

2009 Rate Filing Based on Calendar Year 2008 Production Costs

See Note 2 to the financial statements in the Form 10-K for a discussion of this proceeding. In January 2013 the LPSC filed a protest of Entergy's July 2012 compliance filing submitted in response to the FERC's May 2012 order. On October 16, 2013, the FERC issued orders denying the LPSC's rehearing request with respect to the FERC's May 2012 order and addressing Entergy's compliance filing implementing the FERC's directives in the May 2012 order. The compliance filing order referred to guidance provided in a separate order issued on that same day in the 2007 rate proceeding with respect to the ratio used to functionalize net operating loss carryforwards for bandwidth purposes and directed Entergy to make an additional compliance filing in the 2009 rate proceeding consistent with the guidance provided in that order.

2010 Rate Filing Based on Calendar Year 2009 Production Costs

See Note 2 to the financial statements in the Form 10-K for a discussion of this proceeding. On October 16, 2013, the FERC issued an order granting clarification and denying rehearing with respect to its October 6, 2011 rehearing order in this proceeding. The FERC clarified that in a bandwidth proceeding parties can challenge erroneous inputs, implementation errors, or prudence of cost inputs, but challenges to the bandwidth formula itself must be raised in a Federal Power Act section 206 complaint or section 205 filing. On October 18, 2013, the presiding ALJ lifted the stay order holding in abeyance the hearing previously ordered by the FERC and directing that the remaining issues proceed to a hearing on the merits.

It is probable that the October 2013 orders disclosed above will result in a reallocation of payments/receipts among the Utility operating companies to achieve production cost equalization as defined by the FERC orders. There is still significant uncertainty, however, as to the amount and allocation of these payments/receipts. This uncertainty relates to other pending orders associated with these rate filings, potential requests for further clarification from the FERC regarding the issued orders, and Entergy's legal strategy going forward. Any payments required by the Utility operating companies as a result of these rate filings are expected to be recoverable from customers, and any receipts are expected to be credited to customers. The effect of any such payments or receipts is not expected to be material to the results of operations, financial position or cash flows of Entergy or the Utility operating companies.

2013 Rate Filing Based on Calendar Year 2012 Production Costs

In May 2013, Entergy filed with the FERC the 2013 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 2013, based on calendar year 2012 production costs, commencing for service in June 2013, are necessary to achieve rough production cost equalization under the FERC's orders:

	Payments or (Receipts)
	(In Millions)
Entergy Arkansas	\$-
Entergy Gulf States Louisiana	\$-
Entergy Louisiana	\$-
Entergy Mississippi	\$-
Entergy New Orleans	(\$15)
Entergy Texas	\$15

Several parties intervened in the proceeding at the FERC, including the LPSC, which filed a protest as well. The City Council intervened and filed comments related to including the outcome of a related FERC proceeding in the 2013 cost equalization calculation. On August 31, 2013, FERC issued an order accepting the 2013 rates, effective June 1, 2013, 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.

Interruptible Load Proceeding

See Note 2 to the financial statements in the Form 10-K for a discussion of the proceeding regarding the treatment under the System Agreement of the Utility operating companies' interruptible loads. On March 21, 2013, the FERC issued an order denying the LPSC's request for rehearing of the FERC's June 2011 order wherein the FERC concluded it would exercise its discretion and not order refunds in the interruptible load proceeding. Based on its review of the LPSC's request for rehearing and the briefs filed as part of the paper hearing established in October 2011, the FERC affirmed its earlier ruling and declined to order refunds under the circumstances of the case. On May 2, 2013, the LPSC filed a petition for review with the U.S. Court of Appeals for the D.C. Circuit seeking review of FERC's prior orders in the Interruptible Load Proceeding concluding that it would exercise its discretion and not order refunds in the proceeding. The appeal is pending.

Storm Cost Recovery Filings with Retail Regulators

Entergy Gulf States Louisiana and Entergy Louisiana

Hurricane Isaac

See Note 2 to the financial statements in the Form 10-K for a discussion of Hurricane Isaac and the damage caused to portions of Entergy's service area in Louisiana. In January 2013, Entergy Gulf States Louisiana and Entergy Louisiana withdrew \$65 million and \$187 million, respectively, from their storm reserve escrow accounts. In April 2013, Entergy Gulf States Louisiana and Entergy Louisiana filed a joint application with the LPSC relating to Hurricane Isaac system restoration costs. Specifically, Entergy Gulf States Louisiana and Entergy Louisiana requested that the LPSC determine the amount of such costs that were prudently incurred and are, thus, eligible for recovery from customers. Including carrying costs and additional storm escrow funds, Entergy Gulf States Louisiana is seeking an LPSC determination that \$73.8 million in system restoration costs were prudently incurred and Entergy Louisiana is seeking an LPSC determination that \$247.7 million in system restoration costs were prudently incurred. Entergy Gulf States Louisiana and Entergy Louisiana intend to replenish their storm escrow accounts to \$90 million and \$200 million, respectively, primarily through traditional debt markets and have requested special rate treatment of any borrowings for that purpose. In May 2013, Entergy Gulf States Louisiana and Entergy Louisiana filed a supplemental application proposing a specific means to finance system restoration costs and related requests. Entergy Gulf States Louisiana and Entergy Louisiana are proposing to finance Hurricane Isaac restoration costs through Louisiana Act 55 financing, which was the same method they used for Hurricanes Katrina, Rita, Gustav, and Ike.

The LPSC Staff filed direct testimony in September 2013 concluding that Hurricane Isaac system restoration costs incurred by Entergy Gulf States Louisiana and Entergy Louisiana were reasonable and prudent, subject to proposed minor adjustments which totaled approximately 1% of each company's costs. The LPSC Staff also supported the requests to re-establish storm reserves of \$90 million for Entergy Gulf States Louisiana and \$200 million for Entergy Louisiana. One intervenor filed testimony recommending storm reserve levels of \$70 million for Entergy Gulf States Louisiana and \$100 million for Entergy Louisiana, but takes no position on the prudence of the Hurricane Isaac system restoration costs. An evidentiary hearing is scheduled in December 2013, with an LPSC decision expected in 2014.

Entergy Mississippi

On July 1, 2013, Entergy Mississippi and the Mississippi Public Utilities Staff entered into a joint stipulation, wherein both parties agreed that approximately \$32 million in storm restoration costs incurred in 2011 and 2012 were prudently incurred and chargeable to the storm damage reserve, while approximately \$700,000 in prudently incurred costs were more properly recoverable through the formula rate plan. Entergy Mississippi and the Mississippi Public Utilities Staff also agreed that the storm damage accrual should be increased from \$750,000 per month to \$1.75 million per month. In September 2013 the MPSC approved the joint stipulation with the increase in the storm damage accrual effective with October 2013 bills.

Texas Power Price Lawsuit

See Note 2 to the financial statements in 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 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 in March 2012 the court found that the case met the requirements to be maintained as a class action under Texas law. In April 2012 the court entered an order certifying the class. The defendants have appealed the order to the Texas Court of Appeals – First District. The appeal is pending, and proceedings in district court are stayed until the appeal is resolved. Oral arguments before the court of appeals were conducted on April 23, 2013, and the matter awaits that court's decision.

Entergy Arkansas Opportunity Sales Proceeding

See Note 2 to the financial statements in the Form 10-K for a discussion of the Entergy Arkansas opportunity sales proceeding. As required by the procedural schedule established in the calculation proceeding, Entergy filed its direct testimony that included a proposed illustrative re-run, consistent with the directives in FERC's order, of intra-system bills for 2003, 2004, and 2006, the three years with the highest volume of opportunity sales. Entergy's proposed illustrative re-run of intra-system bills shows that the potential cost for Entergy Arkansas would be up to \$12 million for the years 2003, 2004, and 2006, and the potential benefit would be significantly less than that for each of the other Utility operating companies. Entergy's proposed illustrative re-run of the intra-system bills also shows an offsetting potential benefit to Entergy Arkansas for the years 2003, 2004, and 2006 resulting from the effects of the FERC's order on System Agreement Service Schedules MSS-1, MSS-2, and MSS-3, and the potential offsetting cost would be significantly less than that for each of the other Utility operating companies. Entergy provided to the LPSC an illustrative intra-system bill recalculation as specified by the LPSC for the years 2003, 2004, and 2006, and the LPSC then filed answering testimony in December 2012. In its testimony the LPSC claims that the damages that should be paid by Entergy Arkansas to the other Utility operating companies' customers for 2003, 2004, and 2006 are \$42 million to Entergy Gulf States, Inc., \$7 million to Entergy Louisiana, \$23 million to Entergy Mississippi, and \$4 million to Entergy New Orleans. The FERC staff and certain intervenors filed direct and answering testimony in February 2013. In April 2013, Entergy filed its rebuttal testimony in that proceeding, including a revised illustrative re-run of the intra-system bills for the years 2003, 2004, and 2006. The revised calculation determines the re-pricing of the opportunity sales based on consideration of moveable resources only and the removal of exchange energy received by Entergy Arkansas, which increases the potential cost for Entergy Arkansas over the three years 2003, 2004, and 2006 by \$2.3 million from the potential costs identified in the Utility operating companies' prior filings in September and October 2012. A hearing was held in May 2013 to quantify the effect of repricing the opportunity sales in accordance with the FERC's decision.

In August 2013 the presiding judge issued an initial decision. The initial decision concludes that the methodology proposed by the LPSC, rather than the methodologies proposed by Entergy or the FERC Staff, should be used to calculate the payments that Entergy Arkansas is to make to the other Utility operating companies. The initial decision also concludes that the other System Agreement service schedules should not be adjusted and that payments by Entergy Arkansas should not be reflected in the rough production cost equalization bandwidth calculations for the applicable years. The initial decision does recognize that the LPSC's methodology would result in an inequitable windfall to the other Utility operating companies and, therefore, concludes that any payments by Entergy Arkansas should be reduced by 20%. The Utility operating companies are currently analyzing the effects of the initial decision. The initial decision and record in the case have been forwarded to the FERC for review. The LPSC, APSC, City Council, and FERC staff filed briefs on exceptions and/or briefs opposing exceptions. Entergy filed a brief on exceptions requesting that FERC reverse the initial decision and a brief opposing certain exceptions taken by the LPSC and FERC staff. The FERC's review of the initial decision is pending. No payments will be made or received by the Utility operating companies until the FERC issues an order reviewing the initial decision and Entergy submits a subsequent filing to comply with that order.

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

Common Stock

Earnings per Share

The following table presents Entergy's basic and diluted earnings per share calculations included on the consolidated income statements:

For the Three Months Ended September 30,						
2013				2012		
(In Millions, Except Per Share Data)						
Basic earnings per share	Income	Shares	\$/share	Income	Shares	\$/share
Net income attributable to Entergy Corporation	\$239.9	178.3	\$1.35	\$337.1	177.5	\$1.90
Average dilutive effect of:						
Stock options		0.1	-		0.4	(0.01)
Other equity plans		0.3	(0.01)		0.1	-
Diluted earnings per share	\$239.9	178.7	\$1.34	\$337.1	178.0	\$1.89

For the Nine Months Ended September 30,						
2013				2012		
(In Millions, Except Per Share Data)						
Basic earnings per share	Income	Shares	\$/share	Income	Shares	\$/share
Net income attributable to Entergy Corporation	\$565.0	178.2	\$3.17	\$550.4	177.2	\$3.11
Average dilutive effect of:						
Stock options		0.1	-		0.3	(0.01)
Other equity plans		0.2	(0.01)		0.1	-
Diluted earnings per share	\$565.0	178.5	\$3.16	\$550.4	177.6	\$3.10

The number of stock options not included in the calculation of diluted common shares outstanding due to their antidilutive effect was approximately 8.8 million and 6.2 million for the third quarters of 2013 and 2012, respectively. The number of stock options not included in the calculation of diluted common shares outstanding due to their antidilutive effect was approximately 8.9 million and 7.7 million for the nine months ended September 30, 2013 and 2012, respectively.

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 nine months ended September 30, 2013, Entergy Corporation issued 498,426 shares of its previously repurchased common stock to satisfy stock option exercises, vesting of shares of restricted stock, and other stock-based awards. Entergy Corporation did not repurchase any of its common stock during the nine months ended September 30, 2013.

Retained Earnings

On October 25, 2013, Entergy Corporation's Board of Directors declared a common stock dividend of \$0.83 per share, payable on December 2, 2013 to holders of record as of November 7, 2013.

Comprehensive Income

Accumulated other comprehensive loss is included in the equity section of the balance sheets of Entergy, Entergy Gulf States Louisiana, and Entergy Louisiana. The following table presents changes in accumulated other comprehensive loss for Entergy for the three months ended September 30, 2013 by component:

	Cash flow hedges net unrealized gain (loss)	Pension and other postretirement liabilities	Net unrealized investment gains	Foreign currency translation	Total Accumulated Other Comprehensive Loss
	(In Thousands)				
Beginning balance, June 30, 2013	\$31,520	(\$571,138)	\$262,891	\$2,424	(\$274,303)
Other comprehensive income (loss) before reclassifications	(9,838)	-	45,647	706	36,515
Amounts reclassified from accumulated other comprehensive loss	(21,825)	15,430	653	-	(5,742)
Net other comprehensive income (loss) for the period	(31,663)	15,430	46,300	706	30,773
Ending balance, September 30, 2013	(\$143)	(\$555,708)	\$309,191	\$3,130	(\$243,530)

The following table presents changes in accumulated other comprehensive loss for Entergy for the nine months ended September 30, 2013 by component:

	Cash flow hedges net unrealized gain (loss)	Pension and other postretirement liabilities	Net unrealized investment gains	Foreign currency translation	Total Accumulated Other Comprehensive Loss
	(In Thousands)				
Beginning balance, December 31, 2012	\$79,905	(\$590,712)	\$214,547	\$3,177	(\$293,083)
Other comprehensive income (loss) before reclassifications	(57,376)	-	95,843	(47)	38,420
Amounts reclassified from accumulated other comprehensive loss	(22,672)	35,004	(1,199)	-	11,133
Net other comprehensive income (loss) for the period	(80,048)	35,004	94,644	(47)	49,553
Ending balance, September 30, 2013	(\$143)	(\$555,708)	\$309,191	\$3,130	(\$243,530)

The following table presents changes in accumulated other comprehensive loss for Entergy Gulf States Louisiana and Entergy Louisiana for the three months ended September 30, 2013:

	Pension and Other Postretirement Liabilities	
	Entergy Gulf States Louisiana	Entergy Louisiana
	(In Thousands)	
Beginning balance June 30, 2013	(\$63,312)	(\$44,771)
Amounts reclassified from accumulated other comprehensive income	963	684
Net other comprehensive income for the period	963	684
Ending balance, September 30, 2013	(\$62,349)	(\$44,087)

The following table presents changes in accumulated other comprehensive loss for Entergy Gulf States Louisiana and Entergy Louisiana for the nine months ended September 30, 2013:

	Pension and Other Postretirement Liabilities	
	Entergy Gulf States Louisiana	Entergy Louisiana
	(In Thousands)	
Beginning balance, December 31, 2012	(\$65,229)	(\$46,132)
Amounts reclassified from accumulated other comprehensive income	2,880	2,045
Net other comprehensive income for the period	2,880	2,045
Ending balance, September 30, 2013	(\$62,349)	(\$44,087)

Total reclassifications out of accumulated other comprehensive loss (AOCI) for Entergy for the three months ended September 30, 2013 are as follows:

	Amounts reclassified from AOCI	Income Statement Location
	(In Thousands)	
Cash flow hedges net unrealized gain		
Power contracts	\$35,325	Competitive business operating revenues
Interest rate swaps	(389)	Miscellaneous - net
Total realized gains on cash flow hedges	34,936	
	(13,111)	Income taxes
Total realized gains on cash flow hedges (net of tax)	\$21,825	
Pension and other postretirement liabilities		
Amortization of prior-service costs	\$2,414	(a)
Amortization of loss	(17,179)	(a)
Curtailment loss	(1,304)	(a)
Settlement loss	(9,662)	(a)
Total amortization	(25,731)	
	10,301	Income taxes
Total amortization (net of tax)	(\$15,430)	
Net unrealized investment loss		
Realized loss	(\$1,280)	Interest and investment income
	627	Income taxes
Total realized investment loss (net of tax)	(\$653)	
Total reclassifications for the period (net of tax)	\$5,742	

- (a) These accumulated other comprehensive loss components are included in the computation of net periodic pension cost. See Note 6 to the financial statements for additional details.

Total reclassifications out of accumulated other comprehensive loss (AOCI) for Entergy for the nine months ended September 30, 2013 are as follows:

	Amounts reclassified from AOCI	Income Statement Location
	(In Thousands)	
Cash flow hedges net unrealized gain		
Power contracts	\$37,518	Competitive business operating revenues
Interest rate swaps	(1,193)	Miscellaneous - net
Total realized gains on cash flow hedges	36,325	
	(13,653)	Income taxes
Total realized gains on cash flow hedges (net of tax)	\$22,672	
Pension and other postretirement liabilities		
Amortization of prior-service costs	7,175	(a)
Amortization of loss	(53,268)	(a)
Curtailment loss	(1,304)	(a)
Settlement loss	(9,662)	(a)
Total amortization	(57,059)	
	22,055	Income taxes
Total amortization (net of tax)	(\$35,004)	
Net unrealized investment gains		
Realized gains	\$2,351	Interest and investment income
	(1,152)	Income taxes
Total realized investment gains (net of tax)	\$1,199	
Total reclassifications for the period (net of tax)	(\$11,133)	

(a) These accumulated other comprehensive loss components are included in the computation of net periodic pension cost. See Note 6 to the financial statements for additional details.

Total reclassifications out of accumulated other comprehensive loss (AOCI) for Entergy Gulf States Louisiana and Entergy Louisiana for the three months ended September 30, 2013 are as follows:

	Amounts reclassified from AOCI		Income Statement Location
	Entergy Gulf States Louisiana	Entergy Louisiana	
	(In Thousands)		
Pension and other postretirement liabilities			
Amortization of prior-service costs	\$206	\$62	(a)
Amortization of loss	(1,947)	(1,288)	(a)
Total amortization	(1,741)	(1,226)	
	778	542	Income taxes
Total amortization (net of tax)	(963)	(684)	
Total reclassifications for the period (net of tax)	(\$963)	(\$684)	

(a) These accumulated other comprehensive loss components are included in the computation of net periodic pension cost. See Note 6 to the financial statements for additional details.

Total reclassifications out of accumulated other comprehensive loss (AOCI) for Entergy Gulf States Louisiana and Entergy Louisiana for the nine months ended September 30, 2013 are as follows:

	Amounts reclassified from AOCI		
	Entergy Gulf States Louisiana	Entergy Louisiana	Income Statement Location
	(In Thousands)		
Pension and other postretirement liabilities			
Amortization of prior-service costs	\$617	\$186	(a)
Amortization of loss	(5,839)	(3,862)	(a)
Total amortization	(5,222)	(3,676)	
	2,342	1,631	Income taxes
Total amortization (net of tax)	(2,880)	(2,045)	
Total reclassifications for the period (net of tax)	(\$2,880)	(\$2,045)	

- (a) These accumulated other comprehensive loss components are included in the computation of net periodic pension cost. See Note 6 to the financial statements for additional details.

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 has a borrowing capacity of \$3.5 billion and expires in March 2018. Entergy Corporation also has the ability to issue letters of credit against 50% of the total borrowing capacity of the credit facility. The commitment fee is currently 0.275% of the undrawn commitment amount. Commitment fees and interest rates on loans under the credit facility can fluctuate depending on the senior unsecured debt ratings of Entergy Corporation. The weighted average interest rate for the nine months ended September 30, 2013 was 1.96% on the drawn portion of the facility. Following is a summary of the borrowings outstanding and capacity available under the facility as of September 30, 2013:

Capacity (a)	Borrowings	Letters of Credit	Capacity Available
(In Millions)			
\$3,500	\$150	\$8	\$3,342

- (a) The capacity decreases to \$3,490 million in March 2017.

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 Corporation has a commercial paper program with a program limit of up to \$1.5 billion. As of September 30, 2013, Entergy Corporation had approximately \$1,016 million of commercial paper outstanding. The weighted-average interest rate for the nine months ended September 30, 2013 was 0.83%.

Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and Entergy Texas each had credit facilities available as of September 30, 2013 as follows:

Company	Expiration Date	Amount of Facility	Interest Rate (a)	Amount Drawn as of September 30, 2013
Entergy Arkansas	April 2014	\$20 million (b)	1.75%	\$-
Entergy Arkansas	March 2018	\$150 million (c)	1.68%	\$-
Entergy Gulf States Louisiana	March 2018	\$150 million (d)	1.68%	\$-
Entergy Louisiana	March 2018	\$200 million (e)	1.68%	\$-
Entergy Mississippi	May 2014	\$37.5 million (f)	1.93%	\$-
Entergy Mississippi	May 2014	\$35 million (f)	1.93%	\$-
Entergy Mississippi	May 2014	\$20 million (f)	1.93%	\$-
Entergy New Orleans	November 2013	\$25 million (g)	1.65%	\$-
Entergy Texas	March 2018	\$150 million (h)	1.93%	\$-

- (a) The interest rate is the rate as of September 30, 2013 that would most likely apply 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 Arkansas to issue letters of credit against 50% of the borrowing capacity of the facility. As of September 30, 2013, no letters of credit were outstanding. The credit facility requires Entergy Arkansas to maintain a consolidated debt ratio of 65% or less of its total capitalization.
- (d) The credit facility allows Entergy Gulf States Louisiana to issue letters of credit against 50% of the borrowing capacity of the facility. As of September 30, 2013, 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.
- (e) The credit facility allows Entergy Louisiana to issue letters of credit against 50% of the borrowing capacity of the facility. As of September 30, 2013, 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.
- (f) The credit facilities require Entergy Mississippi to maintain a debt ratio of 65% or less of its total capitalization. Borrowings under the Entergy Mississippi credit facilities may be secured by a security interest in its accounts receivable.
- (g) The credit facility requires Entergy New Orleans to maintain a debt ratio of 65% or less of its total capitalization. In October 2013, Entergy New Orleans renewed its credit facility through November 2014.
- (h) The credit facility allows Entergy Texas to issue letters of credit against 50% of the borrowing capacity of the facility. As of September 30, 2013, 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.

The commitment fees on the credit facilities range from 0.125% to 0.275% of the undrawn 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, 2015. 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 short-term 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 September 30, 2013 (aggregating both money pool and external short-term borrowings) for the Registrant Subsidiaries:

	Authorized	Borrowings
	(In Millions)	
Entergy Arkansas	\$250	\$-
Entergy Gulf States Louisiana	\$200	\$58
Entergy Louisiana	\$250	\$-
Entergy Mississippi	\$175	\$19
Entergy New Orleans	\$100	\$-
Entergy Texas	\$200	\$-
System Energy	\$200	\$-

Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy Texas, and System Energy have obtained long-term financing authorizations from the FERC that extend through October 31, 2015. Entergy Arkansas has obtained long-term financing authorization from the APSC that extends through December 2015. Entergy New Orleans has obtained long-term financing authorization from the City Council that extends through July 2014.

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 nuclear fuel company variable interest entities have credit facilities and also issue commercial paper to finance the acquisition and ownership of nuclear fuel as follows as of September 30, 2013:

Company	Expiration Date	Amount of Facility	Weighted Average Interest Rate on Borrowings (a)	Amount Outstanding as of September 30, 2013
(Dollars in Millions)				
Entergy Arkansas VIE	June 2016	\$85	1.63%	\$20.1
Entergy Gulf States Louisiana VIE	June 2016	\$100	1.50%	\$31.0
Entergy Louisiana VIE	June 2016	\$90	1.58%	\$24.3
System Energy VIE	June 2016	\$125	1.57%	\$46.5

- (a) Includes letter of credit fees and bank fronting fees on commercial paper issuances by the nuclear fuel company variable interest entities for Entergy Arkansas, Entergy Louisiana, and System Energy. The nuclear fuel company variable interest entity for Entergy Gulf States Louisiana does not issue commercial paper but borrows directly on its bank credit facility.

Amounts outstanding on the Entergy Gulf States Louisiana nuclear fuel company variable interest entity's credit facility, if any, are included in long-term debt on its balance sheet and commercial paper outstanding for the other nuclear fuel company variable interest entities is classified as a current liability on the respective balance sheets. The commitment fees on the credit facilities are 0.125% of the undrawn commitment amount. Each credit facility requires the respective lessee of nuclear fuel (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.

The nuclear fuel company variable interest entities had notes payable that are included in debt on the respective balance sheets as of September 30, 2013 as follows:

Company	Description	Amount
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 Arkansas VIE	2.62% Series K due December 2017	\$60 million
Entergy Gulf States Louisiana VIE	3.25% Series Q due July 2017	\$75 million
Entergy Gulf States Louisiana VIE	3.38% Series R due August 2020	\$70 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
Entergy Louisiana VIE	3.25% Series G due July 2017	\$25 million
System Energy VIE	5.33% Series G due April 2015	\$60 million
System Energy VIE	4.02% Series H due February 2017	\$50 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 Arkansas)

In January 2013, Entergy Arkansas arranged for the issuance by (i) Independence County, Arkansas of \$45 million of 2.375% Pollution Control Revenue Refinancing Bonds (Entergy Arkansas, Inc. Project) Series 2013 due January 2021, and (ii) Jefferson County, Arkansas of \$54.7 million of 1.55% Pollution Control Revenue Refunding Bonds (Entergy Arkansas, Inc. Project) Series 2013 due October 2017, each of which series is secured by a separate series of non-interest bearing first mortgage bonds of Entergy Arkansas. The proceeds of these issuances were applied to the refunding of outstanding series of pollution control revenue bonds previously issued by the respective issuers.

In May 2013, Entergy Arkansas issued \$250 million of 3.05% Series first mortgage bonds due June 2023. Entergy Arkansas used the proceeds to pay, at maturity, a portion of its \$300 million 5.40% Series first mortgage bonds due August 2013 and for general corporate purposes.

In June 2013, Entergy Arkansas issued \$125 million of 4.75% Series first mortgage bonds due June 2063. Entergy Arkansas used the proceeds to pay, at maturity, a portion of its \$300 million 5.40% Series first mortgage bonds due August 2013 and for general corporate purposes.

In June 2013 the Entergy Arkansas nuclear fuel company variable interest entity redeemed, at maturity, its \$30 million 9% Series H notes.

In July 2013, Entergy Arkansas entered into a \$250 million term loan credit facility terminating January 26, 2015 with the collateral support of a series of \$255 million non-interest bearing Entergy Arkansas first mortgage bonds. On July 31, 2013, Entergy Arkansas borrowed \$250 million against the credit facility. Entergy Arkansas used the borrowings to pay, at maturity, a portion of its \$300 million 5.40% Series first mortgage bonds due August 2013 and for general corporate purposes.

(Entergy Gulf States Louisiana)

In February 2013 the Entergy Gulf States Louisiana nuclear fuel company variable interest entity issued \$70 million of 3.38% Series R notes due August 2020. The Entergy Gulf States Louisiana nuclear fuel company variable interest entity used the proceeds primarily to purchase additional nuclear fuel.

In May 2013 the Entergy Gulf States Louisiana nuclear fuel company variable interest entity redeemed, at maturity, its \$75 million 5.56% Series N notes.

(Entergy Louisiana)

In May 2013, Entergy Louisiana issued \$100 million of 4.70% Series first mortgage bonds due June 2063. Entergy Louisiana used the proceeds for general corporate purposes.

In August 2013, Entergy Louisiana issued \$325 million of 4.05% Series first mortgage bonds due September 2023. Entergy Louisiana used the proceeds to repay borrowings under its \$200 million credit facility and for general corporate purposes.

(Entergy Mississippi)

In February 2013, Entergy Mississippi redeemed, at maturity, its \$100 million 5.15% Series first mortgage bonds.

In October 2013, Entergy Mississippi redeemed, prior to maturity, its \$16.03 million 4.60% Series pollution control revenue bonds due April 2022.

(Entergy New Orleans)

In June 2013, Entergy New Orleans issued \$100 million of 3.90% Series first mortgage bonds due July 2023. Entergy New Orleans used the proceeds to pay, at maturity, its \$70 million 5.25% Series first mortgage bonds due August 2013 and for general corporate purposes.

(System Energy Resources)

In September 2013 the System Energy Resources nuclear fuel company variable interest entity redeemed, at maturity, its \$70 million 6.29% Series F notes.

In October 2013 the System Energy Resources nuclear fuel company variable interest entity issued \$85 million of 3.78% Series I notes due October 2018. The System Energy nuclear fuel company variable interest entity used the proceeds to repay outstanding commercial paper and to purchase additional nuclear fuel.

Fair Value

The book value and the fair value of long-term debt for Entergy Corporation and the Registrant Subsidiaries as of September 30, 2013 are as follows:

	Book Value of Long-Term Debt	Fair Value of Long-Term Debt (a) (b)
	(In Thousands)	
Entergy	\$12,481,752	\$12,294,254
Entergy Arkansas	\$2,412,168	\$2,159,737
Entergy Gulf States Louisiana	\$1,543,608	\$1,605,999
Entergy Louisiana	\$3,229,316	\$3,184,097
Entergy Mississippi	\$1,069,627	\$1,083,993
Entergy New Orleans	\$225,942	\$220,675
Entergy Texas	\$1,567,566	\$1,736,764
System Energy	\$672,406	\$576,502

- (a) The values exclude lease obligations of \$149 million at Entergy Louisiana and \$97 million at System Energy, long-term DOE obligations of \$181 million at Entergy Arkansas, and the note payable to NYPA of \$112 million at Entergy, and include debt due within one year.
- (b) Fair values are classified as Level 2 in the fair value hierarchy discussed in Note 8 to the financial statements and are based on prices derived from inputs such as benchmark yields and reported trades.

The book value and the fair value of long-term debt for Entergy Corporation and the Registrant Subsidiaries as of December 31, 2012 were as follows:

	Book Value of Long-Term Debt	Fair Value of Long-Term Debt (a) (b)
	(In Thousands)	
Entergy	\$12,638,834	\$12,849,330
Entergy Arkansas	\$2,123,895	\$1,876,335
Entergy Gulf States Louisiana	\$1,517,429	\$1,668,819
Entergy Louisiana	\$2,826,095	\$2,921,322
Entergy Mississippi	\$1,169,519	\$1,230,714
Entergy New Orleans	\$196,300	\$200,725
Entergy Texas	\$1,617,813	\$1,885,672
System Energy	\$783,799	\$664,670

- (a) The values exclude lease obligations of \$163 million at Entergy Louisiana and \$139 million at System Energy, long-term DOE obligations of \$181 million at Entergy Arkansas, and the note payable to NYPA of \$110 million at Entergy, and include debt due within one year.
- (b) Fair values are classified as Level 2 in the fair value hierarchy discussed in Note 8 to the financial statements and are based on prices derived from inputs such as benchmark yields and reported trades.

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 600,700 stock options during the first quarter 2013 with a weighted-average fair value of \$8.00 per option. At September 30, 2013, there are 9,521,281 stock options outstanding with a weighted-average exercise price of \$80.10. 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 September 30, 2013. Because Entergy's stock price at September 30, 2013 is less than the weighted average exercise price, the aggregate intrinsic value of the stock options outstanding as of September 30, 2013 is zero. The intrinsic value of "in the money" stock options is \$3.1 million as of September 30, 2013.

The following table includes financial information for stock options for the third quarters of 2013 and 2012:

	2013	2012
	(In Millions)	
Compensation expense included in Entergy's net income	\$1.0	\$1.9
Tax benefit recognized in Entergy's net income	\$0.4	\$0.7
Compensation cost capitalized as part of fixed assets and inventory	\$0.2	\$0.3

The following table includes financial information for stock options for the nine months ended September 30, 2013 and 2012:

	2013	2012
	(In Millions)	
Compensation expense included in Entergy's net income	\$3.2	\$5.8
Tax benefit recognized in Entergy's net income	\$1.3	\$2.2
Compensation cost capitalized as part of fixed assets and inventory	\$0.6	\$1.1

Other Equity Plans

In January 2013 the Board approved and Entergy granted 361,700 restricted stock awards and 201,474 long-term incentive awards under the 2011 Equity Ownership and Long-term Cash Incentive Plan. The restricted stock awards were made effective as of January 31, 2013 and were valued at \$64.60 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. The long-term incentive awards are granted in the form of performance units, which are equal to the cash value of shares of Entergy Corporation at the end of the performance period, which is the last day of the year. The performance units were made effective as of January 31, 2013 and were valued at \$65.36 per share. Entergy considers various factors, primarily market conditions, in determining the value of the performance units. Shares of the restricted stock awards have the same dividend and voting rights as other common stock, are considered issued and outstanding shares of Entergy upon vesting, and are expensed ratably over the three-year vesting period. Shares of the performance units have the same dividend rights as other common stock, are considered issued and outstanding shares of Entergy upon vesting, and are expensed ratably over the three-year vesting period.

The following table includes financial information for other equity plans for the third quarters of 2013 and 2012:

	2013	2012
	(In Millions)	
Compensation expense included in Entergy's net income	\$5.7	\$3.7
Tax benefit recognized in Entergy's net income	\$2.2	\$1.4
Compensation cost capitalized as part of fixed assets and inventory	\$0.9	\$0.6

The following table includes financial information for other equity plans for the nine months ended September 30, 2013 and 2012:

	2013	2012
	(In Millions)	
Compensation expense included in Entergy's net income	\$17.5	\$11.0
Tax benefit recognized in Entergy's net income	\$6.8	\$4.2
Compensation cost capitalized as part of fixed assets and inventory	\$2.7	\$1.9

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 Qualified Net Pension Cost

Entergy's qualified pension cost, including amounts capitalized, for the third quarters of 2013 and 2012, included the following components:

	<u>2013</u>	<u>2012</u>
	(In Thousands)	
Service cost - benefits earned during the period	\$43,542	\$37,691
Interest cost on projected benefit obligation	65,464	65,232
Expected return on assets	(81,898)	(79,356)
Amortization of prior service cost	531	683
Amortization of loss	54,156	41,820
Curtailment loss	1,304	-
Net pension costs	<u>\$83,099</u>	<u>\$66,070</u>

Entergy's qualified pension cost, including amounts capitalized, for the nine months ended September 30, 2013 and 2012, included the following components:

	<u>2013</u>	<u>2012</u>
	(In Thousands)	
Service cost - benefits earned during the period	\$131,644	\$113,073
Interest cost on projected benefit obligation	195,996	195,696
Expected return on assets	(245,394)	(238,068)
Amortization of prior service cost	1,665	2,049
Amortization of loss	164,058	125,460
Curtailment loss	1,304	-
Net pension costs	<u>\$249,273</u>	<u>\$198,210</u>

The Registrant Subsidiaries' qualified pension cost, including amounts capitalized, for their employees for the third quarters of 2013 and 2012, included the following components:

<u>2013</u>	<u>Entergy Arkansas</u>	<u>Entergy Gulf States Louisiana</u>	<u>Entergy Louisiana</u>	<u>Entergy Mississippi</u>	<u>Entergy New Orleans</u>	<u>Entergy Texas</u>	<u>System Energy</u>
	(In Thousands)						
Service cost - benefits earned during the period	\$6,371	\$3,599	\$4,334	\$1,842	\$832	\$1,637	\$1,836
Interest cost on projected benefit obligation	13,550	6,657	8,644	3,930	1,849	4,055	3,016
Expected return on assets	(16,717)	(8,734)	(10,454)	(5,279)	(2,270)	(5,566)	(4,299)
Amortization of prior service cost	6	2	21	2	-	2	3
Amortization of loss	12,544	5,933	8,727	3,344	2,011	3,373	2,429
Net pension cost	<u>\$15,754</u>	<u>\$7,457</u>	<u>\$11,272</u>	<u>\$3,839</u>	<u>\$2,422</u>	<u>\$3,501</u>	<u>\$2,985</u>

2012	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	\$5,542	\$3,068	\$3,669	\$1,602	\$706	\$1,421	\$1,480
Interest cost on projected benefit obligation	13,922	6,420	8,800	4,070	1,902	4,206	3,247
Expected return on assets	(16,441)	(8,593)	(10,209)	(5,236)	(2,215)	(5,581)	(4,109)
Amortization of prior service cost	50	5	52	7	2	4	3
Amortization of loss	10,193	4,043	7,050	2,633	1,719	2,544	2,251
Net pension cost	<u>\$13,266</u>	<u>\$4,943</u>	<u>\$9,362</u>	<u>\$3,076</u>	<u>\$2,114</u>	<u>\$2,594</u>	<u>\$2,872</u>

The Registrant Subsidiaries' qualified pension cost, including amounts capitalized, for their employees for the nine months ended September 30, 2013 and 2012, included the following components:

2013	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	\$19,113	\$10,797	\$13,002	\$5,526	\$2,496	\$4,911	\$5,508
Interest cost on projected benefit obligation	40,650	19,971	25,932	11,790	5,547	12,165	9,048
Expected return on assets	(50,151)	(26,202)	(31,362)	(15,837)	(6,810)	(16,698)	(12,897)
Amortization of prior service cost	18	6	63	6	-	6	9
Amortization of loss	37,631	17,800	26,181	10,032	6,033	10,118	7,286
Net pension cost	<u>\$47,261</u>	<u>\$22,372</u>	<u>\$33,816</u>	<u>\$11,517</u>	<u>\$7,266</u>	<u>\$10,502</u>	<u>\$8,954</u>

2012	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	\$16,626	\$9,204	\$11,007	\$4,806	\$2,118	\$4,263	\$4,440
Interest cost on projected benefit obligation	41,766	19,260	26,400	12,210	5,706	12,618	9,741
Expected return on assets	(49,323)	(25,779)	(30,627)	(15,708)	(6,645)	(16,743)	(12,327)
Amortization of prior service cost	150	15	156	21	6	12	9
Amortization of loss	30,579	12,129	21,150	7,899	5,157	7,632	6,753
Net pension cost	<u>\$39,798</u>	<u>\$14,829</u>	<u>\$28,086</u>	<u>\$9,228</u>	<u>\$6,342</u>	<u>\$7,782</u>	<u>\$8,616</u>

Non-Qualified Net Pension Cost

Entergy recognized \$33.1 million and \$5.1 million in pension cost for its non-qualified pension plans in the third quarters of 2013 and 2012, respectively, and \$44.1 million and \$15.3 million in pension cost for its non-qualified pension plans for the nine months ended September 30, 2013 and 2012, respectively. Reflected in the pension cost for non-qualified pension plans in the third quarter 2013 and nine months ended September 30, 2013 is a \$28.1 million settlement charge recognized in September 2013 related to the payment of lump sum benefits out of the plan.

The Registrant Subsidiaries recognized the following pension cost for their employees for their non-qualified pension plans in the third quarters of 2013 and 2012:

	<u>Entergy Arkansas</u>	<u>Entergy Gulf States Louisiana</u>	<u>Entergy Louisiana</u>	<u>Entergy Mississippi</u>	<u>Entergy New Orleans</u>	<u>Entergy Texas</u>
	(In Thousands)					
Non-qualified pension cost third quarter 2013	\$121	\$38	\$3	\$46	\$22	\$560
Non-qualified pension cost third quarter 2012	\$107	\$39	\$3	\$46	\$19	\$163

The Registrant Subsidiaries recognized the following pension cost for their employees for their non-qualified pension plans for the nine months ended September 30, 2013 and 2012:

	<u>Entergy Arkansas</u>	<u>Entergy Gulf States Louisiana</u>	<u>Entergy Louisiana</u>	<u>Entergy Mississippi</u>	<u>Entergy New Orleans</u>	<u>Entergy Texas</u>
	(In Thousands)					
Non-qualified pension cost nine months ended September 30, 2013	\$326	\$113	\$9	\$139	\$68	\$857
Non-qualified pension cost nine months ended September 30, 2012	\$321	\$117	\$9	\$138	\$57	\$489

Reflected in Entergy Arkansas's and Entergy Texas's non-qualified pension costs in the third quarter 2013 and nine months ended September 30, 2013 are \$19 thousand and \$415 thousand, respectively, in settlement charges recognized in September 2013 related to the payment of lump sum benefits out of the plan.

Components of Net Other Postretirement Benefit Cost

Entergy's other postretirement benefit cost, including amounts capitalized, for the third quarters of 2013 and 2012, included the following components:

	<u>2013</u>	<u>2012</u>
	(In Thousands)	
Service cost - benefits earned during the period	\$18,917	\$17,221
Interest cost on accumulated postretirement benefit obligation (APBO)	19,766	20,640
Expected return on assets	(9,950)	(8,626)
Amortization of transition obligation	-	794
Amortization of prior service cost	(3,334)	(4,541)
Amortization of loss	11,304	9,113
Net other postretirement benefit cost	<u>\$36,703</u>	<u>\$34,601</u>

Entergy's other postretirement benefit cost, including amounts capitalized, for the nine months ended September 30, 2013 and 2012, included the following components:

	<u>2013</u>	<u>2012</u>
	(In Thousands)	
Service cost - benefits earned during the period	\$56,751	\$51,663
Interest cost on accumulated postretirement benefit obligation (APBO)	59,298	61,920
Expected return on assets	(29,850)	(25,878)
Amortization of transition obligation	-	2,382
Amortization of prior service cost	(10,002)	(13,623)
Amortization of loss	33,912	27,339
Net other postretirement benefit cost	<u>\$110,109</u>	<u>\$103,803</u>

The Registrant Subsidiaries' other postretirement benefit cost, including amounts capitalized, for their employees for the third quarters of 2013 and 2012, included the following components:

<u>2013</u>	<u>Entergy Arkansas</u>	<u>Entergy Gulf States Louisiana</u>	<u>Entergy Louisiana</u>	<u>Entergy Mississippi</u>	<u>Entergy New Orleans</u>	<u>Entergy Texas</u>	<u>System Energy</u>
	(In Thousands)						
Service cost - benefits earned during the period	\$2,414	\$2,001	\$2,172	\$819	\$447	\$950	\$907
Interest cost on APBO	3,360	2,226	2,349	1,074	785	1,515	729
Expected return on assets	(4,149)	-	-	(1,317)	(1,014)	(2,321)	(825)
Amortization of prior service cost	(133)	(206)	(62)	(35)	10	(107)	(16)
Amortization of loss	2,041	1,173	1,288	662	396	976	479
Net other postretirement benefit cost	<u>\$3,533</u>	<u>\$5,194</u>	<u>\$5,747</u>	<u>\$1,203</u>	<u>\$624</u>	<u>\$1,013</u>	<u>\$1,274</u>

<u>2012</u>	<u>Entergy Arkansas</u>	<u>Entergy Gulf States Louisiana</u>	<u>Entergy Louisiana</u>	<u>Entergy Mississippi</u>	<u>Entergy New Orleans</u>	<u>Entergy Texas</u>	<u>System Energy</u>
	(In Thousands)						
Service cost - benefits earned during the period	\$2,272	\$1,880	\$1,949	\$773	\$422	\$913	\$823
Interest cost on APBO	3,613	2,398	2,445	1,179	856	1,663	757
Expected return on assets	(3,507)	-	-	(1,130)	(928)	(2,104)	(650)
Amortization of transition obligation	205	60	96	88	297	47	2
Amortization of prior service cost	(133)	(206)	(62)	(35)	10	(107)	(16)
Amortization of loss	2,077	1,184	1,090	730	390	1,079	493
Net other postretirement benefit cost	<u>\$4,527</u>	<u>\$5,316</u>	<u>\$5,518</u>	<u>\$1,605</u>	<u>\$1,047</u>	<u>\$1,491</u>	<u>\$1,409</u>

The Registrant Subsidiaries' other postretirement benefit cost, including amounts capitalized, for their employees for the nine months ended September 30, 2013 and 2012, included the following components:

2013	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	\$7,242	\$6,003	\$6,516	\$2,457	\$1,341	\$2,850	\$2,721
Interest cost on APBO	10,080	6,678	7,047	3,222	2,355	4,545	2,187
Expected return on assets	(12,447)	-	-	(3,951)	(3,042)	(6,963)	(2,475)
Amortization of prior service cost	(399)	(618)	(186)	(105)	30	(321)	(48)
Amortization of loss	6,124	3,520	3,862	1,987	1,189	2,927	1,437
Net other postretirement benefit cost	<u>\$10,600</u>	<u>\$15,583</u>	<u>\$17,239</u>	<u>\$3,610</u>	<u>\$1,873</u>	<u>\$3,038</u>	<u>\$3,822</u>
2012	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	\$6,816	\$5,640	\$5,847	\$2,319	\$1,266	\$2,739	\$2,469
Interest cost on APBO	10,839	7,194	7,335	3,537	2,568	4,989	2,271
Expected return on assets	(10,521)	-	-	(3,390)	(2,784)	(6,312)	(1,950)
Amortization of transition obligation	615	180	288	264	891	141	6
Amortization of prior service cost	(399)	(618)	(186)	(105)	30	(321)	(48)
Amortization of loss	6,231	3,552	3,270	2,190	1,170	3,237	1,479
Net other postretirement benefit cost	<u>\$13,581</u>	<u>\$15,948</u>	<u>\$16,554</u>	<u>\$4,815</u>	<u>\$3,141</u>	<u>\$4,473</u>	<u>\$4,227</u>

Reclassification out of Accumulated Other Comprehensive Income

Entergy and the Registrant Subsidiaries reclassified the following costs out of accumulated other comprehensive income (before taxes and including amounts capitalized) for the third quarter 2013:

	Qualified Pension Costs	Other Postretirement Costs (In Thousands)	Non-Qualified Pension Costs	Total
<u>Entergy</u>				
Amortization of prior service cost	(\$466)	\$3,007	(\$127)	\$2,414
Amortization of loss	(11,050)	(5,485)	(644)	(17,179)
Curtailement loss	(1,304)	-	-	(1,304)
Settlement loss	-	-	(9,662)	(9,662)
	<u>(\$12,820)</u>	<u>(\$2,478)</u>	<u>(\$10,433)</u>	<u>(\$25,731)</u>
<u>Entergy Gulf States Louisiana</u>				
Amortization of prior service cost	\$-	\$206	\$-	\$206
Amortization of loss	(772)	(1,173)	(2)	(1,947)
	<u>(\$772)</u>	<u>(\$967)</u>	<u>(\$2)</u>	<u>(\$1,741)</u>
<u>Entergy Louisiana</u>				
Amortization of prior service cost	\$-	\$62	\$-	\$62
Amortization of loss	-	(1,288)	-	(1,288)
	<u>\$-</u>	<u>(\$1,226)</u>	<u>\$-</u>	<u>(\$1,226)</u>

Entergy and the Registrant Subsidiaries reclassified the following costs out of accumulated other comprehensive income (before taxes and including amounts capitalized) for the nine months ended September 30, 2013:

	Qualified Pension Costs	Other Postretirement Costs (In Thousands)	Non-Qualified Pension Costs	Total
<u>Entergy</u>				
Amortization of prior service cost	(\$1,472)	\$9,022	(\$375)	\$7,175
Amortization of loss	(34,740)	(16,455)	(2,073)	(53,268)
Curtailement loss	(1,304)	-	-	(1,304)
Settlement loss	-	-	(9,662)	(9,662)
	<u>(\$37,516)</u>	<u>(\$7,433)</u>	<u>(\$12,110)</u>	<u>(\$57,059)</u>
<u>Entergy Gulf States Louisiana</u>				
Amortization of prior service cost	(\$1)	\$618	\$-	\$617
Amortization of loss	(2,314)	(3,520)	(5)	(5,839)
	<u>(\$2,315)</u>	<u>(\$2,902)</u>	<u>(\$5)</u>	<u>(\$5,222)</u>
<u>Entergy Louisiana</u>				
Amortization of prior service cost	\$-	\$186	\$-	\$186
Amortization of loss	-	(3,862)	-	(3,862)
	<u>\$-</u>	<u>(\$3,676)</u>	<u>\$-</u>	<u>(\$3,676)</u>

Employer Contributions

Based on current assumptions, Entergy expects to contribute \$163.4 million to its qualified pension plans in 2013. As of September 30, 2013, Entergy had contributed \$105.8 million to its pension plans. Based on current assumptions, the Registrant Subsidiaries expect to contribute the following to qualified pension plans for their employees in 2013:

	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
	(In Thousands)						
Expected 2013 pension contributions	\$35,382	\$11,550	\$21,151	\$8,152	\$4,175	\$6,880	\$8,304
Pension contributions made through September 2013	\$21,729	\$7,132	\$13,343	\$5,033	\$2,634	\$4,270	\$5,175
Remaining estimated pension contributions to be made in 2013	\$13,653	\$4,418	\$7,808	\$3,119	\$1,541	\$2,610	\$3,129

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 September 30, 2013 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 2012, Entergy moved two subsidiaries from All Other to the Entergy Wholesale Commodities segment to improve the alignment of certain intercompany items and income tax activity. The 2012 information in the table below has been restated to reflect the change.

Entergy's segment financial information for the third quarters of 2013 and 2012 is as follows:

	Utility	Entergy Wholesale Commodities*	All Other	Eliminations	Entergy
	(In Thousands)				
2013					
Operating revenues	\$2,732,482	\$623,321	\$787	(\$4,631)	\$3,351,959
Income taxes	\$170,816	(\$107,337)	(\$38,926)	\$-	\$24,553
Consolidated net income (loss)	\$352,303	(\$92,828)	\$11,102	(\$26,395)	\$244,182
2012					
Operating revenues	\$2,344,885	\$626,849	\$1,060	(\$9,234)	\$2,963,560
Income taxes	\$187,668	\$56,676	(\$11,841)	\$-	\$232,503
Consolidated net income (loss)	\$300,506	\$86,772	(\$18,213)	(\$26,395)	\$342,670

Entergy's segment financial information for the nine months ended September 30, 2013 and 2012 is as follows:

	Utility	Entergy Wholesale Commodities*	All Other	Eliminations	Entergy
	(In Thousands)				
2013					
Operating revenues	\$6,948,258	\$1,770,577	\$2,775	(\$22,569)	\$8,699,041
Income taxes	\$340,817	(\$64,968)	(\$61,647)	\$-	\$214,202
Consolidated net income (loss)	\$680,694	\$818	(\$23,107)	(\$79,185)	\$579,220
2012					
Operating revenues	\$6,136,101	\$1,754,774	\$3,027	(\$28,082)	\$7,865,820
Income taxes	\$162,914	\$11,427	(\$64,201)	\$-	\$110,140
Consolidated net income (loss)	\$676,244	(\$18,420)	(\$11,487)	(\$79,824)	\$566,513

Businesses marked with * are sometimes referred to as the "competitive businesses." Eliminations are primarily intersegment activity.

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 Risk

In the normal course of business, Entergy is exposed to a number of market 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 including commodity price risk, equity price and interest rate risk. Entergy uses derivatives primarily to mitigate commodity price risk, particularly power price and fuel price risk.

The Utility has limited exposure to the effects of market risk because it operates primarily under cost-based rate regulation. To the extent approved by their retail regulators, the Utility operating companies hedge the exposure to price volatility inherent in their purchased power, fuel, and gas purchased for resale costs that are recovered from customers.

As a wholesale generator, Entergy Wholesale Commodities's core business is selling energy, measured in MWh, to its customers. Entergy Wholesale Commodities enters into forward contracts with its customers and sells energy and capacity in the day ahead or spot markets. In addition to its forward physical power contracts, Entergy Wholesale Commodities also uses a combination of financial contracts, including swaps, collars, put and/or call options, to mitigate forward commodity price risk. When market price falls, the combination of instruments is expected to settle in gains offsetting lower revenue from generation and resulting in a more predictable cash flow.

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. Hedging instruments and volumes are chosen based on ability to mitigate risk associated with future energy and capacity prices; however, other considerations are factored into hedge product and volume decisions including corporate liquidity, corporate credit ratings, counterparty credit risk, hedging costs, firm settlement risk, and product availability in the marketplace. 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

Some derivative instruments are classified as cash flow hedges due to their financial settlement provisions while others are classified as normal purchase/normal sale 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 swaps and options and interest rate swaps. Entergy will occasionally enter into financially settled swap and 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. The maximum length of time over which Entergy is currently hedging the variability in future cash flows with derivatives for forecasted power transactions at September 30, 2013 is approximately 2.25 years. Planned generation currently under contract from Entergy Wholesale Commodities nuclear power plants is 82% for the remainder of 2013, of which approximately 59% is sold under financial derivatives and the remainder under normal purchase/normal sale contracts. Total planned generation for the remainder of 2013 is 11 TWh.

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 that financially settle against NYMEX futures. These swaps are marked-to-market with offsetting regulatory assets or liabilities. All benefits or costs of the program are recorded in fuel costs. 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. The total volume of natural gas swaps outstanding as of September 30, 2013 is 19,081,000 MMBtu for Entergy, 7,600,000 MMBtu for Entergy Gulf States Louisiana, 8,540,000 MMBtu for Entergy Louisiana, 2,010,000 MMBtu for Entergy Mississippi, and 931,000 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.

The fair values of Entergy's derivative instruments in the consolidated balance sheet as of September 30, 2013 are shown in the table below. Certain investments, including those not designated as hedging instruments, are subject to master netting arrangements and are presented in the balance sheet on a net basis in accordance with accounting guidance for derivatives and hedging.

Instrument	Balance Sheet Location	Fair Value (a)	Offset (b)	Net (c) (d)	Business
(In Millions)					
Derivatives designated as hedging instruments					
<u>Assets:</u>					
Electricity swaps and options	Prepayments and other (current portion)	\$50	(\$28)	\$22	Entergy Wholesale Commodities
Electricity swaps and options	Other deferred debits and other assets (non-current portion)	\$12	(\$7)	\$5	Entergy Wholesale Commodities
<u>Liabilities:</u>					
Electricity swaps and options	Other current liabilities (current portion)	\$40	(\$27)	\$13	Entergy Wholesale Commodities
Electricity swaps and options	Other non-current liabilities (non-current portion)	\$11	(\$7)	\$4	Entergy Wholesale Commodities
Derivatives not designated as hedging instruments					
<u>Assets:</u>					
Electricity swaps and options	Prepayments and other (current portion)	\$78	(\$28)	\$50	Entergy Wholesale Commodities
Electricity swaps and options	Other deferred debits and other assets (non-current portion)	\$15	(\$7)	\$8	Entergy Wholesale Commodities
<u>Liabilities:</u>					
Electricity swaps and options	Other current liabilities (current portion)	\$39	(\$29)	\$10	Entergy Wholesale Commodities
Electricity swaps and options	Other non-current liabilities (non-current portion)	\$16	(\$7)	\$9	Entergy Wholesale Commodities
Natural gas swaps	Other current liabilities	\$3	(\$-)	\$3	Utility

The fair values of Entergy's derivative instruments in the consolidated balance sheet as of December 31, 2012 are shown in the table below. Certain investments, including those not designated as hedging instruments, are subject to master netting arrangements and are presented in the balance sheet on a net basis in accordance with accounting guidance for derivatives and hedging.

Instrument	Balance Sheet Location	Fair Value (a)	Offset (b)	Net (c) (d)	Business
(In Millions)					
Derivatives designated as hedging instruments					
<u>Assets:</u>					
Electricity swaps and options	Prepayments and other (current portion)	\$123	(\$-)	\$123	Entergy Wholesale Commodities
Electricity swaps and options	Other deferred debits and other assets (non-current portion)	\$46	(\$10)	\$36	Entergy Wholesale Commodities
<u>Liabilities:</u>					
Electricity swaps and options	Other non-current liabilities (non-current portion)	\$18	(\$11)	\$7	Entergy Wholesale Commodities
Derivatives not designated as hedging instruments					
<u>Assets:</u>					
Electricity swaps and options	Prepayments and other (current portion)	\$22	(\$-)	\$22	Entergy Wholesale Commodities
Electricity swaps and options	Other deferred debits and other assets (non-current portion)	\$24	(\$14)	\$10	Entergy Wholesale Commodities
<u>Liabilities:</u>					
Electricity swaps and options	Other non-current liabilities (non-current portion)	\$19	(\$13)	\$6	Entergy Wholesale Commodities
Natural gas swaps	Other current liabilities	\$8	(\$-)	\$8	Utility

- (a) Represents the gross amounts of recognized assets/liabilities
- (b) Represents the netting of fair value balances with the same counterparty
- (c) Represents the net amounts of assets /liabilities presented on the Entergy Consolidated Balance Sheets
- (d) Excludes cash collateral in the amounts of \$7 million and \$56 million held as of September 30, 2013 and December 31, 2012, respectively

The effect of Entergy's derivative instruments designated as cash flow hedges on the consolidated income statements for the three months ended September 30, 2013 and 2012 are as follows:

Instrument	Amount of loss recognized in other comprehensive income	Income Statement location	Amount of gain reclassified from AOCI into income
2013			
Electricity swaps and options	(\$4) million	Competitive businesses operating revenues	\$35 million
2012			
Electricity swaps and options	(\$108) million	Competitive businesses operating revenues	\$61 million

The effect of Entergy's derivative instruments designated as cash flow hedges on the consolidated income statements for the nine months ended September 30, 2013 and 2012 are as follows:

Instrument	Amount of gain (loss) recognized in other comprehensive income	Income Statement location	Amount of gain reclassified from AOCI into income
2013			
Electricity swaps and options	(\$78) million	Competitive businesses operating revenues	\$38 million
2012			
Electricity swaps and options	\$120 million	Competitive businesses operating revenues	\$232 million

Electricity over-the-counter instruments that financially settle against day-ahead power pool prices are used to manage price exposure for Entergy Wholesale Commodities generation. Unrealized gains or losses recorded in other comprehensive income 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. Gains totaling approximately \$35 million and \$61 million were realized on the maturity of cash flow hedges, before taxes of \$13 million and \$21 million, for the three months ended September 30, 2013 and 2012, respectively. Gains totaling approximately \$38 million and \$232 million were realized on the maturity of cash flow hedges, before taxes of \$14 million and \$81 million, for the nine months ended September 30, 2013 and 2012, respectively. The change in fair value of Entergy's cash flow hedges due to ineffectiveness during the three months ended September 30, 2013 and 2012 was (\$1.8) million and (\$1.2) million, respectively. The change in fair value of Entergy's cash flow hedges due to ineffectiveness during the nine months ended September 30, 2013 and 2012 was (\$2.3) million and (\$1.6) million, respectively. The ineffective portion of cash flow hedges is recorded in competitive businesses operating revenues.

Based on market prices as of September 30, 2013, unrealized gains recorded in AOCI on cash flow hedges relating to power sales totaled \$7 million of net unrealized gains. Approximately \$6 million is expected to be reclassified from AOCI to operating revenues in the next twelve months. The actual amount reclassified from AOCI, however, could vary due to future changes in market prices.

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 guarantee. As of September 30, 2013, hedge contracts with five counterparties were in a liability position (approximately \$32 million total), but were significantly below the amount of the guarantee provided under

the contract and no cash collateral was required. As of September 30, 2012, hedge contracts with one counterparty were in a liability position (approximately \$2 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 typically 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 other comprehensive income prior to de-designation continue to be deferred in other comprehensive income until they are included in income as the original hedged transaction settles. 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.

The effect of Entergy's derivative instruments not designated as hedging instruments on the consolidated income statements for the three months ended September 30, 2013 and 2012 is as follows:

Instrument	Amount of gain recognized in AOCI	Income Statement location	Amount of gain (loss) recorded in income
2013			
Natural gas swaps	\$-	Fuel, fuel-related expenses, and gas purchased for resale	(\$1) million
Electricity swaps and options de-designated as hedged items	\$4 million	Competitive business operating revenues	\$12 million
2012			
Natural gas swaps	\$-	Fuel, fuel-related expenses, and gas purchased for resale	\$7 million
Electricity swaps and options de-designated as hedged items	\$3 million	Competitive business operating revenues	(\$7) million

The effect of Entergy's derivative instruments not designated as hedging instruments on the consolidated income statements for the nine months ended September 30, 2013 and 2012 is as follows:

Instrument	Amount of gain recognized in AOCI	Income Statement location	Amount of gain (loss) recorded in income
2013			
Natural gas swaps	\$-	Fuel, fuel-related expenses, and gas purchased for resale	\$8 million
Electricity swaps and options de-designated as hedged items	\$4 million	Competitive business operating revenues	\$2 million
2012			
Natural gas swaps	\$-	Fuel, fuel-related expenses, and gas purchased for resale	(\$28) million
Electricity swaps and options de-designated as hedged items	\$2 million	Competitive business operating revenues	(\$6) million

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 an offsetting regulatory asset or liability. The gains or losses recorded as fuel expenses when the swaps are settled are recovered or refunded through fuel cost recovery mechanisms.

The fair values of the Registrant Subsidiaries' derivative instruments not designated as hedging instruments on their balance sheets as of September 30, 2013 are as follows:

Instrument	Balance Sheet Location	Fair Value	Registrant
Liabilities:			
Natural gas swaps	Gas hedge contracts	\$1.3 million	Entergy Gulf States Louisiana
Natural gas swaps	Gas hedge contracts	\$1.4 million	Entergy Louisiana
Natural gas swaps	Other current liabilities	\$0.3 million	Entergy Mississippi
Natural gas swaps	Other current liabilities	\$0.2 million	Entergy New Orleans

The fair values of the Registrant Subsidiaries' derivative instruments not designated as hedging instruments on their balance sheets as of December 31, 2012 are as follows:

Instrument	Balance Sheet Location	Fair Value	Registrant
Liabilities:			
Natural gas swaps	Gas hedge contracts	\$2.6 million	Entergy Gulf States Louisiana
Natural gas swaps	Gas hedge contracts	\$3.4 million	Entergy Louisiana
Natural gas swaps	Other current liabilities	\$2.2 million	Entergy Mississippi

The effects of the Registrant Subsidiaries' derivative instruments not designated as hedging instruments on their income statements for the three months ended September 30, 2013 and 2012 are as follows:

Instrument	Income Statement Location	Amount of gain (loss) recorded in income	Registrant
2013			
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$0.4) million	Entergy Gulf States Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$0.7) million	Entergy Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$0.3) million	Entergy Mississippi
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$0.1) million	Entergy New Orleans
2012			
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	\$2.0 million	Entergy Gulf States Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	\$3.8 million	Entergy Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	\$1.4 million	Entergy Mississippi

The effects of the Registrant Subsidiaries' derivative instruments not designated as hedging instruments on their income statements for the nine months ended September 30, 2013 and 2012 are as follows:

Instrument	Income Statement Location	Amount of gain (loss) recorded in income	Registrant
2013			
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	\$2.4 million	Entergy Gulf States Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	\$3.2 million	Entergy Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	\$2.2 million	Entergy Mississippi
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$0.2) million	Entergy New Orleans
2012			
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$8.3) million	Entergy Gulf States Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$10.4) million	Entergy Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$7.5) million	Entergy Mississippi
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$1.5) million	Entergy New Orleans

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 those instruments held by the Entergy Wholesale Commodities business 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 (temporary cash investments, securitization recovery trust account, and escrow accounts), debt instruments, and gas hedge contracts. See Note 1 to the financial statements in the Form 10-K for a discussion of cash and cash equivalents.

- 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 power contract assets or liabilities are based on both observable inputs including public market prices and interest rates, and unobservable inputs such as implied volatilities, unit contingent discounts, expected basis differences, and credit adjusted counterparty interest rates. They are classified as Level 3 assets and liabilities. The valuations of these assets and liabilities are performed by the Entergy Wholesale Commodities Risk Control Group and sent to the Entergy Wholesale Commodities Back Office and Entergy Nuclear Finance groups for evaluation. The primary functions of the Entergy Wholesale Commodities Risk Control Group include: gathering, validating and reporting market data, providing market and credit risk analyses and valuations in support of Entergy Wholesale Commodities' commercial transactions, developing and administering protocols for the management of market and credit risks, implementing and maintaining controls around changes to market data in the energy trading and risk management system, reviewing creditworthiness of counterparties, supporting contract negotiations with new counterparties, administering credit support for contracts, and managing the daily margining process. The Risk Control group is also responsible for managing the energy trading and risk management system, forecasting revenues, forward positions and analysis. The primary functions of the Entergy Wholesale Commodities Back Office are market and counterparty settlements, revenue reporting and analysis and general ledger. The Entergy Wholesale Commodities Risk Control Group reports to the Vice President – Entergy Wholesale Commodities Chief Financial Officer while the Entergy Wholesale Commodities Back Office reports to the Controller, Competitive Operations. Entergy Nuclear Finance is primarily responsible for the financial planning of Entergy's utility and non-utility nuclear businesses. The VP, Chief Financial Officer – Nuclear Operations within Entergy Nuclear Finance reports to the Chief Accounting Officer.

The amounts reflected as the fair value of electricity swaps 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 to 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 the 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 quoted forward power market prices. 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. For contracts that have unit contingent terms, a further discount is applied based on the historical relationship between contract and market prices for similar contract terms.

The amounts reflected as the fair values of electricity options are valued based on a Black Scholes model, and are calculated at the end of each month for accounting purposes. Inputs to the valuation include end of day forward market prices for the period when the transactions will settle, implied volatilities based on market volatilities provided by a third party data aggregator, and U.S. Treasury rates for a risk-free return rate. As described further below, prices and implied volatilities are reviewed and can be adjusted if it is determined that there is a better representation of fair value. As of September 30, 2013, Entergy had in-the-money derivative contracts with a fair value of \$85 million with counterparties or their guarantor who are all currently investment grade. As of September 30, 2013, \$36 million of the derivative contracts 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.

On a daily basis, Entergy Wholesale Commodities calculates the mark-to-market for all derivative transactions. Entergy Wholesale Commodities Risk Control Group also validates forward market prices by comparing them to other sources of forward market prices and/or to settlement prices of actual market transactions. Significant differences are analyzed and potentially adjusted based on these other sources of forward market prices and/or settlement prices of actual market transactions. Implied volatilities used to value options are also validated using actual counterparty quotes for Entergy Wholesale Commodities transactions when available, and using multiple sources of market implied volatilities. Moreover, on at least a monthly basis, the Office of Corporate Risk Oversight confirms the mark-to-market calculations and prepares price scenarios and credit downgrade scenario analysis. The scenario analysis is communicated to senior management within Entergy and within Entergy Wholesale Commodities. Finally, for all proposed derivative transactions, an analysis is completed to assess the risk of adding the proposed derivative to Entergy Wholesale Commodities's portfolio. In particular, the credit, liquidity, and financial metrics impacts are calculated for this analysis. This analysis is communicated to senior management within Entergy and Entergy Wholesale Commodities.

The following tables set 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 September 30, 2013 and December 31, 2012. 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.

2013	Level 1	Level 2	Level 3	Total
		(In Millions)		
Assets:				
Temporary cash investments	\$262	\$-	\$-	\$262
Decommissioning trust funds (a):				
Equity securities	418	2,470	-	2,888
Debt securities	741	999	-	1,740
Power contracts	-	-	85	85
Securitization recovery trust account	50	-	-	50
Escrow accounts	135	-	-	135
	<u>\$1,606</u>	<u>\$3,469</u>	<u>\$85</u>	<u>\$5,160</u>
Liabilities:				
Power contracts	\$-	\$-	\$36	\$36
Gas hedge contracts	3	-	-	3
	<u>\$3</u>	<u>\$-</u>	<u>\$36</u>	<u>\$39</u>

2012	Level 1	Level 2	Level 3	Total
		(In Millions)		
Assets:				
Temporary cash investments	\$420	\$-	\$-	\$420
Decommissioning trust funds (a):				
Equity securities	358	2,101	-	2,459
Debt securities	769	962	-	1,731
Power contracts	-	-	191	191
Securitization recovery trust account	46	-	-	46
Escrow accounts	386	-	-	386
	<u>\$1,979</u>	<u>\$3,063</u>	<u>\$191</u>	<u>\$5,233</u>
Liabilities:				
Power contracts	\$-	\$-	\$13	\$13
Gas hedge contracts	8	-	-	8
	<u>\$8</u>	<u>\$-</u>	<u>\$13</u>	<u>\$21</u>

- (a) The decommissioning trust funds hold equity and fixed income securities. Equity securities are invested to approximate the returns of major market indices. Fixed income securities are held in various governmental and corporate securities. See Note 9 for additional information on the investment portfolios.

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 September 30, 2013 and 2012:

	2013	2012
	(In Millions)	
Balance as of July 1,	\$83	\$375
Unrealized gains (losses) from price changes	9	(92)
Unrealized losses on originations	(1)	-
Realized losses included in earnings	(6)	(4)
Realized gains on settlements	(36)	(61)
Balance as of September 30,	<u>\$49</u>	<u>\$218</u>

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 nine months ended September 30, 2013 and 2012:

	2013	2012
	(In Millions)	
Balance as of January 1,	\$178	\$312
Unrealized gains (losses) from price changes	(62)	136
Unrealized gains on originations	-	7
Realized losses included in earnings	(29)	(5)
Realized gains on settlements	(38)	(232)
Balance as of September 30,	<u>\$49</u>	<u>\$218</u>

The following table sets forth a description of the types of transactions classified as Level 3 in the fair value hierarchy, and the valuation techniques and significant unobservable inputs to each which cause that classification, as of September 30, 2013:

Transaction Type	Fair Value as of September 30, 2013	Significant Unobservable Inputs	Range from Average %	Effect on Fair Value
Electricity swaps	\$5 million	Unit contingent discount	+/-3%	\$-
Electricity options	\$44 million	Implied volatility	+/-40%	\$27 million

The following table sets forth an analysis of each of the types of unobservable inputs impacting the fair value of items classified as Level 3 within the fair value hierarchy, and the sensitivity to changes to those inputs:

Significant Unobservable Input	Transaction Type	Position	Change to Input	Effect on Fair Value
Unit contingent discount	Electricity swaps	Sell	Increase (Decrease)	Decrease (Increase)
Implied volatility	Electricity options	Sell	Increase (Decrease)	Increase (Decrease)
Implied volatility	Electricity options	Buy	Increase (Decrease)	Increase (Decrease)

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 September 30, 2013 and December 31, 2012. 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

2013	Level 1	Level 2	Level 3	Total
		(In Millions)		
Assets:				
Temporary cash investments	\$41.7	\$-	\$-	\$41.7
Decommissioning trust funds (a):				
Equity securities	4.2	426.6	-	430.8
Debt securities	68.8	170.2	-	239.0
Securitization recovery trust account	7.9	-	-	7.9
Escrow accounts	38.0	-	-	38.0
	<u>\$160.6</u>	<u>\$596.8</u>	<u>\$-</u>	<u>\$757.4</u>
2012	Level 1	Level 2	Level 3	Total
		(In Millions)		
Assets:				
Temporary cash investments	\$24.9	\$-	\$-	\$24.9
Decommissioning trust funds (a):				
Equity securities	9.5	374.5	-	384.0
Debt securities	94.3	122.3	-	216.6
Securitization recovery trust account	4.4	-	-	4.4
Escrow accounts	38.0	-	-	38.0
	<u>\$171.1</u>	<u>\$496.8</u>	<u>\$-</u>	<u>\$667.9</u>

Entergy Gulf States Louisiana

2013	Level 1	Level 2	Level 3	Total
		(In Millions)		
Assets:				
Temporary cash investments	\$0.6	\$-	\$-	\$0.6
Decommissioning trust funds (a):				
Equity securities	5.6	341.6	-	347.2
Debt securities	53.3	137.1	-	190.4
Escrow accounts	21.5	-	-	21.5
	<u>\$81.0</u>	<u>\$478.7</u>	<u>\$-</u>	<u>\$559.7</u>
Liabilities:				
Gas hedge contracts	<u>\$1.3</u>	<u>\$-</u>	<u>\$-</u>	<u>\$1.3</u>
2012	Level 1	Level 2	Level 3	Total
		(In Millions)		
Assets:				
Temporary cash investments	\$0.6	\$-	\$-	\$0.6
Decommissioning trust funds (a):				
Equity securities	5.5	283.0	-	288.5
Debt securities	49.5	139.4	-	188.9
Escrow accounts	87.0	-	-	87.0
	<u>\$142.6</u>	<u>\$422.4</u>	<u>\$-</u>	<u>\$565.0</u>
Liabilities:				
Gas hedge contracts	<u>\$2.6</u>	<u>\$-</u>	<u>\$-</u>	<u>\$2.6</u>

Entergy Louisiana

2013	Level 1	Level 2	Level 3	Total
		(In Millions)		
Assets:				
Temporary cash investments	\$40.5	\$-	\$-	\$40.5
Decommissioning trust funds (a):				
Equity securities	4.6	210.1	-	214.7
Debt securities	51.8	58.9	-	110.7
Securitization recovery trust account	10.5	-	-	10.5
	<u>\$107.4</u>	<u>\$269.0</u>	<u>\$-</u>	<u>\$376.4</u>
Liabilities:				
Gas hedge contracts	<u>\$1.4</u>	<u>\$-</u>	<u>\$-</u>	<u>\$1.4</u>

<u>2012</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
		(In Millions)		
Assets:				
Temporary cash investments	\$29.3	\$-	\$-	\$29.3
Decommissioning trust funds (a):				
Equity securities	2.0	173.5	-	175.5
Debt securities	52.6	59.3	-	111.9
Securitization recovery trust account	4.4	-	-	4.4
Escrow accounts	187.0	-	-	187.0
	<u>\$275.3</u>	<u>\$232.8</u>	<u>\$-</u>	<u>\$508.1</u>
Liabilities:				
Gas hedge contracts	<u>\$3.4</u>	<u>\$-</u>	<u>\$-</u>	<u>\$3.4</u>
Entergy Mississippi				
<u>2013</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
		(In Millions)		
Assets:				
Escrow accounts	<u>\$61.8</u>	<u>\$-</u>	<u>\$-</u>	<u>\$61.8</u>
Liabilities:				
Gas hedge contracts	<u>\$0.3</u>	<u>\$-</u>	<u>\$-</u>	<u>\$0.3</u>
<u>2012</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
		(In Millions)		
Assets:				
Temporary cash investments	\$52.4	\$-	\$-	\$52.4
Escrow accounts	61.8	-	-	61.8
	<u>\$114.2</u>	<u>\$-</u>	<u>\$-</u>	<u>\$114.2</u>
Liabilities:				
Gas hedge contracts	<u>\$2.2</u>	<u>\$-</u>	<u>\$-</u>	<u>\$2.2</u>
Entergy New Orleans				
<u>2013</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
		(In Millions)		
Assets:				
Temporary cash investments	\$14.4	\$-	\$-	\$14.4
Escrow accounts	8.7	-	-	8.7
	<u>\$23.1</u>	<u>\$-</u>	<u>\$-</u>	<u>\$23.1</u>
Liabilities:				
Gas hedge contracts	<u>\$0.2</u>	<u>\$-</u>	<u>\$-</u>	<u>\$0.2</u>

<u>2012</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
		(In Millions)		
Assets:				
Temporary cash investments	\$9.1	\$-	\$-	\$9.1
Escrow accounts	10.6	-	-	10.6
	<u>\$19.7</u>	<u>\$-</u>	<u>\$-</u>	<u>\$19.7</u>

Entergy Texas

<u>2013</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
		(In Millions)		
Assets:				
Temporary cash investments	\$19.7	\$-	\$-	\$19.7
Securitization recovery trust account	31.4	-	-	31.4
	<u>\$51.1</u>	<u>\$-</u>	<u>\$-</u>	<u>\$51.1</u>

<u>2012</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
		(In Millions)		
Assets:				
Temporary cash investments	\$59.7	\$-	\$-	\$59.7
Securitization recovery trust account	37.3	-	-	37.3
	<u>\$97.0</u>	<u>\$-</u>	<u>\$-</u>	<u>\$97.0</u>

System Energy

<u>2013</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
		(In Millions)		
Assets:				
Temporary cash investment	\$3.1	\$-	\$-	\$3.1
Decommissioning trust funds (a):				
Equity securities	1.0	342.8	-	343.8
Debt securities	151.6	68.0	-	219.6
	<u>\$155.7</u>	<u>\$410.8</u>	<u>\$-</u>	<u>\$566.5</u>

<u>2012</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
		(In Millions)		
Assets:				
Temporary cash investments	\$83.5	\$-	\$-	\$83.5
Decommissioning trust funds (a):				
Equity securities	1.6	282.0	-	283.6
Debt securities	141.1	65.9	-	207.0
	<u>\$226.2</u>	<u>\$347.9</u>	<u>\$-</u>	<u>\$574.1</u>

- (a) The decommissioning trust funds hold equity and fixed income securities. Equity securities are invested to approximate the returns of major market indices. Fixed income securities are held in various governmental and corporate securities. See Note 9 for additional information on the investment portfolios.

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 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 September 30, 2013 and December 31, 2012 are summarized as follows:

	Fair Value	Total Unrealized Gains	Total Unrealized Losses
		(In Millions)	
2013			
Equity Securities	\$2,888	\$1,067	\$1
Debt Securities	1,740	59	24
Total	\$4,628	\$1,126	\$25
	Fair Value	Total Unrealized Gains	Total Unrealized Losses
		(In Millions)	
2012			
Equity Securities	\$2,459	\$662	\$1
Debt Securities	1,731	116	5
Total	\$4,190	\$778	\$6

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 \$276 million and \$211 million as of September 30, 2013 and December 31, 2012, respectively. The amortized cost of debt securities was \$1,709 million as of September 30, 2013 and \$1,637 million as of December 31, 2012. As of September 30, 2013, the debt securities have an average coupon rate of approximately 3.54%, an average duration of approximately 5.13 years, and an average maturity of approximately 7.68 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.

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 September 30, 2013:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$19	\$1	\$589	\$21
More than 12 months	-	-	39	3
Total	\$19	\$1	\$628	\$24

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, 2012:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$37	\$1	\$175	\$1
More than 12 months	20	-	48	4
Total	\$57	\$1	\$223	\$5

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 September 30, 2013 and December 31, 2012 are as follows:

	2013	2012
	(In Millions)	
less than 1 year	\$109	\$53
1 year - 5 years	679	681
5 years - 10 years	574	562
10 years - 15 years	145	164
15 years - 20 years	59	61
20 years+	174	210
Total	\$1,740	\$1,731

During the three months ended September 30, 2013 and 2012, proceeds from the dispositions of securities amounted to \$284 million and \$472 million, respectively. During the three months ended September 30, 2013 and 2012, gross gains of \$3 million and \$8 million, respectively, and gross losses of \$4 million and \$0.2 million, respectively, were reclassified out of other comprehensive income or other regulatory liabilities/assets into earnings.

During the nine months ended September 30, 2013 and 2012, proceeds from the dispositions of securities amounted to \$1,064 million and \$1,417 million, respectively. During the nine months ended September 30, 2013 and 2012, gross gains of \$25 million and \$32 million, respectively, and gross losses of \$7 million and \$5 million, respectively, were reclassified out of other comprehensive income or other regulatory liabilities/assets 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 September 30, 2013 and December 31, 2012 are summarized as follows:

	<u>Fair Value</u>	<u>Total Unrealized Gains</u> (In Millions)	<u>Total Unrealized Losses</u>
2013			
Equity Securities	\$430.8	\$181.7	\$-
Debt Securities	239.0	6.3	4.1
Total	<u>\$669.8</u>	<u>\$188.0</u>	<u>\$4.1</u>
2012			
Equity Securities	\$384.0	\$116.1	\$-
Debt Securities	216.6	14.5	0.2
Total	<u>\$600.6</u>	<u>\$130.6</u>	<u>\$0.2</u>

The amortized cost of debt securities was \$240 million as of September 30, 2013 and \$202.3 million as of December 31, 2012. As of September 30, 2013, the debt securities have an average coupon rate of approximately 2.83%, an average duration of approximately 5.30 years, and an average maturity of approximately 6.03 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 September 30, 2013:

	<u>Equity Securities</u>		<u>Debt Securities</u>	
	<u>Fair Value</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>	<u>Gross Unrealized Losses</u>
	(In Millions)			
Less than 12 months	\$0.1	\$-	\$123.7	\$3.9
More than 12 months	-	-	3.3	0.2
Total	<u>\$0.1</u>	<u>\$-</u>	<u>\$127.0</u>	<u>\$4.1</u>

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, 2012:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$0.2	\$-	\$24.4	\$0.2
More than 12 months	-	-	1.0	-
Total	\$0.2	\$-	\$25.4	\$0.2

The fair value of debt securities, summarized by contractual maturities, as of September 30, 2013 and December 31, 2012 are as follows:

	2013	2012
	(In Millions)	
less than 1 year	\$8.2	\$8.8
1 year - 5 years	100.5	98.6
5 years - 10 years	122.3	93.1
10 years - 15 years	3.3	5.1
15 years - 20 years	0.9	-
20 years+	3.8	11.0
Total	\$239.0	\$216.6

During the three months ended September 30, 2013 and 2012, proceeds from the dispositions of securities amounted to \$30.3 million and \$15 million, respectively. During the three months ended September 30, 2013 and 2012, gross gains of \$0.6 million and \$0.1 million, respectively, and gross losses of \$0.1 million and \$0.01 million, respectively were reclassified out of other regulatory liabilities/assets into earnings.

During the nine months ended September 30, 2013 and 2012, proceeds from the dispositions of securities amounted to \$173.4 million and \$103.4 million, respectively. During the nine months ended September 30, 2013 and 2012, gross gains of \$9.3 million and \$2.8 million, respectively, and gross losses of \$0.2 million and \$0.05 million, respectively were reclassified out of other regulatory liabilities/assets 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 September 30, 2013 and December 31, 2012 are summarized as follows:

	Fair Value	Total Unrealized Gains	Total Unrealized Losses
	(In Millions)		
2013			
Equity Securities	\$347.2	\$118.0	\$-
Debt Securities	190.4	8.7	2.6
Total	\$537.6	\$126.7	\$2.6
2012			
Equity Securities	\$288.5	\$69.8	\$-
Debt Securities	188.9	15.8	0.1
Total	\$477.4	\$85.6	\$0.1

The amortized cost of debt securities was \$182.5 million as of September 30, 2013 and \$174.1 million as of December 31, 2012. As of September 30, 2013, the debt securities have an average coupon rate of approximately 4.58%, an average duration of approximately 5.46 years, and an average maturity of approximately 8.10 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 September 30, 2013:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$0.4	\$-	\$60.0	\$2.6
More than 12 months	-	-	-	-
Total	\$0.4	\$-	\$60.0	\$2.6

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, 2012:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$1.2	\$-	\$9.1	\$0.1
More than 12 months	1.0	-	-	-
Total	\$2.2	\$-	\$9.1	\$0.1

The fair value of debt securities, summarized by contractual maturities, as of September 30, 2013 and December 31, 2012 are as follows:

	2013	2012
	(In Millions)	
less than 1 year	\$8.0	\$8.0
1 year - 5 years	41.7	43.5
5 years - 10 years	71.5	63.5
10 years - 15 years	52.8	55.8
15 years - 20 years	6.5	8.5
20 years+	9.9	9.6
Total	\$190.4	\$188.9

During the three months ended September 30, 2013 and 2012, proceeds from the dispositions of securities amounted to \$19.5 million and \$35.9 million, respectively. During the three months ended September 30, 2013 and 2012, gross gains of \$0.3 million and \$3.9 million, respectively, and gross losses of \$0.02 million and \$0.7 thousand, respectively, were reclassified out of other regulatory liabilities/assets into earnings.

During the nine months ended September 30, 2013 and 2012, proceeds from the dispositions of securities amounted to \$66.2 million and \$96.7 million, respectively. During the nine months ended September 30, 2013 and 2012, gross gains of \$6.6 million and \$6.4 million, respectively, and gross losses of \$0.03 million and \$0.03 million, respectively, were reclassified out of other regulatory liabilities/assets 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 September 30, 2013 and December 31, 2012 are summarized as follows:

	Fair Value	Total Unrealized Gains	Total Unrealized Losses
		(In Millions)	
2013			
Equity Securities	\$214.7	\$82.5	\$-
Debt Securities	110.7	5.6	1.5
Total	\$325.4	\$88.1	\$1.5
2012			
Equity Securities	\$175.5	\$48.9	\$0.1
Debt Securities	111.9	9.4	0.1
Total	\$287.4	\$58.3	\$0.2

The amortized cost of debt securities was \$106.8 million as of September 30, 2013 and \$102.6 million as of December 31, 2012. As of September 30, 2013, the debt securities have an average coupon rate of approximately 3.42%, an average duration of approximately 4.91 years, and an average maturity of approximately 8.53 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 September 30, 2013:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
		(In Millions)		
Less than 12 months	\$0.1	\$-	\$29.0	\$1.4
More than 12 months	-	-	0.6	0.1
Total	\$0.1	\$-	\$29.6	\$1.5

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, 2012:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$0.7	\$-	\$3.4	\$-
More than 12 months	5.6	0.1	0.5	0.1
Total	\$6.3	\$0.1	\$3.9	\$0.1

The fair value of debt securities, summarized by contractual maturities, as of September 30, 2013 and December 31, 2012 are as follows:

	2013	2012
	(In Millions)	
less than 1 year	\$14.4	\$1.9
1 year - 5 years	32.0	42.3
5 years - 10 years	35.6	24.9
10 years - 15 years	6.5	18.8
15 years - 20 years	4.5	1.7
20 years+	17.7	22.3
Total	\$110.7	\$111.9

During the three months ended September 30, 2013 and 2012, proceeds from the dispositions of securities amounted to \$2.7 million and \$9.5 million, respectively. During the three months ended September 30, 2013 and 2012, gross gains of \$0.01 million and \$0.1 million, respectively, and gross losses of \$0.01 million and \$0.5 thousand, respectively, were reclassified out of other regulatory liabilities/assets into earnings.

During the nine months ended September 30, 2013 and 2012, proceeds from the dispositions of securities amounted to \$12.2 million and \$19.8 million, respectively. During the nine months ended September 30, 2013 and 2012, gross gains of \$0.06 million and \$0.2 million, respectively, and gross losses of \$0.03 million and \$0.03 million, respectively, were reclassified out of other regulatory liabilities/assets 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 September 30, 2013 and December 31, 2012 are summarized as follows:

	Fair Value	Total Unrealized Gains	Total Unrealized Losses
		(In Millions)	
2013			
Equity Securities	\$343.8	\$117.9	\$-
Debt Securities	219.6	4.6	1.2
Total	\$563.4	\$122.5	\$1.2
2012			
Equity Securities	\$283.6	\$63.6	\$0.2
Debt Securities	207.0	9.3	0.1
Total	\$490.6	\$72.9	\$0.3

The amortized cost of debt securities was \$216.5 million as of September 30, 2013 and \$197.8 million as of December 31, 2012. As of September 30, 2013, the debt securities have an average coupon rate of approximately 2.57%, an average duration of approximately 4.47 years, and an average maturity of approximately 5.97 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 September 30, 2013:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
				(In Millions)
Less than 12 months	\$0.2	\$-	\$52.9	\$1.2
More than 12 months	-	-	-	-
Total	\$0.2	\$-	\$52.9	\$1.2

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, 2012:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
				(In Millions)
Less than 12 months	\$1.4	\$-	\$15.5	\$0.1
More than 12 months	13.0	0.2	-	-
Total	\$14.4	\$0.2	\$15.5	\$0.1

The fair value of debt securities, summarized by contractual maturities, as of September 30, 2013 and December 31, 2012 are as follows:

	<u>2013</u>	<u>2012</u>
	(In Millions)	
less than 1 year	\$10.4	\$1.3
1 year - 5 years	132.4	128.7
5 years - 10 years	51.0	53.9
10 years - 15 years	6.3	2.3
15 years - 20 years	2.0	1.4
20 years+	17.5	19.4
Total	<u>\$219.6</u>	<u>\$207.0</u>

During the three months ended September 30, 2013 and 2012, proceeds from the dispositions of securities amounted to \$53.4 million and \$91.8 million, respectively. During the three months ended September 30, 2013 and 2012, gross gains of \$0.1 million and \$0.5 million, respectively, and gross losses of \$0.8 million and \$0.05 million, respectively, were reclassified out of other regulatory liabilities/assets into earnings.

During the nine months ended September 30, 2013 and 2012, proceeds from the dispositions of securities amounted to \$144.6 million and \$315.0 million, respectively. During the nine months ended September 30, 2013 and 2012, gross gains of \$0.9 million and \$3.5 million, respectively, and gross losses of \$1.2 million and \$0.2 million, respectively, were reclassified out of other regulatory liabilities/assets 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 nine months ended September 30, 2013 and 2012. 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 did not record material charges to other income in the three and nine months ended September 30, 2013 and 2012, 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 Income Tax Litigation, Income Tax Audits, and Other Tax Matters in Note 3 to the financial statements in the Form 10-K for a discussion of income tax proceedings, income tax audits, and other income tax matters involving Entergy. Following are updates to that disclosure.

In March 2013, Entergy Louisiana distributed to its parent, Entergy Louisiana Holdings, Inc., Louisiana income tax credits of \$20.6 million which resulted in a decrease in Entergy Louisiana's member's equity account.

As discussed in the Form 10-K, oral argument in PPL's U.K. Windfall Tax case at the United States Supreme Court was heard in February 2013. On May 20, 2013, the Supreme Court issued a unanimous decision in PPL's favor, holding that the U.K. Windfall Tax is a creditable tax for U.S. federal income tax purposes. On May 28, 2013, the Supreme Court denied the petition for certiorari filed by the Commissioner of Internal Revenue in Entergy's U.K. Windfall Tax case, allowing the decision in Entergy's favor from the United States Court of Appeals for the Fifth Circuit to become final.

In the third quarter 2013, the IRS issued its Revenue Agent's Report (RAR) for the tax years 2008-2009. As a result of the issuance of this RAR, Entergy and the IRS resolved all of the 2008-2009 issues described in the Form 10-K except for the Applications for Change in Accounting Method (the 2009 CAM). Entergy disagrees with the IRS's disallowance of the 2009 CAM and filed a protest with the IRS Appeals Division on October 24, 2013. The issuance of the RAR by the IRS effectively settles all other issues which resulted in an adjustment to the provision for uncertain tax positions. Entergy also negotiated favorable interest settlements with state taxing authorities which allowed for an adjustment to the provision for uncertain tax positions.

Entergy also reduced a valuation allowance that had been provided on a state net operating loss carryover due to the prospective utilization of such loss carryover.

In September 2013 the IRS issued final regulations that provide guidance on the deductibility and capitalization of costs incurred associated with tangible property. Although Entergy continues to analyze these regulations, which contain numerous complex provisions, Entergy currently estimates that the effect of the regulations would result in a \$348 million reduction of Entergy's repair and maintenance tax deduction, including decreases of \$114 million for Entergy Arkansas, \$34 million for Entergy Gulf States Louisiana, \$22 million for Entergy Louisiana, \$43 million for Entergy Mississippi, \$137 million for Entergy Texas, and an increase of \$2 million for Entergy New Orleans.

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)

Construction Expenditures in Accounts Payable

Construction expenditures included in accounts payable at September 30, 2013 are \$91.5 million for Entergy, \$25.6 million for Entergy Arkansas, \$17.7 million for Entergy Gulf States Louisiana, \$12.4 million for Entergy Louisiana, \$0.8 million for Entergy Mississippi, \$1.4 million for Entergy New Orleans, \$4.7 million for Entergy Texas, and \$5.2 million for System Energy. Construction expenditures included in accounts payable at December 31, 2012 are \$267 million for Entergy, \$56.3 million for Entergy Arkansas, \$9.7 million for Entergy Gulf States Louisiana, \$110.4 million for Entergy Louisiana, \$4.8 million for Entergy Mississippi, \$1.9 million for Entergy New Orleans, \$8.6 million for Entergy Texas, and \$13.5 million for System Energy.

Impairment of Long-Lived Assets

See “**Impairment of Long-Lived Assets**” in Note 1 to the financial statements in the Form 10-K for a discussion of the periodic reviews that Entergy performs whenever events or changes in circumstances indicate that the recoverability of long-lived assets is uncertain. Following are updates to that discussion regarding the Vermont Yankee nuclear power plant.

First, as discussed in the Form 10-K, Entergy was seeking a Certificate of Public Good from the Vermont Public Service Board (VPSB) for operation of Vermont Yankee until March 2032. In June 2013 the VPSB completed hearings on that petition and established a schedule providing for proposals for decision and initial briefs to be filed in August 2013 and reply briefs to be filed in September 2013. After Entergy announced its plan to close Vermont Yankee in the fourth quarter of 2014, as discussed below, Entergy amended its Certificate of Public Good request to seek authorization to operate Vermont Yankee only through 2014. The VPSB thereafter postponed the date for reply briefs to be filed until October 2013 and invited comments on the reply briefs to be filed in November 2013. Second, as discussed in the Form 10-K, the New England Coalition in December 2012 filed a complaint in the Vermont Supreme Court seeking an order to shut down Vermont Yankee while its Certificate of Public Good application is pending, and Entergy moved to dismiss that complaint. On March 25, 2013, the Vermont Supreme Court granted Entergy’s motion and dismissed the complaint. Third, as discussed in the Form 10-K, Entergy appealed a January 2013 order of the VPSB that made ripe for appeal two earlier orders in which the VPSB had found that the state’s timely renewal law, 3 V.S.A. § 814(b), did not apply to certain conditions in the orders issued by the VPSB in 2002 and 2006 precluding Vermont Yankee’s operation after March 21, 2012. Briefing of this appeal has been completed. After Entergy announced its plan to close Vermont Yankee in 2014, the Vermont Supreme Court placed the appeal on waiting status until after the VPSB has ruled on Vermont Yankee’s pending petition for a Certificate of Public Good. Fourth, as discussed in the Form 10-K, in February 2013 the VPSB issued a notice allowing comments to be filed regarding Vermont Yankee’s petition for a Certificate of Public Good to install a diesel generator to enable it to comply with the NRC’s station blackout requirements. On June 6, 2013, the VPSB issued a Certificate of Public Good for the diesel generator. The generator was installed and put into service before the September 1, 2013 deadline for compliance with these NRC requirements. Fifth, on August 14, 2013, the U.S. Court of Appeals for the Second Circuit affirmed the January 2012 District Court decision that the Atomic Energy Act preempts Vermont’s laws requiring the Legislature’s authorization for Vermont Yankee to operate after March 21, 2012 and to store spent nuclear fuel from some operation and also affirmed the District Court’s permanent injunction prohibiting enforcement of these Vermont laws. The Second Circuit reversed the District Court’s decision that Vermont’s efforts to condition a CPG upon the existence of a below wholesale market power sales agreement violated the Dormant Commerce Clause of the U.S. Constitution, and affirmed the District Court’s decision that such efforts were not preempted by the Federal Power Act, on the ground that these claims were not yet ripe.

Impairments of Vermont Yankee

See the Form 10-K for a discussion of the impairment charge recorded for the Vermont Yankee plant in the first quarter 2012.

On August 27, 2013, Entergy announced its plan to close and decommission Vermont Yankee. Vermont Yankee is expected to cease power production in the fourth quarter 2014 after its current fuel cycle. This decision was approved by the Board in August 2013. The decision to shut down the plant was primarily due to sustained low natural gas and wholesale energy prices, the high cost structure of the plant, and lack of a market structure that adequately compensates merchant nuclear plants for their environmental and fuel diversity benefits in the region in which the plant operates.

As a result of the decision to shut down the plant, Entergy recognized non-cash impairment and other related charges of \$291.5 million (\$183.7 million after-tax) during the third quarter 2013 to write down the carrying value of Vermont Yankee and related assets to their fair values. Entergy performed a fair value analysis based on the income approach, a discounted cash flow method, to determine the amount of impairment. The estimated fair value of the plant and related assets was \$62 million, while the carrying value was \$349 million. The carrying value of \$349 million reflects the effect of a \$58 million increase in Vermont Yankee's estimated decommissioning cost liability and the related asset retirement cost asset. The increase in the estimated decommissioning cost liability resulted from the change in expectation regarding the timing of decommissioning cash flows due to the decision to cease operations. The impairment and other related charges are recorded as a separate line item in Entergy's consolidated statements of income for the three and nine months ended September 30, 2013 and is included within the results of the Entergy Wholesale Commodities segment.

The estimate of fair value was based on the price that Entergy would expect to receive in a hypothetical sale of the Vermont Yankee plant and related assets to a market participant. In order to determine this price, Entergy used significant observable inputs, including quoted forward power and gas prices, where available. Significant unobservable inputs, such as projected long-term pre-tax operating margins (cash basis), and estimated weighted average costs of capital were also used in the estimation of fair value. In addition, Entergy made certain assumptions regarding future tax deductions associated with the plant and related assets. Based on the use of significant unobservable inputs, the fair value measurement for the entirety of the asset group, and for each type of asset within the asset group, is classified as Level 3 in the fair value hierarchy discussed in Note 8 to the financial statements.

The following table sets forth a description of significant unobservable inputs used in the valuation of the Vermont Yankee plant and related assets:

<u>Significant Unobservable Input</u>	<u>Amount</u>
Weighted average cost of capital	7.5%
Long-term pre-tax operating margin (cash basis)	7.0%

Entergy's Accounting Policy group, which reports to the Chief Accounting Officer, was primarily responsible for determining the valuation of the Vermont Yankee plant and related assets, in consultation with external advisors. Entergy's Accounting Policy group obtained and reviewed information from other Entergy departments with expertise on the various inputs and assumptions that were necessary to calculate the fair value of the asset group.

In addition to the impairment charge and depreciation of the remaining plant balance by the end of 2014, Entergy expects to record additional charges through the end of 2014 totaling approximately \$55 million to \$60 million related to severance and employee retention costs relating to the shutdown of Vermont Yankee.

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

See Note 18 to the financial statements in the Form 10-K for a discussion of variable interest entities. See Note 4 to the financial statements herein for details of the nuclear fuel companies' credit facility and commercial paper borrowings and long-term debt.

Entergy Louisiana and System Energy are each considered to 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 financial statements in the Form 10-K. Entergy Louisiana made payments on its lease, including interest, of \$7.8 million and \$12.3 million in the three months ended September 30, 2013 and 2012, respectively. Entergy Louisiana made payments on its lease, including interest, of \$26.3 million and \$39.1 million in the nine months ended September 30, 2013 and 2012, respectively. System Energy made payments on its lease, including interest, of \$3.7 million and \$1.8 million in the three months ended September 30, 2013 and 2012, respectively. System Energy made payments on its lease, including interest, of \$50.5 million and \$50.0 million in the nine months ended September 30, 2013 and 2012, respectively.

NOTE 13. ASSET RETIREMENT OBLIGATIONS (Entergy Corporation, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy)

See Note 9 to the financial statements in the Form 10-K for a discussion of asset retirement obligations. Following is an update to that discussion.

In the first quarter 2013, Entergy Wholesale Commodities recorded a revision to its estimated decommissioning cost liability for a nuclear site as a result of a revised decommissioning cost study. The revised estimate resulted in a \$46.6 million reduction in the decommissioning cost liability, along with a corresponding reduction in the related asset retirement cost asset.

In the third quarter 2013, Entergy Wholesale Commodities recorded a revision to its estimated decommissioning cost liability for Vermont Yankee as a result of a revised decommissioning cost study. The revised estimate resulted in a \$58 million increase in the decommissioning cost liability, along with a corresponding increase in the related asset retirement cost asset. The increase in the estimated decommissioning cost liability resulted from the change in expectation regarding the timing of decommissioning cash flows due to the decision to cease operations of the plant. See Note 11 to the financial statements herein for further discussion of the Vermont Yankee plant.

Assuming the end of Vermont Yankee operations in the fourth quarter 2014, the amount required to meet the NRC minimum for decommissioning financial assurance for license termination is \$566 million. The Vermont Yankee decommissioning trust had a balance of approximately \$584 million as of September 30, 2013, excluding the \$40 million guarantee by Entergy Corporation to satisfy NRC requirements following the 2009 review of financial assurance levels. Filings with the NRC for planned shutdown activities will determine whether any other financial assurance may be required and will specifically address funding for spent fuel management, which will be required until the federal government takes possession of the fuel and removes it from the site, per its current obligations.

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.