



## 4<sup>th</sup> quarter 2019 earnings teleconference

February 19, 2020

Creating sustainable value



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# Caution regarding forward-looking statements and Regulation G compliance

In this presentation, and from time to time, Entergy Corporation makes certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, among other things, Entergy’s 2020 earnings guidance, its current financial and operational outlooks, and other statements of Entergy’s plans, beliefs, or expectations included in this presentation. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this presentation. Except to the extent required by the federal securities laws, Entergy undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Forward-looking statements are subject to a number of risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied in such forward-looking statements, including (a) those factors discussed elsewhere in this presentation and in Entergy’s most recent Annual Report on Form 10-K, any subsequent Quarterly Reports on Form 10-Q, and Entergy’s other reports and filings made under the Securities Exchange Act of 1934; (b) uncertainties associated with (1) rate proceedings, formula rate plans, and other cost recovery mechanisms, including the risk that costs may not be recoverable to the extent anticipated by the utilities and (2) implementation of the ratemaking effects of changes in law; (c) uncertainties associated with efforts to remediate the effects of major storms and recover related restoration costs; (d) risks associated with operating nuclear facilities, including plant relicensing, operating and regulatory costs and risks; (e) changes in decommissioning trust fund values or earnings or in the timing or cost of decommissioning Entergy’s nuclear plant sites; (f) legislative and regulatory actions and risks and uncertainties associated with claims or litigation by or against Entergy and its subsidiaries; (g) risks and uncertainties associated with strategic transactions that Entergy or its subsidiaries may undertake, including the risk that any such transaction may not be completed as and when expected and the risk that the anticipated benefits of the transaction may not be realized; (h) effects of changes in federal, state, or local laws and regulations and other governmental actions or policies, including changes in monetary, fiscal, tax, environmental, or energy policies; (i) the effects of technological changes and changes in commodity markets, capital markets, or economic conditions; and (j) impacts from a terrorist attack, cybersecurity threats, data security breaches, or other attempts to disrupt Entergy’s business or operations, and other catastrophic events.

This presentation includes the non-GAAP financial measures of ETR adjusted EPS; adjusted ROE; parent debt to total debt, excluding securitization debt; FFO to debt, excluding securitization debt; and FFO to debt, excluding securitization debt, return of unprotected excess ADIT, and severance and retention payments associated with exit of EWC when describing Entergy’s results of operations and financial performance. We have prepared reconciliations of these financial measures to the most directly comparable GAAP measure, which can be found in the appendix of this presentation. This presentation should be considered together with the Entergy earnings release to which this teleconference relates, which is posted on the company’s website at [www.entergy.com](http://www.entergy.com) and which contains further information on non-GAAP financial measures.

# 2019 key deliverables

## 1Q

- ✓ E-AR renewable RFP issuance
- ✓ E-TX renewable RFP issuance (added 1Q)
- ✓ E-MS annual FRP filing
- ✓ Pilgrim return to Column 1 in the NRC regulatory oversight program

## 2Q

- ✓ St. Charles Power Station in service
- ✓ E-LA annual FRP filing
- ✓ E-MS FRP decision
- ✓ Western Region Phase 1 economic transmission project completion
- ✓ Indian Point Unit 3 final refueling outage
- ✓ Pilgrim shutdown
- ✓ Agreement to sell Indian Point post-shutdown (added 2Q)

## 3Q

- ✓ E-MS Choctaw decision (approved 4Q)
- E-MS Sunflower Solar project decision (now expected 2Q20)
- ✓ E-AR annual FRP filing
- ✓ E-NO rate case decision (decision in 4Q)
- ✓ E-LA FRP rates effective

## 4Q

- ✓ ~1M advanced meters installed
- ✓ E-MS Choctaw acquisition
- ✓ Southwest Louisiana Improvement Project completion (transmission)
- ✓ E-AR FRP decision
- SERI ROE initial decision (ALJ) (now expected 4Q20)
- ✓ MTEP 19 approval
- ✓ Pilgrim sale (completed 3Q)
- ✓ Annual dividend review

# 2020 key deliverables

## 1Q

- E-AR Searcy Solar project decision
- ✓ E-AR FRP rates effective
- E-MS annual FRP filing
- E-TX DCRF filing

## 2Q

- E-MS Sunflower Solar project decision
- E-LA LCPS in service
- E-NO NOPS in service
- Western Region Phase 2 economic transmission project completion
- E-TX 2020 CCGT RFP issuance
- E-MS FRP rates effective (Apr) / MPSC decision (Jun)
- E-LA annual FRP filing
- E-NO annual FRP filing
- SERI GGNS sale-leaseback renewal initial decision (ALJ)
- Indian Point Unit 2 shutdown

## 3Q

- E-TX DCRF rates effective
- E-AR 2019 solar RFP selection announcement
- E-TX 2019 solar RFP selection announcement
- E-AR annual FRP filing
- E-LA FRP rates effective
- E-NO FRP rates effective
- PUCT finalization of generation rider rulemaking
- Palisades final refueling outage

## 4Q

- ~2M advanced meters installed (cumulative)
- E-LA WPEC acquisition
- E-NO New Orleans Solar Station in service
- MTEP 2020 approval
- E-AR FRP decision
- E-TX generation rider<sup>1</sup> or base rate case filing
- SERI ROE initial decision (ALJ)
- Annual dividend review

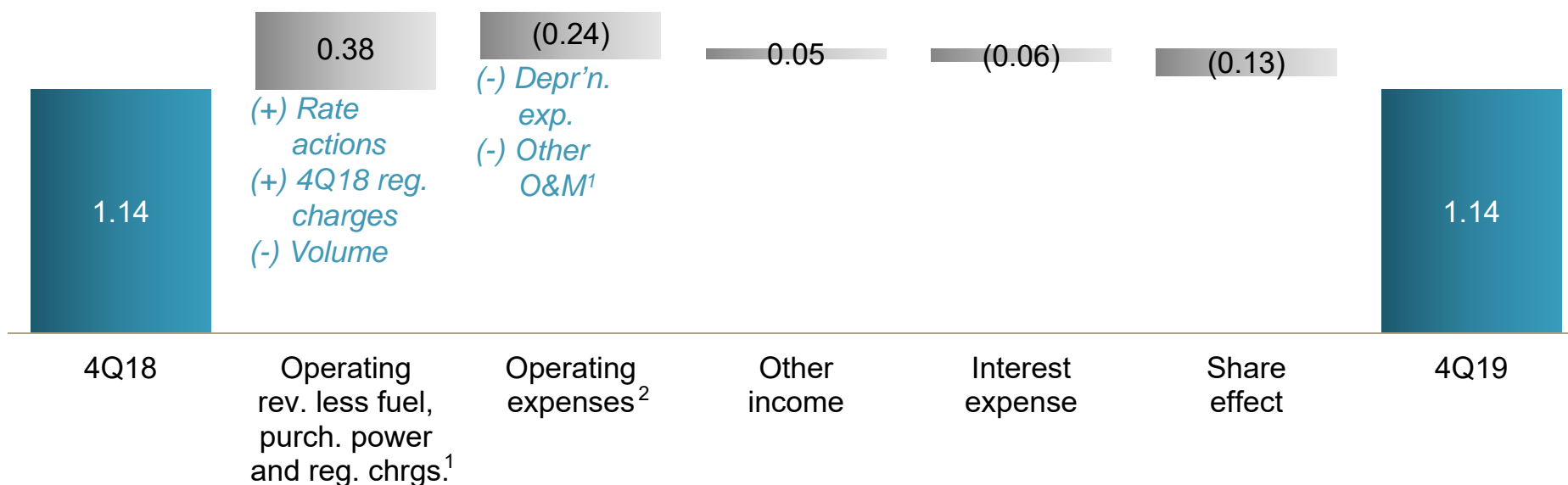
# Fourth quarter Entergy adjusted EPS

Entergy adjusted EPS; \$



# Fourth quarter Utility adjusted EPS

Utility adjusted EPS; \$



Calculations may differ due to rounding; see Financial summaries and Regulation G reconciliations section for summary of 4Q19 and 4Q18 earnings

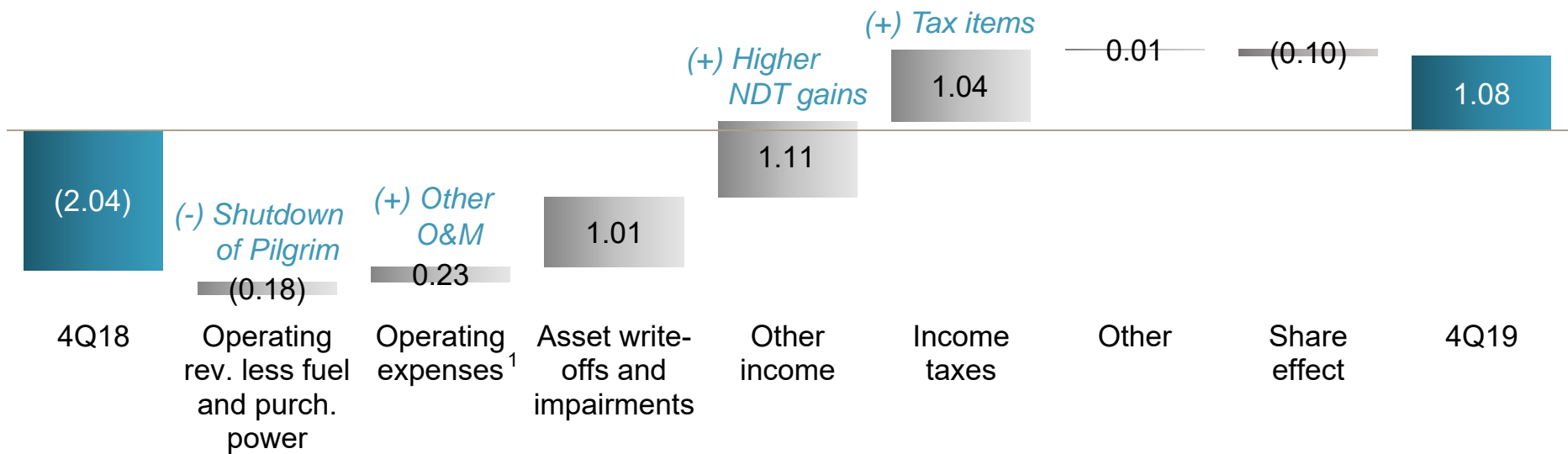
Note: 201M and 183M diluted average common shares outstanding for 4Q19 and 4Q18, respectively

<sup>1</sup> Utility operating revenue, other O&M, and income taxes exclude \$52M, \$3M, and \$55M respectively in fourth quarter 2019 and \$215M, \$0, and \$215M respectively in fourth quarter 2018 for the return of unprotected excess ADIT to customers (net effect is neutral to earnings)

<sup>2</sup> Operating expenses include other O&M, nuclear refueling outage expense, depreciation expense, taxes other than income taxes, and decommissioning expense

# Fourth quarter EWC as-reported EPS

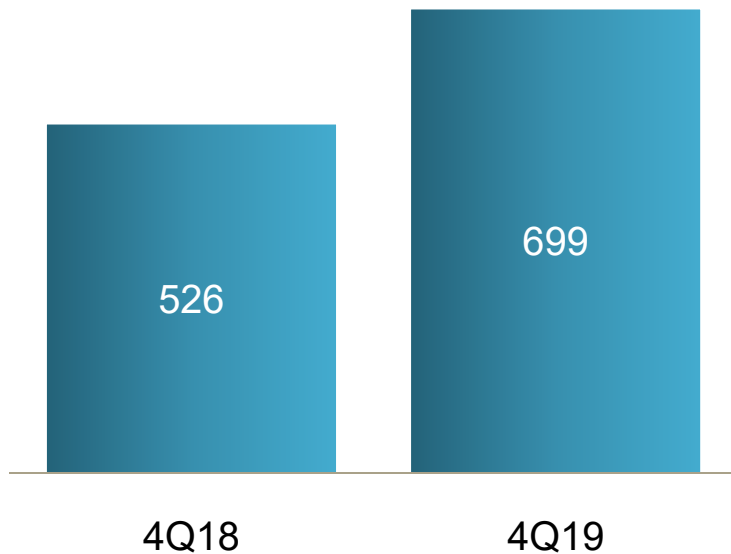
EWC as-reported EPS; \$





# Fourth quarter OCF

Consolidated OCF; \$M

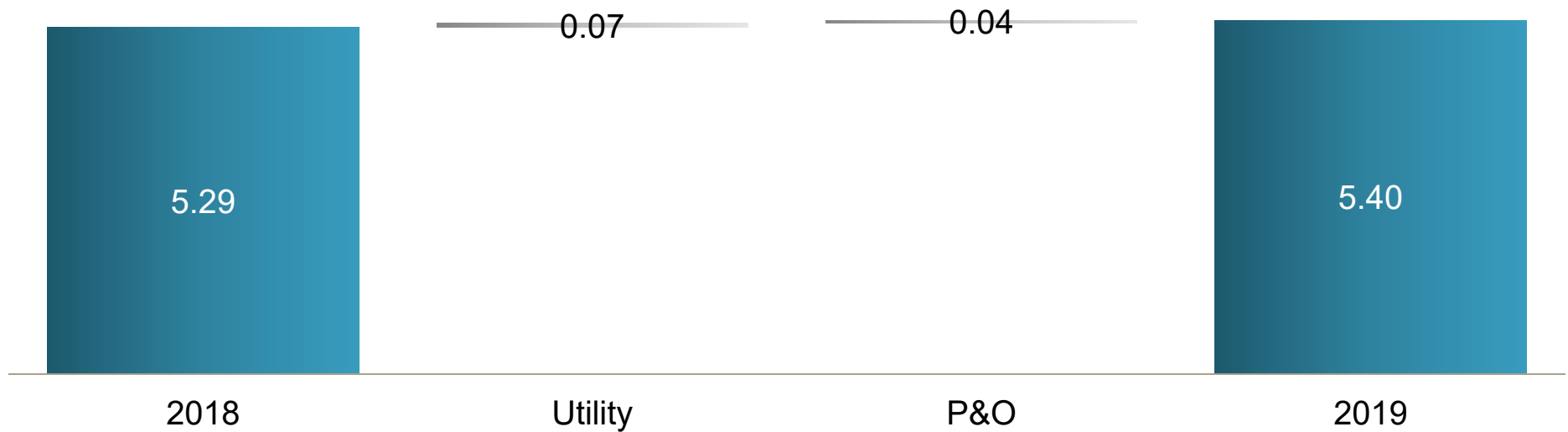


## *Key takeaways*

- Lower return of unprotected excess ADIT to customers
- Lower nuclear refueling outage spending and severance and retention payments
- Partially offset by higher pension contributions, largely at Utility

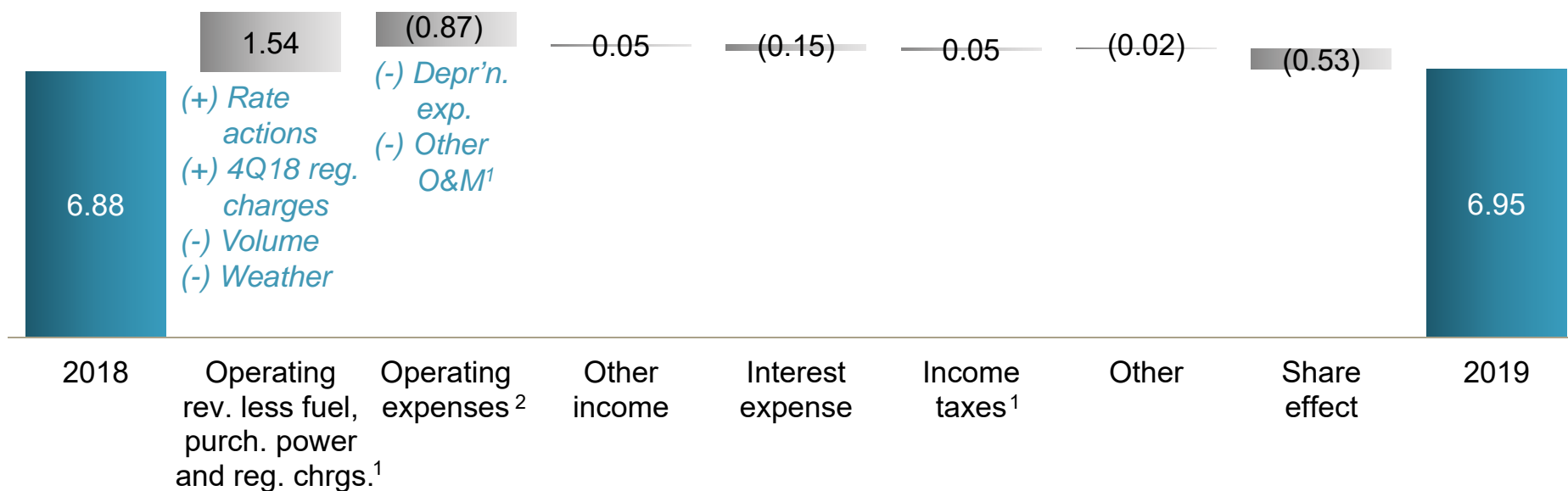
# Full year Entergy adjusted EPS

Entergy adjusted EPS; \$



# Full year Utility adjusted EPS

Utility adjusted EPS; \$



Calculations may differ due to rounding; see Financial summaries and Regulation G reconciliations section for summary of 2019 and 2018 earnings

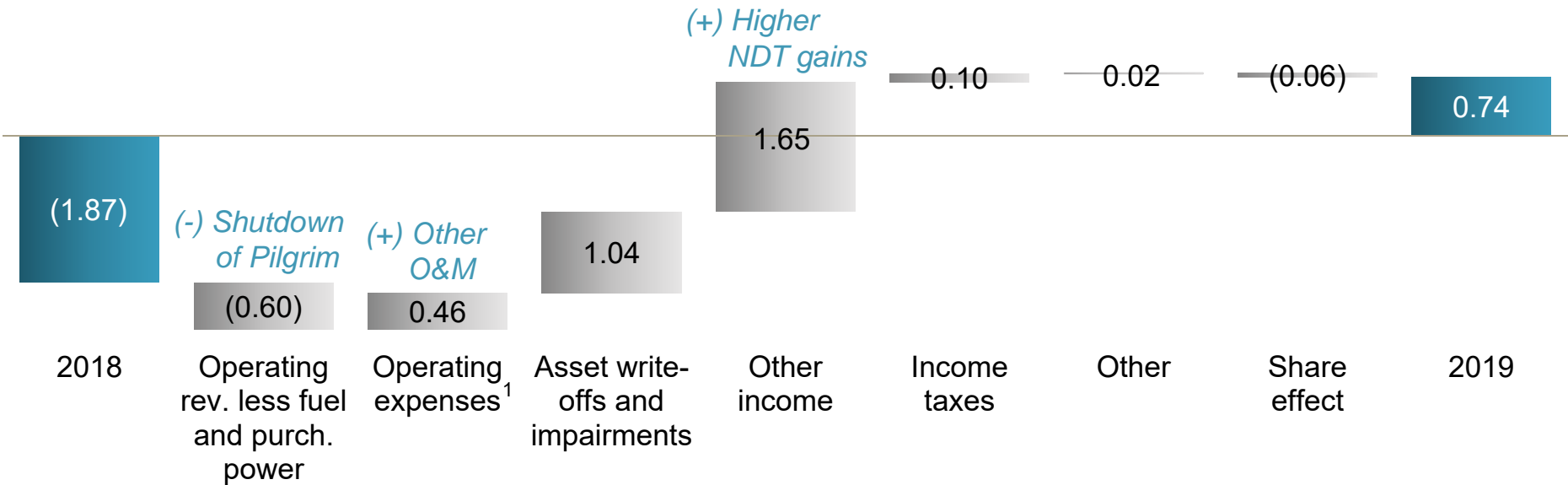
Note: 197M and 183M diluted average common shares outstanding for 2019 and 2018, respectively

<sup>1</sup> Utility operating revenue, other O&M, and income taxes exclude \$268M, \$6M, and \$274M respectively in 2019 and \$770M, \$6M, and \$776M respectively in 2018 for the return of unprotected excess ADIT to customers (net effect is neutral to earnings)

<sup>2</sup> Operating expenses include other O&M, nuclear refueling outage expense, depreciation expense, taxes other than income taxes, and decommissioning expense

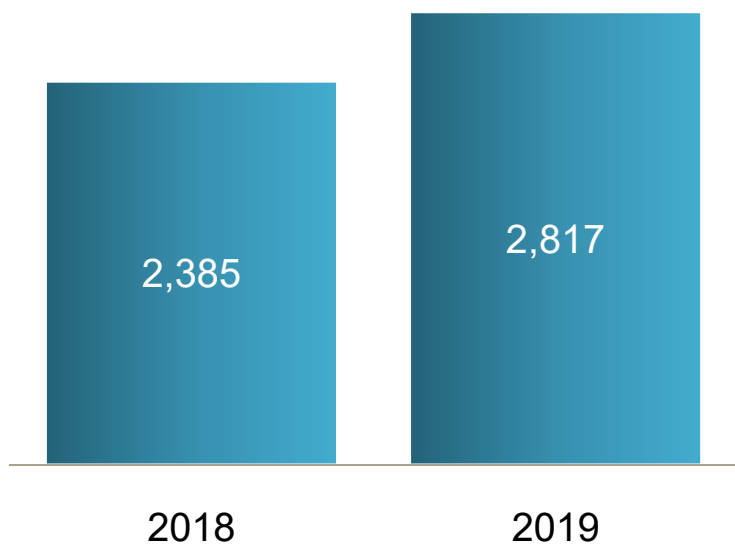
# Full year EWC as-reported EPS

EWC as-reported EPS; \$



# Full year OCF

Consolidated OCF; \$M



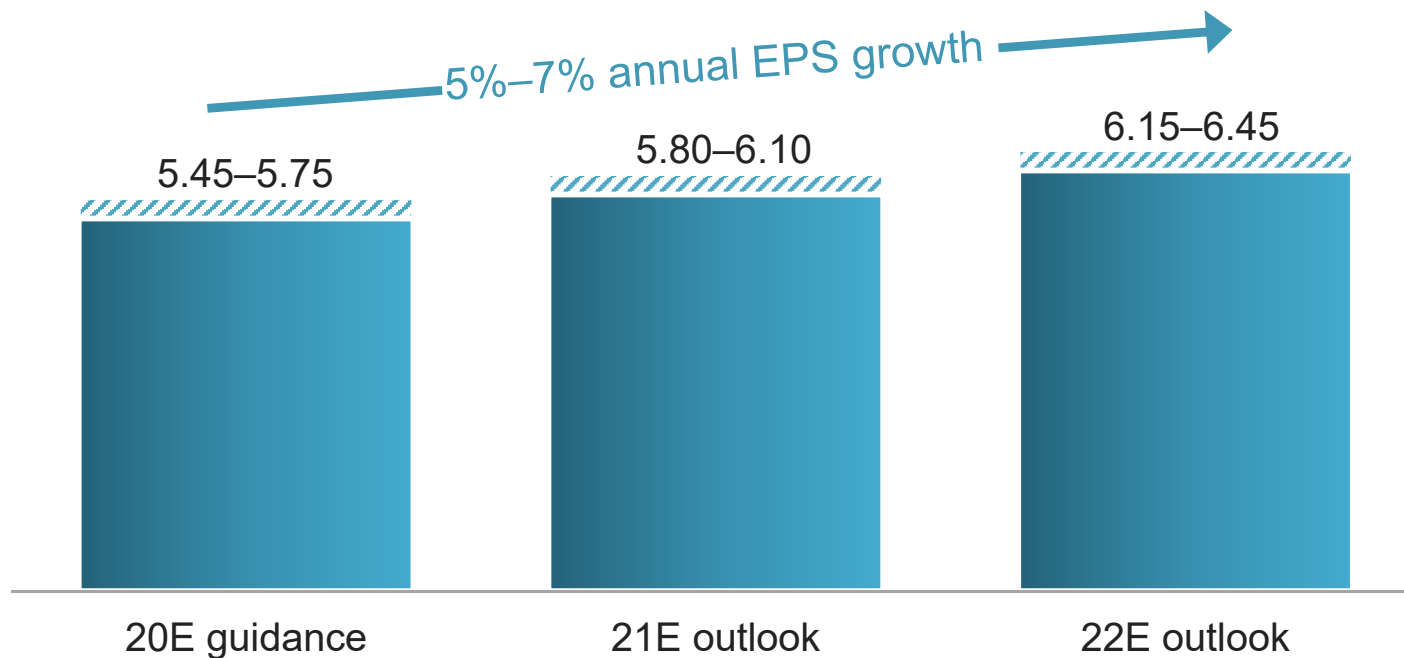
## *Key takeaways*

- Lower return of unprotected excess ADIT to customers
- Higher collections for fuel and purchased power cost recovery
- Partially offset by lower revenues at EWC

# ETR adjusted EPS guidance and financial outlook

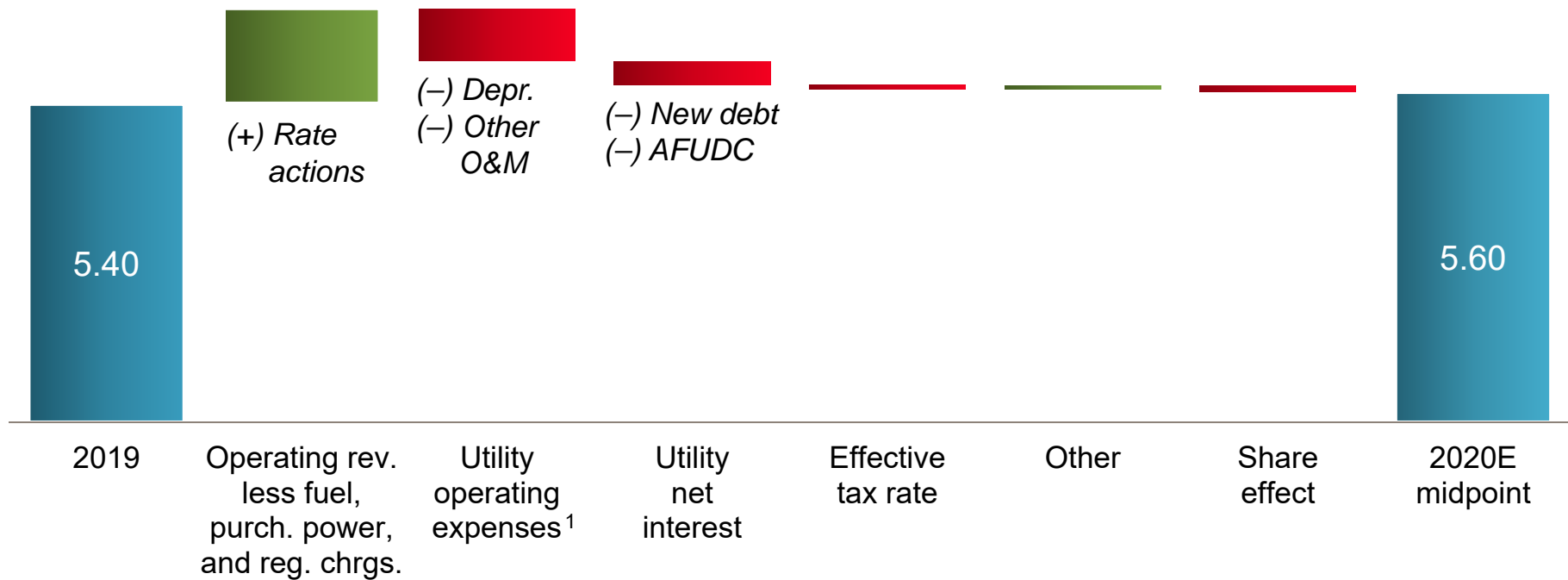
*Expect to align dividend growth rate with EPS growth rate in 4Q21<sup>1</sup>*

ETR adjusted EPS; \$



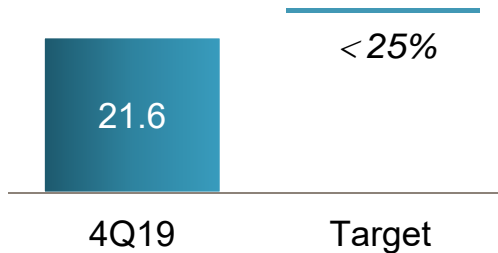
# 2020 ETR adjusted EPS guidance

ETR adjusted EPS; \$

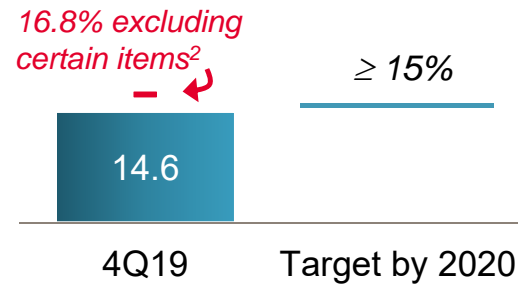


# Credit and cash profile

Parent debt to total debt<sup>1</sup>; %



FFO to debt<sup>1</sup>; %



Cumulative OCF; \$B



## Credit ratings<sup>3</sup> (outlook)

	E-AR	E-LA	E-MS	E-NO	E-TX	SERI	ETR
S&P	A (stable)	A (stable)	A (stable)	A (stable)	A (stable)	A (stable)	BBB+ (stable)
Moody's	A2 (stable)	A2 (stable)	A2 (stable)	Baa2 (stable)	Baa1 (positive)	Baa1 (stable)	Baa2 (stable)

<sup>1</sup> LTM, excluding securitization debt; see appendix for Regulation G reconciliation

<sup>2</sup> Excluding securitization debt, return of unprotected excess ADIT, and severance and retention payments associated with exit of EWC; see appendix for Regulation G reconciliation

<sup>3</sup> Senior secured ratings for the OpCos and SERI; corporate credit rating for Entergy





# Save the Date

2020 Analyst Day

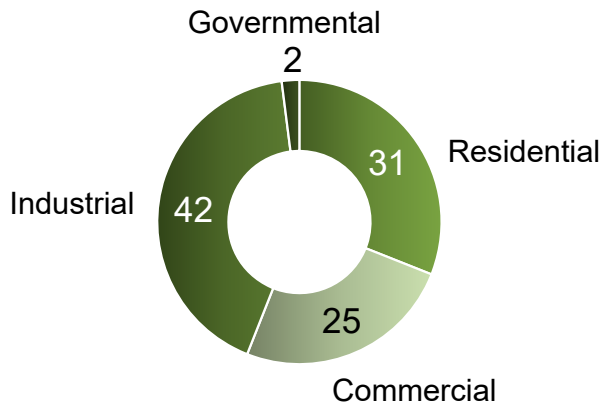
June 18, 2020

New York City

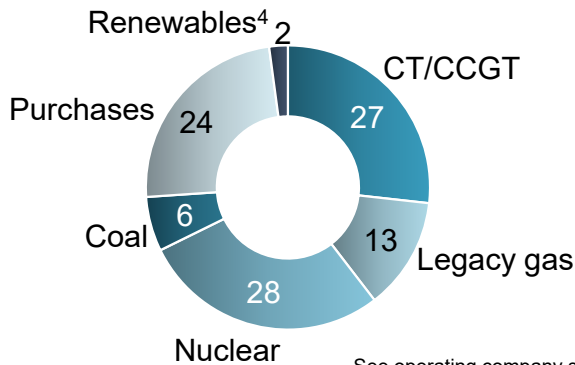
# Appendix

# Utility overview

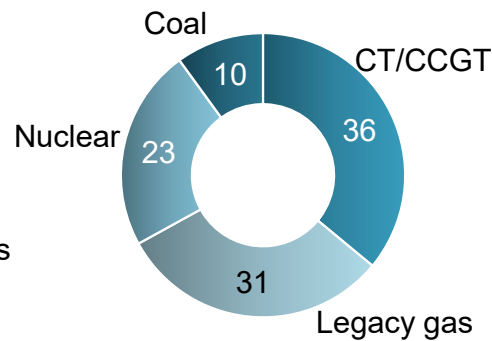
2019 electric retail sales<sup>1</sup>; %



2019 generation sources<sup>2</sup>; %



2019 generation capacity<sup>3</sup>; %



See operating company slides 19–24 for more details

Note: Customer counts at the end of period 12/31/19

<sup>1</sup> Percent of 2019 weather-adjusted GWh electric retail sales

<sup>2</sup> Percent of sources of MWh generation by fuel type in 2019

<sup>3</sup> Percent of owned and leased MW capability for generation portfolio as of 12/31/19

<sup>4</sup> Includes generation from both owned and purchased power resources as well as renewable energy credits

Region	Utility Type	Customers	Authorized ROE Range	FRP
E-AR	Electric utility	715,000	9.25%–10.25%	Forward test year FRP
E-LA	Electric and gas utility	Number of customers: – Electric 1,091,000 – Gas 94,000	Authorized ROE ranges: – Electric 9.2%–10.4% – Gas 9.45%–10.45%	Electric FRP, Gas RSP
E-MS	Electric utility	451,000	9.33%–11.35%	FRP with forward-looking features
E-NO	Electric and gas utility	Number of customers: – Electric 205,000 – Gas 108,000	8.85%–9.85%	FRP with forward-looking features
E-TX	Electric utility	461,000	9.65%	Rate case and cost recovery factors

# Entergy Arkansas



## E-AR (currently in rates)

Metric	Detail
Authorized ROE	9.25%–10.25%
Rate base	\$8.0B retail rate base (2020 test year)
WACC	5.20% (after-tax)
Equity ratio	36.49% (47.76% excluding \$1.9B ADIT at 0% cost rate)
Regulatory construct	Forward test year FRP; result outside authorized ROE range resets to midpoint; maximum rate change 4% of filing year total retail revenue; true-up of projection to actuals netted with future projection
Base rate change	\$10M increase effective 1/2/20 (\$57M 2020 test year less \$(47M) previously reserved for 2018 test year true-up)
Riders	MISO, capacity, Grand Gulf, tax adjustment, energy efficiency, fuel and purchased power

# Entergy Louisiana



## E-LA (currently in rates)

Metric	Detail – electric <sup>1</sup>	Detail – gas <sup>2</sup>
Authorized ROE	9.2%–10.4%	9.45%–10.45%
Last filed rate base	\$10.4B (12/31/18 test year) + \$0.3B included in transmission rider + \$0.8B SCPS included in capacity rider	\$0.07B (9/30/18 test year)
WACC	6.98% (after-tax)	7.04% (after-tax)
Equity ratio	48.64%	48.26%
Regulatory construct	FRP; 60/40 customer / company sharing outside bandwidth	RSP <sup>3</sup>
Base rate change	Total change from cost of service \$25M <sup>4</sup>	\$3M
Riders / specific recovery	Capacity, MISO, transmission, fuel	Gas infrastructure

<sup>1</sup> Pending finalization of the 2018 test year filing (docket U-35205) and the 2017 test year filing (docket U-34951)

<sup>2</sup> Pending finalization of the 2018 test year filing (docket U-35118) and the 2017 test year filing (docket U-34744)

<sup>3</sup> 50 bps dead band, 51 bps–200 bps 50% sharing, >200 bps adjust to 200 bps plus 75 bps sharing; for infrastructure costs, 100% sharing above the band

<sup>4</sup> Does not include MISO / capacity / other or tax reform adjustment mechanism (amount varies over time)

# Entergy Mississippi



## E-MS (currently in rates)

Metric	Detail
Authorized ROE	10.35% performance-adjusted midpoint (9.92% + 0.43% performance factor); 9.33%–11.35% range (annual redetermination based on formula)
Rate base	\$2.6B (2019 forward test year)
WACC	7.24% (after-tax)
Equity ratio	49.67%
Regulatory construct	FRP with forward-looking features; performance-based bandwidth; subject to annual “look-back” evaluation; maximum rate increase 4% of test year retail revenue (higher requires base rate case)
Base rate change	\$33M increase (2019 test year), including \$15M for depreciation rate increase; \$(11M) refund for 2018 lookback (July 2019 – May 2020; reserved in 4Q18)
Riders	PMR, Grand Gulf, fuel, MISO, unit power cost, storm damage, energy efficiency, ad valorem tax adjustment, vegetation, grid modernization, restructuring credit

# Entergy New Orleans



## E-NO (approved)<sup>1</sup>

Metric	Detail – electric	Detail – gas
Authorized ROE	9.35%	9.35%
Rate base	\$0.8B (12/31/18 test year and known and measurables through 12/31/19)	\$0.1B (12/31/18 test year and known and measurables through 12/31/19)
WACC	7.09% (after-tax)	7.09% (after-tax)
Equity ratio	50%	50%
Regulatory construct	FRP with forward-looking features	FRP with forward-looking features
Base rate change approved	\$(13M), including ~\$(6M) for depreciation rate decrease	\$(2M)
Riders / specific recovery	Fuel	Purchased gas

<sup>1</sup> E-NO is appealing the CCNO rate case decision

# Entergy New Orleans

## Base rate case filing

### CCNO approval (docket UD-18-07)

- Base rate changes: \$(13M) electric and \$(2M) gas
- Allowed ROE: 9.35%
- Rate base: \$0.8B electric and \$0.1B gas (12/31/18 test year with known and measurable through 12/31/19)
- WACC (after-tax): 7.09%
- Equity ratio: 50%
- Approved FRP mechanism:
  - Electric and gas (separate filings)
  - Three years (2019–2021 test years) with known and measurable through filing year
  - +/- 50 bps bandwidth; reset to midpoint
- Includes green pricing and new options for electrical vehicle charging infrastructure
- Targeting implementation of new rates in April 2020, retroactive to August 2019

### E-NO appeal of Council's order

- E-NO filed an appeal with the district court on 12/6/19



# Entergy Texas



## E-TX (currently in rates)

Metric	Detail
Authorized ROE	9.65%
Rate base	\$2.4B (12/31/17 test year); plus approximately \$0.2B in cost recovery factors
WACC	7.73% (after-tax)
Equity ratio	50.90%
Regulatory construct	Rate case
Base rate change	\$53M increase <sup>1</sup> , plus amounts being recovered via cost recovery factors (\$19M in TCRF and \$3M in DCRF)
Riders <sup>2</sup>	Fuel, capacity, DCRF, TCRF, rate case expenses, AMI surcharge, tax reform, among others

<sup>1</sup> Does not include the Tax Reduction rider

<sup>2</sup> Generation rider concurrently under rulemaking at the PUCT, expect to be finalized in 3Q20

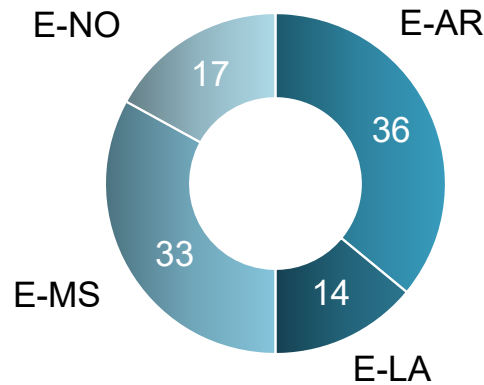
# System Energy Resources, Inc.



SERI – generation company

Metric	Detail
Principal asset	An ownership and leasehold interest in Grand Gulf
Authorized ROE	10.94% <sup>1</sup>
Last calculated rate base	\$1.4B (12/31/19)
WACC (after-tax)	8.50%
Equity ratio	65% <sup>1,2</sup>
Regulatory construct	Monthly cost of service

Energy and capacity allocation<sup>3</sup>; %



<sup>1</sup> Ongoing proceeding at FERC challenging SERI's authorized ROE and equity component (see next slide)

<sup>2</sup> For SERI ratemaking, the sale leaseback obligation is excluded from the capital structure and instead is treated as an operating lease and recovered as an O&M cost

<sup>3</sup> Reflects percentages under SERI's UPSA

# System Energy Resources, Inc.

## FERC proceedings

### ROE complaints and equity complaint (dockets EL17-41, EL18-142, EL18-204)

APSC, MPSC, and LPSC filed ROE complaints at FERC; LPSC also alleged that SERI's equity component was unjust and unreasonable (these complaints are now consolidated)

#### Key dates (consolidated dockets)

Date	Event	Date	Event
3/27/20	Answering testimony	8/20/20	Reply briefs
4/24/20	Rebuttal testimony	10/28/20	ALJ initial decision expected
6/3–9/20	Hearing	TBD	FERC decision
7/21/20	Initial briefs		

### LPSC complaint regarding GGNS sale-leaseback renewal (docket EL18-152)

Complaint alleging (1) SERI is double-recovering costs by including both the lease payments and the capital additions in UPSA billings and (2) SERI incorrectly excluded ADIT associated with uncertain tax positions from UPSA billings

#### Key dates

Date	Event
4/6/20	ALJ initial decision expected
TBD	FERC decision

# Jurisdictional base rate filing frameworks

	E-AR	E-LA	E-MS	E-NO	E-TX	SERI
Latest filing	FRP filed 7/5/19	FRP filed 5/31/19	FRP filed 3/15/19	Rate case filed 9/21/18	Rate case filed 5/15/18	Monthly cost of service <sup>1</sup>
Next filing date	FRP: July 2020	FRP: by 5/31/20	FRP: by 3/15/20	FRP: by 4/30/20	TBD <sup>2</sup>	Every month
Rate effective date	January following filing	September following filing	April following filing	September following filing	35 days after filing <sup>3</sup>	Immediate
Evaluation period	Forward test year ended 12/31	Historical test year ended 12/31 plus new generation and transmission closed to plant above baseline through 8/31 of filing year	Historical test year ended 12/31 plus certain known and measurable changes through 12/31 of filing year	Historical test year ended 12/31 plus certain known and measurable changes through 12/31 of filing year	12-month historical test year with available updates	Actual current month expense and prior month-end balance sheet
FRP term / post FRP framework	Five years (2016–2020 filing years); plan to request FRP extension	Three years (2018–2020 filing years); plan to request FRP extension	No specified termination; option to file rate case as needed	Three years (2020–2022 filing years)	n/a	Monthly cost of service continues until terminated by mutual agreement

<sup>1</sup> Not required to be filed per FERC order

<sup>2</sup> Potential to file a base rate case in 4Q20, depending on whether or not generation rider is used to recover MCPS

<sup>3</sup> May be suspended for an additional 150 days

# Generation projects

Project	OpCo	Location	MW	Estimated cost	Estimated in service	Status
Lake Charles Power Station	E-LA	Westlake, LA	~994 CCGT	\$872M <sup>1</sup>	2020	Under construction
New Orleans Power Station	E-NO	New Orleans, LA	~128 RICE	\$210M <sup>1</sup>	2020	Under construction
Washington Parish Energy Center	E-LA	Bogalusa, LA	~361 CT	\$261M <sup>1</sup>	2020	Under construction
Montgomery County Power Station	E-TX	Willis, TX	~993 CCGT	\$937M <sup>1</sup>	2021	Under construction

<sup>1</sup> Includes transmission interconnection and other related costs

# Renewable generation projects

Project	OpCo	Location	MW	Owned / PPA	Estimated in service
Installation in process					
Rooftop solar	E-NO	New Orleans, LA	5	Owned	2020
Solar	E-LA	Various	~30	PPA	2020
Chicot Solar	E-AR	Chicot County, AR	100	PPA	2020
Capital Region Solar	E-LA	Baton Rouge, LA	50	PPA	2020
New Orleans Solar Station	E-NO	New Orleans, LA	20	Owned	2020
St. James Solar	E-NO	St. James Parish, LA	20	PPA	2021
Iris Solar	E-NO	Washington Parish, LA	50	PPA	2021
In regulatory review					
Sunflower Solar	E-MS	Sunflower County, MS	100	Owned	2021
Searcy Solar	E-AR	Searcy, AR	100 (incl. 10MW battery)	Owned	2021
RFPs					
Solar	E-AR	TBD	200	Owned	2022/2023
Solar	E-TX	TBD	200	Owned and PPA	2023

# E-MS – Sunflower Solar

Project overview – docket 2018-UA-267

Item	Details
MW	100
Estimated total investment	\$153M <sup>1</sup>
Plant type	Solar PV
Location	Sunflower County, MS
Closing date	Targeting 4Q21
In-service date	Targeting 4Q21
Recovery mechanism	Proposing a mechanism to the FRP for adjustment outside of sharing, to begin contemporaneously with closing
Status	E-MS filed joint CCN petition with Sunflower Solar Project, LLC for approval of build-own-transfer structured transaction

## Key dates

Date	Event
2Q20	Targeted decision

# E-AR – Searcy Solar

## Project overview – docket 19-019-U

Item	Details
MW	100 (including 10MW battery)
Plant type	Solar PV and battery
Location	Searcy, AR
Closing date	Targeting 4Q21
In-service date	Targeting 4Q21
Recovery mechanism	Requesting a rider outside of the FRP for recovery of renewable acquisitions
Status	E-AR filed for approval of a build-own-transfer agreement with Searcy Solar and for all related certificates and approvals

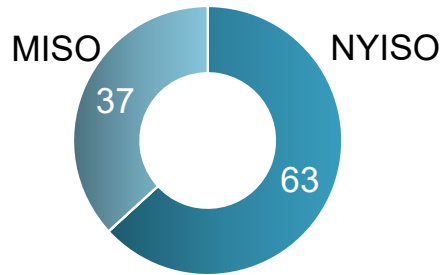
## Key dates

Date	Event
1Q20	Targeted decision

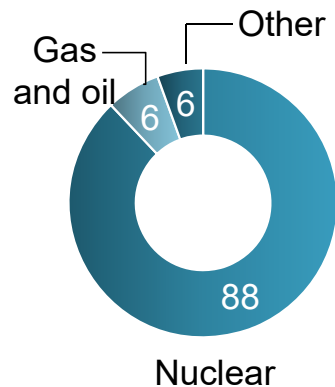


# EWC overview

Region breakdown;  
% MW as of 12/31/19



Generation portfolio;  
% MW as of 12/31/19



## EWC nuclear plants

	Indian Point 1	Indian Point 2	Indian Point 3	Palisades
Planned closing date	Shut down	4/30/20	4/30/21	5/31/22
Net MW	n/a	1,028	1,041	811
Energy market (closest hubs)	n/a	NYISO (Zone G)	NYISO (Zone G)	MISO (Indiana)
Net book value (12/31/19) <sup>1</sup>	\$240M			\$60M
NDT balance (12/31/19)	\$556M	\$701M	\$930M	\$498M
ARO liability balance (12/31/19) <sup>2</sup>	\$239M	\$829M	\$808M	\$590M <sup>3</sup>

## EWC non-nuclear plants

	ISES 2	Nelson 6	RS Cogen
COD	1983	1982	2002
Fuel / technology	Coal	Coal	CCGT cogen
Net MW owned	121	60	213
Market	MISO	MISO	MISO

<sup>1</sup> Entergy's adjusted investment in the companies being sold, with Indian Point as a combined total

<sup>2</sup> ARO liability balances are based on estimates and are subject to change

<sup>3</sup> Includes \$40M for Big Rock Point

# Indian Point and Palisades transactions

## Transaction highlights

Item	Indian Point	Palisades
Structure	Equity sale of IPEC owners	Equity sale of ENP
Purchaser	Nuclear Asset Management Co., LLC (Holtec International subsidiary)	Nuclear Asset Management Co., LLC (Holtec International subsidiary)
Conditions to close include	<ul style="list-style-type: none"> <li>• Permanent shutdown and reactor defuel</li> <li>• NRC approval</li> <li>• New York Public Service Commission action on the ownership transfer</li> <li>• New York State Department of Environmental Conservation action on the decommissioning plan</li> </ul>	<ul style="list-style-type: none"> <li>• Permanent shutdown and reactor defuel</li> <li>• NRC approval</li> </ul>
NDT	<ul style="list-style-type: none"> <li>• No NDT minimum balance or contribution</li> <li>• Limitations on withdrawals</li> <li>• Controls on investment management between signing and closing</li> </ul>	<ul style="list-style-type: none"> <li>• Minimum NDT balance</li> </ul>
Status	Executed purchase and sale agreement	Executed purchase and sale agreement

## Timeline

Event	Indian Point	Palisades
NRC filing	November 2019	TBD
PSC filing	November 2019	n/a
Targeted close	May 2021	By the end of 2022

# EWC nuclear capacity and generation table

EWC nuclear portfolio (based on market prices as of December 31, 2019)<sup>1</sup>

	2020E	2021E	2022E
<i>Energy</i>			
Planned TWh of generation	17.8	9.6	2.8
% of planned generation under contract (unit contingent)	97%	92%	66%
Average revenue per MWh on contracted volumes (in \$) (expected based on current market prices)	41.3	56.6	58.8
<i>Capacity</i>			
Planned net MW in operation (average)	2,195	1,158	338
% of capacity sold forward			
Bundled capacity and energy contracts	37%	68%	97%
Capacity contracts	32%	-	-
<i>Total</i>	69%	68%	97%
Average revenue under contract (applies to capacity contracts only) (in \$/kW-month)	2.8	-	-
<i>Total energy and capacity revenues<sup>2</sup> (in \$)</i>			
Expected sold and market total revenue per MWh	44.3	54.3	46.6
Sensitivity: +/- \$10 per MWh market price change	44.1–44.5	53.5–55.1	43.2–50.1

See Appendix F in the earnings press release for definitions

<sup>1</sup> Reflects shutdown of IP2 (4/30/20), IP3 (4/30/21), and Palisades (5/31/22)

<sup>2</sup> Includes assumptions on converting a portion of the portfolio to contracted with fixed price and excludes non-cash revenue from the amortization of the Palisades below-market PPA, mark-to-market activity, and service revenues

# Estimated EWC adjusted EBITDA

Estimated EWC adjusted EBITDA; \$M

	2020E	2021E	2022E
Operating revenues, less fuel and fuel-related expenses, and purchased power	785	520	155
Other O&M and nuclear refueling outage exp.	(505)	(365)	(130)
Severance and retention	(75)	(40)	(15)
Asset impairments (capital)	(10)	-	-
Asset impairments (fuel, refuel, DOE proceeds, other)	(30)	(25)	95
Net gain / (loss) on sale of assets <sup>1</sup>	-	(280)	170
Other	(110)	(80)	(15)
<b>Estimated adjusted EBITDA</b>	<b>55</b>	<b>(270)</b>	<b>260</b>

Note: The table above reflects estimates for EWC operations and the costs associated with the strategic decision to exit the EWC business. Other items may occur during the periods presented, the impact of which cannot reasonably be estimated at this time.

<sup>1</sup> Net gain / (loss) on sale of assets represents current estimates (subject to change). Primary variables in ultimate gain / (loss) are values of NDTs and asset retirement obligations, financial results from plant operations and the level of any unrealized deferred tax balances at closing.

# EWC capital plan

EWC capital plan; \$M

	2020E	2021E	2022E
Indian Point (to be impaired as incurred)	10	-	-
Palisades / other	25	10	5
Total EWC capital	35	10	5
Estimated depreciation expense	110	70	30

# Financial guidance and outlook

# Utility 2020E–2022E capital plan

E-AR	2020E	2021E	2022E	Total
Generation	250	445	595	1,290
Transmission	110	50	65	225
Distribution	190	125	125	440
Utility Support	185	165	240	590
<b>Total</b>	<b>735</b>	<b>785</b>	<b>1,025</b>	<b>2,545</b>
Depreciation expense	340	360	385	1,085
<b>E-LA</b>				
Generation	580	485	320	1,385
Transmission	440	445	230	1,115
Distribution	300	245	190	735
Utility Support	300	385	390	1,075
<b>Total</b>	<b>1,620</b>	<b>1,560</b>	<b>1,130</b>	<b>4,310</b>
Depreciation expense	615	675	715	2,005
<b>E-MS</b>				
Generation	110	285	85	480
Transmission	130	125	90	345
Distribution	150	115	95	360
Utility Support	145	130	135	410
<b>Total</b>	<b>535</b>	<b>655</b>	<b>405</b>	<b>1,595</b>
Depreciation expense	210	225	240	675
<b>E-NO</b>				
Generation	70	15	15	100
Transmission	10	20	25	55
Distribution	90	80	40	210
Utility Support	65	40	70	175
<b>Total</b>	<b>235</b>	<b>155</b>	<b>150</b>	<b>540</b>
Depreciation expense	65	80	80	220

E-TX	2020E	2021E	2022E	Total
Generation	235	165	195	595
Transmission	265	180	220	665
Distribution	150	125	170	445
Utility Support	115	135	130	380
<b>Total</b>	<b>765</b>	<b>605</b>	<b>715</b>	<b>2,085</b>
Depreciation expense	180	210	230	620
<b>SERI</b>				
Generation	165	80	145	390
Transmission	-	-	-	-
Distribution	-	-	-	-
Utility Support	5	15	15	35
<b>Total</b>	<b>170</b>	<b>95</b>	<b>160</b>	<b>425</b>
Depreciation expense	115	115	120	350
<b>Entergy Services, LLC</b>				
Generation	-	-	-	-
Transmission	-	-	-	-
Distribution	-	-	-	-
Utility Support	50	55	45	150
<b>Total</b>	<b>50</b>	<b>55</b>	<b>45</b>	<b>150</b>
Depreciation expense <sup>1</sup>	-	-	-	-
<b>Total</b>				
Generation	1,410	1,475	1,355	4,240
Transmission	955	820	630	2,405
Distribution	880	690	620	2,190
Utility Support	865	925	1,025	2,815
<b>Total</b>	<b>4,110</b>	<b>3,910</b>	<b>3,630</b>	<b>11,650</b>
Depreciation expense	1,525	1,665	1,770	4,960

# ETR adjusted EPS 2020 guidance drivers

Driver	2019	Expected change	2020 guidance	
			Midpoint	Range
2019 ETR adjusted EPS	5.40			
Weather		(0.23)		
Utility revenue <sup>1</sup> – volume		0.05		
Utility revenue <sup>1</sup> – price		1.30		
Utility revenue <sup>1</sup> – price / offset in other line items		0.40		
Utility revenue <sup>1</sup> – other		0.10		
Utility other O&M		(0.25)		
Utility nuclear refueling outage expense		0.05		
Utility depreciation expense		(0.70)		
Utility net interest expense		(0.40)		
Utility effective income tax rate		(0.15)		
Utility other		0.03		
Utility share count		(0.14)		
P&O effective income tax rate		0.07		
P&O other		0.04		
P&O share count		0.03		
2020 ETR adjusted EPS			5.60	5.45–5.75



# ETR adjusted EPS 2020 guidance assumptions

Category	Considerations
Utility revenue <sup>1</sup> – volume	<ul style="list-style-type: none"> <li>• Weather-adjusted billed sales growth ~2.0%</li> <li>• Industrial ~5.5%, residential and commercial slightly negative</li> </ul>
Utility revenue <sup>1</sup> – price	<ul style="list-style-type: none"> <li>• Full year of 2019 rate actions: E-LA FRP, E-MS FRP, E-LA SCPS, E-NO rate case, E-MS Choctaw</li> <li>• New 2020 rate actions: E-AR FRP, E-LA LCPS, E-LA WPEC, E-TX TCRF, AMI riders</li> <li>• New 2020 filings: E-MS FRP, E-LA FRP, E-NO FRP, E-TX DCRF</li> </ul>
Utility revenue <sup>1</sup> – price / offset in other line items	<ul style="list-style-type: none"> <li>• Energy efficiency programs, E-MS storm reserves and vegetation rider</li> <li>• Returns on decommissioning trusts</li> <li>• SERI</li> </ul>
Utility revenue <sup>1</sup> – other	<ul style="list-style-type: none"> <li>• True-up for 2018 FRP over-earnings accrual</li> <li>• Other misc. revenue</li> </ul>
Utility other O&M	<ul style="list-style-type: none"> <li>• Higher pension and OPEB expense (3.37% discount rate)</li> <li>• Higher fossil spending from new plants in service</li> <li>• Higher expense from energy efficiency and storm reserves (offset in revenue)</li> </ul>
Utility depreciation expense	<ul style="list-style-type: none"> <li>• Increase in plant in service (full year of 2019 additions and new additions in 2020)</li> </ul>
Utility net interest expense	<ul style="list-style-type: none"> <li>• Higher debt levels</li> <li>• Lower AFUDC</li> <li>• Lower returns on decommissioning trusts (largely offset in other line items)</li> </ul>
Effective income tax rate	<ul style="list-style-type: none"> <li>• ~22.5% effective tax rate (excluding unprotected excess ADIT)</li> </ul>
Avg. diluted shares outstanding	<ul style="list-style-type: none"> <li>• ~201M</li> </ul>

# 2019 adjusted earnings quarterly considerations

2019 results	1Q	2Q	3Q	4Q
ETR as-reported EPS	1.32	1.22	1.82	1.92
Adjustments EPS	(0.50)	0.13	0.70	(1.24)
ETR adjusted EPS	0.82	1.35	2.52	0.68
<b>2019 timing considerations</b>				
Estimated effect of weather (EPS)	(0.12)	0.06	0.06	0.22
Weather-adj. retail sales (% of total)	24%	23%	29%	24%
True-up for 2018 FRP over-earnings accrual	(0.05)			
P&O 4Q19 income tax valuation allowance (EPS)				(0.05)
2019 rate actions (annualized)				
E-LA SCPS (6/2019)				\$110M
E-MS FRP (7/2019)				\$33M
E-LA FRP (9/2019)				\$25M
E-MS Choctaw (11/2019)				\$59M
E-NO rate case (4Q19)				\$(15M)

# 2020 adjusted earnings quarterly considerations

	1Q	2Q	3Q	4Q
<b>2020 timing considerations</b>				
2020 rate actions (annualized)				
E-AR FRP (1/2020)	\$57M (excl. \$(47M) previously reserved)			
AMI rider increases (1/2020)	~\$20M			
E-TX TCRF (2/2020)		\$17M		
E-MS FRP (4/2020)			TBD	
E-LA LCPS			\$108M	
E-NO FRP (9/2020)			TBD	
E-LA FRP (9/2020)			TBD	
E-TX DCRF			TBD	
E-LA WPEC				\$36M
Utility other O&M	Can vary with operational plans			
Utility net interest			Decline in AFUDC	

# 2020 ETR adjusted earnings sensitivities

Variable	Description of sensitivity	Estimated annual EPS impact
<b>Utility</b>		
Retail sales growth for existing customers	1% change in residential MWh sold	+/- 0.09
	1% change in commercial / governmental MWh sold	+/- 0.05
	1% change in industrial MWh sold	+/- 0.02
Other O&M and nuclear refueling outage exp.	1% change in expense	+/- 0.10
Rate base	\$100 million change in rate base in rates	+/- 0.02
ROE	25 basis point change in allowed ROE	+/- 0.17
<b>ETR Adjusted</b>		
Interest expense	1% change in interest rate on \$1 billion debt	+/- 0.04
Pension and OPEB	25 bps change in discount rate	+/- 0.06
Effective tax rate	1% change in effective tax rate	+/- 0.07

# Debt maturity schedule

Debt maturities; \$M as of 12/31/19

Company	2020E	2021E	2022E
<i>Long-term debt</i>			
E-AR	-	500	-
E-LA	320	360	200
E-MS	-	-	-
E-NO	25	20	70
E-TX	-	200	-
SERI	-	132	134
Total	345	1,212	404
EWC	-	139	-
ETR Corp.	450	-	650
Total Debt	795	1,351	1,054

# 2020E–2022E projected financing plan

Projected financings<sup>1</sup>; \$M as of 12/31/19

Company	2020E	2021E	2022E
<i>Utility long-term debt</i>			
E-AR	125	800	250
E-LA	675	575	400
E-MS	100	190	80
E-NO	135	30	130
E-TX	175	510	240
SERI	-	110	155
<b>Total</b>	<b>1,210</b>	<b>2,215</b>	<b>1,255</b>
<i>ETR Corp.</i>			
Senior notes	450	-	750

*No equity need before 2021; ~5-10% of Utility capital investment funded with equity thereafter (current plan at top end of the range)*

# **Financial summaries and Regulation G reconciliations**

# Earnings summary

Table 1: Fourth quarter and year-to-date earnings summary

	Fourth quarter				Year-to-date					
	\$ in millions		Per share in \$		\$ in millions		Per share in \$			
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>As-reported</b>										
Utility	271	388	1.35	2.12	1,411	1,483	7.16	8.09		
Parent & Other	(103)	(81)	(0.51)	(0.44)	(316)	(292)	(1.60)	(1.59)		
EWC	217	(373)	1.08	(2.04)	147	(343)	0.74	(1.87)		
Consolidated	385	(66)	1.92	(0.36)	1,241	849	6.30	4.63		
<b>Less adjustments</b>										
Utility	41	179	0.21	0.98	41	222	0.21	1.21		
Parent & Other	(11)	-	(0.05)	-	(11)	-	(0.05)	-		
EWC	217	(373)	1.08	(2.04)	147	(343)	0.74	(1.87)		
Consolidated	248	(194)	1.24	(1.06)	177	(121)	0.90	(0.66)		
<b>Adjusted</b>										
Utility	229	209	1.14	1.14	1,369	1,262	6.95	6.88		
Parent & Other	(92)	(81)	(0.46)	(0.44)	(305)	(292)	(1.55)	(1.59)		
EWC	-	-	-	-	-	-	-	-		
Consolidated	137	128	0.68	0.70	1,064	970	5.40	5.29		

Calculations may differ due to rounding  
 201M and 183M diluted average common shares outstanding for 4Q19 and 4Q18, respectively  
 197M and 183M diluted average common shares outstanding for 2019 and 2018, respectively  
 For additional details, see Appendix A in the earnings release



# Utility book ROE summary

Table 2: Utility book ROE summary  
LTM ending December 31, 2019

(\$ in millions)							
		E-AR	E-LA	E-MS	E-NO	E-TX	Utility <sup>1</sup>
As-reported earnings available to common stock	(a)	263	692	120	53	159	1,411
Less adjustments:							
Reversal of income tax valuation allowance	(b)	-	-	-	-	-	41
Adjusted earnings available to common stock	(c) = (a)-(b)	263	692	120	53	159	1,369
Average common equity	(d)	3,055	6,150	1,417	471	1,593	13,219
As-reported ROE	(a) / (d)	8.6%	11.2%	8.5%	11.2%	10.0%	10.7%
Adjusted ROE	(c) / (d)	8.6%	11.2%	8.5%	11.2%	10.0%	10.4%

Calculations may differ due to rounding

<sup>1</sup> Utility earnings do not equal the sum of the operating companies due primarily to SERI (as-reported and adjusted earnings ~\$99M and average common equity ~\$725M) and the reversal of an income tax valuation allowance at Entergy Utility Holding Co, as well as preferred dividend requirements

# Regulation G reconciliations

Table 3: ETR adjusted earnings Reconciliation of GAAP to Non-GAAP measures				
	4Q19	4Q18	2019	2018
<i>(\$ in millions, except diluted average common shares outstanding)</i>				
Net income (loss) attributable to ETR Corp.	385	(66)	1,241	849
Less adjustments:				
Utility				
Customer sharing associated with internal restructuring	-	(40)	-	(40)
Income tax effect on Utility adjustments above	-	10	-	10
Income tax benefit from 2012 / 2013 IRS settlement	-	-	-	43
Income tax benefit from internal restructuring	-	170	-	170
Tax reform	-	38	-	38
Reversal of income tax valuation allowance	41	-	41	-
Total Utility	41	179	41	222
Parent & Other				
Income tax item related to a valuation allowance for interest deductibility	(11)	-	(11)	-
Total Parent & Other	(11)	-	(11)	-
EWC	217	(373)	147	(343)
Total adjustments	248	(194)	177	(121)
ETR adjusted earnings	137	128	1,064	970
Diluted average common shares outstanding (in millions)	201	183	197	183

# Regulation G reconciliations

Table 3: ETR adjusted earnings (continued)  
Reconciliation of GAAP to Non-GAAP measures

	4Q19	4Q18	2019	2018
<i>(\$ per share)</i>				
Net income (loss) attributable to ETR Corp.	1.92	(0.36)	6.30	4.63
Less adjustments:				
Utility				
Customer sharing associated with internal restructuring	-	(0.16)	-	(0.16)
Income tax benefit from 2012 / 2013 IRS settlement	-	-	-	0.23
Income tax benefit from internal restructuring	-	0.93	-	0.93
Tax reform	-	0.21	-	0.21
Reversal of income tax valuation allowance	0.21	-	0.21	-
Total Utility	0.21	0.98	0.21	1.21
Parent & Other				
Income tax item related to a valuation allowance for interest deductibility	(0.05)	-	(0.05)	-
Total Parent & Other	(0.05)	-	(0.05)	-
EWC	1.08	(2.04)	0.74	(1.87)
Total adjustments	1.24	(1.06)	0.90	(0.66)
ETR adjusted earnings	0.68	0.70	5.40	5.29

# Regulation G reconciliations

Table 4: Parent debt to total debt, excluding securitization debt Reconciliation of GAAP to Non-GAAP measures		
(\$ in millions)		4Q19
Entergy Corporation notes:		
Due September 2020		450
Due July 2022		650
Due September 2026		750
Total parent long-term debt		1,850
Revolver draw		440
Commercial paper		1,947
Unamortized debt issuance costs and discounts		(8)
Total parent debt	(a)	4,229
Total debt		19,885
Less securitization debt		298
Total debt, excluding securitization debt	(b)	19,587
Parent debt to total debt, excluding securitization debt	(a)/(b)	21.6%

# Regulation G reconciliations

Table 5: FFO to debt, excluding securitization debt; FFO to debt, excluding securitization debt, return of unprotected excess ADIT, and severance and retention payments associated with exit of EWC

Reconciliation of GAAP to Non-GAAP measures

(\$ in millions)		4Q19
Total debt		19,885
Less securitization debt		298
Total debt, excluding securitization debt	(a)	19,587
OCF (LTM)		2,817
AFUDC-borrowed funds (LTM)		(65)
Less working capital in OCF (LTM):		
Receivables		(101)
Fuel inventory		(28)
Accounts payable		(72)
Taxes accrued		(21)
Interest accrued		1
Other working capital accounts		(3)
Securitization regulatory charges		122
Total		(102)
FFO (LTM)	(b)	2,854
FFO to debt, excluding securitization debt	(b)/(a)	14.6%
Estimated return of unprotected excess ADIT (LTM)	(c)	301
Severance and retention payments assoc. with exit of EWC (LTM pre-tax)	(d)	141
FFO to debt, excluding securitization debt, return of unprotected excess ADIT, and severance and retention payments assoc. with exit of EWC	(b+c+d)/(a)	16.8%