by Ninemile 6. The Ninemile 6 capacity and energy is proposed to be allocated 55% to Entergy Louisiana, 25% to Entergy Gulf States Louisiana, and 20% to Entergy New Orleans. Entergy New Orleans has filed a request with the City Council to approve its purchase under a life-of-unit power purchase agreement of this capacity and energy. If the City Council does not approve this power purchase agreement in a timely manner, then an allocation of 65% to Entergy Louisiana and 35% to Entergy Gulf States Louisiana is proposed. If approvals are obtained from the LPSC and other permitting agencies, Ninemile 6 construction is expected to begin in 2012, and the unit is expected to commence commercial operation by mid-2015.

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Management's Financial Discussion and Analysis

State and Local Rate Regulation

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

In May 2011, Entergy New Orleans filed its electric and gas formula rate plan evaluation reports for the 2010 test year. The filings request a $6.5 million electric base revenue decrease and a $1.1 million gas base revenue decrease. As part of the filing, Entergy New Orleans is also requesting to increase annual funding for its storm reserve by approximately $3.7 million. The new rates would be effective, if approved, with the first billing cycle in October 2011. The City Council's and its Advisors' review of these filings is pending.

Federal Regulation

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

Environmental Risks

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

Critical Accounting Estimates

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

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ENTERGY NEW ORLEANS, INC.
INCOME STATEMENTS
For the Three and Six Months Ended June 30, 2011 and 2010
(Unaudited)

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | 2011 | 2010 | 2011 | 2010 |
| | (In Thousands) | | (In Thousands) | |
| OPERATING REVENUES | | | | |
| Electric | $132,521 | $119,666 | $248,511 | $244,632 |
| Natural gas | 17,977 | 18,915 | 60,243 | 74,048 |
| TOTAL | 150,498 | 138,581 | 308,754 | 318,680 |
| | | | | |
| OPERATING EXPENSES | | | | |
| Operation and Maintenance: | | | | |
| Fuel, fuel-related expenses, and gas purchased for resale | 34,832 | 11,867 | 80,685 | 71,958 |
| Purchased power | 51,475 | 60,229 | 99,381 | 109,138 |
| Other operation and maintenance | 28,960 | 37,053 | 56,106 | 65,181 |
| Taxes other than income taxes | 10,131 | 10,125 | 21,152 | 22,071 |
| Depreciation and amortization | 8,906 | 8,816 | 17,898 | 17,525 |
| Other regulatory charges - net | 478 | 568 | 957 | 1,332 |
| TOTAL | 134,782 | 128,658 | 276,179 | 287,205 |
| | | | | |
| OPERATING INCOME | 15,716 | 9,923 | 32,575 | 31,475 |
| | | | | |
| OTHER INCOME | | | | |
| Allowance for equity funds used during construction | 116 | 192 | 222 | 361 |
| Interest and investment income | 9 | 162 | 63 | 296 |
| Miscellaneous - net | (293) | (287) | (529) | (471) |
| TOTAL | (168) | 67 | (244) | 186 |
| | | | | |
| INTEREST EXPENSE | | | | |
| Interest expense | 2,764 | 3,536 | 5,553 | 7,593 |
| Allowance for borrowed funds used during construction | (52) | (92) | (100) | (174) |
| TOTAL | 2,712 | 3,444 | 5,453 | 7,419 |
| | | | | |
| INCOME BEFORE INCOME TAXES | 12,836 | 6,546 | 26,878 | 24,242 |
| | | | | |
| Income taxes | 4,626 | 1,079 | 9,785 | 7,214 |
| | | | | |
| NET INCOME | 8,210 | 5,467 | 17,093 | 17,028 |
| | | | | |
| Preferred dividend requirements and other | 241 | 241 | 482 | 482 |
| | | | | |
| EARNINGS APPLICABLE TO COMMON STOCK | $7,969 | $5,226 | $16,611 | $16,546 |

See Notes to Financial Statements.

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ENTERGY NEW ORLEANS, INC.
STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 2011 and 2010
(Unaudited)

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| OPERATING ACTIVITIES | | |
| Net income | $17,093 | $17,028 |
| Adjustments to reconcile net income to net cash flow provided by operating activities: | | |
| Depreciation and amortization | 17,898 | 17,525 |
| Deferred income taxes, investment tax credits, and non-current taxes accrued | (13,330) | 29,868 |
| Changes in working capital: | | |
| Receivables | (2,865) | 4,508 |
| Fuel inventory | (4,836) | (919) |
| Accounts payable | (9,271) | 1,960 |
| Prepaid taxes and taxes accrued | 20,023 | (24,619) |
| Interest accrued | (357) | (672) |
| Deferred fuel costs | (6,532) | (4,910) |
| Other working capital accounts | 2,287 | (13,168) |
| Changes in provisions for estimated losses | 3,280 | (7,875) |
| Changes in other regulatory assets | 4,920 | 7,627 |
| Changes in pension and other postretirement liabilities | (8,770) | (3,823) |
| Other | (442) | 27,298 |
| Net cash flow provided by operating activities | 19,098 | 49,828 |
| | | |
| INVESTING ACTIVITIES | | |
| Construction expenditures | (28,400) | (35,568) |
| Allowance for equity funds used during construction | 222 | 361 |
| Change in money pool receivable - net | (16,228) | 18,071 |
| Investment in affiliates | 3,256 | - |
| Changes in other investments - net | (3,022) | 6,910 |
| Net cash flow used in investing activities | (44,172) | (10,226) |
| | | |
| FINANCING ACTIVITIES | | |
| Retirement of long-term debt | - | (74,993) |
| Dividends paid: | | |
| Common stock | (12,600) | (14,900) |
| Preferred stock | (482) | (482) |
| Other | (589) | (23) |
| Net cash flow used in financing activities | (13,671) | (90,398) |
| | | |
| Net decrease in cash and cash equivalents | (38,745) | (50,796) |
| | | |
| Cash and cash equivalents at beginning of period | 54,986 | 191,191 |
| | | |
| Cash and cash equivalents at end of period | $16,241 | $140,395 |
| | | |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: | | |

| | | |
|---|---|---|
| Cash paid during the period for: | | |
| Interest - net of amount capitalized | $5,427 | $7,936 |

See Notes to Financial Statements.

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ENTERGY NEW ORLEANS, INC.
BALANCE SHEETS
ASSETS
June 30, 2011 and December 31, 2010
(Unaudited)

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | | |
| Cash | $714 | $1,386 |
| Temporary cash investments | 15,527 | 53,600 |
| Total cash and cash equivalents | 16,241 | 54,986 |
| Accounts receivable: | | |
| Customer | 37,659 | 38,160 |
| Allowance for doubtful accounts | (628) | (734) |
| Associated companies | 61,268 | 44,842 |
| Other | 4,835 | 1,824 |
| Accrued unbilled revenues | 19,151 | 19,100 |
| Total accounts receivable | 122,285 | 103,192 |
| Accumulated deferred income taxes | 15,489 | 15,092 |
| Fuel inventory - at average cost | 7,482 | 2,646 |
| Materials and supplies - at average cost | 9,667 | 9,896 |
| Prepayments and other | 9,752 | 5,375 |
| TOTAL | 180,916 | 191,187 |
| | | |
| OTHER PROPERTY AND INVESTMENTS | | |
| Non-utility property at cost (less accumulated depreciation) | 1,016 | 1,016 |
| Storm reserve escrow account | 8,975 | 5,953 |
| TOTAL | 9,991 | 6,969 |
| | | |
| UTILITY PLANT | | |
| Electric | 811,824 | 822,003 |
| Natural gas | 208,902 | 206,148 |
| Construction work in progress | 8,649 | 11,669 |
| TOTAL UTILITY PLANT | 1,029,375 | 1,039,820 |
| Less - accumulated depreciation and amortization | 517,410 | 531,871 |
| UTILITY PLANT - NET | 511,965 | 507,949 |
| | | |
| DEFERRED DEBITS AND OTHER ASSETS | | |
| Regulatory assets: | | |
| Deferred fuel costs | 4,080 | 4,080 |
| Other regulatory assets | 130,035 | 135,282 |
| Other | 5,974 | 8,081 |
| TOTAL | 140,089 | 147,443 |
| | | |
| TOTAL ASSETS | $842,961 | $853,548 |

See Notes to Financial Statements.

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ENTERGY NEW ORLEANS, INC.
BALANCE SHEETS
LIABILITIES AND EQUITY
June 30, 2011 and December 31, 2010
(Unaudited)

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| CURRENT LIABILITIES | | |
| Accounts payable: | | |
| Associated companies | $22,780 | $25,140 |
| Other | 23,326 | 30,093 |
| Customer deposits | 21,524 | 21,206 |
| Taxes accrued | 20,023 | - |
| Interest accrued | 2,471 | 2,828 |
| Deferred fuel costs | 395 | 6,927 |
| System agreement cost equalization | 21,779 | 15,510 |
| Other | 2,503 | 2,655 |
| TOTAL CURRENT LIABILITIES | 114,801 | 104,359 |
| | | |
| NON-CURRENT LIABILITIES | | |
| Accumulated deferred income taxes and taxes accrued | 165,868 | 180,290 |
| Accumulated deferred investment tax credits | 1,687 | 1,835 |
| Regulatory liability for income taxes - net | 42,250 | 40,142 |
| Asset retirement cost liabilities | 3,513 | 3,396 |
| Accumulated provisions | 14,486 | 11,206 |
| Pension and other postretirement liabilities | 40,045 | 48,815 |
| Long-term debt | 166,714 | 167,215 |
| Gas system rebuild insurance proceeds | 68,380 | 75,700 |
| Other | 9,800 | 9,184 |
| TOTAL NON-CURRENT LIABILITIES | 512,743 | 537,783 |
| | | |
| Commitments and Contingencies | | |
| | | |
| Preferred stock without sinking fund | 19,780 | 19,780 |
| | | |
| COMMON EQUITY | | |
| Common stock, $4 par value, authorized 10,000,000 shares; issued and outstanding 8,435,900 shares in 2011 and 2010 | 33,744 | 33,744 |
| Paid-in capital | 36,294 | 36,294 |
| Retained earnings | 125,599 | 121,588 |
| TOTAL | 195,637 | 191,626 |
| | | |
| TOTAL LIABILITIES AND EQUITY | $842,961 | $853,548 |

See Notes to Financial Statements.

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ENTERGY NEW ORLEANS, INC.
STATEMENTS OF CHANGES IN COMMON EQUITY
For the Six Months Ended June 30, 2011 and 2010
(Unaudited) (In Thousands)

| | Common Equity | | | |
|---|---|---|---|---|
| | Common Stock | Paid-in Capital | Retained Earnings | Total |
| Balance at December 31, 2009 | $33,744 | $36,294 | $138,548 | $208,586 |
| Net income | - | - | 17,028 | 17,028 |
| Common stock dividends | - | - | (14,900) | (14,900) |
| Preferred stock dividends | - | - | (482) | (482) |
| Balance at June 30, 2010 | $33,744 | $36,294 | $140,194 | $210,232 |
| | | | | |
| Balance at December 31, 2010 | $33,744 | $36,294 | $121,588 | $191,626 |
| Net income | - | - | 17,093 | 17,093 |
| Common stock dividends | - | - | (12,600) | (12,600) |
| Preferred stock dividends | - | - | (482) | (482) |
| Balance at June 30, 2011 | $33,744 | $36,294 | $125,599 | $195,637 |

See Notes to Financial Statements.

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ENTERGY NEW ORLEANS, INC.
SELECTED OPERATING RESULTS
For the Three and Six Months Ended June 30, 2011 and 2010
(Unaudited)

| Description | Three Months Ended 2011 | 2010 | Increase/ (Decrease) | % |
|---|---|---|---|---|
| | (Dollars In Millions) | | | |
| Electric Operating Revenues: | | | | |
| Residential | $41 | $41 | $- | - |
| Commercial | 39 | 41 | (2) | (5) |
| Industrial | 8 | 9 | (1) | (11) |
| Governmental | 15 | 17 | (2) | (12) |
| Total retail | 103 | 108 | (5) | (5) |
| Sales for resale: | | | | |
| Associated companies | 21 | 2 | 19 | 950 |
| Other | 9 | 10 | (1) | (10) |
| Total | $133 | $120 | $13 | 11 |
| | | | | |
| Billed Electric Energy Sales (GWh): | | | | |
| Residential | 424 | 379 | 45 | 12 |
| Commercial | 480 | 458 | 22 | 5 |
| Industrial | 129 | 134 | (5) | (4) |
| Governmental | 196 | 191 | 5 | 3 |
| Total retail | 1,229 | 1,162 | 67 | 6 |
| Sales for resale: | | | | |
| Associated companies | 281 | 24 | 257 | 1,071 |
| Non-associated companies | 5 | 1 | 4 | 400 |
| Total | 1,515 | 1,187 | 328 | 28 |

| Description | Six Months Ended 2011 | 2010 | Increase/ (Decrease) | % |
|---|---|---|---|---|
| | (Dollars In Millions) | | | |
| Electric Operating Revenues: | | | | |
| Residential | $82 | $87 | $(5) | (6) |
| Commercial | 74 | 78 | (4) | (5) |
| Industrial | 15 | 16 | (1) | (6) |
| Governmental | 29 | 32 | (3) | (9) |
| Total retail | 200 | 213 | (13) | (6) |
| Sales for resale: | | | | |
| Associated companies | 39 | 22 | 17 | 77 |
| Other | 10 | 10 | - | - |
| Total | $249 | $245 | $4 | 2 |
| | | | | |
| Billed Electric Energy Sales (GWh): | | | | |

| | | | | |
|---|---|---|---|---|
| Residential | 891 | 865 | 26 | 3 |
| Commercial | 919 | 886 | 33 | 4 |
| Industrial | 241 | 241 | - | - |
| Governmental | 379 | 374 | 5 | 1 |
| Total retail | 2,430 | 2,366 | 64 | 3 |
| Sales for resale: | | | | |
| Associated companies | 598 | 304 | 294 | 97 |
| Non-associated companies | 11 | 9 | 2 | 22 |
| Total | 3,039 | 2,679 | 360 | 13 |

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ENTERGY TEXAS, INC. AND SUBSIDIARIES

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Results of Operations

Net Income

Second Quarter 2011 Compared to Second Quarter 2010

Net income remained relatively flat, increasing $0.8 million, primarily due to higher net revenue and lower other operation and maintenance expenses, partially offset by lower other income.

Six Months Ended June 30, 2011 Compared to Six Months Ended June 30, 2010

Net income increased $4.1 million primarily due to higher net revenue and lower interest expense, partially offset by lower other income.

Net Revenue

Second Quarter 2011 Compared to Second Quarter 2010

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges. Following is an analysis of the change in net revenue comparing the second quarter 2011 to the second quarter 2010.

| | Amount (In Millions) |
|---|---|
| 2010 net revenue | $139.7 |
| Retail electric price | 11.1 |
| Volume/weather | 6.1 |
| Net wholesale revenue | (7.5) |
| Purchased power capacity | (7.4) |
| Other | 0.1 |
| 2011 net revenue | $142.1 |

The retail electric price variance is primarily due to rate actions, including an annual base rate increase of $59 million beginning August 2010, with an additional increase of $9 million beginning May 2011, as a result of the settlement of the December 2009 rate case. See Note 2 to the financial statements in the Form 10-K for further discussion of the rate case settlement.

The volume/weather variance is primarily due to the effect of more favorable weather on residential and commercial sales compared to the same period in the prior year.

The net wholesale revenue variance is primarily due to higher revenue in 2010 as a result of sales to Entergy Gulf States Louisiana.

The purchased power capacity variance is primarily due to price increases for ongoing purchased power capacity and additional capacity purchases.

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

Gross operating revenues and fuel and purchased power expenses

Gross operating revenues decreased primarily due to:

- a decrease of $58.1 million in gross wholesale revenues due to a decrease in sales to affiliated customers; and
- a decrease of $47.8 million in fuel cost recovery revenues due to lower fuel rates and the interim fuel refund of $15 million in the second quarter 2011. The interim fuel refund and the PUCT approval is discussed in Note 2 to the financial statements in the Form 10-K.

The decrease was partially offset by:

- an increase of $63 million in rider revenues due to lower System Agreement credits to customers in 2011;
- base rate increases effective August 2010 and May 2011, as discussed above; and
- an increase of $6.1 million related to volume/weather, as discussed above.

Fuel and purchased power expenses decreased primarily due to a decrease in deferred fuel expense as a result of lower fuel revenues, as discussed above, partially offset by an increase in the average market price of purchased power.

Six Months Ended June 30, 2011 Compared to Six Months Ended June 30, 2010

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges. Following is an analysis of the change in net revenue comparing the second quarter 2011 to the second quarter 2010.

| | Amount (In Millions) |
|---|---|
| 2010 net revenue | $260.8 |
| Retail electric price | 21.6 |
| Volume/weather | 10.0 |
| Purchased power capacity | (13.7) |
| Net wholesale revenue | (7.6) |
| Other | (1.8) |
| 2011 net revenue | $269.3 |

The retail electric price variance is primarily due to rate actions, including an annual base rate increase of $59 million beginning August 2010, with an additional increase of $9 million beginning May 2011, as a result of the settlement of the December 2009 rate case. See Note 2 to the financial statements in the Form 10-K for further discussion of the rate case settlement.

The volume/weather variance is primarily due to an increase of 377 GWh, or 5%, in billed electricity usage. Usage in the industrial sector increased primarily in the chemicals and refining industries.

The purchased power capacity variance is primarily due to price increases for ongoing purchased power capacity and additional capacity purchases.

The net wholesale revenue variance is primarily due to a decrease in sales to municipal and co-op customers compared to the same period in 2010.

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

Gross operating revenues, fuel and purchased power expenses, and other regulatory charges

Gross operating revenues decreased primarily due to:

- a decrease of $64.9 million in gross wholesale revenues due to a decrease in sales to affiliated customers; and
- a decrease of $25 million in fuel cost recovery revenues due to lower fuel rates, offset by lower interim fuel refunds in 2011 versus 2010. The interim fuel refunds and the PUCT approvals are discussed in Note 2 to the financial statements in the Form 10-K.

The decrease was partially offset by:

- an increase of $44.2 million in rider revenues due to lower System Agreement credits to customers in 2011;
- base rate increases effective August 2010 and May 2011, as discussed above; and
- an increase of $10 million related to volume/weather, as discussed above.

Fuel and purchased power expenses decreased primarily due to a decrease in deferred fuel expense as a result of lower fuel revenues, as discussed above, partially offset by an increase in the average market price of purchased power.

Other regulatory charges decreased primarily due to the distribution in the first quarter 2011 of $17.4 million to customers of the 2007 rough production cost equalization remedy receipts. See Note 2 to the financial statements in the Form 10-K for further discussion of the rough production cost equalization proceedings.

Other Income Statement Variances

Second Quarter 2011 Compared to Second Quarter 2010

Other operation and maintenance expenses decreased primarily due to a decrease of $6.1 million in fossil expenses due to higher plant outage expenses in 2010 due to the larger scope of the outages in 2010. The decrease was partially offset by:

- an increase of $0.9 million due to a change in the classification of over-recovery of energy efficiency costs, which has no effect on net income;
- an increase of $0.7 million in transmission expenses primarily due to higher transmission equalization expenses in 2011; and
- several individually insignificant items.

Other income decreased primarily due to a decrease in the allowance for equity funds used during construction due to less construction work in progress in 2011.

Six Months Ended June 30, 2011 Compared to Six Months Ended June 30, 2010

Other operation and maintenance expenses increased primarily due to:

- an increase of $2.3 million due to a change in the classification of over-recovery of energy efficiency costs, which has no effect on net income;
-

an increase of $1.7 million in transmission expenses primarily due to higher transmission equalization expenses in 2011; and

- several individually insignificant items.

The increase was partially offset by a decrease of $7.1 million in fossil expenses due to higher plant outage expenses in 2010 due to the larger scope of the outages in 2010.

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Entergy Texas, Inc. and Subsidiaries
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Other income decreased primarily due to a decrease in the allowance for equity funds used during construction due to less construction work in progress in 2011 and a decrease in contributions in aid of construction on prepaid transmission projects in 2011.

Interest expense decreased primarily due to the pay-off of debt assumption agreement liabilities in June 2010 and lower interest on deferred fuel costs, partially offset by the issuance of $200 million of 3.60% Series first mortgage bonds in May 2010.

Income Taxes

The effective income tax rate was 38.1% for the second quarter 2011 and 38.0% for the six months ended June 30, 2011. The differences in the effective income tax rate for the second quarter 2011 and for the six months ended June 30, 2011 versus the federal statutory rate of 35% are primarily due to book and tax differences related to utility plant items and state income taxes, partially offset by the amortization of investment tax credits and book and tax differences related to allowance for equity funds used during construction.

The effective income tax rate was 38.2% for the second quarter 2010 and 40.0% for the six months ended June 30, 2010. The differences in the effective income tax rate for the second quarter 2010 and for the six months ended June 30, 2010 versus the federal statutory rate of 35% were primarily due to book and tax differences related to utility plant items and state income taxes, partially offset by book and tax differences related to allowance for equity funds used during construction and the amortization of investment tax credits.

Liquidity and Capital Resources

Cash Flow

Cash flows for the six months ended June 30, 2011 and 2010 were as follows:

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| Cash and cash equivalents at beginning of period | $35,342 | $200,703 |
| Cash flow provided by (used in): | | |
| Operating activities | 25,917 | 4,680 |
| Investing activities | (50,767) | (60,964) |
| Financing activities | (10,149) | (42,655) |
| Net decrease in cash and cash equivalents | (34,999) | (98,939) |
| Cash and cash equivalents at end of period | $343 | $101,764 |

Operating Activities

Net cash flow provided by operating activities increased $21.2 million for the six months ended June 30, 2011 compared to the six months ended June 30, 2010 primarily due to $73 million of fuel cost refunds for the six months ended June 30, 2011 versus $99 million of fuel cost refunds for the six months ended June 30, 2010. See Note 2 to the

financial statements herein for discussion of the 2011 fuel cost refund and see Note 2 in the Form 10-K for discussion of the 2010 fuel cost refund.

Investing Activities

Net cash flow used in investing activities decreased $10.2 million for the six months ended June 30, 2011 compared to the six months ended June 30, 2010 primarily due to the timing of remittances to and payments from the transition charge account as a result of the issuance of $546 million in securitization bonds in November 2009, partially offset by money pool activity. See Note 5 to the financial statements in the Form 10-K for further discussion of the issuance of the securitization bonds.

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Entergy Texas, Inc. and Subsidiaries
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Decreases in Entergy Texas's receivable from the money pool are a source of cash flow, and Entergy Texas's receivable from the money pool decreased by $13.7 million for the six months ended June 30, 2011 compared to decreasing by $34.8 million for the six months ended June 30, 2010. The money pool is an inter-company borrowing arrangement designed to reduce Entergy's subsidiaries' need for external short-term borrowings.

Financing Activities

Net cash flow used in financing activities decreased $32.5 million for the six months ended June 30, 2011 compared to the six months ended June 30, 2010 primarily due to:

- the retirement of $177.3 million of debt assumption liabilities and securitization bonds in 2010 compared to the retirement of $31.2 million of securitization bonds in 2011;
- the decrease of $63.9 million in common equity distributions; and
- money pool activity.

This decrease was partially offset by the issuance of $200 million of 3.60% Series mortgage bonds in May 2010.

Increases in Entergy Texas's payable to the money pool are a source of cash flow, and Entergy Texas's payable to the money pool increased by $21.1 million for the six months ended June 30, 2011.

Capital Structure

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

| | June 30, 2011 | December 31, 2010 |
|---|---|---|
| Debt to capital | 65.4% | 66.8% |
| Effect of excluding the securitization bonds | (15.7)% | (16.0)% |
| Debt to capital, excluding securitization bonds (1) | 49.7% | 50.8% |
| Effect of subtracting cash | 0.0% | (1.0)% |
| Net debt to net capital, excluding securitization bonds (1) | 49.7% | 49.8% |

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

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

Uses and Sources of Capital

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources" in the Form 10-K for a discussion of Entergy Texas's uses and sources of capital. Following are updates to the information provided in the Form 10-K.

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

Entergy Texas's receivables from or (payables to) the money pool were as follows:

| June 30, 2011 | December 31, 2010 | June 30, 2010 | December 31, 2009 |
|---|---|---|---|
| | (In Thousands) | | |
| ($21,067) | $13,672 | $34,505 | $69,317 |

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

As discussed in the Form 10-K, Entergy Texas has a credit facility in the amount of $100 million scheduled to expire in August 2012. No borrowings were outstanding under the facility as of June 30, 2011.

State and Local Rate Regulation

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

In December 2010, Entergy Texas filed with the PUCT a request to refund fuel cost recovery over-collections through October 2010. Pursuant to a stipulation among the parties that was approved by the PUCT in March 2011, Entergy Texas refunded over-collections through November 2010 of approximately $73 million, including interest through the refund period. The refund was made for most customers over a three-month period that began with the February 2011 billing cycle.

Federal Regulation

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

Environmental Risks

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

Critical Accounting Estimates

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Critical Accounting Estimates" in the Form 10-K for a discussion of the unbilled revenue and qualified pension and other postretirement benefits.

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ENTERGY TEXAS, INC. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
For the Three and Six Months Ended June 30, 2011 and 2010
(Unaudited)

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | 2011 | 2010 | 2011 | 2010 |
| | (In Thousands) | | (In Thousands) | |
| OPERATING REVENUES | | | | |
| Electric | $444,423 | $471,153 | $793,307 | $807,359 |
| OPERATING EXPENSES | | | | |
| Operation and Maintenance: | | | | |
| Fuel, fuel-related expenses, and gas purchased for resale | 75,742 | 128,897 | 119,823 | 135,456 |
| Purchased power | 210,847 | 188,882 | 391,511 | 381,576 |
| Other operation and maintenance | 49,677 | 51,954 | 96,918 | 95,323 |
| Taxes other than income taxes | 15,030 | 14,234 | 29,887 | 30,759 |
| Depreciation and amortization | 19,710 | 19,880 | 39,236 | 39,008 |
| Other regulatory charges - net | 15,735 | 13,691 | 12,657 | 29,539 |
| TOTAL | 386,741 | 417,538 | 690,032 | 711,661 |
| OPERATING INCOME | 57,682 | 53,615 | 103,275 | 95,698 |
| OTHER INCOME | | | | |
| Allowance for equity funds used during construction | 781 | 3,497 | 1,547 | 4,138 |
| Interest and investment income | 2,048 | 2,582 | 2,738 | 3,636 |
| Miscellaneous - net | (795) | (305) | (970) | 1,149 |
| TOTAL | 2,034 | 5,774 | 3,315 | 8,923 |
| INTERET EXPENSE | | | | |
| Interest expense | 22,964 | 25,294 | 45,041 | 49,202 |
| Allowance for borrowed funds used during construction | (542) | (2,031) | (1,068) | (2,511) |
| TOTAL | 22,422 | 23,263 | 43,973 | 46,691 |
| INCOME BEFORE INCOME TAXES | 37,294 | 36,126 | 62,617 | 57,930 |
| Income taxes | 14,197 | 13,793 | 23,794 | 23,179 |
| NET INCOME | $23,097 | $22,333 | $38,823 | $34,751 |

See Notes to Financial Statements.

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ENTERGY TEXAS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 2011 and 2010
(Unaudited)

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| OPERATING ACTIVITIES | | |
| Net income | $38,823 | $34,751 |
| Adjustments to reconcile net income to net cash flow provided by operating activities: | | |
| Depreciation, amortization, and decommissioning | 39,236 | 39,008 |
| Deferred income taxes, investment tax credits, and non-current taxes accrued | 24,535 | 96,423 |
| Changes in working capital: | | |
| Receivables | (49,396) | (85,930) |
| Fuel inventory | 179 | 315 |
| Accounts payable | 43,543 | 60,626 |
| Taxes accrued | (10,501) | (67,785) |
| Interest accrued | (789) | 8,031 |
| Deferred fuel costs | (62,683) | (38,134) |
| Other working capital accounts | 5,188 | (56,630) |
| Changes in provisions for estimated losses | (89) | (2,200) |
| Changes in other regulatory assets | 36,660 | 33,603 |
| Changes in pension and other postretirement liabilities | (13,603) | (6,181) |
| Other | (25,186) | (11,217) |
| Net cash flow provided by operating activities | 25,917 | 4,680 |
| | | |
| INVESTING ACTIVITIES | | |
| Construction expenditures | (75,623) | (79,704) |
| Allowance for equity funds used during construction | 1,547 | 4,138 |
| Change in money pool receivable - net | 13,672 | 34,812 |
| Increase in other investments | - | 2,318 |
| Remittances to transition charge account | (39,178) | (40,800) |
| Payments from transition charge account | 48,815 | 18,272 |
| Net cash flow used in investing activities | (50,767) | (60,964) |
| | | |
| FINANCING ACTIVITIES | | |
| Proceeds from the issuance of long-term debt | - | 198,534 |
| Retirement of long-term debt | (31,177) | (177,289) |
| Change in money pool payable - net | 21,067 | - |
| Dividends paid: | | |
| Common stock | - | (63,900) |
| Other | (39) | - |
| Net cash flow used in financing activities | (10,149) | (42,655) |
| | | |
| Net decrease in cash and cash equivalents | (34,999) | (98,939) |
| | | |
| Cash and cash equivalents at beginning of period | 35,342 | 200,703 |

| | | |
|---|---|---|
| Cash and cash equivalents at end of period | $343 | $101,764 |
| | | |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: | | |
| Cash paid during the period for: | | |
| Interest - net of amount capitalized | $43,659 | $39,083 |
| Income taxes | $- | $1,745 |

See Notes to Financial Statements.

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ENTERGY TEXAS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
ASSETS
June 30, 2011 and December 31, 2010
(Unaudited)

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| CURRENT ASSETS | | |
| Cash and cash equivalents: | | |
| Cash | $305 | $1,719 |
| Temporary cash investments | 38 | 33,623 |
| Total cash and cash equivalents | 343 | 35,342 |
| Securitization recovery trust account | 30,994 | 40,632 |
| Accounts receivable: | | |
| Customer | 74,408 | 56,358 |
| Allowance for doubtful accounts | (2,000) | (2,185) |
| Associated companies | 58,429 | 53,128 |
| Other | 10,622 | 11,605 |
| Accrued unbilled revenues | 52,642 | 39,471 |
| Total accounts receivable | 194,101 | 158,377 |
| Accumulated deferred income taxes | 38,191 | 44,752 |
| Fuel inventory - at average cost | 53,693 | 53,872 |
| Materials and supplies - at average cost | 28,869 | 28,842 |
| Prepayments and other | 8,358 | 14,856 |
| TOTAL | 354,549 | 376,673 |
| | | |
| OTHER PROPERTY AND INVESTMENTS | | |
| Investments in affiliates - at equity | 804 | 812 |
| Non-utility property - at cost (less accumulated depreciation) | 1,077 | 1,223 |
| Other | 17,697 | 17,037 |
| TOTAL | 19,578 | 19,072 |
| | | |
| UTILITY PLANT | | |
| Electric | 3,276,716 | 3,205,566 |
| Construction work in progress | 77,057 | 80,096 |
| TOTAL UTILITY PLANT | 3,353,773 | 3,285,662 |
| Less - accumulated depreciation and amortization | 1,273,422 | 1,245,729 |
| UTILITY PLANT - NET | 2,080,351 | 2,039,933 |
| | | |
| DEFERRED DEBITS AND OTHER ASSETS | | |
| Regulatory assets: | | |
| Regulatory asset for income taxes - net | 125,495 | 127,046 |
| Other regulatory assets (includes securitization property of $739,700 as of June 30, 2011 and $763,841 as of December 31, 2010) | 1,128,113 | 1,168,960 |
| Long-term receivables - associated companies | 31,791 | 32,596 |

| | | |
|---|---|---|
| Other | 21,568 | 19,584 |
| TOTAL | 1,306,967 | 1,348,186 |
| | | |
| TOTAL ASSETS | $3,761,445 | $3,783,864 |

See Notes to Financial Statements.

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ENTERGY TEXAS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
LIABILITIES AND EQUITY
June 30, 2011 and December 31, 2010
(Unaudited)

| | 2011 (In Thousands) | 2010 |
|---|---|---|
| CURRENT LIABILITIES | | |
| Accounts payable: | | |
| Associated companies | $133,018 | $69,862 |
| Other | 72,476 | 70,325 |
| Customer deposits | 37,486 | 38,376 |
| Taxes accrued | 18,050 | 28,551 |
| Interest accrued | 32,888 | 33,677 |
| Deferred fuel costs | 14,747 | 77,430 |
| Pension and other postretirement liabilities | 1,197 | 1,354 |
| Other | 3,986 | 4,222 |
| TOTAL | 313,848 | 323,797 |
| | | |
| NON-CURRENT LIABILITIES | | |
| Accumulated deferred income taxes and taxes accrued | 847,633 | 829,668 |
| Accumulated deferred investment tax credits | 20,137 | 20,936 |
| Other regulatory liabilities | 6,271 | 26,178 |
| Asset retirement cost liabilities | 3,759 | 3,651 |
| Accumulated provisions | 5,231 | 5,320 |
| Pension and other postretirement liabilities | 59,121 | 72,724 |
| Long-term debt (includes securitization bonds of $775,901 as of June 30, 2011 and $807,066 as of December 31, 2010) | 1,628,270 | 1,659,230 |
| Other | 14,062 | 18,070 |
| TOTAL | 2,584,484 | 2,635,777 |
| | | |
| Commitments and Contingencies | | |
| | | |
| COMMON EQUITY | | |
| Common stock, no par value, authorized 200,000,000 shares; issued and outstanding 46,525,000 shares in 2011 and 2010 | 49,452 | 49,452 |
| Paid-in capital | 481,994 | 481,994 |
| Retained earnings | 331,667 | 292,844 |
| TOTAL | 863,113 | 824,290 |
| | | |
| TOTAL LIABILITIES AND EQUITY | $3,761,445 | $3,783,864 |

See Notes to Financial Statements.

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ENTERGY TEXAS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN COMMON EQUITY
For the Six Months Ended June 30, 2011 and 2010
(Unaudited) (In Thousands)

| | Common Equity | | | |
|---|---|---|---|---|
| | Common Stock | Paid-in Capital | Retained Earnings | Total |
| Balance at December 31, 2009 | $49,452 | $481,994 | $313,044 | $844,490 |
| Net income | - | - | 34,751 | 34,751 |
| Common stock dividends | - | - | (63,900) | (63,900) |
| Balance at June 30, 2010 | $49,452 | $481,994 | $283,895 | $815,341 |
| Balance at December 31, 2010 | $49,452 | $481,994 | $292,844 | $824,290 |
| Net income | - | - | 38,823 | 38,823 |
| Balance at June 30, 2011 | $49,452 | $481,994 | $331,667 | $863,113 |

See Notes to Financial Statements.

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ENTERGY TEXAS, INC. AND SUBSIDIARIES
SELECTED OPERATING RESULTS
For the Three and Six Months Ended June 30, 2011 and 2010
(Unaudited)

| Description | Three Months Ended 2011 | 2010 | Increase/ (Decrease) | % |
|---|---|---|---|---|
| | (Dollars In Millions) | | | |
| Electric Operating Revenues: | | | | |
| Residential | $ 142 | $ 125 | $ 17 | 14 |
| Commercial | 89 | 85 | 4 | 5 |
| Industrial | 96 | 82 | 14 | 17 |
| Governmental | 6 | 6 | - | - |
| Total retail | 333 | 298 | 35 | 12 |
| Sales for resale | | | | |
| Associated companies | 74 | 133 | (59) | (44) |
| Non-associated companies | 16 | 14 | 2 | 14 |
| Other | 21 | 26 | (5) | (19) |
| Total | $ 444 | $ 471 | $ (27) | (6) |
| | | | | |
| Billed Electric Energy Sales (GWh): | | | | |
| Residential | 1,331 | 1,251 | 80 | 6 |
| Commercial | 1,083 | 1,044 | 39 | 4 |
| Industrial | 1,613 | 1,402 | 211 | 15 |
| Governmental | 73 | 64 | 9 | 14 |
| Total retail | 4,100 | 3,761 | 339 | 9 |
| Sales for resale | | | | |
| Associated companies | 1,161 | 1,019 | 142 | 14 |
| Non-associated companies | 280 | 236 | 44 | 19 |
| Total | 5,541 | 5,016 | 525 | 10 |

| Description | Six Months Ended 2011 | 2010 | Increase/ (Decrease) | % |
|---|---|---|---|---|
| | (Dollars In Millions) | | | |
| Electric Operating Revenues: | | | | |
| Residential | $ 268 | $ 238 | $ 30 | 13 |
| Commercial | 162 | 151 | 11 | 7 |
| Industrial | 159 | 149 | 10 | 7 |
| Governmental | 11 | 11 | - | - |
| Total retail | 600 | 549 | 51 | 9 |
| Sales for resale | | | | |
| Associated companies | 129 | 190 | (61) | (32) |
| Non-associated companies | 36 | 39 | (3) | (8) |
| Other | 28 | 29 | (1) | (3) |
| Total | $ 793 | $ 807 | $ (14) | (2) |

| Billed Electric Energy | | | | |
|---|---|---|---|---|
| Sales (GWh): | | | | |
| Residential | 2,714 | 2,751 | (37) | (1) |
| Commercial | 2,074 | 2,029 | 45 | 2 |
| Industrial | 3,061 | 2,705 | 356 | 13 |
| Governmental | 142 | 129 | 13 | 10 |
| Total retail | 7,991 | 7,614 | 377 | 5 |
| Sales for resale | | | | |
| Associated companies | 1,989 | 1,651 | 338 | 20 |
| Non-associated companies | 601 | 694 | (93) | (13) |
| Total | 10,581 | 9,959 | 622 | 6 |

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SYSTEM ENERGY RESOURCES, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Results of Operations

System Energy's principal asset consists of a 78.5% ownership interest and 11.5% leasehold interest in Grand Gulf. The capacity and energy from its 90% interest is sold under the Unit Power Sales Agreement to its only four customers, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans. System Energy's operating revenues are derived from the allocation of the capacity, energy, and related costs associated with its 90% interest in Grand Gulf pursuant to the Unit Power Sales Agreement. Payments under the Unit Power Sales Agreement are System Energy's only source of operating revenues.

Second Quarter 2011 Compared to Second Quarter 2010

Net income increased $1.5 million as lower interest expense and higher other income were in large part offset by a decrease in rate base that contributed to lower operating income.

Six Months Ended June 30, 2011 Compared to Six Months Ended June 30, 2010

Net income remained relatively flat as lower interest expense and higher other income were in large part offset by a decrease in rate base that contributed to lower operating income.

Liquidity and Capital Resources

Cash Flow

Cash flows for the six months ended June 30, 2011 and 2010 were as follows:

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| Cash and cash equivalents at beginning of period | $263,772 | $264,482 |
| Cash flow provided by (used in): | | |
| Operating activities | 142,079 | 129,154 |
| Investing activities | (219,374) | (99,483) |
| Financing activities | (118,071) | 23,855 |
| Net increase (decrease) in cash and cash equivalents | (195,366) | 53,526 |
| Cash and cash equivalents at end of period | $68,406 | $318,008 |

Operating Activities

Net cash provided by operating activities increased $12.9 million for the six months ended June 30, 2011 compared to the six months ended June 30, 2010 primarily due to a Grand Gulf refueling outage in 2010 and no refueling outage planned in 2011, partially offset by an increase of $14.4 million in pension contributions. See "MANAGEMENT'S

FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for a discussion of qualified pension and other postretirement benefits.

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System Energy Resouces, Inc.
Management's Financial Discussion and Analysis

Investing Activities

Net cash used in investment activities increased $119.9 million for the six months ended June 30, 2011 compared to the six months ended June 30, 2010 primarily due to:

- the proceeds from the transfer, in the first quarter 2010, of $100.3 million in development costs related to Entergy New Nuclear Development, LLC, as discussed in the Form 10-K;
- money pool activity;
- an increase of $35 million in construction expenditures primarily due to the Grand Gulf power uprate project;
- the repayment in 2010 of $25.6 million by Entergy New Orleans of a note issued in resolution of its bankruptcy proceedings; and
- a $20 million loan made to another Entergy subsidiary under an intercompany credit agreement between Entergy New Nuclear Development, LLC (a subsidiary of System Energy) and that affiliate. The interest rate at June 30, 2011 was 4.31%.

The increase was partially offset by a decrease of $91.6 million in nuclear fuel purchases due to the timing of refueling outages and the purchase of nuclear fuel from System Fuels because the Utility companies will now purchase nuclear fuel as System Fuels procures it, rather than primarily at the time of refueling activity.

Increases in System Energy’s receivable from the money pool are a use of cash flow, and System Energy’s receivable from the money pool increased $61.7 million in the six months ended June 30, 2011 compared to increasing $15.5 million in the six months ended June 30, 2010. The money pool is an inter-company borrowing arrangement designed to reduce the Utility subsidiaries’ need for external short-term borrowings.

Financing Activities

System Energy’s financing activities used $118.1 million for the six months ended June 30, 2011 compared to providing $23.9 million for the six months ended June 30, 2010 primarily due to the repayment of $37.8 million in commercial paper in the six months ended June 30, 2011 as compared to the issuance of $62.7 million in commercial paper and $60 million of 5.33% Series G notes by the nuclear fuel company variable interest entity in the same period in 2010. See Note 4 to the financial statements herein and in the Form 10-K for a discussion of this activity.

Capital Structure

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

| | June 30, 2011 | December 31, 2010 |
|---|---|---|
| Debt to capital | 49.2% | 51.7% |
| Effect of subtracting cash | (2.3)% | (9.0)% |
| Net debt to net capital | 46.9% | 42.7% |

Net debt consists of debt less cash and cash equivalents. Debt consists of notes payable, capital lease obligations, and long-term debt, including the currently maturing portion. Capital consists of debt and common shareholder’s

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

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System Energy Resouces, Inc.
Management's Financial Discussion and Analysis

Uses and Sources of Capital

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources" in the Form 10-K for a discussion of System Energy's uses and sources of capital. Following are updates to the information provided in the Form 10-K.

System Energy's receivables from the money pool were as follows:

| June 30, 2011 | December 31, 2010 | June 30, 2010 | December 31, 2009 |
|---|---|---|---|
| | (In Thousands) | | |
| $159,655 | $97,948 | $105,977 | $90,507 |

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

Nuclear Matters

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

Environmental Risks

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

Critical Accounting Estimates

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Critical Accounting Estimates" in the Form 10-K for a discussion of the estimates and judgments necessary in System Energy's accounting for nuclear decommissioning costs and qualified pension and other postretirement benefits. The following is an update to that discussion.

Nuclear Decommissioning Costs

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

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SYSTEM ENERGY RESOURCES, INC.
INCOME STATEMENTS
For the Three and Six Months Ended June 30, 2011 and 2010
(Unaudited)

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | 2011 | 2010 | 2011 | 2010 |
| | (In Thousands) | | (In Thousands) | |
| OPERATING REVENUES | | | | |
| Electric | $129,120 | $124,419 | $257,515 | $253,002 |
| OPERATING EXPENSES | | | | |
| Operation and Maintenance: | | | | |
| Fuel, fuel-related expenses, and gas purchased for resale | 19,485 | 12,307 | 39,175 | 27,625 |
| Nuclear refueling outage expenses | 4,067 | 4,545 | 8,089 | 9,218 |
| Other operation and maintenance | 34,886 | 31,405 | 63,843 | 60,290 |
| Decommissioning | 7,614 | 7,772 | 15,816 | 15,406 |
| Taxes other than income taxes | 5,790 | 6,058 | 11,213 | 12,089 |
| Depreciation and amortization | 25,583 | 24,930 | 54,246 | 53,301 |
| Other regulatory credits - net | (2,301) | (4,890) | (5,250) | (5,615) |
| TOTAL | 95,124 | 82,127 | 187,132 | 172,314 |
| OPERATING INCOME | 33,996 | 42,292 | 70,383 | 80,688 |
| OTHER INCOME | | | | |
| Allowance for equity funds used during construction | 5,376 | 2,414 | 9,521 | 4,232 |
| Interest and investment income | 2,508 | 1,236 | 5,049 | 6,622 |
| Miscellaneous - net | (145) | (97) | (249) | (229) |
| TOTAL | 7,739 | 3,553 | 14,321 | 10,625 |
| INTEREST EXPENSE | | | | |
| Interest expense | 7,736 | 12,411 | 19,125 | 22,720 |
| Allowance for borrowed funds used during construction | (1,563) | (835) | (2,916) | (1,465) |
| TOTAL | 6,173 | 11,576 | 16,209 | 21,255 |
| INCOME BEFORE INCOME TAXES | 35,562 | 34,269 | 68,495 | 70,058 |
| Income taxes | 13,576 | 13,827 | 27,173 | 29,003 |
| NET INCOME | $21,986 | $20,442 | $41,322 | $41,055 |

See Notes to Financial Statements.

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SYSTEM ENERGY RESOURCES, INC.
STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 2011 and 2010
(Unaudited)

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| OPERATING ACTIVITIES | | |
| Net income | $41,322 | $41,055 |
| Adjustments to reconcile net income to net cash flow provided by operating activities: | | |
| Depreciation, amortization, and decommissioning, including nuclear fuel amortization | 98,127 | 88,363 |
| Deferred income taxes, investment tax credits, and non-current taxes accrued | (32,655) | (50,759) |
| Changes in working capital: | | |
| Receivables | 6,926 | 6,207 |
| Accounts payable | 7,807 | (397) |
| Prepaid taxes | 49,348 | 68,652 |
| Interest accrued | (43,112) | (39,416) |
| Other working capital accounts | 2,383 | (24,959) |
| Changes in provision for estimated losses | - | (2,009) |
| Changes in other regulatory assets | 34,791 | (9,292) |
| Changes in pension and other postretirement liabilities | (19,837) | (5,602) |
| Other | (3,021) | 57,311 |
| Net cash flow provided by operating activities | 142,079 | 129,154 |
| | | |
| INVESTING ACTIVITIES | | |
| Construction expenditures | (105,653) | (70,695) |
| Proceeds from the transfer of development costs | - | 100,280 |
| Allowance for equity funds used during construction | 9,521 | 4,232 |
| Nuclear fuel purchases | (37,709) | (129,331) |
| Proceeds from the sale of nuclear fuel | 12,420 | - |
| Proceeds from nuclear decommissioning trust fund sales | 106,528 | 138,232 |
| Investment in nuclear decommissioning trust funds | (122,774) | (152,291) |
| Loan to affiliate | (20,000) | - |
| Changes in money pool receivable - net | (61,707) | (15,470) |
| Changes in other investments | - | 25,560 |
| Net cash flow used in investing activities | (219,374) | (99,483) |
| | | |
| FINANCING ACTIVITIES | | |
| Proceeds from the issuance of long-term debt | - | 57,859 |
| Retirement of long-term debt | (38,161) | (41,715) |
| Changes in credit borrowings - net | (37,763) | 44,411 |
| Dividends paid: | | |
| Common stock | (39,300) | (36,700) |
| Other | (2,847) | - |
| Net cash flow provided by (used in) financing activities | (118,071) | 23,855 |
| | | |
| Net increase (decrease) in cash and cash equivalents | (195,366) | 53,526 |

| | | |
|---|---|---|
| Cash and cash equivalents at beginning of period | 263,772 | 264,482 |
| Cash and cash equivalents at end of period | $68,406 | $318,008 |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: | | |
| Cash paid during the period for: | | |
| Interest - net of amount capitalized | $23,592 | $18,305 |

See Notes to Financial Statements.

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SYSTEM ENERGY RESOURCES, INC.
BALANCE SHEETS
ASSETS
June 30, 2011 and December 31, 2010
(Unaudited)

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| CURRENT ASSETS | | |
| Cash and cash equivalents: | | |
| Cash | $680 | $903 |
| Temporary cash investments | 67,726 | 262,869 |
| Total cash and cash equivalents | 68,406 | 263,772 |
| Accounts receivable: | | |
| Associated companies | 201,528 | 147,180 |
| Other | 5,503 | 5,070 |
| Total accounts receivable | 207,031 | 152,250 |
| Loan to affiliate | 20,000 | - |
| Materials and supplies - at average cost | 86,432 | 84,077 |
| Deferred nuclear refueling outage costs | 14,337 | 22,627 |
| Prepaid taxes | 18,691 | 68,039 |
| Prepayments and other | 4,699 | 1,142 |
| TOTAL | 419,596 | 591,907 |
| | | |
| OTHER PROPERTY AND INVESTMENTS | | |
| Decommissioning trust funds | 417,471 | 387,876 |
| TOTAL | 417,471 | 387,876 |
| | | |
| UTILITY PLANT | | |
| Electric | 3,374,061 | 3,362,422 |
| Property under capital lease | 480,899 | 489,175 |
| Construction work in progress | 292,016 | 210,536 |
| Nuclear fuel | 147,965 | 155,282 |
| TOTAL UTILITY PLANT | 4,294,941 | 4,217,415 |
| Less - accumulated depreciation and amortization | 2,462,681 | 2,417,811 |
| UTILITY PLANT - NET | 1,832,260 | 1,799,604 |
| | | |
| DEFERRED DEBITS AND OTHER ASSETS | | |
| Regulatory assets: | | |
| Regulatory asset for income taxes - net | 126,755 | 126,642 |
| Other regulatory assets | 260,067 | 296,715 |
| Other | 22,540 | 21,326 |
| TOTAL | 409,362 | 444,683 |
| | | |
| TOTAL ASSETS | $3,078,689 | $3,224,070 |

See Notes to Financial Statements.

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SYSTEM ENERGY RESOURCES, INC.
BALANCE SHEETS
LIABILITIES AND EQUITY
June 30, 2011 and December 31, 2010
(Unaudited)

| | 2011 | 2010 |
|---|---|---|
| | (In Thousands) | |
| CURRENT LIABILITIES | | |
| Currently maturing long-term debt | $40,163 | $33,740 |
| Short-term borrowings | 501 | 38,264 |
| Accounts payable: | | |
| Associated companies | 5,115 | 6,520 |
| Other | 42,972 | 38,447 |
| Accumulated deferred income taxes | 4,661 | 8,508 |
| Interest accrued | 12,969 | 56,081 |
| Other | 2,263 | 2,258 |
| TOTAL | 108,644 | 183,818 |
| | | |
| NON-CURRENT LIABILITIES | | |
| Accumulated deferred income taxes and taxes accrued | 614,203 | 617,012 |
| Accumulated deferred investment tax credits | 53,017 | 54,755 |
| Other regulatory liabilities | 226,452 | 201,364 |
| Decommissioning | 429,708 | 452,782 |
| Pension and other postretirement liabilities | 85,408 | 105,245 |
| Long-term debt | 746,848 | 796,728 |
| Other | 21 | - |
| TOTAL | 2,155,657 | 2,227,886 |
| | | |
| Commitments and Contingencies | | |
| | | |
| COMMON EQUITY | | |
| Common stock, no par value, authorized 1,000,000 shares; | | |
| issued and outstanding 789,350 shares in 2011 and 2010 | 789,350 | 789,350 |
| Retained earnings | 25,038 | 23,016 |
| TOTAL | 814,388 | 812,366 |
| | | |
| TOTAL LIABILITIES AND EQUITY | $3,078,689 | $3,224,070 |

See Notes to Financial Statements.

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SYSTEM ENERGY RESOURCES, INC.
STATEMENTS OF CHANGES IN COMMON EQUITY
For the Six Months Ended June 30, 2011 and 2010
(Unaudited) (In Thousands)

| | Common Equity | | |
|---|---|---|---|
| | Common Stock | Retained Earnings | Total |
| Balance at December 31, 2009 | $789,350 | $40,592 | $829,942 |
| Net income | - | 41,055 | 41,055 |
| Common stock dividends | - | (36,700) | (36,700) |
| Balance at June 30, 2010 | $789,350 | $44,947 | $834,297 |
| Balance at December 31, 2010 | $789,350 | $23,016 | $812,366 |
| Net income | - | 41,322 | 41,322 |
| Common stock dividends | - | (39,300) | (39,300) |
| Balance at June 30, 2011 | $789,350 | $25,038 | $814,388 |

See Notes to Financial Statements.

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ENTERGY CORPORATION AND SUBSIDIARIES
PART II. OTHER INFORMATION

Item 1. Legal Proceedings

See "PART I, Item 1, Litigation" in the Form 10-K for a discussion of legal, administrative, and other regulatory proceedings affecting Entergy. Following is an update to that discussion. Also see "Item 5, Other Information, Environmental Regulation", below, for updates regarding environmental proceedings and regulation and Note 11 to the financial statements for a description of a legal proceeding involving Vermont Yankee.

Texas Power Price Lawsuit

See the Form 10-K for a discussion of the lawsuit filed in August 2003 in the district court of Chambers County, Texas by Texas residents on behalf of a purported class apparently of the Texas retail customers of Entergy Gulf States, Inc. who were billed and paid for electric power from January 1, 1994 to the present. The case is pending in state district court, and the court has scheduled a class certification hearing for August 2011.

Item 1A. Risk Factors

There have been no material changes to the risk factors discussed in "PART I, Item 1A, Risk Factors" in the Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities (1)

| Period | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of a Publicly Announced Plan | Maximum $ Amount of Shares that May Yet be Purchased Under a Plan (2) |
|---|---|---|---|---|
| 4/01/2011-4/30/2011 | 310,000 | $67.58 | 310,000 | $500,000,000 |
| 5/01/2011-5/31/2011 | 135,000 | $69.13 | 135,000 | $500,000,000 |
| 6/01/2011-6/30/2011 | 1,100,000 | $68.11 | 1,100,000 | $425,083,376 |
| Total | 1,545,000 | $68.09 | 1,545,000 | |

(1) In accordance with Entergy's stock-based compensation plans, Entergy periodically grants stock options to key employees, which may be exercised to obtain shares of Entergy's common stock. According to the plans, these shares can be newly issued shares, treasury stock, or shares purchased on the open market. Entergy's management has been authorized by the Board to repurchase on the open market shares up to an amount

sufficient to fund the exercise of grants under the plans. See Note 12 to the financial statements in the Form 10-K for additional discussion of the stock-based compensation plans. In addition to this authority, in October 2010 the Board granted authority for an additional $500 million share repurchase program. The amount of share repurchases under these programs may vary as a result of material changes in business results or capital spending or new investment opportunities.

(2) Maximum amount of shares that may yet be repurchased does not include an estimate of the amount of shares that may be purchased to fund the exercise of grants under the stock-based compensation plans.

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Item 5. Other Information

Environmental Regulation

Following are updates to the Environmental Regulation section of Part I, Item 1 of the Form 10-K.

Clean Air Act and Subsequent Amendments

Hazardous Air Pollutants

The EPA is developing a Maximum Achievable Control Technology retrofit standard for new and existing coal and oil-fired units. In 2009 the EPA issued an Information Collection Request to gather data needed for promulgation of Hazardous Air Pollutant regulations. In May 2011 the EPA published the proposed rule to regulate Hazardous Air Pollutants for Electric Generating Utilities, and the final rule is expected in November 2011. Entergy is reviewing the proposal and remains involved in the current rulemaking process.

Interstate Air Transport

In March 2005, the EPA finalized the Clean Air Interstate Rule (CAIR), which was intended to reduce SO2 and NOx emissions from electric generation plants in order to improve air quality in twenty-nine eastern states. The rule required a combination of investment of capital to install pollution control equipment and increased operating costs through the purchase of emission allowances. Entergy began implementation in 2007, including installation of controls at several facilities and the development of an emission allowance procurement strategy.

Based on several court challenges, the CAIR was vacated and remanded to the EPA by the D.C. Circuit in 2008. The court allowed the CAIR to become effective on January 1, 2009, while the EPA revised the rule. The EPA released the proposed Transport Rule to replace the CAIR on July 9, 2010. On July 7, 2011, the EPA released its final Cross-State Air Pollution Rule (CSAPR, which previously was referred to as the Transport Rule). The rule, which will be effective 60 days after it is published in the Federal Register, is directed at limiting the interstate transport of emissions of NOx and SO2 as precursors to ozone and fine particulate matter. The final rule provides a significantly lower number of allowances to Entergy's Utility states than did the draft rule. Entergy's capital investment and annual allowance purchase costs under the CSAPR will depend on the economic assessment of NOx and SO2 allowance markets, the cost of control technologies, generation unit utilization, and the availability and cost of purchased power. Entergy continues to review the implications of the final rule.

Nelson Unit 6 (Entergy Gulf States Louisiana)

Entergy Gulf States Louisiana self-reported to the Louisiana Department of Environmental Quality (LDEQ) potential exceedances of annual carbon monoxide emission limits at the Nelson Unit 6 coal-fired facility for the years 2006-2010 and the failure to report these potential exceedances in semi-annual reporting and in annual Title V compliance certifications. Entergy Gulf States Louisiana is not required to monitor carbon monoxide emissions from Nelson Unit 6 on a regular or continuous schedule. Stack tests performed in 2010 appear to indicate carbon monoxide emissions in excess of the maximum hourly limit for three 1-hour test runs and the annual limit. Comparison of the 2010 stack tests with the most recent previous tests from 2006, however, appear to indicate that the permit limits were calculated incorrectly and should have been higher. The 2010 test emission levels did not cause a violation of National Ambient Air Quality Standards. Additionally, the 2010 stack testing, which was performed in compliance with an EPA data request connected to the EPA's development of a new air emissions rule, was not taken during a period of normal and representative operations for Nelson Unit 6. Entergy Gulf States Louisiana continues to develop data regarding this matter in coordination with the LDEQ.

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Clean Water Act

NPDES Permits and Section 401 Water Quality Certifications

Indian Point

See the Form 10-K for a discussion of Indian Point permitting and water quality certification proceedings. On June 21, 2011, Entergy filed notice with the NRC that the NYSDEC, the agency that would issue or deny a water quality certification for the Indian Point license renewal process, has taken longer than one year to take final action on Entergy's application for a water quality certification and, therefore, has waived its opportunity to require a certification under the provisions of Section 401 of the Clean Water Act. Entergy submitted its application for a water quality certification to the NYSDEC in April 2009, with a reservation of rights regarding the applicability of Section 401 in this case. After Entergy submitted certain additional information in response to NYSDEC requests for additional information, in February 2010 the NYSDEC staff determined that Entergy's water quality certification application was complete. In April 2010 the NYSDEC staff issued a proposed notice of denial of Entergy's water quality certification application (the Notice). NYSDEC staff's Notice triggered an administrative adjudicatory hearing before NYSDEC ALJs on the proposed Notice that remains ongoing, but no final decision has been rendered. The NYSDEC has notified the NRC that it disagrees with Entergy's position and does not believe that it has waived the right to require a certification. The NYSDEC ALJs overseeing the agency's certification adjudicatory process stated in a ruling issued on July 15, 2011 that while the waiver issue is pending before the NRC, the NYSDEC hearing process will continue on selected issues. The hearing is currently expected to begin in the fourth quarter 2011.

316(b) Cooling Water Intake Structures

See the Form 10-K for a discussion of the EPA regulations finalized in July 2004 governing the intake of water at large existing power plants employing cooling water intake structures. The rule sought to reduce perceived impacts on aquatic resources by requiring covered facilities to implement technology or other measures to meet EPA-targeted reductions in water use and corresponding perceived aquatic impacts. Entergy, other industry members and industry groups, environmental groups, and a coalition of northeastern and mid-Atlantic states challenged various aspects of the rule. In January 2007, the U.S. Second Circuit Court of Appeals remanded the rule to the EPA for reconsideration. The court instructed the EPA to reconsider several aspects of the rule that were beneficial to businesses affected by the rule after finding that these provisions of the rule were contrary to the language of the Clean Water Act or were not sufficiently explained in the rule. In April 2008, the U.S. Supreme Court agreed to review the Second Circuit decision on the question of whether the EPA may take into consideration a cost-benefit analysis in developing these regulations, a consideration of potential benefit to businesses affected by the rule that the Second Circuit disallowed. In March 2009, the Supreme Court ruled in favor of the petitioners that cost-benefit analysis may be taken into consideration. The EPA reissued the proposed rule in April 2011, with finalization anticipated by July 27, 2012. Entergy currently is reviewing the revised proposed rule.

Other Environmental Matters

Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy New Orleans, and Entergy Texas

The Texas Commission on Environmental Quality (TCEQ) notified Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy New Orleans, and Entergy Texas that the TCEQ believes those entities are PRPs concerning contamination existing at the San Angelo Electric Service Company (SESCO) facility in San Angelo, Texas. The facility operated as a transformer repair and scrapping facility from the 1930s until 2003. Both soil and groundwater contamination exists at the site. Entergy Gulf States, Inc. and Entergy Louisiana sent transformers to this facility during the 1980s. Entergy Gulf States Louisiana, Entergy Texas, Entergy Louisiana, and Entergy Arkansas

responded to an information request from the TCEQ and continue to cooperate in this investigation. Entergy Gulf States Louisiana, Entergy Texas, and Entergy Louisiana joined a group of PRPs responding to site conditions in cooperation with the State of Texas, creating cost allocation models based on review of SESCO documents and employee interviews, and investigating contribution actions against other PRPs. Entergy Gulf States Louisiana, Entergy Louisiana, and Entergy Texas have agreed to contribute to the remediation of contaminated soil and groundwater at the site in a measure proportionate to those companies' involvement at the site, while Entergy Arkansas and

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Entergy New Orleans likely will pay de minimis amounts. Current estimates, although preliminary and variable depending on the level of third-party cost contributions, indicate that Entergy's total share of remediation costs likely will be less than $1 million. The TCEQ approved an agreed administrative order in September 2006 that allows the implementation of a Remedial Investigation/Feasibility Study at the SESCO site; with the ultimate disposition being a remedial action to remove contaminants of concern. The TCEQ approved the Remedial Investigation Work Plan in May 2007 and field sampling began in July 2007. Off-site removal activities of PCB-impacted soil and debris were completed at the site in December 2010. The Remedial Investigation report was submitted in February 2011 to the TCEQ and was approved on April 15, 2011. The PRP working group prepared a Feasibility Study and description of proposed site remediation and management actions for TCEQ's review. This information was submitted to the TCEQ in June 2011.

Property

Following is an update to the Entergy Wholesale Commodities, Property section of Part I, Item 1 of the Form 10-K.

Nuclear Generating Stations

As discussed further in the Form 10-K, the NRC operating license for Vermont Yankee was to expire in March 2012. In March 2011 the NRC renewed Vermont Yankee's operating license for an additional 20 years, as a result of which the license now expires in 2032. In July 2011 the Vermont Department of Public Service and the New England Coalition petitioned the United States Court of Appeals for the District of Columbia seeking a summary reversal of the NRC's issuance of the renewed operating license alleging that the license had been issued without a valid and effective water quality certification under Section 401 of the Clean Water Act. Entergy has intervened in the proceeding. The current schedule calls for briefing of all summary motions to be complete in September 2011. See Note 11 to the financial statements herein for additional discussion of Vermont Yankee.

Earnings Ratios (Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy)

The Registrant Subsidiaries have calculated ratios of earnings to fixed charges and ratios of earnings to combined fixed charges and preferred dividends/distributions pursuant to Item 503 of Regulation S-K of the SEC as follows:

| | Ratios of Earnings to Fixed Charges<br>Twelve Months Ended<br>December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2006 | 2007 | 2008 | 2009 | 2010 | June 30, 2011 |
| Entergy Arkansas | 3.37 | 3.19 | 2.33 | 2.39 | 3.91 | 4.07 |
| Entergy Gulf States Louisiana | 3.01 | 2.84 | 2.44 | 2.99 | 3.58 | 4.24 |
| Entergy Louisiana | 3.23 | 3.44 | 3.14 | 3.52 | 3.41 | 3.55 |
| Entergy Mississippi | 2.54 | 3.22 | 2.92 | 3.25 | 3.30 | 3.27 |
| Entergy New Orleans | 1.52 | 2.74 | 3.71 | 3.66 | 4.41 | 5.21 |
| Entergy Texas | 2.12 | 2.07 | 2.04 | 1.92 | 2.10 | 2.20 |
| System Energy | 4.05 | 3.95 | 3.29 | 3.73 | 3.64 | 3.80 |

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| | Ratios of Earnings to Combined Fixed Charges and Preferred Dividends/Distributions Twelve Months Ended December 31, | | | | | June 30, |
|---|---|---|---|---|---|---|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Entergy Arkansas | 3.06 | 2.88 | 1.95 | 2.09 | 3.50 | 3.65 |
| Entergy Gulf States Louisiana | 2.90 | 2.73 | 2.42 | 2.95 | 3.53 | 4.18 |
| Entergy Louisiana | 2.90 | 3.08 | 2.87 | 3.27 | 3.13 | 3.23 |
| Entergy Mississippi | 2.34 | 2.97 | 2.67 | 3.01 | 3.06 | 3.02 |
| Entergy New Orleans | 1.35 | 2.54 | 3.45 | 3.38 | 3.97 | 4.57 |

The Registrant Subsidiaries accrue interest expense related to unrecognized tax benefits in income tax expense and do not include it in fixed charges.

Item 6. Exhibits *

4(a) - Seventy-second Supplemental Indenture, dated as of April 30, 2011, to Entergy Louisiana, LLC Mortgage and Deed of Trust, dated as of April 1, 1944.

* 4(b) - Twenty-ninth Supplemental Indenture, dated as of May 1, 2011, to Entergy Mississippi, Inc. Mortgage and Deed of Trust, dated as of February 1, 1988 (4.38 to Form 8-K dated May 13, 2011 in 1-31508).

* 10(a) - 2011 Equity Ownership and Long Term Cash Incentive Plan of Entergy Corporation and Subsidiaries (Annex A to Entergy Corporation’s Definitive Proxy Statement filed on March 24, 2011 in 1-11299).

10(b) - Entergy Corporation Outside Director Stock Program Established under the 2011 Equity Ownership and Long Term Cash Incentive Plan of Entergy Corporation and Subsidiaries.

12(a) - Entergy Arkansas’s Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Dividends, as defined.

12(b) - Entergy Gulf States Louisiana’s Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Distributions, as defined.

12(c) - Entergy Louisiana’s Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Distributions, as defined.

12(d) - Entergy Mississippi’s Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Dividends, as defined.

12(e) - Entergy New Orleans's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Pre−ferred Dividends, as defined.

12(f) - Entergy Texas's Computation of Ratios of Earnings to Fixed Charges, as defined.

12(g) - System Energy's Computation of Ratios of Earnings to Fixed Charges, as defined.

31(a) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Corporation.

31(b) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Corporation.

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31(c) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Arkansas.

31(d) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Arkansas.

31(e) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Gulf States Louisiana.

31(f) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Gulf States Louisiana.

31(g) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Louisiana.

31(h) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Louisiana.

31(i) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Mississippi.

31(j) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Mississippi.

31(k) - Rule 13a-14(a)/15d-14(a) Certification for Entergy New Orleans.

31(l) - Rule 13a-14(a)/15d-14(a) Certification for Entergy New Orleans.

31(m) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Texas.

31(n) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Texas.

31(o) - Rule 13a-14(a)/15d-14(a) Certification for System Energy.

31(p) - Rule 13a-14(a)/15d-14(a) Certification for System Energy.

32(a) - Section 1350 Certification for Entergy Corporation.

32(b) - Section 1350 Certification for Entergy Corporation.

32(c) - Section 1350 Certification for Entergy Arkansas.

32(d) - Section 1350 Certification for Entergy Arkansas.

32(e) - Section 1350 Certification for Entergy Gulf States Louisiana.

32(f) - Section 1350 Certification for Entergy Gulf States Louisiana.

32(g) - Section 1350 Certification for Entergy Louisiana.

32(h) - Section 1350 Certification for Entergy Louisiana.

32(i) - Section 1350 Certification for Entergy Mississippi.

32(j) - Section 1350 Certification for Entergy Mississippi.

32(k) - Section 1350 Certification for Entergy New Orleans.

32(l) - Section 1350 Certification for Entergy New Orleans.

32(m) - Section 1350 Certification for Entergy Texas.

32(n) - Section 1350 Certification for Entergy Texas.

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32(o) - Section 1350 Certification for System Energy.

32(p) - Section 1350 Certification for System Energy.

101 INSXBRL Instance Document.
-

101 SCHXBRL Taxonomy Extension Schema Document.
-

101 PREXBRL Taxonomy Presentation Linkbase Document.
-

101 LABXBRL Taxonomy Label Linkbase Document.
-

101 CALXBRL Taxonomy Calculation Linkbase Document.
-

101 DEFXBRL Definition Linkbase Document.
-

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Pursuant to Item 601(b)(4)(iii) of Regulation S-K, Entergy Corporation agrees to furnish to the Commission upon request any instrument with respect to long-term debt that is not registered or listed herein as an Exhibit because the total amount of securities authorized under such agreement does not exceed ten percent of the total assets of Entergy Corporation and its subsidiaries on a consolidated basis.

* Incorporated herein by reference as indicated.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. The signature for each undersigned company shall be deemed to relate only to matters having reference to such company or its subsidiaries.

ENTERGY CORPORATION
ENTERGY ARKANSAS, INC.
ENTERGY GULF STATES LOUISIANA, L.L.C.
ENTERGY LOUISIANA, LLC
ENTERGY MISSISSIPPI, INC.
ENTERGY NEW ORLEANS, INC.
ENTERGY TEXAS, INC.
SYSTEM ENERGY RESOURCES, INC.

/s/ Theodore H. Bunting, Jr.
Theodore H. Bunting, Jr
Senior Vice President and
Chief Accounting Officer
(For each Registrant and for each as
Principal Accounting Officer)

Date: August 5, 2011