

The unrealized gains/(losses) recognized during the year ended December 31, 2021 on equity securities still held as of December 31, 2021 were \$249.4 million. The equity securities are generally held in funds that are designed to approximate the return of the Standard & Poor's 500 Index. A relatively small percentage of the equity securities are held in funds intended to replicate the return of the Wilshire 4500 Index.

The fair value and gross unrealized losses of available-for-sale debt securities, summarized by length of time that the securities had been in a continuous loss position, were as follows as of December 31, 2021 and 2020:

	December 31, 2021		December 31, 2020	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$206.9	\$1.4	\$36.4	\$0.5
More than 12 months	42.9	1.9	0.8	—
Total	\$249.8	\$3.3	\$37.2	\$0.5

The fair value of available-for-sale debt securities, summarized by contractual maturities, as of December 31, 2021 and 2020 are as follows:

	2021	2020
	(In Millions)	
Less than 1 year	\$—	\$—
1 year - 5 years	157.8	117.0
5 years - 10 years	173.0	159.4
10 years - 15 years	123.0	101.2
15 years - 20 years	80.2	66.9
20 years+	260.2	187.7
Total	\$794.2	\$632.2

During the years ended December 31, 2021, 2020, and 2019, proceeds from the dispositions of available-for-sale securities amounted to \$303.4 million, \$159.7 million, and \$186 million, respectively. During the years ended December 31, 2021, 2020, and 2019, gross gains of \$6.8 million, \$8.1 million, and \$4.8 million, respectively, and gross losses of \$4.1 million, \$0.7 million, and \$0.3 million, respectively, related to available-for-sale securities were reclassified out of other regulatory liabilities/assets into earnings.

System Energy

System Energy holds equity securities and available-for-sale debt securities in nuclear decommissioning trust accounts. The available-for-sale securities held as of December 31, 2021 and 2020 are summarized as follows:

	Fair Value	Total Unrealized Gains	Total Unrealized Losses
	(In Millions)		
2021			
Debt Securities	\$524.5	\$11.8	\$2.9
2020			
Debt Securities	\$427.7	\$30.0	\$0.8

The amortized cost of available-for-sale debt securities was \$515.6 million as of December 31, 2021 and \$398.4 million as of December 31, 2020. As of December 31, 2021, the available-for-sale debt securities had an average coupon rate of approximately 2.33%, an average duration of approximately 7.33 years, and an average maturity of approximately 10.15 years.

The unrealized gains/(losses) recognized during the year ended December 31, 2021 on equity securities still held as of December 31, 2021 were \$155.1 million. The equity securities are generally held in funds that are designed to approximate the return of the Standard & Poor's 500 Index. A relatively small percentage of the equity securities are held in funds intended to replicate the return of the Wilshire 4500 Index.

The fair value and gross unrealized losses of available-for-sale debt securities, summarized by length of time that the securities had been in a continuous loss position, were as follows as of December 31, 2021 and 2020:

	December 31, 2021		December 31, 2020	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$276.6	\$2.3	\$28.9	\$0.8
More than 12 months	11.3	0.6	—	—
Total	\$287.9	\$2.9	\$28.9	\$0.8

The fair value of available-for-sale debt securities, summarized by contractual maturities, as of December 31, 2021 and 2020 are as follows:

	2021	2020
	(In Millions)	
Less than 1 year	\$—	(\$1.1)
1 year - 5 years	156.8	134.7
5 years - 10 years	161.8	141.5
10 years - 15 years	58.6	31.5
15 years - 20 years	1.9	5.3
20 years+	145.4	115.8
Total	\$524.5	\$427.7

During the years ended December 31, 2021, 2020, and 2019, proceeds from the dispositions of available-for-sale securities amounted to \$513.8 million, \$252.2 million, and \$338.1 million, respectively. During the years ended December 31, 2021, 2020, and 2019, gross gains of \$9.3 million, \$11.5 million, and \$5.4 million, respectively, and gross losses of \$4.0 million, \$0.6 million, and \$0.7 million, respectively, related to available-for-sale securities were reclassified out of other regulatory liabilities/assets into earnings.

Allowance for expected credit losses

Entergy implemented ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, effective January 1, 2020. In accordance with the new standard, 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 individual security is determined to be uncollectible it is written off against this allowance. Entergy's available-for-sale securities are held in trusts managed by third parties who operate in accordance with agreements that define investment guidelines and place restrictions on the purchases and sales of investments. Specifically, available-for-sale securities are subject to credit worthiness restrictions, with requirements for both the average credit rating of the portfolio and minimum credit ratings for individual debt

securities. As of December 31, 2021 and 2020, Entergy's allowance for expected credit losses related to available-for-sale securities were \$0.4 million and \$0.1 million, respectively. Entergy did not record any impairments of available-for-sale debt securities for the years ended December 31, 2021 and 2020.

Other-than-temporary impairments and unrealized gains and losses

Prior to the implementation of ASU 2016-13 on January 1, 2020, Entergy evaluated the available-for-sale debt securities in the Entergy Wholesale Commodities nuclear decommissioning trust funds with unrealized losses at the end of each period to determine whether an other-than-temporary impairment had occurred. The assessment of whether an investment in a debt security suffered an other-than-temporary impairment was based on whether Entergy had the intent to sell or more likely than not would have been required to sell the debt security before recovery of its amortized costs. Further, if Entergy did not expect to recover the entire amortized cost basis of the debt security, an other-than-temporary impairment was considered to have occurred and it was measured by the present value of cash flows expected to be collected less the amortized cost basis (credit loss). Entergy did not have any material other-than-temporary impairments relating to credit losses on debt securities for the year ended December 31, 2019.

NOTE 17. VARIABLE INTEREST ENTITIES (Entergy Corporation, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy)

Under applicable authoritative accounting guidance, a variable interest entity (VIE) is an entity that conducts a business or holds property that possesses any of the following characteristics: an insufficient amount of equity at risk to finance its activities, equity owners who do not have the power to direct the significant activities of the entity (or have voting rights that are disproportionate to their ownership interest), or where equity holders do not receive expected losses or returns. An entity may have an interest in a VIE through ownership or other contractual rights or obligations, and is required to consolidate a VIE if it is the VIE's primary beneficiary. The primary beneficiary of a VIE is the entity that has the power to direct the activities of the VIE that most significantly affect the VIE's economic performance and has the obligation to absorb losses or has the right to residual returns that would potentially be significant to the entity.

Entergy Arkansas, Entergy Louisiana, and System Energy consolidate the respective companies from which they lease nuclear fuel, usually in a sale and leaseback transaction. This is because Entergy directs the nuclear fuel companies with respect to nuclear fuel purchases, assists the nuclear fuel companies in obtaining financing, and, if financing cannot be arranged, the lessee (Entergy Arkansas, Entergy Louisiana, or System Energy) is responsible to repurchase nuclear fuel to allow the nuclear fuel company (the VIE) to meet its obligations. During the term of the arrangements, none of the Entergy operating companies have been required to provide financial support apart from their scheduled lease payments. See Note 4 to the financial statements for details of the nuclear fuel companies' credit facility and commercial paper borrowings and long-term debt that are reported by Entergy, Entergy Arkansas, Entergy Louisiana, and System Energy. These amounts also represent Entergy's and the respective Registrant Subsidiary's maximum exposure to losses associated with their respective interests in the nuclear fuel companies.

Entergy Gulf States Reconstruction Funding I, LLC, and Entergy Texas Restoration Funding, LLC, companies wholly-owned and consolidated by Entergy Texas, are variable interest entities and Entergy Texas is the primary beneficiary. In June 2007, Entergy Gulf States Reconstruction Funding issued senior secured transition bonds (securitization bonds) to finance Entergy Texas's Hurricane Rita reconstruction costs. Although the principal amount was not due until June 2022, Entergy Gulf States Reconstruction Funding made principal payments on the bonds in 2021, after which the bonds were fully repaid. In November 2009, Entergy Texas Restoration Funding issued senior secured transition bonds (securitization bonds) to finance Entergy Texas's Hurricane Ike and Hurricane Gustav restoration costs. With the proceeds, the variable interest entities purchased from Entergy Texas the transition property, which is the right to recover from customers through a transition charge amounts sufficient to service the securitization bonds. The transition property is reflected as a regulatory asset on the consolidated

Entergy Texas balance sheet. The creditors of Entergy Texas do not have recourse to the assets or revenues of the variable interest entities, including the transition property, and the creditors of the variable interest entities do not have recourse to the assets or revenues of Entergy Texas. Entergy Texas has no payment obligations to the variable interest entities except to remit transition charge collections. See Note 5 to the financial statements for additional details regarding the securitization bonds.

Entergy Arkansas Restoration Funding, LLC, a company wholly-owned and consolidated by Entergy Arkansas, is a variable interest entity and Entergy Arkansas is the primary beneficiary. In August 2010, Entergy Arkansas Restoration Funding issued storm cost recovery bonds to finance Entergy Arkansas's January 2009 ice storm damage restoration costs. With the proceeds, Entergy Arkansas Restoration Funding purchased from Entergy Arkansas the storm recovery property, which is the right to recover from customers through a storm recovery charge amounts sufficient to service the securitization bonds. Although the principal amount was not due until August 2021, Entergy Arkansas Restoration Funding made principal payments on the bonds in 2020, after which the bonds were fully repaid. Entergy Arkansas Restoration Funding, LLC was then legally dissolved in January 2021. See Note 5 to the financial statements for additional details regarding the storm cost recovery bonds.

Entergy Louisiana Investment Recovery Funding I, L.L.C., a company wholly-owned and consolidated by Entergy Louisiana, is a variable interest entity and Entergy Louisiana is the primary beneficiary. In September 2011, Entergy Louisiana Investment Recovery Funding issued investment recovery bonds to recover Entergy Louisiana's investment recovery costs associated with the canceled Little Gypsy repowering project. With the proceeds, Entergy Louisiana Investment Recovery Funding purchased from Entergy Louisiana the investment recovery property, which is the right to recover from customers through an investment recovery charge amounts sufficient to service the bonds. Although the principal amount was not due until September 2023, Entergy Louisiana Investment Recovery Funding made principal payments on the bonds in 2021, after which the bonds were fully repaid. See Note 5 to the financial statements for additional details regarding the investment recovery bonds.

Entergy New Orleans Storm Recovery Funding I, L.L.C., a company wholly-owned and consolidated by Entergy New Orleans, is a variable interest entity, and Entergy New Orleans is the primary beneficiary. In July 2015, Entergy New Orleans Storm Recovery Funding issued storm cost recovery bonds to recover Entergy New Orleans's Hurricane Isaac storm restoration costs, including carrying costs, the costs of funding and replenishing the storm recovery reserve, and up-front financing costs associated with the securitization. With the proceeds, Entergy New Orleans Storm Recovery Funding purchased from Entergy New Orleans the storm recovery property, which is the right to recover from customers through a storm recovery charge amounts sufficient to service the securitization bonds. The storm recovery property is reflected as a regulatory asset on the consolidated Entergy New Orleans balance sheet. The creditors of Entergy New Orleans do not have recourse to the assets or revenues of Entergy New Orleans Storm Recovery Funding, including the storm recovery property, and the creditors of Entergy New Orleans Storm Recovery Funding do not have recourse to the assets or revenues of Entergy New Orleans. Entergy New Orleans has no payment obligations to Entergy New Orleans Storm Recovery Funding except to remit storm recovery charge collections. See Note 5 to the financial statements for additional details regarding the securitization bonds.

System Energy is considered to hold a variable interest in the lessor from which it leases an undivided interest in the Grand Gulf nuclear plant. System Energy is the lessee under this arrangement, which is described in more detail in Note 5 to the financial statements. System Energy made payments on its lease, including interest, of \$17.2 million in 2021, \$17.2 million in 2020, and \$17.2 million in 2019. The lessor is a bank acting in the capacity of owner trustee for the benefit of equity investors in the transaction pursuant to trust agreement entered solely for the purpose of facilitating the lease transaction. It is possible that System Energy may be considered as the primary beneficiary of the lessor, but it is unable to apply the authoritative accounting guidance with respect to this VIE because the lessor is not required to, and could not, provide the necessary financial information to consolidate the lessor. Because System Energy accounts for this leasing arrangement as a capital financing, however, System Energy believes that consolidating the lessor would not materially affect the financial statements. In the unlikely event of default under a lease, remedies available to the lessor include payment by the lessee of the fair value of the

undivided interest in the plant, payment of the present value of the basic rent payments, or payment of a predetermined casualty value. System Energy believes, however, that the obligations recorded on the balance sheet materially represent its potential exposure to loss.

AR Searcy Partnership, LLC, is a tax equity partnership that qualifies as a variable interest entity, which Entergy Arkansas is required to consolidate as it is the primary beneficiary. See Note 14 to the financial statements for additional discussion on the establishment of AR Searcy Partnership, LLC and the acquisition of the Searcy Solar facility. The entity is a VIE because the membership interests do not give Entergy Arkansas or the third party tax equity investor substantive kick out rights typical of equity owners. Entergy Arkansas is the primary beneficiary of the partnership because it is the managing member and has the right to a majority of the operating income of the partnership. See Note 1 to the financial statements for further discussion on the presentation of the third party tax equity partner's noncontrolling interest and the HLBV method of accounting used to account for Entergy Arkansas's investment in AR Searcy Partnership, LLC. As of December 31, 2021, AR Searcy Partnership, LLC recorded assets equal to \$140 million, primarily consisting of property, plant, and equipment, and the carrying value of Entergy Arkansas's ownership interest in the partnership was approximately \$107 million.

Entergy has also reviewed various lease arrangements, power purchase agreements, including agreements for renewable power, and other agreements that represent variable interests in other legal entities which have been determined to be variable interest entities. In these cases, Entergy has determined that it is not the primary beneficiary of the related VIE because it does not have the power to direct the activities of the VIE that most significantly affect the VIE's economic performance, or it does not have the obligation to absorb losses or the right to residual returns that would potentially be significant to the entity, or both.

NOTE 18. TRANSACTIONS WITH AFFILIATES (Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy)

Each Registrant Subsidiary purchases electricity from or sells electricity to the other Registrant Subsidiaries, or both, under rate schedules filed with the FERC. The Registrant Subsidiaries receive management, technical, advisory, operating, and administrative services from Entergy Services; and receive management, technical, and operating services from Entergy Operations. These transactions are on an "at cost" basis.

As described in Note 1 to the financial statements, all of System Energy's operating revenues consist of billings to Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans.

As described in Note 4 to the financial statements, the Registrant Subsidiaries participate in Entergy's money pool and earn interest income from the money pool. As described in Note 2 to the financial statements, Entergy Louisiana receives preferred membership interest distributions from Entergy Holdings Company.

The tables below contain the various affiliate transactions of the Utility operating companies, System Energy, and other Entergy affiliates.

Intercompany Revenues

	Entergy Arkansas	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
	(In Millions)					
2021	\$109.8	\$289.9	\$1.4	\$—	\$64.3	\$545.6
2020	\$105.2	\$280.5	\$1.2	\$—	\$40.4	\$520.7
2019	\$117.5	\$277.8	\$1.4	\$—	\$51.6	\$584.1

Intercompany Operating Expenses

	Entergy Arkansas	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
	(In Millions)					
2021	\$559.7	\$755.2	\$299.8	\$287.8	\$275.0	\$190.8
2020	\$515.5	\$661.5	\$283.3	\$266.0	\$260.3	\$177.4
2019	\$534.0	\$665.4	\$306.7	\$292.1	\$255.0	\$156.2

Intercompany Interest and Investment Income

	Entergy Arkansas	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
	(In Millions)					
2021	\$—	\$127.6	\$—	\$—	\$—	\$—
2020	\$—	\$127.7	\$0.1	\$—	\$—	\$0.2
2019	\$0.4	\$128.5	\$0.4	\$—	\$0.4	\$1.0

Transactions with Equity Method Investees

EWOW Marketing, LLC, an indirect wholly-owned subsidiary of Entergy, paid capacity charges and gas transportation to RS Cogen in the amounts of \$24 million in 2021, \$26 million in 2020, and \$24.5 million in 2019.

Entergy's operating transactions with its other equity method investees were not significant in 2021, 2020, or 2019.

NOTE 19. REVENUE (Entergy Corporation, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy)

Revenues from electric service and the sale of natural gas are recognized when services are transferred to the customer in an amount equal to what Entergy has the right to bill the customer because this amount represents the value of services provided to customers. Entergy's total revenues for the years ended December 31, 2021, 2020 and 2019 are as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
		(In Thousands)	
Utility:			
Residential	\$3,981,846	\$3,550,317	\$3,531,500
Commercial	2,610,207	2,292,740	2,475,586
Industrial	2,942,370	2,331,170	2,541,287
Governmental	245,685	212,131	228,470
Total billed retail	<u>9,780,108</u>	<u>8,386,358</u>	<u>8,776,843</u>
Sales for resale (a)	601,895	295,810	285,722
Other electric revenues (b)	<u>375,312</u>	<u>348,102</u>	<u>343,143</u>
Revenues from contracts with customers	<u>10,757,315</u>	<u>9,030,270</u>	<u>9,405,708</u>
Other revenues (c)	<u>116,680</u>	<u>16,373</u>	<u>24,270</u>
Total electric revenues	<u>10,873,995</u>	<u>9,046,643</u>	<u>9,429,978</u>
Natural gas	<u>170,610</u>	<u>124,008</u>	<u>153,954</u>
Entergy Wholesale Commodities:			
Competitive businesses sales from contracts with customers (a)	672,493	771,360	1,164,552
Other revenues (c)	<u>25,798</u>	<u>171,625</u>	<u>130,189</u>
Total competitive businesses revenues	<u>698,291</u>	<u>942,985</u>	<u>1,294,741</u>
Total operating revenues	<u><u>\$11,742,896</u></u>	<u><u>\$10,113,636</u></u>	<u><u>\$10,878,673</u></u>

The Utility operating companies' total revenues for the year ended December 31, 2021 were as follows:

2021	Entergy Arkansas	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas
	(In Thousands)				
Residential	\$882,773	\$1,484,612	\$578,258	\$269,891	\$766,312
Commercial	480,401	1,055,825	439,950	208,104	425,927
Industrial	496,661	1,771,311	150,698	30,751	492,949
Governmental	19,112	82,503	46,248	71,584	26,238
Total billed retail	1,878,947	4,394,251	1,215,154	580,330	1,711,426
Sales for resale (a)	311,791	391,424	124,632	88,349	145,719
Other electric revenues (b)	130,443	148,304	58,357	1,813	41,805
Revenues from contracts with customers	2,321,181	4,933,979	1,398,143	670,492	1,898,950
Other revenues (c)	17,409	60,480	8,203	1,739	3,561
Total electric revenues	2,338,590	4,994,459	1,406,346	672,231	1,902,511
Natural gas	—	73,989	—	96,621	—
Total operating revenues	<u>\$2,338,590</u>	<u>\$5,068,448</u>	<u>\$1,406,346</u>	<u>\$768,852</u>	<u>\$1,902,511</u>

The Utility operating companies' total revenues for the year ended December 31, 2020 were as follows:

2020	Entergy Arkansas	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas
	(In Thousands)				
Residential	\$841,162	\$1,270,187	\$523,379	\$243,502	\$672,087
Commercial	466,273	886,548	395,875	179,406	364,638
Industrial	461,907	1,314,234	145,100	24,248	385,681
Governmental	18,011	68,901	41,955	59,819	23,445
Total billed retail	1,787,353	3,539,870	1,106,309	506,975	1,445,851
Sales for resale (a)	173,115	333,594	77,530	33,213	100,273
Other electric revenues (b)	109,642	141,004	54,590	8,294	39,981
Revenues from contracts with customers	2,070,110	4,014,468	1,238,429	548,482	1,586,105
Other revenues (c)	14,384	4,595	9,425	12,150	1,020
Total electric revenues	2,084,494	4,019,063	1,247,854	560,632	1,587,125
Natural gas	—	50,799	—	73,209	—
Total operating revenues	<u>\$2,084,494</u>	<u>\$4,069,862</u>	<u>\$1,247,854</u>	<u>\$633,841</u>	<u>\$1,587,125</u>

The Utility operating companies' total revenues for the year ended December 31, 2019 were as follows:

2019	Entergy Arkansas	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas
	(In Thousands)				
Residential	\$795,269	\$1,270,478	\$562,219	\$245,081	\$658,453
Commercial	538,850	947,412	444,173	202,138	343,013
Industrial	520,958	1,450,966	164,491	31,824	373,048
Governmental	20,795	71,046	44,300	70,865	21,464
Total billed retail	<u>1,875,872</u>	<u>3,739,902</u>	<u>1,215,183</u>	<u>549,908</u>	<u>1,395,978</u>
Sales for resale (a)	257,864	333,395	39,295	38,626	59,074
Other electric revenues (b)	112,618	135,783	58,269	9,842	32,424
Revenues from contracts with customers	<u>2,246,354</u>	<u>4,209,080</u>	<u>1,312,747</u>	<u>598,376</u>	<u>1,487,476</u>
Other revenues (c)	13,240	13,947	10,296	(3,959)	1,479
Total electric revenues	<u>2,259,594</u>	<u>4,223,027</u>	<u>1,323,043</u>	<u>594,417</u>	<u>1,488,955</u>
Natural gas	—	62,148	—	91,806	—
Total operating revenues	<u><u>\$2,259,594</u></u>	<u><u>\$4,285,175</u></u>	<u><u>\$1,323,043</u></u>	<u><u>\$686,223</u></u>	<u><u>\$1,488,955</u></u>

- (a) Sales for resale and competitive businesses sales include day-ahead sales of energy in a market administered by an ISO. These sales represent financially binding commitments for the sale of physical energy the next day. These sales are adjusted to actual power generated and delivered in the real time market. Given the short duration of these transactions, Entergy does not consider them to be derivatives subject to fair value adjustments, and includes them as part of customer revenues.
- (b) Other electric revenues consist primarily of transmission and ancillary services provided to participants of an ISO-administered market and unbilled revenue.
- (c) Other revenues include the settlement of financial hedges, occasional sales of inventory, alternative revenue programs, provisions for revenue subject to refund, and late fees.

Electric Revenues

Entergy's primary source of revenue is from retail electric sales sold under tariff rates approved by regulators in its various jurisdictions. Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and Entergy Texas generate, transmit, and distribute electric power primarily to retail customers in Arkansas, Louisiana, Mississippi, and Texas. Entergy's Utility operating companies provide power to customers on demand throughout the month, measured by a meter located at the customer's property. Approved rates vary by customer class due to differing requirements of the customers and market factors involved in fulfilling those requirements. Entergy issues monthly bills to customers at rates approved by regulators for power and related services provided during the previous billing cycle.

To the extent that deliveries have occurred but a bill has not been issued, Entergy's Utility operating companies record an estimate for energy delivered since the latest billings. The Utility operating companies calculate the estimate based upon several factors including billings through the last billing cycle in a month, actual generation in the month, historical line loss factors, and market prices of power in the respective jurisdiction. The inputs are revised as needed to approximate actual usage and cost. Each month, estimated unbilled amounts are recorded as unbilled revenue and accounts receivable, and the prior month's estimate is reversed. Price and volume differences resulting from factors such as weather affect the calculation of unbilled revenues from one period to the other.

Entergy may record revenue based on rates that are subject to refund. Such revenues are reduced by estimated refund amounts when Entergy believes refunds are probable based on the status of rate proceedings as of the date financial statements are prepared. Because these refunds will be made through a reduction in future rates, and not as a reduction in bills previously issued, they are presented as other revenues in the table above.

System Energy's only source of revenue is the sale of electric power and capacity generated from its 90% interest in the Grand Gulf nuclear plant to Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans. System Energy issues monthly bills to its affiliated customers equal to its actual operating costs plus a return on common equity approved by the FERC.

Entergy's Utility operating companies also sell excess power not needed for its own customers, primarily through transactions with MISO, a regional transmission organization that maintains functional control over the combined transmission systems of its members and manages one of the largest energy markets in the U.S. In the MISO market, Entergy offers its generation and bids its load into the market. MISO settles these offers and bids based on locational marginal prices. These represent pricing for energy at a given location based on a market clearing price that takes into account physical limitations on the transmission system, generation, and demand throughout the MISO region. MISO evaluates each market participant's energy offers and demand bids to economically and reliably dispatch the entire MISO system. Entergy nets purchases and sales within the MISO market and reports in operating revenues when in a net selling position and in operating expenses when in a net purchasing position.

Natural Gas

Entergy Louisiana and Entergy New Orleans also distribute natural gas to retail customers in and around Baton Rouge, Louisiana, and New Orleans, Louisiana, respectively. Gas transferred to customers is measured by a meter at the customer's property. Entergy issues monthly invoices to customers at rates approved by regulators for the volume of gas transferred to date.

Competitive Businesses Revenues

The Entergy Wholesale Commodities segment derives almost all of its revenue from sales of electric power and capacity produced by its operating plants to wholesale customers. The majority of Entergy Wholesale Commodities' 2021 revenues were from the Palisades nuclear power plant located in Michigan. Entergy issues monthly invoices to the counterparties for these electric sales at the respective contracted or ISO market rate of electricity and related services provided during the previous month.

Almost all of the Palisades nuclear plant output is sold under a 15-year PPA with Consumers Energy, executed as part of the acquisition of the plant in 2007 and expiring in April 2022. Prices under the original PPA range from \$43.50/MWh in 2007 to \$61.50/MWh in 2022, and the average price under the PPA is \$51/MWh. Entergy executed an additional PPA to cover the period from the expiration of the original PPA through final shutdown in May 2022, at a price of \$24.14/MWh. Entergy issues monthly invoices to Consumers Energy for electric sales based on the actual output of electricity and related services provided during the previous month at the contract price. The PPA was at below-market prices at the time of the acquisition and Entergy amortizes a liability to revenue over the life of the agreement. The amount amortized each period is based upon the present value, calculated at the date of acquisition, of each year's difference between revenue under the agreement and revenue based on estimated market prices. Amounts amortized to revenue were \$12 million in 2021, \$11 million in 2020, and \$10 million in 2019. Amounts to be amortized to revenue through the remaining life of the agreement will be approximately \$5 million in 2022.

Practical Expedients and Exceptions

Entergy has elected not to disclose the value of unsatisfied performance obligations for contracts with an original expected term of one year or less, or for revenue recognized in an amount equal to what Entergy has the right to bill the customer for services performed.

Most of Entergy's contracts, except in a few cases where there are defined minimums or stated terms, are on demand. This results in customer bills that vary each month based on an approved tariff and usage. Entergy imposes monthly or annual minimum requirements on some customers primarily as credit and cost recovery guarantees and not as pricing for unsatisfied performance obligations. These minimums typically expire after the initial term or when specified costs have been recovered. The minimum amounts are part of each month's bill and recognized as revenue accordingly. Some of the subsidiaries within the Entergy Wholesale Commodities segment have operations and maintenance services contracts that have fixed components and terms longer than one year. The total fixed consideration related to these unsatisfied performance obligations, however, is not material to Entergy revenues.

Recovery of Fuel Costs

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

Taxes Imposed on Revenue-Producing Transactions

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

Allowance for doubtful accounts

The allowance for doubtful accounts reflects Entergy's best estimate of expected losses on its accounts receivable balances. Due to the essential nature of utility services, Entergy has historically experienced a low rate of default on its accounts receivables. Due to the effect of the COVID-19 pandemic on customer receivables, however, Entergy recorded an increase in 2020 in its allowance for doubtful accounts, as shown below. The following tables set forth a reconciliation of changes in the allowance for doubtful accounts for the years ended December 31, 2021 and 2020.

	<u>Entergy</u>	<u>Entergy Arkansas</u>	<u>Entergy Louisiana</u>	<u>Entergy Mississippi</u>	<u>Entergy New Orleans</u>	<u>Entergy Texas</u>
	(In Millions)					
Balance as of December 31, 2020	\$117.7	\$18.3	\$45.7	\$19.5	\$17.4	\$16.8
Provisions (a)	56.2	30.4	16.7	0.7	7.3	1.1
Write-offs	(118.2)	(38.9)	(38.3)	(15.7)	(12.3)	(13.0)
Recoveries	12.9	3.3	5.1	2.7	0.9	0.9
Balance as of December 31, 2021	<u>\$68.6</u>	<u>\$13.1</u>	<u>\$29.2</u>	<u>\$7.2</u>	<u>\$13.3</u>	<u>\$5.8</u>

	<u>Entergy</u>	<u>Entergy Arkansas</u>	<u>Entergy Louisiana</u>	<u>Entergy Mississippi</u>	<u>Entergy New Orleans</u>	<u>Entergy Texas</u>
	(In Millions)					
Balance as of December 31, 2019	\$7.4	\$1.2	\$1.9	\$0.6	\$3.2	\$0.5
Provisions (b)	109.0	16.2	43.7	18.8	14.1	16.2
Write-offs	(8.6)	(1.8)	(3.5)	(1.2)	(1.0)	(1.1)
Recoveries	9.9	2.7	3.6	1.3	1.1	1.2
Balance as of December 31, 2020	<u>\$117.7</u>	<u>\$18.3</u>	<u>\$45.7</u>	<u>\$19.5</u>	<u>\$17.4</u>	<u>\$16.8</u>

- (a) Provisions include estimated incremental bad debt expenses, and revisions to those estimates, resulting from the COVID-19 pandemic of \$30.4 million for Entergy, \$22.2 million for Entergy Arkansas, \$7.4 million for Entergy Louisiana, (\$2.4) million for Entergy Mississippi, \$4.3 million for Entergy New Orleans, and (\$1.1) million for Entergy Texas that have been deferred as regulatory assets. See Note 2 to the financial statements for discussion of the COVID-19 orders issued by retail regulators.
- (b) Provisions include estimated incremental bad debt expenses resulting from the COVID-19 pandemic of \$87.1 million for Entergy, \$10.5 million for Entergy Arkansas, \$36 million for Entergy Louisiana, \$15.5 million for Entergy Mississippi, \$12.2 million for Entergy New Orleans, and \$12.9 million for Entergy Texas that have been deferred as regulatory assets. See Note 2 to the financial statements for discussion of the COVID-19 orders issued by retail regulators.

The allowance for currently expected credit losses 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.

Entergy Texas, Inc.
Cost of Service
Schedule J-1 Reconciliation - Total Company to Total Electric
Electric
For the Twelve Months Ended December 31, 2021

Schedule J-1
2022 TX Rate Case
Page 1 of 1

No reconciliation is required. Entergy Texas, Inc. is a total electric utility company.

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

	2021	2020
	(In Thousands, Except Share Data)	
OPERATING REVENUES		
Electric	\$ 10,873,995	\$ 9,046,643
Natural gas	170,610	124,008
Competitive businesses	698,291	942,985
TOTAL	11,742,896	10,113,636
OPERATING EXPENSES		
Operation and Maintenance:		
Fuel, fuel-related expenses, and gas purchased for resale	2,458,096	1,564,371
Purchased power	1,271,677	904,268
Nuclear refueling outage expenses	172,636	184,157
Other operation and maintenance	2,968,621	3,002,626
Asset write-offs, impairments, and related charges	263,625	26,623
Decommissioning	306,411	381,861
Taxes other than income taxes	660,290	652,840
Depreciation and amortization	1,684,286	1,613,086
Other regulatory charges (credits) - net	111,628	14,609
TOTAL	9,897,270	8,344,441
OPERATING INCOME	1,845,626	1,769,195
OTHER INCOME		
Allowance for equity funds used during construction	70,473	119,430
Interest and investment income	430,466	392,818
Miscellaneous - net	(201,778)	(210,633)
TOTAL	299,161	301,615
INTEREST EXPENSE		
Interest expense	863,712	837,981
Allowance for borrowed funds used during construction	(29,018)	(52,318)
TOTAL	834,694	785,663
INCOME BEFORE INCOME TAXES	1,310,093	1,285,147
Income taxes	191,374	(121,506)
CONSOLIDATED NET INCOME	1,118,719	1,406,653
Preferred dividend requirements of subsidiaries and noncontrolling interest	227	18,319
NET INCOME ATTRIBUTABLE TO ENTERGY CORPORATION	\$ 1,118,492	\$ 1,388,334
Earnings per average common share:		
Basic	\$ 5.57	\$ 6.94
Diluted	\$ 5.54	\$ 6.90
Basic average number of common shares outstanding	200,941,511	200,106,945
Diluted average number of common shares outstanding	201,873,024	201,102,220

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

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Twelve Months Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
	<u>(In Thousands)</u>	
Net Income	\$ 1,118,719	\$ 1,406,653
Other comprehensive income (loss)		
Cash flow hedges net unrealized loss		
(net of tax benefit of \$7,935 and \$14,776)	(29,754)	(55,487)
Pension and other postretirement liabilities		
(net of tax expense of \$55,161 and \$5,600)	195,929	22,496
Net unrealized investment gain (loss)		
(net of tax expense (benefit) of (\$28,435) and \$17,586)	(49,496)	30,704
Other comprehensive income (loss)	<u>116,679</u>	<u>(2,287)</u>
Comprehensive Income	1,235,398	1,404,366
Preferred dividend requirements of subsidiaries and noncontrolling interest	<u>227</u>	<u>18,319</u>
Comprehensive Income Attributable to Entergy Corporation	<u>\$ 1,235,171</u>	<u>\$ 1,386,047</u>

See Notes to Financial Statements, pages 6 through 191, Schedule J
Amounts may not add or tie to other schedules due to rounding.
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ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Twelve Months Ended December 31, 2021 and 2020

	2021	2020
	(In Thousands)	
OPERATING ACTIVITIES		
Consolidated net income	\$ 1,118,719	\$ 1,406,653
Adjustments to reconcile consolidated net income to net cash flow provided by operating		
Depreciation, amortization, and decommissioning, including nuclear fuel amortization	2,242,944	2,257,750
Deferred income taxes, investment tax credits, and non-current taxes accrue	248,719	(131,114)
Asset write-offs, impairments, and related charges	263,599	26,379
Changes in working capital:		
Receivables	(84,629)	(139,296)
Fuel inventory	18,359	(27,458)
Accounts payable	269,797	137,457
Taxes accrued	(21,183)	207,556
Interest accrued	(10,640)	7,662
Deferred fuel costs	(466,050)	(49,484)
Other working capital accounts	(53,883)	(143,451)
Changes in provisions for estimated losses	(85,713)	(291,193)
Changes in other regulatory assets	(536,707)	(784,494)
Changes in other regulatory liabilities	43,631	238,669
Changes in pension and other postretirement liabilities	(897,167)	50,379
Other	250,917	(76,149)
Net cash flow provided by operating activities	2,300,713	2,689,866
INVESTING ACTIVITIES		
Construction/capital expenditures	(6,087,296)	(4,694,076)
Allowance for equity funds used during construction	70,473	119,430
Nuclear fuel purchases	(166,512)	(215,664)
Payment for purchase of plant or assets	(168,304)	(247,121)
Net proceeds from sale of assets	17,421	—
Changes in securitization account	13,669	5,099
Payments to storm reserve escrow account	(25)	(2,273)
Receipts from storm reserve escrow account	83,105	297,588
Decrease (increase) in other investments	2,343	(12,755)
Litigation proceeds for reimbursement of spent nuclear fuel storage costs	49,236	72,711
Proceeds from nuclear decommissioning trust fund sales	5,553,629	3,107,812
Investment in nuclear decommissioning trust funds	(5,547,015)	(3,203,057)
Net cash flow used in investing activities	(6,179,276)	(4,772,306)
FINANCING ACTIVITIES		
Proceeds from the issuance of:		
Long-term debt	8,308,427	12,619,201
Preferred stock of subsidiary	—	—
Treasury stock	5,977	42,600
Common stock	200,776	—
Retirement of long-term debt	(4,827,827)	(8,152,378)
Repurchase / redemptions of preferred stock	—	—
Changes in credit borrowings and commercial paper - net	(426,312)	(319,238)
Capital contributions from noncontrolling interest	51,202	—
Other	43,221	(7,524)
Dividends paid:		
Common stock	(775,122)	(748,342)
Preferred stock	(18,319)	(18,502)
Net cash flow provided by financing activities	2,562,023	3,415,817
Net increase (decrease) in cash and cash equivalents	(1,316,540)	1,333,377
Cash and cash equivalents at beginning of period	1,759,099	425,722
Cash and cash equivalents at end of period	\$ 442,559	\$ 1,759,099
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid (received) during the period for:		
Interest - net of amount capitalized	\$ 843,228	\$ 803,923
Income taxes	\$ 98,377	\$ (31,228)

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

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
ASSETS
December 31, 2021 and 2020

	2021	2020
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	\$ 44,944	\$ 128,851
Temporary cash investments	397,615	1,630,248
Total cash and cash equivalents	442,559	1,759,099
Accounts receivable:		
Customer	786,866	833,478
Allowance for doubtful accounts	(68,608)	(117,794)
Other	231,843	135,208
Accrued unbilled revenues	420,255	434,835
Total accounts receivable	1,370,356	1,285,727
Deferred fuel costs	324,394	4,380
Fuel inventory - at average cost	154,575	172,934
Materials and supplies - at average cost	1,041,515	962,185
Deferred nuclear refueling outage costs	133,422	179,150
Prepayments and other	156,774	196,424
TOTAL	3,623,595	4,559,899
OTHER PROPERTY AND INVESTMENTS		
Decommissioning trust funds	5,514,016	7,253,215
Non-utility property - at cost (less accumulated depreciation)	357,576	343,328
Other	159,455	214,222
TOTAL	6,031,047	7,810,765
PROPERTY, PLANT, AND EQUIPMENT		
Electric	64,263,250	59,696,443
Natural gas	658,989	610,768
Construction work in progress	1,511,966	2,012,030
Nuclear fuel	577,006	601,281
TOTAL PROPERTY, PLANT AND EQUIPMENT	67,011,211	62,920,522
Less - accumulated depreciation and amortization	24,767,051	24,067,745
PROPERTY, PLANT AND EQUIPMENT - NET	42,244,160	38,852,777
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
Other regulatory assets (includes securitization property of \$49,579 as of December 31, 2021 and \$119,238 as of December 31, 2020)	6,613,256	6,076,549
Deferred fuel costs	240,953	240,422
Goodwill	377,172	377,172
Accumulated deferred income taxes	54,186	76,289
Other	269,873	245,339
TOTAL	7,555,440	7,015,771
TOTAL ASSETS	\$ 59,454,242	\$ 58,239,212

See Notes to Financial Statements, pages 6 through 191, Schedule J
Amounts may not add or tie to other schedules due to rounding.
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ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
LIABILITIES AND EQUITY
December 31, 2021 and 2020

	2021	2020
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	\$ 1,039,329	\$ 1,164,015
Notes payable and commercial paper	1,201,177	1,627,489
Accounts payable	2,610,132	2,739,437
Customer deposits	395,184	401,512
Taxes accrued	419,828	441,011
Interest accrued	191,151	201,791
Deferred fuel costs	7,607	153,113
Pension and other postretirement liabilities	68,336	61,815
Current portion of unprotected excess accumulated deferred income taxes	53,385	63,683
Other	204,613	206,640
TOTAL	6,190,742	7,060,506
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	4,706,797	4,361,772
Accumulated deferred investment tax credits	211,975	212,494
Regulatory liability for income taxes-net	1,255,692	1,521,757
Other regulatory liabilities	2,643,845	2,323,851
Decommissioning and asset retirement cost liabilities	4,757,084	6,469,452
Accumulated provisions	157,122	242,835
Pension and other postretirement liabilities	1,949,325	2,853,013
Long-term debt (includes securitization bonds of \$83,639 as of December 31, 2021 and \$174,635 as of December 31, 2020)	24,841,572	21,205,761
Other	815,284	807,219
TOTAL	41,338,696	39,998,154
Commitments and Contingencies		
Subsidiaries' preferred stock without sinking fund	219,410	219,410
EQUITY		
Preferred stock, no par value, authorized 1,000,000 shares in 2021 and 0 shares in 2020; issued shares in 2021 and 2020 - none	—	—
Common stock, \$0.01 par value, authorized 499,000,000 shares in 2021 and 500,000,000 shares in 2020; issued 271,965,510 shares in 2021 and 270,035,180 shares in 2020	2,720	2,700
Paid-in capital	6,766,239	6,549,923
Retained earnings	10,240,552	9,897,182
Accumulated other comprehensive loss	(332,528)	(449,207)
Less - treasury stock, at cost (69,312,326 shares in 2021 and 69,790,346 shares in 2020)	5,039,699	5,074,456
Total common shareholders' equity	11,637,284	10,926,142
Subsidiaries' preferred stock without sinking fund and noncontrolling interest	68,110	35,000
TOTAL	11,705,394	10,961,142
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 59,454,242	\$ 58,239,212

See Notes to Financial Statements, pages 6 through 191, Schedule J
Amounts may not add or tie to other schedules due to rounding.
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ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Twelve Months Ended December 31, 2021 and 2020

	Subsidiaries' Preferred Stock and Noncontrolling Interest	Common Shareholders' Equity				Accumulated Other Comprehensiv e Income (Loss)	Total
		Common Stock	Treasury Stock	Paid-in Capital (In Thousands)	Retained Earnings		
Balance at December 31, 2019	\$ 35,000	\$ 2,700	\$ (5,154,150)	\$ 6,564,436	\$ 9,257,609	\$ (446,920)	\$ 10,258,675
Implementation of accounting standards	—	—	—	—	(419)	—	(419)
Balance at January 1, 2020	\$ 35,000	\$ 2,700	\$ (5,154,150)	\$ 6,564,436	\$ 9,257,190	\$ (446,920)	\$ 10,258,256
Consolidated net income (a)	18,319	—	—	—	1,388,334	—	1,406,653
Other comprehensive loss	—	—	—	—	—	(2,287)	(2,287)
Common stock issuances related to stock plans	—	—	79,694	(14,513)	—	—	65,181
Common stock dividends declared	—	—	—	—	(748,342)	—	(748,342)
Preferred dividend requirements of subsidiaries (a)	(18,319)	—	—	—	—	—	(18,319)
Balance at December 31, 2020	\$ 35,000	\$ 2,700	\$ (5,074,456)	\$ 6,549,923	\$ 9,897,182	\$ (449,207)	\$ 10,961,142
Consolidated net income (a)	227	—	—	—	1,118,492	—	1,118,719
Other comprehensive income	—	—	—	—	—	116,679	116,679
Common stock issuances and sales under the at the market equity distribution program	—	20	—	204,194	—	—	204,214
Common stock issuance costs	—	—	—	(3,438)	—	—	(3,438)
Common stock issuances related to stock plans	—	—	34,757	15,560	—	—	50,317
Common stock dividends declared	—	—	—	—	(775,122)	—	(775,122)
Capital contributions from noncontrolling interest	51,202	—	—	—	—	—	51,202
Preferred dividend requirements of subsidiaries (a)	(18,319)	—	—	—	—	—	(18,319)
Balance at December 31, 2021	\$ 68,110	\$ 2,720	\$ (5,039,699)	\$ 6,766,239	\$ 10,240,552	\$ (332,528)	\$ 11,705,394

(a) Consolidated net income and preferred dividend requirements of subsidiaries include \$16 million for 2021 and 2020 of preferred dividends on subsidiaries' preferred stock without sinking fund that is not presented as equity.

See Notes to Financial Statements, pages 6 through 191, Schedule J
Amounts may not add or tie to other schedules due to rounding.
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Entergy Texas, Inc.
Cost of Service
Schedule K-1 Weighted Average Cost of Capital
Electric
For the Test Year Ended December 31, 2021

		(a)	(b)	(c)	(d)
Line No.	Description	Capital Amount	Capital Ratio	Cost Rate	Rate of Return on Rate Base [1]
1	Long-term Debt	2,289,835,267	47.97%	3.47%	1.66%
2	Preferred Equity	38,750,000	0.81%	5.35%	0.04%
3	Common Equity	2,444,456,560	51.21%	10.80%	5.53%
4	Total	4,773,041,827	100.00%		7.24%
5					
6	Requested Original Cost Rate Base (rounded to tie to Schedule P)				4,411,402,530
7	Overall rate of return claimed by the utility on the Original Cost Rate Base				7.24%
8	Total claimed return expressed in dollars (rounded to tie to Schedule P)				319,302,000

Notes:

[1] Column B * Column C

Entergy Texas, Inc.
Cost of Service
Schedule K-2 Weighted Average Cost of Preferred Stock
Electric
For the Twelve Months Ended December 31, 2021

LN	SERIES	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
		ISSUANCE DATE	DIVIDEND RATE	MANDATORY REDEMPTION (Y/N)	PAR VALUE AT ISSUANCE	PREMIUM OR (DISCOUNT)	UNDERWRITING FEES AND ISSUANCE EXP.	GAIN/(LOSS) ON REDEEMED STOCK	NET PROCEEDS AT ISSUANCE	NET PROCEEDS AS % OF PAR	BOOK VALUE EXCL. SCHEDULED REDEMPTIONS	ISSUE AS % OF TOTAL BOOK VALUE	COST OF MONEY	WEIGHTED AVERAGE COST
1	2019 Series	9/10/2019	5.375%		\$35,000,000	\$0	\$0	\$0	\$35,000,000	100%	\$35,000,000	90.32%	5.375%	4.855%
2	2021 Series	11/9/2021	5.100%		\$3,750,000	\$0	\$0	\$0	\$3,750,000	100%	\$3,750,000	9.68%	5.100%	0.494%
3	TOTAL				\$38,750,000	\$0	\$0	\$0	\$38,750,000		\$38,750,000	100%		5.348%

The accounting method used to record issuance expenses, premiums or discounts at issuance, gains or losses on stock redemption, and annual amortization of such amounts for ratemaking purposes as well as financial reporting purposes comply with the Federal Energy Regulatory Commission's Code of Federal Regulations Part 101 - Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject to the Provisions of the Federal Power Act

NOTES

(C) Dividend rate should be expressed as % of par value.

(I) = (E) + (F) - (G) + (H)

(J) = (I)/(E)

(L) = (C)/(J) for issues not subject to mandatory redemptions, and issues with variable dividend rates.

For issues requiring mandatory redemptions, calculate yield to maturity.

(M) = (K)/(L)

Entergy Texas, Inc.
Cost of Service
Schedule K-2 Weighted Average Cost of Preferred Stock
Electric
For the Twelve Months Ended December 31, 2021

LINE	SERIES	(A, p.1)	(N) PAR VALUE OUTSTANDING	(O) PAR VALUE EXCL. SCHEDULED REDEMPTIONS		(P) UNAMORTIZED PREMIUM OR (DISCOUNT)	(Q) UNAMORTIZED ISSUANCE EXPENSES		(R) UNAMORTIZED GAIN/(LOSS) ON REDEEMED STOCK	(S) BOOK VALUE EXCL. SCHEDULED REDEMPTIONS	
				EXCL. SCHEDULED REDEMPTIONS	EXCL. SCHEDULED REDEMPTIONS		EXPENSES	REDEEMED STOCK		EXCL. SCHEDULED REDEMPTIONS	EXCL. SCHEDULED REDEMPTIONS
1	2019 Series		\$35,000,000	\$35,000,000		\$0	\$0	\$0	\$0	\$35,000,000	
2	2021 Series		\$3,750,000	\$3,750,000		\$0	\$0	\$0	\$0	\$3,750,000	
3			\$38,750,000	\$38,750,000		\$0	\$0	\$0	\$0	\$38,750,000	

NOTES

(O) Scheduled redemptions to be excluded reflect those amounts to be redeemed prior to the anticipated effective date for the rates being requested.

(Q) Unamortized balance of underwriter fees should also be provided here.

(S) = (O) + (P) - (Q) + (R)

Entergy Texas, Inc.
Cost of Service
Schedule K-3 Weighted Average Cost of Long Term Debt
Electric
For the Twelve Months Ended December 31, 2021

LINE	TYPE	(A) SERIES	(B) ISSUANCE DATE	(C) MATURITY DATE	(D) INTEREST RATE	(E) SINKING FUND Y/N	(F) PAR VALUE AT ISSUANCE	(G) PREMIUM OR (DISCOUNT)	(H) UNDERWRITER FEES AND EXPENSES	(I) GAIN/(LOSS) ON REACQUIRED DEBT	(J) NET PROCEEDS AT ISSUANCE	(K) NET PROCEEDS % OF PAR	(T.p.2) BOOK VALUE EXCL. SCHED. MATURITIES	(L) ISSUE AS % OF TOTAL BOOK VALUE
1	FMB	5.15%	5/21/2015	6/1/2045	5.15%	N	250,000,000	(460,000)	2,728,814	-	246,811,186	98.724%	247,511,772	10.763%
2	FMB	3.45%	11/17/2017	12/1/2027	3.45%	N	150,000,000	(393,000)	1,347,344	-	148,259,656	98.840%	148,970,936	6.478%
3	FMB	4.00%	1/8/2019	3/30/2039	4.00%	N	300,000,000	(658,000)	2,624,321	-	296,817,679	98.939%	297,739,509	12.947%
4	FMB	4.50%	1/8/2019	3/30/2039	4.50%	N	400,000,000	(1,080,000)	3,974,374	-	394,945,626	98.736%	395,683,772	17.207%
5	FMB	3.55%	3/10/2020	9/30/2049	3.55%	N	475,000,000	18,839,000	5,195,781	-	488,643,219	102.872%	487,892,254	21.216%
6	FMB	1.75%	10/1/2020	3/15/2031	1.75%	N	600,000,000	(2,220,000)	4,571,784	-	593,208,216	98.868%	594,012,336	25.831%
7	FMB	1.50%	8/17/2021	9/1/2026	1.50%	N	130,000,000	(308,100)	1,166,718	-	128,525,162	98.866%	128,634,429	5.594%
8	Credit Monitoring								1,888,045		(1,888,045)		(275,099)	-0.012%
9	Line of Credit	3.63%	9/14/2018	9/14/2023	3.63%				23,497,181		2,295,322,719		(556,905)	-0.024%
10	TOTAL						2,305,000,000	13,819,900					2,299,613,004	100.0000%

TYPE KEY: FMB = First Mortgage Bond

NOTES

(D) Provide effective annual interest rate for debt requiring letter of credit or commitment fees. Supporting calculations should be provided.

(J) = (F)+(G)-(H)+(I)

(K) = (J)/(F)

Entergy Texas, Inc.
Cost of Service
Schedule K-3 Weighted Average Cost of Long Term Debt
Electric
For the Twelve Months Ended December 31, 2021

LINE	(A, p.1)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)
	SERIES	COST OF DEBT	WEIGHTED AVERAGE COST	PRINCIPAL AMOUNT OUTSTANDING	EXCLUDING SCHEDULED REDEMPTIONS	UNAMORTIZED PREMIUM OR (DISCOUNT)	UNAMORTIZED ISSUANCE EXPENSES	UNAMORTIZED GAIN/(LOSS) ON REACQUIRED DEBT	BOOK VALUE EXCL SCHED. MATURITIES
1	5.150%	5.235%	0.56%	250,000,000	250,000,000	(358,723)	(2,129,504)	-	247,511,772
2	3.450%	3.589%	0.23%	150,000,000	150,000,000	(231,624)	(797,440)	-	148,970,936
3	4.000%	4.128%	0.53%	300,000,000	300,000,000	(395,540)	(1,864,951)	-	297,739,509
4	4.500%	4.596%	0.79%	400,000,000	400,000,000	(921,011)	(3,395,217)	-	395,683,772
5	3.550%	3.395%	0.72%	475,000,000	475,000,000	17,724,577	(4,832,324)	1	487,892,254
6	1.750%	1.870%	0.48%	600,000,000	600,000,000	(1,954,591)	(4,033,073)	-	594,012,336
7	1.500%	1.736%	0.10%	130,000,000	130,000,000	(285,341)	(1,080,230)	-	128,634,429
8	Credit Monitoring						(275,099)	-	(275,099)
9	Line of Credit						(556,905)	-	(556,905)
10	TOTAL		3.42%	2,305,000,000	2,305,000,000	13,577,747	(18,964,744)	1	2,299,613,004
<div>Adjusted Annual Requirement</div> <div>Adjusted Long Term Debt Balance</div> <div>Adjusted Cost of Long Term Debt</div> <div>Unadjusted Long Term Debt Balance</div> <div>Unamortized Loss on Reacq Debt (No refunding)</div> <div>Unamortized Gain on Reacquired Debt (No refunding)</div> <div>Adjusted Long Term Debt Balance</div> <div>2,299,613,004</div> <div>(9,777,736)</div> <div>-</div> <div>2,289,835,268</div>									
NOTES									
(M) Yield to maturity should be provided for fixed rate debt. Cost of debt for variable rate issues = (D)/(K)									
(N) = (L) * (M)									
(O) Scheduled maturities to be excluded reflect those amounts to be retired prior to the anticipated effective date for the rates being requested.									
(R) Unamortized balance of Underwriter fees and issuance expenses.									
<div>Annual Requirement</div> <div>Annual Amortization of Loss on Reacquired Debt</div> <div>Annual Amortization of Gain on Reacquired Debt</div> <div>Adjusted Annual Requirement</div> <div>78,681,995</div> <div>722,002</div> <div>-</div> <div>79,403,996</div>									

Entergy Texas, Inc.
Cost of Service
Schedule K-4 Notes Payable Outstanding
Electric
For the Twelve Months Ended December 31, 2021

DESCRIPTION	MATURITY DATE	PRINCIPAL AMOUNT	% OF TOTAL PRINCIPAL	INTEREST RATE	WEIGHTED AVERAGE COST
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There were no notes payable outstanding for Entergy Texas, Inc. for the 12 months ending December 31, 2021

NOTES PAYABLE OUTSTANDING LAST TWO YEARS:

QUARTER ENDING MAR 31, 2021	\$0
QUARTER ENDING JUN 30, 2021	\$0
QUARTER ENDING SEP 30, 2021	\$0
QUARTER ENDING DEC 31, 2021	\$0
QUARTER ENDING MAR 31, 2020	\$0
QUARTER ENDING JUN 30, 2020	\$0
QUARTER ENDING SEP 30, 2020	\$0
QUARTER ENDING DEC 31, 2020	\$0

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

NONE

ENTERGY TEXAS, INC.
SUMMARY OF ISSUANCE RESTRICTIONS ON DEBT
AND PREFERRED STOCK AT DECEMBER 31, 2021

Restrictions placed upon Entergy Texas, Inc. pertaining to its issuance of debt and preferred stock are contained in (A) its Indenture, Deed of Trust and Security Agreement dated as of October 1, 2008, (B) its Third Amended and Restated Credit Agreement dated as of June 3, 2021, as amended and supplemented, (C) the Federal Energy Regulatory Commission Order issued to it on February 23, 2022, and (D) its Amended and Restated Certificate of Formation, as amended, effective November 9, 2021.

DEBT

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

Its Third Amended and Restated Credit Agreement, as amended and supplemented (the "Credit Agreement"), provides that the total principal amount of all Entergy Texas, Inc. Debt may not at any time exceed 65% of its Capitalization, as the terms Debt and Capitalization are defined in the Credit Agreement.

The FERC Order issued to Entergy Texas, Inc. on February 22, 2023, provides that, from February 23, 2022, through October 13, 2023, Entergy Texas, Inc. may issue (1) Long-Term Debt in an aggregate principal amount not to exceed \$3,200,000,000 outstanding at any time and (2) Short-Term Debt in an aggregate principal amount not to exceed \$200,000,000 outstanding at any time.

PREFERRED STOCK

The FERC Order issued to Entergy Texas, Inc. on February 23, 2022, provides that, from February 23, 2022, through October 13, 2023, Entergy Texas, Inc. may issue Preferred Stock in an aggregate amount not to exceed \$200,000,000. Entergy Texas Inc.'s Amended and Restated Certificate of Formation permits it to issue 20,000,000 shares of Preferred Stock. It currently has 1,550,000 shares of Preferred Stock outstanding.

ENTERGY TEXAS, INC.
SECURITY ISSUANCE RESTRICTIONS
AS OF DECEMBER 31, 2021
LEVERAGE RATIO
Public

DESCRIPTION	AMT (\$000s)
DEBT	
"Debt" of any Person means (without duplication) all liabilities, obligations, and indebtedness (whether contingent or otherwise) of such Person	
(i) for borrowed money or evidenced by bonds, debentures, notes, or other similar instruments	
Currently maturing long term debt	\$ -
Notes payable	-
Long-term debt	2,354,148
(ii) to pay the deferred purchase price of property or services (other than such obligations incurred in the ordinary course of business on customary trade terms, provided that such obligations are not more than 30 days past due)	-
(iii) as lessee under leases which shall have been or should be, in accordance with generally accepted accounting principles, recorded as capital leases,	
Current obligations under capital lease	1,476
Deferred obligations under capital lease	6,107
(iv) under reimbursement agreements or similar agreements with respect to the issuance of letters of credit (other than obligations in respect of letters of credit opened to provide for the payment of goods or services purchased in the ordinary course of business), and	-
(v) under any Guaranty Obligations.	-
5.02(b) Limitation on Debt. (i) "Debt" and "Capitalization" shall not include	
(A) Hybrid Securities (see definition below)	
(B) any Debt of any Subsidiary of the Borrower that is Non-Recourse Debt	
(C) Eligible Securitization Bonds	
(D) the amount of preferred and debt securities to be redeemed in connection with the ITC Transaction for which funds sufficient (other than any make-whole redemption premium until one Business Day after the amount thereof has been determined) to pay such redemption have been deposited with the trustee or paying agent for such securities or deposited in escrow for such redemption	
ETI Securitization Bonds	(53,979)
TOTAL DEBT	\$ 2,307,752
CAPITALIZATION	
"Capitalization" means, as of any date of determination, with respect to the Borrower and its Subsidiaries determined on a consolidated basis, an amount equal to the sum of	
(i) the total principal amount of all Debt of the Borrower and its Subsidiaries outstanding on such date	
Total Debt	\$ 2,307,752
(ii) Consolidated Net Worth as of such date	
Shareholder's' Equity	2,483,206
(iii) To the extent not otherwise included in Capitalization, all preferred stock and other preferred securities of the Borrower and its Subsidiaries, including preferred or preference securities issued by any subsidiary trust, outstanding on such date	-
5.02(b) Limitation on Debt. (ii) "Capitalization" shall exclude changes to other comprehensive income resulting from	
(x) pension and other post-retirement benefits liability adjustments and	-
(y) mark-to-market non-cash adjustments relating to accounting for derivatives.	-
TOTAL CAPITALIZATION	\$ 4,790,958
LEVERAGE RATIO CALCULATION RESULT	
Limit per Credit Agreement	48.17%
< 65%	

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

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

ENTERGY TEXAS, INC.
SECURITY ISSUANCE RESTRICTIONS
AS OF DECEMBER 31, 2020
LEVERAGE RATIO
Public

DESCRIPTION	AMT (\$000s)
DEBT	
"Debt" of any Person means (without duplication) all liabilities, obligations, and indebtedness (whether contingent or otherwise) of such Person	
(i) for borrowed money or evidenced by bonds, debentures, notes, or other similar instruments	
Currently maturing long term debt	\$ 200,000
Notes payable	-
Long-term debt	2,293,708
(ii) to pay the deferred purchase price of property or services (other than such obligations incurred in the ordinary course of business on customary trade terms, provided that such obligations are not more than 30 days past due)	-
(iii) as lessee under leases which shall have been or should be, in accordance with generally accepted accounting principles, recorded as capital leases,	
Current obligations under capital lease	1,327
Deferred obligations under capital lease	4,392
(iv) under reimbursement agreements or similar agreements with respect to the issuance of letters of credit (other than obligations in respect of letters of credit opened to provide for the payment of goods or services purchased in the ordinary course of business), and	-
(v) under any Guaranty Obligations.	-
5.02(b) Limitation on Debt. (i) "Debt" and "Capitalization" shall not include	
(A) Hybrid Securities (see definition below)	
(B) any Debt of any Subsidiary of the Borrower that is Non-Recourse Debt	
(C) Eligible Securitization Bonds	
(D) the amount of preferred and debt securities to be redeemed in connection with the ITC Transaction for which funds sufficient (other than any make-whole redemption premium until one Business Day after the amount thereof has been determined) to pay such redemption have been deposited with the trustee or paying agent for such securities or deposited in escrow for such redemption	
ETI Securitization Bonds	(123,066)
TOTAL DEBT	\$ 2,376,361
CAPITALIZATION	
"Capitalization" means, as of any date of determination, with respect to the Borrower and its Subsidiaries determined on a consolidated basis, an amount equal to the sum of	
(i) the total principal amount of all Debt of the Borrower and its Subsidiaries outstanding on such date	
Total Debt	\$ 2,376,361
(ii) Consolidated Net Worth as of such date	
Shareholder's' Equity	2,157,578
(iii) To the extent not otherwise included in Capitalization, all preferred stock and other preferred securities of the Borrower and its Subsidiaries, including preferred or preference securities issued by any subsidiary trust, outstanding on such date	-
5.02(b) Limitation on Debt. (ii) "Capitalization" shall exclude changes to other comprehensive income resulting from	
(x) pension and other post-retirement benefits liability adjustments and	-
(y) mark-to-market non-cash adjustments relating to accounting for derivatives.	-
TOTAL CAPITALIZATION	\$ 4,533,939
LEVERAGE RATIO CALCULATION RESULT	
Limit per Credit Agreement	52.41%
< 65%	

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

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

ENTERGY TEXAS, INC.
SECURITY ISSUANCE RESTRICTIONS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021
LEVERAGE RATIO

Public

DESCRIPTION	AMT (\$000s)
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Information contained on pages 4-9 is highly sensitive.

ENTERGY TEXAS, INC.
FINANCIAL RATIOS

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	TOTAL DEBT % CAPITAL	CWIP % NET PLANT	CONST. EXP. % AVG. CAPITAL	PRE-TAX INTEREST COVERAGE	PRE-TAX INTEREST COV EXCL AFUDC & DEF	FIXED CHARGE COVERAGE	FIXED CHARGE COV EXCL AFUDC & DEF
ACTUAL:							
12/31/16	58.52%	3.89%	13.04%	2.94	3.75	2.92	3.71
12/31/17	55.74%	3.30%	12.43%	2.44	3.26	2.41	3.23
12/31/18	51.56%	9.52%	15.10%	2.56	3.89	2.54	3.86
12/31/19	51.73%	18.15%	25.70%	2.22	2.76	2.18	2.72
12/31/20	53.67%	17.52%	19.87%	3.33	3.62	3.29	3.58
TEST YEAR:							
12/31/21	48.75%	3.46%	14.50%	3.88	4.40	3.83	4.34
PROJECTED: (ASSUMING NO RATE RELIEF GRANTED)							
12/31/22	Information contained on pages 7-14 is highly sensitive.						
12/31/23							
12/31/24							
RATE YEAR ENDING 12/31/22							
PROJECTED: (ASSUMING FULL RECOVERY OF REQUESTED RATE RELIEF GRANTED)							
12/31/22	Information contained on pages 7-14 is highly sensitive.						
12/31/23							
12/31/24							
RATE YEAR ENDING 12/31/22							

Amounts may not add or agree with other schedules due to rounding.
Sponsored by: Bobby Sperandeo, Allison Lofton

ENTERGY TEXAS, INC.
FINANCIAL RATIOS

	(8)	(9)	(10)	(11)	(12)	(13)
	CASH INTEREST COVERAGE	INTERNAL CASH % CONSTR. EXP.	CASH COVERAGE OF DIVIDENDS	AFUDC % NET INCOME FOR COMMON	INTERNAL CASH % AVERAGE TOTAL DEBT	RETURN ON AVERAGE EQUITY
ACTUAL:						
12/31/16	4.32	89.37%	0.00%	11.68%	19.65%	10.59%
12/31/17	4.10	80.26%	0.00%	14.20%	17.49%	6.54%
12/31/18	4.88	77.75%	0.00%	9.39%	21.90%	12.10%
12/31/19	4.32	33.08%	0.00%	26.27%	16.46%	9.97%
12/31/20	4.74	38.29%	1163.07%	29.56%	14.41%	10.97%
TEST YEAR:						
12/31/21	6.86	74.53%	0.00%	6.11%	21.12%	9.94%
PROJECTED: (ASSUMING NO RATE RELIEF GRANTED)						
12/31/22	Information contained on pages 7-14 is highly sensitive.					
12/31/23						
12/31/24						
RATE YEAR ENDING 12/31/22						
PROJECTED: (ASSUMING FULL RECOVERY OF REQUESTED RATE RELIEF GRANTED)						
12/31/22	Information contained on pages 7-14 is highly sensitive.					
12/31/23						
12/31/24						
RATE YEAR ENDING 12/31/22						

Amounts may not add or agree with other schedules due to rounding.
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ENTERGY TEXAS, INC.
CALCULATION OF FINANCIAL RATIOS
AMOUNTS IN THOUSANDS OF \$'S

(1) TOTAL DEBT AS A PERCENT OF TOTAL CAPITAL

	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
LONG TERM DEBT *	2,354,148	2,293,708	1,922,956	1,013,735	1,587,150	1,508,407
CURRENT MATURITIES	0	200,000	0	500,000	0	0
CAPITAL LEASE (CURRENT)	1,476	1,327	1,222	0	0	0
CAPITAL LEASE (LONG-TERM)	6,107	4,392	4,009	0	0	0
TOTAL LONG-TERM DEBT	2,361,731	2,499,427	1,928,187	1,513,735	1,587,150	1,508,407
PREFERENCE STOCK	38,750	35,000	35,000	0	0	0
PREFERRED STOCK- NONMAND.	0	0	0	0	0	0
PREFERRED STOCK- MANDATORY	0	0	0	0	0	0
COMMON EQUITY	2,444,456	2,122,578	1,764,407	1,422,402	1,260,167	1,068,994
TOTAL CAPITAL	4,844,937	4,657,005	3,727,594	2,936,137	2,847,317	2,577,401
NUMERATOR:	2,361,731	2,499,427	1,928,187	1,513,735	1,587,150	1,508,407
DENOMINATOR:	4,844,937	4,657,005	3,727,594	2,936,137	2,847,317	2,577,401

* INCLUDES QUIPS.

TOTAL DEBT AS A PERCENT
OF TOTAL CAPITAL

48.75%	53.67%	51.73%	51.56%	55.74%	58.52%
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(2) TOTAL CWIP AS A PERCENT OF NET PLANT

	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
CONSTRUCTION WORK IN PROGRESS	183,965	879,908	760,354	325,193	102,088	111,227
PLANT IN SERVICE	7,181,567	6,007,687	5,199,027	4,773,984	4,569,295	4,274,069
ACCUMULATED DEPRECIATION	2,049,750	1,864,494	1,770,852	1,684,569	1,579,387	1,526,057
CONSTRUCTION WORK IN PROGRESS	183,965	879,908	760,354	325,193	102,088	111,227
NUCLEAR FUEL NET OF AMORTIZATION	0	0	0	0	0	0
TOTAL UTILITY PLANT	5,315,782	5,023,101	4,188,529	3,414,608	3,091,996	2,859,239
NUMERATOR:	183,965	879,908	760,354	325,193	102,088	111,227
DENOMINATOR:	5,315,782	5,023,101	4,188,529	3,414,608	3,091,996	2,859,239
TOTAL CWIP AS A PERCENT OF NET PLANT	3.46%	17.52%	18.15%	9.52%	3.30%	3.89%

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

	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
CONSTRUCTION EXPENDITURES	702,754	895,857	898,090	451,988	348,027	337,963
LESS: AFUDC	13,872	63,013	41,714	15,236	10,820	12,560
CASH CONSTRUCTION EXPENDITURES	688,882	832,844	856,376	436,752	337,207	325,403
BEGINNING CAPITAL	4,657,005	3,727,594	2,936,137	2,847,317	2,577,401	2,413,423
ENDING CAPITAL	4,844,937	4,657,005	3,727,594	2,936,137	2,847,317	2,577,401
AVERAGE TOTAL CAPITAL	4,750,971	4,192,300	3,331,866	2,891,727	2,712,359	2,495,412
NUMERATOR:	688,882	832,844	856,376	436,752	337,207	325,403
DENOMINATOR:	4,750,971	4,192,300	3,331,866	2,891,727	2,712,359	2,495,412
CONSTRUCTION EXPENDITURES AS A PERCENT OF AVERAGE TOTAL CAPITAL	14.50%	19.87%	25.70%	15.10%	12.43%	13.04%

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

Sponsored by: Bobby Sperandeo, Allison Lofton

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

(4) PRE-TAX INTEREST COVERAGE

	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
INCOME FROM CONTINUING OPERATIONS	226,915	213,191	158,817	162,235	76,173	107,538
+/- NON-RECURRING ITEMS						
EXTRAORDINARY ITEMS (NET OF TAX)	0	0	0	0	0	0
TOTAL NON-RECURRING ITEMS	0	0	0	0	0	0
INCOME TAXES	25,526	3,042	(53,896)	(26,243)	48,481	63,097
INTEREST ON LONG TERM DEBT	85,149	88,683	81,444	85,607	84,254	86,177
OTHER INTEREST *	2,638	4,237	4,889	1,596	2,465	1,599
INTEREST INCURRED	87,787	92,920	86,333	87,203	86,719	87,776
NUMERATOR:	340,228	309,153	191,254	223,195	211,373	258,411
DENOMINATOR:	87,787	92,920	86,333	87,203	86,719	87,776
PRE-TAX INTEREST COVERAGE (TIMES)	3.88	3.33	2.22	2.56	2.44	2.94
* INCLUDES DISTRIBUTIONS ON QUIPS.						

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

	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
NUMERATOR #4	340,228	309,153	191,254	223,195	211,373	258,411
-EQUITY AFUDC	9,892	44,073	28,445	9,723	6,722	7,617
-BORROWED AFUDC	3,980	18,940	13,269	5,513	4,098	4,943
+DEFERRED REVENUE REQUIREMENT	0	0	0	0	0	0
+CHANGE IN RATE DEFERRALS	59,581	90,398	88,770	131,667	82,328	82,879
NET EXCLUSIONS	45,709	27,385	47,056	116,431	71,508	70,319
NUMERATOR:	385,937	336,538	238,310	339,626	282,881	328,730
DENOMINATOR:	87,787	92,920	86,333	87,203	86,719	87,776
PRE-TAX INTEREST COVERAGE (EXCLUDING AFUDC & DEFERRALS) (TIMES)	4.40	3.62	2.76	3.89	3.26	3.75

(6) FIXED CHARGE COVERAGE

	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
NUMERATOR #4	340,228	309,153	191,254	223,195	211,373	258,411
INTEREST COMPONENT OF RENTALS 1/3 OF RENTAL EXPENSES	1,434	1,382	2,228	1,178	1,421	1,145
INTEREST INCURRED (DENOMINATOR #5)	87,787	92,920	86,333	87,203	86,719	87,776
NUMERATOR:	341,662	310,535	193,482	224,373	212,794	259,556
DENOMINATOR:	89,221	94,302	88,561	88,381	88,140	88,921
FIXED CHARGE COVERAGE (TIMES)	3.83	3.29	2.18	2.54	2.41	2.92

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

Sponsored by: Bobby Sperandeo, Allison Lofton

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

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

	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
NUMERATOR #5	385,937	336,538	238,310	339,626	282,881	328,730
1/3 OF RENTAL EXPENSES	1,434	1,382	2,228	1,178	1,421	1,145
NUMERATOR:	387,371	337,920	240,538	340,804	284,302	329,875
DENOMINATOR:	89,221	94,302	88,561	88,381	88,140	88,921
FIXED CHARGE COVERAGE (EXCL. AFUDC & DEFERRALS) (TIMES)	4.34	3.58	2.72	3.86	3.23	3.71

(8) CASH INTEREST COVERAGE

	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
CASH FLOW FROM OPERATIONS (BEFORE WORKING CAPITAL CHANGES)						
NET INCOME (LOSS)	226,915	213,191	158,817	162,235	76,173	107,538
RESERVE FOR REGULATORY ADJUSTMENTS	0	0	0	0	0	0
PROVISION FOR RATE REFUND	0	0	0	0	0	0
DEPRECIATION AND DECOMMISSIONING	214,838	177,738	153,286	128,534	117,520	107,026
AMORTIZATION OF RATE DEFERRALS	0	0	0	0	0	0
OTHER REGULATORY CHARGES (CREDITS) -	59,581	90,398	88,770	131,667	82,328	82,879
DEFERRED INCOME TAXES AND ITC	48,813	36,033	20,143	(39,545)	42,119	20,794
EXTRAORDINARY ITEMS	0	0	0	0	0	0
CUMULATIVE EFFECT OF ACCOUNTING CHAI	0	0	0	0	0	0
WRITE-OFF OF PLANT HELD FOR FUTURE USE	0	0	0	0	0	0
OTHER	(30,845)	(147,435)	(124,464)	(37,799)	(43,391)	(22,493)
CASH FLOW BEFORE WORKING CAPITAL	519,302	369,925	296,552	345,092	274,749	295,744
BORROWED AFUDC	3,980	18,940	13,269	5,513	4,098	4,943
CASH FLOW BEFORE WORKING CAPITAL (EXCLUDING BORROWED AFUDC)	515,322	350,985	283,283	339,579	270,651	290,801
CASH INTEREST PAID	87,094	89,077	89,402	85,719	84,556	88,489
INTEREST INCURRED	87,787	92,920	86,333	87,203	86,719	87,776
NUMERATOR:	602,416	440,062	372,685	425,298	355,207	379,290
DENOMINATOR:	87,787	92,920	86,333	87,203	86,719	87,776
CASH INTEREST COVERAGE (TIMES)	6.86	4.74	4.32	4.88	4.10	4.32

(9) INTERNAL CASH AS A PERCENTAGE OF CONSTRUCTION EXPENDITURES

	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
CASH FLOW BEFORE WORKING CAPITAL (EXCLUDING BORROWED AFUDC)	515,322	350,985	283,283	339,579	270,651	290,801
PREFERRED DIVIDENDS	(1,881)	(2,064)	0	0	0	0
COMMON DIVIDENDS	0	(30,000)	0	0	0	0
SUBTOTAL	513,441	318,921	283,283	339,579	270,651	290,801
CONSTRUCTION EXPENDITURES	702,754	895,857	898,090	451,988	348,027	337,963
LESS: AFUDC	13,872	63,013	41,714	15,236	10,820	12,560
CASH CONSTRUCTION EXPENDITURES	688,882	832,844	856,376	436,752	337,207	325,403
NUMERATOR:	513,441	318,921	283,283	339,579	270,651	290,801
DENOMINATOR:	688,882	832,844	856,376	436,752	337,207	325,403
INTERNAL CASH AS A PERCENTAGE OF CONSTRUCTION EXPENDITURES	74.53%	38.29%	33.08%	77.75%	80.26%	89.37%

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

Sponsored by: Bobby Sperandeo, Allison Lofton

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

(10) CASH COVERAGE OF COMMON DIVIDENDS

	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
CASH FLOW BEFORE WORKING CAPITAL (EXCLUDING BORROWED AFUDC)	515,322	350,985	283,283	339,579	270,651	290,801
PREFERRED DIVIDENDS	(1,881)	(2,064)	0	0	0	0
SUBTOTAL	513,441	348,921	283,283	339,579	270,651	290,801
COMMON DIVIDENDS	0	30,000	0	0	0	0
NUMERATOR:	513,441	348,921	283,283	339,579	270,651	290,801
DENOMINATOR:	0	30,000	0	0	0	0
CASH COVERAGE OF COMMON DIVIDENDS	0.00%	1163.07%	0.00%	0.00%	0.00%	0.00%

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

	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
EQUITY AFUDC	9,892	44,073	28,445	9,723	6,722	7,617
BORROWED AFUDC	3,980	18,940	13,269	5,513	4,098	4,943
CONTRA AFUDC AMORTIZATION	0	0	0	0	0	0
TOTAL	13,872	63,013	41,714	15,236	10,820	12,560
NET INCOME AFTER PREFERRED DIVIDENDS	226,915	213,191	158,817	162,235	76,173	107,538
NUMERATOR:	13,872	63,013	41,714	15,236	10,820	12,560
DENOMINATOR:	226,915	213,191	158,817	162,235	76,173	107,538
AFUDC AS A PERCENTAGE OF NET INCOME FOR COMMON SHAREHOLDERS	6.11%	29.56%	26.27%	9.39%	14.20%	11.68%

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

	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
NUMERATOR #9	513,441	318,921	283,283	339,579	270,651	290,801
CURRENT YEAR TOTAL LONG TERM DEBT	2,361,731	2,499,427	1,928,187	1,513,735	1,587,150	1,508,407
PRIOR YEAR TOTAL LONG TERM DEBT	2,499,427	1,928,187	1,513,735	1,587,150	1,508,407	1,451,967
NUMERATOR:	513,441	318,921	283,283	339,579	270,651	290,801
DENOMINATOR:	2,430,579	2,213,807	1,720,961	1,550,443	1,547,779	1,480,187
INTERNAL CASH AS A PERCENTAGE OF AVERAGE TOTAL DEBT	21.12%	14.41%	16.46%	21.90%	17.49%	19.65%

(13) RETURN ON AVERAGE COMMON EQUITY

	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17	12/31/16
NET INCOME AFTER PREFERRED DIVIDENDS	226,915	213,191	158,817	162,235	76,173	107,538
CURRENT YEAR COMMON EQUITY	2,444,456	2,122,578	1,764,407	1,422,402	1,260,167	1,068,994
PRIOR YEAR COMMON EQUITY	2,122,578	1,764,407	1,422,402	1,260,167	1,068,994	961,456
NUMERATOR:	226,915	213,191	158,817	162,235	76,173	107,538
DENOMINATOR:	2,283,517	1,943,493	1,593,405	1,341,285	1,164,581	1,015,225
RETURN ON AVERAGE COMMON EQUITY	9.94%	10.97%	9.97%	12.10%	6.54%	10.59%

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

Sponsored by: Bobby Sperandeo, Allison Lofton

PUBLIC

ENTERGY TEXAS, INC.
CAPITAL REQUIREMENTS AND ACQUISITION PLAN *
TEST YEAR ENDED DECEMBER 31, 2021
(\$000)

CAPITAL REQUIREMENTS	12/31/2021	12/31/2022	12/31/2023	12/31/2024
Generation	76,116	***	***	***
Transmission	126,367	***	***	***
Distribution	168,881	***	***	***
General, Intangible, & Other	60,923	***	***	***
Total Construction Expenditures	432,287	***	***	***
Fuel	0	***	***	***
Retirement of LT Debt & Preferred	269,435	***	***	***
Other	0	***	***	***
Total Capital Requirements	701,722	***	***	***
SOURCES OF CAPITAL				
Internal**	513,441	***	***	***
External				
Long-Term Debt	127,931	***	***	***
Preferred Stock	3,713	***	***	***
Common Stock	95,000	***	***	***
Notes Payable	0	***	***	***
Other - Net	(38,363)	***	***	***
Total Capital Sources	701,722	***	***	***

*This schedule assumes no rate relief granted.

**Same as the numerator on Ratio 9, Schedule K-6.

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

Sponsor: Bobby R. Sperandeo

PUBLIC

ENTERGY TEXAS, INC.
CAPITAL REQUIREMENTS AND ACQUISITION PLAN *
TEST YEAR ENDED DECEMBER 31, 2021
(\$000)

CAPITAL REQUIREMENTS	12/31/2021	12/31/2022	12/31/2023	12/31/2024
Generation	76,116	***	***	***
Transmission	126,367	***	***	***
Distribution	168,881	***	***	***
General, Intangible, & Other	60,923	***	***	***
Total Construction Expenditures	432,287	***	***	***
Fuel	0	***	***	***
Retirement of LT Debt & Preferred	269,435	***	***	***
Other	0	***	***	***
Total Capital Requirements	701,722	***	***	***
SOURCES OF CAPITAL				
Internal**	511,535	***	***	***
External				
Long-Term Debt	127,931	***	***	***
Preferred Stock	3,713	***	***	***
Common Stock	95,000	***	***	***
Notes Payable	0	***	***	***
Other - Net	(36,457)	***	***	***
Total Capital Sources	701,722	***	***	***

*This schedule assumes rate relief granted.

**Same as the numerator on Ratio 9, Schedule K-6.

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

Sponsor: Bobby R. Sperandeo

ENTERGY TEXAS, INC. AND SUBSIDIARIES GROWTH IN EARNINGS, DIVIDENDS AND BOOK VALUE DOLLARS AND SHARES IN THOUSANDS, EXCEPT PER SHARE AMOUNTS											ENTERGY TEXAS, INC. AND SUBSIDIARIES GROWTH IN EARNINGS, DIVIDENDS AND BOOK VALUE DOLLARS AND SHARES IN THOUSANDS, EXCEPT PER SHARE AMOUNTS											
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(A)	(Q)	(R)	(S)	(T)	(U)	
YEAR	BEGINNING COMMON EQUITY	NET INCOME FOR COMMON	COMMON DIVIDENDS	ADDITIONAL EQUITY (NET)	ENDING COMMON EQUITY	AVERAGE COMMON EQUITY (B+F)/2	ROE C/G	PERCENT EARNINGS RETAINED (C-D)/C	IMPLIED GROWTH H x I	WTD AVG SHARES (FOR EPS)	WTD AVG SHARES (FOR DPS)	YEAR END SHARES (FOR BVPS)	EPS C/K	DPS D/L	BVPS F/M	YEAR	MARKET PRICE	MARKET TO BOOK Q/P	NON-RECURRING GAINS/(LOSSES) FOR COMMON (NET OF TAX)	NET INCOME (ADJUSTED) C-S	DESCRIPTION OF NON-RECURRING ITEM	
2021	2,122,578	226,915	0	94,963	2,444,456	2,283,517	9.94%	100.00%	9.94%	N/A	N/A	N/A	N/A	N/A	N/A	2021	N/A	N/A	N/A	0	226,915	
2020	1,764,407	213,191	30,000	174,980	2,122,578	1,943,493	10.97%	85.93%	9.43%	N/A	N/A	N/A	N/A	N/A	N/A	2020	N/A	N/A	N/A	0	213,191	
2019	1,422,402	158,817	0	183,188	1,593,405	1,593,405	9.97%	100.00%	9.97%	N/A	N/A	N/A	N/A	N/A	N/A	2019	N/A	N/A	N/A	0	158,817	
2018	1,260,167	162,235	0	0	1,422,402	1,341,285	12.10%	100.00%	12.10%	N/A	N/A	N/A	N/A	N/A	N/A	2018	N/A	N/A	N/A	0	162,235	
2017	1,068,994	76,173	0	115,000	1,260,167	1,164,581	6.54%	100.00%	6.54%	N/A	N/A	N/A	N/A	N/A	N/A	2017	N/A	N/A	N/A	0	76,173	
2016	961,456	107,538	0	0	1,068,994	1,015,225	10.59%	100.00%	10.59%	N/A	N/A	N/A	N/A	N/A	N/A	2016	N/A	N/A	N/A	0	107,538	
2015	891,831	69,625	0	0	961,456	926,644	7.51%	100.00%	7.51%	N/A	N/A	N/A	N/A	N/A	N/A	2015	N/A	N/A	N/A	0	69,625	
2014	887,027	74,804	70,000	0	891,831	889,429	8.41%	6.42%	0.54%	N/A	N/A	N/A	N/A	N/A	N/A	2014	N/A	N/A	N/A	0	74,804	
2013	854,146	57,881	25,000	0	887,027	870,587	6.65%	56.81%	3.78%	N/A	N/A	N/A	N/A	N/A	N/A	2013	N/A	N/A	N/A	0	57,881	
2012	899,355	41,971	87,180	0	854,146	876,751	4.79%	-107.71%	-5.16%	N/A	N/A	N/A	N/A	N/A	N/A	2012	N/A	N/A	N/A	0	41,971	
2011	824,290	80,845	5,780	0	899,355	861,823	9.38%	92.85%	8.71%	N/A	N/A	N/A	N/A	N/A	N/A	2011	N/A	N/A	N/A	0	80,845	
2010	844,490	66,200	86,400	0	824,290	834,390	7.93%	-30.51%	-2.42%	N/A	N/A	N/A	N/A	N/A	N/A	2010	N/A	N/A	N/A	0	66,200	
2009	800,149	63,841	119,500	0	844,490	872,320	7.32%	-87.18%	-6.38%	N/A	N/A	N/A	N/A	N/A	N/A	2009	N/A	N/A	N/A	0	63,841	
2008	1,004,254	57,895	12,000	(150,000)	900,149	952,202	6.08%	79.27%	4.82%	N/A	N/A	N/A	N/A	N/A	N/A	2008	N/A	N/A	N/A	0	57,895	
2007*	987,940	58,921	42,404	(203)	1,004,254	996,097	5.92%	28.03%	1.66%	N/A	N/A	N/A	N/A	N/A	N/A	2007*	N/A	N/A	N/A	0	58,921	
2006**	2,229,234	208,022	213,200	(18,505)	2,205,551	2,217,393	9.38%	-2.49%	-0.23%	N/A	N/A	N/A	N/A	N/A	N/A	2006**	N/A	N/A	N/A	0	208,022	
						5 YEAR AVERAGE	9.90%	97.19%	9.59%													
						10 YEAR AVERAGE	8.75%	64.14%	6.52%													
						15 YEAR AVERAGE	8.27%	48.26%	4.77%													

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

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

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

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Sponsor: Bobby Sperandeo

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ENTERGY CORPORATION																ENTERGY CORPORATION															
GROWTH IN EARNINGS, DIVIDENDS AND BOOK VALUE																GROWTH IN EARNINGS, DIVIDENDS AND BOOK VALUE															
DOLLARS AND SHARES IN THOUSANDS, EXCEPT PER SHARE AMOUNTS																DOLLARS AND SHARES IN THOUSANDS, EXCEPT PER SHARE AMOUNTS															
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(A)	(G)	(R)	(S)	(T)	(U)										
YEAR	BEGINNING COMMON EQUITY	NET INCOME FOR COMMON	COMMON DIVIDENDS	ADDITIONAL EQUITY (NET)	ENDING COMMON EQUITY	AVERAGE COMMON EQUITY (B+F)/2	ROE C/G	PERCENT EARNINGS RETAINED (C-D)/C	IMPLIED GROWTH H x I	WTD AVG SHARES (FOR EPS)	WTD AVG SHARES (FOR DPS)	YEAR END SHARES (FOR BVPS)	EPS C/K	DPS D/L	BVPS F/M	YEAR	MARKET PRICE	MARKET TO BOOK Q/P	NON-RECURRING GAINS/(LOSSES) (NET OF TAX)	NET INCOME FOR COMMON (ADJUSTED) C-S	DESCRIPTION OF NON-RECURRING ITEM										
2021	10,926,142	1,118,492	775,122	367,772	11,637,284	11,281,713	9.91%	30.70%	3.04%	200,942	139,914	202,653	\$5.57	\$5.54	\$57.42	2021	\$112,650	196.17%		0	1,118,492										
2020	10,223,675	1,388,334	748,342	62,475	10,926,142	10,574,909	13.13%	46.10%	6.05%	200,107	108,455	200,245	\$6.94	\$6.90	\$54.56	2020	\$99,840	182.98%		0	1,388,334										
2019	8,844,305	1,241,226	711,573	849,717	10,223,675	9,533,960	13.02%	42.67%	5.95%	195,196	112,948	199,149	\$6.36	\$6.30	\$51.34	2019	\$119,800	233.36%		0	1,241,226										
2018	7,992,515	848,661	647,704	650,833	8,844,305	8,418,410	10.08%	23.68%	2.39%	181,410	139,893	189,056	\$4.68	\$4.63	\$46.78	2018	\$86,070	183.96%		0	848,661										
2017	8,081,809	411,612	628,885	127,979	7,992,515	8,037,162	5.12%	-52.79%	-2.70%	179,672	275,827	180,518	\$2.29	\$2.28	\$44.28	2017	\$81,390	183.83%		0	411,612										
2016	9,256,791	(583,618)	611,835	20,471	8,081,809	8,669,300	-6.73%	204.83%	-13.79%	178,886	(187,679)	179,129	(\$3.26)	(\$3.26)	\$45.12	2016	\$73,470	162.84%		0	(583,618)										
2015	10,007,725	176,562	598,897	24,525	9,256,791	9,632,258	-1.83%	439.20%	-8.05%	179,176	(604,946)	178,389	(\$0.99)	(\$0.99)	\$51.89	2015	\$68,360	131.74%		0	(176,562)										
2014	9,632,466	940,721	596,117	30,655	10,007,725	9,820,096	9.58%	36.63%	3.51%	179,508	114,199	179,241	\$5.24	\$5.22	\$55.63	2014	\$87,480	156.68%		0	940,721										
2013	9,197,089	711,902	591,440	314,915	9,632,466	9,414,778	7.56%	16.92%	1.28%	178,211	148,231	177,807	\$3.99	\$3.99	\$54.00	2013	\$63,270	117.16%		0	711,902										
2012	8,961,270	846,673	589,042	(21,812)	9,197,089	9,079,180	9.33%	30.43%	2.84%	177,325	123,748	177,997	\$4.77	\$4.76	\$51.73	2012	\$63,750	123.25%		0	846,673										
2011	8,496,400	1,346,439	588,963	(292,689)	8,961,270	8,728,835	15.43%	56.26%	8.68%	177,430	77,997	176,556	\$7.59	\$7.55	\$50.81	2011	\$73,050	143.76%		0	1,346,439										
2010	8,613,360	1,250,242	603,963	(763,239)	8,496,400	8,554,880	14.61%	51.69%	7.55%	186,010	186,408	178,746	\$6.72	\$3.24	\$47.53	2010	\$70,630	149.01%		0	1,250,242										
2009	7,966,592	1,231,092	576,913	(7,411)	8,613,360	8,289,976	14.85%	53.14%	7.89%	192,772	192,304	189,118	\$6.39	\$3.00	\$45.54	2009	\$81,840	179.69%		0	1,231,092										
2008	7,862,671	1,220,566	573,924	(542,721)	7,966,592	7,914,632	15.42%	52.98%	8.17%	190,926	191,308	189,359	\$6.39	\$3.00	\$42.07	2008	\$83,130	197.59%		0	1,220,566										
2007	8,197,887	1,134,849	507,326	(962,739)	7,862,671	8,030,279	14.21%	55.30%	7.81%	196,573	196,638	193,120	\$5.77	\$2.58	\$40.71	2007	\$119,520	293.56%		0	1,134,849										
2006	7,748,271	1,132,602	448,572	(234,414)	8,197,887	7,973,079	14.13%	60.39%	8.58%	207,457	207,672	202,668	\$5.46	\$2.16	\$40.45	2006	\$92,320	228.23%	(496)	1,133,098	Note 1										

Notes:

1. Loss from discontinued operations of Competitive Retail business

Notes:

1. Loss from discontinued operations of Competitive Retail business

* A 4 year compound growth rate is presented instead of a 5 year compound growth rate due to the net loss in 2016.

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

Sponsor: Bobby Sperandio

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

Sponsor: Bobby Sperandio

**ENTERGY TEXAS, INC.
RATING AGENCY REPORTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021**



RatingsDirect®

Research Update:

Entergy Corp. 'BBB+' Issuer Credit Rating Affirmed; Upgrade Threshold Reset On Weather-Related Risks; Outlook Stable

September 2, 2021

Rating Action Overview

- Entergy Corp.'s regulated utility subsidiaries, Entergy New Orleans LLC (ENO) and Entergy Louisiana LLC (ELL), have service territories that are subject to the risk of severe storms and hurricanes, such as recent Category 4 Hurricane Ida.
- We are affirmed our 'BBB+' long-term issuer credit rating on Entergy and reset the upside ratings threshold for an upgrade. The new threshold of funds from operations (FFO) to debt consistently above 18% reflects our view that Entergy is facing increased exposure from hurricanes, and that additional financial profile strength would be required to offset incrementally higher business risk to achieve higher ratings.
- The stable outlook on Entergy reflects our expectation that operations will remain stable while financial measures will remain weaker, including adjusted FFO to debt consistently in the 14%-16% area through 2023.

Rating Action Rationale

Our assessment of Entergy's financial risk profile continues to reflect weaker financial measures. We expect Entergy's financial measures, including FFO to debt, to remain toward the lower end of the benchmark range for the significant financial risk profile. This reflects the impact of higher operating and capital costs from Hurricane Ida affecting Entergy's service territories. Our expectations include raising proceeds from securitization bonds that we estimate will be issued no later than mid-2022 that would help the company reduce leverage, thereby strengthening financial measures. With the assumed securitization, we expect FFO to debt to be in the 14%-16% range through 2023. Our expectation for Entergy's financial measures over the next several years support our financial risk profile assessment, albeit toward the lower end. We used our medial volatility table, which reflects more relaxed benchmarks than those we use for most corporate issuers. This reflects the company's steadier cash flows and rate-regulated utility operations, and

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Research Update: Entergy Corp. 'BBB+' Issuer Credit Rating Affirmed; Upgrade Threshold Reset On Weather-Related Risks; Outlook Stable

effective regulatory risk management.

The service territories of ENO and ELL increase business risk for Entergy. ENO and ELL account for approximately 40% of Entergy's consolidated EBITDA. ELL's and ENO's exposure to severe storms including hurricanes, a low lying service territory along the Gulf Coast, and relatively limited size and diversity to help absorb the impact of such storms weakens Entergy's business risk profile.

We apply a comparable rating analysis modifier that is negative, resulting in a stand-alone credit profile of 'bbb+'. Given the increased business risk in the excellent category compared peers with similar business risk assessments and financial measures near the bottom of the benchmark range through the forecast period, we apply a comparable rating analysis modifier that is negative.

Environmental, social, and governance (ESG) credit factors for this credit rating change.

- Natural conditions

Outlook

The stable outlook reflects our expectation that Entergy will close and sell its remaining nonutility nuclear power generation station and continue to expand through its lower-risk, rate-regulated utility businesses, leading to an improved business risk profile. The outlook also reflects our base-case forecast that adjusted FFO to debt will average in the 14%-16% range over the next few years, in line with the significant financial risk profile.

Downside scenario

We could lower our rating on Entergy over the next 24 months if its business risk weakens from additional severe storm or hurricane activity along the Gulf Coast or if financial measures weaken, including adjusted FFO to debt that would be consistently below 13%.

Upside scenario

Although unlikely given our expectation for weakened financial measures due to higher capital spending related to severe storms and hurricanes, we could raise our rating on Entergy over the next 24 months if we project the company will improve its adjusted FFO to debt to above 18% on a consistent basis.

Company Description

Entergy is an integrated energy company that primarily engages in regulated utility operations and has some remaining higher-risk, nonregulated power generation operations. Entergy's utilities ELL, ENO, Entergy Arkansas LLC, Entergy Mississippi LLC, and Entergy Texas Inc. serve about 3.1 million customers (2.9 million electric and 200,000 gas) in Arkansas, Mississippi, Texas, and Louisiana. System Energy Resources Inc. has 90% ownership and a leasehold interest in the Grand Gulf nuclear station, which is contracted to Entergy utility affiliates.

Research Update: Entergy Corp. 'BBB+' Issuer Credit Rating Affirmed; Upgrade Threshold Reset On Weather-Related Risks; Outlook Stable

Our Base-Case Scenario

- Annual EBITDA margins averaging about 47% through 2023;
- Annual capital spending of \$3.8 billion-\$5.6 billion through 2023;
- Generally constructive regulatory environments help provide prudent cost recovery; and
- All debt maturities are refinanced.

Based on our assumption, we expect the following measures over the forecast period through 2023:

- Annual adjusted FFO to debt in the 14%-16% range;
- Annual adjusted debt to EBITDA in the 5.5x-6.5x range; and
- Annual adjusted FFO cash interest coverage in the 5x-6x range.

Liquidity

We base our 'A-2' short-term rating on Entergy on our long-term issuer credit rating. We assess the company's liquidity as adequate because we believe Entergy's liquidity sources will likely be more than 1.1x its uses over the next 12 months and meet its cash outflow even if the company's EBITDA declines 10%. Our assessment also reflects Entergy's generally prudent risk management, sound relationships with banks, and generally satisfactory standing in the credit markets.

Principal liquidity sources

- Cash and liquid investments of about \$700 million;
- Total availability under the revolving credit facility of about \$3.3 billion; and
- Estimated cash FFO of about \$3.5 billion.

Principal liquidity uses

- Debt maturities, including outstanding commercial paper, of about \$1.2 billion;
- Working capital outflows of about \$240 million;
- Capital spending of about \$4.2 billion; and
- Dividends of about \$830 million.

Issue Ratings - Subordination Risk Analysis

Capital structure

Entergy's capital structure consists of about \$24.5 billion of debt, most of which is priority debt.

Research Update: Entergy Corp. 'BBB+' Issuer Credit Rating Affirmed; Upgrade Threshold Reset On Weather-Related Risks; Outlook Stable

Analytical conclusions

We rate the senior unsecured debt at Entergy one notch below our issuer credit rating because the company's priority debt exceeds 50% of its consolidated debt, after which its debt could be considered structurally subordinated.

Ratings Score Snapshot

Issuer Credit Rating: BBB+/Stable/A-2

Business risk: Excellent

- Country risk: Very low
- Industry risk: Very low
- Competitive position: Strong

Financial risk: Significant

- Cash flow/leverage: Significant

Anchor: a-

Modifiers

- Diversification/portfolio effect: Neutral (no impact)
- Capital structure: Neutral (no impact)
- Financial policy: Neutral (no impact)
- Liquidity: Adequate (no impact)
- Management and governance: Satisfactory (no impact)
- Comparable rating analysis: Negative (-1 notch)

Stand-alone credit profile : bbb+

- Group credit profile: bbb+

Research Update: Entergy Corp. 'BBB+' Issuer Credit Rating Affirmed; Upgrade Threshold Reset On Weather-Related Risks; Outlook Stable

Related Criteria

- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Corporates | General: Recovery Rating Criteria For Speculative-Grade Corporate Issuers, Dec. 7, 2016
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- Criteria | Corporates | Utilities: Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- Criteria | Corporates | Utilities: Collateral Coverage And Issue Notching Rules For '1+' And '1' Recovery Ratings On Senior Bonds Secured By Utility Real Property, Feb. 14, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov. 13, 2012
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Ratings List

Ratings Affirmed

Entergy Corp.

Issuer Credit Rating	BBB+/Stable/A-2
Senior Unsecured	BBB
Commercial Paper	A-2

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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RatingsDirect®

Bulletin:

Entergy Corp. Ratings Unchanged After Updated Hurricane Ida-Related Restoration Costs

September 22, 2021

NEW YORK (S&P Global Ratings) Sept. 22, 2021--S&P Global Ratings today said that its ratings on Entergy Corp. (Entergy; BBB+/Stable/A-2) are unchanged following the company's announcement that it could face up to \$2.6 billion of restoration costs related to Hurricane Ida, mostly for subsidiaries Entergy Louisiana LLC and Entergy New Orleans LLC.

Under our base-case scenario, we assume Entergy's pending securitization for its Hurricane Laura restoration costs is approved in 2022, which helps the company reduce its leverage and strengthen its financial measures. Entergy expects expedited approval of the securitization financings for its Hurricane Ida-related expenses in 2022. With the assumed securitizations, we expect the company's S&P Global Ratings-adjusted funds from operations (FFO) to debt to be in the 14%-16% range through 2023. Our expectations for Entergy's financial measures over the next several years support our significant assessment of its financial risk profile, though we view its profile as being at the lower end of the range relative to the profiles of other companies we assess as significant.

Consistent with our current view, we could lower our ratings on Entergy if its business risk profile weakens due to additional severe storm or hurricane activity along the Gulf Coast or its financial measures diminish, including S&P Global Ratings-adjusted FFO to debt of consistently below 13%.

We will continue to monitor any developments related to the implications from Hurricane Ida.

For more information, please see our most recent research update on Entergy, published Sept. 2, 2021, on RatingsDirect.

Related Research

- Entergy Louisiana LLC Downgraded To 'BBB+' From 'A-' On Weaker Financial Metrics Due To Storm Damage; Outlook Stable, Sept. 2, 2021
- Entergy New Orleans LLC Downgraded To 'BB+' On Weather-Related Weaker Credit Metrics; Outlook Stable; Bond Rating Lowered, Sept. 2, 2021

This report does not constitute a rating action.

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Bulletin: Entergy Corp. Ratings Unchanged After Updated Hurricane Ida-Related Restoration Costs

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Research

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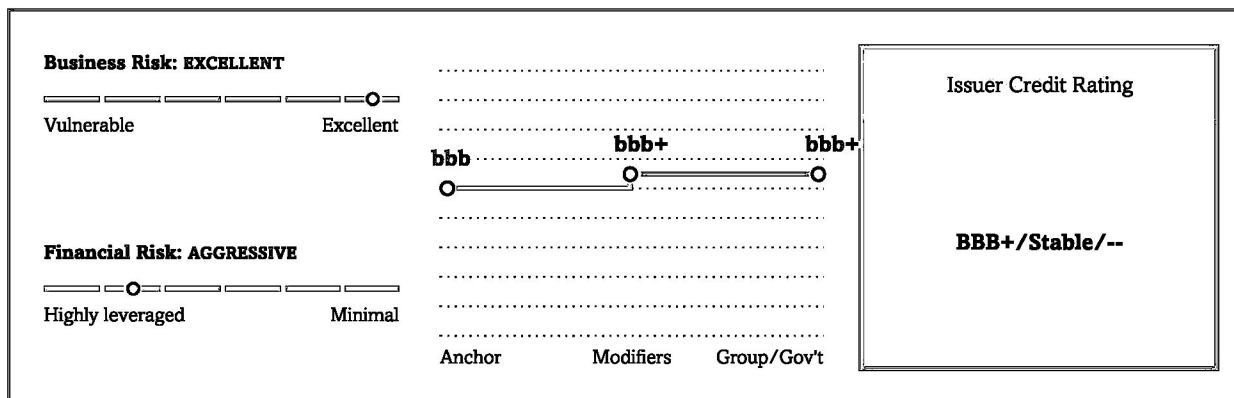
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Entergy Texas Inc.



Credit Highlights

Overview

Key strengths

Low-risk, fully rate-regulated electric utility.
Generally stable regulatory framework.
About 65% of operating revenues are from residential and commercial customers, providing some stability to revenue and cash flow.

Key risks

Modest customer base and growth.
Limited regulatory and operating diversity.
Negative discretionary cash flow, reflecting high capital spending leading to external funding needs.

Entergy Texas Inc.'s (ETI) excellent business risk profile reflects ETI's effective management of regulatory risk. The Public Utility Commission of Texas (PUCT) uses historical test years for rate-making that can result in regulatory lag around cost recovery. In recent years, however, regulatory lag has been mitigated because ETI has been authorized rate riders for recovery of costs related to electrical distribution, transmission, and generation. In addition, ETI has been able to execute settlements in various rate cases. We expect ETI will be able to realize the cost recoveries and return on the power plant through the authorized generation rider.

In July 2021, ETI filed for storm cost recovery and securitization bonds issued no later than end of 2022. In July 2021, ETI requested recovery of \$266 million of storm restoration costs plus cost-of capital at 7.73%. These storm restoration expenses were incurred due to Hurricane Laura, Hurricane Delta, Winter Storm Uri, and Hurricane Harvey.

We assess the financial risk profile as aggressive, reflecting financial measures including adjusted funds from operations (FFO) to debt in the 12%-13% through 2022, and improving in 2023. Our assessment of ETI's financial risk profile incorporates the incremental impact of estimated capital costs due to Hurricane Laura of about \$260 million. In addition, debt leverage is greater since ETI largely debt funded the construction of the \$1 billion Montgomery County natural-gas-fired combined cycle station. We expect FFO to debt to increase into the 12%-13% area through 2022 after ETI begins to recover the generation construction costs through a generation rider and assuming the utility is able to securitize Hurricane Laura restoration costs in the next few years. The expectation of strengthening financial measures is captured in our assessment of comparable ratings analysis modifier as positive.

Entergy Texas Inc.

Outlook: Stable

The stable outlook on ETI reflects its lower-risk, rate-regulated utility operations and effective management of regulatory risk. The outlook also reflects our expectation of adjusted FFO to debt of 12%-13% area through 2022, in line with the existing financial risk profile.

Downside scenario

We could lower the ratings on ETI over the next 24 months if the business risk materially weakens or the company's financial measures weaken, including adjusted FFO to debt consistently below 11%.

Upside scenario

Although unlikely over the next 24 months, we could raise our rating on ETI if we raise the ratings on Entergy and we expect ETI's FFO to debt to be consistently above 17% along with no changes in business risk.

Our Base-Case Scenario

Assumptions

- Expected EBITDA margin averaging about 30% per year.
- Capital spending averaging about \$700 million per year.
- Negative discretionary cash flow (DCF) indicating external funding needs.
- Generally constructive regulatory environments provides prudent cost recovery.
- Securitization of Hurricane Laura restoration costs no later than in 2022.
- All debt maturities are refinanced.

Key Metrics

Entergy Texas Inc.--Key Metrics*

	2020a	2021e	2022e
Adjusted FFO to debt (%)	10.3	12.0-13.0	14.0-15.0
Adjusted debt to EBITDA (x)	6.7	5.5-6.0	5.0-5.5
Adjusted FFO cash interest coverage (x)	3.2	3.0-3.5	4.0-4.5

*S&P Global Ratings-adjusted. FFO--Funds from operations. A--actual. E--estimate.

Company Description

ETI is a regulated vertically integrated electric utility operating in eastern Texas.

Entergy Texas Inc.

Peer Comparison

Table 1

Entergy Texas Inc.--Peer Comparison				
Industry Sector: Electric				
	Entergy Texas Inc.	Southwestern Electric Power Co.	Entergy Louisiana LLC	Southwestern Public Service Co.
Ratings as of Oct. 6, 2021	BBB+/Stable/–	A-/Negative/–	BBB+/Stable/–	A-/Stable/A-2
--Fiscal year ended Dec. 31, 2020--				
(Mil. \$)				
Revenue	1,499.2	1,738.5	4,046.7	1,870.0
EBITDA	355.7	588.8	1,722.8	686.5
Funds from operations (FFO)	243.3	466.6	1,396.1	573.6
Interest expense	94.9	136.4	411.2	134.0
Cash interest paid	109.5	117.9	341.4	123.0
Cash flow from operations	285.4	364.0	1,023.1	414.6
Capital expenditure	844.7	402.6	2,001.0	1,142.5
Free operating cash flow (FOCF)	(559.2)	(38.6)	(977.9)	(727.9)
Discretionary cash flow (DCF)	(591.3)	(40.5)	(999.4)	(1,040.9)
Cash and short-term investments	248.6	13.2	728.0	6.0
Debt	2,369.3	3,115.9	8,998.4	3,365.9
Equity	2,157.6	2,627.7	7,457.7	3,298.0
Adjusted ratios				
EBITDA margin (%)	23.7	33.9	42.6	36.7
Return on capital (%)	7.1	5.7	7.3	6.6
EBITDA interest coverage (x)	3.7	4.3	4.2	5.1
FFO cash interest coverage (x)	3.2	5.0	5.1	5.7
Debt/EBITDA (x)	6.7	5.3	5.2	4.9
FFO/debt (%)	10.3	15.0	15.5	17.0
Cash flow from operations/debt (%)	12.0	11.7	11.4	12.3
FOCF/debt (%)	(23.6)	(1.2)	(10.9)	(21.6)
DCF/debt (%)	(25.0)	(1.3)	(11.1)	(30.9)

Source: S&P Global Ratings and company data.

Business Risk: Excellent

Our assessment of ETI's business risk profile reflects its lower-risk, regulated utility operations in Texas, with generally supportive regulation, including rate mechanisms. After hurricanes, the company has been able to recover restoration costs through securitizations. The company's midsize service territory benefits from economic growth and modest

Entergy Texas Inc.

customer growth. ETI, with about 20% of Entergy's consolidated operating income, serves approximately 475,000 customers in eastern Texas and has about 2,300 MW of capacity, of which about 90% is natural-gas-fired. Residential and commercial customers account for about 70% of retail sales, providing some stability to revenue and cash flow.

Financial Risk: Aggressive

Our assessment of ETI's stand-alone financial risk profile incorporates a base-case scenario that includes adjusted FFO to debt in the range of about 12%-15%, below the midpoint of the benchmark range of the aggressive financial risk category. We expect the supplemental ratio of FFO cash interest coverage to be 3.5x-4.5x, supporting our financial risk assessment. In addition, we expect robust capital spending along with dividend payments to result in negative discretionary cash flow (DCF). The utility will therefore require external funding that could include debt issuances or capital infusions from the Entergy group. Over the next few years, we expect debt to be highly leveraged for a regulated utility, as indicated by debt to EBITDA averaging about 5.5x.

We assess ETI's financial risk under our medial volatility financial benchmarks, reflecting the company's lower-risk regulated utility operations and effective management of regulatory risk. These benchmarks are more relaxed than those used for a typical corporate issuer.

Financial summary

Table 2

Entergy Texas Inc.--Financial Summary					
Industry Sector: Electric					
	--Fiscal year ended Dec. 31--				
	2020	2019	2018	2017	2016
(Mil. \$)					
Revenue	1,499.2	1,400.5	1,517.2	1,456.0	1,526.6
EBITDA	355.7	228.9	269.8	248.0	283.9
Funds from operations (FFO)	243.3	112.1	158.5	185.4	169.3
Interest expense	94.9	83.8	86.8	82.0	80.8
Cash interest paid	109.5	99.8	90.5	83.7	86.1
Cash flow from operations	285.4	205.1	261.4	237.7	246.1
Capital expenditure	844.7	862.8	443.1	352.5	333.9
Free operating cash flow (FOCF)	(559.2)	(657.7)	(181.7)	(114.8)	(87.9)
Discretionary cash flow (DCF)	(591.3)	(657.7)	(181.7)	(114.8)	(87.9)
Cash and short-term investments	248.6	12.9	0.1	115.5	6.2
Gross available cash	248.6	12.9	0.1	115.5	6.2
Debt	2,369.3	1,900.5	1,427.4	1,304.4	1,305.6
Equity	2,157.6	1,799.4	1,422.4	1,260.2	1,069.0
Adjusted ratios					
EBITDA margin (%)	23.7	16.3	17.8	17.0	18.6
Return on capital (%)	7.1	5.2	7.7	8.0	10.6
EBITDA interest coverage (x)	3.7	2.7	3.1	3.0	3.5

Entergy Texas Inc.

Table 2

Entergy Texas Inc.--Financial Summary (cont.)

Industry Sector: Electric

	--Fiscal year ended Dec. 31--				
	2020	2019	2018	2017	2016
FFO cash interest coverage (x)	3.2	2.1	2.8	3.2	3.0
Debt/EBITDA (x)	6.7	8.3	5.3	5.3	4.6
FFO/debt (%)	10.3	5.9	11.1	14.2	13.0
Cash flow from operations/debt (%)	12.0	10.8	18.3	18.2	18.8
FOCF/debt (%)	(23.6)	(34.6)	(12.7)	(8.8)	(6.7)
DCF/debt (%)	(25.0)	(34.6)	(12.7)	(8.8)	(6.7)

Source: S&P Global Ratings and company data.

Reconciliation

Table 3

Entergy Texas Inc.--Reconciliation Of Reported Amounts With S&P Global Ratings' Adjusted Amounts

--Fiscal year ended Dec. 31, 2020--

Entergy Texas Inc. reported amounts (mil. \$)

	Debt	Revenue	EBITDA	Operating income	Interest expense	S&P Global Ratings' adjusted EBITDA	Cash flow from operations	Capital expenditure
	2,493.7	1,587.1	424.6	246.8	74.0	355.7	375.3	856.7
S&P Global Ratings' adjustments								
Cash taxes paid	--	--	--	--	--	(2.8)	--	--
Cash interest paid	--	--	--	--	--	(89.1)	--	--
Reported lease liabilities	20.5	--	--	--	--	--	--	--
Operating leases	--	--	4.9	0.4	0.4	(0.4)	4.4	--
Accessible cash and liquid investments	(248.6)	--	--	--	--	--	--	--
Capitalized interest	--	--	--	--	18.9	(18.9)	(18.9)	(18.9)
Securitized stranded costs	(123.1)	(88.0)	(88.0)	(5.7)	(5.7)	5.7	(82.3)	--
Power purchase agreements	220.4	--	13.7	6.8	6.8	(6.8)	6.9	6.9
Asset-retirement obligations	6.4	--	0.5	0.5	0.5	--	--	--
Nonoperating income (expense)	--	--	--	41.4	--	--	--	--
Total adjustments	(124.4)	(88.0)	(68.9)	43.4	21.0	(112.3)	(89.9)	(12.0)
S&P Global Ratings' adjusted amounts								
	Debt	Revenue	EBITDA	EBIT	Interest expense	Funds from operations	Cash flow from operations	Capital expenditure
	2,369.3	1,499.2	355.7	290.3	94.9	243.3	285.4	844.7

Source: S&P Global Ratings and company data.

Entergy Texas Inc.

Liquidity: Adequate

We assess the company's stand-alone liquidity as adequate because we believe its liquidity sources are likely to cover uses by more than 1.1x over the next 12 months and meet cash outflows even with a 10% decline in EBITDA. The assessment also reflects the company's generally prudent risk management, sound relationships with banks, and a generally satisfactory standing in credit markets.

Principal liquidity sources

- Cash and liquid investments of about \$25 million;
- Estimated cash FFO of about \$420 million; and
- Credit facility availability of about \$200 million.

Principal liquidity uses

- Debt maturities of about \$200 million; and
- Capital spending of about \$365 million.

Environmental, Social, And Governance

We consider environmental factors in our rating analysis. ETI's social and governance factors are generally comparable with those of its peers.

As both a vertically integrated electric utility with generation assets, ETI has similar environmental risks to those of its vertically integrated peers and Entergy, which has about 30,000 MW of generation that consists of about 70% natural gas, 20% nuclear, and about 10% coal.

ETI continues to decarbonize its portfolio with solar generation investments. By pursuing greater renewables generation, the company is meeting its customers' demand for renewable energy.

Group Influence

We view ETI as a member of the Entergy group. We assess ETI as a strategically important subsidiary of Entergy Corp. because it is important to Entergy's long-term strategy, is unlikely to be sold, and we expect group support will remain limited. As a result, our rating on ETI is based on its stand-alone credit profile (SACP) of 'bbb+' and currently aligned with the group credit profile of 'bbb+'.

Entergy Texas Inc.

Issue Ratings

We rate the preferred stock two notches below the issuer credit rating to reflect the discretionary nature of the dividend and the deeply subordinated claim if a bankruptcy occurs.

Issue Ratings - Recovery Analysis

ETI's first-mortgage bonds benefit from a first-priority lien on substantially all of the utility's real property owned or subsequently acquired. Collateral coverage of more than 1.5x supports a recovery rating of '1+' and an issue rating of two notches above the issuer credit rating..

Ratings Score Snapshot

Issuer Credit Rating

BBB+/Stable/--

Business risk: Excellent

- **Country risk:** Very low
- **Industry risk:** Very low
- **Competitive position:** Strong

Financial risk: Aggressive

- **Cash flow/leverage:** Aggressive

Anchor: bbb

Modifiers

- **Diversification/portfolio effect:** Neutral (no impact)
- **Capital structure:** Neutral (no impact)
- **Financial policy:** Neutral (no impact)
- **Liquidity:** Adequate (no impact)
- **Management and governance:** Satisfactory (no impact)
- **Comparable rating analysis:** Positive (+1 notch)

Stand-alone credit profile : bbb+

- **Group credit profile:** bbb+
- **Entity status within group:** Strategically important (no impact)

Entergy Texas Inc.

Related Criteria

- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Corporates | General: Recovery Rating Criteria For Speculative-Grade Corporate Issuers, Dec. 7, 2016
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- Criteria | Corporates | Utilities: Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- Criteria | Corporates | Utilities: Collateral Coverage And Issue Notching Rules For '1+' And '1' Recovery Ratings On Senior Bonds Secured By Utility Real Property, Feb. 14, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov. 13, 2012
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Business And Financial Risk Matrix

Business Risk Profile	Financial Risk Profile					
	Minimal	Modest	Intermediate	Significant	Aggressive	Highly leveraged
Excellent	aaa/aa+	aa	a+/a	a-	bbb	bbb-/bb+
Strong	aa/aa-	a+/a	a-/bbb+	bbb	bb+	bb
Satisfactory	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
Fair	bbb/bbb-	bbb-	bb+	bb	bb-	b
Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-/b+	b+	b	b-

Ratings Detail (As Of October 13, 2021)*

Entergy Texas Inc.

Issuer Credit Rating	BBB+/Stable/--
Preferred Stock	BBB-
Senior Secured	A

Issuer Credit Ratings History

03-May-2018	BBB+/Stable/--
09-Jan-2017	BBB+/Positive/--

Entergy Texas Inc.

Ratings Detail (As Of October 13, 2021)*(cont.)

04-Aug-2016

BBB+/Stable/--

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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MOODY'S INVESTORS SERVICE

CREDIT OPINION

28 September 2021

Update

 Rate this Research

RATINGS

Entergy Corporation

Domicile	New Orleans, Louisiana, United States
Long Term Rating	Baa2
Type	LT Issuer Rating - Dom Curr
Outlook	Stable

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Entergy Corporation

Update following outlook change to negative

Summary

Entergy Corporation's (Entergy, Baa2 negative) credit profile is supported by its portfolio of regulated utilities, which represent virtually all of its consolidated operating cash flow, and the generally predictable cash flow from formulaic ratemaking structures in Louisiana, Arkansas, Mississippi and with the Federal Energy Regulatory Commission (FERC).

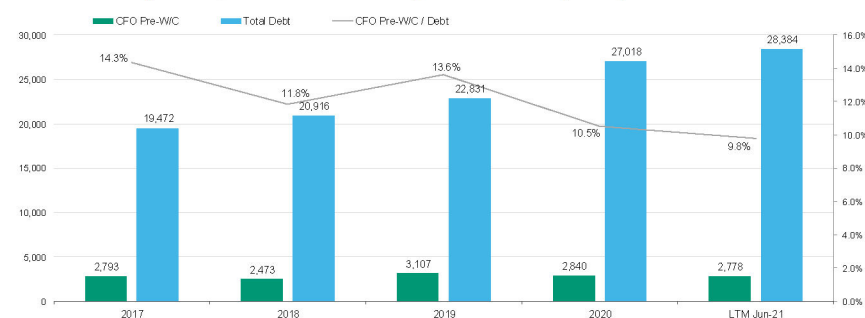
Entergy's credit quality is constrained by a currently weak financial profile (e.g., CFO pre-WC to debt of about 10% through LTM 2Q21) and will continue to be challenged by the recovery of storm damage costs. This challenge could persist given the company's location in a storm prone service territory and ongoing exposure to extreme weather events.

Recent Events

On 23 September 2021, we changed the outlooks of Entergy, Entergy Louisiana, LLC (ELL, Baa1) and Entergy New Orleans, LLC (ENOL, Ba1) to negative following a 21 September 2021 8-K filing which indicated that restoration costs for the repair and/or replacement of the electrical facilities damaged by Hurricane Ida are estimated to be in the range of \$2.1 billion to \$2.6 billion, which are higher than we had originally anticipated.

Entergy has already begun working with the Louisiana state legislature and regulators in both jurisdictions to securitize the storm costs, the proceeds of which would be used to pay down interim debt financing and rebuild damaged infrastructure. While there is strong precedent in both jurisdictions for storm cost securitization, we acknowledge that added costs will place incremental pressure on customer bills, which increases risks related to customer relations and the potential for political intervention into rate making.

Exhibit 1
Historical CFO pre-WC, Total Debt and CFO pre-WC to Debt (\$ MM)



Source: Moody's Financial Metrics

Credit Strengths

- » Generally predictable cash flow derived from rate regulated utility assets and formulaic ratemaking
- » Strong regulatory support and timely cost recovery in most jurisdictions
- » Exit from non-utility nuclear generation business is nearly complete

Credit Challenges

- » Financial metrics could remain lower for longer
- » Successive years of severe hurricanes has resulted in over \$4.5 billion of damage, the recovery of which will increase customer bills
- » Storm prone service territories

Rating Outlook

Entergy's negative outlook reflects the added cost burden imposed by recent storm activity and the potential for impaired customer relations, increased political or regulatory challenges to full and timely cost recovery, and prolonged financial metric weakness.

Factors that Could Lead to an Upgrade

- » Unlikely over the next 12-18 months, given the negative outlook; however,
- » Sustainable CFO pre-WC to debt of at least 17% could provide upward rating pressure
- » Multiple utility subsidiary upgrades could result in an upgrade of Entergy

Factors that Could Lead to a Downgrade

- » Inability to achieve a CFO pre-WC to debt ratio of 14% by 2023
- » Challenges to cost recovery, including the securitization of recent storms
- » A decline in regulatory support for its utilities
- » One or more of its key subsidiaries are downgraded

Key Indicators

Entergy Corporation [1]

	Dec-17	Dec-18	Dec-19	Dec-20	LTM Jun-21
CFO Pre-W/C + Interest / Interest	4.4x	3.8x	4.4x	4.0x	4.0x
CFO Pre-W/C / Debt	14.3%	11.8%	13.6%	10.5%	9.8%
CFO Pre-W/C – Dividends / Debt	11.1%	8.7%	10.5%	7.7%	7.1%
Debt / Capitalization	56.2%	59.0%	58.7%	61.7%	63.0%

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
Source: Moody's Financial Metrics

Profile

Entergy Corporation is a multistate vertically integrated holding company with five utility subsidiaries and a power generation portfolio, headquartered in New Orleans, LA. The company serves over 3 million utility customers in Arkansas, Louisiana, Mississippi, and Texas. The regulated segment also includes System Energy Resources, Inc. (SERI, Baa1 negative, a 1,400 MW nuclear unit in Mississippi) and

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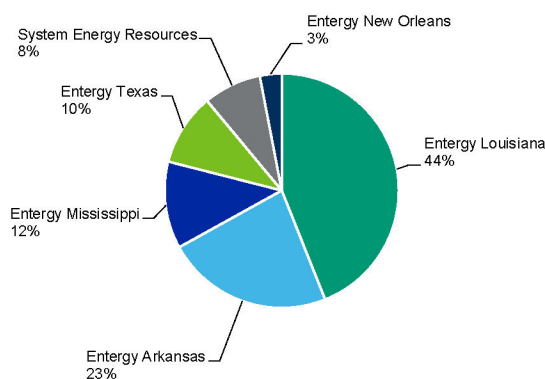
together these subsidiaries represent nearly all of operating cash flow and net property plant and equipment. Its largest subsidiary, Entergy Louisiana, LLC (ELL, Baa1 negative), is expected to provide nearly 40% of operating company EBITDA in 2021.

Entergy has also made significant progress in de-risking its business profile in recent years, through the closure or sale of 5 merchant nuclear generating units over the last 6 years. The remaining plant -- the roughly 817 megawatt Palisades plant in Michigan -- is scheduled to close in 2022 but will continue to operate under a purchase power contract until that time. Entergy has further reduced its long-term financial risk by selling the associated nuclear decommissioning obligations (and trust assets) of each plant to third parties.

The exhibit below illustrates the pro forma operating cash flow contribution that we expect each utility to contribute to Entergy's Utility business segment.

Exhibit 3

Expected EBITDA from Entergy's five utilities, and SERI



Source: Moody's Investors Service

Detailed Credit Considerations

The physical effects of climate change continue to cause significant damage to Entergy's asset base

Over the past 13 months, Hurricanes Laura, Delta, Zeta and Ida have caused over \$4.5 billion of storm damage across Entergy's Gulf Coast service territory. In all, this represents roughly 14% of the company's approximately \$33 billion of total rate base, including riders and the Grand Gulf nuclear unit. While we have long cited the company's geographical footprint as a risk for ongoing storm activity, the frequency and severity of recent storms is unprecedented and the most active on record. This reflects a higher-risk operating environment due to the physical effects of climate change.

The storms caused between 480,000 (Zeta) and 932,000 (Ida) customers to be without service at the peak of the respective storms, requiring a tremendous labor effort from workers across the US, and well over \$400 million of operating costs (\$400 million excludes Hurricane Ida costs) to restore service and hundreds of millions of dollars in lost gross margin.

Potential pressure on cost recovery if customer and regulatory relationships become challenged

The combined costs of these storms will result in higher bills for customers, simply to restore the system, above and beyond the rate increases associated with Entergy's normal capital plan and operating costs. As such, we see the potential for challenged customer relations and the prospect for political intervention into rate making, which could include rate filings outside of those related to storm activity.

There is a strong precedent for storm cost securitization in Louisiana, Texas and New Orleans, all of which have been affected by recent storms. We view securitization to be a credit positive method of cost recovery, since it incorporates the lowest cost of financing to minimize the customer rate impact and is non-recourse to the utility, which acts as a pass through conduit of collections.

At the same time, the size of 2020 and more recent Ida storm costs will have an impact on overall customer bills and could motivate regulators to limit other rate increases requested by Entergy, particularly in Louisiana. By way of illustration, assuming a 15 year amortization of aggregate storm costs, ELL's rates would increase by roughly 6% (or 10% of non-fuel related gross profit), while New Orleans and Texas utility rates would increase by about 1% (3%) each. This, combined with normal course rate filings, could reach an inflection point on customers' ability to absorb rising rates, prompting intervention into the typical rate making process.

A high degree of contentiousness and politicization has already begun in New Orleans, with various calls for an investigation into ENOL's performance during Hurricane Ida, a management audit, consideration of the potential sale or municipalization of the utility and market reforms introducing retail competition. These various and unique social pressures around stakeholder and customer relations have arisen largely as a result of customer outages experienced during the storm.

Weak financial ratios are expected to persist until storm securitization can be completed

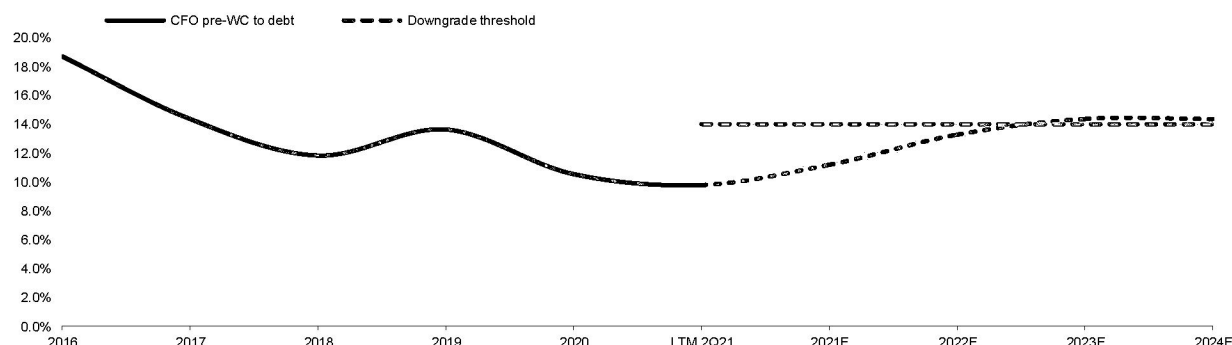
Entergy's financial metrics continue to be weaker than we had expected due to over \$4.5 billion of storm damage incurred over the past 13 months, as well as the revenue lost during storm outages, which is estimated to be between \$75 million and \$85 million for Ida in 2021. This has caused Entergy's LTM 2Q21 CFO pre-WC to debt ratio to be just under 10%.

When excluding storm effects on cash flow and debt, we estimate that Entergy's core cash flow to debt ratios will improve to about 14% by 2023. Key assumptions in our figures include: 1) 2020 storm costs are securitized in 2022, 2) Ida costs are securitized in 2023, 3) roughly \$2.5 billion of equity is issued from 2020-2024, consistent with the company's 2020 Analyst Day guidance.

On 4 August, management indicated that equity needs could be less than previously anticipated, due to a lower business risk profile. Less equity would reduce both our projected credit metrics and the pace of improvement.

Exhibit 4

Entergy's cash flow to debt metrics should rebound to 14% by 2023



Source: Moody's Financial Metrics and Moody's projections

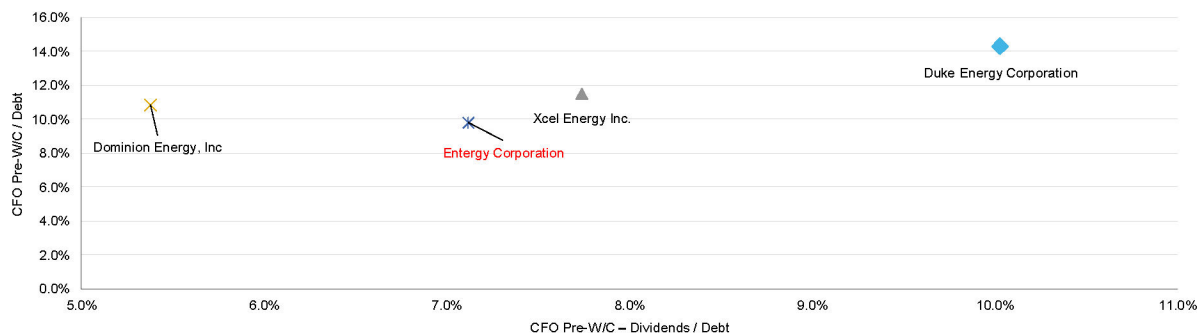
Exit from merchant nuclear generation has de-risked Entergy's business mix

Entergy has made significant progress in de-risking its business profile through the closure or sale of 5 merchant nuclear generating units over the last 6 years. The remaining plant -- the roughly 817 megawatt Palisades plant in Michigan -- is scheduled to close in 2022 but will continue to operate under a power purchase contract until that time. Entergy has further reduced its long-term financial risk by selling the associated nuclear decommissioning obligations (and trust assets) of each plant to third parties. The change in Entergy's business risk has been reflected in revised financial metric thresholds that could lead to a change in the company's Baa2 rating.

Moreover, we now see Entergy's peers as pure play regulated utility holding companies with a focus on electric operations. As such, companies such as Dominion Energy, Inc. (Baa2 stable), Xcel Energy, Inc. (Baa1 stable) and Duke Energy Corporation (Baa2 stable) are viewed to be Entergy's closest peers.

Exhibit 5

Peer CFO pre-WC to debt vs. CFO pre-WC less dividends to debt comparison [1]



[1] As of 6/30/2021

Source: Moody's Financial Metrics

Utility formula rate frameworks continue to be supportive and provide stable, predictable cash flow

Entergy's consolidated credit profile is underpinned by its regulated business segment and its generally predictable cash flow. In particular, Entergy's Louisiana, Arkansas, Mississippi and New Orleans utilities are supported by state formulaic rate making, while SERI operates under a full cost-of-service contract with its utility affiliates. Collectively, this provides highly stable and predictable earnings and cash flow for Entergy.

Some regulatory headwinds have surfaced over the past 12 months in Arkansas and with ongoing FERC complaints regarding SERI's rate structure. However, new legislation in Arkansas has brought sufficient clarity to the ongoing FRP within the state, which was also extended for another five years.

At the FERC, incremental state commission complaints have the potential to erode SERI's cost recovery and cash flow. As a result, on 30 July 2021, we changed the outlook of SERI to negative from stable.

ESG considerations

Entergy's ESG Credit Impact Score is CIS-3 (Moderately Negative).

Exhibit 6

ESG Credit Impact Score

CIS-3

Moderately Negative



For an issuer scored CIS-3 (Moderately Negative), its ESG attributes are overall considered as having a limited impact on the current rating, with greater potential for future negative impact over time. The negative influence of the overall ESG attributes on the rating is more pronounced compared to an issuer scored CIS-2.

Source: Moody's Investors Service

Entergy's ESG Credit Impact Score is moderately negative (**CIS-3**), reflecting highly negative environmental risks, moderately negative social risks and neutral-to-low exposure to governance risks.

Exhibit 7
ESG Issuer Profile Scores

ENVIRONMENTAL

E-4

Highly Negative



SOCIAL

S-3

Moderately Negative



GOVERNANCE

G-2

Neutral-to-Low



Source: Moody's Investors Service

Environmental

Entergy's high exposure to environmental risks (E-4 issuer profile score) is driven by its geographical concentration around the Gulf region, which exposes the company to material and extreme weather events that have resulted in customer outages and costly repairs in recent years. The company also operates a fleet of nuclear generation units, which includes operational risks around spent fuel waste and pollution management of radioactive uranium.

Social

Exposure to social risks is moderately negative (S-3 issuer profile score) reflecting the fundamental utility risk that demographics and societal trends could include social pressures or public concern around affordability, utility reputational or environmental concerns. In turn, these pressures could result in adverse political intervention into utility operations or regulatory changes. Entergy's nuclear generation fleet also carries unique public safety risks that other forms of generation do not.

Governance

Entergy's governance is broadly in-line with other utilities and does not pose particular risk (G-2 issuer profile score). This is supported by our neutral-to-low scores on financial strategy and risk management, management credibility and track record, despite the above average use of aggressive tax policies that have caused some cash flow volatility and recent challenges by regulators.

Liquidity Analysis

Entergy has adequate liquidity given its strong capital market access.

We expect Entergy's internal liquidity to consist of roughly \$3.6 billion of cash flow over the next 12 months, compared to over \$5.0 billion of capital spending and we estimate nearly \$800 million of dividends. The resulting negative free cash flow of about \$2.2 billion is expected to be supplemented by the company's \$3.5 billion revolving credit facility, expiring in June 2026. As of 30 June 2021, Entergy had \$150 million of borrowings under the facility, with \$6 million in letters of credit and \$866 million of commercial paper outstanding.

The Entergy credit facility does not contain a material adverse change clause for new borrowings, but does contain a 65% debt to capitalization covenant and cross-default provisions with its major utility subsidiaries, which it was in compliance with as of 30 June 2021.

The next holding company debt maturity is \$650 million of senior unsecured notes due in July 2022.

Entergy also requires liquidity to backstop potential collateral calls under its hedging agreements, which would generally be invoked in a rising price environment. At 30 June 2021, based on power prices at that time, Entergy had liquidity exposure of \$41 million under guarantees in place supporting Entergy Wholesale Commodities (EWC) transactions and \$6 million of posted cash collateral.

In the event of a decrease in Entergy's credit rating to below investment grade, Entergy would be required to provide approximately \$30 million of additional cash or letters of credit under some of the agreements. Entergy's collateral posting needs could increase materially and rapidly in an environment of higher natural gas and power prices.

As of 30 June 2021, the credit exposure associated with collateral assurance requirements would increase by an insignificant amount for a \$1 per MMBtu increase in gas prices in both the short-and long-term markets.

Appendix

Exhibit 8

Cash Flow and Credit Metrics [1]

CF Metrics	Dec-17	Dec-18	Dec-19	Dec-20	LTM Jun-21
As Adjusted					
FFO	-294	3,093	3,834	3,548	3,797
+/- Other	3,087	-620	-727	-708	-1,019
CFO Pre-WC	2,793	2,473	3,107	2,840	2,778
+/- ΔWC	88	96	-52	-7	-647
CFO	2,881	2,569	3,054	2,833	2,132
- Div	629	648	711	749	758
- Capex	3,900	4,110	4,492	5,057	5,760
FCF	-1,649	-2,189	-2,149	-2,972	-4,386
(CFO Pre-WC) / Debt	14.3%	11.8%	13.6%	10.5%	9.8%
(CFO Pre-WC - Dividends) / Debt	11.1%	8.7%	10.5%	7.7%	7.1%
FFO / Debt	-1.5%	14.8%	16.8%	13.1%	13.4%
RCF / Debt	-4.7%	11.7%	13.7%	10.4%	10.7%
Revenue	11,074	11,009	10,879	10,114	10,941
Interest Expense	812	888	906	934	937
Net Income	662	1,071	1,472	1,474	1,687
Total Assets	47,041	48,600	51,659	58,187	55,897
Total Liabilities	39,218	39,949	41,646	47,302	45,050
Total Equity	7,823	8,651	10,013	10,885	10,847

[1] All figures and ratios are calculated using Moody's estimates and standard adjustments. Periods are Financial Year-End unless indicated. LTM = Last Twelve Months
Source: Moody's Financial Metrics

Exhibit 9

Peer Comparison Table [1]

	Entergy Corporation Baa2 (Stable)			Xcel Energy Inc. Baa1 (Stable)			Dominion Energy, Inc. Baa2 (Stable)			Duke Energy Corporation Baa2 (Stable)		
(In US millions)	FYE Dec-19	FYE Dec-20	LTM Jun-21	FYE Dec-19	FYE Dec-20	LTM Mar-21	FYE Dec-19	FYE Dec-20	LTM Jun-21	FYE Dec-19	FYE Dec-20	LTM Mar-21
Revenue	10,879	10,114	10,941	11,529	11,526	12,256	14,401	14,172	14,036	25,079	23,868	24,069
CFO Pre-W/C	3,107	2,840	2,778	3,470	3,408	2,365	5,799	5,247	4,553	9,235	9,407	9,391
Total Debt	22,831	27,018	28,384	19,632	21,183	23,501	35,060	39,347	42,042	62,423	63,702	65,438
CFO Pre-W/C + Interest / Interest	4.4x	4.0x	4.0x	5.5x	5.0x	3.7x	4.5x	4.3x	4.5x	4.7x	5.1x	5.2x
CFO Pre-W/C / Debt	13.6%	10.5%	9.8%	17.7%	16.1%	10.1%	16.5%	13.3%	10.8%	14.8%	14.8%	14.4%
CFO Pre-W/C - Dividends / Debt	10.5%	7.7%	7.1%	13.6%	12.0%	6.3%	8.0%	6.1%	5.4%	10.6%	10.4%	10.0%
Debt / Capitalization	58.7%	61.7%	63.0%	52.8%	52.4%	54.8%	46.7%	55.2%	56.2%	52.9%	52.5%	52.8%

[1] All figures & ratios calculated using Moody's estimates & standard adjustments. FYE = Financial Year-End. LTM = Last Twelve Months. RUR* = Ratings under Review, where UPG = for upgrade and DNG = for downgrade
Source: Moody's Financial Metrics

Rating Methodology and Scorecard Factors

Exhibit 10

Methodology Scorecard Factors

Entergy Corporation

Regulated Electric and Gas Utilities Industry [1][2]	Current LTM 6/30/2021		Moody's 12-18 Month Forward View As of Date Published [3]	
	Measure	Score	Measure	Score
Factor 1 : Regulatory Framework (25%)				
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A	A	A
b) Consistency and Predictability of Regulation	A	A	A	A
Factor 2 : Ability to Recover Costs and Earn Returns (25%)				
a) Timeliness of Recovery of Operating and Capital Costs	Baa	Baa	Baa	Baa
b) Sufficiency of Rates and Returns	Baa	Baa	Baa	Baa
Factor 3 : Diversification (10%)				
a) Market Position	A	A	A	A
b) Generation and Fuel Diversity	Baa	Baa	Baa	Baa
Factor 4 : Financial Strength (40%)				
a) CFO pre-WC + Interest / Interest (3 Year Avg)	4.1x	Baa	4.5x - 5x	A
b) CFO pre-WC / Debt (3 Year Avg)	11.5%	Ba	13% - 15%	Baa
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	8.6%	Ba	10% - 12%	Baa
d) Debt / Capitalization (3 Year Avg)	60.5%	Ba	55% - 60%	Ba
Rating:				
Scorecard-Indicated Outcome Before Notching Adjustment		Baa2		Baa1
HoldCo Structural Subordination Notching	-1	-1	-1	-1
a) Scorecard-Indicated Outcome		Baa3		Baa2
b) Actual Rating Assigned		Baa2		Baa2

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

[2] As of 6/30/2021(L)

[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.

Source: Moody's Financial Metrics

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MOODY'S INVESTORS SERVICE

CREDIT OPINION

2 February 2022

Update

 Rate this Research

RATINGS

Entergy Texas, Inc.

Domicile	Beaumont, Texas, United States
Long Term Rating	Baa2
Type	LT Issuer Rating - Dom Curr
Outlook	Stable

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Entergy Texas, Inc.

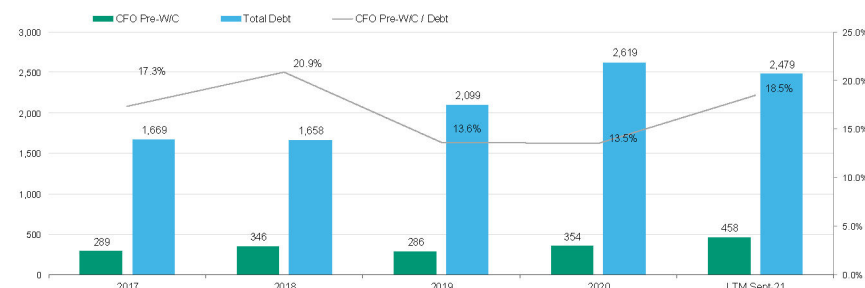
Update to credit analysis following upgrade to Baa2

Summary

Entergy Texas, Inc.'s (ETI) credit profile is supported by 1) the company's operations as a vertically integrated, rate regulated electric utility in Texas, 2) an increasingly constructive legislative and regulatory framework, 3) recently improved cost recovery provisions, which now encompasses rider treatment for all three phases of ETI's integrated operations (i.e., generation, transmission and distribution) and 4) solid financial metrics, including our expectation for cash flow to debt ratios in the 15-17% range over the next 2-3 years.

ETI's credit challenges include its service territory location, positioned on the Gulf of Mexico coastline, which exposes the company to physical climate risks, such as hurricanes. Texas has a strong track record of supporting storm cost recovery, including a January 2022 Public Utility Commission of Texas order which authorized ETI to issue around \$250 million of storm securitization bonds. Entergy Corp's (Baa2 negative) aggressive tax strategies can also cause some financial metric volatility for the utility operating companies in a given year.

Exhibit 1
Historical CFO Pre-WC, Total Debt and ratio of CFO Pre-WC to Debt (\$ MM)



Source: Moody's Financial Metrics

Credit Strengths

- » Over \$3.8 billion of rate base (including riders) enables strong and consistent cash flow generation
- » Texas regulatory environment continues to show improving credit support of vertically integrated utilities
- » Generation, transmission and distribution riders that support timely cost recovery of investments

Credit Challenges

- » Storm-prone service territory exposes ETI's assets to physical damage
- » Elevated capital expenditure plan related to new generation and transmission and distribution (T&D) modernization investments
- » Economically challenged service territory that could limit rate increase capacity in the future

Rating Outlook

ETI's stable outlook incorporates our expectation that the company will generate CFO pre-WC to debt ratios above 15% and that supportive regulatory outcomes will continue, including the company's upcoming general rate case proceeding.

Factors that Could Lead to an Upgrade

ETI could be upgraded with ongoing supportive regulatory and legislative treatment, along with a ratio of CFO pre-WC to debt consistently above 18%. The incorporation of more forward-looking cost recovery mechanisms could also put upward pressure on ETI's rating.

Factors that Could Lead to a Downgrade

ETI could be downgraded if regulatory support for cost recovery wanes, if significant weather events continue to cause material physical damage to its assets and timely cost recovery is not certain or if the company's ratio of CFO pre-WC to debt drops below 15% for a sustained period of time.

Key Indicators

Exhibit 2

Entergy Texas, Inc. [1]

	Dec-17	Dec-18	Dec-19	Dec-20	LTM Sept-21
CFO Pre-W/C + Interest / Interest	4.4x	4.8x	4.2x	4.6x	5.3x
CFO Pre-W/C / Debt	17.3%	20.9%	13.6%	13.5%	18.5%
CFO Pre-W/C – Dividends / Debt	17.3%	20.9%	13.7%	12.3%	17.3%
Debt / Capitalization	48.2%	45.8%	47.6%	48.8%	44.8%

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. Financial Metrics™

Source: Moody's Financial Metrics

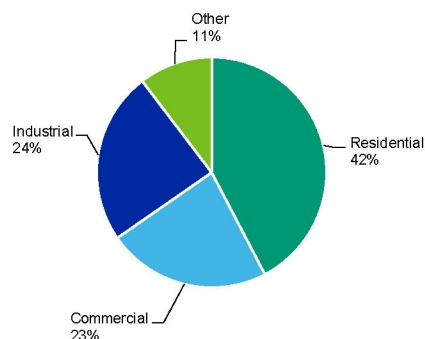
Profile

ETI is a utility subsidiary of Entergy Corporation (Entergy, Baa2 negative), a multi-state southern region utility headquartered in New Orleans, Louisiana. ETI is a vertically integrated utility regulated by the PUCT, serving approximately 473,000 retail customers in Texas' southeastern region, including Beaumont and the northern and eastern edges of the greater Houston metropolitan area. The utility has some exposure to commercial and industrial customers (generally considered have more volatile load demand than residential), as shown in Exhibit 3.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody's.com for the most updated credit rating action information and rating history.

Exhibit 3

Breakdown of ETI's total electricity sales revenue by customer type



Source: Entergy 2020 Investor Guide

Detailed Credit Considerations

Improved legislative and regulatory support for cost recovery

ETI's credit profile is supported by the company's operations as a vertically integrated, rate regulated electric utility in Texas and the strong cost recovery provisions allowed within the state. Riders for ETI's most significant costs have been added to the company's ratemaking framework over the past several years, which has helped to steadily improve the predictability of the company's regulatory outcomes and financial metrics.

Most recently, in 2020, the PUCT approved the use of the Generation Cost Recovery Rider (GCRR), which expedites the cost recovery of new generation units in rates for vertically integrated utilities in Texas operating outside of ERCOT. This new provision allowed ETI to increase its revenue requirement in January 2021, commensurate with the in-service date of its Montgomery County Power Station (MCPS), a 993MW combined cycle gas plant.

Similarly, two other surcharge mechanisms support ongoing cash flow related to transmission and distribution investments. The transmission cost recovery factor (TCRF) and distribution cost recovery factor (DCRF) are both filed annually and provide for timely recovery of the majority of ETI's capital investment.

Storm cost securitization helps to address one of ETI's most prominent risks

Given the company's geographic location and ongoing exposure to storm activity, the physical impacts of climate change and related asset damage is a prominent risk for ETI. For example, roughly \$300 million of hurricane damage occurred between August and October 2020, requiring the company to tap liquidity reserves and increase debt, while losing some revenue due to customer outages. This temporarily weakened key financial metrics while the company repaired its system and awaited regulatory proceedings for cost recovery including the legal ability to securitize the costs.

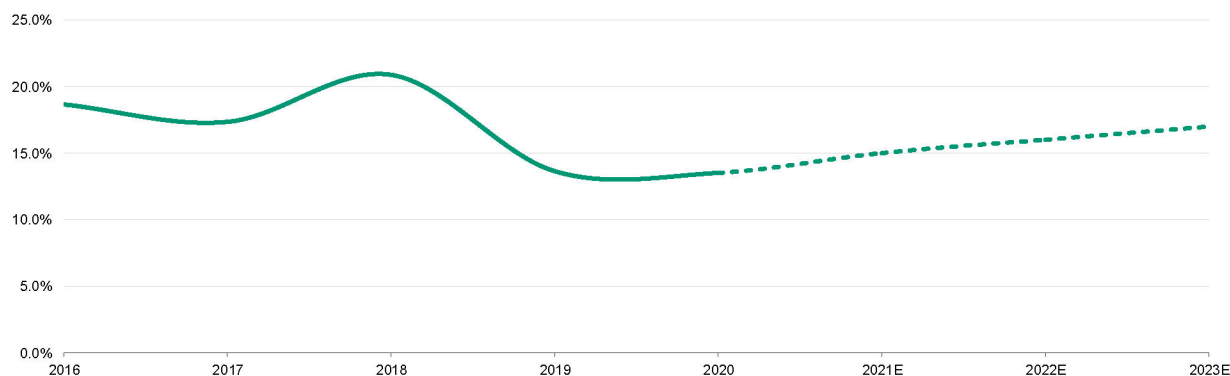
In December 2021, the PUCT authorized the recovery of over \$250 million in costs related to Hurricanes Laura and Delta, as well as Winter Storm Uri through a system restoration securitization financing. Additionally, the commission agreed to include about \$13 million of an expected regulatory asset balance associated with Hurricane Harvey. In January 2022, ETI was given financing authority to issue system restoration bonds, the payment for which is to be collected by customers in a nonbypassable charge on monthly bills over an expected term of 15 years.

Cash flow to debt metrics should remain comfortably in excess of 15%

ETI's financial metrics are improving, absent the material cash outflow experienced in recent years, which included over \$200 million, including carrying costs, of customer rebates created by the 2017 Tax Cuts and Jobs Act. These refunds have largely been completed as 2022 will have an approximately \$32 million in additional credits; the end of which allows for a natural uplift in cash flow generation.

Exhibit 4

ETI's ratio of CFO pre-WC to debt is expected to steadily increase in the coming years



Source: Moody's Financial Metrics and Moody's projections

Incremental financial improvement will also occur due to the aforementioned rider recovery related to the DCRF, TCRF and GCCR as well as a general rate case application that we expect will be filed by the end of Q2 2022 (required due to ETI's use of the GCCR). If the company outperforms our base case expectations and receives strong financial support from the general rate case (new rates expected to begin in January 2023), further positive credit momentum could result.

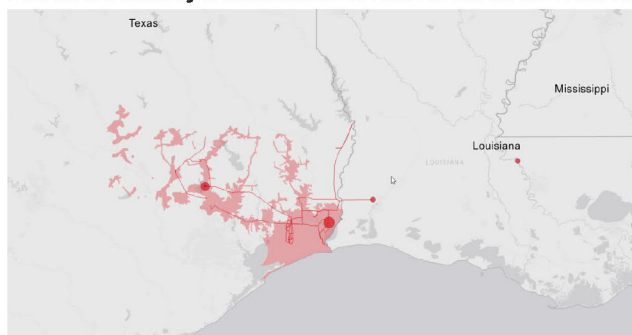
ESG considerations

Environmental

ETI's high exposure to environmental risks is driven by its geographical concentration on the Gulf of Mexico, which exposes the company to material and extreme weather events that have resulted in severe customer outages and costly repairs in recent years. Management intends to address this risk by increasing capital spending on targeted areas to improve its system's resiliency to the physical impacts of climate change.

Exhibit 5

ETI's service territory is concentrated in Texas on the border of the Gulf of Mexico



Source: SPGMI

Social

Social risks are primarily related to demographic and societal trends, as well as customer and regulatory relations. The growing presence of renewable energy supplies in the region, the proliferation of smart meters and the desire to harden the grid's infrastructure against more severe weather events points to a sustained period of capital expenditure needs. The relatively weak ETI service territory economy in the Beaumont-Port Arthur area could also make it more difficult to raise rates significantly down the road, including costs to help the company make the transition to clean energy.

Additionally, ETI is located in an area where oil and gas industrial customers play a prevalent role in the local economy. About a quarter of ETI's revenues are driven by industrial customers, which exposes ETI to the volatile and cyclical nature of the energy markets. In addition, just under a quarter of ETI's revenues are driven by commercial customers, which we also view to have greater economic sensitivity to sales than residential customers.

Governance

ETI's governance is driven by that of Entergy Corp., its ultimate parent company.

Entergy's governance is broadly in-line with other utilities and does not pose particular risk. This is supported by our positive view of the company's financial strategy and risk management, management credibility and track record, despite the above average use of aggressive tax policies that have caused some cash flow volatility and recent challenges by regulators.

Liquidity Analysis

From an internal liquidity perspective, we expect ETI to generate around \$400 million of cash flow from operations over the next 12 months, compared to about \$650 million of capital expenditures, resulting in about \$250 million of negative free cash flow before dividends. We expect the company's dividend policy to be driven by an effort to maintain its regulatory allowed capital structure. We also note that Entergy will make capital contributions to ETI, if necessary, to maintain its equity capitalization during times of high capital spending or storm cost pressures.

For external liquidity needs, ETI has multiple credit facilities at its disposal, but the primary method of borrowing is through its participation in the Entergy System money pool, where inter-company lending is used to reduce operating company reliance on external short-term debt.

The exhibit below summarizes the company's borrowing and credit facility availability as of 30 September 2021. We expect that any current facilities will be renewed before coming due. ETI's FERC authorized borrowing limit for short-term debt is \$200 million and the company was in compliance with its 65% debt to capitalization covenant for its committed facility as of 30 September 2021.

Exhibit 6

ETI's various sources and uses of external credit as of 30 September 2021

Facility Capacity	Facility Description	Expiration	Outstanding Amt.	Available Amt.
	Payable (Receivable) to/from Money Pool		\$ 20	
\$ 150	Committed utility revolver	June 2026	\$ 1	\$ 149
\$ 50	Uncommitted, LCs for MISO collateral		\$ 12	\$ 38
\$ 200			\$ 13	\$ 187

Source: Entergy Corp. SEC filings

ETI's next long-term debt maturity is \$130 million of first mortgage bonds due in 2026.

Rating Methodology and Scorecard Factors

Exhibit 7

Rating Factors

Entergy Texas, Inc.

Regulated Electric and Gas Utilities Industry [1][2]		Current LTM 9/30/2021	Moody's 12-18 Month Forward View As of 1/31/2022 [3]
Factor 1 : Regulatory Framework (25%)	Measure	Score	Measure Score
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A	A A
b) Consistency and Predictability of Regulation	A	A	A A
Factor 2 : Ability to Recover Costs and Earn Returns (25%)			
a) Timeliness of Recovery of Operating and Capital Costs	A	A	A A
b) Sufficiency of Rates and Returns	A	A	A A
Factor 3 : Diversification (10%)			
a) Market Position	Baa	Baa	Baa Baa
b) Generation and Fuel Diversity	Ba	Ba	Ba Ba
Factor 4 : Financial Strength (40%)			
a) CFO pre-WC + Interest / Interest (3 Year Avg)	4.9x	A	4.5x - 5x A
b) CFO pre-WC / Debt (3 Year Avg)	16.4%	Baa	15% - 17% Baa
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	15.9%	Baa	12% - 15% Baa
d) Debt / Capitalization (3 Year Avg)	46.2%	Baa	45% - 50% Baa
Rating:			
Scorecard-Indicated Outcome Before Notching Adjustment		A3	A3
HoldCo Structural Subordination Notching	0	0	0 0
a) Scorecard-Indicated Outcome		A3	A3
b) Actual Rating Assigned		Baa2	Baa2

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

[2] As of 9/30/2021(L).

[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.

Source: Moody's Financial Metrics

Ratings

Exhibit 8

Category	Moody's Rating
ENTERGY TEXAS, INC.	
Outlook	Stable
Issuer Rating	Baa2
First Mortgage Bonds	A3
Senior Secured Shelf	(P)A3
Pref. Stock	Ba1
PARENT: ENTERGY CORPORATION	
Outlook	Negative
Issuer Rating	Baa2
Senior Unsecured	Baa2
Commercial Paper	P-2

Source: Moody's Investors Service

Appendix

Exhibit 9

Cash Flow and Credit Metrics [1]

CF Metrics	Dec-17	Dec-18	Dec-19	Dec-20	LTM Sept-21
As Adjusted					
FFO	239	248	323	412	452
+/- Other	50	98	-36	-59	6
CFO Pre-W/C	289	346	286	354	458
+/- ΔWC	27	-13	-10	5	-139
CFO	316	333	277	359	320
- Div	0	0	-1	30	30
- Capex	344	439	862	844	739
FCF	-28	-106	-584	-515	-449
(CFO Pre-W/C) / Debt	17.3%	20.9%	13.6%	13.5%	18.5%
(CFO Pre-W/C - Dividends) / Debt	17.3%	20.9%	13.7%	12.3%	17.3%
FFO / Debt	14.3%	14.9%	15.4%	15.8%	18.3%
RCF / Debt	14.3%	14.9%	15.4%	14.6%	17.0%
Revenue	1,545	1,606	1,489	1,587	1,833
Interest Expense	86	91	90	98	106
Net Income	124	235	217	273	268
Total Assets	4,293	4,412	5,057	6,208	6,122
Total Liabilities	3,045	3,004	3,326	4,101	3,742
Total Equity	1,248	1,408	1,732	2,108	2,381

[1] All figures and ratios are calculated using Moody's estimates and standard adjustments. Periods are Financial Year-End unless indicated. LTM = Last Twelve Months

Source: Moody's Financial Metrics

Exhibit 10

Peer Comparison

	Entergy Texas, Inc. Baa3 (Positive)			El Paso Electric Company Baa2 (Stable)			MidAmerican Funding, LLC A2 (Stable)			Southwestern Electric Power Company Baa2 (Stable)		
(In US millions)	FYE Dec-19	FYE Dec-20	LTM Sept-21	FYE Dec-19	FYE Dec-20	LTM Sept-21	FYE Dec-19	FYE Dec-20	LTM Sept-21	FYE Dec-20	FYE Dec-20	LTM Sept-21
Revenue	1,489	1,587	1,833	862	918	1,026	2,927	2,728	3,340	1,751	1,739	2,051
CFO Pre-W/C	286	354	458	253	232	266	1,482	1,574	1,827	410	413	80
Total Debt	2,099	2,619	2,479	1,604	1,632	1,631	7,731	7,754	8,273	2,997	3,070	3,553
CFO Pre-W/C + Interest / Interest	4.2x	4.6x	5.3x	3.5x	3.7x	4.3x	5.9x	6.1x	6.8x	4.3x	4.4x	1.6x
CFO Pre-W/C / Debt	13.6%	13.5%	18.5%	15.7%	14.2%	16.3%	19.2%	20.3%	22.1%	13.7%	13.4%	2.2%
CFO Pre-W/C - Dividends / Debt	13.7%	12.3%	17.3%	11.9%	10.7%	12.7%	19.2%	20.3%	22.1%	12.3%	13.4%	2.1%
Debt / Capitalization	47.6%	48.8%	44.8%	50.8%	48.3%	45.4%	42.0%	39.3%	38.8%	47.1%	45.7%	45.9%

All figures & ratios calculated using Moody's estimates & standard adjustments. FYE = Financial Year-End. LTM = Last Twelve Months. RUR* = Ratings under Review

Source: Moody's Financial Metrics

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REPORT NUMBER 1317950

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

Entergy Texas, Inc.
Decommissioning Information
For the Test Year Ending 12/31/2021

Schedule M-1: (Nuclear Plant) Decommissioning Information

1. General Information

- a. The plant and/or unit(s) covered by each fund:

River Bend Nuclear Generating Station Unit No. 1 ("River Bend")

- b. The commercial operation date: June 16, 1986

- c. The estimated service life of the unit: 60 years

- d. The date the operating license expires: August 29, 2045

- e. Identity of decommissioning fund trustee and fund manager(s) (if any):

Trustee: The Bank of New York Mellon

Fund Managers: 1) Duff & Phelps Investment Management Company
2) Mellon, a subsidiary of
The Bank of New York Mellon

- f. Provide the portion of the trust agreement that demonstrates the trust is irrevocable:

Refer to Attachment 1 of this schedule for a copy of Section 2.02(a) Establishment of Trust.

- g. State the percentage of the fund that is "qualified" under Internal Revenue Code Section 468A. Provide the most recently approved schedule of ruling amounts:

The percentage of the fund that is qualified under Internal Revenue Code 468A, as amended, is 100%.

**MOST RECENTLY APPROVED SCHEDULE
OF RULING AMOUNTS**

(\$ in thousands)

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2014	\$37,132	2020	\$37,132
2015	\$37,132	2021	\$37,132
2016	\$37,132	2022	\$37,132
2017	\$37,132	2023	\$37,132
2018	\$37,132	2024	\$37,132
2019	\$37,132	2025	\$37,132

Entergy Texas, Inc.
Decommissioning Information
For the Test Year Ending 12/31/2021

- h. Provide the investment objectives or guidelines given to the fund manager(s) by the company:

Refer to Attachment 2 of this schedule for a copy of the trust fund Policies and Objectives and Investment Manager Guidelines given to Duff & Phelps Investment Management Company. The Company has not given investment manager guidelines to Mellon/The Bank of New York Mellon because the trust assets are invested in an S&P 500 stock index fund.

- i. Provide the current fee agreements with trustee and fund manager(s).

Refer to Attachment 3 to this schedule for a copy of the current trustee and investment manager fee schedules.

2. Decommissioning Cost

- j. The total estimated cost of decommissioning each plant or unit in current dollars. "Current dollars" are defined as the dollar value as of the most recent site-specific decommissioning study or redetermination as required by Substantive Rule 23.21(b)(1)(F). Specify the year used to establish the estimate's present value of decommissioning costs:

TLG Services, Inc. performed a decommissioning cost update of the site-specific River Bend decommissioning cost estimate in March 2018. The estimated cost to promptly decommission River Bend based on the March 2018 update is approximately \$1.221 billion, assuming a 60-year plant operating life, expressed in 2018 dollars. The 2018 update includes an average contingency 18.5%, for the 60-year plant operating life. As required by 16 Tex. Admin. Code (TAC) § 25.231(b)(1)(F)(i), for ratemaking purposes, the estimated total cost in 2018 dollars based on an average contingency rate of 10% is approximately \$1.134 billion.

Please refer to the Direct Testimony of Mr. William A. Cloutier, Jr. provided in Docket No. 48371 for details as to the development of the 2018 cost estimate.

To supplement this 2018 estimate, an NRC Minimum calculation was performed for the 2021 test year per 10 CFR § 50.75(c). The NRC minimum value calculated for River Bend was \$670.7 million for 100% of the plant, which corresponds to a value of \$469.5 million for the 70% regulated portion of River Bend.

Please refer to the Direct Testimony of Ms. Lori A. Glander for details as to the development of the NRC Minimum.

A new site-specific decommissioning cost estimate for River Bend will be provided to the Commission in 2023.

- k. If the utility is responsible for less than 100 percent of the decommissioning costs, state the utility's percentage of responsibility for decommissioning each unit and its total estimated decommissioning cost for each unit in current dollars, consistent with part (o).

On December 31, 2007, Entergy Gulf States, Inc. (EGSI) implemented a Jurisdictional Separation Plan (JSP) forming two separate utilities – Entergy Gulf States Louisiana, L.L.C. (EGSL) and Entergy Texas, Inc. (ETI). The JSP allocated a 100% ownership interest of the River Bend plant to EGSL including the 30% interest in the Cajun Electric Power Cooperative (Cajun) portion acquired in December 1997. Cajun was required to contribute \$132 million to its decommissioning

Entergy Texas, Inc.
Decommissioning Information
For the Test Year Ending 12/31/2021

trust fund to prefund the cost of its former 30% interest in River Bend. EGSL and ETI are responsible for a proportionate share of the decommissioning liability for the remaining 70% share of River Bend. ETI retains a share of the decommissioning cost obligation associated with the Texas-jurisdictional share of River Bend through a power purchase agreement (PPA) with EGSL. The Texas jurisdictional allocation factor is 42.5%. Refer to part (o) of this schedule for a breakdown of costs during the decommissioning period.

- l. The date decommissioning is scheduled to begin for each unit:

River Bend decommissioning activities are expected to begin in August 2045.

- m. Length of time estimated to decommission each unit. Provide a schedule showing the estimated length of each major phase of the decommissioning process as well as the time estimate for the entire decommissioning process.

Decommissioning Schedule Summary

Period 1	Preparations	18.1 months or 1½ years
Period 2	Decommissioning	63.6 months or 5½ years
Period 3	Site Restoration	26.9 months or approx. 2 years
	Dry Fuel Storage and Independent Spent Fuel Storage Installation (ISFSI)	
	Decommissioning	285.5 months or approx. 24 years
	Approximate total	394.1 months or approx. 33 years

- n. Estimated rate of escalation of decommissioning costs. Provide the escalation rate used to determine the future cost of decommissioning. Analysis and documentation supporting the determination of the appropriate escalation rate shall be provided in this schedule or in testimony.

The estimated rate of escalation is 4.65%. For additional analysis and documentation supporting this escalation rate please see the Direct Testimony of Company Witness Alyssa Maurice-Anderson.

- o. Schedule of the utility's estimated annual decommissioning expenditures during the decommissioning process in current dollars and future dollars. "Current dollars" are as defined in (j). "Future dollars" are defined to mean the future value of the expenditure based on the escalation rate from (n) and the number of years between the cost estimate date from (j) and the expenditure date. If the expenditures differ from the most recent cost study or redetermination, please explain the variation.

Current dollars in the chart below reflect a cost estimate based on the NRC minimum decommissioning funding requirement and which is the basis for future dollars. Costs do not reflect the site-specific decommissioning cost study discussed in question j.

(\$ In Thousands)			
Total Estimate of River Bend's 70% Funding Interest (a)			
Year	River Bend 70% 2021 Dollars (b)	Texas Retail Allocation 2021 Dollars (c)	Texas Retail Allocation Future Dollars (d)
2044	3,203	1,361	3,872

Entergy Texas, Inc.
Decommissioning Information
For the Test Year Ending 12/31/2021

2045	23,320	9,911	29,506
2046	59,752	25,395	79,117
2047	82,642	35,123	114,515
2048	83,743	35,951	121,436
2049	64,948	27,603	98,561
2050	62,403	26,521	99,101
2051	34,044	14,469	56,579
2052	17,733	7,536	30,841
2053	15,508	6,591	28,227
2054	10,877	4,623	20,718
Total	458,173	194,724	682,475

- (a) Amounts do not reflect Cajun's prefunding for decommissioning of its former 30% interest.
- (b) Decommissioning Cost Estimate per NRC Minimum; does not include spent fuel management or site restoration costs (projected to take place in years 2077 and 2078).
- (c) Texas Retail — (Total Estimate * 70% Funding Interest) * (42.5% Texas Retail Production Demand Allocator)
- (d) Texas Retail escalated at 4.65%

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

3. Decommissioning Funding

- p. Funding method proposed (straightline, inflation adjusted, etc.):

The funding method proposed is levelized (nominal).

- q. The date decommissioning funding began or is expected to begin.

Decommissioning funding for River Bend began on March 15, 1989.

- r. Actual and planned accumulations in the decommissioning fund as of the end of the test year. "Planned fund accumulations" are defined to be the projected accumulation at the end of the test year based on the funding assumptions adopted by the Commission in the company's last rate case. All assumptions shall be stated.

The amounts discussed below exclude the 30% former Cajun interest and represent ETI's 49.5% of the 70% funding interest.

The actual PUCT jurisdictional fund accumulation for the test year ending December 31, 2021 was \$339,946 (in thousands). The actual PUCT jurisdictional fund accumulation at April 30, 2022 is \$299,733 (in thousands). On a liquidation value basis the accumulation as of 4/30/22 is \$273,947 (in thousands). See Exhibit ESH-1 for this amount. ETI ceased the decommissioning collections from Texas retail ratepayers following the order in Docket No. 48371.

The planned PUCT jurisdictional fund accumulation at 12/31/21 on a liquidation value basis was estimated to be \$253,653 (in thousands). Refer to Schedule M-2 from Docket No. 48371 for projected balances and earnings.

Entergy Texas, Inc.
Decommissioning Information
For the Test Year Ending 12/31/2021

- s. Computation of administrative fees paid during the test year, or most recent fiscal year.

Refer to Attachment 4 to this schedule for a summary of the administrative fees paid for the test year ending December 31, 2021.

- t. Annual return earned to date on the investment of decommissioning funds. Show the calculation if the return is net of trustee fees and taxes:

The Tax Qualified Fund before tax and fees annualized return from inception through 12/31/21 is 7.97%. In September 2012 the River Bend PUCT Non-Tax Qualified Fund assets were contributed to the River Bend PUCT Tax Qualified Fund to lower the tax rate of the trust. The Non-Tax Qualified Fund before tax and fees annualized return since inception until dissolution was 8.17%. The annualized return of the composite of the Tax Qualified and Non-Tax Qualified Funds since inception is 8.07%. Refer to Attachment 5 for annual returns used in composites.

- u. Estimate of annual yield which will be earned through the decommissioning process. Provide analysis and documentation which supports the determination of estimated future yield in this schedule or in testimony:

The annual yields for the Tax Qualified Fund are calculated on an after-tax, but before fee basis, for each year during the funding period and throughout the decommissioning process. Administrative fees are included as a separate component in the calculations on Schedule M-2. Refer to Exhibit ESH-4 for a summary of the annual after-tax yields and WP-2/M-2 for the administrative fees used in Schedule M-2. The methodology and assumptions used to develop the after-tax yields and the administrative fees are discussed in the Direct Testimony of Elizabeth Hunter.

- v. Provide assumptions regarding the timing of contributions, earnings, and decommissioning outlays used to prepare Schedule M-2.

Contributions are assumed to be \$0 per Docket No. 48371. The earnings and decommissioning outlays are assumed to occur at year-end; however, earnings on the prior year balance are compounded semiannually.

- w. Provide a description of the taxes paid on each fund and the assumptions used to estimate future taxes.

Actual taxes paid on earned income and realized gains and losses are reflected in trustee statements as of December 31 and were paid at the tax rates illustrated below (net of fees). For the 4/30/22 liquidation value used in the nuclear decommissioning model, taxes are calculated on accumulated estimated unrealized gains or losses and income earned as of 4/30/22 at the tax rates below. Estimated accrued fees are then deducted net of taxes. See the Direct Testimony of Elizabeth Hunter for further explanation.

<u>TAX QUALIFIED FUNDS:</u>		<u>ETI-RB</u>
		<u>2022 (TX)</u>
Short Term Investment Funds Interest		20.00%
U.S. Treasury and Corporate Bond Interest		20.00%
Municipal Bond Interest		0.00%

Entergy Texas, Inc.
Decommissioning Information
For the Test Year Ending 12/31/2021

Dividends	20.00%
Capital Gains	20.00%

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**GULF STATES UTILITIES COMPANY
NUCLEAR DECOMMISSIONING TRUST FUND
POLICIES AND OBJECTIVES**

A. PURPOSE

Gulf States Utilities Company's ("GSU") Decommissioning Trust Agreement For River Bend Unit No. 1 ("Trust"), as amended, has been established as the sole vehicle for funding the scheduled decommissioning of River Bend Unit 1. The Trust will function in accordance with PUCT, LPSC, and FERC orders in effect from time to time and other applicable regulations, including those of the NRC.

The purpose of the Trust is to earn, over the projected useful plant life period and subsequent decommissioning period, a total after tax return which, in combination with contributions to the Trusts authorized by the respective regulatory bodies, will provide sufficient funds for the decommissioning of River Bend.

B. INVESTMENT OBJECTIVES

The primary objectives shall be the preservation of accumulated principal and maximization of after tax real returns consistent with prudent investment practices. Individual Portfolio manager(s) will receive written guidelines regarding asset mix and investment return benchmarks.

C. TAX QUALIFIED TRUST FUND

Investments in the Qualified Fund must be in accordance with Section 468A of the Internal Revenue Code of 1986, as amended ("Section 468A"), and the regulations thereunder. Investments will also be subject to prudent practices with regard to quality, liquidity, and diversification of risk.

Because trust income is taxable at the federal level, the mix of securities selected shall take into account both taxable and tax-exempt instruments as well as trust expenses.

D. NON-TAX QUALIFIED TRUST FUND

Investments in the Nonqualified Fund are not subject to the provisions of Section 468A. They are, however, subject to prudent practices with regard to quality, liquidity, and diversification of risk.

Because trust income is taxable at both federal and state levels, the mix of securities selected shall take into account both taxable and tax-exempt instruments as well as trust expenses.

E. EQUITY LIMIT

An equity target is set at 60% of the Funds' (combined Qualified and Nonqualified) market value. Upper and lower rebalancing ranges are set at $\pm 5\%$ of the target allocation.

F. ADMINISTRATION

The Board of Directors of GSU has fiduciary responsibility for the Trust activities. In addition, Entergy's Board of Directors has general oversight responsibility, and the Treasury Department of Entergy Services LLC has day to day oversight responsibility regarding Trust management and performance.

At least annually performance review meetings shall be held with the investment manager(s). Such reviews shall be conducted by the Treasury Department of Entergy Services LLC

The Treasury Department of Entergy Services LLC shall review investment Policies and Objectives periodically and amend them as required.

**GULF STATES UTILITIES COMPANY
RIVER BEND DECOMMISSIONING TRUST FUND
INVESTMENT MANAGER GUIDELINES
DUFF & PHELPS INVESTMENT MANAGEMENT CO.**

Unless otherwise noted, all percentages refer to portfolio market value at the time of purchase.

A. INVESTMENT MANAGER

1. The Manager shall be selected on the basis of its expertise in managing funds using permitted investments, consistent with these Investment Manager Guidelines ("Guidelines").
2. The Manager shall exercise full discretion over management of the Portfolio, consistent with the Policies and Objectives and these Guidelines, so that assets held in trust benefit fully from the Manager's expertise.

B. INVESTMENT GUIDELINES

1. The Benchmark shall be the Bloomberg Barclays U.S. Government/Credit Index, the "Benchmark".
2. Securities. The Portfolio is to be comprised of fixed income securities denominated in U.S. dollars that are either registered and publicly traded in the United States or are exempt from registration under Section 3(a), Rule 144A or Regulation S of the Securities Act of 1933, including taxable and tax-exempt securities, Credit bonds (as defined by Bloomberg Barclays), mortgage-backed securities, asset-backed securities, municipal bonds, and U. S. Government securities (defined as U.S. Treasury securities, securities issued or guaranteed by the U.S. Government, a Government Sponsored Enterprise, or a Government agency, and securities fully collateralized by the foregoing). No other fixed-income securities or variations are permitted. Unless otherwise specifically prohibited herein, any security in the Benchmark may be held.

No individual securities, held outside a mutual fund or common trust, issued by the licensee or its affiliates, can be held in the Portfolio.

3. Style and Maturity. The Manager is expected to use an active style of management and may take market positions consistent with its economic and interest rate outlook, and add value through trades and Portfolio positioning. The Manager should actively consider both taxable and tax-exempt instruments based on the yield relationships between the two and the specific tax circumstances of the Fund.
4. Performance Benchmarks. Manager performance will be compared to other nuclear decommissioning fund managers of similar styles, both within the Entergy System and throughout the electric utility industry.

Performance is expected to exceed the CPI by 2% annually over rolling three-year periods on an after-tax basis. Manager performance will also be measured against the Benchmark over three-year rolling periods. Total return performance comparisons will be calculated quarterly using two methods: pre-tax, and after taxing both realized and unrealized gains and losses.

5. Duration. The Portfolio's duration shall fall within plus or minus 25% of the Benchmark . For the purposes of calculating duration, the Manager shall use conventional quantitative techniques.
6. Diversification Tax-Exempt:
 - a. The manager shall maintain a prudent mix between general obligation and revenue municipal bonds.
 - b. The manager shall exercise prudent geographical diversification and no more than 20% of the Portfolio's market value shall be from one state.
 - c. Except for U.S. Government securities, no more than 5 % of the Portfolio's market value may be invested in any one issuer. When the Portfolio's market value is less than \$40 million, this-limit is 10 %.
 - d. No more than 5% of the Portfolio's market value may be invested in any one issue.
7. Diversification Taxable:
 - a. There is no limitation on holdings of U. S. Government securities.
 - b. Securities of issuers classified in any one Credit industry sector, as defined by Bloomberg Barclays Indices, shall not exceed the Benchmark weight + 10%.
 - c. No more than 5% of the Portfolio's market value may be invested in any one issuer (except for U.S. Government securities). When the overall Portfolio's market value is less than \$40 million, this limit is 10 %.
 - d. No more than 5% of the Portfolio's market value may be invested in any one issue.
8. Quality.
 - a. To determine an individual security's rating and average portfolio credit quality, the methodology employed from time to time by the Bloomberg Barclays Indices then in effect (the "Bloomberg Barclays Index Methodology") shall be used.
 - b. Credit Securities shall be rated BBB-/Baa3 or better. Mortgage-backed and Asset-backed Securities shall be rated AAA/Aaa or be guaranteed by the U.S.

Government, a U.S. Government Agency or a Governmental Sponsored Enterprise.

- c. Using the Bloomberg Barclays Index Methodology, the average portfolio credit quality shall not be more than one credit rating below the average benchmark credit quality. One credit rating is defined as the difference between A/A2 and A-/A3, for example.
 - d. The portfolio may invest up to 125% of the Benchmark "Baa/BBB" quality rating allocation.
9. Liquidity. Due to the nature of this trust, all issues held in the Portfolio must have liquid, available markets. "Overnight" cash will be invested In the Short Term Investment Fund account of the custodian bank. Without prior written approval, short-term liquidity Investments should not exceed 10% of the Portfolio except when the excess corresponds to balances held in conjunction with unsettled transactions, as a result of contributions, in anticipation of withdrawals, or to accommodate reasonably anticipated cash flows.

C. TAX MANAGEMENT

Income of the Fund is subject to income taxes. Pursuant to the goal of maximizing trust earnings, the manager, in selecting the type and mix of securities, shall take into account returns on both taxable and tax-exempt securities, after taxes (if applicable) and trust related expenses.

D. COMMUNICATIONS

1. Quarterly performance reports shall be provided by the Manager. Included in the reports will be rates of return for the Portfolio and for the benchmarks for the quarter, year to date, the last twelve months, and the last three years. The rates of return will be computed on a time-weighted basis and will be both before and after tax. Also included in the quarterly reports will be the cost and market value of the Portfolio along with other selected measures and characteristics.
2. At least annually, performance review meetings will be held with the Manager.
3. The Manager shall immediately inform the Treasury Department of Entergy Services of any significant changes in the Manager's organization or investment approach, the trust's cash flow, its tax or legal circumstances, or the status of permitted investments.
4. In the event that a previously compliant security fails to meet any of the guidelines defined herein, the Manager shall sell the security within ninety (90) calendar days of discovery or obtain permission from Entergy Services to continue to hold the security.

These pages contain information that is confidential and will be provided under the terms of the Confidentiality Agreement entered in this case.

River Bend Decommissioning Trusts
Trustee and Investment Management Fees
For the Test Year 12 Months Ending 12/31/21

Schedule M-1
2022 Rate Case
Attachment 4

	<u>1Q-21</u>	<u>2Q-21</u>	<u>3Q-21</u>	<u>4Q-21</u>
<u>Trustee Fees Paid</u>				
Mellon Accounts Tax Qualified *	\$ -	\$ 21,242	\$ -	\$ -
Duff & Phelps Accounts Tax Qualified *	\$ -	\$ 19,324	\$ -	\$ -
<u>Management Fees Paid</u>				
Mellon Accounts Tax Qualified	\$ 9,988	\$ 10,487	\$ 11,652	\$ 12,249
Duff & Phelps Accounts Tax Qualified	\$ 45,516	\$ 43,046	\$ 43,432	\$ 43,179
Total All Fees	<u>\$ 55,504</u>	<u>\$ 94,099</u>	<u>\$ 55,084</u>	<u>\$ 55,428</u>
<u>Total Fees-12 Months Ended 12/31/21</u>				<u>\$ 260,114</u>

* 2Q20, 3Q20, 4Q20, 1Q21 trustee fees paid in 2Q21.

Entergy Texas, Inc.
River Bend Nuclear Decommissioning Trust
Estimated Since Inception Returns (Before Tax)

1. Composite Returns *:

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
8.54%	7.12%	13.37%	8.70%	10.26%	-5.24%	17.73%	7.14%	16.75%	17.57%	9.69%
2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1.20%	-1.31%	-4.66%	14.20%	7.32%	3.74%	10.46%	6.19%	-18.79%	15.59%	11.89%
2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
5.24%	11.15%	17.98%	10.28%	1.03%	8.27%	13.94%	-2.38%	21.48%	14.24%	16.50%
Since Inception**										
8.07%										

* Since inception return calculated by linking sum of weighted returns for 1989 through 2021. 1989 through 1995 returns are the sum of weighted returns in "2. Qualified Returns" and "3. Non-Qualified Returns" below. The composite returns for 1996 through 2021 were calculated by BNY Mellon.

Some composite returns from 1989 through 1995 may not equal the sum of weighted returns due to rounding.

** Inception date: April 1, 1989.

2. Qualified Returns:

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Before Tax *	7.13%	7.31%	12.39%	8.44%	10.03%	-5.67%	17.42%	7.71%	16.46%	17.21%
Portfolio Weight ***	80.29%	85.99%	87.02%	89.79%	90.61%	91.40%	91.38%	90.65%	89.11%	87.70%
Weighted Return ****	5.72%	6.28%	10.78%	7.57%	9.09%	-5.18%	15.92%	6.99%	14.67%	15.09%
2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Before Tax *	1.20%	-0.77%	-4.04%	13.70%	7.35%	3.72%	10.32%	6.37%	-18.21%	15.17%
Portfolio Weight ***	86.23%	86.31%	86.54%	86.38%	86.57%	86.78%	86.88%	87.20%	87.99%	87.58%
Weighted Return ****	1.03%	-0.66%	-3.50%	11.83%	6.36%	3.23%	8.97%	5.55%	-16.02%	13.29%
2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Before Tax *	5.64%	10.82%	17.98%	10.28%	1.03%	8.27%	13.94%	-2.38%	21.48%	14.24%
Portfolio Weight ***	88.17%	95.61%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Weighted Return ****	4.97%	10.34%	17.98%	10.28%	1.03%	8.27%	13.94%	-2.38%	21.48%	14.24%
Since Inception**										
7.97%										

* Before tax returns calculated based on returns provided by J.P. Morgan Investment Management for the years 1989 through 1994. J.P. Morgan returns include a tax "gross-up" component for tax-exempt municipal bonds. The above returns from 1995 through 2021 provided by Bank of New York Mellon attempt to reflect weighted average portfolio returns without the "gross-up" impact.

** Inception date: April 1, 1989.

*** Portfolio weightings based on year-end market values as calculated in "5. Year-End Market Values" below.

**** Before tax return times portfolio weight.

Entergy Texas, Inc.
River Bend Nuclear Decommissioning Trust
Estimated Since Inception Returns (Before Tax)

3. Non Qualified Returns:	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Before Tax *	14.30%	6.00%	19.90%	11.00%	12.50%	-0.62%	21.03%	8.90%	19.55%	20.30%	14.43%
Portfolio Weight ***	19.71%	14.01%	12.98%	10.21%	9.39%	8.60%	8.62%	9.35%	10.89%	12.30%	13.80%
Weighted Return ****	2.82%	0.84%	2.58%	1.12%	1.17%	-0.05%	1.81%	0.83%	2.13%	2.50%	1.99%
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	-2.26%	-4.65%	-8.51%	17.47%	7.99%	3.90%	11.36%	4.99%	-22.80%	18.66%	15.78%
	13.77%	13.69%	13.46%	13.62%	13.43%	13.22%	13.12%	12.80%	12.01%	12.42%	12.73%
	-0.31%	-0.64%	-1.15%	2.38%	1.07%	0.52%	1.49%	0.64%	-2.74%	2.32%	2.01%
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	2.38%	15.74%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	11.83%	4.39%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	0.28%	0.69%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Since
Inception**

8.17%

* Calculated and provided by J.P. Morgan Investment Management for 1989 to 1994. 1995 through 2012 provided by Bank of New York Mellon.

** Inception date: April 1, 1989.

*** Portfolio weightings based on year-end market values as calculated in "5. Year-End Market Values" below.

**** Before tax return times portfolio weight.

***** By 12/31/12 the remaining non-qualified PUCT assets were transferred to the PUCT tax-qualified accounts and the non-qualified accounts were closed.

4. Year-End Weightings *:	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Qualified	80.29%	85.99%	87.02%	89.79%	90.61%	91.40%	91.38%	90.65%	89.11%	87.70%	86.20%
Non-Qualified	19.71%	14.01%	12.98%	10.21%	9.39%	8.60%	8.62%	9.35%	10.89%	12.30%	13.80%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	86.23%	86.31%	86.54%	86.38%	86.57%	86.78%	86.88%	87.20%	87.99%	87.58%	87.27%
	13.77%	13.69%	13.46%	13.62%	13.43%	13.22%	13.12%	12.80%	12.01%	12.42%	12.73%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	88.17%	95.61%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	11.83%	4.39%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

* Calculated based on year-end market values in "5. Year-End Market Values" below.

** By 12/31/12 the remaining non-qualified PUCT assets were transferred to the PUCT tax-qualified accounts and the non-qualified accounts were closed.

*Entergy Texas, Inc.
River Bend Nuclear Decommissioning Trust
Estimated Since Inception Returns (Before Tax)*

5. Year-End Market Values *:	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Qualified	\$1.67	\$3.99	\$6.77	\$13.19	\$17.18	\$19.66	\$30.85	\$37.62	\$49.99	\$62.66	\$72.06
Non-Qualified**	\$0.41	\$0.65	\$1.01	\$1.50	\$1.78	\$1.85	\$2.91	\$3.88	\$6.11	\$8.79	\$11.54
Total	<u>\$2.08</u>	<u>\$4.64</u>	<u>\$7.78</u>	<u>\$14.69</u>	<u>\$18.96</u>	<u>\$21.51</u>	<u>\$33.76</u>	<u>\$41.50</u>	<u>\$56.10</u>	<u>\$71.45</u>	<u>\$83.60</u>
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	\$77.87	\$81.69	\$83.41	\$97.34	\$107.43	\$114.42	\$129.21	\$140.25	\$117.11	\$134.46	\$152.01
	\$12.44	\$12.96	\$12.97	\$15.35	\$16.67	\$17.43	\$19.51	\$20.59	\$15.98	\$19.07	\$22.17
	<u>\$90.31</u>	<u>\$94.65</u>	<u>\$96.38</u>	<u>\$112.69</u>	<u>\$124.10</u>	<u>\$131.84</u>	<u>\$148.72</u>	<u>\$160.84</u>	<u>\$133.09</u>	<u>\$153.53</u>	<u>\$174.18</u>
	2011	2012**	2013**	2014	2015	2016	2017	2018	2019	2020	2021
	\$169.52	\$211.86	\$269.87	\$304.95	\$316.62	\$351.53	\$408.63	\$406.80	\$497.52	\$565.03	\$683.39
	\$22.74	\$9.73	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<u>\$192.26</u>	<u>\$221.59</u>	<u>\$269.87</u>	<u>\$304.95</u>	<u>\$316.62</u>	<u>\$351.53</u>	<u>\$408.63</u>	<u>\$406.80</u>	<u>\$497.52</u>	<u>\$565.03</u>	<u>\$683.39</u>

* (\$ in Millions) Source: Trustee statements

**In September 2012 all River Bend jurisdictional assets, with the exception of \$9.7 million in LPSC DAP NQ assets, were contributed to the River Bend tax qualified trust.
The remaining LPSC DAP NQ assets were contributed to a LPSC DAP tax qualified account in September 2013.

Entergy Texas, Inc.
River Bend Decommissioning Funding Plan — Texas Retail
Summary of Tax Qualified and Non-Tax Qualified Funds
For the Test Year Ended December 31, 2021
(\$000)

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Line No.	Year	Contrib	Decomm. Outlays	Fund Earnings	Fund Taxes	Admin. Fees	Fund Accum
ACTUAL							
1	1989	405 (a)	0	30	(c)	(d)	435 (g)
2	1990	915 (a)	0	(b)	(c)	(d)	N/A
3	1991	955 (a)	0	352 (b)	(c)	(d)	2,657 (g)
4	1992	3,219 (a)	0	276	(c)	(d)	6,152 (g)
5	1993	1,610	0	534	(c)	(d)	8,296 (g)
6	1994	1,610	0	(41)	(c)	(d)	9,865 (g)
7	1995	6,800	0	1,925	(c)	(d)	18,590 (g)
8	1996	4,576	0	979	(c)	(d)	24,145 (g)
9	1997	4,576	0	4,084	(c)	(d)	32,805 (g)
10	1998	2,669	0	5,583	(c)	(d)	41,057 (g)
11	1999	3,219	0	3,516	(c)	(d)	47,792 (g)
12	2000	4,360	0	1,309	(c)	(d)	53,461 (g)
13	2001	3,665	0	(946)	(c)	(d)	56,180 (g)
14	2002	3,665	0	(2,248)	(c)	(d)	57,597 (g)
15	2003	3,665	0	7,720	(c)	(d)	68,982 (g)
16	2004	3,665	0	4,755	(c)	(d)	77,402 (g)
17	2005	3,665	0	2,531	(c)	(d)	83,598 (g)
18	2006	3,665	0	8,315	(c)	(d)	95,578 (g)
19	2007	3,665	0	5,745	(c)	(d)	104,988 (g)
20	2008	3,665	0	(20,082)	(c)	(d)	88,571 (g)
21	2009	611	0	11,896	(c)	(d)	101,078 (g)
22	2010	757	0	11,105	(c)	(d)	112,940 (g)
23	2011	2,019	0	5,552	(c)	(d)	120,512 (g)
24	2012	1,573 (f)	0	11,894	(c)	(d)	133,979 (g)
25	2013	1,126	0	23,371	(c)	(d)	158,476 (g)
26	2014	1,126	0	15,250	(c)	(d)	174,851 (g)
27	2015	1,126	0	811	(c)	(d)	176,789 (g)
28	2016	1,126	0	13,854	(c)	(d)	191,769 (g)
29	2017	1,126	0	25,221	(c)	(d)	218,116 (g)
30	2018	1,126	0	(6,495)	(c)	(d)	212,747 (g)
31	2019	0	0	44,858	(c)	(d)	257,605 (g)
32	2020	0	0	34,617	(c)	(d)	292,221 (g)
33	2021	0	0	47,724	(c)	(d)	339,946
PROJECTED							
34	2022						273,947 (e)
35	2023	0	0	7,803	(c)	171	281,579
36	2024	0	0	8,644	(c)	175	290,048
37	2025	0	0	9,317	(c)	179	299,186
38	2026	0	0	10,121	(c)	184	309,122
39	2027	0	0	10,967	(c)	189	319,900
40	2028	0	0	11,752	(c)	195	331,458
41	2029	0	0	12,467	(c)	201	343,725
42	2030	0	0	13,168	(c)	207	356,686
43	2031	0	0	13,860	(c)	213	370,333
44	2032	0	0	14,628	(c)	220	384,740
45	2033	0	0	15,504	(c)	228	400,017
46	2034	0	0	16,422	(c)	236	416,203
47	2035	0	0	17,407	(c)	244	433,366
48	2036	0	0	18,461	(c)	253	451,574
49	2037	0	0	19,631	(c)	262	470,942
50	2038	0	0	20,789	(c)	272	491,459
51	2039	0	0	21,943	(c)	282	513,120
52	2040	0	0	23,221	(c)	293	536,048
53	2041	0	0	24,683	(c)	305	560,426
54	2042	0	0	25,113	(c)	317	585,222
55	2043	0	0	21,227	(c)	329	606,120
56	2044	0	3,872	16,349	(c)	337	618,260
57	2045	0	29,506	14,466	(c)	336	602,884
58	2046	0	79,117	18,639	(c)	317	542,088
59	2047	0	114,515	16,759	(c)	278	444,054
60	2048	0	121,436	13,728	(c)	227	336,119
61	2049	0	98,561	10,391	(c)	178	247,772
62	2050	0	99,101	7,660	(c)	133	156,197
63	2051	0	56,579	4,829	(c)	98	104,349
64	2052	0	30,841	3,226	(c)	77	76,656
65	2053	0	28,227	2,370	(c)	60	50,739
66	2054	0	20,718	1,569	(c)	45	31,545
67	2055	0	0	975	(c)	39	32,481
68	2056	0	0	1,004	(c)	40	33,446
69	2057	0	0	1,034	(c)	40	34,439
70	2058	0	0	1,065	(c)	41	35,463
71	2059	0	0	1,096	(c)	42	36,518
72	2060	0	0	1,129	(c)	42	37,604
73	2061	0	0	1,163	(c)	43	38,724
74	2062	0	0	1,197	(c)	44	39,877
75	2063	0	0	1,233	(c)	45	41,065
76	2064	0	0	1,270	(c)	45	42,290
77	2065	0	0	1,307	(c)	46	43,551
78	2066	0	0	1,346	(c)	47	44,850
79	2067	0	0	1,387	(c)	48	46,189
80	2068	0	0	1,428	(c)	49	47,568
81	2069	0	0	1,471	(c)	50	48,989
82	2070	0	0	1,515	(c)	51	50,453
83	2071	0	0	1,560	(c)	52	51,961
84	2072	0	0	1,606	(c)	53	53,514
85	2073	0	0	1,654	(c)	54	55,115
86	2074	0	0	1,704	(c)	55	56,764
87	2075	0	0	1,755	(c)	56	58,463
88	2076	0	0	1,807	(c)	57	60,214
89	2077	0	22,857	1,862	(c)	51	39,168
90	2078	0	40,349	1,211	(c)	30	(0)
TOTAL		75,950	745,680	743,887	(c)	8,158	470,942

Entergy Texas, Inc.
River Bend Decommissioning Funding Plan — Texas Retail
Summary of Tax Qualified and Non-Tax Qualified Funds (con't)
For the Test Year Ended December 31, 2021

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Notes:

N/A - Information not available.

- (a) Contributions for 1989-1991 were made March 15 for prior year collections. Beginning in 1992 contributions were made throughout the year. The 1992 contributions include 1991 & 1992 collections.
- (b) Earnings are not available on an annual basis for 1990 & 1991, however, net fund earnings for 1990 & 1991 are \$352K and are shown above in 1991.
- (c) Fund taxes on realized gains/losses and earnings are included in fund earnings amount.
- (d) Administration fees are included in fund earnings amount.
- (e) Accrued taxes and fees were subtracted to derive an after-tax, or liquidation value as of 4/30/2022
- (f) The balance of NTQ Trust was zero at December 31, 2012. The NTQ Funds were contributed to the TQ Fund in 2012 pursuant to a July 21, 2011 IRS Schedule of Ruling Amounts for River Bend. The TQ contributions in 2012 include the NTQ Funds that were contributed to that trust.
Refer to Witness Monique Hoffmeister's Direct Testimony from Docket 41791 for more information.
- (g) Source of data is market values as shown in trustee statements.

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

Entergy Texas, Inc.
River Bend Decommissioning Funding Plan — Texas Retail
Non-Tax Qualified Fund
For the Test Year Ended December 31, 2021
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Line No.	Year	Contrib	Decomm. Outlays	Fund Earnings	Fund Taxes	Admin. Fees	Fund Accum
ACTUAL							
1	1989	20 (a)	0	3	(c)	(d)	23 (g)
2	1990	11 (a)	0	(b)	(c)	(d)	N/A
3	1991	15 (a)	0	12 (b)	(c)	(d)	61 (g)
4	1992	80 (a)	0	5	(c)	(d)	146 (g)
5	1993	0	0	18	(c)	(d)	164 (g)
6	1994	0	0	9	(c)	(d)	173 (g)
7	1995	0	0	36	(c)	(d)	209 (g)
8	1996	35	0	21	(c)	(d)	265 (g)
9	1997	35	0	53	(c)	(d)	353 (g)
10	1998	9	0	73	(c)	(d)	435 (g)
11	1999	(9)	0	60	(c)	(d)	486 (g)
12	2000	0	0	1,522	(c)	(d)	2,008 (g)
13	2001	0	0	(96)	(c)	(d)	1,912 (g)
14	2002	0	0	(223)	(c)	(d)	1,689 (g)
15	2003	14	0	293	(c)	(d)	1,996 (g)
16	2004	14	0	51	(c)	(d)	2,061 (g)
17	2005	14	0	34	(c)	(d)	2,109 (g)
18	2006	14	0	214	(c)	(d)	2,337 (g)
19	2007	14	0	48	(c)	(d)	2,399 (g)
20	2008	14	0	(573)	(c)	(d)	1,840 (g)
21	2009	2	0	485	(c)	(d)	2,327 (g)
22	2010	0	0	404	(c)	(d)	2,731 (g)
23	2011	0	0	64	(c)	(d)	2,795 (g)
24	2012	(3,172) (f)	0	377	(c)	(d)	0 (g)
25	2013	0	0	0	0	0	0
26	2014	0	0	0	0	0	0
27	2015	0	0	0	0	0	0
28	2016	0	0	0	0	0	0
29	2017	0	0	0	0	0	0
30	2018	0	0	0	0	0	0
31	2019	0	0	0	0	0	0
32	2020	0	0	0	0	0	0
33	2021	0	0	0	0	0	0
PROJECTED							
34	2022						
35	2023	0	0	0	0	0	0
36	2024	0	0	0	0	0	0
37	2025	0	0	0	0	0	0
38	2026	0	0	0	0	0	0
39	2027	0	0	0	0	0	0
40	2028	0	0	0	0	0	0
41	2029	0	0	0	0	0	0
42	2030	0	0	0	0	0	0
43	2031	0	0	0	0	0	0
44	2032	0	0	0	0	0	0
45	2033	0	0	0	0	0	0
46	2034	0	0	0	0	0	0
47	2035	0	0	0	0	0	0
48	2036	0	0	0	0	0	0
49	2037	0	0	0	0	0	0
50	2038	0	0	0	0	0	0
51	2039	0	0	0	0	0	0
52	2040	0	0	0	0	0	0
53	2041	0	0	0	0	0	0
54	2042	0	0	0	0	0	0
55	2043	0	0	0	0	0	0
56	2044	0	0	0	0	0	0
57	2045	0	0	0	0	0	0
58	2046	0	0	0	0	0	0
59	2047	0	0	0	0	0	0
60	2048	0	0	0	0	0	0
61	2049	0	0	0	0	0	0
62	2050	0	0	0	0	0	0
63	2051	0	0	0	0	0	0
64	2052	0	0	0	0	0	0
65	2053	0	0	0	0	0	0
66	2054	0	0	0	0	0	0
67	2055	0	0	0	0	0	0
68	2056	0	0	0	0	0	0
69	2057	0	0	0	0	0	0
70	2058	0	0	0	0	0	0
71	2059	0	0	0	0	0	0
72	2060	0	0	0	0	0	0
73	2061	0	0	0	0	0	0
74	2062	0	0	0	0	0	0
75	2063	0	0	0	0	0	0
76	2064	0	0	0	0	0	0
77	2065	0	0	0	0	0	0
78	2066	0	0	0	0	0	0
79	2067	0	0	0	0	0	0
80	2068	0	0	0	0	0	0
81	2069	0	0	0	0	0	0
82	2070	0	0	0	0	0	0
83	2071	0	0	0	0	0	0
84	2072	0	0	0	0	0	0
85	2073	0	0	0	0	0	0
86	2074	0	0	0	0	0	0
87	2075	0	0	0	0	0	0
88	2076	0	0	0	0	0	0
89	2077	0	0	0	0	0	0
90	2078	0	0	0	0	0	0
TOTAL		(2,890) (f)	0	2,890	0	0	0

ored by: Elizabeth Hunter, Lori Glander, and Richard Lain

Entergy Texas, Inc.
River Bend Decommissioning Funding Plan — Texas Retail
Non-Tax Qualified Fund (con't)
For the Test Year Ended December 31, 2021

Schedule M-2
2022 TX Rate Case
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Notes:

N/A - Information not available.

- (a) Contributions for 1989-1991 were made March 15 for prior year collections. Beginning in 1992 contributions were made throughout the year. The 1992 contributions include 1991 & 1992 collections.
- (b) Earnings are not available on an annual basis for 1990 & 1991, however, net fund earnings for 1990 & 1991 of \$12K and are shown above in 1991.
- (c) Fund taxes on realized gains/losses and earnings are included in fund earnings amount.
- (d) Administration fees are included in fund earnings amount.
- (e) (Placeholder)
- (f) The balance of NTQ Trust was zero at December 31, 2012. The NTQ Funds were contributed to the TQ Fund in 2012 pursuant to a July 21, 2011 IRS Schedule of Ruling Amounts for River Bend. The TQ contributions in 2012 include the NTQ Funds that were contributed to that trust. Refer to Witness Monique Hoffmeister's Direct Testimony from Docket 41791 for more information.
- (g) Source of data is market values as shown in trustee statements.

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