

PUBLIC

Negotiation Date/Date Signed: 8/26/2020

Term: *

Service Provided: See agreement

* This information is Confidential

** This information is Highly Sensitive

The Company has requested a partial waiver of this schedule

Sponsored by: Andrew L. Dornier and Anastasia R. Meyer

ENTERGY TEXAS INC.
COMBUSTION RESIDUAL PRODUCTION
TEST YEAR
JANUARY 1, 2021 THROUGH DECEMBER 31, 2021

Schedule I-5.1
2022 TX Rate Case
Page 1 of 1

NELSON COAL UNIT 6 (TONS AT ETI's 29.75%)				
MONTH-YEAR	FLY ASH		BOTTOM	ECONOMIZER
	FLY ASH	SLURRIED	ASH	ASH
Jan-21	69	N/A	388	63
Feb-21	268	N/A	176	0
Mar-21	608	N/A	180	0
Apr-21	1,416	N/A	203	0
May-21	192	N/A	163	119
Jun-21	0	N/A	120	0
Jul-21	78	N/A	46	66
Aug-21	883	N/A	273	23
Sep-21	880	N/A	174	34
Oct-21	1,439	N/A	270	11
Nov-21	4,629	N/A	86	8
Dec-21	190	N/A	131	0
TOTAL	10,653	0	2,208	324

BIG CAJUN II, UNIT 3 (TONS AT ETI's 17.85%)				
MONTH-YEAR	FLY ASH		BOTTOM	ECONOMIZER
	FLY ASH	SLURRIED	ASH	ASH
Jan-21	201	0	40	0
Feb-21	949	0	132	0
Mar-21	157	0	0	0
Apr-21	154	0	40	0
May-21	482	0	71	0
Jun-21	829	0	121	0
Jul-21	985	0	175	0
Aug-21	887	0	171	0
Sep-21	1,489	0	188	0
Oct-21	807	0	117	0
Nov-21	1,167	0	264	0
Dec-21	820	0	113	0
TOTAL	8,924	0	1,432	0

NOTE: Neither of these units have scrubbers, therefore, numbers do not include scrubber sludge.

Big Cajun II, Unit 3 data provided by Cleco Cajun LLC.

**ENTERGY TEXAS INC.
COMBUSTION RESIDUALS – DISPOSAL
NELSON 6**

The majority of fly ash, bottom ash, and economizer ash produced at the Nelson 6 coal unit are sold. Prior to the start-up of the coal plant, it was determined that the most efficient method for marketing the Nelson 6 coal by-products was to contract with a firm that specialized in this endeavor. After bid solicitation and evaluation, a 5 year Fly Ash Marketing and Landfill Maintenance Agreement was awarded to Charah Solutions, Inc. that started December 1st, 2019.

“Charah” has been able to market the majority of coal combustion by-products, to minimize long-term disposal costs. The fly ash is most often sold directly from the ash storage silo, which only holds a three day supply of ash, to the user as a substitute for cement in concrete or other construction purposes or for use in environmental clean-up projects. However, due to weather conditions and/or market needs, sometimes the ash must be moved from the silo to a holding area or the onsite ash disposal area. When conditions allow, the material is reclaimed and sold as "flex base" for use in road beds or other fill purposes.

Bottom ash and economizer ash are taken by dump trucks from the plant to a holding area or the onsite ash disposal area where the ash is allowed to dry and then sold as a base material for roads, parking lots, building sites, etc.

The contractor furnishes all labor and equipment for the removal of residual from the plant, except for the silo, storage bins and holding area. This disposal is currently done on a no cost basis to ELL. Revenue from sales is shared between the contractor and the company.

**ENTERGY TEXAS INC.
COMBUSTION RESIDUALS – DISPOSAL
BIG CAJUN II, UNIT 3**

Fly Ash is vacuum conveyed to a silo where the ash contractor takes delivery for sale. Third party trucks are loaded from the silo by the contractor, weighed and released from the site for delivery. Bottom Ash is loaded into trucks by the ash contractor and weighed prior to exiting the site. This ash is then loaded into third party trucks for sale by the ash contractor for outside use or sent to an offsite landfill.

(Data for Big Cajun provided by Louisiana Generating LLC.)

ENTERGY TEXAS, INC.
COMBUSTION RESIDUAL DISPOSAL COSTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021

MONTH	NELSON COAL				BIG CAJUN II UNIT 3	
	TONS SOLD	REVENUES RECEIVED	FLEX BASE REMOVAL COST	NET REVENUES RECEIVED	TONS SOLD	REVENUES RECEIVED
Jan-21	0	0	0	0	1,284	15,672
Feb-21	0	0	0	0	1,371	22,638
Mar-21	1,484	28,099	0	28,099	962	50,332
Apr-21	0	0	0	0	990	6,772
May-21	519	3,802	0	3,802	1,038	20,391
Jun-21	1,232	27,000	0	27,000	2,022	37,015
Jul-21	0	0	0	0	2,424	49,777
Aug-21	1,619	41,954	0	41,954	1,803	66,149
Sep-21	473	6,774	0	6,774	1,916	75,809
Oct-21	309	3,647	0	3,647	2,346	70,129
Nov-21	1,179	31,981	0	31,981	1,853	76,221
Dec-21	0	0	0	0	1,805	90,851
TOTAL	6,815	\$143,258	\$0	\$143,258	19,812	581,757

NOTES:

- A) ASH REVENUES (NET OF ANY DISPOSAL COSTS) ARE CONSIDERED A REDUCTION TO INELIGIBLE FUEL EXPENSE (FERC ACCOUNT 501). THEREFORE, THESE REVENUES ARE ULTIMATELY TREATED AS A REDUCTION TO BASE RATES.
- B) ASH REVENUES AT NELSON ARE RECORDED UPON RECEIPT OF CASH FROM THE VENDOR. THEREFORE, RECORDED MONTH, AS PRESENTED HERE, WILL NOT NECESSARILY COINCIDE WITH MONTH IN WHICH REVENUES WERE GENERATE
- C) THE TONS SOLD FOR BIG CAJUN 2 UNIT 3 ARE BASED ON ACTUAL SALES FOR THE MONTH.
- D) BIG CAJUN REVENUES AND TONS ARE INCLUSIVE OF FLY ASH AND CERT REVENUES.

**ENTERGY TEXAS, INC.
NATURAL GAS DELIVERY SYSTEM
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021**

The Company has requested a waiver of this schedule.

ENTERGY TEXAS, INC.
NATURAL GAS STORAGE DESCRIPTION
January 2021-December 2021

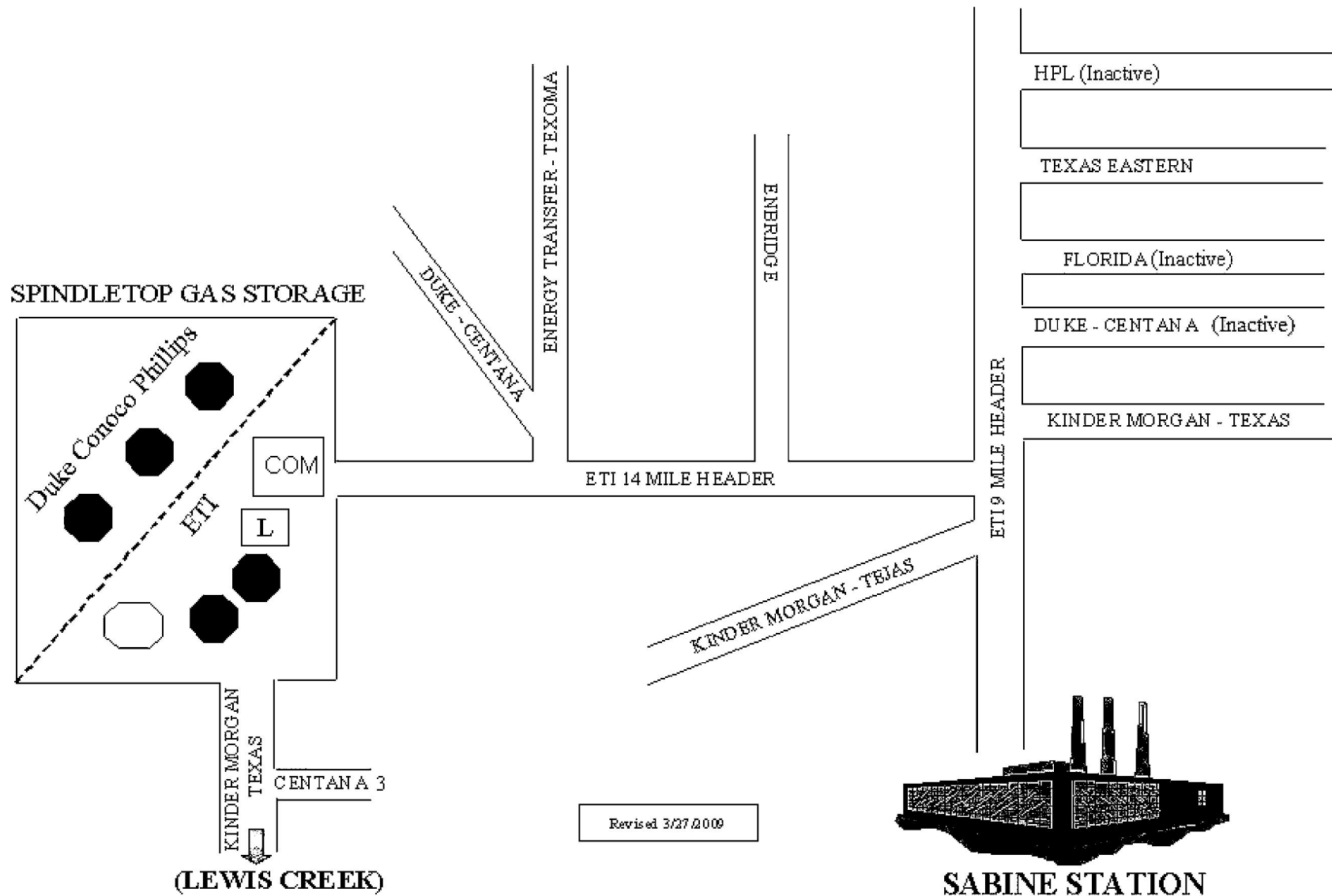
The Spindletop Gas Storage facility is located in Beaumont, Texas, approximately fourteen miles from Sabine Station. The facility is owned by ETI and operated under contract by PB Energy Storage Services. The facility, which consists of two underground salt dome caverns, is able to provide transportation and/or gas storage service to the Company's Sabine generating plants, which is located in Texas. The volume of gas that can be stored, as well as the rate of injection and withdrawal from storage, is a function of cavern pressure. The absolute pressure range necessary to maintain the structural integrity of the facility is 1,100 – 3,100 psi. The minimum pressure necessary to minimize cavern "creep" (i.e., an increase in the rate of cavern closure that occurs at low cavern pressures) is 2,000 psi. The normal operating pressure range of the facility is 2,677 – 2,800 psi. The upper end of the normal operating range allows flexibility needed for daily swing, as well as the reliability needed to be able to operate the four generating units at Sabine Station at a 70 percent capacity factor. The lower end of the normal operating range ensures sufficient cavern pressure to be able to operate these units to meet the peak load on the fifth day. The following table describes the various "critical points" that are used for planning purposes in managing storage cavern, based on cavern pressure:

Description	Estimated Pressure (psig)
Absolute maximum inventory pressure	3,100
Maximum operating pressure	2,900
Target operating pressure range	2,750 - 2,800
Minimum inventory pressure required to operate Sabine Station and one unit at Lewis Creek at 70 percent capacity factor for four days	2,677
Minimum pressure required to operate Sabine Station and one unit at Lewis Creek across the peak for one day	2,200
Minimum pressure required to minimize cavern closure or shrinkage	2,000
Absolute minimum level necessary to maintain structural integrity of the storage cavern	1,100

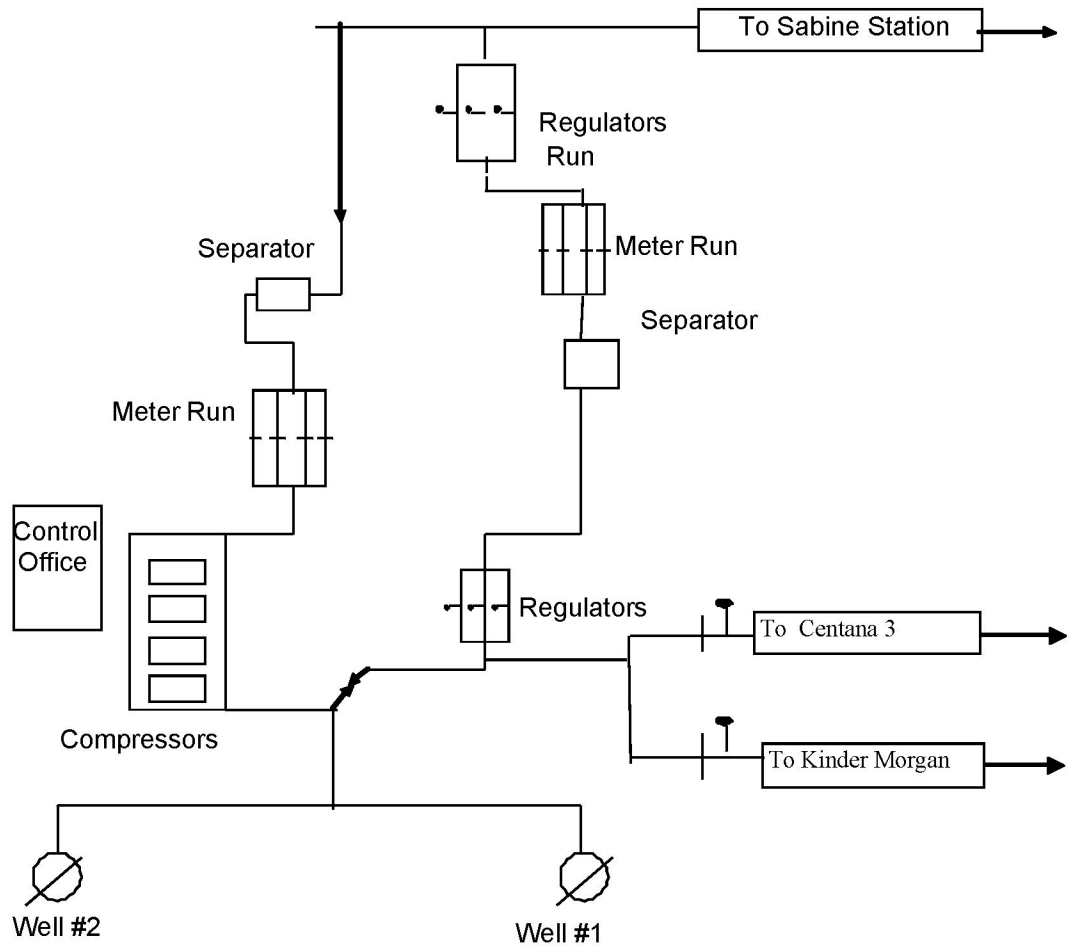
Gas injections are accomplished by means of four electric compressors capable of injecting, subject to cavern pressure constraints, up to 240,000 MMBtu per day into storage. The maximum withdrawal rate from the storage facility, subject to cavern pressure constraints, is 492,000 MMBtu per day, with delivery capability to Sabine Station and/or interconnecting pipelines for deliveries for third parties. The actual amounts that can be injected or withdrawn are subject to, and may be limited by, operational constraints of either the storage facility or the interconnecting pipelines, or both.

Chart 1, attached, shows the overall facility encompassing the storage site, interconnecting pipelines, and Sabine Station. Chart 2 shows the layout of the storage site itself.

The Spindletop Gas Storage and Pipeline Facility Operations & Maintenance Agreement between EGSI and PB Energy Storage Services, Inc. is provided as a workpaper to Schedule I-4.



Spindletop Natural Gas
Storage Description
Chart 2 - Storage Site



ENTERGY TEXAS, INC.
SPINDLETOP GAS STORAGE INVENTORY COSTS
JANUARY 2021 – DECEMBER 2021

	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
BEGINNING BALANCE	\$ 33,041,922	\$ 30,308,278	\$ 28,649,448	\$ 30,129,158	\$ 30,771,452	\$ 30,477,674	\$ 29,220,095	\$ 29,295,703	\$ 30,589,570	\$ 30,790,456	\$ 30,819,755	\$ 32,273,272
MONTHLY INJECTIONS												
GAS STOCK PRICE			\$ 1,417,700	\$ 598,207			\$ 73,901	\$ 1,256,447	\$ 194,724	\$ 28,171	\$ 1,355,924	
TRANSPORTATION & ELEC			\$ 62,010	\$ 44,087			\$ 1,707	\$ 37,421	\$ 6,162	\$ 1,127	\$ 97,593	
TRANSPORTATION TAXES												
TOTAL INJECTIONS	\$ -	\$ -	\$ 1,479,710	\$ 642,294	\$ -	\$ -	\$ 75,608	\$ 1,293,868	\$ 200,886	\$ 29,299	\$ 1,453,517	\$ -
MONTHLY WITHDRAWALS												
GAS STOCK COST	\$ 2,609,164	\$ 1,583,292			\$ 280,312	\$ 1,199,933						\$ 2,721,218
TRANSPORTATION & ELEC	\$ 124,402	\$ 75,489			\$ 13,458	\$ 57,610						\$ 131,005
TRANSPORTATION TAXES	\$ 78	\$ 47			\$ 8	\$ 36						\$ 82
TOTAL INJECTIONS	\$ 2,733,644	\$ 1,658,829	\$ -	\$ -	\$ 293,778	\$ 1,257,579	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,852,306
ENDING BALANCE	\$ 30,308,278	\$ 28,649,448	\$ 30,129,158	\$ 30,771,452	\$ 30,477,674	\$ 29,220,095	\$ 29,295,703	\$ 30,589,570	\$ 30,790,456	\$ 30,819,755	\$ 32,273,272	\$ 29,420,967
BEGINNING MMBTU BALANCE	11,303,369	10,368,017	9,800,427	10,395,923	10,644,590	10,542,943	10,107,822	10,127,844	10,442,105	10,481,683	10,487,196	10,770,016
MMBTU'S INJECTED			595,496	248,667			20,022	314,261	39,578	5,513	282,820	
MMBTU'S WITHDRAWN	935,352	567,590			101,647	435,121						952,074
ENDING MMBTU BALANCE	10,368,017	9,800,427	10,395,923	10,644,590	10,542,943	10,107,822	10,127,844	10,442,105	10,481,683	10,487,196	10,770,016	9,817,942

Sponsored By: Andrew Dornier; Scott Celino

**ENTERGY TEXAS, INC.
FUEL PROPERTIES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021**

The Spindletop Gas Storage facility, located in Beaumont, Texas, is owned by ETI. The facility consists of two underground salt dome caverns and associated operating equipment and facilities, as well as a pipeline header and interconnecting pipeline to Sabine Station. The operations expenses associated with operating equipment and facilities are included in eligible fuel expense. The Company is seeking inclusion of invested capital in rate base.

ETI is a co-owner of the Nelson 6 coal plant, which is also co-owned and operated by its affiliate, Entergy Louisiana, L.L.C. ("ELL"). Southern Gulf Railway, Inc., a wholly owned subsidiary of ELL, owns the railspur into Nelson Station, and has contracted with Timber Rock Railroad, a non-affiliated entity, for its operation and maintenance. ETI is not seeking recovery of expenses for direct payments to Southern Gulf Railway. ETI seeks only recovery of operations expenses related to Timber Rock Railroad's operations over Southern Gulf Railway.

ENTERGY TEXAS, INC.
EMPLOYEE ORGANIZATIONAL CHARTS
DECEMBER 31, 2021

The following table represents the Supply Planning Organization (SPO) organizational chart as of December 31, 2021:

NAME	DEPARTMENT	JOB TITLE
Reynolds,Jason Keith	VP System Planning	VP, System Planning
--Jaycox,Devon S	Director of Energy Management	Dir, EMO
---Hogsett,Jeffery S	Energy Management Organization	EMO Market Operator Sr Lead
---Casserly,Aaron L	Energy Management Organization	EMO Market Operator Sr Lead
---Tillis Jr.,Tyronne	Energy Management Organization	EMO Market Operator Sr Lead
---Williams,Kyle B	Energy Management Organization	Supv, Real Time Ops(SPO-EMO)
----Foster,Nick Justin	Energy Management Organization	EMO Market Operator I
----Seay,Taylor Jordan	Energy Management Organization	EMO Market Operator II
----Lawson,Kimberly Renee	Energy Management Organization	EMO Market Operator Sr Lead
----Brennan,Taylor Jean	Energy Management Organization	EMO Market Operator I
--Dornier,Andrew L	Solid Fuel Supply	Mgr, Fossil Fuel Supply
---Cicio,Jonathan L	Solid Fuel Supply	Fuels Supply & T Rep Sr
---Del Valle,Jasmine Josephine	Solid Fuel Supply	Fuels Supply & T Rep Sr Staff
---Neyland,Matthew Wade	Solid Fuel Supply	Fuel Strategist, Sr Staff
---Pina,Blas Fredrick	Solid Fuel Supply	Fuels Supply & T Rep Sr Staff
---Freyre,Paul John	Solid Fuel Supply	Fuels Supply & T Rep Sr Staff
---Branner,Garrett K	Solid Fuel Supply	Supv, Fuel Supply Ops
----Allen,William Ryan	Solid Fuel Supply	Fuels Supply & T Rep II
----Hannegan,Michael Robert	Solid Fuel Supply	Fuels Supply & T Rep Sr
---Siekmeier,Jill	Solid Fuel Supply	Fuels Supply & T Rep Sr Staff
---Carson,Emily E	Solid Fuel Supply	Fuel Strategist, Sr Staff
---Palmisano Jr.,Peter J	Solid Fuel Supply	Fuels Supply & T Rep Sr Staff
---Powell,Brittney Kay	Solid Fuel Supply	Fuels Supply & T Rep Sr
---Winlaw,Chad Michael	Solid Fuel Supply	Fuels Supply & T Rep III
---Palis,James	Solid Fuel Supply	Fuels Supply & T Rep II
--Aymond,Clint	Market Operations & Planning	Mgr, Market Operations
---Kaough Jr.,Grady L	Market Operations & Planning	Energy Mkt Ops Coord, Sr Staff
---Hall,Michael S	Market Operations & Planning	Energy Mkt Ops Coord, Sr Staff
---Blair,Joel	Market Operations & Planning	Energy Mkt Ops Coord, Sr Lead
---Knight,Kyle C	Market Operations & Planning	Energy Mkt Ops Coord, Sr Lead
---Snyder,David B	Market Operations & Planning	Energy Mkt Ops Coord, Sr Staff
---Ruales,Andres G	Market Operations & Planning	Project Manager (SPO)
---Luke,Kevin Zachariah	Market Operations & Planning	Energy Mkt Ops Coord, Sr Lead
---Mayfield,Neal Jason	Market Operations & Planning	Project Manager (SPO)
---Davis,Benjamin F	Market Operations & Planning	Energy Mkt Ops Coord, Sr
---Yousefian,Mahnoush	Market Operations & Planning	Energy Mkt Ops Coord III
--Heytens,Troy R	Commercial&Support Operations	Dir, Commercial Operations

---Gay,Joseph Ryan	Energy Analysis & Reporting	Supv, Settlements
---Butler,Lacey S	Energy Analysis & Reporting	Analyst III
---Mehra,Diane P	Energy Analysis & Reporting	Analyst III
---Spitznagle,Vicki L	Energy Analysis & Reporting	Analyst, Sr
---Schroff,Helen	Energy Analysis & Reporting	Analyst III
---McCoy,Kenneth Lawrence	Energy Analysis & Reporting	Project Manager (SPO)
---McCann,Brandon	Energy Analysis & Reporting	Supv, Analysis & Reportg (SPO)
---Snodell,Nathan Andrew	Energy Analysis & Reporting	Analyst I
---Wilhelm,Bruce A	Energy Analysis & Reporting	Analyst, Sr Lead
---Haigh,Robert Michael	Energy Analysis & Reporting	Analyst III
--Harvey,Antonette R	Origination	Sr Mgr, Commercial Origination
---Scott,Ryan Patrick	Origination	Commercial Originator, Sr
---Wilcox,David Eugene	Origination	Commercial Originator, Sr
---Harris,Misty Michelle	SPO Performance/Project Mgmt	Mgr, Perf & Project Mgmt (SPO)
---DeBose,Samuel David	SPO Performance/Project Mgmt	Project Manager (SPO)
---Sawicki,Marc	SPO Performance/Project Mgmt	Project Manager (SPO)
---Winzenried,Sarah E	SPO Performance/Project Mgmt	Analyst III
---Bentz,Emilee	SPO Performance/Project Mgmt	Project Manager (SPO)
---Sistrunk,Christopher	Origination	Commercial Originator, Sr
---Williamson,Jaime Beth	Origination	Commercial Originator
---Johnson,Rachelle Hayes	Origination	Comm Originator, Sr Advisor
--Farmer,Walter Daniel	LTFuelSupplyTraing&Compliance	Mgr, LT Fuel Supply Trng Compl
---Farmer,Denise E	LTFuelSupplyTraing&Compliance	Analyst, Sr Lead
---DeBose,Yesenia	LTFuelSupplyTraing&Compliance	Analyst III
---Starkey,Nicolas C	LTFuelSupplyTraing&Compliance	Analyst, Sr Lead
---Morris,Rashad Mashaun	LTFuelSupplyTraing&Compliance	Analyst III
---Berryman,Laura	LTFuelSupplyTraing&Compliance	Analyst, Sr Lead
---England,Sergio M	LTFuelSupplyTraing&Compliance	Analyst, Sr Lead
--Eichholt,Dustin Lewis	Regulatory/Strategic Inititvs	Mgr, Regulatory Strategy
---Moulder,Aubree R	Regulatory/Strategic Inititvs	Analyst, Sr
---Francis,Robert Nolan	Regulatory/Strategic Inititvs	Project Manager (SPO)
---Moody,Christopher J	Regulatory/Strategic Inititvs	Project Manager (SPO)
---Oloyede,Olutomiwa	Regulatory/Strategic Inititvs	Analyst, Sr

The following table represents the Enterprise Planning Group (EPG) organizational chart as of December 31, 2021:

NAME	DEPARTMENT	JOB TITLE
Adams,Elizabeth Louise	Enterprise Planning Group	VP, Enterprise Planning
-DeGeorge,Charles E	Enterprise Planning Group	Mgr, Generation Plng & Models
--Davis,Hudson Spencer	Supply Planning andAnalysis	Strat Portfolio Plng Spec II
--Chandra,Monica Tara	Supply Planning andAnalysis	Strat Portfolio Plng Spec II
--Keehn,Ryan Michael	Supply Planning andAnalysis	Strat Portfolio Plng Spec III
--Ellertson,Wyatt Jay	Advanced Network Planning	Portfolio Plng Sr Strategist

--Despeaux, Lauren Nicole	Supply Planning and Analysis	Strat Portfolio Png Spec Sr
-Nguyen, Phong	Enterprise Planning Group	Dir, EP Adv Economic Planning
--Mills III, Roger Q	Enterprise Planning Group	Engineer/Emo, Sr Staff (Fos)
--Algeo, Heather Nicole	Generation Planning & Models	Portfolio Png Sr Strategist
--Charles, Gary M	Generation Planning & Models	Portfolio Png Sr Strategist
--Chen, Qing	Enterprise Planning Group	EP Business Partners, Manager
--Carroll, Patricia D	Financial Analysis	Strat Portfolio Png Spec Sr
--Rosenstrauch, Nicole Lauren	Generation Planning & Models	Strat Portfolio Png Spec II
--Weatherly, Caroline Jett	Generation Planning & Models	Strat Portfolio Png Spec III
--Chang, Hao-hsiang	Generation Planning & Models	Strat Portfolio Png Spec Sr
--Boratko, Daniel Christian	Enterprise Planning Group	Mgr, Adv Econ Planning
---Al-Nahhas, Jadd Amer	Financial Analysis	Strat Portfolio Png Spec II
---Smith, Christian Mikah	Financial Analysis	Strat Portfolio Png Spec Sr
---Zitkus, Anastasia Rachel	Financial Analysis	Strat Portfolio Png Spec Sr
---Henson, Maria Alejandra Colin	Financial Analysis	Strat Portfolio Png Spec Sr
---Ghoram, Lawrence C	Financial Analysis	Strat Portfolio Png Spec II
--Dar, Zamiyad	Advanced Network Planning	Portfolio Png Sr Strategist
--Barbalias, David	Generation Planning & Models	Strat Portfolio Png Spec II
-Datta, Samrat	Advanced Network Planning	Dir, EP Adv Network Planning
--Prince, Christie M	Enterprise Planning Group	KSL Strat & Consulting Mgr
---Dewhurst, Dylan Thomas	Enterprise Planning Group	Engineer III (Trans)
---Kamireddy, Srinath	Enterprise Planning Group	Engineer, Sr (Trans)
---Yu, Peng	Enterprise Planning Group	Engineer, Sr (Trans)
---Nunez Forestieri, Juan Rafael	Enterprise Planning Group	Engineer III (Utility)
--Otwell, Jason	Advanced Network Planning	Mgr, Distribution Planning
--Zhong, Chiyang	Advanced Network Planning	Engineer III (Utility)
---Rezvani, Mohammad Mehdi	Advanced Network Planning	Engineer II (DER)
--Venneti, Srikar	Advanced Network Planning	Engineer II (Utility)
---Griffin, Michael P	Advanced Network Planning	Engineer, Sr (Utility)
---Hubbard, Matthew Harris	Advanced Network Planning	Student, Intern
-Harvey, Olena Valentinovna	Enterprise Planning Group	Mgr Adv Strategic Planning
--Ahmed, Sahabia	Enterprise Planning Group	Portfolio Png Sr Strategist

Professional biographies of SPO and EPG witnesses are included in their respective Direct Testimonies. Biographies of other SPO/EPG personnel listed in Schedule I-9, who have supervisory responsibilities, are provided in WP/Schedule I-9.

The average annual salary as of December 31, 2021 for SPO/EPG personnel included in Schedule I-9 is *.

**ENTERGY TEXAS, INC.
EMPLOYEE ETHICS
JANUARY – DECEMBER 2021**

FOSSIL FUEL AND PURCHASED POWER:

Fossil fuel and purchased power procurement is performed for the Company by the Energy Management Organization (“EMO”) and the System Planning and Operations Department (“SPO”) of Entergy Services, Inc. The practices of EMO and SPO comply with the Entergy Corporation “Code of Business Conduct and Ethics for Employees,” last updated December 2020, and the “Code of Entegrity: Guidelines for Business Ethics & Compliance,” last updated November 2019.

ENTERGY CORPORATION CODE OF BUSINESS CONDUCT AND ETHICS

The Board of Directors (the "Board") of Entergy Corporation (the "Company") has adopted the following Code of Business Conduct and Ethics (the "Code ") for the Company's directors, executive officers and for all employees of the Company or any corporation, partnership, trade or business in which the Company has a direct or indirect majority ownership interest (collectively, "Entergy Representatives"). This Code is intended to: a) provide guidance to help Entergy Representatives recognize and deal with ethical issues; b) provide mechanisms to report unethical conduct; and c) help foster a culture of honesty, accountability and mutual respect. It is expected that each Entergy Representative will comply with the letter and spirit of this Code.

1. **Conflicts of Interest**

An Entergy Representative shall not allow his or her private interest to interfere with the interests of the Company as a whole. A "conflict of interest" occurs when an Entergy Representative takes actions or has interests that make it difficult to perform his or her duties objectively and effectively. Conflicts of interest may also arise when an Entergy Representative, or a member of his or her immediate family, receives improper personal benefits as a result of his or her position with the Company. Entergy Representatives must avoid, and may not have, conflicts of interests with the Company.

Any action by, or interest of, a director that creates, or may reasonably be expected to create, a conflict of interest with the Company must be disclosed immediately by the director to the Chair of the Corporate Governance Committee. The Corporate Governance Committee will review and analyze all such disclosures. If the Committee believes that a conflict of interest exists, the Committee Chair, in coordination with the Chairman of the Board, shall present this finding to the entire Board for appropriate action.

If an officer or employee has any reason to believe that he or she has a conflict of interest or a potential conflict of interest, then the officer or employee shall take the actions required in the Company's Conflict of Interest Policy.

2. **Corporate Opportunities**

Business opportunities that come to Entergy Representatives through access to Company property or information belong to the Company. Entergy Representatives are prohibited from: (a) taking for themselves personally opportunities that are discovered through the use of corporate property, information or the Covered Employee's position; (b) using the Company's property or information, or the Entergy Representatives position, for personal gain; or (c) competing with the Company, directly or indirectly, for business opportunities, *provided, however*, if the Company's disinterested directors determine that the Company will not pursue an opportunity that relates to the Company's business, an Entergy Representative may do so.

3. **Confidentiality**

Entergy Representatives must maintain the confidentiality of non-public information that they acquire in carrying out their duties and responsibilities, except where disclosure is approved by the Company or legally mandated. Confidential information includes, without limitation, trade secrets, nonpublic financial and operational information, customer information, unreleased plans or forecasts, vendor and customer information, formulas, designs and other inventions covered

by a patent, copyright or trademark, employee information and records where the possession of such information was obtained as part of their formal duties, other corporate and personal information and information that if, not properly safeguarded, might impair the security or privacy of the Company's facilities or personnel.

4. **Protection and Proper Use of Company Assets**

Entergy Representatives shall protect Company assets and should only use Company property for official Company business. Entergy Representatives may not use Company time, supplies, equipment, tools, buildings or other assets for personal benefit without prior authorization.

5. **Ethical Behavior and Fair Dealing**

The Company's reputation for ethical behavior is critical to its success. Directors must lead by example and act with integrity and honesty to promote an environment that encourages the Company's officers and employees to sustain and enhance the Company's reputation.

Each Entergy Representative has a responsibility to act honestly and transparently with the Company's customers, suppliers and other employees, and to treat each other, as well as the Company's customers, suppliers and competitors, with fairness and respect. The Company will always participate in the marketplace fairly and lawfully and Entergy Representatives shall refuse to participate in any conduct or practice that is intended to take unfair advantage of anyone, including through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practices.

6. **Compliance with Laws, Rules and Regulations**

Entergy Representatives shall comply with all laws, rules and regulations applicable to the Company, including securities laws and the Company's policies governing trading of securities.

7. **Special Provisions Relating to Principal Executive Officer and Senior Financial Officers**

The principal executive officer and senior financial officers responsible for the preparation, evaluation and dissemination of financial information hold an important and elevated role in corporate governance. Therefore, the Company expects that such personnel will adhere to and advocate the following principles and responsibilities governing professional and ethical conduct.

To the best of their knowledge and ability, such personnel shall:

- Act with honesty and integrity, ethically handling actual or apparent conflicts of interest in personal and professional relationships.
- Provide full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission and in public communications made by the Company.
- Comply with applicable laws, rules and regulations of federal, state, provincial and local governments, and other appropriate private and public regulatory agencies.

- Act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing independent judgment to be subordinated.
- Respect the confidentiality of information acquired in the course of work except when authorized or otherwise legally obligated to disclose. Confidential information acquired in the course of work shall not be used for personal advantage.
- Share knowledge and maintain skills important and relevant to constituents' needs.
- Proactively promote ethical behavior as a responsible colleague among peers in the work environment and community.

8. **Waivers of the Code of Business Conduct and Ethics**

Any waiver of this Code for a director or an executive officer of the Company may be made only by the Board, following a recommendation by the Corporate Governance Committee, and must be promptly disclosed to the Company's shareholders.

9. **Failure to Comply; Compliance Procedures**

Entergy Representatives, who are employees, should read this Code in conjunction with the Code of Entegrity and any other applicable Entergy codes or policies. A failure by any Entergy Representative to comply with the laws or regulations governing the Company's business, this Code or any other applicable Company policy or requirement may result in disciplinary action and, if warranted, legal proceedings.

No code or policy can anticipate every situation that may arise. Accordingly, this Code is intended to serve as a source of guiding principles for directors. Directors are encouraged to bring questions about particular circumstances that may implicate one or more of the provisions of this Code to the attention of the Chair of the Corporate Governance Committee, who may consult with inside or outside legal counsel as appropriate. Directors should communicate any suspected violations of this Code, including any unethical behavior or violation of law or governmental rule or regulation, promptly to the Lead Director, the Chairman or the Chair of the Corporate Governance Committee. The Corporate Governance Committee, or a person or persons designated by that Committee, will investigate violations and, where necessary, make recommendations to the Board. Entergy Representatives, who are employees, should report any known, suspected or potential violations of any such laws or regulations or this Code according to the procedures provided in the Company's Code of Entegrity and other applicable Company policies.

This Code does not create any employment contract or any other contractual obligation between an employee and the Company. This Code is not intended to, and shall not be construed to, interfere with or restrict any rights provided by law, including those afforded under the National Labor Relations Act. Nothing in this policy will be construed to limit an employee's right to speak with others regarding wages and other terms and conditions of employment or to exercise any other legally protected right. Employees should read this Code in conjunction with the Company's Code of Entegrity and any other applicable code of conduct of the Company.

December 4, 2020

CODE — OF — INTEGRITY

GUIDELINES FOR BUSINESS ETHICS & COMPLIANCE



Message from Leo Denault

Dear Colleagues,

Change is inevitable. Whether it is a change in the company's leadership, a change in the way we provide value to our customers or our changing workforce, we experience it all the time. But one thing at Entergy will always be steadfast and that is our commitment to acting with integrity.



Our expectation has been, and will always be, that we will behave lawfully in every aspect of our business. However, behaving lawfully is the starting point, not the destination. While there may often seem to be more than one "correct" answer within the law, adding a standard of fairness and ethics can help fill in those gaps. The Code of Entegrity helps us to face such challenges. When you're lost in a situation where the right course of action isn't clear or easy, let the Code of Entegrity be your guide.

The Code will direct you toward conducting business ethically and fairly. And if you're having trouble understanding all the rules and regulations that govern our complex and highly-regulated industry, the Code can help with that too.

You can also seek guidance from your management team, the Ethics and Compliance department or the Entergy Ethics Line. We do not tolerate retaliation for asking a question or raising a concern.

Follow the Code every day and you will always be headed in the right direction.

Stay safe,

A handwritten signature in dark ink, appearing to read "L. Denault", with a stylized flourish at the end.

Leo Denault

Entergy's Road Map to Integrity:

Steer a straight path:

Carry out ethical responsibilities

Shift out of neutral:

Don't be afraid to point something out or ask a question

Be a courteous driver:
Have regard for the workplace

Share the road:

Deal fairly with customers, suppliers and competitors

Stop at all red lights:

Obey the law

Don't hand the keys to a stranger:

Protect company property and information

Use caution when changing lanes:

Understand the relationship between personal, company and outside-party interests

The Road Map to Integrity is an overview of the ethical guidelines contained within. There are also blue Q&A boxes to further explain and reinforce guidance. The Ethics and Compliance SharePoint site, system and business-unit policies, and computer-based training courses are also available to help you.

Sponsored By: Andrew Dornier

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ON THE ROAD TO INTEGRITY



A. INTRODUCTION AND APPLICABILITY

Building a culture of integrity is more than a final destination. It's the collective journey employees take each day during the course of conducting business and making decisions. In that sense, we are each in the driver's seat needing to operate ethically and within the law.

Even the best drivers need the right tools to guide them through challenging, as well as basic, situations. Here is the Code of Entergy, your driver's manual and guide to day-to-day ethical decision making.

The Code of Entergy applies to everyone who works for, or represents, Entergy or any of the subsidiaries or affiliates in which Entergy has a direct or indirect majority ownership interest ("Entergy" or "company"). This includes all Entergy employees, regardless of their level in the organization, from the CEO on down.

The Code of Entergy is Entergy's overall guide to ethical behavior and incorporates by reference various system policies that deal with specific compliance topics in greater detail. For more information on an Entergy system policy topic covered by the Code, employees should reference the full policy on MyEntergy.

B. ROADMAP TO INTEGRITY

One of Entergy's core values is *Above All, Act with Integrity*. By following the Roadmap to Integrity, we can help maintain this value. The Roadmap to Integrity is an overview of ethical guidelines found in this Code. For a quick reminder of the Code's key components, keep this roadmap handy.

1. Steer a straight path: Carry out ethical responsibilities.

When we drive on the highway, we accept personal responsibility to abide by the rules of the road and protect ourselves and others. When representing Entergy, we have an obligation to follow the letter and spirit of this Code and Entergy's system policies and, in every event, to behave according to the highest ethical and legal standards.



2. Shift out of neutral: *Don't be afraid to point something out or ask a question.* Drivers must be proactive and aware of what is happening around them to maintain safe driving conditions. As Entergy workers, it is our responsibility to remain alert to possible violations of the law or Entergy policies and to report them to the Ethics Line.

3. Be a courteous driver: *Have regard for the workplace.*

Just as drivers have a responsibility to care for their passengers, Entergy employees have a responsibility to work cooperatively with co-workers.

4. Share the road: *Deal fairly with customers, suppliers and competitors.* The road is shared by many motorists – motorcycle, truck, bus and car drivers – and we have to interact with each of them in a fair and legal manner. Entergy employees work alongside various parties in the marketplace. We must respect the rights of our competitors and compete lawfully. We must act in good faith when dealing with vendors and suppliers. And we must listen to our customers and strive to meet and exceed their quality and service expectations.

5. Stop at all red lights: *Obey the law.* Abiding by the laws that regulate the movement of traffic is an absolute necessity. Each Entergy worker has a duty to follow the letter and spirit of applicable laws, regulations, rules and regulatory orders of every jurisdiction in which we operate.

6. Don't hand the keys to a stranger: *Protect company property and information.* Motorists protect their property by locking the doors and securing the keys. At Entergy, we must also protect our assets, whether in the form of personal property, real estate, information, records or electronic files.

7. Use caution when changing lanes: *Understand the relationship between personal, company and outside-party interests.* In the workplace and outside of it, some interactions must be avoided. On the road, vehicles are at times barred from changing lanes, and trucks are restricted to one lane. As Entergy workers, we have an obligation to avoid certain interactions that create conflicts of interest with our ability to make sound business decisions on behalf of the company.

C. IMPORTANT NOTICES AND DISCLAIMERS

The Code is not a Human Resources handbook. It does not address or reference many policies relating to important personnel issues such as benefits, time off or employment rights. For help with such issues, contact your Human Resources representative or consult the appropriate [system policy](#) on myEntergy.

This Code replaces all prior versions of the Code of Integrity. In the event that there are differences between a printed and online version, the online version is the current statement of the Code. The online version can be found on myEntergy ([Policies & Forms > Code of Integrity](#)).

If myEntergy is not available, a copy can be provided by supervisors, Human Resources representatives or the Ethics and Compliance department.

The description of policies, practices or procedures contained in this Code or a referenced policy, or as told to you by a company representative, does not create any terms and conditions of an employment contract. This Code does not constitute or create any contractual obligation between you and the company. All Entergy employment is at will and can be ended by either party, at any time, without prior notice, except as provided in a collective bargaining agreement or other authorized express written employment contract between an employee and Entergy.

STEER A STRAIGHT PATH:

Carry Out Ethical Responsibilities



Difficulty in building and ease of losing a reputation has been recognized from Socrates ("Regard your good name as the richest jewel you can possibly be possessed of - for credit is like fire; when once you have kindled it you may easily preserve it, but if you once extinguish it, you will find it an arduous task to rekindle it again") to Warren Buffet ("It takes 20 years to build a reputation and 5 minutes to ruin it").

A. SHARED RESPONSIBILITIES

Entergy's corporate reputation is created and maintained by the actions of our employees and representatives. We must follow the letter and the spirit of applicable laws, including statutes, regulations, rules and regulatory orders of every jurisdiction in which Entergy operates.

We cannot assist others – either at the company or third parties – in breaking the law. We must conduct ourselves in accordance with this Code, as well as its underlying policies. What Entergy cannot do directly or indirectly, it will not do through another party. Consultants and agents shall not be retained to do anything illegal or improper. Entergy expects its suppliers, contractors and consultants to behave in a manner consistent with this Code when doing work for Entergy.

If there is a conflict between an applicable law and this Code or any internal policy, the law takes precedence and must be followed. If it appears that the Code or an internal policy can be interpreted to differ from an applicable law, contact the Ethics and Compliance department or the Legal department for guidance (**myEntergy > Our Company > Legal/ General Counsel**).

B. EMPLOYEE RESPONSIBILITIES

Above all, act with integrity. Follow the letter and spirit of Entergy's Code and system policies, and always observe the highest ethical and legal standards.

As employees, it is part of our job and our ethical responsibility to Entergy to:

- Know the Code and system policies related to our work and stay informed of any revisions
- Help Entergy enforce the Code and system policies, including prompt reporting of known or suspected wrongdoing (as explained in Entergy's [Reporting Violations Policy](#))
- Cooperate with investigations and provide forthright responses
- Acknowledge compliance with the Code upon hiring and annually thereafter (applies to non-bargaining unit employees)
- Complete all required compliance training
- Cooperate fully with all compliance auditing and monitoring requirements
- Understand and follow business unit policies applicable to our work



For questions or concerns, please see the “**Help Lines and myEntergy Links**” and the “**Reporting Violations**” sections.

Because Entergy is committed to ethical and honorable actions by all employees, **violation of any provision of Entergy's Code or any system policy may result in disciplinary action**, regardless of whether the underlying policy or policies contain specific disciplinary provisions. This could include termination of employment.

No delay or failure by the company to enforce this Code or any system policy will constitute a waiver by the company of its right to do so in the future.

C. SUPERVISOR RESPONSIBILITIES

Supervisors have a special obligation to lead by example and to provide direction, guidance and encouragement to those whom they lead. Supervisors must:

- Create and maintain an atmosphere that promotes ethical behavior, supports the company's compliance system and helps to prevent violations
- Work with the Ethics and Compliance department to make sure that employees and any consultants, vendors and agents for which the supervisor is responsible, are aware of the Code and system policies and ensure they take required compliance training
- Encourage others to ask questions and seek advice if faced with ethical issues
- Require employees to promptly report known, suspected or potential violations of this Code or system policies in accordance with the [Reporting Violations Policy](#)
- Promptly take action in response to compliance issues raised by employees, consultants, vendors or agents
- Take appropriate and timely action, through reporting, discipline or other appropriate measures, to address known or suspected violations by employees

D. RESPONSIBILITIES UNDER THE COMPLIANCE PROGRAM

Entergy's compliance program includes:

- The Code of Integrity.
- Entergy system policies.
- Business Unit policies.
- All other rules, regulations, guidelines, procedures, and general standards of attendance, work performance, safety, cooperation and ethics.
- All other general standards of expected conduct, regardless of whether they are written or unwritten.

Violation of Entergy's compliance program could lead to criminal charges, civil charges or government investigations. Again, it is important to understand that any violations of Entergy's compliance program will also subject employees to disciplinary action, which may include termination of employment.

E. EMPLOYMENT AT WILL

Absent an applicable collective bargaining agreement or a written contract of employment, employment with the company is at will. As an at-will employee, each employee, or the company, may end employment at any time, with or without cause and with or without notice.



SHIFT OUT OF NEUTRAL:

Don't Be Afraid to Point Something Out or Ask a Question

A. ADDRESSING QUESTIONS / CONCERNS

This Code addresses many topics, and our system polices go into even greater detail on many different areas. But we need to recognize that this Code and Entergy's compliance system cannot specifically address or cover all situations. And even when a topic is addressed, the facts may be such that the proper response is not obvious.

The "Ethical Decision-Making Model" shown below gives some tips to consider when facing an ethical predicament. But perhaps even more important is the need to ask questions. When it comes to ethics and compliance, hesitation is not the right approach. See the "Help Lines and myEntergy Links" below for where to go for help. When in doubt, call the Ethics Line at 1-888-257-ETHIC (3844).

Consider the United States Military Academy. Their "Cadet Honor Code" is simple – "A cadet will not lie, cheat, steal, or tolerate those who do." The West Pointers have "Three Rules of Thumb" to consider in following their code:

1. Does this action attempt to deceive anyone or allow anyone to be deceived?

2. Does this action gain or allow gain of a privilege or advantage to which I or someone else would not otherwise be entitled?

3. Would I be unsatisfied by the outcome if I were on the receiving end of this action?

If the answer is yes to any of these questions, we're probably better off seeking guidance first.

B. ETHICAL DECISION-MAKING MODEL

There are various methods for solving ethical questions or problems. Give these steps a try.

- Gather the facts and identify the issue(s)
- Use available resources (including the Code of Integrity, system policies, computer-based training modules, *Inside Entergy* articles and the Ethics and Compliance department)
- Find out which laws, regulations, company values or policies apply
- Consider the options and their consequences

Before making a decision, ask yourself the following questions:

- Is my decision consistent with the values of fairness, honesty and integrity?
- Does my decision reflect the laws and principles that support Entergy's compliance system?
- Am I worried that my decision will be discovered?
- Would I be comfortable if my decision was reported in the news?
- What would I tell a child to do?

C. HELP LINES AND MYENTERGY LINKS

Concerns about your compliance obligations or reporting procedures can be raised with supervisors, human resources representatives or the Ethics and Compliance department. The Help Lines and myEntergy Links below list other resources.

1. Affiliate Transactions and FERC Compliance - Phone: 1-501-377-4132
Email: HelpARC@entergy.com
myEntergy > Our Company > Ethics & Compliance > FERC Compliance
2. Code of Integrity
myEntergy > Policies & Forms > Code of Integrity
3. Corporate Security 24-Hour Help Line - Phone: 1-888-257-3844
myEntergy > Our Company > Entergy Shared Services > Administrative Services
4. Cyber Security - Phone: 1- 601-985-2877
myEntergy > Our Company > Security
5. Environment - Phone: 1-601-969-2543
myEntergy > Our Company > Environment
6. Ethics and Compliance - Phone: 1-504-576-6894
Email: HelpdeskEthicsAndCompliance@entergy.com
myEntergy > Our Company > Ethics & Compliance
7. Ethics Line - Phone: 1-888-257-3844
myEntergy > Help Desk > How Do I... > Report an ethical concern
Website: <https://www.compliance-helpline.com/entergyethicsline.jsp>
8. Human Resources - Phone: 1-844-ETR-WORK or 1-844-387-9675
myEntergy > Our Company > Human Resources
Website: <https://entergy.service-now.com/sp/>
9. Information Technology - Phone: 1-844-ETR-WORK or 1-844-387-9675
myEntergy > Our Company > IT
Website: <https://entergy.service-now.com/sp/>
10. Internal Audit Services - Phone: 1-504-576-5683
myEntergy > Our Company > Internal Audit
11. Legal - Phone: 1-504-576-2765
myEntergy > Our Company > Legal/General Counsel
12. Nuclear Employee Concerns - Phone: 1-601-368-5881
myEntergy > Our Company > Nuclear > Departments > Employee Concerns
Website: <http://nuclear.ms.entergy.com/perfimp/concerns/submit%20concern.htm>
13. NERC/CIP Compliance - Phone: 1-281-297-3346
myEntergy > Our Company > NERC-CIP Compliance
14. Office of Corporate Risk Oversight - Phone: 1-281-297-3407
Email: OCRO@entergy.com
myEntergy > Our Company > Office of the CFO > Departments > Corporate Risk Oversight
15. Safety - Phone: 1-504-576-2357
myEntergy > Our Company > Safety
16. System Policies - Phone: 1-504-576-6178
myEntergy > Policies & Forms > System Policies

If ever unclear on where to turn for help, please call the toll-free Ethics Line at 1-888-257-ETHIC (3844). The Ethics Line is also accessible via myEntergy at **myEntergy > Help Desk > How Do I... > Report an ethical concern** or online at <https://www.compliance-helpline.com/entergyethicsline.jsp>.

D. THE ENTERGY ETHICS LINE

The Ethics Line is staffed 24 hours per day by an outside company to better maintain confidentiality. Two ways to contact the Ethics Line are available to Entergy employees and representatives - via phone **(1-888-257-ETHIC or 1-888-257-3844)** and by using a secure website that has the same level of confidentiality. The link to the Entergy Ethics Line website is <https://www.compliance-helpline.com/entergyethicsline.jsp>. It is accessible from any computer with access to the Internet. The link is also found at **myEntergy > Help Desk > How Do I... > Report an ethical concern.**

A person contacting the Ethics Line does not have to identify himself or herself, but please understand that anonymity might make it harder to investigate or resolve a concern. Once a concern has been submitted, a case number and a personal identification number are provided for follow-up.

All matters reported to the Entergy Ethics Line will be appropriately investigated. Entergy recognizes that a key deterrent to unethical and unlawful behavior is an effective reporting system that allows employees to report their concerns without fear of reprisal and ensures appropriate and timely follow-up.



Q: Mike, a lineman, thinks one of his colleagues is taking home company supplies for personal use, and wants to call the Ethics Line. If he gives his name, will it be noted in his personnel file?

A: No. Just calling the Ethics Line with a good-faith concern is not recorded in one's personnel file maintained by Human Resources.



E. REPORTING VIOLATIONS

All of us who work for Entergy must remain alert to possible violations of law or Entergy policies. If we become aware of such a violation, we have a duty to report it, even if reporting it seems like a difficult thing to do. Reporting violations takes courage but, in the end, it helps our employees, our customers, our shareholders – everyone who has an interest in Entergy's success.

Employees, agents and contractors must report known, suspected or potential violations of law or Entergy policies pursuant to the [Reporting Violations Policy](#) found at **myEntergy > Policies & Forms > System Policies > Reporting Violations.**



Employees, agents and contractors shall immediately report known, suspected or potential violations of environmental laws or regulations in accordance with the [Environmental Management System Procedure](#) at **myEntergy > Policies & Forms > System Policies**, or via the Entergy Ethics Line (1-888-257-3844) or <https://www.compliance-helpline.com/entergyethicsline.jsp>.

Employees, agents and contractors shall immediately report known, suspected or potential violations of safety laws or regulations in accordance with applicable Entergy Safety Policies and Procedures at **myEntergy > Our Company > Enterprise Safety > Entergy Safety Policies & Procedures**, or via the Entergy Ethics Line (1-888-257-3844) or <https://www.compliance-helpline.com/entergyethicsline.jsp>.

Nuclear employees, agents and contractors shall immediately report known, suspected or potential violations of the law or company policies via nuclear site protocols as defined by nuclear business unit policies (immediate supervisor, Corrective Action Process, Open Door Policy or Employee Concerns Program), or via the **Ethics Line at 1-888-257-ETHIC or 1-888-257-3844**, or online at <https://www.compliance-helpline.com/entergyethicsline.jsp>. Employees, agents and contractors also have the right, protected by law, to report nuclear safety concerns directly to the Nuclear Regulatory Commission.

Non-nuclear employees, agents and contractors shall immediately report known, suspected or potential violations of the law or company policies by following the procedures described below; if in doubt, the **Ethics Line at 1-888-257-ETHIC or 1-888-257-3844**, or <https://www.compliance-helpline.com/entergyethicsline.jsp> should be used to report.

- If violence is occurring or if imminent danger to the safety or security of person(s) or property exists, individuals shall immediately call law enforcement/911 and, as soon as possible thereafter, report the matter to the Ethics Line. If workplace violence or security concerns do not involve imminent danger, report the matter to the Ethics Line.
- Known, suspected or potential violations of law, including, but not limited to harassment, discrimination, fraud and financial reporting concerns shall be reported to the Ethics Line.
- All other known, suspected or potential violations of Entergy's policies shall be reported through one of the following methods: the employee's supervisory chain, a Director within Human Resources, a Human Resources representative in the employee's business unit or the Ethics Line.

Anyone having a reasonable belief of the existence of a known, suspected or potential violation of the law, the Code or any system policy is obligated to report the violation, **even if he or she is not involved in the violation in any way.**

F. ZERO TOLERANCE FOR RETALIATION

Entergy does not tolerate retaliation and will take appropriate action to correct any known retaliation. This may include disciplinary action against the retaliator.

Company policy requires an employee to contact the Ethics Line if the employee feels that she or he is being retaliated against for making a good-faith report based on reasonable belief of wrongdoing or participating in an investigation of a complaint.

Any employee who feels she or he is being retaliated against for making a good-faith complaint or report, based on reasonable belief of a violation of the law, the Code of Integrity or a system policy must immediately contact the Ethics Line at 1-888-257-3844 [or https://www.compliance-helpline.com/entergyethicsline.jsp](https://www.compliance-helpline.com/entergyethicsline.jsp). Entergy cannot remedy the situation if it is not reported.

Sometimes a report of a violation turns out to be wrong – there was no violation. But this must not prevent us from making a good-faith report. If we have reasonable belief that a violation has occurred, Entergy policy prohibits us from being disciplined for raising the concern.

Q: *Eddie, an engineer, used to have good working relationships with his co-workers. However, because his co-workers suspect that Eddie reported one of them for cheating on their time sheet, they now jokingly call him “traitor” and make other unkind remarks about him. Did Eddie do the right thing by calling the Ethics Line? What should he do now? Can anyone be held responsible for his co-workers’ behavior?*

A: *Eddie did the right thing. Because he had reasonable belief of improper time reporting, he was obligated to report it. And because he now believes he is being retaliated against for making a good-faith report, he should immediately call the Ethics Line. Entergy cannot remedy the situation if it is not reported. If retaliation has occurred, the retaliator will be held accountable. If supervisory personnel were aware of the retaliation and did nothing, then they can also be held accountable for their inaction.*

Q: *Amy, an administrative services specialist at a generating plant, saw someone viewing pornographic material on a computer. She wants to report it, but is concerned about using the Entergy Ethics Line. What will ensure that the information she reports will be handled with discretion?*

A: *The Entergy Ethics Line is staffed 24 hours per day by an outside professional service that is experienced in handling employee concerns and other matters related to the workplace. This service ensures the information is forwarded to Entergy investigators in a confidential manner. Amy can even remain anonymous if she desires.*



BE A COURTEOUS DRIVER:

Have Regard for the Workplace

A. DISCRIMINATION AND HARASSMENT

Entergy seeks to maintain a work environment that recognizes the dignity and worth of each individual and is free from harassment and discrimination based on any protected characteristics or protected activities. Protected characteristics include race, color, sex, religion, pregnancy condition, national origin, age (40 and over), sexual orientation, gender identity and/or expression, veteran's status, marital status, qualified disability, genetic information (which includes family medical history) or any characteristic protected by law. Protected activities include, for example, the good faith filing of a claim with the Equal Employment Opportunity Commission or another governmental entity.

Examples of prohibited conduct when based on a protected characteristic or a protected activity include, but are not limited to, the following:

- Denying equal employment opportunities.
- Making, transmitting, intentionally accessing, displaying or circulating offensive or derogatory statements, comments, jokes, slurs, gestures, pictures, e-mails or links.
- Creating an offensive, hostile or intimidating working environment.
- Engaging in unwelcome flirtation, sexual advances, requests for sexual favors, propositions, touching and other verbal or physical conduct of a sexual nature.

Entergy's policy is intended to extend further than the law in order to maintain a work environment that is inclusive and recognizes the dignity and worth of each individual. It prohibits behavior that, if left unchecked, could become unlawful or undermine a sufficiently productive work environment. Examples of such behavior include intimidation, coercion and bullying, regardless of whether such conduct is unlawful or based on a protected characteristic or protected activity. Please refer to the [Discrimination and Harassment Prevention Policy](#) for details.

Q: What are the general criteria for what is considered "over the line" regarding the posting of jokes, pictures, etc. in one's work area, from a harassment perspective?

A: A good general guide is not to post jokes or pictures that could potentially constitute unlawful harassment or, if sufficiently severe or pervasive to cause a hostile work environment. If in doubt, err on the side of caution and do not post it.

Also, if you know or suspect that someone is violating the rules related to harassment, report the issue to the Ethics Line at 1-888-257-3844 (ETHIC).



Known, suspected, or potential violations of the Discrimination and Harassment Prevention Policy must be reported to the Ethics Line at 1-888-257-ETHIC or 1-888-257-3844, or <https://www.compliance-helpline.com/entergyethicsline.jsp>. Retaliation is strictly prohibited.

B. DRUGS AND ALCOHOL

Employees and contractors reporting to work are required to be fit for duty. Reporting to work in an intoxicated or impaired state is prohibited.

The use, possession, manufacture, distribution, dispensation, transportation, promotion or sale of illegal drugs while on company premises is prohibited. Illegal drugs include drugs that are not used or possessed in accordance with a valid prescription or are not used as authorized by law.

The use, possession or sale of alcoholic beverages on company premises is also prohibited without prior authorization.

An employee/contractor who is taking prescribed drugs or over-the-counter drugs that affect his or her ability to perform some or all job duties or to perform job duties safely must advise his or her supervisor about:

- The particular side-effects of the medication affecting his or her ability to perform existing job duties or on-the-job safety.
- The particular job duties affected.
- Worker's safety concerns, if any.



Q: *Karen wants to serve an alcoholic beverage at an after-hours, on-site company retirement party. Can she?*

A: *Not without prior authorization from the officer who has functional responsibility over the site or location where the party will be held. Such approval must be documented on the Drugs and Alcohol Policy's Attachment I ([Request for Authorization of Alcoholic Beverages at a Company Workplace](#)). Be advised that alcoholic beverages are always prohibited within certain Entergy facilities. For more information, refer to the [Drugs and Alcohol Policy](#).*

The company reserves the right to subject employees to drug and alcohol screens (i.e., test for drugs or alcohol), as allowed by law and/or subject to collective bargaining agreements.

The company Employee Assistance Program (EAP) is available for employees to use on a confidential basis. Any employee who has a problem with alcohol or drug use is encouraged to seek assistance from the EAP.

C. HEALTH AND SAFETY

All of us are expected to:

- Maintain safe and healthy working conditions.
- Comply with the safety standards of our jobs.
- Report actual or potential safety or health hazards immediately.
- Take ownership of corrective actions.

If imminent danger exists, call 911 immediately. Then, report the matter to the **Ethics Line at 1-888-257-ETHIC (3844)** or <https://www.compliance-helpline.com/entergyethicsline.jsp> as soon as practicable.

If there are unsafe or unhealthy working conditions or hazards not involving imminent danger, immediately report the matter to the Ethics Line or as described in the [Reporting Violations Policy](#).

Q: William, a storekeeper, witnessed a co-worker getting trash in his eye while doing some clean-up work in the warehouse. The job called for wearing safety glasses, but William's co-worker didn't wear any. The co-worker was alright, and there was no personal injury. Since no one was hurt, is this something William should report?

A: Yes, all occupational incidents must be reported to determine what happened, how it happened, why it happened and what's necessary to prevent similar occurrences in the future.



Q: Marissa works as a clerk in an office. Her co-worker, Jerry, has a weapons permit issued by the state. Jerry claims that if he wanted to, he could bring his pistol into their office work area so long as he keeps it in his briefcase. Is this true?

A: Absolutely not. This Code and the Workplace Violence Prevention and Weapons Policy prohibit the possession of weapons in holsters, briefcases or other personal effects in a work area.

D. WEAPONS AND WORKPLACE VIOLENCE Entergy is committed to a work environment free from violence and threats of violence. Any direct or implied threat or act that would create fear, hostility, intimidation or concern of harm in another person is forbidden.

If violence is occurring or imminent danger exists, do not place yourself in harm's way. Call law enforcement (911) immediately. Then, as soon as practicable, make a report to the **Ethics Line at 1-888-257-ETHIC (3844)** or <https://www.compliance-helpline.com/entergyethicsline.jsp>.

If there's no imminent danger, but direct or implied threats are occurring or other workplace violence issues exist, contact the Ethics Line.

Weapons (including, but not limited to, firearms and explosives) are prohibited in the workplace unless authorized by company policy.

SHARE THE ROAD:

Deal Fairly with Customers, Suppliers and Competitors

A. BRIBES AND KICKBACKS

We must never give, offer, authorize, promise, or ask for any form of bribe or kickback. Similarly, employees, agents and suppliers should never ask for bribes and kickbacks from an Entergy customer, agent or supplier.

B. CONTRACTS / LETTERS OF INTENT / CAPITAL ACQUISITIONS

Any of us who intends to enter into any contract, letter of agreement or other binding document must first have the document reviewed and approved by authorized parties. We must also comply with other requirements of corporate authorization policies. Agreements may only be executed after the signer has confirmed his or her authority and after appropriate legal and other approvals have been received.

It is company policy that “letters of intent” and similar preliminary agreements are limited, carefully controlled and subject to prior legal review. Capital transactions should be made only after the responsible business unit has evaluated each proposed transaction and after they have been approved and reviewed by authorized parties.



C. ECONOMIC ESPIONAGE

It is the company's policy to compete in the marketplace lawfully and fairly. This includes respecting the rights of our competitors. It also includes abiding by the law while competing. Therefore, none of us may steal, unlawfully possess or unlawfully use material, products, intellectual property or proprietary information of any supplier, customer, business partner or competitor. We also may not acquire or use such property if we know it has been stolen or illegally obtained.

We must not engage in economic espionage. Economic espionage involves obtaining another entity's confidential or proprietary information by "improper means." Improper means includes unethical or criminal acts such as burglary, wire-tapping, misrepresentation, deception, searching a competitor's office waste and bribing employees of other businesses (e.g., janitorial services) to collect the information.

D. GOVERNMENT CONTRACTS

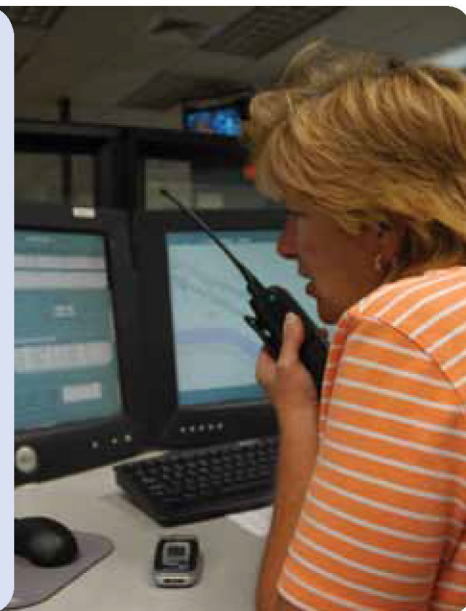
It is the company's policy, and each employee's obligation, to comply with the laws and regulations that apply to government contracting. For example, certain system companies may be subject to special regulations governing procurement and contracts. It is also necessary to adhere to the terms and conditions of any contract with, or grants from, federal, state or local governments. Any employee whose job responsibilities include government procurement and contracts must familiarize themselves with applicable rules and regulations. Consult the [Government Contracts Policy](#) for additional information.

E. IT PROCUREMENT AND SERVICING

The procurement and servicing of information technology (hardware, software, data privacy, network usage, Internet, etc.) should be coordinated with the Information Technology department. Only such authorized company personnel are trained and designated to handle these matters.

Q: *Brian needs a laptop computer to work remotely, and he can get a good deal at the local electronics store. Can he buy one and expense it?*

A: *No. Entergy has negotiated with selected, designated suppliers and developed configurations for a set of standard solutions to achieve savings in acquisition, installation and maintenance costs. Deviations from these standards would ultimately result in higher costs. Consult IT's [PC Acquisition Policy](#) at [myEntergy > Our Company > IT](#) for more information on PC/desktop acquisitions. Consult the [Procurement Policy](#) for requirements to maintain purchase orders and receipts.*



F. PROCUREMENT

It is Entergy's policy to select suppliers based on merit and overall business need. Entergy strives to obtain necessary products and services at fair value, conducts itself with high business standards and complies with legal requirements. Entergy also strives to ensure that diverse suppliers, such as those primarily owned, operated and managed by women, ethnic minorities and veterans, are given equal access to bid for and participate in Entergy business.

The Supply Chain organization oversees the procurement process and assures that Entergy's interests are protected when products and services are purchased for the company. Only Supply Chain is authorized to commit to suppliers. Exceptions to using Supply Chain are detailed in Entergy's [Procurement Policy](#).

Q: *Denise, who orders materials for her work area, needs a list of diverse suppliers that have already been approved by Entergy. Where can she find such a list?*

A: *The Supplier Diversity department verifies and maintains a directory of diverse suppliers, including certifications that validate their ownership. Denise should consult with the Supplier Diversity department to obtain a list of existing diverse suppliers.*



STOP AT ALL RED LIGHTS: **Obey the Law**

A. AFFILIATE INTERACTIONS

Entergy is subject to rules that govern interactions between certain Entergy affiliates and certain Entergy business functions. Some of these rules, called “affiliate rules,” help ensure that any control utilities have over critical functions is not used to give an unfair benefit to affiliated, competitive-market companies or functions and does not unfairly disadvantage non-affiliated market participants or customers.

In general, the restrictions in the affiliate rules apply to interactions between (1) Entergy affiliates and functions that serve regulated customers or that operate critical facilities, such as transmission systems (referred to here as “Regulated Functions”), and (2) Entergy affiliates and functions that participate in competitive energy markets (referred to here as “Market Functions”). In general:

- Regulated Functions may not provide an unfair competitive advantage or undue preferential treatment to Market Functions.
- Regulated Functions may not allow the inappropriate transfer of non-public information to Market Functions.
- Regulated Functions may not subsidize Market Functions.
- Regulated Functions and Market Functions may not cause customers to believe they must use the service of a Market Function to receive service from a Regulated Function.

It must be determined whether particular interactions with Entergy affiliates and functions comply with laws and regulations before entering into the interaction. The company has policies and compliance plans that provide guidance in this area, including the [Affiliate Interactions Policy](#). If questions arise, contact the Legal department or the Ethics & Compliance group.



B. ANTIBOYCOTT

Entergy will comply with government antiboycott regulations prohibiting participation in international boycotts of countries friendly to the United States, and will follow all reporting-to-the-government requirements. We must not provide information that might assist a boycott violating these laws and regulations.



C. ANTITRUST AND FAIR TRADE PRACTICES

Antitrust laws are based on the belief that vigorous, free and open competition helps to ensure that the American consumer will obtain the best product at the lowest price. The purpose of antitrust laws is to prevent activities that unreasonably restrain free competition.

We must avoid conduct that violates or appears to violate antitrust and fair trade practice laws such as:

- Engaging in unfair pricing practices.
- Engaging in unfair marketing practices.
- Misrepresenting the products and services of Entergy or its competitors.

Federal and state antitrust authorities (and private plaintiffs) will be particularly sensitive to business activities that appear to fix prices between competitors, fix costs between competitors, restrict output or divide markets.

D. CONTRACTING FOR LEGAL OR ACCOUNTING SERVICES

Only in-house attorneys within Entergy's Legal department may retain and manage outside legal counsel. Only Entergy's General Tax Counsel may hire and manage outside tax counsel and advisors or hire accounting firms to do tax work.

E. ENVIRONMENT

Entergy must comply with environmental laws, regulations and orders, including those that restrict hazardous and toxic materials, air and water emissions and waste disposal.

Whether we work in a plant, the field or an office, Entergy expects us to be environmentally conscious. We must follow proper environmental procedures in our daily work. Immediately report any actual, suspected or potential environmental compliance issues via the Ethics Line.



F. EXPORT CONTROL

Export-control laws regulate the export of certain goods, information, and technology (“controlled items”) outside the United States. These laws also regulate sharing certain controlled items with individuals who are not citizens or lawful permanent residents of the U.S. (also known as “green card” holders), and who do not have refugee or asylum status, regardless of whether they are outside the U.S. (collectively, “foreign nationals”). (This includes sharing controlled items with foreign nationals located in Jackson, MS, or allowing foreign nationals located offshore to access remotely controlled items that are located in New Orleans, LA. This is known as a “deemed export,” and is subject to the same export-control laws.)

If you are a supervisor, notify the Human Resources and Legal departments before hiring a foreign national or before altering a foreign national employee’s job or work location. Also, contact the Legal department if you are engaging a foreign vendor that will have access to controlled items, or a vendor that will use foreign nationals who will have access to controlled items. In both cases, an export compliance review must be conducted and completed successfully prior to hiring the foreign national employee, altering a current foreign national employee’s job or work location, engaging a foreign company, or engaging a company that will afford foreign national employees access to controlled items.

G. FEDERAL ENERGY REGULATORY COMMISSION

Entergy is subject to the jurisdiction of the Federal Energy Regulatory Commission, or FERC. Among other responsibilities, the FERC:

- Regulates the transmission and wholesale sales of electricity in interstate commerce.
- Through its designated electric reliability organization (the North American Electric Reliability Corporation or NERC), ensures the reliability of high voltage interstate transmission systems.
- Monitors and investigates energy markets.
- Administers accounting and financial reporting regulations for regulated companies.
- Licenses hydroelectric projects.

The FERC and NERC have issued numerous regulations and standards that Entergy employees and representatives must follow. FERC can assess a civil penalty of over a \$1 million for each day of violation of certain FERC regulations. Entergy employees and representatives must comply with FERC and NERC requirements. If an employee suspects a violation or potential violation of a requirement has occurred, it is imperative that the problem be promptly identified. Each employee is expected and encouraged by Entergy to self-police and internally report violations or potential violations of FERC or NERC regulations as soon as possible.

Q: *Nancy is a systems analyst who routinely accesses secured areas containing critical cyber assets per the NERC reliability standards. She had to undergo background screenings and take required training in order to obtain her secured-area access card. John, a co-worker, does not have an access card, and requires an escort if going into a secured area. John asked Nancy if he could borrow her electronic access card to visit a friend in a secured area. It's okay to do that since they're all Entergy employees, right?*

A: *No, it's not okay and it could result in a policy or regulatory violation both for Nancy and John. Not all employees are allowed to access all areas of Entergy facilities. Some areas are restricted to comply with certain laws and regulations and require authorization before access is granted. If John needs to visit someone in a secured area, he should follow appropriate procedures. Nancy should not lend her access card, password, access code or keys to anyone.*

Q: *Andrew, a customer service representative, has a close college friend, Amanda, who works as a financial analyst. They often talk, and during a conversation, Amanda mentioned to Andrew that earnings projections for the quarter were going to be different than expected. That night Andrew passed that information on to his brother. Andrew has now learned that his brother traded in some Entergy stock options as a result of Andrew's comments. Even though Andrew didn't personally buy any stock and his brother is not a big-time investor, Andrew is worried. He didn't mean to do anything wrong. What should Andrew do?*

A: *Andrew should immediately report this situation to the Ethics Line. Any situation that potentially involves insider trading, or someone violating insider trading laws or company guidelines, must be reported immediately to the Ethics Line (1-888-257-3844 or www.compliance-helpline.com/entergyethicsline.jsp). Remember, it is far better to report a situation as soon as it is discovered than to pretend it doesn't exist or hope that it will go undetected.*

H. FOREIGN CORRUPT PRACTICES ACT

We must comply with the Foreign Corrupt Practices Act ("FCPA") and similar U.S. and foreign laws. The FCPA prohibits payments or gifts of any value to foreign government or political officials. The FCPA also requires the company to maintain accurate books and records and a system of internal accounting controls documenting domestic and international assets and transactions. Any of us who conducts Entergy business outside of the United States or with foreign officials must understand and abide by the provisions of the FCPA. If there are any questions, contact the Legal department.

I. GOVERNMENT INVESTIGATIONS AND INTERACTIONS

The company is committed to cooperating appropriately with government agencies conducting inspections of company property or investigations or audits of company activities. The company must provide complete and accurate information and protect its legal rights. It is the company's policy that all subpoenas, search warrants, civil investigative demands, written complaints and requests for documents directed to the company, as well as all requests that the company submit to investigative interviews, be referred to the company's Legal department for review and response. This Code does not restrict the right of an employee, agent or contractor to contact or provide information to any governmental agency on his or her own behalf or the behalf of others.

J. INSIDER TRADING

"Insider trading" means using confidential information about Entergy, or any other company gained in the course of doing work for Entergy, for an unfair advantage in the buying or selling of shares or other securities. Insider trading is both illegal and unethical, and is strictly prohibited. Insider trading includes "tipping" to provide confidential information to someone else who then trades on it.

Entergy directors, officers, employees and other persons may not trade in Entergy securities while in possession of material nonpublic information. This includes any information that may influence an investor's decision to buy, sell or hold the securities of a company. It also includes information that alters the overall mix of information publicly available about a company.

Directors, officers and employees are prohibited from entering into hedging or monetization transactions (e.g., puts, calls, selling short) involving Entergy stock.

Due to their positions or job functions, Board of Directors members, executive officers and certain restricted employees are prohibited from trading in Entergy securities except during certain specified "window" periods. Entergy will notify those persons of the "window" periods.

Q: *David made a personal financial contribution to a political candidate whose campaign supports policies that are favorable to Entergy and its employees. Can David be reimbursed for his contribution?*

A: *No. Contributions made in the name of another are strictly prohibited by law. Thus, it is illegal for a corporation to reimburse or compensate an employee in any fashion for making a personal contribution to a federal, state or local candidate, party or political committee.*

N. SERVICE OF PROCESS The company has appointed agents to receive petitions, subpoenas, administrative orders and other legal notices. Only employees or representatives who have been appointed to receive service of legal documents are authorized to do so. Direct the person attempting to deliver the legal documents to an Entergy-appointed agent. If unsure, contact the Legal department. In the event an employee is nonetheless served with, or otherwise presented with, legal documents, the employee must immediately notify the Legal department.

K. NUCLEAR

Entergy and its employees must comply with all laws, regulations, licensing requirements, commitments and orders related to nuclear power plant operations. Employees are urged to report any concerns they may have related to nuclear plant operations without fear of retaliation or discrimination of any kind.

L. POLITICAL CONTRIBUTIONS

All of us are encouraged to be involved in the political process and may contribute to the cause or candidate of our choice. But we must do so using our own time, money and resources. Laws prohibit the company from directly supporting political parties and campaigns. Other laws allow Entergy to make contributions to certain federal, state or local political associations or organizations (not parties and campaigns), but only after the General Counsel and executive management have reviewed and approved those contributions.

M. SAFETY

As Entergy workers, we must perform our jobs in a manner that complies with occupational safety and health laws and regulations.

Q: *Nathan, a lineman, observed an equipment operator digging a trench with a small excavator to install some conduit. Nathan knew it was an area that already contained underground conduit, and if the excavator struck existing conduit, then an unsafe situation could occur. He noticed that the operator's crew was not using a probe or other means to inspect for pre-existing conduit. What should Nathan do?*

A: *Nathan must intervene by stopping and questioning any unsafe actions, practices and conditions observed, which includes notifying an available supervisor or site safety contact person. Nathan should also intervene if a co-worker is in danger of injuring himself or others, provided it is safe to intervene.*

DON'T HAND THE KEYS TO A STRANGER:

Protect Company Property and Information

A. ACCOUNTING AND BUSINESS RECORDS

We each have a responsibility to prepare all records in a prompt, complete and accurate manner. These records include vouchers, reimbursement requests, bills, timesheets, performance and payroll reports, and all other company books and records. Records must not be false, misleading, artificial or incomplete.

Entergy requires compliance with generally accepted accounting principles and its internal system of accounting and auditing controls. Accurate, reliable information and records are critical to meeting the financial, legal and management obligations of the company, and they are necessary to fairly reflect the company's transactions. We must comply with all laws, rules, regulations and company policies so that financial reports and records are accurate.

B. COMMUNICATIONS

One of Entergy's core values is "act with integrity." Employees should consider this value in all communications. For example, don't include material that violates the company's [Protection of Information Policy](#). A good question to ask is, "Would I want this message published in the news and attributed to me?" Also, take extra care when sending content in electronic messages because further distribution is virtually impossible to control. If there is a need to limit the further distribution of messages, let the recipients know.

C. COMPANY PROPERTY

The misuse or theft of company property may affect the company's profitability and, ultimately, all of our jobs. Company property includes but is not limited to:

- Entergy credit and procurement cards, tools, materials, supplies, equipment, software and contractor services.
- Entergy intellectual property.
- Information subject to non-disclosure rules as provided for in the Company's [Protection of Information Policy](#).

Q: *Emily, a paralegal, has to fill out a timesheet every two weeks. As long as she enters all the hours she works, does it really matter what codes she charges to?*

A: *Yes. Using the correct codes helps the company to ensure that the work Emily performs is charged to the right legal entities, work projects and customers. It also helps to ensure that business records and reports accurately reflect the cost of her work, which benefits Entergy's investors (including employees). If Emily is unsure about whether she is using the appropriate project codes, she should contact her supervisor or her budget analyst.*

We are all responsible for protecting company property from theft, fraud, unauthorized access and use, damage and destruction. Unauthorized or improper use of company material, time, equipment, credit cards, procurement cards, or other property is prohibited. Also, we must not offer company property, company loans or unpaid company services to persons outside the company without prior written approval of senior management. All company property must be returned to the company at the termination of employment. Always report any theft or vandalism of company property.

D. COMPANY INFORMATION AND CONFIDENTIAL INFORMATION

It is part of our jobs to prevent the misuse, theft or improper disclosure of company information. Information that is used to provide customer service, carry out company operations and report accurate data is an essential company asset and must be protected.

We must take care in handling, discussing, transmitting, storing, and destroying information according to rules set forth in the Company's Protection of Information Policy. We must protect such information against disclosure, either accidental or intentional, to parties, both inside and outside of the company, who do not have a legitimate business "need to know." This obligation continues even after we leave Entergy. If unsure about what constitutes confidential information, ask a supervisor or call the Ethics Line at 1-888-257-ETHIC (3844). Unauthorized disclosure of personal information belonging to: (a) customers; (b) employees (where the employee information is accessed in the course of assigned job duties); (c) vendors; and (d) other individuals must be reported to the Ethics Line immediately.

Disclosure of financial information could influence the actions of shareholders and potential investors and could possibly violate securities laws. Only designated spokespersons may release information of this nature.

Entergy regulated subsidiaries are prohibited from disclosing certain information to Entergy competitive subsidiaries. There are also restrictions on sharing of certain information between transmission and marketing functions. See the Affiliate Interactions section for more information.

The Code and this provision are not intended to, and will not be construed to, interfere with or restrict any rights provided by law, including those afforded under the National Labor Relations Act. Nothing in this Code will be construed to limit an employee's right to speak with others regarding wages and other terms and conditions of employment or to exercise any other legally protected right.



Q: *Lisa, a risk analyst, wants to tell her best friend about an interesting project that she's involved with here at Entergy. Lisa knows that the project is confidential, but her friend has always been very trustworthy and wouldn't share the information with anyone. Is it okay for Lisa to tell her?*

A: *Absolutely not. Entergy employees are required to protect and maintain the confidentiality of all projects designated confidential by the company.*

E. CORPORATE RISK CONTROLS

The Corporate Risk Control Standards establish Entergy's framework for analyzing and managing risk associated with major capital investments and wholesale commodity exposure. The Standards define the roles and responsibilities of all employees who are involved in risk transactions, including the Corporate Risk Committees, in order to improve decision making with regard to major capital investments, as well as fuel, revenue and procurement contracts as required by the [Approval Authority Policy](#).

F. CUSTOMER INFORMATION

It is part of our jobs to protect confidential customer information, such as social security numbers, credit information and bank account information.

Customer information must be protected. Regulated customer information may not be released to competitive affiliates without such customers' consent or where authorized by applicable law. None of us may use or access customer information except for legitimate business purposes, in accordance with law, the company's [Privacy Policy](#), and the [Protection of Information Policy](#). Customer information may not be used or accessed for personal reasons.

Q: *Robert, who works in customer billing, obviously has access to customer data. Can he share information about a customer's energy use with a friend of his?*

A: *No. Customer information is confidential and can only be used for valid Entergy business purposes in accordance with the [Protection of Information Policy](#). For more information, refer to the policy.*

Q: *Joni, a human resources representative, has access to Entergy employee data, such as home addresses. Can she share employee information with a friend of hers who is pursuing legal action against an employee?*

A: *No. Employee information obtained in the course of one's assigned job duties may only be used by Entergy for valid Entergy business purposes. The [Protection of Information Policy](#) specifies that employees may not use, access, distribute or otherwise copy company-owned information, data, records or files for personal use, gain or advantage, or allow others to do so. For more information, refer to the policy.*

G. EMPLOYEE RECORDS

The company's employee information and records shall be used and maintained in a manner consistent with applicable laws and regulations, and the privacy interests of the applicable employees. Employee records are company-owned and include personnel files and their contents, performance evaluations, salary levels, medical data and other information pertaining to individual employees and their employment with the company. Employee records may be accessed by and/or disclosed to individuals having a legitimate business reason to review the information contained in those records. These individuals include, but are not limited to employees granted access to employee information and records in the course of their assigned job duties; persons involved in hiring and/or promotion decisions; persons involved in the company's succession planning process; persons involved in investigating allegations of employee misconduct; and persons involved in making disciplinary recommendations or decisions.

The Code and this provision are not intended to prohibit employees from discussing information related to wages and other terms and conditions of employment, so long as such employees did not come into possession of such information through access to sources of confidential information that they have been granted as part of their assigned job duties. This Code specifically does not prevent employees from discussing or disclosing information that comes to their attention from contact or discussions with other employees.

H. MEDIA / CORPORATE COMMUNICATION

Entergy must speak with one voice. Therefore, only designated persons may speak on behalf of Entergy. All media inquiries (from both traditional journalists and online social media sources) should be directed to the Corporate Communications department whose personnel are trained to handle such inquiries and to serve as company spokespersons. Release of company information, statements about company position or requests for interviews should be coordinated by Corporate Communications and must comply with the [Disclosure and Public Communication Policy](#).

Various groups and individuals throughout the company may wish to participate in social media communities. The [Public Communications on Behalf of Entergy via Internet or Social Media Policy](#) provides requirements for those employees authorized to speak on behalf of Entergy in the social media environment and requirements on the establishment of company-sponsored social media sites. Further, Entergy recognizes that some employees may wish to participate in various forms of social media on their personal time and using personal communications resources. The [Employee Use of Internal or External Social Media Sites Policy](#) provides expectations and requirements on the use of social media by employees as such use relates to Entergy.



I. RECORDS MANAGEMENT AND RETENTION

Properly maintaining records – in electronic and hard-copy format – is important. Entergy's [Records Management and Retention Policy](#) describes the procedures for maintaining records for required retention periods. A record may not be kept longer than its assigned retention period unless the record is on a litigation hold due to pending or anticipated litigation. From time to time, the Legal Department may notify us that we have documents related to pending or anticipated litigation, governmental audits or investigations. Be sure to comply with the litigation hold and preserve the records.

USE CAUTION WHEN CHANGING LANES:

Understand the Relationship Between Personal, Company and Outside-Party Interests

A. COPYRIGHT, TRADEMARK AND PATENT INFRINGEMENT

Copyright laws protect a copyright owner's "original works of authorship" from unauthorized use, duplication, or distribution. This applies to works such as computer software, printed articles from publications, TV and radio programs, works on videotapes or CD-ROMs, music performances, photographs, training materials, manuals, documentation, certain databases and World Wide Web pages. We may not use, reproduce, access, modify, download, distribute (which may include e-mailing) or otherwise copy any copyrighted, trademarked or patented works of others without written approval from the copyright owner. We also may not allow others to use company resources to do so. Unauthorized use, duplication, or distribution of such materials could create liability for Entergy.

Entergy maintains a license with the Copyright Clearance Center ("CCC"). The license authorizes employees to make photocopies of millions of registered works contained in the Copyright Clearance Center's database, and permits unlimited copies to be distributed to Entergy employees for internal use only. The license does not permit distribution outside of Entergy.

For advice or assistance concerning copyright law, contact the Legal department.

Q: *Steven, a project manager, would like to use a copy of a magazine article as a handout in a presentation he plans to make. Is it okay to do this?*

A: *It depends on whether Entergy has been granted the right to use the article. Entergy has obtained a repertory license from the Copyright Clearance Center ("CCC") permitting it to make photocopies of portions of millions of registered articles in its database. This license permits unlimited copies to be distributed to Entergy employees for internal use only. It does not permit distribution outside of Entergy. Steven may check to determine whether a certain use falls under the CCC license by accessing <http://rightfind.copyright.com>. For all other copyrighted works, and for use outside of the scope permitted by the CCC license, Entergy must obtain permission from copyright holders, or their licensing representatives, prior to reproduction, duplication or distribution. Contact a member of the Legal department or refer to the [Intellectual Property & Endorsement Policy](#) for further guidance.*

B. CONFLICTS OF INTEREST

We are expected to devote our time and best efforts to Entergy during assigned work hours. We must avoid activities that cause our personal interests to interfere with our ability to make sound business decisions on behalf of Entergy or otherwise prohibit us from acting in the best interest of Entergy when performing our job duties. These could include situations involving outside employment or service on outside boards. A conflict can also arise when we take action or have interests that make it difficult to perform company work objectively and effectively.

A conflict of interest exists when our responsibilities to Entergy and our personal interests are at odds. For example:

- An employee, or an immediate family member (including spouse), has a significant financial interest in an outside organization that competes with or has a business relationship with Entergy.
- In the course of an employee's normal Entergy responsibilities, the employee interacts with an immediate family member who is representing an outside organization that engages in business with Entergy, such as a supplier.
- An employee diverts a business opportunity from the company to another business.



Timely disclose all actual, potential, and perceived conflicts of interest. The [Conflicts of Interest Policy](#) requires that employees make a disclosure to determine if an actual conflict of interest does exist or could exist. If it does, the situation must not occur, unless steps can be taken to eliminate the conflict. Employees must fully and accurately provide sufficient facts to make the determination. See the [Conflicts of Interest Policy](#) for the [Request for Conflict of Interest Determination](#) form that needs to be completed.

C. GIFTS AND ENTERTAINMENT (BUSINESS COURTESIES)

Business courtesies are gifts or favors given or received in the course of a business relationship, such as a business relationship with a customer, supplier or contractor. While business courtesies may help build business connections and generate goodwill, they can also create conflicts of interest. Neither an employee, nor a member of the employee's family, may accept anything from an existing or potential supplier, customer or contractor of Entergy that could be construed as an attempt to influence the employee's business judgment. Employees must decline any business courtesies that could give the appearance of granting an unfair advantage or doing anything that is unethical, unlawful or against Entergy policies.



Q: Doug, a troubleman, has ownership in an outside business that seeks to do business with Entergy. What does Doug need to do to ensure management knows and to find out if this is okay?

A: Doug must complete a [Request for Conflict of Interest Determination](#) form, found on the system policy home page under the [Conflicts of Interest Policy](#). This form is a tool used to document and resolve potential or actual conflicts of interest. For more information, refer to the policy.

Q: *Lou, a procurement specialist, wants to attend a sporting event and knows that one of his vendors has box seats. The value is under \$200. Can Lou ask the vendor for a seat?*

A: *No. Entergy employees may not solicit a business courtesy under any circumstance whatsoever. An employee may not ask a vendor to take the employee to lunch, or ask a customer to provide tickets for an entertainment event, even if the value is less than \$200.*

As employees, we may never request a business courtesy and NEVER accept cash or cash equivalents. We may accept articles of nominal value (\$200 or less) on an infrequent basis, such as occasional meals or entertainment provided by an existing or potential customer or supplier. However, even such nominal items cannot be accepted if they are an attempt to get us to grant an unfair advantage or to motivate us to do anything that is unethical or unlawful. Otherwise, an employee may accept a business courtesy only if it is allowed by the [Business Courtesies Policy](#) and if a request for a conflict of interest determination is made that results in a finding (by an officer) that the business courtesy is acceptable (that is, it does not create a conflict of interest).

When in a position to offer gifts and entertainment to customers or vendors, use common sense and good judgment. Do not create circumstances that are inappropriate or give the appearance of impropriety. Also, do not provide business courtesies that are illegal, that violate the rules of the recipient's organization or that are offered for something in return.

Consult the [Political Activity-Contributions, Lobbying and Elective Office Policy](#) for requirements related to providing any business courtesy to any government official.





BUSINESS COURTESIES QUICK REFERENCE: ACCEPTING BUSINESS COURTESIES

Decline These Business Courtesies

- Anything that could give the appearance of granting an unfair advantage or doing anything that is unethical, unlawful or against Entergy policies.
- Anything illegal, unethical or offered in exchange for something in return.
- Cash or cash equivalents.

May Accept These Business Courtesies With No Approval

- Articles valued at \$200 or less, such as meals or entertainment.
 - > Must include value to both the employee and any immediate family member.
 - > Must include cumulative value of courtesies received close in time from same person/organization.
- A business courtesy received as a result of a contest or random drawing where the Entergy employee has no greater chance of winning than anyone else.

May Accept These Business Courtesies If Specific Approval Is Granted

- Articles valued at greater than \$200.



D. SERVICE IN ELECTIVE OFFICE

Entergy encourages us to be active in civic affairs and in solutions to social problems. We may hold public office as elected or appointed governmental officials or members of governmental boards:

- As long as the service does not interfere with the performance of job duties or place the employee or the company in a conflict of interest situation.
- If a state law provides an unqualified right to run for political office and participate in political activities.

Discuss these issues with a supervisor prior to seeking office. Under the law, Entergy cannot compensate an employee to serve in public office or use corporate resources (e.g., contributions, employees' time, computers, stationery, phones, office space, copiers) to benefit a campaign.



Q: Kim, a communications specialist, has always been very active in her community and now wants to run for the city council in her town. Should she let anyone at Entergy know about her plans?

A: The Political Activity – Contributions, Lobbying and Elective Office Policy applies. The Vice-President or higher-level officer of Kim's organization is responsible for approving her service in an elected or appointed position, with the concurrence of the Vice-President, Governmental Affairs for the state in which the office/position is located. Louisiana employees are not required to obtain approval but must provide written notice to company officers of their intention to run for political office or to accept a political appointment.



E. SERVICE ON BOARDS OR AS AN OFFICER OF AN OUTSIDE COMPANY

There may be cases where it is acceptable for an employee to serve on the board of directors, or as an officer, of a for-profit entity that is not affiliated with Entergy and does not compete with Entergy. Certain laws and regulations may require prior regulatory approval or even prohibit such service. The employee must discuss it with a supervisor and receive appropriate approvals prior to taking action. The position:

- must not create a potential conflict of interest for the employee or Entergy,
- must meet all regulatory and legal requirements, and
- must be appropriately disclosed to all relevant parties.

F. SERVICE WITH CHARITABLE ENTITIES

Entergy encourages employees to be involved in the community. This includes reasonable time commitments to charitable or civic organizations. However, we must avoid activities that might create a conflict of interest for us or the company.

POLICY INDEX

The Code of Integrity addresses many topics but our system and business-unit policies (available on myEntergy) go into even greater detail. Click the “Policies & Forms” link on myEntergy home page and then click on "System Policies" or choose "Business Unit Policies".

Policies relating to On the Road to Integrity

- Code of Business Conduct & Ethics

Policies relating to Section 1 - Steer

a Straight Path: *Carry Out Ethical Responsibilities.*

- Discipline
- Employment at Will
- Issue Resolution
- Reporting Violations

Policies relating to Section 2 - Shift Out of

Neutral: *Don't Be Afraid to Point Something Out or Ask a Question.*

- Reporting Violations

Policies relating to Section 3 - Be a Courteous

Driver: *Have Regard for the Workplace.*

- Communications Systems
- Discrimination & Harassment Prevention
- Drugs and Alcohol
- Enterprise Security
- Employee Hunting Clubs
- Employment Screening
- Environmental Management
- No Smoking
- Safety and Occupational Health
- Workplace Violence Prevention and Weapons

Policies relating to Section 4 - Share the Road: *Deal Fairly with Customers, Suppliers and Competitors.*

- Affiliate Interactions
- Anticompetitive Behavior
- Approval Authority
- Corporate Risk Standards
- Disclosure & Public Communication
- Disclosure Controls & Procedures
- Disclosure for Compliance with Reg FD
- Economic Espionage
- Electronic Information Security
- Employee Use of Internal or External Social Media Sites
- Government Contracts
- Insider Trading
- Letters of Intent and Preliminary Understandings
- Procurement
- Protection of Information
- Public Communications on Behalf of Entergy via Internet or Social Media

Policies relating to Section 5 - Stop at All

Red Lights: *Obey the Law.*

- Affiliate Interactions
- Anticompetitive Behavior
- Electronic Information Security
- Environmental Management
- Export Control
- FERC Compliance
- Foreign Corrupt Practices Act
- Government Contracts
- Government Investigations, Inspections and Audits
- Independent Auditor
- Insider Trading
- Legal Entity Management & Compliance
- NERC Reliability Standards
- Nuclear Policies and Procedures
- Political Activity – Contributions, Lobbying and Elective Office
- Protection of Information
- Safety and Occupational Health
- Service to Unaffiliated Entities

Policies relating to Section 6 - Don't Hand the Keys to a Stranger:

Protect Company Property and Information.

- Accounting
- Affiliate Interactions
- Bank Accounts
- Business Continuity Planning
- Business Travel & Expense Reimbursement
- Charitable Contributions
- Communications Systems
- Corporate Risk Standards
- Disclosure & Public Communication
- Disclosure Controls & Procedures
- Disclosure for Compliance with Reg FD
- Electronic Information Security
- Enterprise Security
- Employee Use of Internal or External Social Media Sites
- Insider Trading
- Investment Recovery
- Legal Entity Management & Compliance
- Political Activity – Contributions, Lobbying and Elective Office
- Project Delivery System
- Protection of Company Property
- Protection of Information
- Public Communications on Behalf of Entergy via Internet or Social Media
- Real Estate
- Records Management & Retention
- Time Entry and Pay
- Transportation

Policies relating to Section 7 - Use Caution When Changing Lanes:

Understand the Relationship Between Personal, Company and Outside-Party Interests.

- Business Courtesies
- Conflicts of Interest
- Intellectual Property & Endorsement
- Nepotism
- Political Activity – Contributions, Lobbying and Elective Office
- Service to Unaffiliated Entities

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**ENTERGY TEXAS, INC.
FUEL & PURCHASED POWER ASSUMPTION NARRATIVE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021**

The Company has requested a waiver of this schedule.

**ENTERGY TEXAS, INC.
MONTHLY FOSSIL FUEL MIX
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021**

The Company has requested a waiver of this schedule.

**ENTERGY TEXAS, INC.
ETHICS – RELATIONSHIP WITH FUEL SUPPLIER
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021**

The Company has requested a waiver of this schedule.

**ENTERGY TEXAS, INC.
FUEL AUDITS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021**

The Company has requested a waiver of this schedule.

**ENTERGY TEXAS, INC.
FUEL CONTRACT ANALYSIS – RECONCILIATION PERIOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021**

The Company has requested a waiver of this schedule.

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1		NATURAL GAS PLANTS - ELIGIBLE													
2		SABINE													
3	PURC & FUEL	501 GAS COSTS	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
4	MGSH & RESV	501 GAS TRANSPORTATION	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
5	BLFT	501 GAS TAXES	-	-	-	-	-	-	-	-	-	-	-	-	-
6		TOTAL GAS	-	-	-	-	-	-	-	-	-	-	-	-	-
7															
8	PURC	501 OIL COSTS	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
9		501 OIL TRANSPORTATION	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
10		501 OIL TAXES	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
11		TOTAL OIL	-	-	-	-	-	-	-	-	-	-	-	-	-
12		TOTAL SABINE	-	-	-	-	-	-	-	-	-	-	-	-	-
13															
14		LEWIS CREEK													
15	PURC	501 GAS COSTS	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
16	MGSH & RESV	501 GAS TRANSPORTATION	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
17	BLFT	501 GAS TAXES	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
18		TOTAL GAS	-	-	-	-	-	-	-	-	-	-	-	-	-
19															
20		501 OIL COSTS	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
21		501 OIL TRANSPORTATION	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
22		501 OIL TAXES	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
23		TOTAL OIL	-	-	-	-	-	-	-	-	-	-	-	-	-
24		TOTAL LEWIS CREEK	-	-	-	-	-	-	-	-	-	-	-	-	-
25															
14		MONTGOMERY COUNTY													
15	PURC	501 GAS COSTS	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
16	MGSH & RESV	501 GAS TRANSPORTATION	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
17	BLFT	501 GAS TAXES	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
18		TOTAL GAS	-	-	-	-	-	-	-	-	-	-	-	-	-
19															
20		501 OIL COSTS	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
21		501 OIL TRANSPORTATION	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
22		501 OIL TAXES	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
23		TOTAL OIL	-	-	-	-	-	-	-	-	-	-	-	-	-
24		TOTAL MONTGOMERY COUNTY	-	-	-	-	-	-	-	-	-	-	-	-	-
25															
14		HARDIN													
15	PURC	501 GAS COSTS	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
16	MGSH & RESV	501 GAS TRANSPORTATION	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
17	BLFT	501 GAS TAXES	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
18		TOTAL GAS	-	-	-	-	-	-	-	-	-	-	-	-	-
19															
20		501 OIL COSTS	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
21		501 OIL TRANSPORTATION	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
22		501 OIL TAXES	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
23		TOTAL OIL	-	-	-	-	-	-	-	-	-	-	-	-	-
24		TOTAL HARDIN	-	-	-	-	-	-	-	-	-	-	-	-	-
25															
14		TEXAS POWER													
15	PURC	501 GAS COSTS	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
16	MGSH & RESV	501 GAS TRANSPORTATION	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
17	BLFT	501 GAS TAXES	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
18		TOTAL GAS	-	-	-	-	-	-	-	-	-	-	-	-	-
19															
20		501 OIL COSTS	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
21		501 OIL TRANSPORTATION	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
22		501 OIL TAXES	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
23		TOTAL OIL	-	-	-	-	-	-	-	-	-	-	-	-	-
24		TOTAL TEXAS POWER	-	-	-	-	-	-	-	-	-	-	-	-	-
26		NATURAL GAS PLANTS - ELIGIBLE													
27		TOTAL NATURAL GAS PLANTS													

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

** Information is Highly Sensitive

xxx Information is included in the waiver as requested by The Company

Sponsors: Andrew Dornier

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28	501	GAS COSTS	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
29	501	GAS TRANSPORTATION	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
30	501	GAS TAXES	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
31		TOTAL GAS	-	-	-	-	-	-	-	-	-	-	-	-	-
32															
33	501	OIL COSTS	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
34	501	OIL TRANSPORTATION	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
35	501	OIL TAXES	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
36		TOTAL OIL	-	-	-	-	-	-	-	-	-	-	-	-	-
37		TOTAL GAS PLANTS	-	-	-	-	-	-	-	-	-	-	-	-	-
38															
39		<u>COAL PLANTS - ELIGIBLE</u>													
40		BIG CAJUN II UNIT 3													
41	501	COAL STOCK COSTS	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
42	501	TRANSPORTATION	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
43	501	BOILER FUEL TAX	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
44		TOTAL COAL	-	-	-	-	-	-	-	-	-	-	-	-	-
45															
46	501	OIL COSTS	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
47	501	OIL TRANSPORTATION	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
48	501	OIL TAXES	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
49		TOTAL OIL	-	-	-	-	-	-	-	-	-	-	-	-	-
50		TOTAL BC II U3	-	-	-	-	-	-	-	-	-	-	-	-	-
51															

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

** Information is Highly Sensitive

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Sponsors: Andrew Dornier

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52		NELSON COAL													
53	PURC & CHOL	501 COAL STOCK COSTS	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
54	MGS & RESV	501 TRANSPORTATION	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
55	BLFT	501 BOILER FUEL TAX	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
56		TOTAL COAL	-	-	-	-	-	-	-	-	-	-	-	-	-
57															
58	PURC	501 OIL COSTS	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
59	MGS	501 OIL TRANSPORTATION	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
60		501 OIL TAXES	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
61		TOTAL OIL	-	-	-	-	-	-	-	-	-	-	-	-	-
62		TOTAL NELSON	-	-	-	-	-	-	-	-	-	-	-	-	-
63															
64		COAL PLANTS - ELIGIBLE													
65		TOTALS													
66	501	COAL STOCK COSTS	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
67	501	TRANSPORTATION	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
68	501	BOILER FUEL TAX	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
69		TOTAL COAL	-	-	-	-	-	-	-	-	-	-	-	-	-
70															
71	501	OIL COSTS	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
72	501	OIL TRANSPORTATION	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
73	501	OIL TAXES	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
74		TOTAL OIL	-	-	-	-	-	-	-	-	-	-	-	-	-
75		TOTAL COAL PLANTS	-	-	-	-	-	-	-	-	-	-	-	-	-
76															
77		TOTAL ELIGIBLE ACCOUNT 501 COSTS	-	-	-	-	-	-	-	-	-	-	-	-	-
78															
79		ELIGIBLE													
80		ALLOWANCE REVENUES AND EXPENSES													
81	4118	GAINS FROM DISP OF ALLOW	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
82	502	ALLOWANCES	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
83	509	ALLOWANCES	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	-
84		TOTAL ALLOW. REVENUES AND EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-
85															
86		TOTAL ELIGIBLE COSTS (501+4118+502+509)	-	-	-	-	-	-	-	-	-	-	-	-	-
87															
88		INELIGIBLE COSTS:													
89		NEL. COAL AD VALOREM TAXES **	**	**	**	**	**	**	**	**	**	**	**	**	**
90		NEL. COAL CAR MAINT. **	**	**	**	**	**	**	**	**	**	**	**	**	**
91		NEL. COAL COAL CAR LEASES **	**	**	**	**	**	**	**	**	**	**	**	**	**
92		NEL. COAL ASH PROCEEDS **	**	**	**	**	**	**	**	**	**	**	**	**	**
93		NEL. COAL HANDLING **	**	**	**	**	**	**	**	**	**	**	**	**	**
94		BC II U3 RAIL CAR LEASE COST **	**	**	**	**	**	**	**	**	**	**	**	**	**
95		BC II U3 ASH PROCEEDS **	**	**	**	**	**	**	**	**	**	**	**	**	**
96		BC II U3 HANDLING **	**	**	**	**	**	**	**	**	**	**	**	**	**
97		NON-FUEL O&M **	**	**	**	**	**	**	**	**	**	**	**	**	**
98		TOTAL INELIGIBLE COSTS	203,286	199,382	151,812	205,288	306,767	10,678	85,365	199,543	237,655	191,173	136,126	156,078	2,083,152
99															
100		TOTAL ELIGIBLE + INELIGIBLE													
101		(LINE 86 + LINE 98)													

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

** Information is Highly Sensitive

xxx Information is included in the waiver as requested by The Company

Sponsors: Andrew Dornier

**ENTERGY TEXAS, INC.
FOSSIL FUEL MIX (BURNED)
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021**

The Company has requested a waiver of this schedule.

**ENTERGY TEXAS, INC.
FOSSIL FUEL MIX (PURCHASED)
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021**

The Company has requested a waiver of this schedule.

**ENTERGY TEXAS, INC.
COMPETITIVE SPOT FOSSIL FUEL PURCHASES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021**

The Company has requested a waiver of this schedule.

**ENTERGY TEXAS, INC.
OTHER SPOT FOSSIL FUEL PURCHASES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021**

The Company has requested a waiver of this schedule.

ENTERGY TEXAS, INC.
COAL COST BREAKDOWN - AS PURCHASED
JANUARY 2021 - DECEMBER 2021
PUBLIC

Scheule I-17.1
2022 TX Rate Case
Page 1 of 2

Line	Description	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Totals
1	BIG CAJUN II UNIT 3													
2	<u>ELIGIBLE COSTS:</u>													
3	COAL STOCK COST	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
4	TRANSPORTATION	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
5	BOILER FUEL TAX	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
6	TOTAL ELIGIBLE	-	-	-	-	-	-	-	-	-	-	-	-	-
7														
8	<u>INELIGIBLE COSTS:</u>													
9	ASH **	**	**	**	**	**	**	**	**	**	**	**	**	**
10	COAL HANDLING **	**	**	**	**	**	**	**	**	**	**	**	**	**
11	COAL CAR LEASE **	**	**	**	**	**	**	**	**	**	**	**	**	**
12	COAL CAR MTCE **	**	**	**	**	**	**	**	**	**	**	**	**	**
13	AD VALOREM TAXES **	**	**	**	**	**	**	**	**	**	**	**	**	**
14	RAIL CAR SERVICES **	**	**	**	**	**	**	**	**	**	**	**	**	**
15	TOTAL INELIGIBLE	-	-	-	-	-	-	-	-	-	-	-	-	-
16	TOTAL BC II U3													
17														
18	MMBTUs PURCHASED	-	-	-	-	-	-	-	-	-	-	-	-	-
19	TONS PURCHASED	-	-	-	-	-	-	-	-	-	-	-	-	-

Line	Description	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Totals
1	NELSON													
2	<u>ELIGIBLE COSTS:</u>													
3	COAL STOCK COST	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
4	TRANSPORTATION	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
5	BOILER FUEL TAX	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
6	TOTAL ELIGIBLE	-	-	-	-	-	-	-	-	-	-	-	-	-
7														
8	<u>INELIGIBLE COSTS:</u>													
9	ASH ¹ **	**	**	**	**	**	**	**	**	**	**	**	**	**
10	COAL HANDLING ¹ **	**	**	**	**	**	**	**	**	**	**	**	**	**
11	COAL CAR LEASE **	**	**	**	**	**	**	**	**	**	**	**	**	**
12	COAL CAR MTCE **	**	**	**	**	**	**	**	**	**	**	**	**	**
13	AD VALOREM TAXES **	**	**	**	**	**	**	**	**	**	**	**	**	**
14	RAIL CAR SERVICES **	**	**	**	**	**	**	**	**	**	**	**	**	**
15	TOTAL INELIGIBLE	30,101	36,466	48,087	46,627	48,279	48,181	42,073	36,307	24,237	24,237	24,188	30,829	439,614
16	TOTAL NELSON													
17														
18	MMBTUs PURCHASED													0
19	TONS PURCHASED													0

xxx Information is included in the waiver as requested by The Company

¹ Amounts charged directly to expense.

² See Schedule E-2.5.

** Highly Sensitive.

Amounts may not add or tie to other schedules due to rounding.
Sponsors: Andrew Dornier

ENTERGY TEXAS, INC.
COAL COST BREAKDOWN - AS PURCHASED
JANUARY 2021 - DECEMBER 2021
PUBLIC

Scheule I-17.1
2022 TX Rate Case
Page 2 of 2

Line	Description	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Totals
1	<u>TOTAL COAL PLANTS</u>													
2	<u>ELIGIBLE COSTS:</u>													
3	COAL STOCK COST	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
4	TRANSPORTATION	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
5	BOILER FUEL TAX	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
6	TOTAL ELIGIBLE	-	-	-	-	-	-	-	-	-	-	-	-	-
7														
8	<u>INELIGIBLE COSTS:</u>													
9	ASH ¹ **	**	**	**	**	**	**	**	**	**	**	**	**	**
10	COAL HANDLING ² **	**	**	**	**	**	**	**	**	**	**	**	**	**
11	COAL CAR LEASE **	**	**	**	**	**	**	**	**	**	**	**	**	**
12	COAL CAR MTCE **	**	**	**	**	**	**	**	**	**	**	**	**	**
13	AD VALOREM TAXES **	**	**	**	**	**	**	**	**	**	**	**	**	**
14	RAIL CAR SERVICES **	**	**	**	**	**	**	**	**	**	**	**	**	**
15	TOTAL INELIGIBLE	30,101	36,466	48,087	46,627	48,279	48,181	42,073	36,307	24,237	24,237	24,188	30,829	439,614
16	TOTAL COAL PLANTS													
17														
18	MMBTUs PURCHASED	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
19	TONS PURCHASED	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx

xxx: Information is included in the waiver as requested by The Company

¹ Amounts charged directly to expense.

² See Schedule E-2.5.

** Highly Sensitive.

Amounts may not add or tie to other schedules due to rounding.
Sponsors: Andrew Dornier

**ENTERGY TEXAS, INC.
LIGNITE COST BREAKDOWN
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021**

The Company has requested a waiver of this schedule.

**ENTERGY TEXAS, INC.
COAL COST DESCRIPTION
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021**

The Company has requested a waiver of this schedule.

**ENTERGY TEXAS, INC.
COAL AND LIGNITE SUPPLIER LOCATIONS
JANUARY – DECEMBER 2021**

Nelson 6:

Powder River Basin Coal:

ORIGIN MINE / LOAD OUT	COUNTY	STATE
North Antelope Mine	Campbell	WY
Black Thunder Mine	Campbell	WY
Black Thunder Loadout	Campbell	WY
South Thunder Loadout	Campbell	WY
Belle Ayr Mine	Campbell	WY
Coal Creek Mine	Campbell	WY

Cleco Cajun LLC provided the following for Big Cajun II:

ORIGIN MINE / LOAD OUT	COUNTY	STATE
Buckskin	Campbell	WY
Black Thunder	Campbell	WY
Coal Creek	Campbell	WY
Cordero Rojo	Campbell	WY
Eagle Butte	Campbell	WY
North Antelope	Campbell	WY
West Black Thunder	Campbell	WY

**ENTERGY TEXAS, INC.
RAIL HAUL DISTANCE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021**

The Company has requested a waiver of this schedule.

**ENTERGY TEXAS, INC.
UNIT TRAINS
JANUARY – DECEMBER 2021**

Roy S. Nelson Station, Unit 6:

Typical: 125 cars

Minimum: 115 cars

Maximum: 126 cars

Spares: Approximately two percent, or two and one half cars per train set

Big Cajun II, Unit 3 (provided by Louisiana Generating, LLC):

Typical 135 cars

Minimum 120 cars

Maximum 142 cars

Spares 3 cars per train set

**ENTERGY TEXAS, INC.
CYCLE TIME
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021**

The Company has requested a waiver of this schedule.

**ENTERGY TEXAS, INC.
RAIL CARS
JANUARY – DECEMBER 2021**

Rail cars operated by the Company are as follows:

Year of Purchase/Lease	Manufacturer	Number of Cars	Capacity (tons)	Lease End	Average Cost of Cars Purchased
2019	Johnstown America	227 (See Note 1)	120	Owned	\$11,829.37
2015	Johnstown America	285 (See Note 1)	120	Owned	\$2,937.81

Note 1: Railcar EGSX 950300 was destroyed by the BNSF Railway on 10/01/2011 and removed from the lease and railcar EGSX 950067 was destroyed by Union Pacific Railroad on 12/28/2015 and removed from the lease, leaving 510 cars. Depreciated value of the destroyed car was recovered in accordance with industry standard formulas published in the Association of American Railroads ("AAR") Interchange Rules.

Big Cajun II, Unit 3:

The following data for Big Cajun II, Unit 3 was provided to ETI by Cleco Cajun LLC:

Trainsets are allocated to Big Cajun II from Cleco Cajun's pool as needed to meet fuel delivery requirements for the plant. Cost for the allocation is based on actual trainsets in service for BCII, prorated for Entergy's share of Unit 3 per the 2005 BCII Unit 3 Audit of Costs Agreement between Cleco Cajun LLC and Entergy.

All cars referenced above are leased.

**ENTERGY TEXAS, INC.
RAILCAR LEASES
JANUARY – DECEMBER 2021**

ELL did not fully utilize its railcar fleet during the audit period but retained its fleet to preserve flexibility in response to market volatility; therefore, making no attempts to lease or sublease any of its fleet.

Big Cajun II, Unit 3:

The following data provided by Cleco Cajun LLC:

Trainsets are allocated to Big Cajun II from Cleco Cajun's pool as needed to meet fuel delivery requirements for the plant. Cost for the allocation is based on actual trainsets in service for BCII, prorated for Entergy's share of Unit 3 per the 2005 BCII Unit 3 Audit of Costs Agreement between Cleco Cajun LLC and Entergy.

**ENTERGY TEXAS, INC.
RAIL CAR MAINTENANCE
JANUARY – DECEMBER 2021**

NELSON 6

The Company's coal car fleet is scheduled for routine inspection and maintenance at approximately semi-annual intervals, subject to shop constraints, coal delivery requirements, miles since the last maintenance and, beginning in 2012, Equipment Health Management System ("EHMS") reports issued by the railroads from data gathered by various trackside monitoring devices.

Maintenance is performed by either WATCO (formerly GBW Railcar Services, L.L.C.) at its shop in Pittsburg, KS, or Progress Rail Services Corporation at its shop in Northport, NE. Railcar maintenance work by WATCO Progress, and the railroads is inspected by AllTranstek, LLC, an independent railcar maintenance management and consulting company with whom ELL contracted beginning January 1, 2017. AllTranstek also audits all maintenance invoices and provides railcar maintenance consultation and management services for the ELL railcar fleet.

Big Cajun II, Unit 3

The following data was provided by Cleco Cajun, LLC:

Railcar maintenance costs are allocated per the 2005 BCII Unit 3 Audit of Costs Agreement between Cleco Cajun, LLC and Entergy.

PUBLIC
ENTERGY TEXAS, INC.
RAIL CAR REPAIRS
JANUARY – DECEMBER 2021

NELSON 6

Railcar repairs by Railroad. *

Big Cajun II, Unit 3

The following data was provided to ETI by Cleco Cajun LLC:

Railcar repair costs are allocated per the 2005 BCII Unit 3 Audit of Costs Agreement between Louisiana Generating, LLC and Entergy.

*Confidential

Sponsored by: Andrew Dornier

**ENTERGY TEXAS, INC.
FUEL MANAGEMENT TRAVEL
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021**

The Company has requested a waiver of this schedule.

**ENTERGY TEXAS, INC.
FUEL MANAGEMENT
JANUARY – DECEMBER 2021**

Significant activities undertaken by the Company during the Test Year to reduce fuel costs:

- On March 31, 2021, Entergy Louisiana, LLC issued a request for proposals for Rail Transportation of Coal to Nelson 6; the process resulted in a new transportation agreement with Union Pacific that reduced the coal transportation rate by approximately 20% beginning January 1, 2022.

**ENTERGY TEXAS, INC.
FUEL COST OVER/UNDER RECOVERY
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021**

The Company has requested a waiver of this schedule.

ENTERGY TEXAS, INC. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
For the Twelve Months Ended December 31, 2021 and 2020

	2021	2020
	(In Thousands)	
OPERATING REVENUES		
Electric	\$ 1,902,511	\$ 1,587,125
OPERATING EXPENSES		
Operation and Maintenance:		
Fuel, fuel-related expenses, and gas purchased for resale	335,742	238,428
Purchased power	588,941	510,633
Other operation and maintenance	281,713	250,170
Taxes other than income taxes	94,989	72,909
Depreciation and amortization	214,838	177,738
Other regulatory charges (credits) - net	59,581	90,398
TOTAL	1,575,804	1,340,276
OPERATING INCOME	326,707	246,849
OTHER INCOME		
Allowance for equity funds used during construction	9,892	44,073
Interest and investment income	837	1,201
Miscellaneous - net	721	(28)
TOTAL	11,450	45,246
INTEREST EXPENSE		
Interest expense	87,787	92,920
Allowance for borrowed funds used during construction	(3,980)	(18,940)
TOTAL	83,807	73,980
INCOME BEFORE INCOME TAXES	254,350	218,115
Income taxes	25,526	3,042
NET INCOME	228,824	215,073
Preferred dividend requirements	1,909	1,882
EARNINGS APPLICABLE TO COMMON STOCK	\$ 226,915	\$ 213,191

See Notes to Financial Statements, pages 6 through 191.
Amounts may not add or tie to other schedules due to rounding.
Sponsored by: Allison P. Lofton

ENTERGY TEXAS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Twelve Months Ended December 31, 2021 and 2020

	2021	2020
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	\$ 228,824	\$ 215,073
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Depreciation and amortization	214,838	177,738
Deferred income taxes, investment tax credits, and non-current taxes accrued	48,813	36,033
Changes in assets and liabilities:		
Receivables	(16,455)	(30,082)
Fuel inventory	10,819	(5,938)
Accounts payable	(5,718)	(23,692)
Prepaid taxes and taxes accrued	(3,420)	2,730
Interest accrued	(1,854)	1,864
Deferred fuel costs	(133,636)	72,355
Other working capital accounts	(12,105)	(11,837)
Provisions for estimated losses	(140)	274
Other regulatory assets	103,380	(12,065)
Other regulatory liabilities	(28,747)	(57,477)
Pension and other postretirement liabilities	(42,502)	(28,825)
Other assets and liabilities	(5,164)	39,174
Net cash flow provided by operating activities	356,933	375,325
INVESTING ACTIVITIES		
Construction expenditures	(702,754)	(895,857)
Allowance for equity funds used during construction	9,892	44,073
Proceeds from sale of assets	67,920	—
Payment for purchase of assets	(36,534)	(4,931)
Changes in money pool receivable - net	4,601	6,580
Changes in securitization account	9,604	1,487
Net cash flow used in investing activities	(647,271)	(848,648)
FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	127,931	937,725
Retirement of long-term debt	(269,435)	(367,565)
Capital contributions from parent	95,000	175,000
Proceeds from the issuance of preferred stock	3,713	—
Changes in money pool payable - net	79,594	—
Dividends paid:		
Common stock	—	(30,000)
Preferred stock	(1,881)	(2,064)
Other	6,848	(4,106)
Net cash flow provided by financing activities	41,770	708,990
Net increase (decrease) in cash and cash equivalents	(248,568)	235,667
Cash and cash equivalents at beginning of period	248,596	12,929
Cash and cash equivalents at end of period	\$ 28	\$ 248,596
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest - net of amount capitalized	\$ 87,094	\$ 89,077
Income taxes	\$ 17,594	\$ 2,792

See Notes to Financial Statements, pages 6 through 191.
Amounts may not add or tie to other schedules due to rounding.
Sponsored by: Allison P. Lofton

ENTERGY TEXAS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2021 and 2020

	2021	2020
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	\$ 28	\$ 26
Temporary cash investments	—	248,570
Total cash and cash equivalents	28	248,596
Securitization recovery trust account	26,629	36,233
Accounts receivable:		
Customer	83,797	103,221
Allowance for doubtful accounts	(5,814)	(16,810)
Associated companies	31,720	18,892
Other	13,404	11,780
Accrued unbilled revenues	62,241	56,411
Total accounts receivable	185,348	173,494
Deferred fuel costs	48,280	—
Fuel inventory - at average cost	42,712	53,531
Materials and supplies - at average cost	72,884	56,227
Prepayments and other	17,515	20,165
TOTAL	393,396	588,246
OTHER PROPERTY AND INVESTMENTS		
Investments in affiliates - at equity	300	349
Non-utility property - at cost (less accumulated depreciation)	376	376
Other	18,128	19,889
TOTAL	18,804	20,614
UTILITY PLANT		
Electric	7,181,567	6,007,687
Construction work in progress	183,965	879,908
TOTAL UTILITY PLANT	7,365,532	6,887,595
Less - accumulated depreciation and amortization	2,049,750	1,864,494
UTILITY PLANT - NET	5,315,782	5,023,101
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
Other regulatory assets (includes securitization property of \$23,818 as of December 31, 2021 and \$78,590 as of December 31, 2020)	421,333	524,713
Other	112,096	70,397
TOTAL	533,429	595,110
TOTAL ASSETS	\$ 6,261,411	\$ 6,227,071

See Notes to Financial Statements, pages 6 through 191.
Amounts may not add or tie to other schedules due to rounding.
Sponsored by: Allison P. Lofton

ENTERGY TEXAS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2021 and 2020

	2021	2020
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	\$ —	\$ 200,000
Accounts payable:		
Associated companies	142,929	55,944
Other	164,981	350,947
Customer deposits	37,271	36,282
Taxes accrued	49,018	52,438
Interest accrued	19,002	20,856
Current portion of unprotected excess accumulated deferred income taxes	27,188	29,249
Deferred fuel costs	—	85,356
Other	16,120	12,370
TOTAL	456,509	843,442
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	692,496	639,422
Accumulated deferred investment tax credits	9,325	9,942
Regulatory liability for income taxes - net	144,145	175,594
Other regulatory liabilities	37,060	32,297
Asset retirement cost liabilities	8,520	8,063
Accumulated provisions	8,242	8,382
Long-term debt (includes securitization bonds of \$53,979 as of December 31, 2021 and \$123,066 as of December 31, 2020)	2,354,148	2,293,708
Other	67,760	58,643
TOTAL	3,321,696	3,226,051
Commitments and Contingencies		
EQUITY		
Common stock, no par value, authorized 200,000,000 shares; issued and outstanding 46,525,000 shares in 2021 and 2020	49,452	49,452
Paid-in capital	1,050,125	955,162
Retained earnings	1,344,879	1,117,964
Total common shareholder's equity	2,444,456	2,122,578
Preferred stock without sinking fund	38,750	35,000
TOTAL	2,483,206	2,157,578
TOTAL LIABILITIES AND EQUITY	\$ 6,261,411	\$ 6,227,071

See Notes to Financial Statements, pages 6 through 191.
Amounts may not add or tie to other schedules due to rounding.
Sponsored by: Allison P. Lofton

ENTERGY TEXAS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2021 and 2020
(In Thousands)

		Common Equity			
	Preferred Stock	Common Stock	Paid-in Capital	Retained Earnings	Total
Balance at December 31, 2019	<u>\$ 35,000</u>	<u>\$ 49,452</u>	<u>\$ 780,182</u>	<u>\$ 934,773</u>	<u>\$ 1,799,407</u>
Net income	—	—	—	215,073	215,073
Capital contributions from parent	—	—	175,000	—	175,000
Common stock dividends	—	—	—	(30,000)	(30,000)
Preferred stock dividends	—	—	—	(1,882)	(1,882)
Other	—	—	(20)	—	(20)
Balance at December 31, 2020	<u>\$ 35,000</u>	<u>\$ 49,452</u>	<u>\$ 955,162</u>	<u>\$ 1,117,964</u>	<u>\$ 2,157,578</u>
Net income	—	—	—	228,824	228,824
Capital contributions from parent	—	—	95,000	—	95,000
Preferred stock issuance	3,750	—	(37)	—	3,713
Preferred stock dividends	—	—	—	(1,909)	(1,909)
Balance at December 31, 2021	<u>\$ 38,750</u>	<u>\$ 49,452</u>	<u>\$ 1,050,125</u>	<u>\$ 1,344,879</u>	<u>\$ 2,483,206</u>

See Notes to Financial Statements, pages 6 through 191.
Amounts may not add or tie to other schedules due to rounding.
Sponsored by: Allison P. Lofton

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

FORM 10-K

(Mark One)

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

For the Fiscal Year Ended December 31, 2021

OR

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

For the transition period from _____ to _____

Commission File Number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number, and IRS Employer Identification No.	Commission File Number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number, and IRS Employer Identification No.
1-11299	ENTERGY CORPORATION (a Delaware corporation) 639 Loyola Avenue New Orleans, Louisiana 70113 Telephone (504) 576-4000 72-1229752	1-35747	ENTERGY NEW ORLEANS, LLC (a Texas limited liability company) 1600 Perdido Street New Orleans, Louisiana 70112 Telephone (504) 670-3700 82-2212934
1-10764	ENTERGY ARKANSAS, LLC (a Texas limited liability company) 425 West Capitol Avenue Little Rock, Arkansas 72201 Telephone (501) 377-4000 83-1918668	1-34360	ENTERGY TEXAS, INC. (a Texas corporation) 2107 Research Forest Drive The Woodlands, Texas 77380 Telephone (409) 981-2000 61-1435798
1-32718	ENTERGY LOUISIANA, LLC (a Texas limited liability company) 4809 Jefferson Highway Jefferson, Louisiana 70121 Telephone (504) 576-4000 47-4469646	1-09067	SYSTEM ENERGY RESOURCES, INC. (an Arkansas corporation) 1340 Echelon Parkway Jackson, Mississippi 39213 Telephone (601) 368-5000 72-0752777
1-31508	ENTERGY MISSISSIPPI, LLC (a Texas limited liability company) 308 East Pearl Street Jackson, Mississippi 39201 Telephone (601) 368-5000 83-1950019		

ENTERGY CORPORATION AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

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

The accompanying consolidated financial statements include the accounts of Entergy Corporation and its subsidiaries. As required by generally accepted accounting principles in the United States of America, all intercompany transactions have been eliminated in the consolidated financial statements. Entergy's Registrant Subsidiaries (Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy) also include their separate financial statements in this Form 10-K. The Registrant Subsidiaries and many other Entergy subsidiaries also maintain accounts in accordance with FERC and other regulatory guidelines.

Use of Estimates in the Preparation of Financial Statements

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

Revenues and Fuel Costs

See Note 19 to the financial statements for a discussion of Entergy's and the Registrant Subsidiaries' revenues and fuel costs.

Property, Plant, and Equipment

Property, plant, and equipment is stated at original cost less regulatory disallowances and impairments. Depreciation is computed on the straight-line basis at rates based on the applicable estimated service lives of the various classes of property. For the Registrant Subsidiaries, the original cost of plant retired or removed, less salvage, is charged to accumulated depreciation. Normal maintenance, repairs, and minor replacement costs are charged to operating expenses. Certain combined-cycle gas turbine generating units are maintained under long-term service agreements with third-party service providers. The costs under these agreements are split between operating expenses and capital additions based upon the nature of the work performed. Substantially all of the Registrant Subsidiaries' plant is subject to mortgage liens.

Electric plant includes the portion of Grand Gulf that was sold and leased back in a prior period. For financial reporting purposes, this sale and leaseback arrangement is reported as a financing transaction.

Net property, plant, and equipment for Entergy (including property under lease and associated accumulated amortization) by business segment and functional category, as of December 31, 2021 and 2020, is shown below:

2021	Entergy	Utility	Entergy Wholesale Commodities	Parent & Other
			(In Millions)	
Production				
Nuclear	\$7,632	\$7,624	\$8	\$—
Other	7,158	7,105	53	—
Transmission	9,578	9,577	1	—
Distribution	12,877	12,877	—	—
Other	2,910	2,905	—	5
Construction work in progress	1,512	1,511	1	—
Nuclear fuel	577	563	14	—
Property, plant, and equipment - net	<u>\$42,244</u>	<u>\$42,162</u>	<u>\$77</u>	<u>\$5</u>

2020	Entergy	Utility	Entergy Wholesale Commodities	Parent & Other
			(In Millions)	
Production				
Nuclear	\$7,526	\$7,493	\$33	\$—
Other	6,346	6,270	76	—
Transmission	8,758	8,758	—	—
Distribution	10,805	10,805	—	—
Other	2,804	2,792	5	7
Construction work in progress	2,012	2,008	4	—
Nuclear fuel	601	548	53	—
Property, plant, and equipment - net	<u>\$38,853</u>	<u>\$38,674</u>	<u>\$171</u>	<u>\$7</u>

Depreciation rates on average depreciable property for Entergy approximated 2.7% in 2021, 2.8% in 2020, and 2.8% in 2019. Included in these rates are the depreciation rates on average depreciable Utility property of 2.7% in 2021, 2.7% in 2020, and 2.6% in 2019, and the depreciation rates on average depreciable Entergy Wholesale Commodities property of 7.5% in 2021, 12.7% in 2020, and 18.3% in 2019. The depreciation rates for Entergy Wholesale Commodities reflect the significantly reduced remaining estimated operating lives associated with management's strategy to shut down and sell all of the remaining plants in Entergy Wholesale Commodities' merchant nuclear fleet. The decreases in the depreciation rates in 2021 and 2020 for Entergy Wholesale Commodities are due to the shutdown of Indian Point 3 in April 2021 and the shutdown of Indian Point 2 in April 2020.

Entergy amortizes nuclear fuel using a units-of-production method. Nuclear fuel amortization is included in fuel expense in the income statements. Because the values of their long-lived assets were impaired, and their remaining estimated operating lives significantly reduced, the Entergy Wholesale Commodities nuclear plants, except for Palisades, charged nuclear fuel costs directly to expense when incurred because their undiscounted cash flows were insufficient to recover the carrying amount of these capital additions.

Non-utility property - at cost (less accumulated depreciation) for Entergy is reported net of accumulated depreciation of \$200 million as of December 31, 2021 and \$191 million as of December 31, 2020.

Construction expenditures included in accounts payable is \$723 million as of December 31, 2021 and \$745 million as of December 31, 2020.

Net property, plant, and equipment for the Registrant Subsidiaries (including property under lease and associated accumulated amortization) by company and functional category, as of December 31, 2021 and 2020, is shown below:

2021	Entergy Arkansas	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
(In Millions)						
Production						
Nuclear	\$1,775	\$3,941	\$—	\$—	\$—	\$1,908
Other	931	3,631	882	411	1,250	—
Transmission	2,065	4,237	1,383	114	1,743	35
Distribution	2,801	5,629	1,879	702	1,866	—
Other	534	1,042	342	349	273	24
Construction work in progress	241	848	95	22	184	98
Nuclear fuel	182	209	—	—	—	171
Property, plant, and equipment - net	<u>\$8,529</u>	<u>\$19,537</u>	<u>\$4,581</u>	<u>\$1,598</u>	<u>\$5,316</u>	<u>\$2,236</u>
2020	Entergy Arkansas	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
(In Millions)						
Production						
Nuclear	\$1,622	\$3,980	\$—	\$—	\$—	\$1,891
Other	803	3,660	868	416	523	—
Transmission	2,053	3,756	1,235	111	1,566	37
Distribution	2,666	4,130	1,651	576	1,782	—
Other	506	984	325	326	273	26
Construction work in progress	234	667	135	12	880	60
Nuclear fuel	163	210	—	—	—	175
Property, plant, and equipment - net	<u>\$8,047</u>	<u>\$17,388</u>	<u>\$4,214</u>	<u>\$1,441</u>	<u>\$5,023</u>	<u>\$2,189</u>

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

	Entergy Arkansas	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
2021	2.7%	2.4%	3.6%	3.2%	3.2%	1.9%
2020	2.6%	2.4%	3.5%	3.1%	3.1%	2.1%
2019	2.5%	2.4%	3.2%	3.2%	3.0%	2.1%

Non-utility property - at cost (less accumulated depreciation) for Entergy Louisiana is reported net of accumulated depreciation of \$188.5 million as of December 31, 2021 and \$179.8 million as of December 31, 2020. Non-utility property - at cost (less accumulated depreciation) for Entergy Mississippi is reported net of accumulated depreciation of \$0.5 million as of December 31, 2021 and \$0.5 million as of December 31, 2020.

As of December 31, 2021, construction expenditures included in accounts payable are \$35.6 million for Entergy Arkansas, \$507.9 million for Entergy Louisiana, \$26.5 million for Entergy Mississippi, \$73.1 million for Entergy Texas, and \$23.4 million for System Energy. As of December 31, 2020, construction expenditures included in accounts payable are \$59.7 million for Entergy Arkansas, \$460.5 million for Entergy Louisiana, \$31.4 million for Entergy Mississippi, \$9.2 million for Entergy New Orleans, \$116.8 million for Entergy Texas, and \$17.7 million for System Energy.

Jointly-Owned Generating Stations

Certain Entergy subsidiaries jointly own electric generating facilities with affiliates or third parties. All parties are required to provide their own financing. The investments, fuel expenses, and other operation and maintenance expenses associated with these generating stations are recorded by the Entergy subsidiaries to the extent of their respective undivided ownership interests. As of December 31, 2021, the subsidiaries' investment and accumulated depreciation in each of these generating stations were as follows:

Generating Stations		Fuel Type	Total Megawatt Capability (a)	Ownership	Investment	Accumulated Depreciation
(In Millions)						
Utility business:						
Entergy Arkansas -						
Independence	Unit 1	Coal	822	31.50%	\$143	\$106
Independence	Common Facilities	Coal		15.75%	\$43	\$31
White Bluff	Units 1 and 2	Coal	1,639	57.00%	\$587	\$390
Ouachita (b)	Common Facilities	Gas		66.67%	\$173	\$156
Union (c)	Common Facilities	Gas		25.00 %	\$29	\$9
Entergy Louisiana -						
Roy S. Nelson	Unit 6	Coal	521	40.25%	\$294	\$212
Roy S. Nelson	Unit 6 Common Facilities	Coal		19.57%	\$21	\$10
Big Cajun 2	Unit 3	Coal	540	24.15%	\$151	\$131
Big Cajun 2	Unit 3 Common Facilities	Coal		8.05%	\$5	\$3
Ouachita (b)	Common Facilities	Gas		33.33%	\$91	\$78
Acadia	Common Facilities	Gas		50.00%	\$21	\$2
Union (c)	Common Facilities	Gas		50.00 %	\$59	\$10
Entergy Mississippi -						
Independence	Units 1 and 2 and Common Facilities	Coal	1,246	25.00%	\$286	\$179
Entergy New Orleans -						
Union (c)	Common Facilities	Gas		25.00 %	\$29	\$8
Entergy Texas -						
Roy S. Nelson	Unit 6	Coal	521	29.75%	\$208	\$120
Roy S. Nelson	Unit 6 Common Facilities	Coal		14.47%	\$7	\$3
Big Cajun 2	Unit 3	Coal	540	17.85%	\$113	\$84
Big Cajun 2	Unit 3 Common Facilities	Coal		5.95%	\$4	\$1
Montgomery County	Unit 1	Gas	909	92.44%	\$728	\$18
System Energy -						
Grand Gulf (d)	Unit 1	Nuclear	1,404	90.00 %	\$5,363	\$3,317
Entergy Wholesale Commodities:						
Independence	Unit 2	Coal	424	14.37%	\$76	\$55
Independence	Common Facilities	Coal		7.18%	\$20	\$14
Roy S. Nelson	Unit 6	Coal	521	10.90%	\$118	\$69
Roy S. Nelson	Unit 6 Common Facilities	Coal		5.30%	\$3	\$1

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

- (b) Ouachita Units 1 and 2 are owned 100% by Entergy Arkansas and Ouachita Unit 3 is owned 100% by Entergy Louisiana. The investment and accumulated depreciation numbers above are only for the common facilities and not for the generating units.
- (c) Union Unit 1 is owned 100% by Entergy New Orleans, Union Unit 2 is owned 100% by Entergy Arkansas, Union Units 3 and 4 are owned 100% by Entergy Louisiana. The investment and accumulated depreciation numbers above are only for the specified common facilities and not for the generating units.
- (d) Includes a leasehold interest held by System Energy. System Energy's Grand Gulf lease obligations are discussed in Note 5 to the financial statements.

Nuclear Refueling Outage Costs

Nuclear refueling outage costs are deferred during the outage and amortized over the estimated period to the next outage because these refueling outage expenses are incurred to prepare the units to operate for the next operating cycle without having to be taken off line. Because the values of their long-lived assets were impaired, and their remaining estimated operating lives significantly reduced, the Entergy Wholesale Commodities nuclear plants, except for Palisades, charged nuclear refueling outage costs directly to expense when incurred because their undiscounted cash flows were insufficient to recover the carrying amount of these costs.

Allowance for Funds Used During Construction (AFUDC)

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

Income Taxes

Entergy Corporation and the majority of its subsidiaries file a United States consolidated federal income tax return. In September 2019, Entergy Utility Holding Company, LLC and its regulated wholly-owned subsidiaries including Entergy Arkansas, LLC, Entergy Louisiana, LLC, Entergy Mississippi, LLC, and Entergy New Orleans, LLC became eligible to join and joined the Entergy Corporation consolidated federal income tax group. These changes do not affect the accrual or allocation of income taxes for the Registrant Subsidiaries. Each tax-paying entity records income taxes as if it were a separate taxpayer and consolidating adjustments are allocated to the tax filing entities in accordance with Entergy's intercompany income tax allocation agreements. Deferred income taxes are recorded for temporary differences between the book and tax basis of assets and liabilities, and for certain losses and credits available for carryforward.

Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates in the period in which the tax or rate was enacted. See the **"Other Tax Matters - Tax Cuts and Jobs Act"** section in Note 3 to the financial statements for discussion of the effects of the enactment of the Tax Cuts and Jobs Act in December 2017.

The benefits of investment tax credits are deferred and amortized over the average useful life of the related property, as a reduction of income tax expense, for such credits associated with rate-regulated operations in accordance with ratemaking treatment.

Earnings per Share

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

	For the Years Ended December 31,					
	2021		2020		2019	
	(In Millions, Except Per Share Data)					
	\$ /share		\$ /share		\$ /share	
Net income attributable to Entergy Corporation	\$1,118.5		\$1,388.3		\$1,241.2	
Basic shares and earnings per average common share	200.9	\$5.57	200.1	\$6.94	195.2	\$6.36
Average dilutive effect of:						
Stock options	0.4	(0.01)	0.5	(0.02)	0.6	(0.02)
Other equity plans	0.6	(0.02)	0.5	(0.02)	0.8	(0.03)
Equity forwards	—	—	—	—	0.4	(0.01)
Diluted shares and earnings per average common shares	201.9	\$5.54	201.1	\$6.90	197.0	\$6.30

The calculation of diluted earnings per share excluded 1,013,320 options outstanding at December 31, 2021, 523,999 options outstanding at December 31, 2020, and 173,290 options outstanding at December 31, 2019 because they were antidilutive. In addition, as discussed further in Note 7 to the financial statements, at December 31, 2021, 1,158,917 shares under then outstanding forward sale agreements were not included in the calculation of diluted earnings per share because their effect would have been antidilutive.

Stock-based Compensation Plans

Entergy grants stock options, restricted stock, performance units, and restricted stock unit awards to key employees of the Entergy subsidiaries under its Equity Ownership Plans, which are shareholder-approved stock-based compensation plans. These plans are described more fully in Note 12 to the financial statements. The cost of the stock-based compensation is charged to income over the vesting period. Awards under Entergy's plans generally vest over three years. Entergy accounts for forfeitures of stock-based compensation when they occur. Entergy recognizes all income tax effects related to share-based payments through the income statement.

Accounting for the Effects of Regulation

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

An enterprise that ceases to meet the three criteria for all or part of its operations should report that event in its financial statements. In general, the enterprise no longer meeting the criteria should eliminate from its balance sheet all regulatory assets and liabilities related to the applicable operations. Additionally, if it is determined that a

regulated enterprise is no longer recovering all of its costs, it is possible that an impairment may exist that could require further write-offs of plant assets.

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

Regulatory Asset or Liability for Income Taxes

Accounting standards for income taxes provide that a regulatory asset or liability be recorded if it is probable that the currently determinable future increase or decrease in regulatory income tax expense will be recovered from or returned to customers through future rates. There are two main sources of Entergy's regulatory asset or liability for income taxes. There is a regulatory asset related to the ratemaking treatment of the tax effects of book depreciation for the equity component of AFUDC that has been capitalized to property, plant, and equipment but for which there is no corresponding tax basis. Equity-AFUDC is a component of property, plant, and equipment that is included in rate base when the plant is placed in service. There is a regulatory liability related to the adjustment of Entergy's net deferred income taxes that was required by the enactment in December 2017 of a change in the federal corporate income tax rate, which is discussed in Note 2 and 3 to the financial statements.

Cash and Cash Equivalents

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

Securitization Recovery Trust Accounts

The funds that Entergy New Orleans and Entergy Texas hold in their securitization recovery trust accounts are not classified as cash and cash equivalents or restricted cash and cash equivalents because of their nature, uses, and restrictions. These funds are classified as part of other current assets and other investments, depending on the timeframe within which the Registrant Subsidiary expects to use the funds.

Allowance for Doubtful Accounts

The allowance for doubtful accounts reflects Entergy's best estimate of losses on the accounts receivable balances. The allowance is calculated as the historical rate of customer write-offs multiplied by the current accounts receivable balance, taking into account the length of time the receivable balances have been outstanding. Although the rate of customer write-offs has historically experienced minimal variation, management monitors the current condition of individual customer accounts to manage collections and ensure bad debt expense is recorded in a timely manner. Utility operating company customer accounts receivable are written off consistent with approved regulatory requirements. See Note 19 to the financial statements for further details on the allowance for doubtful accounts.

Investments

Entergy records decommissioning trust funds on the balance sheet at their fair value. Unrealized gains and losses on investments in equity securities held by the nuclear decommissioning trust funds are recorded in earnings as they occur rather than in other comprehensive income. Because of the ability of the Registrant Subsidiaries to

recover decommissioning costs in rates and in accordance with the regulatory treatment for decommissioning trust funds, the Registrant Subsidiaries have recorded an offsetting amount of unrealized gains/(losses) on investment securities in other regulatory liabilities/assets. For the 30% interest in River Bend formerly owned by Cajun, Entergy Louisiana records an offsetting amount in other deferred credits for the unrealized trust earnings not currently expected to be needed to decommission the plant. Decommissioning trust funds for the Entergy Wholesale Commodities nuclear plants do not meet the criteria for regulatory accounting treatment. Accordingly, unrealized gains/(losses) recorded on the equity securities in the trust funds are recognized in earnings. Unrealized gains recorded on the available-for-sale debt securities in the trust funds are recognized in the accumulated other comprehensive income component of shareholders' equity. Unrealized losses (where cost exceeds fair market value) on the available-for-sale debt securities in the trust funds are also recorded in the accumulated other comprehensive income component of shareholders' equity unless the unrealized loss is other than temporary and therefore recorded in earnings. A portion of Entergy's decommissioning trust funds were held in a wholly-owned registered investment company, and unrealized gains and losses on both the equity and debt securities held in the registered investment company were recognized in earnings. In December 2020, Entergy liquidated its interest in the registered investment company. The assessment of whether an investment in an available-for-sale debt security has suffered an other-than-temporary impairment is based on whether Entergy has the intent to sell or more likely than not will be required to sell the debt security before recovery of its amortized costs. Further, if Entergy does not expect to recover the entire amortized cost basis of the debt security, an other-than-temporary impairment is considered to have occurred and it is measured by the present value of cash flows expected to be collected less the amortized cost basis (credit loss). Effective January 1, 2020, with the adoption of ASU 2016-13, Entergy estimates the expected credit losses for its available for sale securities based on the current credit rating and remaining life of the securities. To the extent an expected credit loss is realized, the individual security comprising the loss is written off against this allowance. Entergy's trusts are managed by third parties who operate in accordance with agreements that define investment guidelines and place restrictions on the purchases and sales of investments. See Note 16 to the financial statements for details on the decommissioning trust funds.

Equity Method Investments

Entergy owns investments that are accounted for under the equity method of accounting because Entergy's ownership level results in significant influence, but not control, over the investee and its operations. Entergy records its share of the investee's comprehensive earnings and losses in income and as an increase or decrease to the investment account. Any cash distributions are charged against the investment account. Entergy discontinues the recognition of losses on equity investments when its share of losses equals or exceeds its carrying amount for an investee plus any advances made or commitments to provide additional financial support.

Partnership with Disproportionate Allocation of Earnings and Losses in Relation to an Investor's Ownership Interest

Entergy Arkansas, as managing member, controls a tax equity partnership with a third party tax equity investor and consolidates the partnership for financial reporting purposes. The limited liability company agreement with the tax equity investor stipulates a disproportionate allocation of tax attributes, earnings, and cash flows between Entergy Arkansas and the tax equity investor with the tax equity investor being allocated a significant portion of the tax attributes, earnings, and cash flows until it receives its target return, at which point the earnings and cash flows will primarily be allocated to Entergy Arkansas. Entergy Arkansas has the option to purchase, at a future date specified in the partnership agreement, the tax equity investor's interests at the then-current fair market value, plus an amount that results in the tax equity investor reaching its target return, if needed.

Because of this disproportionate allocation, Entergy Arkansas accounts for its earnings in the partnership using the HLBV method of accounting. Under the HLBV method, the amounts of income and loss attributable to both Entergy Arkansas and the tax equity investor reflect changes in the amount each would hypothetically receive at the balance sheet date under the respective liquidation provisions of the limited liability company agreement, assuming the net assets of the partnership were liquidated at book value, after consideration of contributions and