Company	Expiration Date	Amount of Facility	Weighted Average Interest Rate on Borrowings (a)	Amount Outstanding as of March 31, 2013
		(Dollars in Millions)		
Entergy Arkansas VIE	July 2013	$85	2.28%	$21.4
Entergy Gulf States Louisiana VIE	July 2013	$85	n/a	$-
Entergy Louisiana VIE	July 2013	$90	2.32%	$54.4
System Energy VIE	July 2013	$100	2.32%	$20.2

(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 0.20% 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 March 31, 2013 as follows:

Company	Description	Amount
Entergy Arkansas VIE	9% Series H due June 2013	$30 million
Entergy Arkansas VIE	5.69% Series I due July 2014	$70 million
Entergy Arkansas VIE	3.23% Series J due July 2016	$55 million
Entergy Arkansas VIE	2.62% Series K due December 2017	$60 million
Entergy Gulf States Louisiana VIE	5.56% Series N due May 2013	$75 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	6.29% Series F due September 2013	$70 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.

(Entergy Mississippi)

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

Fair Value

The book value and the fair value of long-term debt for Entergy Corporation and the Registrant Subsidiaries as of March 31, 2013 are as follows:

	Book Value of Long-Term Debt	Fair Value of Long-Term Debt (a) (b)
	(In Thousands)	
Entergy	$12,359,756	$12,866,746
Entergy Arkansas	$2,123,945	$2,020,198
Entergy Gulf States Louisiana	$1,637,489	$1,805,683
Entergy Louisiana	$2,813,918	$2,913,342
Entergy Mississippi	$1,139,556	$1,211,692
Entergy New Orleans	$221,302	$225,865
Entergy Texas	$1,595,957	$1,833,724
System Energy	$742,926	$667,758

(a) The values exclude lease obligations of $151 million at Entergy Louisiana and $98 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.

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 March 31, 2013, there are 9,757,536 stock options outstanding with a weighted-average exercise price of $79.66. 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 March 31, 2013. Because Entergy's stock price at March 31, 2013 is less than the weighted average exercise price, the aggregate intrinsic value of the stock options outstanding as of March 31, 2013 is zero. The intrinsic value of "in the money" stock options is $4 million as of March 31, 2013.

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

	2013	2012
	(In Millions)	
Compensation expense included in Entergy's net income	$1.3	$2.1
Tax benefit recognized in Entergy's net income	$0.5	$0.8
Compensation cost capitalized as part of fixed assets and inventory	$0.2	$0.4

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 first quarters of 2013 and 2012:

	2013	2012
	(In Millions)	
Compensation expense included in Entergy's net income	$5.9	$2.9
Tax benefit recognized in Entergy's net income	$2.3	$1.1
Compensation cost capitalized as part of fixed assets and inventory	$0.7	$0.5

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 first quarters of 2013 and 2012, included the following components:

	2013	2012
	(In Thousands)	
Service cost - benefits earned during the period	$44,051	$37,691
Interest cost on projected benefit obligation	65,266	65,232
Expected return on assets	(81,748)	(79,356)
Amortization of prior service cost	567	683
Amortization of loss	54,951	41,820
Net pension costs	$83,087	$66,070

The Registrant Subsidiaries' qualified pension cost, including amounts capitalized, for the first quarters of 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	$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	$15,754	$7,457	$11,272	$3,839	$2,422	$3,501	$2,985

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	$13,266	$4,943	$9,362	$3,076	$2,114	$2,594	$2,872

Entergy recognized $5.5 million and $5.1 million in pension cost for its non-qualified pension plans in the first quarters of 2013 and 2012, respectively.

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

	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas
			(In Thousands)			
Non-qualified pension cost first quarter 2013	$103	$38	$3	$47	$23	$149
Non-qualified pension cost first quarter 2012	$107	$39	$3	$46	$19	$163

Components of Net Other Postretirement Benefit Cost

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

	2013	2012
	(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	$36,703	$34,601

The Registrant Subsidiaries' other postretirement benefit cost, including amounts capitalized, for the first quarters of 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	$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	1,174	1,287	662	396	976	479
Net other postretirement benefit cost	$3,533	$5,195	$5,746	$1,203	$624	$1,013	$1,274

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	$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	$4,527	$5,316	$5,518	$1,605	$1,047	$1,491	$1,409

Reclassification out of Accumulated Other Comprehensive Income

For the first quarter of 2013, Entergy's and the Registrant Subsidiaries' reclassified the following costs out of accumulated other comprehensive income (before taxes and including amounts capitalized):

	Qualified Pension Costs	Other Postretirement Costs	Non-Qualified Pension Costs	Total
		(In Thousands)		
Entergy				
Amortization of prior service cost	($502)	$3,007	($121)	$2,384
Amortization of loss	(11,845)	(5,486)	(717)	(18,048)
	($12,347)	($2,479)	($838)	($15,664)
Entergy Gulf States Louisiana				
Amortization of prior service cost	$-	$206	$-	$206
Amortization of loss	(771)	(1,174)	(2)	($1,947)
	($771)	($968)	($2)	($1,741)
Entergy Louisiana				
Amortization of prior service cost	$-	$62	$-	$62
Amortization of loss	-	(1,287)	-	(1,287)
	$-	($1,225)	$-	($1,225)

Employer Contributions

Based on current assumptions, Entergy expects to contribute $163.4 million to its qualified pension plans in 2013. As of March 31, 2013, Entergy had contributed $3.6 million to its pension plans. Based on current assumptions, the Registrant Subsidiaries expect to contribute the following to qualified pension plans 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 March 2013	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Remaining estimated pension contributions to be made in 2013	$35,382	$11,550	$21,151	$8,152	$4,175	$6,880	$8,304

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 March 31, 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 first quarters of 2013 and 2012 is as follows:

	Utility	Entergy Wholesale Commodities*	All Other	Eliminations	Entergy
			(In Thousands)		
2013					
Operating revenues	$2,003,441	$613,733	$1,000	($9,300)	$2,608,874
Income taxes	$71,075	$56,936	($11,475)	$-	$116,536
Consolidated net income (loss)	$127,835	$82,114	($16,572)	($26,395)	$166,982
2012					
Operating revenues	$1,831,640	$560,251	$959	($9,191)	$2,383,659
Income taxes	$99,707	($92,141)	($7,728)	$-	($162)
Consolidated net income (loss)	$67,212	($175,949)	($10,968)	($27,035)	($146,740)

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 and Commodity Risks

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

Type of Risk	Affected Businesses
Power price risk	Utility, Entergy Wholesale Commodities
Fuel price risk	Utility, Entergy Wholesale Commodities
Equity price and interest rate risk - investments	Utility, Entergy Wholesale Commodities

Entergy manages a portion of these risks using derivative instruments, some of which are classified as cash flow hedges due to their financial settlement provisions while others are classified as normal purchase/normal 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.

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

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

Derivatives

The fair values of Entergy's derivative instruments in the consolidated balance sheet as of March 31, 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					
Assets:					
Electricity swaps and options	Prepayments and other (current portion)	$46	($26)	$20	Entergy Wholesale Commodities
Electricity swaps and options	Other deferred debits and other assets (non-current portion)	$36	($14)	$22	Entergy Wholesale Commodities
Liabilities:					
Electricity swaps and options	Other current liabilities (current portion)	$30	($20)	$10	Entergy Wholesale Commodities
Electricity swaps and options	Other non-current liabilities (non-current portion)	$25	($16)	$9	Entergy Wholesale Commodities
Derivatives not designated as hedging instruments					
Assets:					
Electricity swaps and options	Prepayments and other (current portion)	$58	($25)	$33	Entergy Wholesale Commodities
Electricity swaps and options	Other deferred debits and other assets (non-current portion)	$15	($10)	$5	Entergy Wholesale Commodities
Natural gas swaps	Prepayments and other	$24	($-)	$24	Utility
Liabilities:					
Electricity swaps and options	Other current liabilities (current portion)	$36	($31)	$5	Entergy Wholesale Commodities
Electricity swaps and options	Other non-current liabilities (non-current portion)	$11	($7)	$4	Entergy Wholesale Commodities

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					
Assets:					
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
Liabilities:					
Electricity swaps and options	Other non-current liabilities (non-current portion)	$18	($11)	$7	Entergy Wholesale Commodities
Derivatives not designated as hedging instruments					
Assets:					
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
Liabilities:					
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 $12 million and $56 million held as of March 31, 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 March 31, 2013 and 2012 are as follows:

Instrument	Amount of gain (loss) recognized in other comprehensive income	Income Statement location	Amount of gain (loss) reclassified from AOCI into income
2013			
Electricity swaps and options	($120) million	Competitive businesses operating revenues	($2) million
2012			
Electricity swaps and options	$291 million	Competitive businesses operating revenues	$71 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 (losses) totaling approximately ($2) million and $71 million were realized on the maturity of cash flow hedges, before taxes (benefit) of ($1) million and $25 million, for the three months ended March 31, 2013 and 2012, respectively. The change in fair value of Entergy's cash flow hedges due to ineffectiveness during the three months ended March 31, 2013 and March 31, 2012 was ($1.3) million and $0.2 million, respectively. The ineffective portion of cash flow hedges is recorded in competitive businesses operating revenues.

Based on market prices as of March 31, 2013, unrealized gains (losses) recorded in AOCI on cash flow hedges relating to power sales totaled $15 million of net unrealized gains. Approximately $5 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. The maximum length of time over which Entergy is currently hedging the variability in future cash flows with derivatives for forecasted power transactions at March 31, 2013 is approximately 1.75 years. Planned generation currently under contract from Entergy Wholesale Commodities nuclear power plants is 84% for the remaining three quarters of 2013, of which approximately 51% is sold under financial derivatives and the remainder under normal purchase/normal sale contracts.

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 March 31, 2013, hedge contracts with six counterparties were in a liability position (approximately $25 million total), but were significantly below the amount of the guarantee provided under the contract and no cash collateral was required. As of March 31, 2012, there were no hedge contracts with counterparties in a liability position. 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.

Natural gas over-the-counter swaps that financially settle against NYMEX futures are used to manage fuel price volatility for the Utility's Louisiana and Mississippi customers. All benefits or costs of the program are recorded in fuel costs. The total volume of natural gas swaps outstanding as of March 31, 2013 is 60,540,000 MMBtu for Entergy, 18,270,000 MMBtu for Entergy Gulf States Louisiana, 25,140,000 MMBtu for Entergy Louisiana, and 17,130,000 MMBtu for Entergy Mississippi. 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 effect of Entergy's derivative instruments not designated as hedging instruments on the consolidated income statements for the three months ended March 31, 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	($20) million
Electricity swaps and options de-designated as hedged items	$1 million	Competitive businesses operating revenues	($1) million
2012			
Natural gas swaps	-	Fuel, fuel-related expenses, and gas purchased for resale	($51) million
Electricity swaps and options de-designated as hedged items	$3 million	Competitive businesses operating revenues	($2) 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 March 31, 2013 are as follows:

Instrument	Balance Sheet Location	Fair Value	Registrant
Assets:			
Natural gas swaps	Gas hedge contracts	$7.5 million	Entergy Gulf States Louisiana
Natural gas swaps	Gas hedge contracts	$10.0 million	Entergy Louisiana
Natural gas swaps	Gas hedge contracts	$6.6 million	Entergy Mississippi

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 statements of income for the three months ended March 31, 2013 and 2012 are as follows:

Instrument	Statement of Income Location	Amount of loss recorded in income	Registrant
2013			
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	($6.2) million	Entergy Gulf States Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	($8.3) million	Entergy Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	($5.4) million	Entergy Mississippi
2012			
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	($15.0) million	Entergy Gulf States Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	($20.7) million	Entergy Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	($13.4) 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 primary functions of the Entergy Wholesale Commodities Back Office are managing the energy trading and risk management system, forecasting revenues, forward positions and analysis, performing contract administration, market and counterparty settlements and revenue reporting and analysis along with maintaining related controls for Entergy Wholesale Commodities. Both Entergy Wholesale Commodities Risk Control and Entergy Wholesale Commodities Back Office report to the Entergy Wholesale Commodities VP, Finance & Risk Group. Entergy Nuclear Finance is primarily responsible for the financial planning of Entergy's utility and non-utility nuclear businesses and has a significant role in accounting for the activities and transactions of the associated companies. 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 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 US 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 March 31, 2013, Entergy had in-the-money derivative contracts with a fair value of $77 million with counterparties or their guarantor who are all currently investment grade. $25 million of the derivative contracts as of March 31, 2013 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' 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 March 31, 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	$197	$-	$-	$197
Decommissioning trust funds (a):				
Equity securities	386	2,319	-	2,705
Debt securities	745	1,003	-	1,748
Power contracts	-	-	80	80
Gas hedge contracts	24	-	-	24
Securitization recovery trust account	44	-	-	44
Escrow accounts	138	-	-	138
	$1,534	$3,322	$80	$4,936
Liabilities:				
Power contracts	$-	$-	$28	$28

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
	$1,979	$3,063	$191	$5,233
Liabilities:				
Power contracts	$-	$-	$13	$13
Gas hedge contracts	8	-	-	8
	$8	$-	$13	$21

(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 March 31, 2013 and 2012:

	2013	2012
	(In Millions)	
Balance as of January 1,	$178	$312
Unrealized gains (losses) from price changes	(115)	286
Unrealized gains on originations	1	1
Realized losses included in earnings	(14)	-
Realized (gains) losses on settlements	2	(71)
Balance as of March 31,	$52	$528

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 March 31, 2013:

Transaction Type	Fair Value as of March 31, 2013	Significant Unobservable Inputs	Range from Average %	Effect on Fair Value
Electricity swaps	$12 million	Unit contingent discount	+/-3%	$1 million
Electricity options	$40 million	Implied volatility	+/-9%	$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 March 31, 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	$12.4	$-	$-	$12.4
Decommissioning trust funds (a):				
Equity securities	2.8	417.0	-	419.8
Debt securities	70.3	153.1	-	223.4
Securitization recovery trust account	7.9	-	-	7.9
Escrow accounts	38.0	-	-	38.0
	$131.4	$570.1	$-	$701.5

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
	$171.1	$496.8	$-	$667.9

Entergy Gulf States Louisiana

2013	Level 1	Level 2	Level 3	Total
		(In Millions)		
Assets:				
Temporary cash investments	$0.8	$-	$-	$0.8
Decommissioning trust funds (a):				
Equity securities	5.0	315.2	-	320.2
Debt securities	53.0	138.5	-	191.5
Gas hedge contracts	7.5	-	-	7.5
Escrow accounts	21.5	-	-	21.5
	$87.8	$453.7	$-	$541.5

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
	$142.6	$422.4	$-	$565.0
Liabilities:				
Gas hedge contracts	$2.6	$-	$-	$2.6

Entergy Louisiana

2013	Level 1	Level 2	Level 3	Total
		(In Millions)		
Assets:				
Temporary cash investments	$9.6	$-	$-	$9.6
Decommissioning trust funds (a):				
Equity securities	2.9	193.2	-	196.1
Debt securities	52.2	60.2	-	112.4
Securitization recovery trust account	9.7	-	-	9.7
Gas hedge contracts	10.0	-	-	10.0
	$84.4	$253.4	$-	$337.8

2012	Level 1	Level 2	Level 3	Total
		(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
	$275.3	$232.8	$-	$508.1
Liabilities:				
Gas hedge contracts	$3.4	$-	$-	$3.4

Entergy Mississippi

2013	Level 1	Level 2	Level 3	Total
		(In Millions)		
Assets:				
Gas hedge contracts	$6.6	$-	$-	$6.6
Escrow accounts	61.8	-	-	61.8
	$68.4	$-	$-	$68.4

2012	Level 1	Level 2	Level 3	Total
		(In Millions)		
Assets:				
Temporary cash investments	$52.4	$-	$-	$52.4
Escrow accounts	61.8	-	-	61.8
	$114.2	$-	$-	$114.2
Liabilities:				
Gas hedge contracts	$2.2	$-	$-	$2.2

Entergy New Orleans

2013	Level 1	Level 2	Level 3	Total
		(In Millions)		
Assets:				
Temporary cash investments	$4.3	$-	$-	$4.3
Escrow accounts	12.8	-	-	12.8
	$17.1	$-	$-	$17.1

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

Entergy Texas

2013	Level 1	Level 2	Level 3	Total
		(In Millions)		
Assets:				
Securitization recovery trust account	$26.9	$-	$-	$26.9

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

System Energy

2013	Level 1	Level 2	Level 3	Total
		(In Millions)		
Assets:				
Temporary cash investments	$15.4	$-	$-	$15.4
Decommissioning trust funds (a):				
Equity securities	2.6	315.5	-	318.1
Debt securities	144.5	65.6	-	210.1
	$162.5	$381.1	$-	$543.6

2012	Level 1	Level 2	Level 3	Total
		(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
	$226.2	$347.9	$-	$574.1

(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 March 31, 2013 and December 31, 2012 are summarized as follows:

	Fair Value	Total Unrealized Gains	Total Unrealized Losses
		(In Millions)	
2013			
Equity Securities	$2,705	$897	$-
Debt Securities	1,748	102	5
Total	$4,453	$999	$5

	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 $265 million and $211 million as of March 31, 2013 and

December 31, 2012, respectively. The amortized cost of debt securities was $1,654 million as of March 31, 2013 and $1,637 million as of December 31, 2012. As of March 31, 2013, the debt securities have an average coupon rate of approximately 3.71%, an average duration of approximately 5.27 years, and an average maturity of approximately 8.08 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 March 31, 2013:

	Equity Securities		**Debt Securities**	
	Fair Value	**Gross Unrealized Losses**	**Fair Value**	**Gross Unrealized Losses**
		(In Millions)		
Less than 12 months	$3	$-	$223	$2
More than 12 months	-	-	36	3
Total	$3	$-	$259	$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	$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 March 31, 2013 and December 31, 2012 are as follows:

	2013	**2012**
	(In Millions)	
less than 1 year	$71	$53
1 year - 5 years	692	681
5 years - 10 years	558	562
10 years - 15 years	161	164
15 years - 20 years	69	61
20 years+	197	210
Total	$1,748	$1,731

During the three months ended March 31, 2013 and 2012, proceeds from the dispositions of securities amounted to $398 million and $536 million, respectively. During the three months ended March 31, 2013 and 2012, gross gains of $6 million and $12 million, respectively, and gross losses of $2 million and $2 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 March 31, 2013 and December 31, 2012 are summarized as follows:

	Fair Value	Total Unrealized Gains	Total Unrealized Losses
		(In Millions)	
2013			
Equity Securities	$419.8	$156.1	$-
Debt Securities	223.4	12.2	0.5
Total	$643.2	$168.3	$0.5
2012			
Equity Securities	$384.0	$116.1	$-
Debt Securities	216.6	14.5	0.2
Total	$600.6	$130.6	$0.2

The amortized cost of debt securities was $211.7 million as of March 31, 2013 and $202.3 million as of December 31, 2012. As of March 31, 2013, the debt securities have an average coupon rate of approximately 3.12%, an average duration of approximately 5.06 years, and an average maturity of approximately 5.77 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 March 31, 2013:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
		(In Millions)		
Less than 12 months	$-	$-	$35.5	$0.4
More than 12 months	-	-	2.0	0.1
Total	$-	$-	$37.5	$0.5

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of December 31, 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 March 31, 2013 and December 31, 2012 are as follows:

	2013	2012
	(In Millions)	
less than 1 year	$5.3	$8.8
1 year - 5 years	115.2	98.6
5 years - 10 years	90.3	93.1
10 years - 15 years	4.0	5.1
15 years - 20 years	1.0	-
20 years+	7.6	11.0
Total	$223.4	$216.6

During the three months ended March 31, 2013 and 2012, proceeds from the dispositions of securities amounted to $56.1 million and $54.7 million, respectively. During the three months ended March 31, 2013 and 2012, gross gains of $1.4 million and $2 million, respectively, were reclassified out of other regulatory liabilities/assets into earnings. During the three months ended March 31, 2013 gross losses of $0.1 million were reclassified out of other regulatory liabilities/assets into earnings. During the three months ended March 31, 2012, gross losses were insignificant.

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 March 31, 2013 and December 31, 2012 are summarized as follows:

	Fair Value	Total Unrealized Gains	Total Unrealized Losses
		(In Millions)	
2013			
Equity Securities	$320.2	$99.3	$-
Debt Securities	191.5	14.0	0.3
Total	$511.7	$113.3	$0.3
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 $175.2 million as of March 31, 2013 and $174.1 million as of December 31, 2012. As of March 31, 2013, the debt securities have an average coupon rate of approximately 4.60%, an average duration of approximately 5.47 years, and an average maturity of approximately 8.36 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 March 31, 2013:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
		(In Millions)		
Less than 12 months	$-	$-	$18.4	$0.3
More than 12 months	-	-	-	-
Total	$-	$-	$18.4	$0.3

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 March 31, 2013 and December 31, 2012 are as follows:

	2013	2012
	(In Millions)	
less than 1 year	$6.8	$8.0
1 year - 5 years	40.9	43.5
5 years - 10 years	64.8	63.5
10 years - 15 years	58.0	55.8
15 years - 20 years	9.5	8.5
20 years+	11.5	9.6
Total	$191.5	$188.9

During the three months ended March 31, 2013 and 2012, proceeds from the dispositions of securities amounted to $23.3 million and $38.1 million, respectively. During the three months ended March 31, 2013 and 2012, gross gains of $1.1 million and $1.5 million, respectively, and gross losses of $1.7 thousand and $5.5 thousand, 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 March 31, 2013 and December 31, 2012 are summarized as follows:

	Fair Value	Total Unrealized Gains	Total Unrealized Losses
		(In Millions)	
2013			
Equity Securities	$196.1	$67.3	$-
Debt Securities	112.4	8.5	0.2
Total	$308.5	$75.8	$0.2
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 $104.5 million as of March 31, 2013 and $102.6 million as of December 31, 2012. As of March 31, 2013, the debt securities have an average coupon rate of approximately 3.57%, an average duration of approximately 5.21 years, and an average maturity of approximately 9.18 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 March 31, 2013:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	$-	$-	$9.5	$0.1
More than 12 months	-	-	0.5	0.1
Total	$-	$-	$10.0	$0.2

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	$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 March 31, 2013 and December 31, 2012 are as follows:

	2013	2012
	(In Millions)	
less than 1 year	$10.9	$1.9
1 year - 5 years	34.8	42.3
5 years - 10 years	25.7	24.9
10 years - 15 years	17.4	18.8
15 years - 20 years	2.3	1.7
20 years+	21.3	22.3
Total	$112.4	$111.9

During the three months ended March 31, 2013 and 2012, proceeds from the dispositions of securities amounted to $3.6 million and $6.8 million, respectively. During the three months ended March 31, 2013 and 2012, gross gains of $0.04 million and $0.03 million, respectively, and gross losses of $0.01 million and $2.8 thousand, 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 March 31, 2013 and December 31, 2012 are summarized as follows:

	Fair Value	Total Unrealized Gains	Total Unrealized Losses
		(In Millions)	
2013			
Equity Securities	$318.1	$93.4	$-
Debt Securities	210.1	8.4	0.1
Total	$528.2	$101.8	$0.1
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 $203.3 million as of March 31, 2013 and $197.8 million as of December 31, 2012. As of March 31, 2013, the debt securities have an average coupon rate of approximately 2.75%, an average duration of approximately 4.59 years, and an average maturity of approximately 6.21 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 March 31, 2013:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
		(In Millions)		
Less than 12 months	$-	$-	$17.0	$0.1
More than 12 months	-	-	-	-
Total	$-	$-	$17.0	$0.1

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of December 31, 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 March 31, 2013 and December 31, 2012 are as follows:

	2013	2012
	(In Millions)	
less than 1 year	$6.5	$1.3
1 year - 5 years	119.5	128.7
5 years - 10 years	62.7	53.9
10 years - 15 years	2.4	2.3
15 years - 20 years	1.7	1.4
20 years+	17.3	19.4
Total	$210.1	$207.0

During the three months ended March 31, 2013 and 2012, proceeds from the dispositions of securities amounted to $25.6 million and $125.4 million, respectively. During the three months ended March 31, 2013 and 2012, gross gains of $0.02 million and $1.2 million, respectively, and gross losses of $0.07 million and $0.1 million, respectively, were reclassified out of other regulatory liabilities/assets into earnings.

<u>Other-than-temporary impairments and unrealized gains and losses</u>

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 months ended March 31, 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 months ended March 31, 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. As discussed in the Form 10-K, oral argument in PPL's U.K. Windfall Tax case at the U.S. Supreme Court was heard in February 2013, and the U.S. Supreme Court's decision is pending. Also, 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.

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 March 31, 2013 are $161.9 million for Entergy, $12 million for Entergy Arkansas, $27.1 million for Entergy Gulf States Louisiana, $54.1 million for Entergy Louisiana, $1.7 million for Entergy Mississippi, $1.6 million for Entergy New Orleans, $3.6 million for Entergy Texas, and $6 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 is an update to that discussion regarding the Vermont Yankee nuclear power plant.

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. As also discussed in the 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. Entergy filed its appeal brief on March 28, 2013 and briefing will continue into June 2013. The remaining schedule for that appeal has not yet been determined. Additionally, as discussed in the 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. The VPSB has since invited further comments and other submissions, and has issued a scheduling order that allows the assigned hearing officer to issue a proposal for decision in the second half of May 2013. Because Vermont Yankee must commence installation of the generator by mid-June 2013 in order to be confident that it will be operational by September 1, 2013, the date by which it will be needed to meet the NRC's station blackout requirements, on April 25, 2013, Entergy as a precaution filed a complaint in the United States District Court for the District of Vermont seeking a determination that federal law preempts Vermont from enforcing any state law that would prevent Vermont Yankee from installing the generator to comply with the NRC's requirements, as well as preliminary and permanent injunctive relief against such enforcement.

Impairment of Vermont Yankee in First Quarter 2012

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

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 \$18.5 million and \$26.8 million in the three months ended March 31, 2013 and 2012, respectively. System Energy made payments on its lease, including interest, of \$46.8 million and \$48.1 million in the three months ended March 31, 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 of 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 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.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

X ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2012

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____________ to ____________

Commission File Number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number, and IRS Employer Identification No.	Commission File Number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number, and IRS Employer Identification No.
1-11299	ENTERGY CORPORATION (a Delaware corporation) 639 Loyola Avenue New Orleans, Louisiana 70113 Telephone (504) 576-4000 72-1229752	1-31508	ENTERGY MISSISSIPPI, INC. (a Mississippi corporation) 308 East Pearl Street Jackson, Mississippi 39201 Telephone (601) 368-5000 64-0205830
1-10764	ENTERGY ARKANSAS, INC. (an Arkansas corporation) 425 West Capitol Avenue Little Rock, Arkansas 72201 Telephone (501) 377-4000 71-0005900	0-05807	ENTERGY NEW ORLEANS, INC. (a Louisiana corporation) 1600 Perdido Street New Orleans, Louisiana 70112 Telephone (504) 670-3700 72-0273040
0-20371	ENTERGY GULF STATES LOUISIANA, L.L.C. (a Louisiana limited liability company) 446 North Boulevard Baton Rouge, Louisiana 70802 Telephone (800) 368-3749 74-0662730	1-34360	ENTERGY TEXAS, INC. (a Texas corporation) 350 Pine Street Beaumont, Texas 77701 Telephone (409) 981-2000 61-1435798
1-32718	ENTERGY LOUISIANA, LLC (a Texas limited liability company) 446 North Boulevard Baton Rouge, Louisiana 70802 Telephone (800) 368-3749 75-3206126	1-09067	SYSTEM ENERGY RESOURCES, INC. (an Arkansas corporation) Echelon One 1340 Echelon Parkway Jackson, Mississippi 39213 Telephone (601) 368-5000 72-0752777

ENTERGY CORPORATION AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Entergy Corporation, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy)

The accompanying consolidated financial statements include the accounts of Entergy Corporation and its subsidiaries. As required by generally accepted accounting principles in the United States of America, all intercompany transactions have been eliminated in the consolidated financial statements. Entergy's Registrant Subsidiaries (Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy) also include their separate financial statements in this Form 10-K. The Registrant Subsidiaries and many other Entergy subsidiaries maintain accounts in accordance with FERC and other regulatory guidelines. Certain previously-reported amounts have been reclassified to conform to current classifications, with no effect on net income or common shareholders' (or members') equity.

Use of Estimates in the Preparation of Financial Statements

In conformity with generally accepted accounting principles in the United States of America, the preparation of Entergy Corporation's consolidated financial statements and the separate financial statements of the Registrant Subsidiaries requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses and the disclosure of contingent assets and liabilities. Adjustments to the reported amounts of assets and liabilities may be necessary in the future to the extent that future estimates or actual results are different from the estimates used.

Revenues and Fuel Costs

Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, and Entergy Texas generate, transmit, and distribute electric power primarily to retail customers in Arkansas, Louisiana, Louisiana, Mississippi, and Texas, respectively. Entergy Gulf States Louisiana also distributes natural gas to retail customers in and around Baton Rouge, Louisiana. Entergy New Orleans sells both electric power and natural gas to retail customers in the City of New Orleans, except for Algiers, where Entergy Louisiana is the electric power supplier. The Entergy Wholesale Commodities segment derives almost all of its revenue from sales of electric power generated by plants owned by subsidiaries in that segment.

Entergy recognizes revenue from electric power and natural gas sales when power or gas is delivered to customers. To the extent that deliveries have occurred but a bill has not been issued, Entergy's Utility operating companies accrue an estimate of the revenues for energy delivered since the latest billings. The Utility operating companies calculate the estimate based upon several factors including billings through the last billing cycle in a month, actual generation in the month, historical line loss factors, and prices in effect in Entergy's Utility operating companies' various jurisdictions. Changes are made to the inputs in the estimate as needed to reflect changes in billing practices. Each month the estimated unbilled revenue amounts are recorded as revenue and unbilled accounts receivable, and the prior month's estimate is reversed. Therefore, changes in price and volume differences resulting from factors such as weather affect the calculation of unbilled revenues from one period to the next, and may result in variability in reported revenues from one period to the next as prior estimates are reversed and new estimates recorded.

Entergy records revenue from sales under rates implemented subject to refund less estimated amounts accrued for probable refunds when Entergy believes it is probable that revenues will be refunded to customers based upon the status of the rate proceeding as of the date the financial statements are prepared.

Entergy's Utility operating companies' rate schedules include either fuel adjustment clauses or fixed fuel factors, which allow either current recovery in billings to customers or deferral of fuel costs until the costs are billed to customers. Where the fuel component of revenues is billed based on a pre-determined fuel cost (fixed fuel factor), the fuel factor remains in effect until changed as part of a general rate case, fuel reconciliation, or fixed fuel factor filing. System Energy's operating revenues are intended to recover from Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans operating expenses and capital costs attributable to Grand Gulf. The capital costs are computed by allowing a return on System Energy's common equity funds allocable to its net investment in Grand Gulf, plus System Energy's effective interest cost for its debt allocable to its investment in Grand Gulf.

Property, Plant, and Equipment

Property, plant, and equipment is stated at original cost. Depreciation is computed on the straight-line basis at rates based on the applicable estimated service lives of the various classes of property. For the Registrant Subsidiaries, the original cost of plant retired or removed, less salvage, is charged to accumulated depreciation. Normal maintenance, repairs, and minor replacement costs are charged to operating expenses. Substantially all of the Registrant Subsidiaries' plant is subject to mortgage liens.

Electric plant includes the portions of Grand Gulf and Waterford 3 that have been sold and leased back. For financial reporting purposes, these sale and leaseback arrangements are reflected as financing transactions.

Net property, plant, and equipment for Entergy (including property under capital lease and associated accumulated amortization) by business segment and functional category, as of December 31, 2012 and 2011, is shown below:

2012	Entergy	Utility	Entergy Wholesale Commodities	Parent & Other
	(In Millions)			
Production				
Nuclear	$9,588	$6,624	$2,964	$-
Other	2,878	2,493	385	-
Transmission	3,654	3,619	35	-
Distribution	6,561	6,561	-	-
Other	1,654	1,416	235	3
Construction work in progress	1,366	973	392	1
Nuclear fuel	1,598	907	691	-
Property, plant, and equipment - net	$27,299	$22,593	$4,702	$4

2011	Entergy	Utility	Entergy Wholesale Commodities	Parent & Other
		(In Millions)		
Production				
Nuclear	$8,635	$5,441	$3,194	$-
Other	2,431	2,032	399	-
Transmission	3,344	3,309	35	-
Distribution	6,157	6,157	-	-
Other	1,716	1,463	250	3
Construction work in progress	1,780	1,420	359	1
Nuclear fuel	1,546	802	744	-
Property, plant, and equipment - net	$25,609	$20,624	$4,981	$4

Depreciation rates on average depreciable property for Entergy approximated 2.5% in 2012, 2.6% in 2011, and 2.6% in 2010. Included in these rates are the depreciation rates on average depreciable Utility property of 2.4% in 2012, 2.5% in 2011, and 2.5% 2010, and the depreciation rates on average depreciable Entergy Wholesale Commodities property of 3.5% in 2012, 3.9% in 2011, and 3.7% in 2010.

Entergy amortizes nuclear fuel using a units-of-production method. Nuclear fuel amortization is included in fuel expense in the income statements.

"Non-utility property - at cost (less accumulated depreciation)" for Entergy is reported net of accumulated depreciation of $230.4 million and $214.3 million as of December 31, 2012 and 2011, respectively.

Construction expenditures included in accounts payable is $267 million and $171 million at December 31, 2012 and 2011, respectively.

Net property, plant, and equipment for the Registrant Subsidiaries (including property under capital lease and associated accumulated amortization) by company and functional category, as of December 31, 2012 and 2011, is shown below:

2012	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
				(In Millions)			
Production							
Nuclear	$1,073	$1,428	$2,180	$-	$-	$-	$1,943
Other	621	286	680	545	(11)	371	-
Transmission	1,034	573	734	581	27	642	28
Distribution	1,747	939	1,454	1,065	331	1,025	-
Other	115	187	289	201	182	106	17
Construction work in progress	206	125	405	63	11	90	40
Nuclear fuel	304	147	204	-	-	-	253
Property, plant, and equipment - net	$5,100	$3,685	$5,946	$2,455	$540	$2,234	$2,281

2011	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
				(In Millions)			
Production							
Nuclear	$1,034	$1,458	$1,561	$-	$-	$-	$1,388
Other	398	286	679	350	(7)	325	-
Transmission	942	500	706	510	22	624	5
Distribution	1,700	856	1,304	1,009	298	990	-
Other	173	192	278	206	186	110	18
Construction work in progress	120	122	559	105	14	91	358
Nuclear fuel	273	206	165	-	-	-	158
Property, plant, and equipment - net	$4,640	$3,620	$5,252	$2,180	$513	$2,140	$1,927

Depreciation rates on average depreciable property for the Registrant Subsidiaries are shown below:

	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
2012	2.5%	1.8%	2.4%	2.6%	3.0%	2.4%	2.8%
2011	2.6%	1.8%	2.5%	2.6%	3.0%	2.2%	2.8%
2010	2.9%	1.8%	2.4%	2.6%	3.1%	2.3%	2.9%

Non-utility property - at cost (less accumulated depreciation) for Entergy Gulf States Louisiana is reported net of accumulated depreciation of $142 million and $136 million as of December 31, 2012 and 2011, respectively. Non-utility property - at cost (less accumulated depreciation) for Entergy Louisiana is reported net of accumulated depreciation of $2.8 million and $2.7 million as of December 31, 2012 and 2011, respectively. Non-utility property - at cost (less accumulated depreciation) for Entergy Texas is reported net of accumulated depreciation of $10 million and $9.8 million as of December 31, 2012 and 2011, respectively.

As of December 31, 2012, construction expenditures included in accounts payable are $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. As of December 31, 2011, construction expenditures included in accounts payable are $14.1 million for Entergy Arkansas, $13.7 million for Entergy Gulf States Louisiana, $27 million for Entergy Louisiana, $4.3 million for Entergy Mississippi, $3.6 million for Entergy New Orleans, $4.3 million for Entergy Texas, and $32.9 million for System Energy.

Jointly-Owned Generating Stations

Certain Entergy subsidiaries jointly own electric generating facilities with affiliates or third parties. The investments and expenses associated with these generating stations are recorded by the Entergy subsidiaries to the extent of their respective undivided ownership interests. As of December 31, 2012, the subsidiaries' investment and accumulated depreciation in each of these generating stations were as follows:

Generating Stations		Fuel-Type	Total Megawatt Capability (1)	Ownership	Investment	Accumulated Depreciation
					(In Millions)	
Utility business:						
Entergy Arkansas -						
Independence	Unit 1	Coal	836	31.50%	$128	$86
	Common Facilities	Coal		15.75%	$33	$22
White Bluff	Units 1 and 2	Coal	1,659	57.00%	$498	$319
Ouachita (2)	Common Facilities	Gas		66.67%	$169	$142
Entergy Gulf States Louisiana -						
Roy S. Nelson	Unit 6	Coal	540	40.25%	$250	$170
Roy S. Nelson	Unit 6 Common Facilities	Coal		15.92%	$9	$3
Big Cajun 2	Unit 3	Coal	588	24.15%	$142	$99
Ouachita (2)	Common Facilities	Gas		33.33%	$87	$73
Entergy Louisiana -						
Acadia	Common Facilities	Gas		50.00%	$8	$-
Entergy Mississippi -						
Independence	Units 1 and 2 and Common Facilities	Coal	1,678	25.00%	$250	$140
Entergy Texas -						
Roy S. Nelson	Unit 6	Coal	540	29.75%	$180	$113
Roy S. Nelson	Unit 6 Common Facilities	Coal		11.77%	$6	$2
Big Cajun 2	Unit 3	Coal	588	17.85%	$107	$68
System Energy -						
Grand Gulf	Unit 1	Nuclear	1,430(4)	90.00%(3)	$4,557	$2,569
Entergy Wholesale Commodities:						
Independence	Unit 2	Coal	842	14.37%	$69	$43
Independence	Common Facilities	Coal		7.18%	$16	$9
Roy S. Nelson	Unit 6	Coal	540	10.9%	$104	$54
Roy S. Nelson	Unit 6 Common Facilities	Coal		4.31%	$2	$1

(1) "Total Megawatt Capability" is the dependable load carrying capability as demonstrated under actual operating conditions based on the primary fuel (assuming no curtailments) that each station was designed to utilize.

(2) Ouachita Units 1 and 2 are owned 100% by Entergy Arkansas and Ouachita Unit 3 is owned 100% by Entergy Gulf States Louisiana. The investment and accumulated depreciation numbers above are only for the common facilities and not for the generating units.

(3) Includes a leasehold interest held by System Energy. System Energy's Grand Gulf lease obligations are discussed in Note 10 to the financial statements.

(4) Includes estimate, pending further testing, of the rerate for recovered performance (approximately 55 MW) and uprate (approximately 178 MW) completed in 2012.

Nuclear Refueling Outage Costs

Nuclear refueling outage costs are deferred during the outage and amortized over the estimated period to the next outage because these refueling outage expenses are incurred to prepare the units to operate for the next operating cycle without having to be taken off line.

Allowance for Funds Used During Construction (AFUDC)

AFUDC represents the approximate net composite interest cost of borrowed funds and a reasonable return on the equity funds used for construction by the Registrant Subsidiaries. AFUDC increases both the plant balance and earnings and is realized in cash through depreciation provisions included in the rates charged to customers.

Income Taxes

Entergy Corporation and the majority of its subsidiaries file a United States consolidated federal income tax return. Each tax-paying entity records income taxes as if it were a separate taxpayer and consolidating adjustments are allocated to the tax filing entities in accordance with Entergy's intercompany income tax allocation agreement. Deferred income taxes are recorded for all temporary differences between the book and tax basis of assets and liabilities, and for certain credits available for carryforward.

Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates in the period in which the tax or rate was enacted.

Investment tax credits are deferred and amortized based upon the average useful life of the related property, in accordance with ratemaking treatment.

Earnings per Share

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

	For the Years Ended December 31,					
	2012		2011		2010	
	(In Millions, Except Per Share Data)					
		$/share		$/share		$/share
Net income attributable to Entergy Corporation	$846.7		$1,346.4		$1,250.2	
Basic earnings per average common share	177.3	$4.77	177.4	$7.59	186.0	$6.72
Average dilutive effect of:						
Stock options	0.3	(0.01)	1.0	(0.04)	1.8	(0.06)
Other equity plans	0.1	-	-	-	-	-
Diluted earnings per average common shares	177.7	$4.76	178.4	$7.55	187.8	$6.66

The calculation of diluted earnings per share excluded 7,164,319 options outstanding at December 31, 2012, 5,712,604 options outstanding at December 31, 2011, and 5,380,262 options outstanding at December 31, 2010 that could potentially dilute basic earnings per share in the future. Those options were not included in the calculation of diluted earnings per share because the exercise price of those options exceeded the average market price for the year.

Stock-based Compensation Plans

Entergy grants stock options, restricted stock, performance units, and restricted liability awards to key employees of the Entergy subsidiaries under its Equity Ownership Plans, which are shareholder-approved stock-based compensation plans. These plans are described more fully in Note 12 to the financial statements. The cost of the stock-based compensation is charged to income over the vesting period. Awards under Entergy's plans generally vest over three years.

Accounting for the Effects of Regulation

Entergy's Utility operating companies and System Energy are rate-regulated enterprises whose rates meet three criteria specified in accounting standards. The Utility operating companies and System Energy have rates that (i) are approved by a body (its regulator) empowered to set rates that bind customers; (ii) are cost-based; and (iii) can be charged to and collected from customers. These criteria may also be applied to separable portions of a utility's business, such as the generation or transmission functions, or to specific classes of customers. Because the Utility operating companies and System Energy meet these criteria, each of them capitalizes costs that would otherwise be charged to expense if the rate actions of its regulator make it probable that those costs will be recovered in future revenue. Such capitalized costs are reflected as regulatory assets in the accompanying financial statements. When an enterprise concludes that recovery of a regulatory asset is no longer probable, the regulatory asset must be removed from the entity's balance sheet.

An enterprise that ceases to meet the three criteria for all or part of its operations should report that event in its financial statements. In general, the enterprise no longer meeting the criteria should eliminate from its balance sheet all regulatory assets and liabilities related to the applicable operations. Additionally, if it is determined that a regulated enterprise is no longer recovering all of its costs, it is possible that an impairment may exist that could require further write-offs of plant assets.

Entergy Gulf States Louisiana does not apply regulatory accounting standards to the Louisiana retail deregulated portion of River Bend, the 30% interest in River Bend formerly owned by Cajun, and its steam business, where specific recovery is not provided for in tariff rates. The Louisiana retail deregulated portion of River Bend is operated under a deregulated asset plan representing a portion (approximately 15%) of River Bend plant costs, generation, revenues, and expenses established under a 1992 LPSC order. The plan allows Entergy Gulf States Louisiana to sell the electricity from the deregulated assets to Louisiana retail customers at 4.6 cents per kWh or off-system at higher prices, with certain provisions for sharing incremental revenue above 4.6 cents per kWh between ratepayers and shareholders.

Cash and Cash Equivalents

Entergy considers all unrestricted highly liquid debt instruments with an original or remaining maturity of three months or less at date of purchase to be cash equivalents.

Allowance for Doubtful Accounts

The allowance for doubtful accounts reflects Entergy's best estimate of losses on the accounts receivable balances. The allowance is based on accounts receivable agings, historical experience, and other currently available evidence. Utility operating company customer accounts receivable are written off consistent with approved regulatory requirements.

Investments

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 portion of River Bend that is not rate-regulated, Entergy Gulf States Louisiana has recorded an offsetting amount of unrealized gains/(losses) in other deferred credits. Decommissioning trust funds for Pilgrim, Indian Point 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 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 equity unless the unrealized loss is other than temporary and therefore recorded in earnings. 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). The assessment of whether an investment in an equity security has suffered an other-than-temporary impairment is 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. See Note 17 to the financial statements for details on the decommissioning trust funds.

Equity Method Investments

Entergy owns investments that are accounted for under the equity method of accounting because Entergy's ownership level results in significant influence, but not control, over the investee and its operations. Entergy records its share of earnings or losses of the investee based on the change during the period in the estimated liquidation value of the investment, assuming that the investee's assets were to be liquidated at book value. In accordance with this method, earnings are allocated to owners or members based on what each partner would receive from its capital account if, hypothetically, liquidation were to occur at the balance sheet date and amounts distributed were based on recorded book values. Entergy discontinues the recognition of losses on equity investments when its share of losses equals or exceeds its carrying amount for an investee plus any advances made or commitments to provide additional financial support. See Note 14 to the financial statements for additional information regarding Entergy's equity method investments.

Derivative Financial Instruments and Commodity Derivatives

The accounting standards for derivative instruments and hedging activities require that all derivatives be recognized at fair value on the balance sheet, either as assets or liabilities, unless they meet various exceptions including the normal purchase, normal sales criteria. The changes in the fair value of recognized derivatives are recorded each period in current earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and the type of hedge transaction.

Contracts for commodities that will be physically delivered in quantities expected to be used or sold in the ordinary course of business, including certain purchases and sales of power and fuel, meet the normal purchase, normal sales criteria and are not recognized on the balance sheet. Revenues and expenses from these contracts are reported on a gross basis in the appropriate revenue and expense categories as the commodities are received or delivered.

For other contracts for commodities in which Entergy is hedging the variability of cash flows related to a variable-rate asset, liability, or forecasted transactions that qualify as cash flow hedges, the changes in the fair value of such derivative instruments are reported in other comprehensive income. To qualify for hedge accounting, the relationship between the hedging instrument and the hedged item must be documented to include the risk management objective and strategy and, at inception and on an ongoing basis, the effectiveness of the hedge in offsetting the changes in the cash flows of the item being hedged. Gains or losses accumulated in other comprehensive income are reclassified to earnings in the periods when the underlying transactions actually occur. The ineffective portions of all hedges are recognized in current-period earnings.

Entergy has determined that contracts to purchase uranium do not meet the definition of a derivative under the accounting standards for derivative instruments because they do not provide for net settlement and the uranium markets are not sufficiently liquid to conclude that forward contracts are readily convertible to cash. If the uranium markets do become sufficiently liquid in the future and Entergy begins to account for uranium purchase contracts as derivative instruments, the fair value of these contracts would be accounted for consistent with Entergy's other derivative instruments.

<u>Fair Values</u>

The estimated fair values of Entergy's financial instruments and derivatives are determined using bid prices and market quotes. 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 held by regulated businesses may be reflected in future rates and therefore do not accrue to the benefit or detriment of stockholders. 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. See Note 16 to the financial statements for further discussion of fair value.

<u>Impairment of Long-Lived Assets</u>

Entergy periodically reviews long-lived assets held in all of its business segments whenever events or changes in circumstances indicate that recoverability of these assets is uncertain. Generally, the determination of recoverability is based on the undiscounted net cash flows expected to result from such operations and assets. Projected net cash flows depend on the future operating costs associated with the assets, the efficiency and availability of the assets and generating units, and the future market and price for energy over the remaining life of the assets.

Two nuclear power plants in the Entergy Wholesale Commodities business segment (Indian Point 2 and Indian Point 3) have applications pending for renewed NRC licenses. Various parties have expressed opposition to renewal of the licenses. Under federal law, nuclear power plants may continue to operate beyond their license expiration dates while their renewal applications are pending NRC approval. If the NRC does not renew the operating license for any of these plants, the plant's operating life could be shortened, reducing its projected net cash flows and impairing its value as an asset.

In March 2011 the NRC renewed Vermont Yankee's operating license for an additional 20 years. The renewed operating license expires in March 2032. In May 2011 the Vermont Department of Public Service and the New England Coalition petitioned the United States Court of Appeals for the D.C. Circuit seeking judicial review of the NRC's issuance of the renewed operating license, alleging that the license had been issued without a valid and effective water quality certification under Section 401 of the Clean Water Act. Entergy Nuclear Vermont Yankee and Entergy Nuclear Operations, Inc. intervened in the proceeding. In June 2012 the Court of Appeals denied the appeal on the ground that the petitioners had failed to exhaust their administrative remedies before the NRC. The time for seeking further judicial review of the NRC's issuance of Vermont Yankee's renewed operating license has expired.

Vermont Yankee also is operating under a Certificate of Public Good from the State of Vermont that was scheduled to expire in March 2012, but has an application pending before the Vermont Public Service Board (VPSB) for a new Certificate of Public Good for operation until March 2032. In April 2011, Entergy Nuclear Vermont Yankee and Entergy Nuclear Operations, the owner and operator respectively of Vermont Yankee, filed suit in the United States District Court for the District of Vermont. The suit challenged certain conditions imposed by Vermont upon Vermont Yankee's continued operation and storage of spent nuclear fuel, including the requirement to obtain not only a new Certificate of Public Good, but also approval by Vermont's General Assembly. In January 2012 the court entered judgment in Entergy's favor and specifically:

- Declared that Vermont's laws requiring Vermont Yankee to cease operation in March 2012 and prohibiting the storage of spent nuclear fuel from operation after that date, absent approval by the General Assembly, were based on radiological safety concerns and are preempted by the Atomic Energy Act;
- Permanently enjoined Vermont from enforcing these preempted requirements of the state's laws; and
- Permanently enjoined Vermont under the Commerce Clause of the United States Constitution from conditioning the issuance of a new Certificate of Public Good upon the existence of a below wholesale market power sale agreement with Vermont utilities or Vermont Yankee's selling power to Vermont utilities at rates below those available to wholesale customers in other states.

In February 2012 the Vermont defendants appealed the decision to the United States Court of Appeals for the Second Circuit. Vermont Yankee cross-appealed on two grounds: (1) the Federal Power Act alternatively preempts conditioning the issuance of a new Certificate of Public Good upon the existence of a below wholesale market power sale agreement with Vermont utilities or Vermont Yankee's selling power to Vermont utilities at rates below those available to wholesale customers in other states (an issue the District Court found unnecessary to decide in light of its ruling under the Commerce Clause); and (2) a request to make permanent the injunction pending appeal that the District Court entered on March 19, 2012 which prohibits Vermont from enforcing a statutory provision to compel Vermont Yankee to shut down because the cumulative total amount of spent fuel stored at the site exceeds the amount derived from the operation of the facility up to, but not beyond, March 21, 2012 (a provision the enforcement of which the January 2012 decision had not enjoined). The appeal and cross-appeal remain pending.

In January 2012, Entergy filed a motion requesting that the VPSB grant, based on the existing record in its proceeding, Vermont Yankee's pending application for a new Certificate of Public Good. Entergy subsequently filed another motion asking the VPSB to declare that title 3, section 814(b) of the Vermont statutes (3 V.S.A. § 814(b)) authorized Vermont Yankee to operate while the Certificate of Public Good proceeding was pending because Entergy had timely filed a petition for a new Certificate of Public Good that had not yet been decided. In March 2012 the VPSB issued orders denying Entergy's motion with respect to 3 V.S.A. § 814(b) but stating that the order did not require Vermont Yankee to cease operations, denying Entergy's motion to issue a new Certificate of Public Good based on the existing record, determining to open a new docket and to create a new record to decide Vermont Yankee's request for a new Certificate of Public Good (without prejudice to any rights that Entergy might have under 3 V.S.A. § 814(b)), and directing Entergy to file an amended Certificate of Public Good petition that identified the specific approvals it was seeking in light of the district court's decision. In April 2012, Entergy filed its amended Certificate of Public Good petition and in June 2012 filed its initial testimony in support of that petition. The VPSB's current schedule provides for hearings and briefs to be filed through August 2013, but no date for a decision by the VPSB.

In May 2012, Entergy filed a motion asking the VPSB to amend the 2002 and 2006 VPSB orders respectively approving Entergy's acquisition of Vermont Yankee and Vermont Yankee's construction of a spent nuclear fuel storage facility. These orders contained conditions respectively precluding the operation of Vermont Yankee after March 21, 2012 absent issuance of a new or renewed certificate of public good and limiting the amount of spent nuclear fuel stored at the site, in each case without explicitly addressing whether those conditions were subject to 3 V.S.A. § 814(b). In its March 2012 order the VPSB had found 3 V.S.A. § 814(b) did not apply to the conditions in those orders even though it did apply to the certificates of public good issued by the orders. In

November 2012 the VPSB denied Entergy's motion to amend the 2002 and 2006 VPSB orders. In December 2012 the Conservation Law Foundation filed a complaint in the Vermont Supreme Court, based on the VPSB's November order, which sought an order shutting down Vermont Yankee while its Certificate of Public Good application is pending. Entergy moved to dismiss that complaint on the basis, among other grounds, that 3 V.S.A. § 814(b) allows Vermont Yankee to operate while its Certificate of Public Good application is being decided. The Vermont Supreme Court heard oral argument on the motion in January 2013. Also in January 2013, the VPSB issued an order closing the old Certificate of Public Good docket (the one superseded by Entergy's April 2012 amended petition) in which the VPSB's March 2012 and November 2012 orders had been issued, making an appeal from those orders ripe. Entergy immediately filed a notice appealing those VPSB orders to the Vermont Supreme Court. Entergy expects to file its appeal brief in March 2013.

In September 2012, Entergy filed a petition asking the VPSB to issue a Certificate of Public Good allowing construction at Vermont Yankee for a diesel generator to provide power in the event of a station blackout. Vermont Yankee currently can obtain such power from the Vernon Dam. Due to changes instituted by ISO-New England, Vermont Yankee will no longer be able to rely upon the Vernon Dam in the event of a station blackout after August 31, 2013 and therefore plans to install a new diesel generator as a replacement power source. The VPSB requested and received comments on Entergy's September 2012 petition and its relationship to Entergy's other petition for a Certificate of Public Good. In December 2012 the VPSB issued an order opening an investigation into Vermont Yankee's Certificate of Public Good diesel generator application. In February 2013 the VPSB issued a notice allowing comments to be filed by March 15, 2013, but not otherwise establishing a schedule for completing that investigation.

Impairment

Because of the uncertainty regarding the continued operation of Vermont Yankee, Entergy has tested the recoverability of the plant and related assets each quarter since the first quarter 2010. The determination of recoverability is based on the probability-weighted undiscounted net cash flows expected to be generated by the plant and related assets. Projected net cash flows primarily depend on the status of the pending legal and state regulatory matters, as well as projections of future revenues and expenses over the remaining life of the plant. Prior to the first quarter 2012, the probability-weighted undiscounted net cash flows exceeded the carrying value of the Vermont Yankee plant and related assets. The decline, however, in the overall energy market and the projected forward prices of power as of March 31, 2012, which are significant inputs in the determination of net cash flows, resulted in the probability-weighted undiscounted future cash flows being less than the asset group's carrying value. 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 at March 31, 2012 was $162.0 million, while the carrying value was $517.5 million. Therefore, the assets were written down to their fair value and an impairment charge of $355.5 million ($223.5 million after-tax) was recognized. The impairment charge is recorded as a separate line item in Entergy's consolidated statement of income for 2012, 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 on March 31, 2012. 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 16 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 as of March 31, 2012:

Significant Unobservable Inputs	Range	Weighted Average
Weighted average cost of capital	7.5%-8.0%	7.8%
Long-term pre-tax operating margin (cash basis)	6.1%-7.8%	7.2%

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. Accounting Policy 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.

River Bend AFUDC

The River Bend AFUDC gross-up is a regulatory asset that represents the incremental difference imputed by the LPSC between the AFUDC actually recorded by Entergy Gulf States Louisiana on a net-of-tax basis during the construction of River Bend and what the AFUDC would have been on a pre-tax basis. The imputed amount was only calculated on that portion of River Bend that the LPSC allowed in rate base and is being amortized through August 2025.

Reacquired Debt

The premiums and costs associated with reacquired debt of Entergy's Utility operating companies and System Energy (except that portion allocable to the deregulated operations of Entergy Gulf States Louisiana) are included in regulatory assets and are being amortized over the life of the related new issuances, or over the life of the original debt issuance if the debt is not refinanced, in accordance with ratemaking treatment.

Taxes Imposed on Revenue-Producing Transactions

Governmental authorities assess taxes that are both imposed on and concurrent with a specific revenue-producing transaction between a seller and a customer, including, but not limited to, sales, use, value added, and some excise taxes. Entergy presents these taxes on a net basis, excluding them from revenues, unless required to report them differently by a regulatory authority.

Presentation of Preferred Stock without Sinking Fund

Accounting standards regarding non-controlling interests and the classification and measurement of redeemable securities require the classification of preferred securities between liabilities and shareholders' equity on the balance sheet if the holders of those securities have protective rights that allow them to gain control of the board of directors in certain circumstances. These rights would have the effect of giving the holders the ability to potentially redeem their securities, even if the likelihood of occurrence of these circumstances is considered remote. The Entergy Arkansas, Entergy Mississippi, and Entergy New Orleans articles of incorporation provide, generally, that the holders of each company's preferred securities may elect a majority of the respective company's board of directors if dividends are not paid for a year, until such time as the dividends in arrears are paid. Therefore, Entergy Arkansas, Entergy Mississippi, and Entergy New Orleans present their preferred securities outstanding between liabilities and shareholders' equity on the balance sheet. Entergy Gulf States Louisiana and Entergy Louisiana, both organized as limited liability companies, have outstanding preferred securities with similar protective rights with respect to unpaid dividends, but provide for the election of board members that would not constitute a majority of the board; and their preferred securities are therefore classified for all periods presented as a component of members' equity.

The outstanding preferred securities of Entergy Arkansas, Entergy Mississippi, Entergy New Orleans, and Entergy Asset Management (whose preferred holders also had protective rights until the securities were repurchased in December 2011), are similarly presented between liabilities and equity on Entergy's consolidated balance sheets and the outstanding preferred securities of Entergy Gulf States Louisiana and Entergy Louisiana are presented within total equity in Entergy's consolidated balance sheets. The preferred dividends or distributions paid by all subsidiaries are reflected for all periods presented outside of consolidated net income.

New Accounting Pronouncements

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

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

Regulatory Assets

Other Regulatory Assets

Regulatory assets represent probable future revenues associated with costs that are expected to be recovered from customers through the regulatory ratemaking process affecting the Utility business. In addition to the regulatory assets that are specifically disclosed on the face of the balance sheets, the tables below provide detail of "Other regulatory assets" that are included on Entergy's and the Registrant Subsidiaries' balance sheets as of December 31, 2012 and 2011:

Entergy

	2012	2011
	(In Millions)	
Asset Retirement Obligation - recovery dependent upon timing of decommissioning (Note 9) (b)	$422.6	$395.9
Deferred capacity (Note 2 – **Retail Rate Proceedings** – **Filings with the LPSC**)	6.8	-
Grand Gulf fuel - non-current and power management rider - recovered through rate riders when rates are redetermined periodically (Note 2 – **Fuel and purchased power cost recovery**)	35.1	12.4
New nuclear generation development costs (Note 2)	56.8	56.8
Gas hedging costs - recovered through fuel rates	8.3	30.3
Pension & postretirement costs (Note 11 – **Qualified Pension Plans**, **Other Postretirement Benefits**, and **Non-Qualified Pension Plans**) (b)	2,866.3	2,542.0
Postretirement benefits - recovered through 2012 (Note 11 – **Other Postretirement Benefits**) (b)	-	2.4
Provision for storm damages, including hurricane costs - recovered through securitization, insurance proceeds, and retail rates (Note 2 – **Hurricane Isaac** and **Storm Cost Recovery Filings with Retail Regulators**)	970.8	996.4
Removal costs - recovered through depreciation rates (Note 9) (b)	155.7	81.2

River Bend AFUDC - recovered through August 2025 (Note 1 – **River Bend AFUDC**)	22.4	24.3
Spindletop gas storage facility - recovered through December 2032 (a)	29.4	31.0
Transition to competition costs - recovered over a 15-year period through February 2021	82.1	89.2
Little Gypsy costs – recovered through securitization (Note 5 – **Entergy Louisiana Securitization Bonds - Little Gypsy**)	177.6	198.4
Incremental ice storm costs - recovered through 2032	10.0	10.5
Michoud plant maintenance – recovered over a 7-year period through September 2018	11.0	12.9
Unamortized loss on reacquired debt - recovered over term of debt	95.9	108.8
Other	75.1	44.4
Total	$5,025.9	$4,636.9

Entergy Arkansas

	2012	2011
	(In Millions)	
Asset Retirement Obligation - recovery dependent upon timing of decommissioning (Note 9) (b)	$210.2	$187.7
Incremental ice storm costs - recovered through 2032	10.0	10.5
Pension & postretirement costs (Note 11 – **Qualified Pension Plans**, **Other Postretirement Benefits**, and **Non-Qualified Pension Plans**) (b)	831.2	768.3
Grand Gulf fuel - non-current - recovered through rate riders when rates are redetermined periodically (Note 2 – **Fuel and purchased power cost recovery**)	17.3	4.6
Postretirement benefits - recovered through 2012 (Note 11 – **Other Postretirement Benefits**) (b)	-	2.4
Provision for storm damages - recovered either through securitization or retail rates (Note 2 - **Storm Cost Recovery Filings with Retail Regulators**)	115.2	114.7
Unamortized loss on reacquired debt - recovered over term of debt	31.5	34.7
Other	6.2	4.0
Entergy Arkansas Total	$1,221.6	$1,126.9

Entergy Gulf States Louisiana

	2012	2011
	(In Millions)	
Asset Retirement Obligation - recovery dependent upon timing of decommissioning (Note 9) (b)	$6.1	$12.8
Gas hedging costs - recovered through fuel rates	2.6	8.6
Pension & postretirement costs (Note 11 – **Qualified Pension Plans** and **Non-Qualified Pension Plans**) (b)	300.5	231.3
Provision for storm damages, including hurricane costs - recovered through retail rates and securitization (Note 2 - **Hurricane Isaac** and **Storm Cost Recovery Filings with Retail Regulators**)	18.9	10.2
Deferred capacity (Note 2 – **Retail Rate Proceedings** – **Filings with the LPSC**)	6.8	-
River Bend AFUDC - recovered through August 2025 (Note 1 – **River Bend AFUDC**)	22.4	24.3
Spindletop gas storage facility - recovered through December 2032 (a)	29.4	31.0
Unamortized loss on reacquired debt - recovered over term of debt	9.9	11.6
Other	13.1	4.1
Entergy Gulf States Louisiana Total	$409.7	$333.9

Entergy Louisiana

	2012	2011
	(In Millions)	
Asset Retirement Obligation - recovery dependent upon timing of decommissioning (Note 9) (b)	$136.9	$125.8
Gas hedging costs - recovered through fuel rates	3.4	12.4
Pension & postretirement costs (Note 11 – **Qualified Pension Plans** and **Non-Qualified Pension Plans**) (b)	475.6	427.9
Little Gypsy costs – recovered through securitization (Note 5 – **Entergy Louisiana Securitization Bonds - Little Gypsy**)	177.6	198.4
Provision for storm damages, including hurricane costs - recovered through retail rates and securitization (Note 2 - **Hurricane Isaac** and **Storm Cost Recovery Filings with Retail Regulators**)	74.5	9.7
Unamortized loss on reacquired debt - recovered over term of debt	17.6	20.0
Other	28.0	20.3
Entergy Louisiana Total	$913.6	$814.5

Entergy Mississippi

	2012	2011
	(In Millions)	
Asset Retirement Obligation - recovery dependent upon timing of decommissioning (Note 9) (b)	$5.6	$5.3
Gas hedging costs - recovered through fuel rates	2.2	7.8
Removal costs - recovered through depreciation rates (Note 9) (b)	57.4	48.5
Grand Gulf fuel - non-current and power management rider- recovered through rate riders when rates are redetermined periodically (Note 2 – **Fuel and purchased power cost recovery**)	17.8	7.8
New nuclear generation development costs (Note 2)	56.8	56.8
Pension & postretirement costs (Note 11 – **Qualified Pension Plans**, **Other Postretirement Benefits**, and **Non-Qualified Pension Plans**) (b)	234.6	221.1
Provision for storm damages - recovered through retail rates	9.2	30.7
Unamortized loss on reacquired debt - recovered over term of debt	9.6	10.7
Other	8.3	4.7
Entergy Mississippi Total	$401.5	$393.4

Entergy New Orleans

	2012	2011
	(In Millions)	
Asset Retirement Obligation - recovery dependent upon timing of decommissioning (Note 9) (b)	$3.6	$3.4
Removal costs - recovered through depreciation rates (Note 9) (b)	29.9	16.3
Gas hedging costs - recovered through fuel rates	-	1.5
Pension & postretirement costs (Note 11 – **Qualified Pension Plans**, **Other Postretirement Benefits**, and **Non-Qualified Pension Plans**) (b)	134.6	127.6
Provision for storm damages, including hurricane costs - recovered through insurance proceeds and retail rates (Note 2 - **Hurricane Isaac** and **Storm Cost Recovery Filings with Retail Regulators**)	15.1	8.6
Unamortized loss on reacquired debt - recovered over term of debt	2.3	2.6
Michoud plant maintenance – recovered over a 7-year period through September 2018	11.0	12.9
Other	5.5	5.9
Entergy New Orleans Total	$202.0	$178.8

Entergy Texas

	2012	2011
	(In Millions)	
Asset Retirement Obligation - recovery dependent upon timing of decommissioning (Note 9) (b)	$1.2	$1.3
Removal costs - recovered through depreciation rates (Note 9) (b)	11.5	4.5
Pension & postretirement costs (Note 11 – **Qualified Pension Plans**, **Other Postretirement Benefits**, and **Non-Qualified Pension Plans**) (b)	258.8	244.9
Provision for storm damages, including hurricane costs - recovered through securitization, insurance proceeds, and retail rates (Note 2 - **Storm Cost Recovery Filings with Retail Regulators**)	737.9	822.5
Transition to competition costs - recovered over a 15-year period through February 2021	82.1	89.2
Unamortized loss on reacquired debt - recovered over term of debt	9.4	10.8
Other	13.6	4.9
Entergy Texas Total	$1,114.5	$1,178.1

System Energy

	2012	2011
	(In Millions)	
Asset Retirement Obligation - recovery dependent upon timing of decommissioning (Note 9) (b)	$58.9	$59.6
Removal costs - recovered through depreciation rates (Note 9) (b)	56.8	11.8
Pension & postretirement costs (Note 11 – **Qualified Pension Plans** and **Other Postretirement Benefits**) (b)	198.2	197.6
Unamortized loss on reacquired debt - recovered over term of debt	15.6	18.2
Other	0.6	0.6
System Energy Total	$330.1	$287.8

(a) The jurisdictional split order assigned the regulatory asset to Entergy Texas. The regulatory asset, however, is being recovered and amortized at Entergy Gulf States Louisiana. As a result, a billing occurs monthly over the same term as the recovery and receipts will be submitted to Entergy Texas. Entergy Texas has recorded a receivable from Entergy Gulf States Louisiana and Entergy Gulf States Louisiana has recorded a corresponding payable.

(b) Does not earn a return on investment, but is offset by related liabilities.

Hurricane Isaac

In August 2012, Hurricane Isaac caused extensive damage to portions of Entergy's service area in Louisiana, and to a lesser extent in Mississippi and Arkansas. The storm resulted in widespread power outages, significant damage primarily to distribution infrastructure, and the loss of sales during the power outages. Total restoration costs for the repair or replacement of Entergy's electric facilities in areas with damage from Hurricane Isaac are currently estimated to be approximately $370 million, including approximate amounts of $7 million at Entergy Arkansas, $70 million at Entergy Gulf States Louisiana, $220 million at Entergy Louisiana, $22 million at Entergy Mississippi, and $48 million at Entergy New Orleans.

The Utility operating companies are considering all reasonable avenues to recover storm-related costs from Hurricane Isaac, including, but not limited to, accessing funded storm reserves; securitization or other alternative financing; and traditional retail recovery on an interim and permanent basis. Each Utility operating company is responsible for its restoration cost obligations and for recovering or financing its storm-related costs. In November 2012, Entergy New Orleans drew $10 million from its funded storm reserves. In January 2013, Entergy Gulf States Louisiana and Entergy Louisiana drew $65 million and $187 million, respectively, from their funded storm reserves. Storm cost recovery or financing may be subject to review by applicable regulatory authorities.

Entergy recorded accruals for the estimated costs incurred that were necessary to return customers to service. Entergy recorded corresponding regulatory assets of approximately $120 million and construction work in progress of approximately $250 million. Entergy recorded the regulatory assets in accordance with its accounting policies and based on the historic treatment of such costs in its service area because management believes that recovery through some form of regulatory mechanism is probable. Because Entergy has not gone through the regulatory process regarding these storm costs, however, there is an element of risk, and Entergy is unable to predict with certainty the degree of success it may have in its recovery initiatives, the amount of restoration costs that it may ultimately recover, or the timing of such recovery.

Correction of Regulatory Asset for Income Taxes

In the first quarter 2012, Entergy Gulf States Louisiana determined that its regulatory asset for income taxes was overstated because of a difference between the regulatory treatment of the income taxes associated with certain items (primarily pension expense) and the financial accounting treatment of those taxes. Beginning with Louisiana retail rate filings using the 1994 test year, retail rates were developed using the normalization method of accounting for income taxes. With respect to these items, however, the financial accounting for income taxes was computed using the flow-through method of accounting. As a result, over the years Entergy Gulf States Louisiana accumulated a regulatory asset representing the expected future recovery of tax expense for the affected items even though the tax expense was being collected currently in rates from customers and would not be recovered in the future.

The effect was immaterial to the consolidated balance sheets, results of operations, and cash flows of Entergy for all prior reporting periods and on a cumulative basis. Therefore, a cumulative adjustment was recorded in the first quarter 2012 to remove the regulatory asset previously recorded. This adjustment increased 2012 income tax expense by $46.3 million, decreased the regulatory asset for income taxes by $75.3 million, and decreased accumulated deferred income taxes by $29 million.

The effect was also immaterial to the balance sheets, results of operations, and cash flows of Entergy Gulf States Louisiana for all prior reporting periods. Correcting the cumulative effect of the error in the first quarter 2012 could have been material to the 2012 results of operations of Entergy Gulf States Louisiana and, therefore, Entergy Gulf States Louisiana is revising its prior period financial statements to correct the errors. The corrections affect the prior period financial statements of Entergy Gulf States Louisiana as shown in the tables below: