ENTERGY TEXAS, INC.
NOTES PAYABLE OUTSTANDING
AT MARCH 31, 2013

DESCRIPTION	MATURITY DATE	PRINCIPAL AMOUNT	% OF TOTAL PRINCIPAL	INTEREST RATE	WEIGHTED AVERAGE COST
NONE OUTSTANDING					
TOTAL		$0	0.000%		$0

NOTES PAYABLE OUTSTANDING LAST TWO YEARS:

QUARTER ENDING DEC 31, 2012	$0
QUARTER ENDING SEP 30, 2012	$0
QUARTER ENDING JUN 30, 2012	$0
QUARTER ENDING MAR 31, 2012	$0
QUARTER ENDING DEC 31, 2011	$0
QUARTER ENDING SEP 30, 2011	$0
QUARTER ENDING JUN 30, 2011	$0
QUARTER ENDING MAR 31, 2011	$0

ANTICIPATED CHANGES IN NOTES PAYABLE DURING
TWELVE MONTHS FOLLOWING TEST YEAR:

NONE

Sponsors: Chris E. Barrilleaux and Michael P. Considine

ENTERGY TEXAS, INC.
SUMMARY OF ISSUANCE RESTRICTIONS ON DEBT
AND PREFERRED STOCK AT MARCH 31, 2013

Restrictions placed upon Entergy Texas, Inc. pertaining to the issuance of debt and preferred stock are contained in (A) its Indenture, Deed of Trust and Security Agreement dated as of October 1, 2008, (B) its Credit Agreement dated as of March 9, 2012, (C) the Federal Energy Regulatory Commission Order obtained by it dated July 22, 2011, and (D) its Certificate of Formation dated effective December 31, 2007.

DEBT

Entergy Texas, Inc. may issue mortgage bonds under its Indenture, Deed of Trust and Security Agreement in an unlimited aggregate principal amount. Such bonds may be authenticated and delivered on the basis of (1) Property Additions that do not constitute Funded Property in a principal amount not exceeding 70% of the balance of the Cost or the Fair Value of such Property Additions, whichever is less, and (2) in an aggregate principal amount not exceeding the aggregate principal amount of Retired Securities. Such Indenture, Deed of Trust and Security Agreement does not contain an earnings coverage test, a limit on Other Income, or a dividend limit.

Its Credit Agreement provides that the total principal amount of all Entergy Texas, Inc. debt may not at any time exceed 65% of its capitalization.

The FERC Order obtained by Entergy Texas, Inc. dated July 22, 2011, provides that, from the date of such FERC Order until July 31, 2013, Entergy Texas, Inc. may issue Long-Term Debt in an aggregate amount not to exceed $1,352,100,000. Such FERC Order does not contain an interest coverage ratio requirement.

PREFERRED STOCK

The Entergy Texas, Inc. Certificate of Formation does not currently permit it to issue any Preferred Stock.

Sponsored by: Chris E. Barrilleaux and Michael P. Considine

ENTERGY TEXAS, INC.
SECURITY ISSUANCE RESTRICTIONS
AS OF MARCH 31, 2013
LEVERAGE RATIO

Public

DESCRIPTION		AMT ($000s)
DEBT		
"Debt" of any Person means (without duplication) all liabilities, obligations, and indebtedness (whether contingent or otherwise) of such Person		
(i) for borrowed money or evidenced by bonds, debentures, notes, or other similar instruments		
Currently maturing long term debt	$	-
Notes payable		-
Long-term debt		1,595,957
(ii) to pay the deferred purchase price of property or services (other than such obligations incurred in the ordinary course of business on customary trade terms, provided that such obligations are not more than 30 days past due)		-
(iii) as lessee under leases which shall have been or should be, in accordance with generally accepted accounting principles, recorded as capital leases,		
Current obligations under capital lease		-
Deferred obligations under capital lease		-
(iv) under reimbursement agreements or similar agreements with respect to the issuance of letters of credit (other than obligations in respect of letters of credit opened to provide for the payment of goods or services purchased in the ordinary course of business), and		-
(v) under any Guaranty Obligations		-
5 02(b)Limitation on Debt. (i) "Debt" and "Capitalization" shall not include (A) Hybrid Securities (see definition below) (B) any Debt of any Subsidiary of the Borrower that is Non-Recourse Debt (C) Eligible Securitization Bonds (D) the amount of preferred and debt securities to be redeemed in connection with the ITC Transaction for which funds sufficient (other than any make-whole redemption premium until one Business Day after the amount thereof has been determined) to pay such redemption have been deposited with the trustee or paying agent for such securities or deposited in escrow for such redemption		
ETI Securitization Bonds		(668,418)
TOTAL DEBT	$	927,539
CAPITALIZATION		
"Capitalization" means, as of any date of determination, with respect to the Borrower and its Subsidiaries determined on a consolidated basis, an amount equal to the sum of		
(i) the total principal amount of all Debt of the Borrower and its Subsidiaries outstanding on such date		
Total Debt	$	927,539
(ii) Consolidated Net Worth as of such date		
Shareholder's' Equity		855,068
(iii) To the extent not otherwise included in Capitalization, all preferred stock and other preferred securities of the Borrower and its Subsidiaries, including preferred or preference securities issued by any subsidiary trust, outstanding on such date		-
5 02(b) Limitation on Debt. (ii) "Capitalization" shall exclude changes to other comprehensive income resulting from		
(x) pension and other post-retirement benefits liability adjustments and		-
(y) mark-to-market non-cash adjustments relating to accounting for derivatives		-
TOTAL CAPITALIZATION	$	1,782,607

LEVERAGE RATIO CALCULATION RESULT	**52.03%**
Limit per Credit Agreement	**< 65%**

"Hybrid Securities" means (i) debt or preferred or preference equity securities (however designated or denominated) of the Borrower or any of its Subsidiaries that are mandatorily convertible into Common Equity or Preferred Equity of the Borrower or any of its Subsidiaries, *provided* that such securities do not constitute Mandatorily Redeemable Stock, (ii) securities of the Borrower or any of its Subsidiaries that (A) are afforded equity treatment (whether full or partial) by S&P or Moody's at the time of issuance, and (B) require no repayments or prepayments and no mandatory redemptions or repurchases, in each case, prior to 91 days after the Termination Date, (iii) any other securities (however designated or denominated), that are (A) issued by the Borrower or any of its Subsidiaries, (B) not subject to mandatory redemption or mandatory prepayment, and (C) together with any guaranty thereof, subordinate in right of payment to the unsecured and unsubordinated indebtedness (other than trade liabilities incurred in the ordinary course of business and payable in accordance with customary terms) of the issuer of such securities or guaranty and (iv) QUIPS.

Amounts may not add or tie to other schedules due to rounding.

Sponsored by: Chris E Barrilleaux and Michael P Considine

ENTERGY TEXAS, INC.
SECURITY ISSUANCE RESTRICTIONS
AS OF DECEMBER 31, 2012
LEVERAGE RATIO

Public

DESCRIPTION		AMT ($000s)
DEBT		
"Debt" of any Person means (without duplication) all liabilities, obligations, and indebtedness (whether contingent or otherwise) of such Person		
(i) for borrowed money or evidenced by bonds, debentures, notes, or other similar instruments		
Currently maturing long term debt	$	-
Notes payable		-
Long-term debt		1,617,813
(ii) to pay the deferred purchase price of property or services (other than such obligations incurred in the ordinary course of business on customary trade terms, provided that such obligations are not more than 30 days past due)		-
(iii) as lessee under leases which shall have been or should be, in accordance with generally accepted accounting principles, recorded as capital leases,		
Current obligations under capital lease		-
Deferred obligations under capital lease		-
(iv) under reimbursement agreements or similar agreements with respect to the issuance of letters of credit (other than obligations in respect of letters of credit opened to provide for the payment of goods or services purchased in the ordinary course of business), and		-
(v) under any Guaranty Obligations.		-
5.02(b)Limitation on Debt. (i) "Debt" and "Capitalization" shall not include (A) Hybrid Securities (see definition below) (B) any Debt of any Subsidiary of the Borrower that is Non-Recourse Debt (C) Eligible Securitization Bonds (D) the amount of preferred and debt securities to be redeemed in connection with the ITC Transaction for which funds sufficient (other than any make-whole redemption premium until one Business Day after the amount thereof has been determined) to pay such redemption have been deposited with the trustee or paying agent for such securities or deposited in escrow for such redemption		
ETI Securitization Bonds		(690,380)
TOTAL DEBT	$	927,433
CAPITALIZATION		
"Capitalization" means, as of any date of determination, with respect to the Borrower and its Subsidiaries determined on a consolidated basis, an amount equal to the sum of		
(i) the total principal amount of all Debt of the Borrower and its Subsidiaries outstanding on such date		
Total Debt	$	927,433
(ii) Consolidated Net Worth as of such date		
Shareholder's' Equity		854,146
(iii) To the extent not otherwise included in Capitalization, all preferred stock and other preferred securities of the Borrower and its Subsidiaries, including preferred or preference securities issued by any subsidiary trust, outstanding on such date		-
5 02(b) Limitation on Debt (ii) "Capitalization" shall exclude changes to other comprehensive income resulting from (x) pension and other post-retirement benefits liability adjustments and (y) mark-to-market non-cash adjustments relating to accounting for derivatives.		- -
TOTAL CAPITALIZATION	$	1,781,579

LEVERAGE RATIO CALCULATION RESULT	**52.06%**
Limit per Credit Agreement	**< 65%**

"Hybrid Securities" means (i) debt or preferred or preference equity securities (however designated or denominated) of the Borrower or any of its Subsidiaries that are mandatorily convertible into Common Equity or Preferred Equity of the Borrower or any of its Subsidiaries, *provided* that such securities do not constitute Mandatorily Redeemable Stock, (ii) securities of the Borrower or any of its Subsidiaries that (A) are afforded equity treatment (whether full or partial) by S&P or Moody's at the time of issuance, and (B) require no repayments or prepayments and no mandatory redemptions or repurchases, in each case, prior to 91 days after the Termination Date, (iii) any other securities (however designated or denominated), that are (A) issued by the Borrower or any of its Subsidiaries, (B) not subject to mandatory redemption or mandatory prepayment, and (C) together with any guaranty thereof, subordinate in right of payment to the unsecured and unsubordinated indebtedness (other than trade liabilities incurred in the ordinary course of business and payable in accordance with customary terms) of the issuer of such securities or guaranty and (iv) QUIPS.

Amounts may not add or tie to other schedules due to rounding.

Sponsored by: Chris E. Barrilleaux and Michael P Considine

ENTERGY TEXAS, INC.
SECURITY ISSUANCE RESTRICTIONS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2013
LEVERAGE RATIO

Public

DESCRIPTION	AMT ($000s)

Information contained on pages 4-9 is highly sensitive.

Sponsored by: Chris E Barrilleaux and Michael P. Considine

ENTERGY TEXAS, INC.
FINANCIAL RATIOS

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	TOTAL DEBT % CAPITAL	CWIP % NET PLANT	CONST. EXP. % AVG. CAPITAL	PRE-TAX INTEREST COVERAGE	PRE-TAX INTEREST COV EXCL AFUDC & DEF	FIXED CHARGE COVERAGE	FIXED CHARGE COV EXCL AFUDC & DEF
ACTUAL:							
12/31/08	59 90%	10.90%	11.90%	2.07	2.30	2.04	2.26
12/31/09	66.25%	4.22%	7.61%	1.95	2.30	1.92	2.26
12/31/10	66 81%	3 93%	6 16%	2 14	2.71	2.10	2.66
12/31/11	65.09%	4 25%	6.60%	2.39	2.88	2.34	2.82
12/31/12	65.45%	4.05%	6.88%	1.78	2.42	1.76	2.38
TEST YEAR:							
3/31/2013	65.11%	3.77%	7.12%	1.79	2.49	1 77	2.46

PROJECTED.
(ASSUMING NO RATE RELIEF GRANTED)

12/31/98
12/31/99
12/31/00

RATE YEAR ENDING
12/31/98

Information contained on pages 7-14 is highly sensitive.

PROJECTED:
(ASSUMING FULL RECOVERY OF REQUESTED RATE RELIEF GRANTED)

12/31/98
12/31/99
12/31/00

RATE YEAR ENDING
12/31/98

Information contained on pages 7-14 is highly sensitive.

* Information from Docket 34800.
** Activity represents Entergy Gulf States, Inc.
Amounts may not add or agree with other schedules due to rounding
Sponsored by: Michael P Considine and Chris E. Barrilleaux

ENTERGY TEXAS, INC.
FINANCIAL RATIOS

	(8) CASH INTEREST COVERAGE	(9) INTERNAL CASH % CONSTR. EXP.	(10) CASH COVERAGE OF DIVIDENDS	(11) AFUDC % NET INCOME FOR COMMON	(12) INTERNAL CASH % AVERAGE TOTAL DEBT	(13) RETURN ON AVERAGE EQUITY
ACTUAL:						
12/31/08	(0.56)	-49.27%	-1064.39%	10.65%	-10.13%	6.08%
12/31/09	1.24	-43.37%	31.66%	12.13%	-5.44%	7.32%
12/31/10	3.51	98.89%	286.36%	14.02%	9.71%	7.93%
12/31/11	3 62	140.22%	4307.98%	7.90%	14.58%	9.38%
12/31/12	4.55	141.92%	395.30%	18.57%	15.63%	4.79%
TEST YEAR:						
3/31/2013	4.39	131.03%	374.48%	17.73%	14.89%	4.81%

PROJECTED:
(ASSUMING NO RATE RELIEF GRANTED)

12/31/98
12/31/99
12/31/00

RATE YEAR ENDING
12/31/98

Information contained on pages 7-14 is highly sensitive.

PROJECTED:
(ASSUMING CURRENT RATES)

12/31/98
12/31/99
12/31/00

RATE YEAR ENDING
12/31/98

Information contained on pages 7-14 is highly sensitive.

* Information from Docket 34800.
** Activity represents Entergy Gulf States, Inc
Amounts may not add or agree with other schedules due to rounding.
Sponsored by: Michael P Considine and Chris E. Barrilleaux

ENTERGY TEXAS, INC.
CALCULATION OF FINANCIAL RATIOS
AMOUNTS IN THOUSANDS OF $'S

(1) TOTAL DEBT AS A PERCENT OF TOTAL CAPITAL

	03/31/2013	12/31/12	12/31/11	12/31/10	12/31/09	12/31/08
LONG TERM DEBT *	1,595,957	1,617,813	1,677,127	1,659,230	1,490,283	1,244,368
CURRENT MATURITIES	0	0	0	0	167,742	100,509
CAPITAL LEASE (CURRENT)	0	0	0	0	0	0
CAPITAL LEASE (LONG-TERM)	0	0	0	0	0	0
TOTAL LONG-TERM DEBT	1,595,957	1,617,813	1,677,127	1,659,230	1,658,025	1,344,877
PREFERENCE STOCK	0	0	0	0	0	0
PREFERRED STOCK- NONMAND.	0	0	0	0	0	0
PREFERRED STOCK- MANDATORY	0	0	0	0	0	0
COMMON EQUITY	855,068	854,146	899,355	824,290	844,490	900,149
TOTAL CAPITAL	2,451,025	2,471,959	2,576,482	2,483,520	2,502,515	2,245,026
NUMERATOR	1,595,957	1,617,813	1,677,127	1,659,230	1,658,025	1,344,877
DENOMINATOR:	2,451,025	2,471,959	2,576,482	2,483,520	2,502,515	2,245,026

* INCLUDES QUIPS.

TOTAL DEBT AS A PERCENT OF TOTAL CAPITAL	65.11%	65.45%	65.09%	66.81%	66.25%	59 90%

(2) TOTAL CWIP AS A PERCENT OF NET PLANT

	03/31/2013	12/31/12	12/31/11	12/31/10	12/31/09	12/31/08
CONSTRUCTION WORK IN PROGRESS	84,711	90,469	90,856	80,096	82,167	221,387
PLANT IN SERVICE	3,511,218	3,475,776	3,338,608	3,205,566	3,074,334	2,912,972
ACCUMULATED DEPRECIATION	1,347,393	1,332,349	1,289,166	1,245,729	1,210,172	1,104,116
CONSTRUCTION WORK IN PROGRESS	84,711	90,469	90,856	80,096	82,167	221,387
NUCLEAR FUEL NET OF AMORTIZATION	0	0	0	0	0	0
TOTAL UTILITY PLANT	2,248,536	2,233,896	2,140,298	2,039,933	1,946,329	2,030,243
NUMERATOR:	84,711	90,469	90,856	80,096	82,167	221,387
DENOMINATOR:	2,248,536	2,233,896	2,140,298	2,039,933	1,946,329	2,030,243
TOTAL CWIP AS A PERCENT OF NET PLANT	3.77%	4.05%	4.25%	3.93%	4.22%	10.90%

(3) CONSTRUCTION EXPENDITURES AS A PERCENT OF AVERAGE TOTAL CAPITAL

	03/31/2013	12/31/12	12/31/11	12/31/10	12/31/09	12/31/08
CONSTRUCTION EXPENDITURES	182,624	181,404	173,462	162,822	188,277	283,622
LESS: AFUDC	7,294	7,795	6,390	9,279	7,742	6,168
CASH CONSTRUCTION EXPENDITURES	175,330	173,609	167,072	153,543	180,535	277,454
BEGINNING CAPITAL	2,471,959	2,576,482	2,483,520	2,502,515	2,245,026	2,417,240
ENDING CAPITAL	2,451,025	2,471,959	2,576,482	2,483,520	2,502,515	2,245,026
AVERAGE TOTAL CAPITAL	2,461,492	2,524,221	2,530,001	2,493,018	2,373,771	2,331,133
NUMERATOR:	175,330	173,609	167,072	153,543	180,535	277,454
DENOMINATOR:	2,461,492	2,524,221	2,530,001	2,493,018	2,373,771	2,331,133
CONSTRUCTION EXPENDITURES AS A PERCENT OF AVERAGE TOTAL CAPITAL	7.12%	6.88%	6.60%	6.16%	7.61%	11.90%

* Information from Docket 34800.
** Activity represents Entergy Gulf States, Inc.
Amounts may not add or agree with other schedules due to rounding.
Sponsored by: Michael P. Considine and Chris E. Barrilleaux

ENTERGY TEXAS, INC.
CALCULATION OF FINANCIAL RATIOS
AMOUNTS IN THOUSANDS OF $'S

(4) PRE-TAX INTEREST COVERAGE

	03/31/2013	12/31/12	12/31/11	12/31/10	12/31/09	12/31/08
INCOME FROM CONTINUING OPERATIONS	41,148	41,971	80,845	66,200	63,841	57,895
+/- NON-RECURRING ITEMS						
EXTRAORDINARY ITEMS (NET OF TAX)	0	0	0	0	0	0
TOTAL NON-RECURRING ITEMS	0	0	0	0	0	0
INCOME TAXES	34,107	33,118	49,492	42,383	36,915	28,118
INTEREST ON LONG TERM DEBT	93,107	93,663	93,451	95,893	98,957	72,441
OTHER INTEREST *	2,299	2,372	103	(621)	7,206	7,756
INTEREST INCURRED	95,406	96,035	93,554	95,272	106,163	80,197
NUMERATOR:	170,661	171,124	223,891	203,855	206,919	166,210
DENOMINATOR:	95,406	96,035	93,554	95,272	106,163	80,197
PRE-TAX INTEREST COVERAGE (TIMES)	1.79	1.78	2.39	2 14	1.95	2.07

* INCLUDES DISTRIBUTIONS ON QUIPS.

(5) PRETAX INTEREST COVERAGE (EXCLUDING AFUDC & DEFERRALS)

	03/31/2013	12/31/12	12/31/11	12/31/10	12/31/09	12/31/08
NUMERATOR #4	170,661	171,124	223,891	203,855	206,919	166,210
-EQUITY AFUDC	4,207	4,537	3,781	5,661	5,232	3,928
-BORROWED AFUDC	3,087	3,258	2,609	3,618	2,510	2,240
+DEFERRED REVENUE REQUIREMENT	0	0	0	0	0	0
+CHANGE IN RATE DEFERRALS	74,193	68,772	52,307	63,683	44,807	24,197
NET EXCLUSIONS	66,899	60,977	45,917	54,404	37,065	18,029
NUMERATOR:	237,560	232,101	269,808	258,259	243,984	184,239
DENOMINATOR:	95,406	96,035	93,554	95,272	106,163	80,197
PRE-TAX INTEREST COVERAGE (EXCLUDING AFUDC & DEFERRALS) (TIMES)	2.49	2.42	2.88	2.71	2.30	2.30

(6) FIXED CHARGE COVERAGE

	03/31/2013	12/31/12	12/31/11	12/31/10	12/31/09	12/31/08
NUMERATOR #4	170,661	171,124	223,891	203,855	206,919	166,210
INTEREST COMPONENT OF RENTALS						
1/3 OF RENTAL EXPENSES	2,045	2,750	3,497	3,178	3,069	2,597
INTEREST INCURRED (DENOMINATOR #5)	95,406	96,035	93,554	95,272	106,163	80,197
NUMERATOR:	172,706	173,874	227,388	207,033	209,988	168,807
DENOMINATOR:	97,451	98,785	97,051	98,450	109,232	82,794
FIXED CHARGE COVERAGE (TIMES)	1.77	1.76	2.34	2.10	1.92	2.04

* Information from Docket 34800
** Activity represents Entergy Gulf States, Inc
Amounts may not add or agree with other schedules due to rounding.
Sponsored by: Michael P. Considine and Chris E. Barrilleaux

ENTERGY TEXAS, INC.
CALCULATION OF FINANCIAL RATIOS
AMOUNTS IN THOUSANDS OF $'S

(7) FIXED CHARGE COVERAGE (EXCLUDING AFUDC & DEFERRALS)

	03/31/2013	12/31/12	12/31/11	12/31/10	12/31/09	12/31/08
NUMERATOR #5	237,560	232,101	269,808	258,259	243,984	184,239
1/3 OF RENTAL EXPENSES	2,045	2,750	3,497	3,178	3,069	2,597
NUMERATOR:	239,605	234,851	273,305	261,437	247,053	186,836
DENOMINATOR.	97,451	98,785	97,051	98,450	109,232	82,794
FIXED CHARGE COVERAGE (EXCL. AFUDC & DEFERRALS) (TIMES)	2.46	2.38	2.82	2 66	2 26	2.26

(8) CASH INTEREST COVERAGE

CASH FLOW FROM OPERATIONS (BEFORE WORKING CAPITAL CHANGES)	03/31/2013	12/31/12	12/31/11	12/31/10	12/31/09	12/31/08
NET INCOME (LOSS)	41,148	41,971	80,845	66,200	63,841	57,895
RESERVE FOR REGULATORY ADJUSTMENTS	1,125	0	0	0	0	(7,562)
PROCEEDS FROM SETTLEMENT OF CAJUN LI	0	0	0	0	0	0
PROVISION FOR RATE REFUND	0	0	0	0	0	0
DEPRECIATION AND DECOMMISSIONING	90,940	88,307	79,263	76,057	74,035	75,309
AMORTIZATION OF RATE DEFFERALS	0	0	0	0	0	0
OTHER REGULATORY CHARGES (CREDITS) -	74,193	68,772	52,307	63,683	44,807	24,197
DEFERRED INCOME TAXES AND ITC	87,985	123,167	56,219	63,418	4,365	(255)
AFUDC - EQUITY	0	0	0	0	0	0
SOUTHERN COMPANY SETTLEMENT	0	0	0	0	0	0
EXTRAORDINARY ITEMS	0	0	0	0	0	0
CUMULATIVE EFFECT OF ACCOUNTING CHAN	0	0	0	0	0	0
WRITE OFF OF RIVER BEND RATE DEFERRAL	0	0	0	0	0	0
WRITE-OFF OF PLANT HELD FOR FUTURE USI	0	0	0	0	0	0
OTHER	31,082	22,405	(19,633)	(21,944)	(149,213)	(277,311)
CASH FLOW BEFORE WORKING CAPITAL	326,473	344,622	249,001	247,414	37,835	(127,727)
CASH INTEREST PAID	92,221	92,632	89,792	87,147	93,951	82,635
INTEREST INCURRED	95,406	96,035	93,554	95,272	106,163	80,197
NUMERATOR:	418,694	437,254	338,793	334,561	131,786	(45,092)
DENOMINATOR:	95,406	96,035	93,554	95,272	106,163	80,197
CASH INTEREST COVERAGE (TIMES)	4.39	4.55	3.62	3.51	1.24	-0.56

(9) INTERNAL CASH AS A PERCENTAGE OF CONSTRUCTION EXPENDITURES

	03/31/2013	12/31/12	12/31/11	12/31/10	12/31/09	12/31/08
CASH FLOW BEFORE WORKING CAPITAL	326,473	344,622	249,001	247,414	37,835	(127,727)
PREFERRED DIVIDENDS	0	0	0	0	0	0
COMMON DIVIDENDS	(87,180)	(87,180)	(5,780)	(86,400)	(119,500)	(12,000)
SUBTOTAL	239,293	257,442	243,221	161,014	(81,665)	(139,727)
CONSTRUCTION EXPENDITURES	182,624	181,404	173,462	162,822	188,277	283,622
AFUDC - EQUITY	0	0	0	0	0	0
CASH CONSTRUCTION EXPENDITURES	182,624	181,404	173,462	162,822	188,277	283,622
NUMERATOR·	239,293	257,442	243,221	161,014	(81,665)	(139,727)
DENOMINATOR:	182,624	181,404	173,462	162,822	188,277	283,622
INTERNAL CASH AS A PERCENTAGE OF CONSTRUCTION EXPENDITURES	131.03%	141.92%	140.22%	98.89%	-43.37%	-49.27%

* Information from Docket 34800 *
** Activity represents Entergy Gulf States, Inc.
Amounts may not add or agree with other schedules due to rounding.
Sponsored by: Michael P. Considine and Chris E. Barrilleaux

ENTERGY TEXAS, INC
CALCULATION OF FINANCIAL RATIOS
AMOUNTS IN THOUSANDS OF $'S

(10) CASH COVERAGE OF COMMON DIVIDENDS

	03/31/2013	12/31/12	12/31/11	12/31/10	12/31/09	12/31/08
CASH FLOW BEFORE WORKING CAPITAL	326,473	344,622	249,001	247,414	37,835	(127,727)
PREFERRED DIVIDENDS	0	0	0	0	0	0
SUBTOTAL	326,473	344,622	249,001	247,414	37,835	(127,727)
COMMON DIVIDENDS	87,180	87,180	5,780	86,400	119,500	12,000
NUMERATOR:	326,473	344,622	249,001	247,414	37,835	(127,727)
DENOMINATOR:	87,180	87,180	5,780	86,400	119,500	12,000
CASH COVERAGE OF COMMON DIVIDENDS	374.48%	395.30%	4307.98%	286.36%	31.66%	-1064.39%

(11) AFUDC AS A PERCENTAGE OF NET INCOME FOR COMMON SHAREHOLDERS

	03/31/2013	12/31/12	12/31/11	12/31/10	12/31/09	12/31/08
EQUITY AFUDC	4,207	4,537	3,781	5,661	5,232	3,928
BORROWED AFUDC	3,087	3,258	2,609	3,618	2,510	2,240
CONTRA AFUDC AMORTIZATION	0	0	0	0	0	0
TOTAL	7,294	7,795	6,390	9,279	7,742	6,168
NET INCOME AFTER PREFERRED DIVIDENDS	41,148	41,971	80,845	66,200	63,841	57,895
NUMERATOR:	7,294	7,795	6,390	9,279	7,742	6,168
DENOMINATOR:	41,148	41,971	80,845	66,200	63,841	57,895
AFUDC AS A PERCENTAGE OF NET INCOME FOR COMMON SHAREHOLDERS	17.73%	18.57%	7.90%	14.02%	12 13%	10.65%

(12) INTERNAL CASH AS A PERCENTAGE OF AVERAGE TOTAL DEBT

	03/31/2013	12/31/12	12/31/11	12/31/10	12/31/09	12/31/08
NUMERATOR:	239,293	257,442	243,221	161,014	(81,665)	(139,727)
DENOMINATOR:	1,606,885	1,647,470	1,668,179	1,658,628	1,501,451	1,378,932
INTERNAL CASH AS A PERCENTAGE OF AVERAGE TOTAL DEBT	14.89%	15.63%	14.58%	9.71%	-5.44%	-10.13%

(13) RETURN ON AVERAGE COMMON EQUITY

	03/31/2013	12/31/12	12/31/11	12/31/10	12/31/09	12/31/08
NUMERATOR:	41,148	41,971	80,845	66,200	63,841	57,895
DENOMINATOR:	854,607	876,751	861,823	834,390	872,320	952,202
RETURN ON AVERAGE COMMON EQUITY	4.81%	4.79%	9 38%	7.93%	7.32%	6.08%

* Information from Docket 34800.
** Activity represents Entergy Gulf States, Inc.
Amounts may not add or agree with other schedules due to rounding
Sponsored by: Michael P. Considine and Chris E. Barrilleaux

ENTERGY TEXAS, INC.
CALCULATION OF FINANCIAL RATIOS
AMOUNTS IN THOUSANDS OF $'S

Information on Pages 7-14 is Highly Sensitive.

* Information from Docket 34800.
** Activity represents Entergy Gulf States, Inc.
Amounts may not add or agree with other schedules due to rounding.
Sponsored by: Michael P. Considine and Chris E. Barrilleaux

ENTERGY TEXAS, INC.
CAPITAL REQUIREMENTS AND ACQUISITION PLAN *
TEST YEAR ENDED MARCH 31, 2013
($000)

CAPITAL REQUIREMENTS	3/31/2013	12/31/2013	12/31/2014	12/31/2015
Generation	55,889	****	****	****
Transmission	37,751	****	****	****
Distribution	80,837	****	****	****
General, Intangible, & Other	6,241	****	****	****
Total Construction Expenditures	180,718	****	****	****
Fuel	0	****	****	****
Retirement of LT Debt & Preferred	59,619	****	****	****
Other	0	****	****	****
Total Capital Requirements	240,337	****	****	****
SOURCES OF CAPITAL				
Internal**	239,293	****	****	****
External				
Long-Term Debt	0	****	****	****
Preferred Stock	0	****	****	****
Common Stock	0	****	****	****
Notes Payable	0	****	****	****
Other - Net	1,044	****	****	****
Total Capital Sources	240,337	****	****	****

*This schedule assumes no rate relief granted.
**Same as the numerator on Ratio 9, Schedule K-6.
****Information is highly sensitive.

Note: Amounts may not add or agree with other schedules due to rounding.

Sponsor: Chris E. Barrilleaux

ENTERGY TEXAS, INC.
CAPITAL REQUIREMENTS AND ACQUISITION PLAN *
TEST YEAR ENDED MARCH 31, 2013
($000)

CAPITAL REQUIREMENTS	3/31/2013	12/31/2013	12/31/2014	12/31/2015
Generation	55,889	****	****	****
Transmission	37,751	****	****	****
Distribution	80,837	****	****	****
General & Intangible	6,241	****	****	****
Total Construction Expenditures	180,718	****	****	****
Fuel	0	****	****	****
Retirement of LT Debt & Preferred	59,619	****	****	****
Other	0	****	****	****
Total Capital Requirements	240,337	****	****	****
SOURCES OF CAPITAL				
Internal**	239,293	****	****	****
External				
Long-Term Debt	0	****	****	****
Preferred Stock	0	****	****	****
Common Stock	0	****	****	****
Notes Payable	0	****	****	****
Other - Net	1,044	****	****	****
Total Capital Sources	240,337	****	****	****

*This schedule assumes rate relief granted.
**Same as the numerator on Ratio 9, Schedule K-6.
****Information is highly sensitive.

Note: Amounts may not add or agree with other schedules due to rounding

Sponsor: Chris E. Barrilleaux

ENTERGY TEXAS, INC. AND SUBSIDIARIES
GROWTH IN EARNINGS, DIVIDENDS AND BOOK VALUE
DOLLARS AND SHARES IN THOUSANDS, EXCEPT PER SHARE AMOUNTS

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)
YEAR	BEGINNING COMMON EQUITY	NET INCOME FOR COMMON	COMMON DIVIDENDS	ADDITIONAL EQUITY (NET)	ENDING COMMON EQUITY	AVERAGE COMMON EQUITY	ROE	PERCENT EARNINGS RETAINED	IMPLIED GROWTH	WTD AVG SHARES (FOR EPS)	WTD AVG SHARES (FOR DPS)	YEAR END SHARES (FOR BVPS)	EPS	DPS	BVPS
				F-(B+C-D)		(B+F) / 2	C/G	(C-D) / C	H x I				C/K	D/L	F/M
2012	899,355	41,971	87,180	0	854,146	876,751	4.79%	-107.71%	-5.16%	N/A	N/A	N/A	N/A	N/A	N/A
2011	824,290	80,845	5,780	0	899,355	861,823	9.38%	92.85%	8.71%	N/A	N/A	N/A	N/A	N/A	N/A
2010	844,490	66,200	86,400	0	824,290	834,390	7.93%	-30.51%	-2.42%	N/A	N/A	N/A	N/A	N/A	N/A
2009	900,149	63,841	119,500	0	844,490	872,320	7.32%	-87.18%	-6 38%	N/A	N/A	N/A	N/A	N/A	N/A
2008	1,004,254	57,895	12,000	(150,000)	900,149	952,202	6.08%	79.27%	4 82%	N/A	N/A	N/A	N/A	N/A	N/A
2007*	987,940	58,921	42,404	(203)	1,004,254	996,097	5.92%	28.03%	1.66%	N/A	N/A	N/A	N/A	N/A	N/A
2006**	2,229,234	208,022	213,200	(18,505)	2,205,551	2,217,393	9.38%	-2.49%	-0.23%	N/A	N/A	N/A	N/A	N/A	N/A
2005**	1,785,437	202,296	61,900	303,401	2,229,234	2,007,336	10.08%	69.40%	6.99%	N/A	N/A	N/A	N/A	N/A	N/A
2004**	1,695,141	187,792	94,300	(3,196)	1,785,437	1,740,289	10.79%	49.78%	5.37%	N/A	N/A	N/A	N/A	N/A	N/A
2003**	1,724,729	37,861	68,100	651	1,695,141	1,709,935	2.21%	-79.87%	-1.77%	N/A	N/A	N/A	N/A	N/A	N/A
2002**	1,643,453	169,190	91,200	3,286	1,724,729	1,684,091	10.05%	46.10%	4.63%	N/A	N/A	N/A	N/A	N/A	N/A
2001**	1,552,378	174,419	83,700	356	1,643,453	1,597,916	10.92%	52.01%	5.68%	N/A	N/A	N/A	N/A	N/A	N/A
2000**	1,469,968	170,345	88,000	65	1,552,378	1,511,173	11.27%	48.34%	5.45%	N/A	N/A	N/A	N/A	N/A	N/A
1999**	1,468,835	107,577	107,000	556	1,469,968	1,469,402	7.32%	0.54%	0.04%	N/A	N/A	N/A	N/A	N/A	N/A
1998**	1,550,795	27,382	109,400	58	1,468,835	1,509,815	1 81%	-299.53%	-5.43%	N/A	N/A	N/A	N/A	N/A	N/A
1997**	1,592,056	36,111	77,200	(172)	1,550,795	1,571,426	2.30%	-113.79%	-2.61%	N/A	N/A	N/A	N/A	N/A	N/A
1996**	1,624,264	(32,392)	0	184	1,592,056	1,608,160	-2.01%	100.00%	-2.01%	N/A	N/A	N/A	N/A	N/A	N/A
1995**	1,531,017	93,276	0	(29)	1,624,264	1,577,641	5.91%	100.00%	5.91%	N/A	N/A	N/A	N/A	N/A	N/A
						5 YEAR AVERAGE	7.10%	-10.66%	-0.09%						
						10 YEAR AVERAGE	7.39%	1.16%	1.16%						
						15 YEAR AVERAGE	7.68%	-9.40%	1.46%						

* Common equity assigned to Entergy Texas, Inc. in the jurisdictional separation of Entergy Gulf States, Inc into two vertically integrated utility companies, Entergy Gulf States Louisiana, L.L.C. and Entergy Texas, Inc.
**Entergy Gulf States, Inc.

Amounts may not add or tie to other schedules due to rounding.

Sponsor: Chris E. Barrilleaux

ENTERGY TEXAS, INC. AND SUBSIDIARIES
GROWTH IN EARNINGS, DIVIDENDS AND BOOK VALUE
DOLLARS AND SHARES IN THOUSANDS, EXCEPT PER SHARE AMOUNTS

(A)	(Q)	(R)	(S)	(T)	(U)
YEAR	YEAR END MARKET PRICE	MARKET TO BOOK	NON-RECURRING GAINS/(LOSSES) (NET OF TAX)	NET INCOME FOR COMMON (ADJUSTED)	DESCRIPTION OF NON-RECURRING ITEM
		Q/P		C-S	
2012	N/A	N/A	0	41,971	
2011	N/A	N/A	0	80,845	
2010	N/A	N/A	0	66,200	
2009	N/A	N/A	0	63,841	
2008	N/A	N/A	0	57,895	
2007*	N/A	N/A	0	58,921	
2006**	N/A	N/A	0	208,022	
2005**	N/A	N/A	0	202,296	
2004**	N/A	N/A	0	187,792	
2003**	N/A	N/A	(21,333)	59,194	Note 1
2002**	N/A	N/A	0	169,190	
2001**	N/A	N/A	0	174,419	
2000**	N/A	N/A	0	170,345	
1999**	N/A	N/A	0	107,577	
1998**	N/A	N/A	0	27,382	
1997**	N/A	N/A	0	36,111	
1996**	N/A	N/A	0	(32,392)	
1995**	N/A	N/A	0	93,276	

Notes
1. Cumulative effect of accounting change for SFAS No. 143
* Common equity assigned to Entergy Texas, Inc. in the jurisdictional separation of Entergy Gulf States, Inc. into two vertically integrated utility companies, Entergy Gulf States Louisiana, L.L.C. and Entergy Texas, Inc.
**Entergy Gulf States, Inc.

Amounts may not add or tie to other schedules due to rounding.

Sponsor: Chris E. Barrilleaux

ENTERGY CORPORATION
GROWTH IN EARNINGS, DIVIDENDS AND BOOK VALUE
DOLLARS AND SHARES IN THOUSANDS, EXCEPT PER SHARE AMOUNTS

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)
YEAR	BEGINNING COMMON EQUITY	NET INCOME FOR COMMON	COMMON DIVIDENDS	ADDITIONAL EQUITY (NET)	ENDING COMMON EQUITY	AVERAGE COMMON EQUITY	ROE	PERCENT EARNINGS RETAINED	IMPLIED GROWTH	WTD AVG SHARES (FOR EPS)	WTD AVG SHARES (FOR DPS)	YEAR END SHARES (FOR BVPS)	EPS	DPS	BVPS
				F-(B+C-D)		(B+F) / 2	C/G	(C-D) / C	H x I		D/O		C/K	D/L	F/M
2012	8,961,270	846,673	589,042	(21,812)	9,197,089	9,079,180	9.33%	30.43%	2.84%	177,325	123,748	177,807	$4.77	$4.76	$51.73
2011	8,496,400	1,346,439	588,880	(292,689)	8,961,270	8,728,835	15.43%	56.26%	8.68%	177,430	77,997	176,356	$7.59	$7.55	$50.81
2010	8,613,360	1,250,242	603,963	(763,239)	8,496,400	8,554,880	14.61%	51 69%	7.55%	186,010	186,408	178,746	$6.72	$3.24	$47.53
2009	7,966,592	1,231,092	576,913	(7,411)	8,613,360	8,289,976	14.85%	53.14%	7.89%	192,772	192,304	189,118	$6.39	$3.00	$45.54
2008	7,862,671	1,220,566	573,924	(542,721)	7,966,592	7,914,632	15.42%	52.98%	8.17%	190,926	191,308	189,359	$6.39	$3.00	$42.07
2007	8,197,887	1,134,849	507,326	(962,739)	7,862,671	8,030,279	14.13%	55.30%	7.81%	196,573	196,638	193,120	$5.77	$2.58	$40.71
2006	7,748,271	1,132,602	448,572	(234,414)	8,197,887	7,973,079	14.21%	60.39%	8.58%	207,457	207,672	202,668	$5.46	$2.16	$40.45
2005	8,296,687	898,331	453,657	(993,090)	7,748,271	8,022,479	11.20%	49.50%	5.54%	210,142	210,026	207,530	$4.27	$2.16	$37.34
2004	8,703,658	909,524	427,740	(888,755)	8,296,687	8,500,173	10.70%	52.97%	5.67%	226,864	226,317	216,829	$4.01	$1.89	$38.26
2003	7,838,237	926,943	362,941	301,419	8,703,658	8,270,948	11.21%	60.85%	6.82%	226,804	226,838	228,898	$4.09	$1.60	$38.02
2002	7,456,020	599,360	299,031	81,888	7,838,237	7,647,129	7.84%	50.11%	3.93%	223,047	223,157	222,422	$2.69	$1.34	$35.24
2001	7,003,665	726,196	278,342	4,501	7,456,020	7,229,843	10.04%	61.67%	6.19%	220,944	218,307	220,733	$3.29	$1.28	$33.78
2000	7,119,402	679,294	275,929	(519,102)	7,003,665	7,061,534	9.62%	59.38%	5.71%	226,580	227,102	219,605	$3.00	$1.22	$31.89
1999	7,107,040	552,459	294,352	(245,745)	7,119,402	7,113,221	7.77%	46.72%	3.63%	245,127	245,293	239,037	$2.25	$1.20	$29.78
1998	6,693,516	739,069	369,498	43,953	7,107,040	6,900,278	10.71%	50.00%	5.36%	246,396	246,332	246,620	$3.00	$1.50	$28.82
1997	6,640,915	247,683	432,268	237,186	6,693,516	6,667,216	3.71%	-74.52%	-2.77%	240,207	240,149	245,842	$1.03	$1.80	$27.23
						5 YEAR AVERAGE	13 93%	48.90%	7.03%	5 YEAR COMPOUND GROWTH RATE			-3.73%	13.03%	4.90%
						10 YEAR AVERAGE	13.11%	52.35%	6.96%	10 YEAR COMPOUND GROWTH RATE			5.92%	13.51%	3.91%
						15 YEAR AVERAGE	11.80%	52.76%	6.29%	15 YEAR COMPOUND GROWTH RATE			10.76%	6.70%	4.37%

Amounts may not add or tie to other schedules due to rounding.

Sponsor: Chris E. Barrilleaux

ENTERGY CORPORATION
GROWTH IN EARNINGS, DIVIDENDS AND BOOK VALUE
DOLLARS AND SHARES IN THOUSANDS, EXCEPT PER SHARE AMOUNTS

(A)	(Q)	(R)	(S)	(T)	(U)
YEAR	YEAR END MARKET PRICE	MARKET TO BOOK	NON-RECURRING GAINS/(LOSSES) (NET OF TAX)	NET INCOME FOR COMMON (ADJUSTED)	DESCRIPTION OF NON-RECURRING ITEM
		Q/P		C-S	
2012	$63.750	123.25%		846,673	
2011	$73.050	143.76%		1,346,439	
2010	$70.830	149.01%		1,250,242	
2009	$81.840	179.69%		1,231,092	
2008	$83.130	197.59%		1,220,566	
2007	$119.520	293.56%		1,134,849	
2006	$92.320	228.23%	(496)	1,133,098	Note 1
2005	$68.650	183.87%	(44,794)	943,125	Note 1
2004	$67.590	176.64%	(41)	909,565	Note 1
2003	$57.130	150.25%	137,074	789,869	Note 2
2002	$45.590	129.37%		599,360	
2001	$39.110	115.78%	23,482	702,714	Note 3
2000	$42.310	132.67%		679,294	
1999	$25.750	86.46%		552,459	
1998	$31.130	108.02%		739,069	
1997	$29.938	109.96%		247,683	

Notes
1. Loss from discontinued operations of Competitive Retail business
2. Cumulative Effect of Accounting Change
3. Cumulative Effect of Accounting Change
4. Cumulative Effect of Accounting Change

Amounts may not add or tie to other schedules due to rounding.

Sponsor: Chris E. Barrilleaux

MOODY'S
INVESTORS SERVICE

Announcement: Moody's Disclosures on Credit Ratings of Entergy Corporation

Global Credit Research - 20 Apr 2012

New York, April 20, 2012 -- The following release represents Moody's Investors Service's summary credit opinion on Entergy Corporation and includes certain regulatory disclosures regarding its ratings. This release does not constitute any change in Moody's ratings, outlook or rating rationale for Entergy Corporation and its affiliates.

Moody's current ratings on Entergy Corporation and its affiliates are:

Entergy Corporation

Senior Unsecured domestic currency ratings of Baa3

LT Issuer Rating domestic currency ratings of Baa3

Senior Unsec. Shelf domestic currency ratings of (P)Baa3

Entergy Arkansas, Inc.

First Mortgage Bonds domestic currency ratings of A3

LT Issuer Rating ratings of Baa2

Pref. Stock domestic currency ratings of Ba1

Senior Secured Shelf domestic currency ratings of (P)A3

Pref. Shelf domestic currency ratings of (P)Ba1

System Energy Resources, Inc.

First Mortgage Bonds domestic currency ratings of Baa2

Senior Secured domestic currency ratings of Baa3

Senior Secured Shelf domestic currency ratings of (P)Baa2

Senior Unsec. Shelf domestic currency ratings of (P)Ba1

Entergy Mississippi, Inc.

First Mortgage Bonds domestic currency ratings of Baa1

LT Issuer Rating ratings of Baa3

Pref. Stock domestic currency ratings of Ba2

Senior Secured Shelf domestic currency ratings of (P)Baa1

Backed First Mortgage Bonds domestic currency ratings of Baa1

Underlying First Mortgage Bonds domestic currency ratings of Baa1

Entergy New Orleans, Inc.

First Mortgage Bonds domestic currency ratings of Baa3

LT Issuer Rating ratings of Ba2

Pref. Stock ratings of B1

Sponsored by: Chris E. Barrilleaux

Senior Secured Shelf domestic currency ratings of (P)Baa3

Backed First Mortgage Bonds domestic currency ratings of Baa3

Underlying First Mortgage Bonds domestic currency ratings of Baa3

W3A Funding Corporation

BACKED Senior Secured Shelf domestic currency ratings of (P)Baa2

Entergy Louisiana, LLC

First Mortgage Bonds domestic currency ratings of A3

Senior Unsecured domestic currency ratings of Baa2

LT Issuer Rating ratings of Baa2

Pref. Stock domestic currency ratings of Ba1

Senior Secured Shelf domestic currency ratings of (P)A3

Backed First Mortgage Bonds domestic currency ratings of A3

Underlying First Mortgage Bonds domestic currency ratings of A3

Entergy Texas, Inc.

First Mortgage Bonds domestic currency ratings of Baa2

LT Issuer Rating domestic currency ratings of Ba1

Senior Secured Shelf domestic currency ratings of (P)Baa2

Entergy Gulf States Louisiana, LLC

First Mortgage Bonds domestic currency ratings of A3

LT Issuer Rating ratings of Baa2

Preference stock domestic currency ratings of Ba1

Senior Secured Shelf domestic currency ratings of (P)A3

Pref. Shelf domestic currency ratings of (P)Ba1

BACKED LT IRB/PC domestic currency ratings of Baa2

RATINGS RATIONALE

Entergy's Baa3 rating reflects financial and cash flow coverage metrics that are strong for the rating category, a diverse business mix that includes regulated utilities in the Gulf region (all with stable rating outlooks) and an unregulated nuclear business concentrated in the Northeast, and gradually improving regulatory relations. These credit strengths are balanced against challenges at the non-utility nuclear business (declining power prices and relicensing challenges), an emphasis on shareholder returns, a history of strategic initiatives that have at times diverted management attention away from the core utility and power generation businesses, and a utility service territory spanning a large portion of the storm-exposed Gulf Coast and lower Mississippi River basin.

Rating Outlook

Entergy's rating outlook is stable, reflecting Moody's expectation that the company will continue to exhibit strong cash flow coverage metrics; that it maintain robust levels of liquidity to meet significant Capex requirements and potential collateral hedging requirements; that there will be essentially no increase in the aggregate level of parent company debt and that essentially any new debt issued at the parent company will be used to pay down the revolver.

Sponsored by: Chris E. Barrilleaux

What Could Change the Rating - Up

Entergy's rating could be raised if it were to pay down a substantial portion of its parent company debt, or if the consolidated company were to exhibit robust financial ratios, including CFO pre-working capital plus interest to interest above 5.0x and CFO pre-working capital to debt above 22% on a sustained basis from cash flows that Moody's views as showing limited volatility.

What Could Change the Rating - Down

Entergy's rating could be lowered if there were an increase in the aggregate level of debt at the parent company or any non-utility business segment, if a major nuclear unit license extension were denied or if there were major required increases in non-utility nuclear capital expenditures that in either case caused a material change in our expectations of future consolidated cash flow metrics, if there were a material decline in liquidity (for instance from unexpected outcomes of hedging activity), if one or more of Entergy's major utility subsidiaries experienced financial stress, or if the company's consolidated cash flow coverage metrics were to deteriorate significantly for an extended period, including CFO pre-working capital plus interest to interest below 4.0x and CFO pre-working capital to debt below 17%.

The principal methodology used in these ratings was Regulated Electric and Gas Utilities published in August 2009. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

Although these credit ratings have been issued in a non-EU country which has not been recognized as endorsable at this date, the credit ratings are deemed "EU qualified by extension" and may still be used by financial institutions for regulatory purposes until 30 April 2012. Further information on the EU endorsement status and on the Moody's office that has issued a particular Credit Rating is available on www.moodys.com.

For ratings issued on a program, series or category/class of debt, this announcement provides relevant regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides relevant regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides relevant regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

Information sources used to prepare each of the ratings are the following: parties involved in the ratings, parties not involved in the ratings, public information, confidential and proprietary Moody's Investors Service information, and confidential and proprietary Moody's Analytics information.

Moody's considers the quality of information available on the rated entities, obligations or credits satisfactory for the purposes of issuing these ratings.

Moody's adopts all necessary measures so that the information it uses in assigning the ratings is of sufficient quality and from sources Moody's considers to be reliable including, when appropriate, independent third-party sources. However, Moody's is not an auditor and cannot in every instance independently verify or validate information received in the rating process.

Please see the ratings disclosure page on www.moodys.com for general disclosure on potential conflicts of interests.

Please see the ratings disclosure page on www.moodys.com for information on (A) MCO's major shareholders (above 5%) and for (B) further information regarding certain affiliations that may exist between directors of MCO and rated entities as well as (C) the names of entities that hold ratings from MIS that have also publicly reported to the SEC an ownership interest in MCO of more than 5%. A member of the board of directors of this rated entity may also be a member of the board of directors of a shareholder of Moody's Corporation; however, Moody's has not independently verified this matter.

Sponsored by: Chris E. Barrilleaux

Please see Moody's Rating Symbols and Definitions on the Rating Process page on www.moodys.com for further information on the meaning of each rating category and the definition of default and recovery.

Please see ratings tab on the issuer/entity page on www.moodys.com for the last rating action and the rating history. The date on which some ratings were first released goes back to a time before Moody's ratings were fully digitized and accurate data may not be available. Consequently, Moody's provides a date that it believes is the most reliable and accurate based on the information that is available to it. Please see the ratings disclosure page on our website www.moodys.com for further information.

Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

William Hunter
Vice President - Senior Analyst
Infrastructure Finance Group
Moody's Investors Service, Inc.
250 Greenwich Street
New York, NY 10007
U.S.A.
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653

William L. Hess
MD - Utilities
Infrastructure Finance Group
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653

Releasing Office:
Moody's Investors Service, Inc.
250 Greenwich Street
New York, NY 10007
U.S.A.
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653

MOODY'S
INVESTORS SERVICE

MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MIS, a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MIS have, prior to assignment of any rating, agreed to pay to MIS for appraisal and rating services rendered by it fees ranging from $1,500 to approximately $2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moodys.com under the heading "Shareholder Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

Any publication into Australia of this document is by MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657, which holds Australian Financial Services License no. 336969. This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001.

Notwithstanding the foregoing, credit ratings assigned on and after October 1, 2010 by Moody's Japan K.K. ("MJKK") are MJKK's current opinions of the relative future credit risk of entities, credit commitments, or debt or debt-like securities. In such a case, "MIS" in the foregoing statements shall be deemed to be replaced with "MJKK". MJKK is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO.

This credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors. It would be dangerous for retail investors to make any investment decision based on this credit rating. If in doubt you should contact your financial or other professional adviser.

Sponsored by: Chris E. Barrilleaux

MOODY'S
INVESTORS SERVICE

Credit Opinion: Entergy Corporation

Global Credit Research - 21 Dec 2012

New Orleans, Louisiana, United States

Ratings

Category	Moody's Rating
Outlook	Stable
Issuer Rating	Baa3
Senior Unsecured	Baa3
Commercial Paper	P-3
Entergy Louisiana, LLC	
Outlook	Stable
Issuer Rating	Baa2
First Mortgage Bonds	A3
Senior Secured Shelf	(P)A3
Senior Unsecured	Baa2
Pref. Stock	Ba1
Entergy Arkansas, Inc.	
Outlook	Stable
Issuer Rating	Baa2
First Mortgage Bonds	A3
Senior Secured Shelf	(P)A3
Pref. Stock	Ba1
Entergy Gulf States Louisiana, LLC	
Outlook	Stable
Issuer Rating	Baa2
First Mortgage Bonds	A3
Senior Secured Shelf	(P)A3
Preference Stock	Ba1

Contacts

Analyst	Phone
William Hunter/New York City	212.553.1761
William L. Hess/New York City	212.553.3837

Key Indicators

[1]**Entergy Corporation**

	LTM 9/30/2012	2011	2010	2009
(CFO Pre-W/C + Interest) / Interest Expense	4.9x	5.5x	7.1x	5.1x
(CFO Pre-W/C) / Debt	18%	20%	32%	22%
(CFO Pre-W/C - Dividends) / Debt	14%	16%	28%	18%
Debt / Book Capitalization	47%	47%	45%	47%

[1] All ratios calculated in accordance with the Global Regulated Electric Utilities Rating Methodology using Moody's standard adjustments.

Note: For definitions of Moody's most common ratio terms please see the accompanying User's Guide.

Sponsored by: Chris E. Barrilleaux

Opinion

Rating Drivers

Metrics have declined but remain strong for the rating category

Below average liquidity management, but syndicated corporate revolver successfully renewed in March 2012

Gradual improving trend in regulatory climate, with key approvals needed in 2013

Nuclear relicensing challenges at Vermont Yankee and Indian Point likely to continue for several years

Focus on shareholder returns and potential for transformational corporate events expected to continue under new CEO

Rating constrained by merchant exposure, significant parent company debt and hurricane risk at operating utilities

Corporate Profile

Entergy Corporation (Entergy; Baa3 Senior Unsecured, stable outlook) is an integrated energy company headquartered in New Orleans, Louisiana. It is the parent company of regulated utility subsidiaries Entergy Arkansas (EA; Baa2 Issuer Rating, stable outlook), Entergy Gulf States Louisiana (EGSL; Baa2 Issuer Rating, stable outlook), Entergy Louisiana (EL; Baa2 Issuer Rating, stable outlook), Entergy Mississippi (EM; Baa3 Issuer Rating, stable outlook), Entergy New Orleans (ENO; Ba2 Issuer Rating, stable outlook), Entergy Texas, Inc. (ETI, Ba1 Issuer Rating, stable outlook) and System Energy Resources, Inc. (SERI, Baa12 First Mortgage Bond, stable outlook, which has a 90% interest in the Grand Gulf 1 nuclear power station). Entergy also owns and operates Entergy Wholesale Commodities (EWC), a business segment consisting primarily of five nuclear units in the Northeast and one in the Midwest. Cash from operations before changes in working capital (CFO Pre-WC) of the seven regulated subsidiaries rose from 53% of consolidated CFO Pre-WC in 2009 to 66% in 2010, 75% in 2011 and 91% for LTM 9/30/12, and their importance as an driver of earnings and cash flow is expected to continue to increase in the next several years as wholesale power prices realized by EWC remain weak.

SUMMARY RATING RATIONALE

Entergy's Baa3 rating reflects financial and cash flow coverage metrics that are strong for the rating category, a diverse business mix that includes regulated utilities in the Gulf region (all with stable rating outlooks) as well as an unregulated nuclear business concentrated in the Northeast, and gradually improving regulatory relations. These credit strengths are balanced against challenges at the non-utility nuclear business (declining power prices and relicensing challenges), an emphasis on shareholder returns, a history of strategic initiatives that have at times diverted management attention away from the core utility and power generation businesses, and a utility service territory spanning a large portion of the storm-exposed Gulf Coast and lower Mississippi River basin.

DETAILED RATING CONSIDERATIONS

GENERALLY IMPROVING REGULATORY TREND WILL BE TESTED IN 2013

Entergy's utility operating companies have received moderately positive rate decisions that have generally improved metrics since 2009, although Texas remains a problematic jurisdiction for Entergy. The operating companies have generally been able to issue securitization bonds to finance storm repair costs (albeit with some haircuts in Texas). Formula rates plans, which we view positively as they tend to reduce regulatory lag, are in place in Louisiana, Mississippi and New Orleans. In Texas, where ET had filed a $105 million rate increase request in November 2011 based on a 10.6% ROE, the commission's September 2012 order authorized only a $287 million increase based on a 9.8% allowed ROE (below the prior 10.125%) and disallowance of operating costs not pertaining to the 2010 test year.

More important for Entergy will be the outcome of base rate cases to be filed in early 2013 by EL, EGSL and EA, due to these subsidiaries' larger size and contribution to cash flows. Allowed ROEs in these states currently range from 10.2% to about 11%, which may come under pressure in the current low rate environment. In themselves, ROEs are not an important driver of credit metrics, but they are often a bell-weather of the cash flows that a utility will be able to generate, which is the most important factor driving our financial strength scoring. We have historically viewed Louisiana as a generally supportive jurisdiction for EL and EGSL, while Arkansas is viewed as slightly below average for EA, and any change in those assessments could have a ratings impact on the respective operating companies and, consequently, on Entergy.

SUBSTANTIAL PROGRESS IN THE GOAL TO JOIN MISO

Entergy made substantial progress on regulatory approvals in 2012 to join the Midwest Independent System Operator (MISO, a regional transmission organization or RTO), a move that will help Entergy's utility operating companies manage generating resources to meet the load curve and assure reliability. State approvals that joining MISO is in the public interest were obtained in Louisiana in May, Arkansas and Texas in October and Mississippi and New Orleans in November. These approvals are notable because all of the states will cede jurisdiction over transmission asset expansions and some aspects of rates, but the Arkansas' approval was especially significant as another RTO, the Southwest Power Pool, is headquartered in Baton RougeLittle Rock. Joining an RTO is particularly important due to the prior decisions of regulators in Arkansas and Mississippi to cause EA and EM to leave Entergy's System Agreement, under which Entergy's regulated utility operating companies share the cost of generation resources. Entergy still needs to obtain certain additional approvals, including final transmission agreements, and the target date to join MISO is December 2013.

BID TO SELL TRNASMISSION ASSETS WILL KEEP ENTERGY IN FRONT OF REGULATORS

In 2011, Entergy agreed to sell the transmission assets of its utility operating companies to ITC Holdings Corp. (ITC, Baa2 senior unsecured, stable outlook), subject to receipt of required approvals, with a target closing date in 2013. Obtaining approvals from state regulators to join MISO was one hurdle for the sale, but Entergy and ITC must now obtain approvals for the sale itself. The sale would allow Entergy to avoid the Capex associated with planned transmission upgrades. However, the proposed sale brings its own complications, and Entergy will need to navigate carefully so as to preserve regulatory relations. While regulators will give up some level of control over transmission rates and investments when the regulated operating utilities join MISO, they may perceive a difference in their control if those assets are owned by an entity over which they have no jurisdiction versus the current entities, whose retail rates they will continue to regulate. More importantly, the planning and coordination of storm recovery is more complex in a scenario where two independent companies with potentially different priorities must work together to repair transmission and distribution lines. We believe that continued effective storm recovery is a key component of regulatory relations, and that the Entergy operating companies could be held responsible if expectations in a restoration effort were not met, due to a lack of coordination or even if ITC were the cause of the problem.

CHALLENGES OF NORTHEAST NUCLEAR RE-LICENSING LIKELY TO CONTINUE FOR SEVERAL YEARS

Entergy received a license extension for the 688 MW Pilgrim plant in Massachusetts in May 2012, but the licensing efforts for the 605 MW Vermont Yankee plant and the 2,069 MW Indian Point plant near New York City are expected to drag on for several years.

Vermont Yankee received a license extension from the Nuclear Regulatory Commission (NRC) in March 2011, but the state of Vermont asserts it has final approval authority due to legislation in effect when the plant was purchased, a unique circumstance. The jurisdictional issue will be heard in US District Court and, whatever the outcome, most likely will be appealed. In the meantime, the plant continues to operate. ETR registered a $355 million pre-tax impairment (non-cash) in Q3 2012 to recognize lower probability-weighted cash flows due in part to lower forward power prices. In our opinion, a closure of Vermont Yankee is not likely to have a sufficient enough impact on the consolidated metrics to cause a rating action.

In New York, the governor has waged a long-standing campaign to close both Indian Point units but appears to lack authority to mandate a closure. However, the NY Department of Environmental Control denied a SPDES Permit (State Pollutant Discharge Elimination System) for Hudson River cooling water intake and discharge, seeking to force Entergy to build cooling towers that Entergy contends would be impossible to permit due to air emissions and local zoning considerations. In the absence of a settlement, this issue is also likely to be resolved in court. Licensing faces further delays due to events at the NRC. All re-licensing approvals were effectively halted by a June 2012 court ruling that the NRC could not reasonably assume that the US government would provide permanent spent fuel storage at Yucca Mountain. In addition, NRC has stated that workload and staffing limitations may cause the review and hearing process for certain license extensions to be delayed. However, licensing work will continue during the moratorium, and NRC public hearings to determine whether the plant's opponents have valid arguments against a license extension concluded in December 2012.

Both plants will be able to operate while these cases and hearings run their course. However, the uncertainty will may limit Entergy's ability to gross margin on selling the units' power into the forward market - there is a discount for selling unit contingent power, and Entergy's ability to backstop its commitments (even notionally) with any as yet un-contracted generation from its Fitzpatrick nuclear plant in upstate New York and the gas-fired Rhode Island State Energy Center is finite. Indian Point has been a significant contributor to cash flow, and a closure there would cause a thorough evaluation into the long-term financial impact of that lost cash flow stream; however, a downward rating action would not be a foregone conclusion but would depend on the expected performance of Entergy's regulated utilities and the remaining unregulated businesses at that time.

DESPITE DECLINING MERCHANT POWER REVENUES, METRICS REMAIN STRONG FOR THE RATING CATEGORY

Entergy exhibits strong consolidated financial and cash flow metrics, which somewhat mitigate the higher business risk associated with its non-utility nuclear business and the storm-related earnings volatility at some of the company's utilities. Metrics have weakened in some years due for the most part to storms. For instance, in 2008-2009, hurricanes Ike and Gustav affected several of its utilities and, in 2012, hurricane Isaac's estimated cost was $400-500 million, which primarily affected the Louisiana utilities. Historically, the utilities have eventually obtained recovery of prudently incurred storm costs through securitizations after a meaningful lag, typically 12-24 months.

Entergy's CFO pre-WC was approximately $3.0 billion in 2011 and $2.8 billion for LTM 9/30/12, compared to $4.1 billion in 2010 (a recent high point) and $3.0 billion in 2009. Results for LTM 9/30/12 were impacted by a credit to customers at EL and EGSL stemming from a favorable tax ruling on securitization proceeds related to hurricanes Katrina and Rita, lower power prices on the merchant portfolio, more moderate weather than in 2011, the impacts of hurricane Isaac, including deferred restoration costs and lost lower revenues due to outages during the restoration effort, higher rates in Mississippi, Louisiana and Texas, and the inclusion of an uprate at Grand Gulf into rates. CFO pre-working capital (CFO pre-WC) plus interest to interest decreased to 4.9x for LTM 9/30/12, compared to 5.5x in 2011 and 7.1x in 2010, due in part to an increase in interest expense resulting from higher revolving credit interest rates and an approximately $600 million increase in debt relative to 12/31/11, in part to finance the Grand Gulf uprate at SERI, the Waterford steam generator replacement at EL and construction commencement of the Nine Mile gas-fired plant. CFO pre-WC to debt was 18.2% for LTM 9/30/12 (which scores in the mid-Baa range), compared to 19.7% in 2011 and 31.9% in 2010. CFO Pre-WC - Dividends to Debt was 14.4% for LTM 9/30/12 (which scores in the mid-high Baa range), compared to 15.8% in 2011 and 27.6% in 2010. Debt to capitalization, 47.4% at 9/30/12, continues to be moderate.

While Entergy's cash flow and debt coverage metrics are above Moody's grid-indicated parameters for a Baa3 regulated utility holding company, this is due partly to the material exposure to merchant power prices at its non-utility nuclear business. Entergy's rating is constrained by the higher level of business risk associated with this unregulated generation, for which Moody's maintains higher financial ratio parameters for an investment grade rating, in accordance with our unregulated utility and power company rating methodology. Entergy's rating is also constrained by storm related event risk that characterizes its utilities' Gulf Coast operations.

STORM RELATED EVENT RISK, HIGHLIGHTED BY ANOTHER MAJOR HURRICANE IN 2012

Entergy is exposed to event risk, for the most part from hurricanes, that have damaged and disrupted several of its utilities' transmission and distribution networks and generating plants over the last several years. Damages from ~~the 2008 storms Gustav and Ike are estimated to have been between $1.3 and $1.4 billion, with the highest~~ restoration costs at Entergy Texas at $578 million. Entergy accessed its storm reserves and pursued securitizations at three utilities for the bulk of its 2008 storm cost recovery. Hurricane Isaac caused an estimated $400-500 million of damage, with the largest restoration costs at EL with $240-300 million. It is our expectation that Entergy will be able to fully recover any future storm restoration costs; however, the exact amount and timing of these recoveries can be somewhat uncertain.

MANAGEMENT BIAS TO STRATEGIC INITIATIVES AND SHAREHOLDER RETURNS WILL CONTINUE UNDER NEW CEO

Under outgoing CEO Wayne Leonard, Entergy repurchased about $3.5 billion of common stock, net of issuances, from 2006-2010. During the same period, the company paid $2.7 billion of dividends while its total (adjusted) debt rose by $3.3 billion. Management also pursued a since-abandoned spin-off of the merchant nuclear fleet that would have materially reduced parent level debt. If the company's proposal to sell transmission assets to ITC closes, we believe the utility operating companies will exchange their transmission assets for about 50% cash and 50% equity in the acquiring company. The utilities will use the cash to pay down the debt portion the capital financing those assets, and equity in the acquiring company will be transferred to Entergy as a dividend. Entergy will then make a tax efficient distribution to its shareholders of equity in the acquiring company equal to about $1.5 billion -

essentially the equity portion of the approximately $3 billion of transmission assets that would be transferred. While we believe that CEO-elect Leo Denault's initial focus will be on executing the ITC transaction, we also believe that the search for strategic initiatives to deliver value to shareholders will continue, leading to further transformational events. Nevertheless, we believe that management will continue to show discipline in sizing its regular dividend to a reasonable payout of its regulated utility post-spin earnings, and that common share repurchases will be curtailed in periods of constrained cash flows from unregulated businesses.

Liquidity Profile

We believe that Entergy's approach to liquidity management over the last several years has been less than ideal, a credit negative; however, the current liquidity situation is adequate. Liquidity is important to the Entergy system, due to the size of the company's unregulated wholesale power business, the company's reliance on natural gas fired generation, which can experience price volatility leading to increased working capital requirements, and the experience of Entergy's Gulf Coast subsidiaries in dealing with severe storm events, which can lead to material calls on liquidity. Entergy is unusual among its peers in relying heavily on its revolving credit for borrowings. We view management's recent willingness to delay the extension of the syndicated revolving credit to a date less than six months before it expired (in order to save on interest costs and, starting in the second half of 2011, due to disclosure issues surrounding the ITC transaction) in order to save on interest costs as demonstrating a focus on shareholder value at the expense of financial stability. Nonetheless, the syndicated revolver was renewed successfully in March 2012 for five years. In addition, Entergy expanded its liquidity sources by initiating and subsequently upsizing a commercial paper program in 2012. Entergy would score A (strong) for liquidity based on our projection of its ability to maintain its current Ccapex plans and dividend levels for eight quarters without exhausting committed liquidity, which is reduced to a final liquidity score of Baa (adequate) based on the factors cited above.

Entergy generally requires substantial liquidity to backstop potential collateral calls under its hedging agreements, which would generally be invoked in a rising price environment. We observe that Entergy's exposure to potential collateral requirements under market conditions is fairly manageable. At September 30, 2012, based on power prices at that time, Entergy had liquidity exposure of $185 million under guarantees in place supporting EWC transactions, $20 million of guarantees that supported letters of credit, and $7 million of posted cash collateral to the Independent System Operators. In the event of a decrease in Entergy's credit rating to below investment grade, Entergy would have been required to provide approximately $45 million of additional cash or letters of credit under some of the agreements. Entergy's collateral posting needs could increase materially and rapidly in an environment of higher natural gas and power prices, such as was experienced after hurricanes Katrina and Rita. As of September 30, 2012, the credit exposure associated with collateral assurance requirements would increase by $131 million for a $1 per MMBtu increase in gas prices in both the short-and long-term markets. However, a rising power price environment would generally increase the value of its unhedged merchant power output, which is typically about 15% in the prompt year and 4025-35%% one year out (the unhedged portion for 2014 is 27%).

Entergy had $750 million of consolidated cash and cash equivalents on hand throughout the system at September 30, 2012. Entergy maintains a $3.5 billion credit facility expiring March 2017, under which it had borrowed approximately $1.3 billion as of September 30, 2012. At the same date, there were $8 million of LCs issued and $155 million of backstopped commercial paper outstanding, leaving approximately $2.0 billion available. The Entergy credit facility does not contain a material adverse change clause for new borrowings, but does contain a 65% debt to capitalization covenant and cross-default provisions with its major subsidiary utilities. Entergy was in compliance with this financial covenant as of September 30, 2012.

We project that in 2013, Entergy's Cash Flow from Operations will exceed its Capex by about $400 million and that dividends will be approximately $600 million, yielding about $200 million of negative free cash flow on a consolidated basis. In addition, Entergy has about $700 million of long-term debt maturities in 2013.

Rating Outlook

Entergy's rating outlook is stable, reflecting our expectation that the company will continue to exhibit strong cash flow coverage metrics for its rating; that it will maintain robust levels of liquidity to meet significant planned Capex requirements and potential collateral hedging requirements; that the dividend will continue to be sized as a reasonable percentage of utility earnings; that there will be essentially no increase in the aggregate level of parent company debt and that essentially any new debt issued at the parent company will be used to pay down the revolver.

What Could Change the Rating - Up

Entergy's rating could be raised if it were to pay down a substantial portion of its parent company debt, or if the consolidated company were to exhibit more robust financial ratios, including CFO pre-working capital plus interest to interest above 5.0x and CFO pre-working capital to debt above 22% on a sustained basis from cash flows that we would view as showing limited volatility.

What Could Change the Rating - Down

Entergy's rating could be lowered if there were an increase in the aggregate level of debt at the parent company or any non-utility business segment, if a major nuclear unit license extension were denied or if there were major required increases in non-utility nuclear capital expenditures that in either case caused a material change in our expectations of future consolidated cash flow metrics, if there were a material decline in liquidity (for instance from unexpected outcomes of hedging activity), if one or more of Entergy's major utility subsidiaries experienced financial stress, or if the company's consolidated cash flow coverage metrics were to deteriorate significantly for an extended period, including CFO pre-working capital plus interest to interest below 4.0x and CFO pre-working capital to debt below 17%.

Other Considerations

As shown on the chart below, Entergy's Baa3 Issuer Rating is two notches below the methodology-implied rating, which is due to the structural subordination associated with being a holding company, a relatively high percentage of debt at the parent company (steady at around $4 billion for the past two years, or about 26% of total), and the expected volatility of cash flows from EWC.

Rating Factors

Entergy Corporation

Regulated Electric and Gas Utilities Industry [1][2]	**Current 9/30/2012**		**Moody's 12-18 month Forward View* As of December 2012**	
Factor 1: Regulatory Framework (25%)	**Measure**	**Score**	**Measure**	**Score**
a) Regulatory Framework		Baa		Baa
Factor 2: Ability To Recover Costs And Earn Returns (25%)				
a) Ability To Recover Costs And Earn Returns		Baa		Baa
Factor 3: Diversification (10%)				
a) Market Position (5%)		A		A
b) Generation and Fuel Diversity (5%)		A		A
Factor 4: Financial Strength, Liquidity And Key Financial Metrics (40%)				
a) Liquidity (10%)		Baa		Baa
b) CFO pre-WC + Interest/ Interest (3 Year Avg) (7.5%)	6.1x	Aa	4.7 - 5.5x	A
c) CFO pre-WC / Debt (3 Year Avg) (7.5%)	24.3%	A	18 - 22%	Baa
d) CFO pre-WC - Dividends / Debt (3 Year Avg) (7.5%)	20.3%	A	14 - 18%	Baa/A
e) Debt/Capitalization (3 Year Avg) (7.5%)	46.3%	Baa	45 - 49%	Baa
Rating:				
a) Indicated Rating from Grid		Baa1		Baa1
b) Actual Rating Assigned		Baa3		Baa3

* THIS REPRESENTS MOODY'S FORWARD VIEW; NOT THE VIEW OF THE ISSUER; AND UNLESS NOTED IN THE TEXT DOES NOT INCORPORATE SIGNIFICANT ACQUISITIONS OR DIVESTITURES

Sponsored by: Chris E. Barrilleaux

[1] All ratios are calculated using Moody's Standard Adjustments. [2] As of 9/30/2012 (L); Source: Moody's Financial Metrics

MOODY'S
INVESTORS SERVICE

of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MIS have, prior to assignment of any rating, agreed to pay to MIS for appraisal and rating services rendered by it fees ranging from $1,500 to approximately $2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moodys.com under the heading "Shareholder Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

Any publication into Australia of this document is by MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657, which holds Australian Financial Services License no. 336969. This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001.

Notwithstanding the foregoing, credit ratings assigned on and after October 1, 2010 by Moody's Japan K.K. ("MJKK") are MJKK's current opinions of the relative future credit risk of entities, credit commitments, or debt or debt-like securities. In such a case, "MIS" in the foregoing statements shall be deemed to be replaced with "MJKK". MJKK is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO.

This credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors. It would be dangerous for retail investors to make any investment decision based on this credit rating. If in doubt you should contact your financial or other professional adviser.

MOODY'S
INVESTORS SERVICE

Credit Opinion: Entergy Texas, Inc.

Global Credit Research - 26 Dec 2012

Beaumont, Texas, United States

Ratings

Category	Moody's Rating
Outlook	Stable
Issuer Rating	Ba1
First Mortgage Bonds	Baa2
Senior Secured Shelf	(P)Baa2
Parent: Entergy Corporation	
Outlook	Stable
Issuer Rating	Baa3
Senior Unsecured	Baa3
Commercial Paper	P-3

Contacts

Analyst	Phone
William Hunter/New York City	212.553.1761
William L. Hess/New York City	212.553.3837

Key Indicators

[1]**Entergy Texas, Inc.**

	LTM 9/30/2012	2011	2010	2009
(CFO Pre-W/C + Interest) / Interest Expense	3.5x	3.7x	3.7x	1.4x
(CFO Pre-W/C) / Debt	14%	15%	15%	3%
(CFO Pre-W/C - Dividends) / Debt	11%	14%	10%	-4%
Debt / Book Capitalization	50%	50%	52%	52%

[1] All ratios calculated in accordance with the Global Regulated Electric Utilities Rating Methodology using Moody's standard adjustments.

Note: For definitions of Moody's most common ratio terms please see the accompanying User's Guide.

Opinion

Rating Drivers

- Below average regulatory environment with a meager rate case outcome in 2012

- Improving trend in credit metrics likely to stagnate

- Lack of formula rate plan and other risk reducing mechanisms

- Service territory with a fairly robust economy but exposure to major storms

Corporate Profile

Sponsored by: Chris E. Barrilleaux

Entergy Texas, Inc. (ET, Ba1 Issuer Rating, stable outlook) is a subsidiary of Entergy Corporation (Entergy, Baa3 Issuer Rating, stable outlook) created on December 31, 2007, when it was jurisdictionally separated from Entergy Gulf States Louisiana, LLC (EGSL, Baa2 stable), its Louisiana affiliate utility. For the 12 months ending (LTM) 9/30/12, ET represented 9.5%% of Entergy's consolidated assets, 3.5% of consolidated gross profit, 8.7% of cash from operations before changes in working capital (CFO Pre-WC) and 11.4% of consolidated debt. ET is a vertically integrated utility, with a service territory in southeastern Texas that includes Beaumont and the northern and eastern edges of the greater Houston metropolitan area. In 2011, ET had approximately 413,000 retail customers and produced 77% of its generation from gas and the remaining 23% from coal. ET maintains a fairly balanced customer mix, with 36% residential, 26% commercial, 36% industrial and 2% government on a kilowatt hour basis in 2011. Under the Entergy System Agreement, ET coordinates planning and shares the cost of generation resources with its utility affiliates. On a stand-alone basis, ET had a large reserve deficit of about 31.5% in 2011 .

SUMMARY RATING RATIONALE

ET's Ba1 Issuer Rating reflects above average business and regulatory risk in its Texas jurisdiction, including weaknesses in the rate design that create substantial regulatory lag, and a heightened exposure to storm-related event risk given its small size after its separation from EGSL. The rating also considers financial and cash flow coverage metrics that have improved markedly over the past several years but will likely stagnate or perhaps decline based on a recent rate case, and liquidity that is adequate but dependent on the parent.

DETAILED RATING CONSIDERATIONS

BELOW AVERAGE REGULATORY ENVIRONMENT WITH A SET-BACK IN 2012

The regulatory climate in Texas is generally viewed as positive for transmission and distribution utilities (T&Ds) and quite challenging for vertically integrated utilities. ET filed a $105 million rate increase request in November 2011 to the Public Utilities Commission of Texas (PUCT) based on a 10.6% ROE, but the commission's September 2012 order authorized only a $28 million increase based on a 9.8% allowed ROE, below the authorized ROE for the Texas T&Ds, which have lower business risk. More importantly, the PUCT chose to disallow $59 million of annual operating costs not pertaining to the 2010 test year, although the statute permits their inclusion if they are known and measurable, such as plant additions and retirements. The PUCT ruled that signed power purchase agreements (PPAs, which represented $31 out of the $59 million) could not be included in operating expenses and directed ET to file a new base rate case to recover power purchase contracts that were signed after the test year, which will increase regulatory lag. ET recovers the fuel portion of PPAs under its fuel adjustment clause, but the capacity portion is recovered in base rates. The PUCT removed ET's request for a rider for future PPAs from the rate case docket and placed into a separate docket, with a decision expected in 2013.

The outcome was a set-back relative to the prior rate case, filed in December 2009. In December 2010, the PUCT provided a moderately positive outcome, giving the company a two step rate increase totally $68 million and a 10.13% ROE.

There are few formula rate mechanisms for vertically integrated utilities in Texas, heightening regulatory lag. Earning a return on construction-work-in-progress (CWIP) is generally not allowed , except that utilities may include transmission and distribution investments (but not generation investments) in a surcharge.

The PUCT has permitted securitization of storm restoration costs. In 2009, about a year after hurricane Ike struck in September 2008, it authorized recovery via securitization of $566.4 million out of the $577.5 million of ET's storm recovery costs for hurricanes Ike and Gustav, and the bonds were issued in late 2009.

In October 2012, the PUCT approved, with conditions, ET's plan to join the Midwest Independent System Operator (MISO, a regional transmission organization or RTO) by a target date of December 2013.

In 2013, the PUCT will review ET's proposal to sell its transmission business. In 2011, Entergy agreed to sell the transmission assets of its utility operating companies to ITC Holdings Corp. (ITC, Baa2 senior unsecured, stable outlook), subject to receipt of required approvals, with a target closing date in 2013. The proposed sale would allow ET to avoid the Capex associated with planned transmission upgrades, but it brings its own complications. Although the separation of transmission and generation is consistent with the Texas model, ITC would be regulated by FERC, whereas PUCT has typically preferred to have jurisdiction over the state's T&Ds.

FINANCIAL AND CASH FLOW COVERAGE METRICS THAT ARE CURRENTLY STRONG FOR ITS RATING

ET's metrics were negatively affected in 2008 and 2009 due to storm costs and regulatory lag in Texas. In the absence of major storms (hurricane Isaac had a very limited impact on ET) and with the positive impact of the 2010 rate decision, cash flows have improved in recent years. CFO Pre-WC, which was negative in 2008 and only $44 million in 2009, rebounded to $266 million in 2010, $268 million in 2011 and $247 million for LTM 9/30/12. With stable debt of about $1.8 billion during the period, key metrics improved. CFO Pre-WC plus interest to interest and CFO Pre-WC to debt were 3.5x and 13.9%, respectively for LTM 9/30/12 versus 1.4x and 2.5%, respectively, in 2009.

However, metrics are likely to stagnate or even decline based on the recent rate case, since ET will have cash capacity costs that cannot be recovered in rates.

FAIRLY ROBUST SERVICE TERRITORY ECONOMY

The Texas economy has transitioned from recovery to expansion, with energy and petrochemicals as important drivers. ET's service territory includes significant refining and petrochemical facilities. Employment growth in Beaumont, by contrast, lags the national average, primarily due to weakness in the service sector. ET's total retail sales, which have grown in three of the last four years, were 9% higher in 2011 than in 2007, and its industrial sales in 2011 were 3% higher than in 2009.

Liquidity Profile

ET's grid scoring for liquidity is A, based on our projection of its ability to maintain its current Capex plans and dividend levels for at least the next four quarters without exhausting committed facilities. Based on liquidity at Entergy that is currently considered adequate, ET's final liquidity score is a Baa.

ET relies primarily on the parent company's committed credit facility and its participation in the Entergy System money pool for most of its liquidity and short-term funding needs. ET's FERC authorized borrowing limit for short-term borrowings is $200 million. ET also has a credit facility in the amount of $150 million, scheduled to expire in March 2017. The stand-alone facility requires ET to meet a 65% debt to capitalization covenant, with which the company was in compliance as of 9/30/12. At 9/30/12, ET had cash and short-term investments of $65 million, of which $13 million was invested with the Entergy money pool. There was no utilization under the stand-alone facility.

For LTM 9/30/12, EM had cash from operations (CFO) of $324 million, Capex of $182 million and paid dividends of $52 million, yielding $85 million of positive free cash flow. For 2013, we estimate that CFO will be at about $200 million, with Capex of about $175 million, and dividends in the range of $70 million (approximately the 2009-2011 average), yielding negative free cash flow of about $45 million. ET has no long-term debt maturities over the next 12 months.

We believe that Entergy's approach to liquidity management over the last several years has been less than ideal, a credit negative; however, the current liquidity situation is adequate. Liquidity is important to the Entergy system, due to the size of the company's unregulated wholesale power business, the company's reliance on natural gas fired generation, which can experience price volatility leading to increased working capital requirements, and the experience of Entergy's Gulf Coast subsidiaries in dealing with severe storm events, which can lead to material calls on liquidity. Entergy is unusual among its peers in relying heavily on its revolving credit for borrowings. We view management's recent willingness to delay the extension of the syndicated revolving credit to a date less than six months before it expired (in order to save on interest costs and, starting in late 2011, due to disclosure issues surrounding the ITC transaction), as demonstrating a focus on shareholder value at the expense of financial stability. Nonetheless, the syndicated revolver was renewed successfully in March 2012 for five years. In addition, Entergy expanded its liquidity sources by initiating and subsequently upsizing a commercial paper program in 2012. Entergy would score A (strong) for liquidity based on our projection of its ability to maintain its current capex plans and dividend levels for eight quarters without exhausting committed liquidity, which is reduced to a final liquidity score of Baa (adequate) based on the factors cited above.

Rating Outlook

The stable outlook reflects ET's recent improvement in financial metric levels and our expectation, despite a potential for stagnation or decline as a result of the recent rate case, that they will at least remain consistent with the current rating. It also takes into consideration our expectation that the PUCT prefers to regulate reasonably healthy utilities and that most reasonable costs are eventually recoverable, albeit with material regulatory lag.

What Could Change the Rating - Up

The rating of ET could be upgraded if there were an improvement in the regulatory environment in Texas, including the implementation of more credit-supportive rate relief and cost recovery provisions, or if there were an increase in financial metrics, including CFO pre-working capital interest coverage comfortably above 4.5 times and CFO pre-working capital to debt above 17.5% on a sustained basis.

What Could Change the Rating - Down

The ratings of ET could be downgraded if the business and regulatory environment in which it operates were to deteriorate, if future rate case outcomes were not credit supportive, or if there were a significant decline in financial metrics, including CFO pre-working capital interest coverage below 2.5 times and CFO pre-working capital to debt below 10% on a sustained basis.

Rating Factors

Entergy Texas, Inc.

Regulated Electric and Gas Utilities Industry [1][2]	**Current 9/30/2012**		**Moody's 12-18 month Forward View* As of December 2012**	
Factor 1: Regulatory Framework (25%)	**Measure**	**Score**	**Measure**	**Score**
a) Regulatory Framework		Ba		Ba
Factor 2: Ability To Recover Costs And Earn Returns (25%)				
a) Ability To Recover Costs And Earn Returns		Ba		Ba
Factor 3: Diversification (10%)				
a) Market Position (5%)		Ba		Ba
b) Generation and Fuel Diversity (5%)		Ba		Ba
Factor 4: Financial Strength, Liquidity And Key Financial Metrics (40%)				
a) Liquidity (10%)		Baa		Baa
b) CFO pre-WC + Interest/ Interest (3 Year Avg) (7.5%)	3.5x	Baa	3.4 - 3.9x	Baa
c) CFO pre-WC / Debt (3 Year Avg) (7.5%)	14.0%	Baa	13 - 16%	Baa
d) CFO pre-WC - Dividends / Debt (3 Year Avg) (7.5%)	9.1%	Baa	9 - 12%	Baa
e) Debt/Capitalization (3 Year Avg) (7.5%)	50.7%	Baa	49 - 51%	Baa
Rating:				
a) Indicated Rating from Grid		Ba1		Ba1
b) Actual Rating Assigned		Ba1		Ba1

* THIS REPRESENTS MOODY'S FORWARD VIEW; NOT THE VIEW OF THE ISSUER; AND UNLESS NOTED IN THE TEXT DOES NOT INCORPORATE SIGNIFICANT ACQUISITIONS OR DIVESTITURES

[1] All ratios are calculated using Moody's Standard Adjustments. [2] As of 9/30/2012 (L); Source: Moody's Financial Metrics

MOODY'S
INVESTORS SERVICE

Sponsored by: Chris E. Barrilleaux

procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moodys.com under the heading "Shareholder Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

For Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail clients. It would be dangerous for retail clients to make any investment decision based on MOODY'S credit rating. If in doubt you should contact your financial or other professional adviser.

Sponsored by: Chris E. Barrilleaux

STANDARD
& POOR'S
RATINGS SERVICES

RatingsDirect®

Summary:
Entergy Texas Inc.

Primary Credit Analyst:
Dimitri Nikas, New York (1) 212-438-7807; dimitri_nikas@standardandpoors.com

Secondary Contact:
Gabe Grosberg, New York (1) 212-438-6043; gabe_grosberg@standardandpoors.com

Table Of Contents

Summary:

Entergy Texas Inc.

Credit Rating: BBB/Stable/--

Rationale

Standard & Poor's Ratings Services' ratings on Entergy Texas Inc. (ETI) reflect the consolidated credit profile of its parent, Entergy Corp. We base our ratings on Entergy on a "strong" business risk profile and "significant" financial risk profile under our criteria.

Entergy's strong business risk profile incorporates regulated utility operations that have demonstrated a measure of steady improvement over time, but this strength is offset by significant exposure to merchant generation operations. Entergy owns Entergy Arkansas Inc. (EAI), Entergy Gulf States Louisiana LLC (EGSL), Entergy Louisiana LLC (ELL), Entergy Mississippi Inc. (EMI), Entergy New Orleans Inc. (ENOI), Entergy Texas Inc. (ETI), System Energy Resources Inc. (a regulated wholesale generation company), and an unrated merchant generation business with operations primarily in the Northeast. The merchant operations, which are dominated by nuclear generation and which we view as having higher business risk than the regulated electric utility operations, contribute about one-quarter of operating income, and we expect their contribution to decline somewhat in light of continuing low wholesale power prices. Entergy's merchant generation business is dealing with two main difficulties: the ongoing moderation in wholesale power prices and effectively managing the relicensing of two of its larger merchant nuclear units, Indian Point Units 2 and 3.

We view ETI's business risk profile as being toward the lower end of the "excellent" category under our criteria, reflecting a generally challenging regulatory framework and a service territory with moderate customer growth characteristics.

ETI serves 413,000 customers in eastern Texas (a 1% increase over 2010) and provided about 9% of Entergy's operating income in 2011. Residential and commercial customers account for 57% of revenues and 45% of sales, while industrial customers accounted for 20% of revenues and 26% of sales. ETI's service territory has been severely affected by hurricanes; however, the company has been able to recover storm costs through securitizations, albeit after some delay.

In November 2011, ETI filed with the Public Utility Commission of Texas for a $104 8 million rate increase based on a 10.6% return on equity (ROE), in large part to recover infrastructure investment and purchased power costs. The staff to the commission recommended a $72 million base rate increase reflecting a 9.6% ROE. The commission has not yet ruled on a final decision. In addition, the company requested the implementation of riders to recover capacity and renewable costs.

We view Entergy's consolidated financial risk profile as significant. For the 12 months ended March 31, 2012, adjusted criteria, we consider the limitations of FMB issuance under the utility's indenture relative to the value of the collateral pledged to bondholders, management's stated intentions on future FMB issuance, and the regulatory limitations on bond issuance. FMB ratings can exceed a corporate credit rating on a utility up to one notch in the 'A' category, two notches in the 'BBB' category, and three notches in speculative-grade categories.

ETI's FMBs benefit from a first-priority lien on substantially all of the utilities' real property owned or subsequently acquired. Collateral coverage of less than 1.5x supports a recovery rating of '1' and an issue rating of one notch above the corporate credit rating.

Outlook

The stable outlook on Entergy and its subsidiaries reflects the company's strong business risk profile and our expectations that the company's consolidated financial risk profile will remain in the significant category over the next 12 to 24 months. Our baseline forecast is for adjusted FFO to total debt of just over 20% and adjusted total debt to total capital that remains at 60%. A meaningful reduction in cash flow from the potential shutdown of Indian Point Units 2 and 3 when the licenses expire combined with further softness in the wholesale power markets that results in adjusted FFO to total debt of below 18% on a sustained basis would lead to a downgrade of one notch. Given Entergy's current business mix and its credit protection measures that are toward the lower end of the significant category, we don't consider an upgrade likely.

Related Criteria And Research

- Standard & Poor's Standardizes Liquidity Descriptors for Global Corporate Issuers, July 2, 2010
- Business Risk/Financial Risk Matrix Expanded, May 27, 2009
- Analytical Methodology, April 15, 2008
- Assessing U.S. Utility Regulatory Environments, Nov. 7, 2007
- Changes To Collateral Requirements For '1+' Recovery Ratings On U.S. Utility First Mortgage Bonds, Sept. 6, 2007

FFO was about $2.65 billion, while capital spending totaled $3.2 billion, leading to adjusted FFO interest coverage of about 4x, adjusted FFO to total debt of 18.4%, and adjusted debt leverage of 61.5%. These measures are weaker than they were one year ago, and in large part reflect still-weak wholesale power prices.

Liquidity

We view ETI's liquidity on a consolidated basis with that of its parent, Entergy. Entergy's liquidity is "adequate" under Standard & Poor's liquidity methodology criteria. We base our liquidity assessment on the following factors and assumptions:

- We expect the company's liquidity sources (including FFO and credit facility availability) over the next 12 months to exceed its uses by more than 1.2x.
- Long-term debt maturities are manageable, with about $200 million maturing in 2012, $707 million in 2013, and about $135 million in 2014, including maturities of securitized debt.
- Even if EBITDA declines by 15%, we believe net sources will be well in excess of liquidity requirements.
- The company has good relationships with its banks, in our assessment, and has a good standing in the credit markets.

Entergy has $4.3 billion in available revolving credit facilities, with $3.5 billion available to the parent and the balance available among the operating subsidiaries as follows:

- Entergy Arkansas: $228 million;
- Entergy Gulf States Louisiana: $150 million;
- Entergy Louisiana: $200 million;
- Entergy Mississippi: $70 million; and
- Entergy Texas: $150 million.

Total undrawn capacity as of March 31, 2012, was $2.825 billion, with $2 billion available to Entergy and about $800 million available to the operating subsidiaries. Most of Entergy's revolving credit facilities mature in March 2017.

In our analysis, based on information available as of Dec. 31, 2011, we assumed liquidity of about $6 billion over the next 12 months, consisting mainly of FFO, cash on hand, and availability under the revolving credit facilities. We estimate the company could use up to $4.5 billion during the same period for capital spending, debt maturities, and shareholder dividends.

Entergy's ability to absorb high-impact, low-probability events with limited need for refinancing, its flexibility to lower capital spending, its sound bank relationships, its solid standing in credit markets, and its generally prudent risk management further support our description of liquidity as adequate.

Recovery analysis

We assign recovery ratings to first mortgage bonds (FMBs) issued by investment-grade U.S. utilities, which can result in higher issue ratings than a corporate credit rating on a utility depending on the category and the extent of the collateral coverage. We base our investment-grade FMB recovery methodology on the ample historical record of nearly 100% recovery for secured bondholders in utility bankruptcies and on our view that the factors that supported those recoveries (limited size of the creditor class, and the durable value of utility rate-based assets during and after a reorganization, given the essential service provided and the high replacement cost) will persist. Under our notching

McGRAW-HILL

STANDARD
& POOR'S
RATINGS SERVICES

RatingsDirect®

Summary:
Entergy Texas Inc.

Primary Credit Analyst:
Dimitri Nikas, New York (1) 212-438-1000; dimitri_nikas@standardandpoors.com

Secondary Contact:
Gabe Grosberg, New York (1) 212-438-1000; gabe_grosberg@standardandpoors.com

Research Contributor:
Meet Vora, CRISIL Global Analytical Center, an S&P affiliate, Mumbai

Table Of Contents

Summary:

Entergy Texas Inc.

Credit Rating: BBB/Stable/--

Rationale

Standard & Poor's Ratings Services' ratings on Entergy Texas Inc. (ETI) reflect the consolidated credit profile of its parent, Entergy Corp. We base our ratings on Entergy on a "strong" business risk profile and "significant" financial risk profile under our criteria.

Entergy's strong business risk profile incorporates regulated utility operations that have demonstrated a measure of steady improvement over time, but this strength is offset by significant exposure to merchant generation operations. Entergy owns Entergy Arkansas Inc., Entergy Gulf States Louisiana LLC, Entergy Louisiana LLC, Entergy Mississippi Inc., Entergy New Orleans Inc., ETI, System Energy Resources Inc. (a regulated wholesale generation company), and an unrated merchant generation business with operations primarily in the Northeast. The merchant operations, which are dominated by nuclear generation and which we view as having higher business risk than the regulated electric utility operations, contribute about one-quarter of operating income, and we expect their contribution to decrease somewhat in light of continuing low wholesale power prices. Entergy's merchant generation business is dealing with two main difficulties: the ongoing moderation in wholesale power prices and effectively managing the relicensing of two of its larger merchant nuclear units, Indian Point Units 2 and 3.

We view ETI's business risk profile as being toward the lower end of the "excellent" category under our criteria, reflecting a generally challenging regulatory framework and a service territory with moderate customer growth characteristics.

ETI serves 413,000 customers in eastern Texas (a 1% increase over 2010) and provided about 9% of Entergy's operating income in 2011. Residential and commercial customers account for 57% of revenues and 45% of sales, while industrial customers accounted for 20% of revenues and 26% of sales. ETI's service territory has been severely affected by hurricanes; however, the company has been able to recover storm costs through securitizations, albeit after some delay.

In response to ETI's request for a base rate increase of $104.8 million, filed in November 2011, the Public Utility Commission of Texas (PUCT) issued its final order in the case granting ETI a base rate increase of about $28 million based on a 9.8% return on equity.

The consolidated financial risk profile for Entergy is in the significant category, albeit on the lower end of the category indicating little flexibility at the current rating. This assessment reflects adjusted financial measures from our baseline forecast that have weakened somewhat for the rating and financial policies that historically have been shareholder friendly and aggressive as demonstrated by elevated debt leverage. Credit protection measures have weakened and may remain weak over the near term if there is further softness in the wholesale power markets, making it challenging for the company to perform in line with its peers over the next 12 to 24 months.

Our baseline forecast of about 20% of funds from operations (FFO) to total debt, debt to EBITDA of less than 4.5x, and adjusted total debt to total capital that remains at about 60%, on a sustained basis, continues to reflect steady economic activity in the company's largest service territories in Louisiana, Arkansas, and Texas. Our projections also incorporate the need for continuous capital spending to maintain and expand Entergy's regulated utility system and whose timely recovery provides the foundation for cash flow stability. At the same time, our projections incorporate the impact from Entergy's merchant generation operations, which require significantly less ongoing capital investment, but which contribute to higher levels of cash flow volatility, depending on the level of wholesale power prices.

Liquidity

We view ETI's liquidity on a consolidated basis with that of its parent, Entergy. Entergy's liquidity is "adequate" under Standard & Poor's liquidity methodology criteria. We base our liquidity assessment on the following factors and assumptions:

- We expect the company's liquidity sources (including FFO and credit facility availability) over the next 12 months to exceed its uses by more than 1.2x.
- Long-term debt maturities are manageable, with about $707 million in 2013, about $136 million in 2014 and about $861 million in 2015, including maturities of securitized debt.
- Even if EBITDA decreases by 15%, we believe net sources will be well in excess of liquidity requirements.
- The company has good relationships with its banks, in our assessment, and has a good standing in the credit markets.

Entergy has $4.2 billion in available revolving credit facilities, with $3.5 billion available to the parent and the balance available among the operating subsidiaries as follows:

- Entergy Arkansas: $170 million;
- Entergy Gulf States Louisiana: $150 million;
- Entergy Louisiana: $200 million;
- Entergy Mississippi: $70 million; and
- Entergy Texas: $150 million.

Total undrawn capacity as of Sept. 30, 2012, was $2.763 billion, with $2 billion available to Entergy and about $740 million available to the operating subsidiaries. Most of Entergy's revolving credit facilities mature in March 2017. In addition, the company had about $750 million in cash and equivalents.

In our analysis, based on information available as of Sept. 30, 2012, we assumed liquidity of about $6.5 billion over the next 12 months, consisting mainly of FFO, cash on hand, and availability under the revolving credit facilities. We estimate the company could use up to $4.1 billion during the same period for capital spending, debt maturities, and shareholder dividends.

Entergy's ability to absorb high-impact, low-probability events with limited need for refinancing, its flexibility to lower capital spending, its sound bank relationships, its solid standing in credit markets, and its generally prudent risk management further support our description of liquidity as adequate.

Recovery analysis

We assign recovery ratings to first mortgage bonds (FMBs) issued by investment-grade U.S. utilities, which can result in higher issue ratings than a corporate credit rating (CCR) on a utility depending on the category and the extent of the collateral coverage. We base our investment-grade FMB recovery methodology on the ample historical record of nearly 100% recovery for secured bondholders in utility bankruptcies and on our view that the factors that supported those recoveries (limited size of the creditor class and the durable value of utility rate-based assets during and after a reorganization, given the essential service provided and the high replacement cost) will persist. Under our notching criteria, we consider the limitations of FMB issuance under the utility's indenture relative to the value of the collateral pledged to bondholders, management's stated intentions on future FMB issuance, and the regulatory limitations on bond issuance. FMB ratings can exceed a CCR on a utility by up to one notch in the 'A' category, two notches in the 'BBB' category, and three notches in speculative-grade categories.

ETI's FMBs benefit from a first-priority lien on substantially all of the utilities' real property owned or subsequently acquired. Collateral coverage of less than 1.5x supports a recovery rating of '1' and an issue rating of one notch above the CCR.

Outlook

The stable rating outlook on Entergy and its subsidiaries reflects the company's strong business risk profile and our expectation that Entergy's consolidated financial risk profile will remain in the significant category over the next 12 to 24 months. Our baseline forecast is for adjusted FFO to total debt of about 20% and adjusted total debt to total capital that remains at 60%. A meaningful reduction in cash flow from the potential shutdown of Indian Point Units 2 and 3 when the licenses expire combined with further softness in the wholesale power markets that results in adjusted FFO to total debt of less than 18% on a sustained basis would lead to a one-notch downgrade. Given Entergy's current business mix and its credit protection measures that are toward the lower end of the significant category, we consider an upgrade unlikely.

Related Criteria And Research

- Business Risk/Financial Risk Matrix Expanded, Sept. 18, 2012
- 2008 Corporate Criteria: Analytical Methodology, April 15, 2008
- Liquidity Descriptors For Global Corporate Issuers, Sept. 28, 2011
- Standard & Poor's Updates Its U.S. Utility Regulatory Assessments, March 12, 2010
- Changes To Collateral Coverage Requirements For '1+' Recovery Ratings On U.S. Utility First Mortgage Bonds, Sept. 6, 2007

Temporary contact numbers: Dimitri Nikas 646-584-8438; Gabe Grosberg 917-232-8057

STANDARD
& POOR'S

Global Credit Portal
RatingsDirect®

June 20, 2012

Research Update:

Entergy Corp.'s And Subsidiaries' Outlook Revised To Stable On Better Perfomance At The Subs; 'BBB' Ratings Affirmed

Primary Credit Analyst:
Dimitri Nikas, New York (1) 212-438-7807,dimitri_nikas@standardandpoors com

Secondary Contact:
Gabe Grosberg, New York (1) 212-438-6043;gabe_grosberg@standardandpoors.com

Table Of Contents

Research Update:

Entergy Corp.'s And Subsidiaries' Outlook Revised To Stable On Better Perfomance At The Subs; 'BBB' Ratings Affirmed

Overview

- There have been meaningful improvements at Entergy Corp.'s regulated electric utility subsidiaries that are balanced by the ongoing challenges at the company's merchant generation operations.
- We are affirming the 'BBB' corporate credit rating on Entergy and all its operating subsidiaries. We are revising the outlook to stable from negative.
- The stable outlook reflects the sustained and consistent level of improvement at the company's regulated utility operations, balanced by the dual challenge of ongoing moderation in power prices and of effectively managing the relicensing process of two of its larger merchant nuclear plants. At the same time, the stable outlook incorporates our expectation that Entergy's financial risk profile will remain in the "significant" category, generating about 20% adjusted FFO to debt, which incorporates the challenges the company is encountering at its merchant power generation operations.

Rating Action

On June 20, 2012, Standard & Poor's Ratings Services affirmed its corporate credit and issue ratings on Entergy Corp. and its subsidiaries Entergy Arkansas Inc., Entergy Gulf States Louisiana LLC, Entergy Louisiana LLC, Entergy Mississippi Inc., Entergy New Orleans Inc., Entergy Texas Inc., and System Energy Resources Inc. At the same time, we revised the outlook on the ratings to stable from negative.

Rationale

The outlook revision on Entergy and its affiliates to stable from negative recognizes a sustained and consistent level of improvement at the company's regulated utility operations, balanced by the dual challenge of dealing with the ongoing moderation in wholesale power prices and of effectively managing the relicensing process of two of its larger merchant nuclear plants, Indian Point Units 2 and 3. These factors support the company's business risk profile, which is firmly in the "strong" category. The moderation in wholesale power prices has caused the contribution of the regulated utility business to increase to as much as 75% of operating income and cash flow and we expect this trend to persist over the intermediate term. Despite the declining contribution of the merchant generation business we do not view the overall