

EDISON INTERNATIONAL  
Form 4  
January 06, 2014

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2015  
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
SUTTON THOMAS C

2. Issuer Name and Ticker or Trading Symbol  
EDISON INTERNATIONAL [EIX]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
2244 WALNUT GROVE AVENUE  
(Street)

3. Date of Earliest Transaction  
(Month/Day/Year)  
01/01/2014

Director  10% Owner  
 Officer (give title below)  Other (specify below)

ROSEMEAD, CA 91770

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	01/01/2014		M <sup>(1)</sup>		2,115.3043	A	<u>(2)</u>
							\$
Common Stock	01/01/2014		D <sup>(4)</sup>		0.3043	D	46.3 <u>(5)</u>
Common Stock							41,998.408 <u>(3)</u>
						I	By Sutton Family Trust

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount of Number of Shares
Phantom Stock	(2)	01/01/2014		M <sup>(1)</sup>	2,115.3043 (6)	(7)	(7)	Common Stock	2,115.30

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SUTTON THOMAS C 2244 WALNUT GROVE AVENUE ROSEMEAD, CA 91770			X	

## Signatures

/s/ Thomas C. Sutton                      01/06/2014

\*\*Signature of Reporting Person                      Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Transaction code "X" is also applicable to this transaction.
- (2) 1 for 1: Each phantom stock unit, also called a deferred stock unit, is equal in value to one share of Edison International Common Stock.
- (3) Includes shares acquired under the issuer's Dividend Reinvestment and Direct Stock Purchase Plan which are exempt from reporting under Section 16(a).
- (4) This transaction was the automatic cash-out of a fractional share by the issuer.
- (5) The stock price used is the closing price on the business day prior to the payout.
- (6) Includes additional phantom stock units acquired pursuant to dividend reinvestment and exempt from reporting under Section 16(a).
- (7) The phantom stock units are settled upon the Reporting Person's retirement, resignation, death, or disability, unless another date(s) is elected by the Reporting Person.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Edgar Filing: EDISON INTERNATIONAL - Form 4

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. 83,648 137,509

Investment in nuclear decommissioning trust funds	(91,412) (147,072)
Change in money pool receivable - net	(7,805) -
Other	- 5
Net cash flow used in investing activities	(246,760) (466,580)

FINANCING ACTIVITIES

Proceeds from the issuance of long-term debt	- 298,001
Change in money pool payable - net	- (72,135)
Dividends paid:	
Common stock	(39,800) (6,900)
Preferred stock	(5,155) (5,155)
Other	(231) (83)
Net cash flow provided by (used in) financing activities	(45,186) 213,728
Net increase in cash and cash equivalents	29,900 2,362
Cash and cash equivalents at beginning of period	39,568 212
Cash and cash equivalents at end of period	\$69,468 \$2,574

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid during the period for:	
Interest - net of amount capitalized	\$66,358 \$50,315
Income taxes	\$17,008 \$36,174

See Notes to Financial Statements.

ENTERGY ARKANSAS, INC.  
BALANCE SHEETS  
ASSETS  
September 30, 2009 and December 31, 2008  
(Unaudited)

	2009	(In Thousands)	2008
<b>CURRENT ASSETS</b>			
Cash and cash equivalents			
Cash	\$ 155		\$ 3,292
Temporary cash investments	69,313		36,276
Total cash and cash investments	69,468		39,568
Accounts receivable:			
Customer	128,925		113,135
Allowance for doubtful accounts	(22,632 )		(19,882 )
Associated companies	68,108		56,534
Other	52,850		64,762
Accrued unbilled revenues	78,680		71,118
Total accounts receivable	305,931		285,667
Deferred fuel costs	46,043		119,061
Fuel inventory - at average cost	14,488		15,223
Materials and supplies - at average cost	131,861		121,769
Deferred nuclear refueling outage costs	40,769		42,932
System agreement cost equalization	167,225		394,000
Prepayments and other	48,324		36,530
<b>TOTAL</b>	<b>824,109</b>		<b>1,054,750</b>
<b>OTHER PROPERTY AND INVESTMENTS</b>			
Investment in affiliates - at equity	11,200		11,200
Decommissioning trust funds	429,962		390,529
Non-utility property - at cost (less accumulated depreciation)	1,436		1,439
Other	2,976		5,391
<b>TOTAL</b>	<b>445,574</b>		<b>408,559</b>
<b>UTILITY PLANT</b>			
Electric	7,683,184		7,305,165
Property under capital lease	1,378		1,417
Construction work in progress	105,164		142,391
Nuclear fuel under capital lease	143,866		125,072
Nuclear fuel	10,066		12,115
<b>TOTAL UTILITY PLANT</b>	<b>7,943,658</b>		<b>7,586,160</b>
Less - accumulated depreciation and amortization	3,560,419		3,272,280
<b>UTILITY PLANT - NET</b>	<b>4,383,239</b>		<b>4,313,880</b>
<b>DEFERRED DEBITS AND OTHER ASSETS</b>			

Regulatory assets:		
Regulatory asset for income taxes - net	47,224	58,455
Other regulatory assets	726,444	688,964
Other	27,171	43,605
TOTAL	800,839	791,024
TOTAL ASSETS	\$ 6,453,761	\$ 6,568,213
See Notes to Financial Statements.		

ENTERGY ARKANSAS, INC.  
BALANCE SHEETS  
LIABILITIES AND SHAREHOLDERS' EQUITY  
September 30, 2009 and December 31, 2008  
(Unaudited)

	2009	(In Thousands)	2008
<b>CURRENT LIABILITIES</b>			
Currently maturing long-term debt	\$ 100,000		\$ -
Accounts payable:			
Associated companies	200,732		433,460
Other	116,948		142,974
Customer deposits	66,748		60,558
Accumulated deferred income taxes	105,144		198,902
Interest accrued	23,601		25,207
Obligations under capital leases	60,281		60,276
Other	19,253		17,290
<b>TOTAL</b>	<b>692,707</b>		<b>938,667</b>
<b>NON-CURRENT LIABILITIES</b>			
Accumulated deferred income taxes and taxes accrued	1,450,231		1,307,596
Accumulated deferred investment tax credits	48,902		51,881
Obligations under capital leases	84,963		66,214
Other regulatory liabilities	59,627		27,141
Decommissioning	557,765		540,709
Accumulated provisions	13,431		15,925
Pension and other postretirement liabilities	427,342		441,920
Long-term debt	1,518,481		1,618,171
Other	43,626		43,780
<b>TOTAL</b>	<b>4,204,368</b>		<b>4,113,337</b>
<b>Commitments and Contingencies</b>			
Preferred stock without sinking fund	116,350		116,350
<b>SHAREHOLDERS' EQUITY</b>			
Common stock, \$0.01 par value, authorized 325,000,000 shares; issued and outstanding 46,980,196 shares in 2009 and 2008	470		470
Paid-in capital	588,444		588,444
Retained earnings	851,422		810,945
<b>TOTAL</b>	<b>1,440,336</b>		<b>1,399,859</b>
	\$ 6,453,761		\$ 6,568,213

TOTAL LIABILITIES AND SHAREHOLDERS'  
EQUITY

See Notes to Financial Statements.

87

---

ENTERGY ARKANSAS, INC.  
 SELECTED OPERATING RESULTS  
 For the Three and Nine Months Ended September 30, 2009 and 2008  
 (Unaudited)

Description	Three Months Ended		Increase/ (Decrease)	%
	2009	2008		
(Dollars In Millions)				
<b>Electric Operating Revenues:</b>				
Residential	\$ 250	\$ 249	\$ 1	-
Commercial	146	143	3	2
Industrial	129	140	(11 )	(8 )
Governmental	6	6	-	-
Total retail	531	538	(7 )	(1 )
Sales for resale				
Associated companies	94	123	(29 )	(24 )
Non-associated companies	23	42	(19 )	(45 )
Other	1	9	(8 )	(89 )
Total	\$ 649	\$ 712	\$ (63 )	(9 )
<b>Billed Electric Energy</b>				
<b>Sales (GWh):</b>				
Residential	2,307	2,354	(47 )	(2 )
Commercial	1,745	1,758	(13 )	(1 )
Industrial	1,744	1,977	(233 )	(12 )
Governmental	76	79	(3 )	(4 )
Total retail	5,872	6,168	(296 )	(5 )
Sales for resale				
Associated companies	2,529	2,290	239	10
Non-associated companies	189	516	(327 )	(63 )
Total	8,590	8,974	(384 )	(4 )
Description	Nine Months Ended		Increase/ (Decrease)	%
	2009	2008		
(Dollars In Millions)				
<b>Electric Operating Revenues:</b>				
Residential	\$ 611	\$ 586	\$ 25	4
Commercial	366	346	20	6
Industrial	326	342	(16 )	(5 )
Governmental	17	15	2	13
Total retail	1,320	1,289	31	2
Sales for resale				
Associated companies	253	334	(81 )	(24 )
Non-associated companies	80	119	(39 )	(33 )
Other	50	50	-	-
Total	\$ 1,703	\$ 1,792	\$ (89 )	(5 )



Billed Electric Energy				
Sales (GWh):				
Residential	5,897	6,049	(152 )	(3 )
Commercial	4,456	4,489	(33 )	(1 )
Industrial	4,733	5,454	(721 )	(13 )
Governmental	204	209	(5 )	(2 )
Total retail	15,290	16,201	(911 )	(6 )
Sales for resale				
Associated companies	6,929	6,207	722	12
Non-associated companies	1,215	1,647	(432 )	(26 )
Total	23,434	24,055	(621 )	(3 )

ENTERGY GULF STATES LOUISIANA, L.L.C.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Hurricane Gustav and Hurricane Ike

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Hurricane Gustav and Hurricane Ike" in the Form 10-K for a discussion of Hurricane Gustav and Hurricane Ike, which caused catastrophic damage to Entergy Gulf States Louisiana's service territory in September 2008. Entergy Gulf States Louisiana and Entergy Louisiana filed their Hurricane Gustav and Hurricane Ike storm cost recovery case with the LPSC in May 2009. Entergy Gulf States Louisiana seeks a determination that \$152.6 million of storm restoration costs are recoverable and seeks to replenish its storm reserve in the amount of \$90 million. Entergy Louisiana seeks a determination that \$267.4 million of storm restoration costs are recoverable and seeks to replenish its storm reserve in the amount of \$200 million. The storm restoration costs are net of costs that have already been paid from previously funded storm reserves. In September 2009, Entergy Gulf States Louisiana and Entergy Louisiana made a supplemental filing to, among other things, recommend recovery of the costs and replenishment of the storm reserves by Louisiana Act 55 (passed in 2007) financing. Entergy Gulf States Louisiana and Entergy Louisiana recovered their costs from Hurricane Katrina and Hurricane Rita primarily by Act 55 financing. The parties have agreed to a procedural schedule that includes March 2010 hearing dates for both the recoverability and the method of recovery proceedings.

Results of Operations

Net Income

Third Quarter 2009 Compared to Third Quarter 2008

Net income decreased by \$13.7 million primarily due to lower net revenue, higher other operation and maintenance expenses, and a higher effective income tax rate, partially offset by lower taxes other than income taxes and lower interest and other charges.

Nine Months Ended September 30, 2009 Compared to Nine Months Ended September 30, 2008

Net income decreased by \$11.8 million primarily due to lower net revenue, lower other income, and a higher effective income tax rate, partially offset by lower taxes other than income taxes and lower interest and other charges.

Net Revenue

Third Quarter 2009 Compared to Third Quarter 2008

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses and 3) other regulatory credits. Following is an analysis of the change in net revenue comparing the third quarter 2009 to the third quarter 2008.

Amount  
(In  
Millions)

2008 net revenue	\$241.3
Net wholesale revenue	(20.7)
Retail electric price	(10.7)
Volume/weather	19.0
Other	(0.2)
2009 net revenue	\$228.7

The net wholesale variance is primarily due to fuel recovery timing differences from municipal and co-op customers.

The retail electric price variance is primarily due to:

- a formula rate plan provision of \$3.7 million recorded in the third quarter 2009 for refunds that will be made to customers in accordance with a settlement approved by the LPSC. See Note 2 to the financial statements for further discussion of the settlement;
  - a credit passed on to customers as a result of the Act 55 storm cost financing; and
- a net decrease in the formula rate plan effective August 2008 to remove interim storm recovery upon the Act 55 financing of storm costs as well as the storm damage accrual. A portion of the decrease is offset in other operation and maintenance expenses. See Note 2 to the financial statements in the Form 10-K for further discussion of the formula rate plan.

The decrease was partially offset by a formula rate plan increase effective September 2008. Refer to "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - State and Local Rate Regulation -Retail Rates - Electric" and Note 2 to the financial statements in the Form 10-K for a discussion of the formula rate plan.

The volume/weather variance is primarily due to an increase in unbilled sales volume, including the effects of Hurricane Gustav and Hurricane Ike which decreased sales volume in 2008, and the effect of more favorable weather.

Gross operating revenues and fuel and purchased power expenses

Gross operating revenues decreased primarily due to a decrease of \$269.1 million in electric fuel cost recovery revenues due to lower fuel rates and a decrease of \$76.1 million in affiliated wholesale revenue due to a decrease in the average price of energy available for resale sales.

Fuel and purchased power expenses decreased primarily due to a decrease in the average market price of purchased power and a decrease in deferred fuel expense due to decreased recovery from customers of fuel costs.

Nine Months Ended September 30, 2009 Compared to Nine Months Ended September 30, 2008

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses and 3) other regulatory credits. Following is an analysis of the change in net revenue comparing the nine months ended September 30, 2009 to the nine months ended September 30, 2008.

	Amount (In Millions)
2008 net revenue	\$643.8
Retail electric price	(21.8)
Net wholesale revenue	(16.6)
Volume/weather	19.3
Other	1.4
2009 net revenue	\$626.1

The retail electric price variance is primarily due to:

- a formula rate plan provision of \$3.7 million recorded in the third quarter 2009 for refunds that will be made to customers in accordance with a settlement approved by the LPSC. See Note 2 to the financial statements for further discussion of the settlement;
  - a credit passed on to customers as a result of the Act 55 storm cost financing; and

- a net decrease in the formula rate plan effective August 2008 to remove interim storm recovery upon the Act 55 financing of storm costs as well as the storm damage accrual. A portion of the decrease is offset in other operation and maintenance expenses. See Note 2 to the financial statements in the Form 10-K for further discussion of the formula rate plan.

The decrease was partially offset by a formula rate plan increase effective September 2008. Refer to "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - State and Local Rate Regulation - Retail Rates - Electric" and Note 2 to the financial statements in the Form 10-K for a discussion of the formula rate plan.

The net wholesale variance is primarily due to fuel recovery timing differences from municipal and co-op customers.

The volume/weather variance is primarily due to an increase in unbilled sales volume, including the effects of Hurricane Gustav and Hurricane Ike which decreased sales volume in 2008, and the effect of more favorable weather during the unbilled sales period.

Gross operating revenues and purchased power expenses

Gross operating revenues decreased primarily due to:

- a decrease of \$502.8 million in electric fuel cost recovery revenues due to lower fuel rates;
- a decrease of \$122.8 million in affiliated wholesale revenue due to a decrease in the average price of energy available for resale sales, offset by an increase in net generation and purchases resulting in more energy available for resale sales; and
  - a decrease of \$26.3 million in gross gas revenue primarily due to lower fuel rates.

Purchased power expenses decreased primarily due to a decrease in volume and the average market price of purchased power.

Other Income Statement Variances

Third Quarter 2009 Compared to Third Quarter 2008

Other operation and maintenance expenses increased primarily due to:

- an increase of \$4.4 million in nuclear labor and contract costs;
- an increase of \$3.1 million in fossil expenses primarily due to higher plant maintenance costs and plant outages; and
  - an increase of \$1.2 million in payroll-related costs.

Taxes other than income taxes decreased primarily due to a decrease in local franchise taxes as a result of lower residential and commercial revenue.

Interest and other charges decreased primarily due to a decrease in long-term debt outstanding, partially offset by higher interest on deferred fuel costs.

Nine Months Ended September 30, 2009 Compared to Nine Months Ended September 30, 2008

Taxes other than income taxes decreased primarily due to a decrease in local franchise taxes as a result of lower residential and commercial revenue.

Other income decreased primarily due to:

- a decrease of \$11.5 million in interest and dividend income related to the debt assumption agreement with Entergy Texas. Entergy Gulf States Louisiana remains primarily liable on this debt, of which \$699 million remained outstanding as of September 30, 2009 and \$930 million remained outstanding as of September 30, 2008;
- the cessation of \$4.7 million in carrying charges on Hurricane Katrina and Hurricane Rita storm restoration costs as a result of the Act 55 storm cost financing; and
  - a decrease of \$2.6 million in interest earned on money pool investments.

The decrease is partially offset by distributions of \$8.7 million earned on preferred membership interests purchased from Entergy Holdings Company with the proceeds received from the Act 55 storm cost financings and \$4.6 million in carrying charges on Hurricane Gustav and Hurricane Ike storm restoration costs. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Hurricane Rita and Hurricane Katrina" and Note 2 to the financial statements in the Form 10-K for a discussion of the Act 55 storm cost financing.

Interest and other charges decreased primarily due to a decrease in long-term debt outstanding, partially offset by higher interest on deferred fuel costs.

#### Income Taxes

The effective income tax rate was 37.2% for the third quarter 2009 and 38.6% for the nine months ended September 30, 2009. The difference in the effective income tax rate for the third quarter 2009 and the nine months ended September 30, 2009 versus the federal statutory rate of 35% is primarily due to book and tax differences related to utility plant items and state income taxes, partially offset by book and tax differences related to storm cost financing, the amortization of investment tax credits, flow-through book and tax timing differences, and book and tax differences related to allowance for equity funds used during construction.

The effective income tax rate was 30.1% for the third quarter 2008 and 35.1% for the nine months ended September 30, 2008. The difference in the effective income tax rate for the third quarter 2008 versus the federal statutory rate of 35% is due to flow-through book and tax timing differences and book and tax differences related to storm cost financing and to utility plant items, partially offset by state income taxes.

#### Liquidity and Capital Resources

##### Cash Flow

Cash flows for the nine months ended September 30, 2009 and 2008 were as follows:

	2009	2008
	(In Thousands)	
Cash and cash equivalents at beginning of period	\$49,303	\$108,036
Cash flow provided by (used in):		
Operating activities	261,353	506,242
Investing activities	(155,064)	(554,784)
Financing activities	(23,607)	64,668



Edgar Filing: EDISON INTERNATIONAL - Form 4

Net increase in cash and cash equivalents	82,682	16,126
Cash and cash equivalents at end of period	\$131,985	\$124,162

## Operating Activities

Net cash flow provided by operating activities decreased \$244.9 million for the nine months ended September 30, 2009 compared to the nine months ended September 30, 2008 primarily due to storm cost proceeds of \$274.7 million received from the Louisiana Utilities Restoration Corporation (LURC) as a result of the Act 55 storm cost financings in 2008 and income tax payments of \$29.3 million in 2009 compared to income tax payments of \$2.3 million in 2008, partially offset by a decrease of \$30.8 million in pension contributions.

## Investing Activities

Net cash flow used in investing activities decreased \$399.7 million for the nine months ended September 30, 2009 compared to the nine months ended September 30, 2008 primarily due to:

- the investment of \$189.4 million in affiliate securities and the investment of \$85.3 million in the storm reserve escrow account in 2008 as a result of the Act 55 storm cost financings. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Hurricane Rita and Hurricane Katrina" and Note 2 to the financial statements in the Form 10-K for a discussion of the Act 55 storm cost financing;
- the purchase of the Calcasieu Generating Facility for \$56 million in March 2008. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Liquidity and Capital Resources" in the Form 10-K for a discussion of this purchase;
- a decrease in nuclear construction expenditures resulting from various nuclear projects in 2008, including work done during the spring 2008 refueling outage at River Bend and Hurricane Gustav damage; and
  - timing differences between nuclear fuel purchases and fuel trust reimbursements.

The decrease was partially offset by money pool activity. Increases in Entergy Gulf States Louisiana's receivable from the money pool are a use of cash flow, and Entergy Gulf States Louisiana's receivable from the money pool increased by \$33.4 million for the nine months ended September 30, 2009 compared to increasing by \$15 million for the nine months ended September 30, 2008. The money pool is an inter-company borrowing arrangement designed to reduce the Utility subsidiaries' need for external short-term borrowings.

## Financing Activities

Financing activities used cash of \$23.6 million for the nine months ended September 30, 2009 compared to providing cash of \$64.7 million for the nine months ended September 30, 2008 primarily due to borrowing of \$100 million on Entergy Gulf States Louisiana's credit facility in 2008, partially offset by a decrease in common equity distributions.

## Capital Structure

Entergy Gulf States Louisiana's capitalization is balanced between equity and debt, as shown in the following table. The calculation below does not reduce the debt by the debt assumed by Entergy Texas (\$699 million as of September 30, 2009, and \$770 million as of December 31, 2008) because Entergy Gulf States Louisiana remains primarily liable on the debt.

	September 30, 2009	December 31, 2008
	58.6%	61.6%

Net debt to net capital		
Effect of subtracting cash from debt	1.5%	0.6%
Debt to capital	60.1%	62.2%

Net debt consists of debt less cash and cash equivalents. Debt consists of notes payable, capital lease obligations and long-term debt, including the currently maturing portion. Capital consists of debt and members' equity. Net capital consists of capital less cash and cash equivalents. Entergy Gulf States Louisiana uses the net debt to net capital

ratio in analyzing its financial condition and believes it provides useful information to its investors and creditors in evaluating Entergy Gulf States Louisiana's financial condition.

#### Uses and Sources of Capital

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources" in the Form 10-K for a discussion of Entergy Gulf States Louisiana's uses and sources of capital. Entergy Gulf States Louisiana is developing its capital plan for 2010 through 2012 and currently anticipates making \$726 million in capital investments during that period, including approximately \$381 million for maintenance of existing assets. The remaining \$345 million is associated with specific investments such as environmental compliance spending, transmission upgrades and system improvements, and other investments such as potential opportunities through the Utility's supply plan initiatives that support its ability to meet load growth, including the pending Ouachita acquisition. Following are additional updates to the information provided in the Form 10-K.

Entergy Gulf States Louisiana's receivables from the money pool were as follows:

September 30, 2009	December 31, 2008	September 30, 2008	December 31, 2007
(In Thousands)			
\$44,970	\$11,589	\$70,533	\$55,509

See Note 4 to the financial statements in the Form 10-K for a description of the money pool.

As discussed in the Form 10-K, Entergy Gulf States Louisiana has a credit facility in the amount of \$100 million scheduled to expire in August 2012. No borrowings were outstanding under the facility as of September 30, 2009.

In October 2009, Entergy Gulf States Louisiana issued \$300 million of 5.59% Series first mortgage bonds due October 2024. Entergy Gulf States Louisiana will use the proceeds to pay on or prior to maturity its first mortgage bonds, Floating Rate Series due December 2009, which have an outstanding aggregate principal amount of \$219,470,000 (of which Entergy Texas is obligated to pay approximately \$100.5 million in principal amount), for working capital, and for general corporate purposes.

#### Little Gypsy Repowering Project

See the Form 10-K for a discussion of Entergy Louisiana's Little Gypsy repowering project. Entergy Gulf States Louisiana no longer expects to participate in the project.

#### Ouachita Power Plant

In August 2008, the LPSC issued an order approving an uncontested settlement between Entergy Gulf States Louisiana and the LPSC Staff authorizing Entergy Gulf States Louisiana's purchase, under a life-of-unit agreement, of one-third of the capacity and energy from the 789 MW Ouachita power plant, which Entergy Arkansas acquired on September 30, 2008. The LPSC's approval was subject to certain conditions, including a study to determine the costs and benefits of Entergy Gulf States Louisiana exercising an option to purchase one-third of the plant (Unit 3) from Entergy Arkansas. In April 2009, Entergy Gulf States Louisiana made a filing with the LPSC seeking approval of Entergy Gulf States



Louisiana exercising its option to convert its purchased power agreement into the ownership interest in Unit 3 and a one-third interest in the Ouachita common facilities. Entergy Gulf States Louisiana estimates that the purchase price will be approximately \$72.6 million, subject to change based on several factors, including the timing of the closing. The filing also requested LPSC approval of the cost-recovery mechanism for the acquisition. In September 2009 the LPSC, pursuant to an uncontested settlement, approved the acquisition and cost recovery mechanism. In addition, in April 2009, Entergy Arkansas and Entergy Gulf States Louisiana filed with the FERC for its approval of the transaction, and in June 2009 the FERC issued an order approving the transaction. Entergy currently expects the closing to take place in the fourth quarter 2009.

#### Pension Contributions

See the "Critical Accounting Estimates - Qualified Pension and Other Postretirement Benefits - Costs and Funding" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for an update to the Form 10-K discussion on pension contributions.

#### Jurisdictional Separation of Entergy Gulf States, Inc. into Entergy Gulf States Louisiana and Entergy Texas

See the Form 10-K for a discussion of the jurisdictional separation of Entergy Gulf States, Inc. into two vertically integrated utility companies, one operating under the sole retail jurisdiction of the PUCT, Entergy Texas, and the other operating under the sole retail jurisdiction of the LPSC, Entergy Gulf States Louisiana. Pursuant to the LPSC order approving the jurisdictional separation plan, Entergy Gulf States Louisiana made two compliance filings in 2008. On March 31, 2008, Entergy Gulf States Louisiana made its jurisdictional separation plan balance sheet compliance filing with the LPSC. On June 11, 2008, Entergy Gulf States Louisiana made its revenue and expense compliance filing. On December 29, 2008, the LPSC staff filed a motion with the LPSC seeking resolution of certain issues in the proceeding. The remaining issues between the parties relate to the LPSC allegation that Entergy Gulf States Louisiana violated the terms of the LPSC approval of the jurisdictional separation in accounting for the transfer of the Spindletop regulatory asset to Entergy Texas.

On October 29, 2009, the LPSC staff and Entergy Gulf States Louisiana entered into a stipulation for the purpose of settling the issues in the proceeding. The LPSC staff and Entergy Gulf States Louisiana have requested that the LPSC issue a final order finding that adherence by Entergy Gulf States Louisiana to the terms of the stipulation shall constitute compliance with the jurisdictional separation plan order. Under the stipulation, Entergy Texas shall continue to bill Entergy Gulf States Louisiana the annual revenue requirement associated with the former Spindletop regulatory asset, now recorded by Entergy Texas as a miscellaneous deferred debit. Entergy Gulf States Louisiana shall continue to recover in retail rates from its customers the amounts so billed by Entergy Texas. Entergy Gulf States Louisiana agrees that the new "Spindletop regulatory asset" on its books since the time of the separation has not been, is not, and shall not be used to determine the level of rates paid by Entergy Gulf States Louisiana customers. The stipulation must be approved by the LPSC and no date for that approval has been set at this time.

The question whether the Spindletop regulatory asset costs should be included in the System Agreement rough production cost equalization remedy calculation is also currently pending before the FERC in a complaint filed at the FERC by the LPSC, and in an initial decision, the FERC ALJ rejected the LPSC's complaint and determined that the costs related to the Spindletop regulatory asset are not production costs.

#### State and Local Rate Regulation

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – State and Local Rate Regulation" in the Form 10-K for a discussion of state and local rate regulation. Following are updates to the information provided in the

Explanation of Responses:

Form 10-K.

See the Form 10-K for a discussion of Entergy Gulf States Louisiana's formula rate plan filing with the LPSC for the 2007 test year. In October 2009 the LPSC approved a settlement that resolves the 2007 test year filing. The settlement provides for a new formula rate plan for the 2008, 2009, and 2010 test years. Entergy Gulf States Louisiana is permitted, effective with the November 2009 billing cycle, to reset its rates to achieve a 10.65% return on equity for the 2008 test year. 10.65% is the target midpoint return on equity for the new formula rate plan, with an earnings bandwidth of +/- 75 basis points (9.90% - 11.40%). The rate reset, a \$36.7 million increase, was implemented for the November 2009 billing cycle, and

95

---

the rate reset will be subject to refund pending review of the 2008 test year filing that was made on October 21, 2009. The settlement does not allow recovery through the formula rate plan of most of Entergy Gulf States Louisiana's costs associated with Entergy's stock option plan. Pursuant to the settlement Entergy Gulf States Louisiana will refund to its customers \$3.7 million, which includes interest, in the November 2009 billing cycle.

In January 2009, Entergy Gulf States Louisiana filed with the LPSC its gas rate stabilization plan for the test year ended September 30, 2008. The filing showed a revenue deficiency of \$529 thousand based on a return on common equity mid-point of 10.5%. In April 2009, Entergy Gulf States Louisiana implemented a \$255 thousand rate increase pursuant to an uncontested settlement with the LPSC staff.

#### Federal Regulation

See "System Agreement Proceedings" and "Independent Coordinator of Transmission" in Entergy Corporation and Subsidiaries' Management's Financial Discussion and Analysis for updates to the discussion in the Form 10-K.

#### Industrial and Commercial Customers

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Industrial and Commercial Customers" in the Form 10-K for a discussion of industrial and commercial customers.

#### Nuclear Matters

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Nuclear Matters" in the Form 10-K for a discussion of nuclear matters.

#### Environmental Risks

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Environmental Risks" in the Form 10-K for a discussion of environmental risks.

#### Critical Accounting Estimates

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Critical Accounting Estimates" in the Form 10-K for a discussion of the estimates and judgments necessary in Entergy Gulf States Louisiana's accounting for nuclear decommissioning costs, the application of regulatory accounting principles, unbilled revenue, and qualified pension and other postretirement benefits.

#### Qualified Pension and Other Postretirement Benefits

See the "Critical Accounting Estimates - Qualified Pension and Other Postretirement Benefits - Costs and Funding" section of Entergy Corporation and Subsidiaries' Management's Financial Discussion and Analysis for an update to the Form 10-K discussion on qualified pension and other postretirement benefits.

#### New Accounting Pronouncements

See "New Accounting Pronouncements" section of Entergy Corporation and Subsidiaries' Management's Financial Discussion and Analysis for a discussion of new accounting pronouncements.





ENTERGY GULF STATES LOUISIANA, L.L.C.  
INCOME STATEMENTS

For the Three and Nine Months Ended September 30, 2009 and 2008  
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2009	2008	2009	2008
	(In Thousands)		(In Thousands)	
<b>OPERATING REVENUES</b>				
Electric	\$ 477,825	\$ 840,696	\$ 1,367,696	\$ 2,042,483
Natural gas	8,947	16,186	49,244	75,499
<b>TOTAL</b>	<b>486,772</b>	<b>856,882</b>	<b>1,416,940</b>	<b>2,117,982</b>
<b>OPERATING EXPENSES</b>				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	65,320	180,362	239,007	262,478
Purchased power	203,647	441,998	555,111	1,214,183
Nuclear refueling outage expenses	5,375	8,571	15,903	20,354
Other operation and maintenance	85,089	74,785	247,189	245,749
Decommissioning	3,431	3,165	10,089	9,304
Taxes other than income taxes	17,373	22,621	52,542	59,306
Depreciation and amortization	33,384	35,090	101,115	102,324
Other regulatory credits - net	(10,865 )	(6,821 )	(3,298 )	(2,434 )
<b>TOTAL</b>	<b>402,754</b>	<b>759,771</b>	<b>1,217,658</b>	<b>1,911,264</b>
<b>OPERATING INCOME</b>	<b>84,018</b>	<b>97,111</b>	<b>199,282</b>	<b>206,718</b>
<b>OTHER INCOME</b>				
Allowance for equity funds used during construction	1,220	1,476	4,504	4,391
Interest and dividend income	19,387	19,900	54,491	62,169
Miscellaneous - net	(2,280 )	(1,650 )	(5,501 )	(3,678 )
<b>TOTAL</b>	<b>18,327</b>	<b>19,726</b>	<b>53,494</b>	<b>62,882</b>
<b>INTEREST AND OTHER CHARGES</b>				
Interest on long-term debt	26,534	30,439	81,632	93,691
Other interest - net	3,020	1,553	7,585	3,117
Allowance for borrowed funds used during construction	(802 )	(897 )	(2,835 )	(2,707 )
<b>TOTAL</b>	<b>28,752</b>	<b>31,095</b>	<b>86,382</b>	<b>94,101</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>73,593</b>	<b>85,742</b>	<b>166,394</b>	<b>175,499</b>
Income taxes	27,381	25,807	64,259	61,551

## Edgar Filing: EDISON INTERNATIONAL - Form 4

NET INCOME	46,212	59,935	102,135	113,948
Preferred distribution requirements and other	206	206	619	619
EARNINGS APPLICABLE TO COMMON EQUITY	\$ 46,006	\$ 59,729	\$ 101,516	\$ 113,329

See Notes to Financial Statements.

(Page left blank intentionally)

98

---

ENTERGY GULF STATES LOUISIANA, L.L.C.  
 STATEMENTS OF CASH FLOWS  
 For the Nine Months Ended September 30, 2009 and 2008  
 (Unaudited)

	2009	2008
	(In Thousands)	
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 102,135	\$ 113,948
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Other regulatory credits - net	(3,298 )	(2,434 )
Depreciation, amortization, and decommissioning	111,204	111,628
Deferred income taxes, investment tax credits, and non-current taxes accrued	125,502	93,503
Changes in working capital:		
Receivables	110,184	(50,114 )
Fuel inventory	1,302	(2,147 )
Accounts payable	(77,903 )	1,545
Taxes accrued	17,779	-
Interest accrued	2,023	4,326
Deferred fuel costs	66	7,897
Other working capital accounts	(30,266 )	(72,002 )
Provision for estimated losses and reserves	(190 )	86,733
Changes in other regulatory assets	(19,648 )	239,821
Other	(77,537 )	(26,462 )
Net cash flow provided by operating activities	261,353	506,242
<b>INVESTING ACTIVITIES</b>		
Construction expenditures	(140,224 )	(206,694 )
Allowance for equity funds used during construction	4,504	4,391
Nuclear fuel purchases	(31,169 )	(21,807 )
Proceeds from sale/leaseback of nuclear fuel	52,639	21,819
Payment for purchase of plant	-	(56,409 )
Investment in affiliates	160	(189,400 )
Payment to storm reserve escrow account	-	(85,306 )
Proceeds from nuclear decommissioning trust fund sales	42,445	41,587
Investment in nuclear decommissioning trust funds	(50,038 )	(51,420 )
Change in money pool receivable - net	(33,381 )	(15,024 )
Changes in other investments - net	-	3,934
Other	-	(455 )
Net cash flow used in investing activities	(155,064 )	(554,784 )
<b>FINANCING ACTIVITIES</b>		

Edgar Filing: EDISON INTERNATIONAL - Form 4

Proceeds from the issuance of long-term debt	-	369,821
Retirement of long-term debt	-	(366,683 )
Changes in credit borrowing - net	-	100,000
Dividends/distributions paid:		
Common equity	(22,700 )	(37,800 )
Preferred membership interests	(619 )	(653 )
Other	(288 )	(17 )
Net cash flow provided by (used in) financing activities	(23,607 )	64,668
Net increase in cash and cash equivalents	82,682	16,126
Cash and cash equivalents at beginning of period	49,303	108,036
Cash and cash equivalents at end of period	\$ 131,985	\$ 124,162
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest - net of amount capitalized	\$ 84,971	\$ 89,947
Income taxes	\$ 29,337	\$ 2,324
Noncash financing activities:		
Repayment by Entergy Texas of assumed long-term debt	\$ 70,825	\$ 148,837
See Notes to Financial Statements.		

ENTERGY GULF STATES LOUISIANA, L.L.C.  
BALANCE SHEETS

ASSETS

September 30, 2009 and December 31, 2008

(Unaudited)

	2009	2008
	(In Thousands)	
<b>CURRENT ASSETS</b>		
Cash and cash equivalents:		
Cash	\$ 341	\$ 22,671
Temporary cash investments	131,644	26,632
Total cash and cash equivalents	131,985	49,303
Accounts receivable:		
Customer	49,326	69,264
Allowance for doubtful accounts	(1,680 )	(1,230 )
Associated companies	142,803	179,217
Other	34,557	60,618
Accrued unbilled revenues	56,322	50,272
Total accounts receivable	281,328	358,141
Accumulated deferred income taxes	9,400	50,039
Fuel inventory - at average cost	32,449	33,751
Materials and supplies - at average cost	105,696	104,579
Deferred nuclear refueling outage costs	13,193	17,135
Debt assumption by Entergy Texas	156,425	100,509
Prepayments and other	9,788	6,381
<b>TOTAL</b>	<b>740,264</b>	<b>719,838</b>
<b>OTHER PROPERTY AND INVESTMENTS</b>		
Investment in affiliate preferred membership interests	189,400	189,560
Decommissioning trust funds	341,663	303,178
Non-utility property - at cost (less accumulated depreciation)	125,198	120,829
Other	11,221	13,245
<b>TOTAL</b>	<b>667,482</b>	<b>626,812</b>
<b>UTILITY PLANT</b>		
Electric	6,577,845	6,402,668
Natural gas	112,315	106,125
Construction work in progress	105,802	201,544
Nuclear fuel under capital lease	153,683	140,689
Nuclear fuel	7,525	11,177
<b>TOTAL UTILITY PLANT</b>	<b>6,957,170</b>	<b>6,862,203</b>
Less - accumulated depreciation and amortization	3,616,638	3,560,458
<b>UTILITY PLANT - NET</b>	<b>3,340,532</b>	<b>3,301,745</b>

DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
Regulatory asset for income taxes - net	303,977	316,421
Other regulatory assets	279,498	287,912
Deferred fuel costs	100,124	100,124
Long-term receivables	11,437	21,558
Debt assumption by Entergy Texas	542,721	669,462
Other	12,320	13,089
<b>TOTAL</b>	<b>1,250,077</b>	<b>1,408,566</b>
<b>TOTAL ASSETS</b>	<b>\$ 5,998,355</b>	<b>\$ 6,056,961</b>

See Notes to Financial Statements.



ENTERGY GULF STATES LOUISIANA, L.L.C.  
BALANCE SHEETS  
LIABILITIES AND MEMBERS' EQUITY  
September 30, 2009 and December 31, 2008  
(Unaudited)

	2009	(In Thousands)	2008
<b>CURRENT LIABILITIES</b>			
Currently maturing long-term debt	\$ 341,565		\$ 219,470
Accounts payable:			
Associated companies	103,905		155,147
Other	90,963		162,319
Customer deposits	45,292		40,484
Taxes accrued	18,197		418
Interest accrued	32,135		30,112
Deferred fuel costs	92,042		91,976
Obligations under capital leases	24,368		24,368
Pension and other postretirement liabilities	7,823		7,479
Gas hedge contracts	-		20,184
System agreement cost equalization	45,793		67,000
Other	12,639		9,220
<b>TOTAL</b>	<b>814,722</b>		<b>828,177</b>
<b>NON-CURRENT LIABILITIES</b>			
Accumulated deferred income taxes and taxes accrued	1,384,063		1,308,449
Accumulated deferred investment tax credits	89,093		91,634
Obligations under capital leases	129,315		116,321
Other regulatory liabilities	37,437		22,007
Decommissioning and asset retirement cost liabilities	237,456		222,909
Accumulated provisions	13,706		13,896
Pension and other postretirement liabilities	183,336		188,390
Long-term debt	1,635,146		1,827,859
Other	62,194		105,176
<b>TOTAL</b>	<b>3,771,746</b>		<b>3,896,641</b>
Commitments and Contingencies			
<b>MEMBERS' EQUITY</b>			
Preferred membership interests without sinking fund	10,000		10,000
Members' equity	1,431,210		1,352,408
Accumulated other comprehensive loss	(29,323 )		(30,265 )
<b>TOTAL</b>	<b>1,411,887</b>		<b>1,332,143</b>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$ 5,998,355</b>		<b>\$ 6,056,961</b>

See Notes to Financial Statements.

101

---

ENTERGY GULF STATES LOUISIANA, L.L.C.  
 STATEMENTS OF MEMBERS' EQUITY AND COMPREHENSIVE INCOME  
 For the Three and Nine Months Ended September 30, 2009 and 2008  
 (Unaudited)

	2009		Three Months Ended 2008	
	(In Thousands)			
<b>MEMBERS' EQUITY</b>				
Members' Equity - Beginning of period	\$ 1,401,909		\$ 1,328,501	
Add: Net Income	46,212	\$ 46,212	59,935	\$ 59,935
Deduct:				
Dividends/distributions declared on common equity	16,700		-	
Preferred membership interests	206	206	206	206
Other	5		10	
	16,911		216	
Members' Equity - End of period	\$ 1,431,210		\$ 1,388,220	
<b>ACCUMULATED OTHER COMPREHENSIVE LOSS (Net of Taxes):</b>				
Balance at beginning of period:				
Pension and other postretirement liabilities	\$ (29,664 )		\$ (22,302 )	
Pension and other postretirement liabilities (net of tax expense of \$308 and \$959)	341	341	(201 )	(201 )
Balance at end of period:				
Pension and other postretirement liabilities	\$ (29,323 )		\$ (22,503 )	
Comprehensive Income		\$ 46,347		\$ 59,528
<b>MEMBERS' EQUITY</b>				
<b>MEMBERS' EQUITY</b>				
	2009	Nine Months Ended		2008
	(In Thousands)			
Members' Equity - Beginning of period	\$ 1,352,408		\$ 1,312,701	
Add: Net Income	102,135	\$ 102,135	113,948	\$ 113,948
Deduct:				
Dividends/distributions declared on common equity	22,700		37,800	

Edgar Filing: EDISON INTERNATIONAL - Form 4

Preferred membership interests	619	619	619	619
Other	14		10	
	23,333		38,429	
Members' Equity - End of period	\$ 1,431,210		\$ 1,388,220	
ACCUMULATED OTHER COMPREHENSIVE LOSS (Net of Taxes):				
Balance at beginning of period:				
Pension and other postretirement liabilities	\$ (30,265 )		\$ (22,934 )	
Pension and other postretirement liabilities (net of tax expense of \$1,053 and \$1,839)				
	942	942	431	431
Balance at end of period:				
Pension and other postretirement liabilities	\$ (29,323 )		\$ (22,503 )	
Comprehensive Income		\$ 102,458		\$ 113,760
See Notes to Financial Statements.				

ENTERGY GULF STATES LOUISIANA, L.L.C.  
 SELECTED OPERATING RESULTS  
 For the Three and Nine Months Ended September 30, 2009 and 2008  
 (Unaudited)

Description	Three Months Ended		Increase/ (Decrease)	%
	2009	2008		
(Dollars In Millions)				
<b>Electric Operating Revenues:</b>				
Residential	\$ 122	\$ 194	\$ (72 )	(37 )
Commercial	91	161	(70 )	(43 )
Industrial	90	202	(112 )	(55 )
Governmental	5	7	(2 )	(29 )
Total retail	308	564	(256 )	(45 )
Sales for resale				
Associated companies	141	217	(76 )	(35 )
Non-associated companies	27	63	(36 )	(57 )
Other	2	(3 )	5	167
Total	\$ 478	\$ 841	\$ (363 )	(43 )
<b>Billed Electric Energy</b>				
<b>Sales (GWh):</b>				
Residential	1,751	1,608	143	9
Commercial	1,487	1,439	48	3
Industrial	2,049	2,256	(207 )	(9 )
Governmental	53	55	(2 )	(4 )
Total retail	5,340	5,358	(18 )	-
Sales for resale				
Associated companies	1,975	1,747	228	13
Non-associated companies	748	685	63	9
Total	8,063	7,790	273	4
Description	Nine Months Ended		Increase/ (Decrease)	%
	2009	2008		
(Dollars In Millions)				
<b>Electric Operating Revenues:</b>				
Residential	\$ 311	\$ 440	\$ (129 )	(29 )
Commercial	276	403	(127 )	(32 )
Industrial	297	534	(237 )	(44 )
Governmental	14	18	(4 )	(22 )
Total retail	898	1,395	(497 )	(36 )
Sales for resale				
Associated companies	342	465	(123 )	(26 )
Non-associated companies	90	157	(67 )	(43 )
Other	38	25	13	52
Total	\$ 1,368	\$ 2,042	\$ (674 )	(33 )

## Billed Electric Energy

## Sales (GWh):

Residential	3,933	3,831	102	3
Commercial	3,823	3,787	36	1
Industrial	5,527	6,553	(1,026 )	(16 )
Governmental	159	163	(4 )	(2 )
Total retail	13,442	14,334	(892 )	(6 )
Sales for resale				
Associated companies	5,688	4,425	1,263	29
Non-associated companies	2,152	2,020	132	7
Total	21,282	20,779	503	2

ENTERGY LOUISIANA, LLC

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Hurricane Gustav and Hurricane Ike

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Hurricane Gustav and Hurricane Ike" in the Form 10-K for a discussion of Hurricane Gustav (and, to a much lesser extent, Hurricane Ike), which caused catastrophic damage to Entergy Louisiana's service territory in September 2008. Entergy Gulf States Louisiana and Entergy Louisiana filed their Hurricane Gustav and Hurricane Ike storm cost recovery case with the LPSC in May 2009. Entergy Gulf States Louisiana seeks a determination that \$152.6 million of storm restoration costs are recoverable and seeks to replenish its storm reserve in the amount of \$90 million. Entergy Louisiana seeks a determination that \$267.4 million of storm restoration costs are recoverable and seeks to replenish its storm reserve in the amount of \$200 million. The storm restoration costs are net of costs that have already been paid from previously funded storm reserves. In September 2009, Entergy Gulf States Louisiana and Entergy Louisiana made a supplemental filing to, among other things, recommend recovery of the costs and replenishment of the storm reserves by Louisiana Act 55 (passed in 2007) financing. Entergy Gulf States Louisiana and Entergy Louisiana recovered their costs from Hurricane Katrina and Hurricane Rita primarily by Act 55 financing. The parties have agreed to a procedural schedule that includes March 2010 hearing dates for both the recoverability and the method of recovery proceedings.

Results of Operations

Net Income

Third Quarter 2009 Compared to Third Quarter 2008

Net income increased \$22.7 million primarily due to higher net revenue, partially offset by higher other operation and maintenance expenses and higher depreciation and amortization expenses.

Nine Months Ended September 30, 2009 Compared to Nine Months Ended September 30, 2008

Net income increased \$43.1 million primarily due to higher other income, higher net revenue, lower other operation and maintenance expenses, and a lower effective income tax rate, partially offset by higher depreciation and amortization expenses.

Net Revenue

Third Quarter 2009 Compared to Third Quarter 2008

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges (credits). Following is an analysis of the change in net revenue comparing the third quarter 2009 to the third quarter 2008.

Amount  
(In  
Millions)

2008 net revenue	\$263.9
------------------	---------

Edgar Filing: EDISON INTERNATIONAL - Form 4

Volume/weather	26.9
Retail electric price	8.9
Other	(0.3)
2009 net revenue	\$299.4

104

---



The volume/weather variance is primarily due to an increase in unbilled sales volume, including the effects of Hurricane Gustav and Hurricane Ike which decreased sales volume in 2008, and the effect of more favorable weather.

The retail electric price variance is primarily due to an increase in the price applied to unbilled sales resulting from a decrease in the price applied to unbilled sales in 2008 due to the cessation of interim storm recovery and credit passed on to customers as a result of the Act 55 storm cost financing and an interruptible load reserve of \$11.2 million recorded in the third quarter 2008 for potential rate refunds. The increase was partially offset by a formula rate plan provision of \$12.9 million recorded in the third quarter 2009 for refunds that will be made to customers in accordance with a settlement approved by the LPSC. See Note 2 to the financial statements for further discussion of the settlement.

#### Gross operating revenue and fuel and purchased power expenses

Gross operating revenues decreased primarily due to a decrease of \$362.9 million in fuel cost recovery revenues due to lower fuel rates and a decrease of \$46.2 million in rider revenues. The decrease was partially offset by an increase of \$26.9 million related to volume/weather, as discussed above.

Fuel and purchased power expenses decreased primarily due to decreases in the average market prices of natural gas and purchased power and a decrease in the recovery from customers of deferred fuel costs.

#### Nine Months Ended September 30, 2009 Compared to Nine Months Ended September 30, 2008

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges. Following is an analysis of the change in net revenue comparing the nine months ended September 30, 2009 to the nine months ended September 30, 2008.

	Amount (In Millions)
2008 net revenue	\$741.4
Volume/weather	38.1
Retail electric price	(29.1)
Other	2.5
2009 net revenue	\$752.9

The volume/weather variance is primarily due to an increase in unbilled sales volume, including the effects of Hurricane Gustav and Hurricane Ike which decreased sales volume in 2008, and the effect of more favorable weather.

The retail electric price variance is primarily due to:

- a credit passed on to customers as a result of the Act 55 storm cost financing;
- a net decrease in the formula rate plan effective August 2008 to remove interim storm cost recovery upon the Act 55 financing of storm costs as well as the storm damage accrual. A portion of the decrease is offset in other operation and maintenance expenses. See Note 2 to the financial statements in the Form 10-K for further discussion of the formula rate plan; and
-

a formula rate plan provision of \$12.9 million recorded in the third quarter 2009 for refunds that will be made to customers in accordance with a settlement approved by the LPSC. See Note 2 to the financial statements for further discussion of the settlement.

The decrease was offset by an interruptible load provision of \$13.4 million recorded in the second and third quarters 2008 for potential rate refunds.

Refer to "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Hurricane Rita and Hurricane Katrina" and Note 2 to the financial statements in the Form 10-K for a discussion of the interim recovery of storm costs and the Act 55 storm cost financing.

Gross operating revenue and fuel and purchased power expenses

Gross operating revenues decreased primarily due to:

- a decrease of \$569.9 million in fuel cost recovery revenues due to lower fuel rates;
  - a decrease of \$58.9 million in rider revenues; and
- a decrease of \$35.6 million in gross wholesale revenue due to a decrease in net generation and purchases resulting in less energy available for resale sales.

The decrease was partially offset by an increase of \$38.1 million related to volume/weather, as discussed above.

Fuel and purchased power expenses decreased primarily due to decreases in the average market prices of natural gas and purchased power.

Other Income Statement Variances

Third Quarter 2009 Compared to Third Quarter 2008

Other operation and maintenance expenses increased primarily due to an increase of \$4.6 million in nuclear expenses due to higher nuclear labor and contract costs.

Depreciation and amortization expenses increased primarily due to an increase in plant in service.

Nine Months Ended September 30, 2009 Compared to Nine Months Ended September 30, 2008

Other operation and maintenance expenses decreased primarily due to a decrease of \$10 million in loss reserves for storm damage in 2009 because of the completion of the Act 55 storm cost financing and a decrease of \$4.5 million in payroll-related costs. The decrease was partially offset by an increase of \$7.3 million in nuclear expenses due to higher nuclear labor and contract costs.

Depreciation and amortization expenses increased primarily due to an increase in plant in service.

Other income increased primarily due to:

- distributions of \$25 million earned on preferred membership interests purchased from Entergy Holdings Company with the proceeds received from the Act 55 storm cost financings. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Hurricane Rita and Hurricane Katrina" and Note 2 to the financial statements in the Form 10-K for a discussion of the Act 55 storm cost financing; and
- an increase in the allowance for equity funds used during construction due to more construction work in progress throughout 2009.

Interest expense increased primarily due to an increase in long-term debt outstanding as a result of the issuance of \$300 million of 6.50% Series first mortgage bonds in August 2008, partially offset by an increase in the allowance for borrowed funds used during construction due to more construction work in progress throughout 2009.

Explanation of Responses:



## Income Taxes

The effective income tax rate was 33.5% for the third quarter 2009 and 30.9% for the nine months ended September 30, 2009. The differences in the effective income tax rates for the third quarter 2009 and the nine months ended September 30, 2009 versus the federal statutory rate of 35.0% are primarily due to book and tax differences related to the storm cost financing and allowance for equity funds used during construction, partially offset by certain book and tax differences related to utility plant items and state income taxes.

The effective income tax rate was 34.0% for the third quarter 2008 and 37.7% for the nine months ended September 30, 2008. The difference in the effective income tax rate for the nine months ended September 30, 2008 versus the federal statutory rate of 35.0% is primarily due to book and tax differences related to utility plant items and state income taxes, partially offset by book and tax differences related to the storm cost financing, the allowance for equity funds used during construction, and the amortization of investment tax credits.

## Liquidity and Capital Resources

## Cash Flow

Cash flows for the nine months ended September 30, 2009 and 2008 were as follows:

	2009	2008
	(In Thousands)	
Cash and cash equivalents at beginning of period	\$138,918	\$300
Cash flow provided by (used in):		
Operating activities	278,249	926,047
Investing activities	(294,075)	(1,168,734)
Financing activities	(32,687)	428,995
Net increase (decrease) in cash and cash equivalents	(48,513)	186,308
Cash and cash equivalents at end of period	\$90,405	\$186,608

## Operating Activities

Cash flow provided by operating activities decreased \$647.8 million for the nine months ended September 30, 2009 compared to the nine months ended September 30, 2008 primarily due to storm cost proceeds of \$679 million received in 2008 from the LURC as a result of the Act 55 storm cost financings.

## Investing Activities

Net cash flow used in investing activities decreased \$874.7 million for the nine months ended September 30, 2009 compared to the nine months ended September 30, 2008 primarily due to:

## Explanation of Responses:

- the investment of \$545 million in affiliate securities and the investment of \$134.4 million in the storm reserve escrow account in 2008 as a result of the Act 55 storm cost financings. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Hurricane Rita and Hurricane Katrina" and Note 2 to the financial statements in the Form 10-K for a discussion of the Act 55 storm cost financing;
  - money pool activity; and
  - higher construction expenditures in 2008 due to Hurricane Gustav and Hurricane Ike.

Decreases in Entergy Louisiana's receivable from the money pool are a source of cash flow, and Entergy Louisiana's receivable from the money pool decreased \$30.3 million for

the nine months ended September 30, 2009 compared to increasing \$106.4 million for the nine months ended September 30, 2008. The money pool is an inter-company borrowing arrangement designed to reduce the Utility subsidiaries' need for external short-term borrowings.

#### Financing Activities

Entergy Louisiana's financing activities used \$32.7 million of cash for the nine months ended September 30, 2009 compared to providing \$429 million of cash for the nine months ended September 30, 2008 primarily due to the issuance of \$300 million of 6.50% Series first mortgage bonds in August 2008 and borrowings of \$200 million on Entergy Louisiana's credit facility in 2008, partially offset by the repurchase in 2008 of \$60 million of Auction Rate governmental bonds and an increase of \$20.6 million in common equity distributions paid in 2009.

Decreases in Entergy Louisiana's payable to the money pool are a use of cash flow, and Entergy Louisiana's payable to the money pool decreased by \$2.8 million for the nine months ended September 30, 2008.

#### Capital Structure

Entergy Louisiana's capitalization is balanced between equity and debt, as shown in the following table.

	September 30, 2009	December 31, 2008
Net debt to net capital	43.1%	43.6%
Effect of subtracting cash from debt	1.6%	2.5%
Debt to capital	44.7%	46.1%

Net debt consists of debt less cash and cash equivalents. Debt consists of notes payable, capital lease obligations, and long-term debt, including the currently maturing portion. Capital consists of debt and members' equity. Net capital consists of capital less cash and cash equivalents. Entergy Louisiana uses the net debt to net capital ratio in analyzing its financial condition and believes it provides useful information to its investors and creditors in evaluating Entergy Louisiana's financial condition.

#### Uses and Sources of Capital

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources" in the Form 10-K for a discussion of Entergy Louisiana's uses and sources of capital. Entergy Louisiana is developing its capital plan for 2010 through 2012 and currently anticipates making \$1.7 billion in capital investments during that period, including approximately \$444 million for maintenance of existing assets. The remaining \$1.3 billion is associated with specific investments such as environmental compliance spending, transmission upgrades and system improvements, and other investments such as potential opportunities through the Utility's supply plan initiatives that support its ability to meet load growth, including the Acadia Unit 2 purchase discussed below. Following are additional updates to the discussion in the Form 10-K.

Entergy Louisiana's receivables from or (payables to) the money pool were as follows:

#### Explanation of Responses:

September 30, 2009	December 31, 2008	September 30, 2008	December 31, 2007
(In Thousands)			

\$30,971	\$61,236	\$106,427	(\$2,791)
----------	----------	-----------	-----------

See Note 4 to the financial statements in the Form 10-K for a description of the money pool.

As discussed in the Form 10-K, Entergy Louisiana has a credit facility in the amount of \$200 million scheduled to expire in August 2012. No borrowings were outstanding under the facility as of September 30, 2009.



### Acadia Unit 2 Purchase Agreement

In October 2009 Entergy Louisiana announced that it has signed an agreement to acquire Unit 2 of the Acadia Energy Center, a 580 MW generating unit located near Eunice, La., from Acadia Power Partners, LLC, an independent power producer. The Acadia Energy Center, which entered commercial service in 2002, consists of two combined-cycle gas-fired generating units, each nominally rated at 580 MW. Entergy Louisiana proposes to acquire 100 percent of Acadia Unit 2 and a 50 percent ownership interest in the facility's common assets. In a separate transaction entered into earlier this year, Cleco Power is acquiring Acadia Unit 1 and the other 50 percent interest in the facility's common assets. Upon closing the transaction, Cleco Power will serve as operator for the entire facility. Entergy Louisiana has committed to sell one third of the output of Unit 2 to Entergy Gulf States Louisiana in accordance with terms and conditions detailed under the existing Entergy System Agreement.

Entergy Louisiana's purchase is contingent upon, among other things, obtaining necessary approvals, including full cost recovery, from various federal and state regulatory and permitting agencies. Closing is expected to occur in late 2010 or early 2011. Entergy Louisiana and Acadia Power Partners also have entered into a purchased power agreement for 100 percent of the output of Acadia Unit 2 that will commence on May 1, 2010 and is set to expire at the closing of the acquisition transaction.

### Little Gypsy Repowering Project

See the Form 10-K for a discussion of Entergy Louisiana's Little Gypsy repowering project. On March 11, 2009, the LPSC voted in favor of a motion directing Entergy Louisiana to temporarily suspend the repowering project and, based upon an analysis of the project's economic viability, to make a recommendation regarding whether to proceed with the project. This action was based upon a number of factors including the recent decline in natural gas prices, as well as environmental concerns, the unknown costs of carbon legislation and changes in the capital/financial markets. On April 1, 2009, Entergy Louisiana complied with the LPSC's directive and recommended that the project be suspended for an extended period of time of three years or more. Entergy Louisiana estimated that its total costs for the project, if suspended, including actual spending to date and estimated contract cancellation costs, would be approximately \$300 million. Entergy Louisiana had obtained all major environmental permits required to begin construction. A longer-term suspension places these permits at risk and may adversely affect the project's economics and technological feasibility. On May 22, 2009, the LPSC issued an order declaring that Entergy Louisiana's decision to place the Little Gypsy project into a longer-term suspension of three years or more is in the public interest and prudent. In October 2009, Entergy Louisiana made a filing with the LPSC seeking permission to cancel the project and seeking recovery over a five-year period of the project costs. The filing estimates that Entergy Louisiana's total costs for the project, if canceled, will be approximately \$209 million.

### Waterford 3 Steam Generator Replacement Project

In July 2009 the LPSC granted Entergy Louisiana's motion to dismiss, without prejudice, its application seeking recovery of cash earnings on construction work in progress (CWIP) for the steam generator replacement project, acknowledging Entergy Louisiana's right, at any time, to seek cash earnings on CWIP if Entergy Louisiana believes that circumstances or projected circumstances are such that a request for cash earnings on CWIP is merited. The cash earnings on CWIP application had been consolidated with a similar request for the Little Gypsy repowering project that was also dismissed in response to the same motion.

### Pension Contributions

See the "Critical Accounting Estimates - Qualified Pension and Other Postretirement Benefits - Costs and Funding" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for an update to the Form 10-K discussion on pension contributions.

109

---

#### Income Taxes

As discussed in Note 10 to the financial statements, in September 2009, Entergy received a partial agreement from the IRS for the years 2002 and 2003. When Entergy Louisiana, Inc. restructured effective December 31, 2005, Entergy Louisiana agreed, under the terms of the merger plan, to indemnify its parent, Entergy Louisiana Holdings, Inc. (formerly, Entergy Louisiana, Inc.) for certain tax obligations that are arising from the above referenced IRS partial agreement. Because the agreement with the IRS was finalized in the third quarter 2009, Entergy Louisiana intends to pay Entergy Louisiana Holdings approximately \$300 million pursuant to these intercompany obligations in the fourth quarter 2009.

#### State and Local Rate Regulation

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – State and Local Rate Regulation" in the Form 10-K for a discussion of state and local rate regulation. Following are updates to the information provided in the Form 10-K.

See the Form 10-K for a discussion of Entergy Louisiana's formula rate plan filings with the LPSC for the 2007 and 2006 test years. The LPSC staff and intervenors issued their reports on Entergy Louisiana's 2007 test year filing in July 2008 and, with minor exceptions, primarily raised proposed disallowance issues that were previously raised with regard to Entergy Louisiana's 2006 test year filing and remained at issue in that proceeding. The 2006 test year included Entergy Louisiana's request to recover unrecovered fixed costs associated with the loss of customers that resulted from Hurricane Katrina. In October 2009 the LPSC approved a settlement that resolves the 2007 and 2006 test year filings. The settlement provides for a new formula rate plan for the 2008, 2009, and 2010 test years. Entergy Louisiana is permitted, effective with the November 2009 billing cycle, to reset its rates to achieve a 10.25% return on equity for the 2008 test year. 10.25% is the target midpoint return on equity for the new formula rate plan, with an earnings bandwidth of +/- 80 basis points (9.45% - 11.05%). The rate reset, a \$20.5 million increase, was implemented for the November 2009 billing cycle, and the rate reset will be subject to refund pending review of the 2008 test year filing that was made on October 21, 2009. The settlement does not allow recovery through the formula rate plan of most of Entergy Louisiana's costs associated with Entergy's stock option plan. Pursuant to the settlement Entergy Louisiana will refund to its customers \$12.9 million, which includes interest, in the November 2009 billing cycle.

#### Federal Regulation

See "System Agreement Proceedings" and "Independent Coordinator of Transmission" in the "Rate, Cost-recovery, and Other Regulation" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for updates to the discussion in the Form 10-K.

#### Utility Restructuring

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Utility Restructuring" in the Form 10-K for a discussion of utility restructuring.

#### Industrial and Commercial Customers

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Industrial and Commercial Customers" in the Form 10-K for a discussion of industrial and commercial customers.

Nuclear Matters

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Nuclear Matters" in the Form 10-K for a discussion of nuclear matters.

110

---

#### Environmental Risks

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Environmental Risks" in the Form 10-K for a discussion of environmental risks.

#### Critical Accounting Estimates

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Critical Accounting Estimates" in the Form 10-K for a discussion of the estimates and judgments necessary in Entergy Louisiana's accounting for nuclear decommissioning costs, unbilled revenue, and qualified pension and other postretirement benefits.

#### Qualified Pension and Other Postretirement Benefits

See the "Critical Accounting Estimates - Qualified Pension and Other Postretirement Benefits - Costs and Funding" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for an update to the Form 10-K discussion on qualified pension and other postretirement benefits.

#### New Accounting Pronouncements

See "New Accounting Pronouncements" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for a discussion of new accounting pronouncements.

ENTERGY LOUISIANA, LLC  
INCOME STATEMENTS

For the Three and Nine Months Ended September 30, 2009 and 2008  
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2009	2008	2009	2008
	(In Thousands)		(In Thousands)	
<b>OPERATING REVENUES</b>				
Electric	\$ 624,829	\$ 1,021,588	\$ 1,681,242	\$ 2,340,109
<b>OPERATING EXPENSES</b>				
Operation and Maintenance:				
Fuel, fuel-related expenses, and				
gas purchased for resale	145,265	476,050	364,832	731,324
Purchased power	187,243	276,996	558,379	841,845
Nuclear refueling outage				
expenses	5,364	5,196	16,433	13,921
Other operation and maintenance	94,397	89,936	296,208	302,345
Decommissioning	5,391	5,021	15,888	14,796
Taxes other than income taxes	16,890	17,801	50,605	49,049
Depreciation and amortization	51,465	48,354	151,481	143,324
Other regulatory charges (credits) - net	(7,105 )	4,634	5,109	25,561
<b>TOTAL</b>	<b>498,910</b>	<b>923,988</b>	<b>1,458,935</b>	<b>2,122,165</b>
<b>OPERATING INCOME</b>	<b>125,919</b>	<b>97,600</b>	<b>222,307</b>	<b>217,944</b>
<b>OTHER INCOME</b>				
Allowance for equity funds used during construction	7,028	4,530	21,888	11,552
Interest and dividend income	19,939	19,520	58,271	28,225
Miscellaneous - net	(838 )	(947 )	(3,036 )	(2,886 )
<b>TOTAL</b>	<b>26,129</b>	<b>23,103</b>	<b>77,123</b>	<b>36,891</b>
<b>INTEREST AND OTHER CHARGES</b>				
Interest on long-term debt	23,354	21,046	70,262	59,378
Other interest - net	2,446	5,065	6,651	9,251
Allowance for borrowed funds used during construction				
	(4,528 )	(2,772 )	(14,120 )	(7,077 )
<b>TOTAL</b>	<b>21,272</b>	<b>23,339</b>	<b>62,793</b>	<b>61,552</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>130,776</b>	<b>97,364</b>	<b>236,637</b>	<b>193,283</b>
Income taxes	43,807	33,139	73,141	72,919

Edgar Filing: EDISON INTERNATIONAL - Form 4

NET INCOME	86,969	64,225	163,496	120,364
Preferred dividend requirements and other	1,738	1,738	5,213	5,213
EARNINGS APPLICABLE TO COMMON EQUITY	\$ 85,231	\$ 62,487	\$ 158,283	\$ 115,151

See Notes to Financial Statements.

ENTERGY LOUISIANA, LLC  
 STATEMENTS OF CASH FLOWS  
 For the Nine Months Ended September 30, 2009 and 2008  
 (Unaudited)

	2009	(In Thousands)	2008
<b>OPERATING ACTIVITIES</b>			
Net income	\$ 163,496		\$ 120,364
Adjustments to reconcile net income to net cash flow provided by operating activities:			
Other regulatory charges - net	5,109		25,561
Depreciation, amortization, and decommissioning	167,369		158,120
Deferred income taxes, investment tax credits, and non-current taxes accrued	(166,221 )		28,473
Changes in working capital:			
Receivables	134,842		(79,325 )
Accounts payable	(55,788 )		30,663
Taxes accrued	301,546		96,964
Interest accrued	(13,998 )		(230 )
Deferred fuel costs	(40,462 )		(101,082 )
Other working capital accounts	(127,282 )		(42,171 )
Provision for estimated losses and reserves	1,073		135,054
Changes in other regulatory assets	(86,552 )		599,709
Other	(4,883 )		(46,053 )
Net cash flow provided by operating activities	278,249		926,047
<b>INVESTING ACTIVITIES</b>			
Construction expenditures	(342,308 )		(400,146 )
Allowance for equity funds used during construction	21,888		11,552
Insurance proceeds	-		11,317
Nuclear fuel purchases	(75,925 )		(71,253 )
Proceeds from the sale/leaseback of nuclear fuel	75,871		70,818
Payment to storm reserve escrow account	-		(134,423 )
Investment in affiliates	160		(544,994 )
Changes in other investments - net	995		-
Proceeds from nuclear decommissioning trust fund sales	40,432		15,163
Investment in nuclear decommissioning trust funds	(45,453 )		(20,341 )
Change in money pool receivable - net	30,265		(106,427 )
Net cash flow used in investing activities	(294,075 )		(1,168,734 )
<b>FINANCING ACTIVITIES</b>			



Edgar Filing: EDISON INTERNATIONAL - Form 4

Proceeds from the issuance of long-term debt	-	297,048
Retirement of long-term debt	(6,597 )	(60,000 )
Change in money pool payable - net	-	(2,791 )
Changes in credit borrowing, net	-	200,000
Distributions paid:		
Common equity	(20,600 )	-
Preferred membership interests	(5,213 )	(5,213 )
Other	(277 )	(49 )
Net cash flow provided by (used in) financing activities	(32,687 )	428,995
Net increase (decrease) in cash and cash equivalents	(48,513 )	186,308
Cash and cash equivalents at beginning of period	138,918	300
Cash and cash equivalents at end of period	\$ 90,405	\$ 186,608
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid/(received) during the period for:		
Interest - net of amount capitalized	\$ 88,357	\$ 66,352
Income taxes	\$ (31,044 )	\$ (5,661 )

See Notes to Financial Statements.

ENTERGY LOUISIANA, LLC  
BALANCE SHEETS  
ASSETS  
September 30, 2009 and December 31, 2008  
(Unaudited)

	2009	(In Thousands)	2008
<b>CURRENT ASSETS</b>			
Cash and cash equivalents:			
Cash	\$ 192		\$ -
Temporary cash investments	90,213		138,918
Total cash and cash equivalents	90,405		138,918
Accounts receivable:			
Customer	91,704		127,765
Allowance for doubtful accounts	(1,996 )		(1,698 )
Associated companies	101,880		244,575
Other	9,309		11,271
Accrued unbilled revenues	83,421		67,512
Total accounts receivable	284,318		449,425
Note receivable - Entergy New Orleans	9,353		-
Accumulated deferred income taxes	19,897		66,229
Materials and supplies - at average cost	133,484		128,388
Deferred nuclear refueling outage costs	7,183		19,962
Gas hedge contracts	3,018		-
Prepayments and other	14,354		10,046
<b>TOTAL</b>	<b>562,012</b>		<b>812,968</b>
<b>OTHER PROPERTY AND INVESTMENTS</b>			
Investment in affiliate preferred membership interests	544,994		545,154
Decommissioning trust funds	203,189		180,862
Non-utility property - at cost (less accumulated depreciation)	1,169		1,306
Note receivable - Entergy New Orleans	-		9,353
Other	810		1,805
<b>TOTAL</b>	<b>750,162</b>		<b>738,480</b>
<b>UTILITY PLANT</b>			
Electric	7,093,243		6,734,732
Property under capital lease	256,348		256,348
Construction work in progress	497,619		602,070
Nuclear fuel under capital lease	110,940		74,197
<b>TOTAL UTILITY PLANT</b>	<b>7,958,150</b>		<b>7,667,347</b>
Less - accumulated depreciation and amortization	3,336,533		3,245,701
<b>UTILITY PLANT - NET</b>	<b>4,621,617</b>		<b>4,421,646</b>

DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
Regulatory asset for income taxes - net	140,409	107,596
Other regulatory assets	471,251	515,053
Deferred fuel costs	67,998	67,998
Long-term receivables	1,209	1,209
Other	18,419	20,218
<b>TOTAL</b>	<b>699,286</b>	<b>712,074</b>
<b>TOTAL ASSETS</b>	<b>\$ 6,633,077</b>	<b>\$ 6,685,168</b>
See Notes to Financial Statements.		

ENTERGY LOUISIANA, LLC  
BALANCE SHEETS  
LIABILITIES AND MEMBERS' EQUITY  
September 30, 2009 and December 31, 2008  
(Unaudited)

	2009	(In Thousands)	2008
<b>CURRENT LIABILITIES</b>			
Currently maturing long-term debt	\$ 72,326		\$ -
Accounts payable:			
Associated companies	36,885		67,465
Other	128,461		254,055
Customer deposits	81,708		78,401
Taxes accrued	327,239		25,693
Interest accrued	24,282		38,280
Deferred fuel costs	51,101		91,563
Obligations under capital leases	38,362		38,362
Pension and other postretirement liabilities	9,262		8,935
System agreement cost equalization	60,006		156,000
Gas hedge contracts	-		26,668
Other	25,230		33,841
<b>TOTAL</b>	<b>854,862</b>		<b>819,263</b>
<b>NON-CURRENT LIABILITIES</b>			
Accumulated deferred income taxes and taxes accrued	1,764,636		1,940,065
Accumulated deferred investment tax credits	80,450		82,848
Obligations under capital leases	72,578		35,843
Other regulatory liabilities	36,247		43,562
Decommissioning	292,728		276,839
Accumulated provisions	20,989		19,916
Pension and other postretirement liabilities	284,251		282,683
Long-term debt	1,308,575		1,387,473
Other	70,987		88,838
<b>TOTAL</b>	<b>3,931,441</b>		<b>4,158,067</b>
Commitments and Contingencies			
<b>MEMBERS' EQUITY</b>			
Preferred membership interests without sinking fund	100,000		100,000
Members' equity	1,769,736		1,632,053
Accumulated other comprehensive loss	(22,962 )		(24,215 )
<b>TOTAL</b>	<b>1,846,774</b>		<b>1,707,838</b>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$ 6,633,077</b>		<b>\$ 6,685,168</b>

See Notes to Financial Statements.

115

---

ENTERGY LOUISIANA, LLC  
 STATEMENTS OF MEMBERS' EQUITY AND COMPREHENSIVE INCOME  
 For the Three and Nine Months Ended September 30, 2009 and 2008  
 (Unaudited)

	2009	Three Months Ended		2008
		(In Thousands)		
<b>MEMBERS' EQUITY</b>				
Members' Equity - Beginning of period	\$ 1,695,405		\$ 1,534,173	
Add:				
Net income	86,969	\$ 86,969	64,225	\$ 64,225
Deduct:				
Distributions declared:				
Preferred membership interests	1,738	1,738	1,738	1,738
Common stock dividend to parent	10,900		-	
Other	-		50	
	12,638		1,788	
Members' Equity - End of period	\$ 1,769,736		\$ 1,596,610	
<b>ACCUMULATED OTHER COMPREHENSIVE LOSS (Net of Taxes):</b>				
Balance at beginning of period:				
Pension and other postretirement liabilities	\$ (23,379 )		\$ (27,004 )	
Pension and other postretirement liabilities (net of tax expense of \$348 and \$409)	417	417	482	482
Balance at end of period:				
Pension and other postretirement liabilities	\$ (22,962 )		\$ (26,522 )	
Comprehensive Income		\$ 85,648		\$ 62,969
<b>MEMBERS' EQUITY</b>				
	2009	Nine Months Ended		2008
		(In Thousands)		

Edgar Filing: EDISON INTERNATIONAL - Form 4

Members' Equity - Beginning of period	\$ 1,632,053		\$ 1,481,509	
Add:				
Net income	163,496	\$ 163,496	120,364	\$ 120,364
Deduct:				
Distributions declared:				
Preferred membership interests	5,213	5,213	5,213	5,213
Common stock dividend to parent	20,600		-	
Other	-		50	
	25,813		5,263	
Members' Equity - End of period	\$ 1,769,736		\$ 1,596,610	
ACCUMULATED OTHER				
COMPREHENSIVE				
LOSS (Net of Taxes):				
Balance at beginning of period:				
Pension and other postretirement liabilities	\$ (24,215 )		\$ (27,968 )	
Pension and other postretirement liabilities (net of tax expense of \$1,045 and \$1,227)	1,253	1,253	1,446	1,446
Balance at end of period:				
Pension and other postretirement liabilities	\$ (22,962 )		\$ (26,522 )	
Comprehensive Income		\$ 159,536		\$ 116,597

See Notes to Financial Statements.

ENTERGY LOUISIANA, LLC  
 SELECTED OPERATING RESULTS  
 For the Three and Nine Months Ended September 30, 2009 and 2008  
 (Unaudited)

Description	Three Months Ended		Increase/ (Decrease)	%
	2009	2008		
(Dollars In Millions)				
<b>Electric Operating Revenues:</b>				
Residential	\$ 216	\$ 365	\$ (149 )	(41 )
Commercial	124	218	(94 )	(43 )
Industrial	156	333	(177 )	(53 )
Governmental	8	16	(8 )	(50 )
Total retail	504	932	(428 )	(46 )
Sales for resale				
Associated companies	91	104	(13 )	(13 )
Non-associated companies	1	2	(1 )	(50 )
Other	29	(16 )	45	281
Total	\$ 625	\$ 1,022	\$ (397 )	(39 )
<b>Billed Electric Energy</b>				
<b>Sales (GWh):</b>				
Residential	2,896	2,756	140	5
Commercial	1,724	1,688	36	2
Industrial	3,452	3,444	8	-
Governmental	115	118	(3 )	(3 )
Total retail	8,187	8,006	181	2
Sales for resale				
Associated companies	523	613	(90 )	(15 )
Non-associated companies	17	49	(32 )	(65 )
Total	8,727	8,668	59	1
Description	Nine Months Ended		Increase/ (Decrease)	%
	2009	2008		
(Dollars In Millions)				
<b>Electric Operating Revenues:</b>				
Residential	\$ 531	\$ 762	\$ (231 )	(30 )
Commercial	354	500	(146 )	(29 )
Industrial	514	797	(283 )	(36 )
Governmental	27	38	(11 )	(29 )
Total retail	1,426	2,097	(671 )	(32 )
Sales for resale				
Associated companies	169	201	(32 )	(16 )
Non-associated companies	4	7	(3 )	(43 )
Other	82	35	47	134
Total	\$ 1,681	\$ 2,340	\$ (659 )	(28 )

Explanation of Responses:



Billed Electric Energy				
Sales (GWh):				
Residential	6,730	6,703	27	-
Commercial	4,435	4,431	4	-
Industrial	9,930	10,111	(181 )	(2 )
Governmental	341	348	(7 )	(2 )
Total retail	21,436	21,593	(157 )	(1 )
Sales for resale				
Associated companies	1,262	1,723	(461 )	(27 )
Non-associated companies	83	102	(19 )	(19 )
Total	22,781	23,418	(637 )	(3 )

## ENTERGY MISSISSIPPI, INC.

## MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

## Results of Operations

## Net Income

## Third Quarter 2009 Compared to Third Quarter 2008

Net income increased \$6.6 million primarily due to higher net revenue, partially offset by higher interest expense.

## Nine Months Ended September 30, 2009 Compared to Nine Months Ended September 30, 2008

Net income increased \$11 million primarily due to higher net revenue, partially offset by higher depreciation and amortization expenses, higher interest expense, and lower other income.

## Net Revenue

## Third Quarter 2009 Compared to Third Quarter 2008

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges (credits). Following is an analysis of the change in net revenue comparing the third quarter 2009 to the third quarter 2008.

	Amount (In Millions)
2 0 0 8 n e t revenue	\$144.4
Retail electric price	4.1
Net wholesale revenue	4.0
R e s e r v e equalization	3.1
Volume/weather	2.4
Other	(1.0)
2 0 0 9 n e t revenue	\$157.0

The retail electric price variance is primarily due to a formula rate plan increase effective July 2009, offset by a decrease in the Attala power plant costs that are recovered through the power management rider. The formula rate plan filing is discussed further in "State and Local Rate Regulation" below. The net income effect of the Attala power plant costs recovery is limited to a portion representing an allowed return on equity with the remainder offset by

Attala power plant costs in other operation and maintenance expenses, depreciation expenses, and taxes other than income taxes.

The net wholesale revenue variance is primarily due to a change in a contract with a wholesale customer that increased its monthly demand charge and an increased net balance on joint account sales as a result of lower fuel prices in 2009.

The reserve equalization variance is primarily due to increased reserve equalization revenue as a result of changes in the Entergy System generation mix compared to the same period in 2008.

The volume/weather variance is primarily due to the effect of more favorable weather on billed and unbilled sales in 2009 compared to the same period in 2008, offset by a 16% decrease in electricity usage in the industrial sector.

Gross operating revenues, fuel and purchased power expenses, and other regulatory charges (credits)

Gross operating revenues decreased primarily due to a decrease of \$148.3 million in fuel cost recovery revenues due to lower fuel rates and decreased usage, offset by an increase of \$15.1 million in power management rider revenue.

Fuel and purchased power expenses decreased primarily due to decreases in the average market prices of natural gas and purchased power.

Other regulatory charges decreased primarily due to decreased recovery of costs associated with the power management recovery rider and decreased recovery through the Grand Gulf rider of Grand Gulf capacity costs due to lower rates and decreased usage. There is no material effect on net income due to quarterly adjustments to the power management recovery rider and annual adjustments to the Grand Gulf rider.

Nine Months Ended September 30, 2009 Compared to Nine Months Ended September 30, 2008

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges (credits). Following is an analysis of the change in net revenue comparing the nine months ended September 30, 2009 to the nine months ended September 30, 2008.

	Amount (In Millions)
2008 net revenue	\$385.2
Retail electric price	13.0
Net wholesale revenue	5.8
Reserve equalization	5.1
Other	1.1
2009 net revenue	\$410.2

The retail electric price variance is primarily due to an increase in Attala power plant costs that are recovered through the power management rider and a formula rate plan increase effective July 2009. The net income effect of the Attala power plant costs recovery is limited to a portion representing an allowed return on equity with the remainder offset by Attala power plant costs in other operation and maintenance expenses, depreciation expenses, and taxes other than income taxes. The formula rate plan filing is discussed further in "State and Local Rate Regulation" below.

The net wholesale revenue variance is primarily due to a change in a contract with a wholesale customer that increased its monthly demand charge and an increased net balance on joint account sales as a result of lower fuel prices in 2009.

The reserve equalization variance is primarily due to increased reserve equalization revenue as a result of changes in the Entergy System generation mix compared to the same period in 2008.



Gross operating revenues, fuel and purchased power expenses, and other regulatory charges (credits)

Gross operating revenues decreased primarily due to:

- a decrease of \$164.1 million in fuel cost recovery revenues due to lower fuel rates and decreased usage;
- a decrease of \$48.5 million in gross wholesale revenues primarily due to a decrease in volume as a result of less energy available for resale sales; and
  - a decrease of \$12.9 million in power management rider revenue.

Fuel and purchased power expenses decreased primarily due to decreases in the average market prices of natural gas and purchased power.

Other regulatory charges decreased primarily due to decreased recovery of costs associated with the power management recovery rider and decreased recovery through the Grand Gulf Rider of Grand Gulf capacity costs due to lower rates and decreased usage. There is no material effect on net income due to quarterly adjustments to the power management recovery rider and annual adjustments to the Grand Gulf rider.

Other Income Statement Variances

Third Quarter 2009 Compared to Third Quarter 2008

Interest expense increased primarily due to the issuance of \$150 million of 6.64% Series first mortgage bonds in June 2009.

Nine Months Ended September 30, 2009 Compared to Nine Months Ended September 30, 2008

Depreciation and amortization expenses increased primarily due to an increase in plant in service.

Other income decreased primarily due to the potential buyer's forfeiture of a \$1.7 million deposit in June 2008 for an option to purchase non-utility property, offset by an increase due to the gain recorded in 2009 on the sale of utility property.

Interest expense increased primarily due to the issuance of \$150 million of 6.64% Series first mortgage bonds in June 2009.

Income Taxes

The effective income tax rate was 37.3% for the third quarter 2009 and 37.4% for the nine months ended September 30, 2009. The difference in the effective income tax rate for the third quarter 2009 versus the federal statutory rate of 35% is primarily due to state income taxes. The difference in the effective income tax rate for the nine months ended September 30, 2009 versus the federal statutory rate of 35% is primarily due to state income taxes and book and tax differences related to utility plant items.

The effective income tax rate was 37.3% for the third quarter 2008 and 36.7% for the nine months ended September 30, 2008. The difference in the effective income tax rate for the third quarter 2008 versus the federal statutory rate of 35% is primarily due to state income taxes.



## Liquidity and Capital Resources

## Cash Flow

Cash flows for the nine months ended September 30, 2009 and 2008 were as follows:

	2009	2008
	(In Thousands)	
Cash and cash equivalents at beginning of period	\$1,082	\$40,582
Cash flow provided by (used in):		
Operating activities	139,757	33,828
Investing activities	(113,028)	(87,705)
Financing activities	41,810	15,028
Net increase (decrease) in cash and cash equivalents	68,539	(38,849)
Cash and cash equivalents at end of period	\$69,621	\$1,733

## Operating Activities

Cash flow provided by operating activities increased \$105.9 million for the nine months ended September 30, 2009 compared to the nine months ended September 30, 2008 primarily due to increased recovery of deferred fuel costs and a decrease of \$7.6 million in pension contributions.

## Investing Activities

Cash flow used in investing activities increased \$25.3 million for the nine months ended September 30, 2009 compared to the nine months ended September 30, 2008 primarily due to money pool activity, offset by decreased construction expenditures related to various fossil and distribution projects.

Increases in Entergy Mississippi's receivable from the money pool are a use of cash flow, and Entergy Mississippi's receivable from the money pool increased by \$23.9 million for the nine months ended September 30, 2009 compared to decreasing by \$21 million for the nine months ended September 30, 2008. The money pool is an inter-company borrowing arrangement designed to reduce the Utility subsidiaries' need for external short-term borrowings.

## Financing Activities

Cash flow provided by financing activities increased \$26.8 million for the nine months ended September 30, 2009 compared to the nine months ended September 30, 2008 primarily due to the issuance of \$150 million of 6.64% Series first mortgage bonds in June 2009, offset by money pool activity and an increase of \$27.9 million in common stock dividends paid in 2009.

Decreases in Entergy Mississippi's payable to the money pool are a use of cash flow, and Entergy Mississippi's payable to the money pool decreased by \$66 million for the nine months ended September 30, 2009 compared to



increasing \$28.3 million for the nine months ended September 30, 2008.

121

---

## Capital Structure

Entergy Mississippi's capitalization is balanced between equity and debt, as shown in the following table. The increase in the debt to capital ratio is due to the issuance of \$150 million of 6.64% Series first mortgage bonds in June 2009, as discussed below.

	September 30, 2009	December 31, 2008
Net debt to net capital	51.4%	49.5%
E f f e c t o f subtracting cash from debt	2.1%	0.0%
Debt to capital	53.5%	49.5%

Net debt consists of debt less cash and cash equivalents. Debt consists of notes payable, capital lease obligations, and long-term debt, including the currently maturing portion. Capital consists of debt, preferred stock without sinking fund, and shareholders' equity. Net capital consists of capital less cash and cash equivalents. Entergy Mississippi uses the net debt to net capital ratio in analyzing its financial condition and believes it provides useful information to its investors and creditors in evaluating Entergy Mississippi's financial condition.

## Uses and Sources of Capital

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources" in the Form 10-K for a discussion of Entergy Mississippi's uses and sources of capital. Entergy Mississippi is developing its capital plan for 2010 through 2012 and currently anticipates making \$554 million in capital investments during that period, including approximately \$368 million for maintenance of existing assets. The remaining \$186 million is associated with specific investments such as environmental compliance spending, transmission upgrades and system improvements. Following are additional updates to the information presented in the Form 10-K.

Entergy Mississippi's receivables from or (payables to) the money pool were as follows:

September 30, 2009	December 31, 2008	September 30, 2008	December 31, 2007
\$23,892	(\$66,044)	(\$28,250)	\$20,997

(In Thousands)

See Note 4 to the financial statements in the Form 10-K for a description of the money pool.

In May and June 2009, Entergy Mississippi renewed its two separate credit facilities through May 2010. In August 2009, Entergy Mississippi increased its borrowing capacity with a third line of credit which will also expire in May 2010, increasing the borrowing limits to the aggregate amount of \$70 million. No borrowings were outstanding under the credit facilities as of September 30, 2009.

In June 2009, Entergy Mississippi issued \$150 million of 6.64% Series first mortgage bonds due July 2019. Entergy Mississippi used the proceeds to repay outstanding borrowings on its credit facilities, to repay short-term borrowings under the Entergy System money pool, and for other general corporate purposes.

#### Pension Contributions

See the "Critical Accounting Estimates - Qualified Pension and Other Postretirement Benefits - Costs and Funding" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for an update to the Form 10-K discussion on pension contributions.

#### State and Local Rate Regulation

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - State and Local Rate Regulation" in the Form 10-K for a discussion of the formula rate plan and fuel and purchased power cost recovery. Following is an update to that discussion.

#### Formula Rate Plan

On September 18, 2009, Entergy Mississippi filed proposed modifications to its formula rate plan rider. The proposed modifications include: (1) resetting Entergy Mississippi's return on common equity to the middle of the formula rate plan bandwidth each year and eliminating the 50/50 sharing in the current plan, (2) replacing the current rate change limit of two percent of revenues subject to a \$14.5 million revenue adjustment cap with a proposed limit of four percent of revenues, (3) implementing a projected test year for the annual filing and subsequent look-back for the prior year, and (4) modifying the performance measurement process.

In March 2009, Entergy Mississippi made with the MPSC its annual scheduled formula rate plan filing for the 2008 test year. The filing reported a \$27.0 million revenue deficiency and an earned return on common equity of 7.41%. Entergy Mississippi requested a \$14.5 million increase in annual electric revenues, which is the maximum increase allowed under the terms of the formula rate plan. The MPSC issued an order on June 30, 2009, finding that Entergy Mississippi's earned return was sufficiently below the lower bandwidth limit set by the formula rate plan to require a \$14.5 million increase in annual revenues, effective for bills rendered on or after June 30, 2009.

In March 2008, Entergy Mississippi made its annual scheduled formula rate plan filing for the 2007 test year with the MPSC. The filing showed that a \$10.1 million increase in annual electric revenues is warranted. In June 2008, Entergy Mississippi reached a settlement with the Mississippi Public Utilities Staff that would result in a \$3.8 million rate increase. In January 2009 the MPSC rejected the settlement and left the current rates in effect. Entergy Mississippi appealed the MPSC's decision to the Mississippi Supreme Court. After the decision of the MPSC regarding the formula rate plan filing for the 2008 test year, Entergy Mississippi filed a motion to dismiss its appeal to the Mississippi Supreme Court.

#### Fuel and Purchased Power Recovery

In August 2009 the MPSC retained an independent audit firm to audit Entergy Mississippi's fuel adjustment clause submittals for the period October 2007 through September 2009. The audit report is due to the MPSC by December 15, 2009.

#### Federal Regulation

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Federal Regulation" in the Form 10-K for a discussion of "System Agreement Proceedings," "Transmission," and "Interconnection Orders."

#### Utility Restructuring

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Utility Restructuring" in the Form 10-K for a discussion of utility restructuring.

#### Critical Accounting Estimates

#### Explanation of Responses:

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Critical Accounting Estimates" in the Form 10-K for a discussion of the estimates and judgments necessary in Entergy Mississippi's accounting for unbilled revenue and qualified pension and other postretirement benefits.

123

---

#### Qualified Pension and Other Postretirement Benefits

See the "Critical Accounting Estimates - Qualified Pension and Other Postretirement Benefits - Costs and Funding" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for an update to the Form 10-K discussion on qualified pension and other postretirement benefits.

#### New Accounting Pronouncements

See "New Accounting Pronouncements" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for a discussion of new accounting pronouncements.

124

---

ENTERGY MISSISSIPPI, INC.  
 INCOME STATEMENTS  
 For the Three and Nine Months Ended September 30, 2009 and 2008  
 (Unaudited)

	Three Months Ended		Nine Months Ended	
	2009	2008	2009	2008
	(In Thousands)		(In Thousands)	
<b>OPERATING REVENUES</b>				
Electric	\$356,545	\$491,113	\$908,865	\$1,137,945
<b>OPERATING EXPENSES</b>				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	102,847	164,632	284,008	313,824
Purchased power	96,866	149,603	271,985	365,971
Other operation and maintenance	51,119	49,748	159,544	160,094
Taxes other than income taxes	16,590	18,412	48,402	48,386
Depreciation and amortization	21,967	21,082	64,980	62,356
Other regulatory charges (credits) - net	(177 )	32,509	(57,345 )	72,908
<b>TOTAL</b>	<b>289,212</b>	<b>435,986</b>	<b>771,574</b>	<b>1,023,539</b>
<b>OPERATING INCOME</b>	<b>67,333</b>	<b>55,127</b>	<b>137,291</b>	<b>114,406</b>
<b>OTHER INCOME</b>				
Allowance for equity funds used during construction	781	782	2,499	2,396
Interest and dividend income	257	649	706	1,423
Miscellaneous - net	300	(460 )	(880 )	483
<b>TOTAL</b>	<b>1,338</b>	<b>971</b>	<b>2,325</b>	<b>4,302</b>
<b>INTEREST AND OTHER CHARGES</b>				
Interest on long-term debt	12,939	10,404	34,399	31,149
Other interest - net	1,094	1,723	3,314	4,168
Allowance for borrowed funds used during construction	(448 )	(541 )	(1,494 )	(1,444 )
<b>TOTAL</b>	<b>13,585</b>	<b>11,586</b>	<b>36,219</b>	<b>33,873</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>55,086</b>	<b>44,512</b>	<b>103,397</b>	<b>84,835</b>
Income taxes	20,528	16,588	38,674	31,102
<b>NET INCOME</b>	<b>34,558</b>	<b>27,924</b>	<b>64,723</b>	<b>53,733</b>
Preferred dividend requirements and other	707	707	2,121	2,121
<b>EARNINGS APPLICABLE TO COMMON STOCK</b>	<b>\$33,851</b>	<b>\$27,217</b>	<b>\$62,602</b>	<b>\$51,612</b>

See Notes to Financial Statements.

125

---



(Page left blank intentionally)

126

---

ENTERGY MISSISSIPPI, INC.  
 STATEMENTS OF CASH FLOWS  
 For the Nine Months Ended September 30, 2009 and 2008  
 (Unaudited)

	2009	2008
	(In Thousands)	
<b>OPERATING ACTIVITIES</b>		
Net income	\$64,723	\$53,733
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Other regulatory charges (credits) - net	(57,345 )	72,908
Depreciation and amortization	64,980	62,356
Deferred income taxes, investment tax credits, and non-current taxes accrued	(4,908 )	1,441
Changes in working capital:		
Receivables	11,098	(67,954 )
Fuel inventory	2,642	1,468
Accounts payable	(17,461 )	40,189
Taxes accrued	32,061	21,283
Interest accrued	529	2,924
Deferred fuel costs	65,221	(134,470 )
Other working capital accounts	(25,210 )	26,665
Provision for estimated losses and reserves	4,318	(10,079 )
Changes in other regulatory assets	(38,116 )	4,955
Other	37,225	(41,591 )
Net cash flow provided by operating activities	139,757	33,828
<b>INVESTING ACTIVITIES</b>		
Construction expenditures	(91,553 )	(110,277 )
Allowance for equity funds used during construction	2,499	2,396
Change in money pool receivable - net	(23,892 )	20,997
Payment to storm reserve escrow account	(162 )	(737 )
Other	80	(84 )
Net cash flow used in investing activities	(113,028 )	(87,705 )
<b>FINANCING ACTIVITIES</b>		
Proceeds from the issuance of long-term debt	148,475	29,499
Retirement of long-term debt	-	(30,000 )
Change in money pool payable - net	(66,044 )	28,250
Dividends paid:		
Common stock	(38,500 )	(10,600 )
Preferred stock	(2,121 )	(2,121 )
Net cash flow provided by financing activities	41,810	15,028
Net increase (decrease) in cash and cash equivalents	68,539	(38,849 )
Cash and cash equivalents at beginning of period	1,082	40,582
Cash and cash equivalents at end of period	\$69,621	\$1,733

Explanation of Responses:

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid during the period for:

Interest - net of amount capitalized	\$35,576	\$30,869
Income taxes	\$-	\$4,209

See Notes to Financial Statements.

ENTERGY MISSISSIPPI, INC.  
BALANCE SHEETS  
ASSETS  
September 30, 2009 and December 31, 2008  
(Unaudited)

	2009	2008
	(In Thousands)	
<b>CURRENT ASSETS</b>		
Cash and cash equivalents:		
Cash	\$18	\$1,072
Temporary cash investment	69,603	10
Total cash and cash equivalents	69,621	1,082
Accounts receivable:		
Customer	71,176	76,503
Allowance for doubtful accounts	(981 )	(687 )
Associated companies	40,921	29,291
Other	9,253	11,675
Accrued unbilled revenues	44,658	35,451
Total accounts receivable	165,027	152,233
Note receivable - Entergy New Orleans	7,610	-
Deferred fuel costs	-	5,025
Accumulated deferred income taxes	2,854	19,335
Fuel inventory - at average cost	6,646	9,288
Materials and supplies - at average cost	30,851	31,921
Gas hedge contracts	1,248	-
Prepayments and other	6,287	6,290
<b>TOTAL</b>	<b>290,144</b>	<b>225,174</b>
<b>OTHER PROPERTY AND INVESTMENTS</b>		
Investment in affiliates - at equity	5,535	5,615
Non-utility property - at cost (less accumulated depreciation)	4,898	5,000
Storm reserve escrow account	31,854	31,692
Note receivable - Entergy New Orleans	-	7,610
<b>TOTAL</b>	<b>42,287</b>	<b>49,917</b>
<b>UTILITY PLANT</b>		
Electric	3,039,878	2,951,636
Property under capital lease	6,773	7,806
Construction work in progress	59,737	81,959
<b>TOTAL UTILITY PLANT</b>	<b>3,106,388</b>	<b>3,041,401</b>
Less - accumulated depreciation and amortization	1,100,287	1,058,426
<b>UTILITY PLANT - NET</b>	<b>2,006,101</b>	<b>1,982,975</b>
<b>DEFERRED DEBITS AND OTHER ASSETS</b>		
Regulatory assets:		
Regulatory asset for income taxes - net	33,422	23,693

Other regulatory assets	251,629	226,933
Other	20,737	19,451
TOTAL	305,788	270,077
TOTAL ASSETS	\$2,644,320	\$2,528,143

See Notes to Financial Statements.

ENTERGY MISSISSIPPI, INC.  
BALANCE SHEETS  
LIABILITIES AND SHAREHOLDERS' EQUITY  
September 30, 2009 and December 31, 2008  
(Unaudited)

	2009	2008
	(In Thousands)	
<b>CURRENT LIABILITIES</b>		
Accounts payable:		
Associated companies	\$36,423	\$115,876
Other	32,594	39,623
Customer deposits	61,646	58,517
Taxes accrued	72,957	40,896
Interest accrued	17,642	17,113
Deferred fuel costs	60,196	-
System agreement cost equalization	10,239	23,000
Gas hedge contracts	-	15,610
Other	5,580	5,373
<b>TOTAL</b>	<b>297,277</b>	<b>316,008</b>
<b>NON-CURRENT LIABILITIES</b>		
Accumulated deferred income taxes and taxes accrued	560,372	571,193
Accumulated deferred investment tax credits	7,787	8,605
Obligations under capital lease	5,324	6,418
Other regulatory liabilities	1,248	22,331
Asset retirement cost liabilities	4,997	4,784
Accumulated provisions	41,275	36,957
Pension and other postretirement liabilities	113,467	118,223
Long-term debt	845,285	695,330
Other	27,548	32,656
<b>TOTAL</b>	<b>1,607,303</b>	<b>1,496,497</b>
Commitments and Contingencies		
Preferred stock without sinking fund	50,381	50,381
<b>SHAREHOLDERS' EQUITY</b>		
Common stock, no par value, authorized 12,000,000 shares; issued and outstanding 8,666,357 shares in 2009 and 2008	199,326	199,326
Capital stock expense and other	(690 )	(690 )
Retained earnings	490,723	466,621
<b>TOTAL</b>	<b>689,359</b>	<b>665,257</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$2,644,320</b>	<b>\$2,528,143</b>

See Notes to Financial Statements.

Explanation of Responses:



ENTERGY MISSISSIPPI, INC.  
SELECTED OPERATING RESULTS

For the Three and Nine Months Ended September 30, 2009 and 2008  
(Unaudited)

Description	Three Months Ended		Increase/ (Decrease)	%
	2009	2008		
(Dollars In Millions)				
Electric Operating Revenues:				
Residential	\$159	\$213	\$( 54 )	(25 )
Commercial	114	161	(47 )	(29 )
Industrial	39	64	(25 )	(39 )
Governmental	10	14	(4 )	(29 )
Total retail	322	452	(130 )	(29 )
Sales for resale				
Associated companies	17	19	(2 )	(11 )
Non-associated companies	9	14	(5 )	(36 )
Other	9	6	3	50
Total	\$357	\$491	\$( 134 )	(27 )
Billed Electric Energy				
Sales (GWh):				
Residential	1,808	1,757	51	3
Commercial	1,421	1,426	(5 )	-
Industrial	599	710	(111 )	(16 )
Governmental	118	116	2	2
Total retail	3,946	4,009	(63 )	(2 )
Sales for resale				
Associated companies	69	80	(11 )	(14 )
Non-associated companies	115	152	(37 )	(24 )
Total	4,130	4,241	(111 )	(3 )
Description	Nine Months Ended		Increase/ (Decrease)	%
	2009	2008		
(Dollars In Millions)				
Electric Operating Revenues:				
Residential	\$367	\$441	\$( 74 )	(17 )
Commercial	302	369	(67 )	(18 )
Industrial	111	150	(39 )	(26 )
Governmental	28	33	(5 )	(15 )
Total retail	808	993	(185 )	(19 )
Sales for resale				
Associated companies	32	75	(43 )	(57 )
Non-associated companies	23	28	(5 )	(18 )
Other	46	42	4	10
Total	\$909	\$1,138	\$( 229 )	(20 )

Explanation of Responses:



## Billed Electric Energy

## Sales (GWh):

Residential	4,186	4,203	(17	)	-	)
Commercial	3,607	3,685	(78	)	(2	)
Industrial	1,625	1,953	(328	)	(17	)
Governmental	306	311	(5	)	(2	)
Total retail	9,724	10,152	(428	)	(4	)
Sales for resale						
Associated companies	154	478	(324	)	(68	)
Non-associated companies	268	302	(34	)	(11	)
Total	10,146	10,932	(786	)	(7	)

ENTERGY NEW ORLEANS, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Results of Operations

Net Income

Third Quarter 2009 Compared to Third Quarter 2008

Net income increased slightly by \$0.2 million primarily due to higher net revenue and a lower effective income tax rate, substantially offset by lower other income.

Nine Months Ended September 30, 2009 Compared to Nine Months Ended September 30, 2008

Net income decreased \$5.0 million primarily due to lower net revenue, lower other income, and higher other operation and maintenance expenses, partially offset by lower interest and other charges and a lower effective income tax rate.

Net Revenue

Third Quarter 2009 Compared to Third Quarter 2008

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges. Following is an analysis of the changes in net revenue comparing the third quarter 2009 to the third quarter 2008.

	Amount (In Millions)
2008 net revenue	\$67.5
Effect of rate case settlement	(4.0)
Volume/weather	3.0
Other	2.3
2009 net revenue	\$68.8

The effect of rate case settlement variance results from the April 2009 settlement of Entergy New Orleans' rate case, and includes the effects of realigning non-fuel costs associated with the operation of Grand Gulf from the fuel adjustment clause to electric base rates effective June 2009. See Note 2 to the financial statements for further discussion of the rate case settlement.

The volume/weather variance is primarily due to more favorable weather compared to the same period in 2008.

Gross operating revenues and fuel and purchased power expenses

Gross operating revenues decreased primarily due to:

Explanation of Responses:

- a decrease of \$36.8 million in electric fuel cost recovery revenues due to lower fuel rates;
- a decrease of \$15.2 million in affiliated wholesale revenue primarily due to a decrease in the average price of the energy available for resale sales; and
- a decrease of \$11.6 million in gross gas revenues due to decreased fuel recovery revenue as a result of lower price.

Fuel and purchased power expenses decreased primarily due to decreases in the average market prices of natural gas and purchased power.

#### Nine Months Ended September 30, 2009 Compared to Nine Months Ended September 30, 2008

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges. Following is an analysis of the changes in net revenue comparing the nine months ended September 30, 2009 compared to the nine months ended September 30, 2008.

	Amount (In Millions)
2008 net revenue	\$196.5
Effect of rate case settlement	(7.0)
Price applied to unbilled sales	(6.4)
Volume/weather	6.1
Other	(1.3)
2009 net revenue	\$187.9

The effect of rate case settlement variance results from the April 2009 settlement of Entergy New Orleans' rate case, and includes the effects of realigning non-fuel costs associated with the operation of Grand Gulf from the fuel adjustment clause to electric base rates effective June 2009. See Note 2 to the financial statements for further discussion of the rate case settlement.

The price applied to unbilled sales variance results from a decline in natural gas and purchased power prices.

The volume/weather variance is primarily due to an increase in electricity usage. Billed retail electricity usage increased a total of 117 GWh, an increase of 3.4%.

#### Gross operating revenues and fuel and purchased power expenses

Gross operating revenues decreased primarily due to:

- a decrease of \$69.7 million in electric fuel cost recovery revenues due to lower fuel rates;
- a decrease of \$68.5 million in affiliated wholesale revenue due to a decrease in the average price of energy available for resale sales; and
- a decrease of \$31.5 million in gross gas revenues due to decreased fuel recovery revenue as a result of lower price and lower usage.

Fuel and purchased power expenses decreased primarily due to decreases in the average market prices of natural gas and purchased power.

#### Other Income Statement Variances

#### Third Quarter 2009 Compared to Third Quarter 2008

#### Explanation of Responses:

Other income decreased primarily due to a decrease in interest earned on money pool investments.

Nine Months Ended September 30, 2009 Compared to Nine Months Ended September 30, 2008

Other operation and maintenance expenses increased primarily due to an increase of \$1.2 million in transmission spending for transmission equalization expenses, substation maintenance, and costs related to the Independent Coordinator of Transmission.

Other income decreased primarily due to a decrease in interest earned on money pool investments.

Interest and other charges decreased primarily due to a decrease in the interest rate on notes payable issued to affiliates as part of Entergy New Orleans' plan of reorganization, as described more fully in Note 18 to the financial statements in the Form 10-K.

#### Income Taxes

The effective income tax rate was 33.6% for the third quarter 2009 and 37.0% for the nine months ended September 30, 2009. The difference in the effective income tax rate for the third quarter 2009 versus the federal statutory rate of 35% is primarily due to flow-through book and tax timing differences, partially offset by state income taxes. The difference in the effective income tax rate for the nine months ended September 30, 2009 versus the federal statutory rate of 35% is primarily due to state income taxes and book and tax differences related to utility plant items, partially offset by flow-through book and tax timing differences.

The effective income tax rate was 40.5% for the third quarter 2008 and 41.1% for the nine months ended September 30, 2008. The difference in the effective income tax rate for the third quarter 2008 and the nine months ended September 30, 2008 versus the federal statutory rate of 35% is primarily due to state income taxes and book and tax differences related to utility plant items.

#### Liquidity and Capital Resources

##### Cash Flow

Cash flows for the nine months ended September 30, 2009 and 2008 were as follows:

	2009	2008
	(In Thousands)	
Cash and cash equivalents at beginning of period	\$137,444	\$92,010
Cash flow provided by (used in):		
Operating activities	78,945	63,237
Investing activities	(44,402)	(3,043)
Financing activities	(21,520)	(31,531)
Net increase in cash and cash equivalents	13,023	28,663
Cash and cash equivalents at end of period	\$150,467	\$120,673

#### Operating Activities

Net cash flow provided by operating activities increased \$15.7 million for the nine months ended September 30, 2009 compared to the nine months ended September 30, 2008 primarily due to increased recovery of deferred fuel costs and the timing of collections of receivables from customers partially offset by the timing of payments to vendors.

Investing Activities

Net cash used in investing activities increased \$41.4 million for the nine months ended September 30, 2009 compared to the nine months ended September 30, 2008 primarily due to insurance proceeds received in 2008 related to Hurricane Katrina, partially offset by storm restoration spending in 2008 due to Hurricane Gustav and money pool activity.

133

---

Decreases in Entergy New Orleans' receivable from the money pool are a source of cash flow, and Entergy New Orleans' receivable from the money pool decreased by \$8.5 million for the nine months ended September 30, 2009 compared to increasing by \$21.3 million for the nine months ended September 30, 2008. The money pool is an inter-company borrowing arrangement designed to reduce the Utility subsidiaries' need for external short-term borrowings.

#### Financing Activities

Net cash used in financing activities decreased \$10 million for the nine months ended September 30, 2009 compared to the nine months ended September 30, 2008 primarily due to the redemption, at maturity, of \$30 million of 3.875% first mortgage bonds in August 2008, partially offset by dividends paid on common stock in 2009.

#### Capital Structure

Entergy New Orleans' capitalization is balanced between equity and debt, as shown in the following table.

	September 30, 2009	December 31, 2008
Net debt to net capital	33.9%	37.0%
E f f e c t o f subtracting cash from debt	19.5%	17.1%
Debt to capital	53.4%	54.1%

Net debt consists of debt less cash and cash equivalents. Debt consists of notes payable and long-term debt, including the currently maturing portion. Capital consists of debt, preferred stock without sinking fund, and shareholders' equity. Net capital consists of capital less cash and cash equivalents. Entergy New Orleans uses the net debt to net capital ratio in analyzing its financial condition and believes it provides useful information to its investors and creditors in evaluating Entergy New Orleans' financial condition.

#### Uses and Sources of Capital

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources" in the Form 10-K for a discussion of Entergy New Orleans' uses and sources of capital. Entergy New Orleans is developing its capital plan for 2010 through 2012 and currently anticipates making \$140 million in capital investments during that period, including approximately \$86 million for maintenance of existing assets. The remaining \$54 million is associated with specific investments such as plant upgrades, transmission upgrades and system improvements, and other investments. Additionally, Entergy New Orleans anticipates investing approximately \$55 million in the continued rebuilding of its gas system damaged during Hurricane Katrina in 2005.

Entergy New Orleans' receivables from the money pool were as follows:

September 30,	December 31,	September 30,	December 31,
------------------	-----------------	------------------	-----------------

Explanation of Responses:



Edgar Filing: EDISON INTERNATIONAL - Form 4

2009            2008            2008            2007  
(In Thousands)

\$51,609        \$60,093        \$69,013        \$47,705

See Note 4 to the financial statements in the Form 10-K for a description of the money pool.

#### Pension Contributions

See the "Critical Accounting Estimates - Qualified Pension and Other Postretirement Benefits - Costs and Funding" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for an update to the Form 10-K discussion on pension contributions.

#### State and Local Rate Regulation

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – State and Local Rate Regulation" in the Form 10-K for a discussion of state and local rate regulation. Following are updates to the information provided in the Form 10-K.

#### Filings with the City Council

##### Retail Rates

As discussed in the Form 10-K, on July 31, 2008, Entergy New Orleans filed an electric and gas base rate case with the City Council. On April 2, 2009, the City Council approved a comprehensive settlement. The settlement provides for a net \$35.3 million reduction in combined fuel and non-fuel electric revenue requirement, including conversion of the \$10.6 million voluntary recovery credit to a permanent reduction and complete realignment of Grand Gulf cost recovery from fuel to electric base rates, and a \$4.95 million gas rate increase, both effective June 1, 2009. A new three-year formula rate plan was also adopted, with terms including an 11.1% electric return on common equity (ROE) with a +/- 40 basis point bandwidth and a 10.75% gas ROE with a +/- 50 basis point bandwidth. Earnings outside the bandwidth reset to the midpoint ROE, with rates changing on a prospective basis depending on whether Entergy New Orleans is over- or under-earning. The formula rate plan also includes a recovery mechanism for City Council-approved capacity additions, plus provisions for extraordinary cost changes and force majeure events.

The rate case settlement also included \$3.1 million per year in electric rates to fund the Energy Smart energy efficiency programs. On September 17, 2009, the City Council approved the programs filed by Entergy New Orleans. The rate settlement provides an incentive for Entergy New Orleans to meet or exceed energy savings targets set by the City Council and provides a mechanism for Entergy New Orleans to recover lost contribution to fixed costs associated with the energy savings generated from the energy efficiency programs. The programs are expected to begin in 2010.

#### Fuel Adjustment Clause Litigation

See the Form 10-K for a discussion of the lawsuit filed by a group of ratepayers in April 1999 against Entergy New Orleans, Entergy Corporation, Entergy Services, and Entergy Power in state court in Orleans Parish purportedly on behalf of all Entergy New Orleans ratepayers, which currently remains pending, and the corresponding complaint filed with the City Council. In February 2004, the City Council approved a resolution that resulted in a refund to customers of \$11.3 million, including interest, during the months of June through September 2004. In May 2005 the Civil District Court for the Parish of Orleans affirmed the City Council resolution, finding no support for the plaintiffs' claim that the refund amount should be higher. In June 2005, the plaintiffs appealed the Civil District Court decision to the Louisiana Fourth Circuit Court of Appeal. On February 25, 2008, the Fourth Circuit Court of Appeal issued a decision affirming in part, and reversing in part, the Civil District Court's decision. Although the Fourth Circuit Court of Appeal did not reverse any of the substantive findings and conclusions of the City Council or the Civil District Court, the Fourth Circuit found that the amount of the refund was arbitrary and capricious and increased the amount of the refund to \$34.3 million. In April 2009 the Louisiana Supreme Court reversed the decision of the Louisiana Fourth

Circuit Court of Appeal and reinstated the decision of the Civil District Court. On April 17, 2009, the plaintiffs requested rehearing by the Louisiana Supreme Court. On May 29, 2009, the Louisiana Supreme Court denied the request for rehearing.

#### Federal Regulation

See "System Agreement Proceedings" and "Independent Coordinator of Transmission" in the "Federal Regulation" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for updates to the discussion in the Form 10-K.

#### Environmental Risks

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Environmental Risks" in the Form 10-K for a discussion of environmental risks.

#### Critical Accounting Estimates

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Critical Accounting Estimates" in the Form 10-K for a discussion of the estimates and judgments necessary in Entergy New Orleans' accounting for unbilled revenue and qualified pension and other postretirement benefits.

#### Unbilled Revenue

As discussed in the Form 10-K, Entergy New Orleans records an estimate of the revenues earned for energy delivered since the latest customer billing. Effective June 1, 2009 the fuel cost component is no longer included in the unbilled revenue calculation at Entergy New Orleans.

#### Qualified Pension and Other Postretirement Benefits

See the "Critical Accounting Estimates - Qualified Pension and Other Postretirement Benefits - Costs and Funding" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for an update to the Form 10-K discussion on qualified pension and other postretirement benefits.

#### New Accounting Pronouncements

See "New Accounting Pronouncements" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for a discussion of new accounting pronouncements.

ENTERGY NEW ORLEANS, INC.  
 INCOME STATEMENTS  
 For the Three and Nine Months Ended September 30, 2009 and 2008  
 (Unaudited)

	Three Months Ended		Nine Months Ended	
	2009	2008	2009	2008
	(In Thousands)		(In Thousands)	
<b>OPERATING REVENUES</b>				
Electric	\$ 158,988	\$ 189,808	\$ 404,632	\$ 524,603
Natural gas	15,083	25,795	77,670	109,863
<b>TOTAL</b>	<b>174,071</b>	<b>215,603</b>	<b>482,302</b>	<b>634,466</b>
<b>OPERATING EXPENSES</b>				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	49,182	82,409	143,741	263,366
Purchased power	55,370	64,679	149,734	171,485
Other operation and maintenance	26,524	26,094	80,233	78,327
Taxes other than income taxes	11,407	11,158	30,623	31,391
Depreciation and amortization	8,520	8,250	25,290	24,553
Other regulatory charges - net	766	1,028	944	3,087
<b>TOTAL</b>	<b>151,769</b>	<b>193,618</b>	<b>430,565</b>	<b>572,209</b>
<b>OPERATING INCOME</b>	<b>22,302</b>	<b>21,985</b>	<b>51,737</b>	<b>62,257</b>
<b>OTHER INCOME</b>				
Allowance for equity funds used during construction	71	109	180	244
Interest and dividend income	697	2,743	3,714	7,589
Miscellaneous - net	(180 )	(157 )	(701 )	(1,173 )
<b>TOTAL</b>	<b>588</b>	<b>2,695</b>	<b>3,193</b>	<b>6,660</b>
<b>INTEREST AND OTHER CHARGES</b>				
Interest on long-term debt	2,903	3,072	8,722	9,552
Other interest - net	1,541	1,340	3,955	5,748
Allowance for borrowed funds used during construction	(35 )	(71 )	(74 )	(158 )
<b>TOTAL</b>	<b>4,409</b>	<b>4,341</b>	<b>12,603</b>	<b>15,142</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>18,481</b>	<b>20,339</b>	<b>42,327</b>	<b>53,775</b>
Income taxes	6,209	8,235	15,661	22,092
<b>NET INCOME</b>	<b>12,272</b>	<b>12,104</b>	<b>26,666</b>	<b>31,683</b>
Preferred dividend requirements and other	241	241	724	724

EARNINGS APPLICABLE TO COMMON STOCK	\$ 12,031	\$ 11,863	\$ 25,942	\$ 30,959
--	-----------	-----------	-----------	-----------

See Notes to Financial Statements.

(Page left blank intentionally)

138

---

ENTERGY NEW ORLEANS, INC.  
 STATEMENTS OF CASH FLOWS  
 For the Nine Months Ended September 30, 2009 and 2008  
 (Unaudited)

	2009	2008
	(In Thousands)	
<b>OPERATING ACTIVITIES</b>		
Net income	\$26,666	\$31,683
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Other regulatory charges - net	944	3,087
Depreciation and amortization	25,290	24,553
Deferred income taxes, investment tax credits, and non-current taxes accrued	18,847	16,021
Changes in working capital:		
Receivables	21,904	(17,154 )
Fuel inventory	4,681	998
Accounts payable	(16,069 )	2,820
Taxes accrued	(1,053 )	6,028
Interest accrued	(1,500 )	(2,798 )
Deferred fuel costs	4,819	(20,295 )
Other working capital accounts	(8,341 )	3,615
Provision for estimated losses and reserves	4,995	5,229
Changes in pension liability	(2,940 )	(4,594 )
Changes in other regulatory assets	(3,782 )	15,216
Other	4,484	(1,172 )
Net cash flow provided by operating activities	78,945	63,237
<b>INVESTING ACTIVITIES</b>		
Construction expenditures	(47,992 )	(79,223 )
Allowance for equity funds used during construction	180	244
Insurance proceeds	19	102,914
Change in money pool receivable - net	8,485	(21,308 )
Change in other investments - net	(5,094 )	(5,670 )
Net cash flow used in investing activities	(44,402 )	(3,043 )
<b>FINANCING ACTIVITIES</b>		
Retirement of long term debt	(728 )	(30,774 )
Dividends paid:		
Common stock	(19,700 )	-
Preferred stock	(724 )	(724 )
Other	(368 )	(33 )
Net cash flow used in financing activities	(21,520 )	(31,531 )
Net increase in cash and cash equivalents	13,023	28,663
Cash and cash equivalents at beginning of period	137,444	92,010
Cash and cash equivalents at end of period	\$150,467	\$120,673

Explanation of Responses:



SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid (received) during the period for:

Interest - net of amount capitalized	\$ 13,697	\$ 17,545
Income taxes	\$(3,212 )	\$ 1,270

See Notes to Financial Statements.

ENTERGY NEW ORLEANS, INC.  
BALANCE SHEETS  
ASSETS  
September 30, 2009 and December 31, 2008  
(Unaudited)

	2009	2008
	(In Thousands)	
<b>CURRENT ASSETS</b>		
Cash and cash equivalents		
Cash	\$ 139	\$ 1,119
Temporary cash investments	150,328	136,325
Total cash and cash equivalents	150,467	137,444
Accounts receivable:		
Customer	45,831	53,934
Allowance for doubtful accounts	(1,323 )	(1,112 )
Associated companies	57,366	70,608
Other	2,985	3,270
Accrued unbilled revenues	19,559	28,107
Total accounts receivable	124,418	154,807
Deferred fuel costs	12,928	21,827
Fuel inventory - at average cost	3,517	8,198
Materials and supplies - at average cost	9,345	9,472
Prepayments and other	8,077	4,483
<b>TOTAL</b>	<b>308,752</b>	<b>336,231</b>
<b>OTHER PROPERTY AND INVESTMENTS</b>		
Investment in affiliates - at equity	3,259	3,259
Non-utility property at cost (less accumulated depreciation)	1,016	1,016
Other property and investments	7,972	2,878
<b>TOTAL</b>	<b>12,247</b>	<b>7,153</b>
<b>UTILITY PLANT</b>		
Electric	787,819	767,327
Natural gas	198,287	197,231
Construction work in progress	3,588	22,314
<b>TOTAL UTILITY PLANT</b>	<b>989,694</b>	<b>986,872</b>
Less - accumulated depreciation and amortization	506,954	542,499
<b>UTILITY PLANT - NET</b>	<b>482,740</b>	<b>444,373</b>
<b>DEFERRED DEBITS AND OTHER ASSETS</b>		
Regulatory assets:		
Deferred fuel costs	4,080	-
Other regulatory assets	145,802	208,524
Other	6,683	7,254
<b>TOTAL</b>	<b>156,565</b>	<b>215,778</b>

TOTAL ASSETS	\$960,304	\$1,003,535
See Notes to Financial Statements.		

140

---

ENTERGY NEW ORLEANS, INC.  
BALANCE SHEETS  
LIABILITIES AND SHAREHOLDERS' EQUITY  
September 30, 2009 and December 31, 2008  
(Unaudited)

	2009	2008
	(In Thousands)	
<b>CURRENT LIABILITIES</b>		
Currently maturing long-term debt	\$30,000	\$-
Notes payable to affiliates	74,230	-
Accounts payable:		
Associated companies	23,943	24,523
Other	15,649	39,327
Customer deposits	20,153	18,944
Taxes accrued	19,293	20,346
Accumulated deferred income taxes	6,178	7,387
Interest accrued	2,430	3,930
Other	3,120	9,203
<b>TOTAL CURRENT LIABILITIES</b>	<b>194,996</b>	<b>123,660</b>
<b>NON-CURRENT LIABILITIES</b>		
Accumulated deferred income taxes and taxes accrued	100,675	112,827
Accumulated deferred investment tax credits	2,232	2,471
Regulatory liability for income taxes - net	60,321	72,046
Other regulatory liabilities	44,902	12,040
Retirement cost liability	3,121	2,966
Accumulated provisions	15,604	10,609
Pension and other postretirement liabilities	46,382	49,322
Long-term debt	168,021	272,973
Gas system rebuild insurance proceeds	81,227	98,418
Other	5,375	14,997
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>527,860</b>	<b>648,669</b>
<b>Commitments and Contingencies</b>		
Preferred stock without sinking fund	19,780	19,780
<b>SHAREHOLDERS' EQUITY</b>		
Common stock, \$4 par value, authorized 10,000,000 shares; issued and outstanding 8,435,900 shares in 2009 and 2008	33,744	33,744
Paid-in capital	36,294	36,294
Retained earnings	147,630	141,388

TOTAL	217,668	211,426
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$960,304	\$1,003,535

See Notes to Financial Statements.

ENTERGY NEW ORLEANS, INC.  
SELECTED OPERATING RESULTS

For the Three and Nine Months Ended September 30, 2009 and 2008  
(Unaudited)

Description	Three Months Ended		Increase/ (Decrease)	%	
	2009	2008			
(Dollars In Millions)					
<b>Electric Operating Revenues:</b>					
Residential	\$63	\$61	\$2	3	
Commercial	51	59	(8)	(14)	
Industrial	11	15	(4)	(27)	
Governmental	21	24	(3)	(13)	
Total retail	146	159	(13)	(8)	
Sales for resale					
Associated companies	13	28	(15)	(54)	
Non-associated companies	-	1	(1)	(100)	
Other	-	2	(2)	(100)	
Total	\$159	\$190	\$(31)	(16)	
<b>Billed Electric Energy</b>					
<b>Sales (GWh):</b>					
Residential	549	469	80	17	
Commercial	525	506	19	4	
Industrial	148	148	-	-	
Governmental	228	216	12	6	
Total retail	1,450	1,339	111	8	
Sales for resale					
Associated companies	241	233	8	3	
Non-associated companies	2	6	(4)	(67)	
Total	1,693	1,578	115	7	
<b>Nine Months Ended</b>					
Description	2009		2008	Increase/ (Decrease)	%
(Dollars In Millions)					
<b>Electric Operating Revenues:</b>					
Residential	\$129	\$132	\$(3)	(2)	
Commercial	126	147	(21)	(14)	
Industrial	28	36	(8)	(22)	
Governmental	52	59	(7)	(12)	
Total retail	335	374	(39)	(10)	
Sales for resale					
Associated companies	64	133	(69)	(52)	
Non-associated companies	-	1	(1)	(100)	
Other	6	17	(11)	(65)	
Total	\$405	\$525	(120)	(23)	

Explanation of Responses:

Billed Electric Energy				
Sales (GWh):				
Residential	1,219	1,098	121	11
Commercial	1,370	1,366	4	-
Industrial	395	418	(23 )	(6 )
Governmental	600	585	15	3
Total retail	3,584	3,467	117	3
Sales for resale				
Associated companies	1,106	1,037	69	7
Non-associated companies	11	16	(5 )	(31 )
Total	4,701	4,520	181	4

ENTERGY TEXAS, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Hurricane Ike and Hurricane Gustav

See the Form 10-K for a discussion of Hurricane Ike, which caused catastrophic damage to Entergy Texas' service territory in September 2008. In April 2009 a law was enacted in Texas that authorizes recovery of these types of costs by securitization. Entergy Texas filed its storm cost recovery case with the PUCT in April 2009 seeking a determination that \$577.5 million of Hurricane Ike and Hurricane Gustav restoration costs are recoverable, including estimated costs for work to be completed. On August 5, 2009, Entergy Texas submitted to the ALJ an unopposed settlement agreement to resolve all issues in the storm cost recovery case. Under the terms of the agreement \$566.4 million, plus carrying costs, are eligible for recovery. Insurance proceeds will be credited as an offset to the securitized amount. Of the \$11.1 million difference between Entergy Texas' request and the amount agreed to, which is part of the black box agreement and not directly attributable to any specific individual issues raised, \$6.8 million is operation and maintenance expense for which Entergy Texas recorded a charge in the second quarter 2009. The remaining \$4.3 million was recorded as utility plant. The PUCT approved the settlement in August 2009, and in September 2009 the PUCT approved recovery of the costs, plus carrying costs, by securitization.

In the third quarter 2009, Entergy settled with its insurer on its Hurricane Ike claim and Entergy Texas received \$75.5 million in proceeds (Entergy received a total of \$76.5 million).

In November 2009, Entergy Texas Restoration Funding, LLC (Entergy Texas Restoration Funding), a company wholly-owned and consolidated by Entergy Texas, issued \$545.9 million of senior secured transition bonds (securitization bonds). With the proceeds, Entergy Texas Restoration Funding 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. Entergy Texas expects use the proceeds to reduce debt. See Note 4 to the financial statements for additional information regarding the securitization bonds.

Results of Operations

Net Income

Third Quarter 2009 Compared to Third Quarter 2008

Net income increased by \$15.3 million primarily due to higher net revenue and higher other income, partially offset by higher other operation and maintenance expenses and higher interest and other charges.

Nine Months Ended September 30, 2009 Compared to Nine Months Ended September 30, 2008

Net income decreased slightly by \$2.4 million primarily due to higher other operation and maintenance expenses and higher interest and other charges, substantially offset by higher net revenue and higher other income.

Net Revenue

Third Quarter 2009 Compared to Third Quarter 2008



Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses and 3) other regulatory charges. Following is an analysis of the change in net revenue comparing the third quarter 2009 to the third quarter 2008.

143

---

	Amount (In Millions)
2008 net revenue	\$116.4
Volume/weather	19.0
Net wholesale revenue	8.2
Retail electric price	6.7
Other	2.9
2009 net revenue	\$153.2

The volume/weather variance is primarily due to an increase in unbilled sales volume, including the effects of Hurricane Ike which decreased sales volume in 2008, and the effect of more favorable weather during the billed sales period.

The net wholesale revenue variance is primarily due to increased volume to municipal and co-op customers.

The retail electric price variance is primarily due to rate increases effective late-January 2009. See Note 2 to the financial statements for further discussion of the rate increases.

#### Gross operating revenues and fuel and purchased power expenses

Gross operating revenues decreased primarily due to a decrease of \$175.3 million in fuel cost recovery revenues primarily attributable to lower fuel rates and interim fuel refunds to customers for fuel cost recovery over-collections through March 2009, and a decrease in affiliated wholesale revenue of \$32.7 million due to a decrease in the average price of energy available for resale sale. The refund was distributed over a three-month period beginning July 2009. The interim fuel refund and the PUCT approval is discussed in Note 2 to the financial statements.

Fuel and purchased power expenses decreased primarily due to decreases in the average market prices of natural gas and purchased power.

#### Nine Months Ended September 30, 2009 Compared to Nine Months Ended September 30, 2008

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses and 3) other regulatory charges. Following is an analysis of the change in net revenue comparing the nine months ended September 30, 2009 to the nine months ended September 30, 2008.

	Amount (In Millions)
2008 net revenue	\$334.3
Volume/weather	18.6
Retail electric price	17.6
Net wholesale revenue	10.5

Rough production cost equalization	(18.6)
Reserve equalization	(7.7)
Other	6.2
2009 net revenue	\$360.9

The volume/weather variance is primarily due to an increase in unbilled sales volume, including the effects of Hurricane Ike which decreased sales volume in 2008.

The retail electric price variance is primarily due to rate increases effective late-January 2009. See Note 2 to the financial statements for further discussion of the rate increases.

The net wholesale revenue variance is primarily due to increased volume to municipal and co-op customers.

As discussed further in Note 2 to the financial statements, the rough production cost equalization variance is due to an additional \$18.6 million allocation of 2007 rough production cost equalization receipts ordered by the PUCT to Texas retail customers over what was originally allocated to Entergy Texas prior to the jurisdictional separation of Entergy Gulf States, Inc. into Entergy Gulf States Louisiana and Entergy Texas, effective December 2007.

The reserve equalization variance is primarily due to increased reserve equalization expense related to changes in the Entergy System generation mix compared to the same period in 2008.

Gross operating revenues, fuel and purchased power expenses, and other regulatory charges

Gross operating revenues decreased primarily due to a decrease of \$227.3 million in fuel cost recovery revenues primarily attributable to lower fuel rates and a decrease in affiliated wholesale revenue of \$156.6 million due to a decrease in the average price of energy available for resale sales.

Fuel and purchased power expenses decreased primarily due to decreases in the average market prices of natural gas and purchased power, partially offset by an increase in deferred fuel expense due to fuel and purchased power expense decreases in excess of lower fuel cost recovery revenues.

Other regulatory charges increased primarily due to rough production cost equalization charges as described above.

Other Income Statement Variances

Third Quarter 2009 Compared to Third Quarter 2008

Other operation and maintenance expenses increased primarily due to an increase of \$3.4 million in fossil expenses primarily due to higher plant maintenance costs and plant outages and an increase of \$2.9 million in transmission spending for transmission equalization expenses and costs related to the Independent Coordinator of Transmission.

Other income increased primarily due to carrying charges on Hurricane Ike storm restoration costs as authorized by Texas legislation in the second quarter 2009, partially offset by a decrease in taxes collected on advances for transmission projects which is offset in income tax expense. See Note 2 to the financial statements for further discussion of Hurricane Ike storm cost recovery filings.

Interest expense increased primarily due to an increase in long-term debt outstanding as a result of the issuance of \$500 million of 7.125% Series Mortgage Bonds in January 2009 and the issuance of \$150 million of 7.875% Series Mortgage Bonds in May 2009.

Nine Months Ended September 30, 2009 Compared to Nine Months Ended September 30, 2008

Other operation and maintenance expenses increased primarily due to:

- an increase of \$7.6 million in fossil expenses primarily due to higher plant maintenance costs and plant outages;
- an increase of \$6.8 million due to the Hurricane Ike and Hurricane Gustav storm cost recovery settlement agreement, as discussed above under Hurricane Ike and Hurricane Gustav;
- an increase of \$4.6 million in transmission spending for transmission equalization expenses and costs related to the Independent Coordinator of Transmission;

Explanation of Responses:

- an increase of \$2.0 million in customer service costs primarily as a result of write-offs of uncollectible customer accounts;

145

---

- an increase of \$1.8 million in legal spending due to increased litigation and legal fees; and
- an increase of \$1.6 million in local easement fees as the result of higher gross revenues in certain locations within the Texas jurisdiction.

Other income increased primarily due to carrying charges on Hurricane Ike storm restoration costs as authorized by Texas legislation in the second quarter 2009, partially offset by a decrease in taxes collected on advances for transmission projects and a decrease in interest earned on money pool investments. See Note 2 to the financial statements for further discussion of Hurricane Ike storm cost recovery filings.

Interest and other charges increased primarily due to an increase in long-term debt outstanding as a result of the issuance of \$500 million of 7.125% Series Mortgage Bonds in January 2009 and the issuance of \$150 million of 7.875% Series Mortgage Bonds in May 2009, and higher interest on deferred fuel costs.

#### Income Taxes

The effective income tax rate was 35.6% for the third quarter 2009 and 38.6% for the nine months ended September 30, 2009. The difference in the effective income tax rate for the nine months ended September 30, 2009 versus the federal statutory rate of 35% is primarily due to state income taxes and book and tax differences related to utility plant items, partially offset by book and tax differences related to the allowance for equity funds used during construction and the amortization of investment tax credits.

The effective income tax rate was 37.5% for the third quarter 2008 and 37.4% for the nine months ended September 30, 2008. The difference in the effective income tax rate for the third quarter 2008 versus the federal statutory rate of 35% is primarily due to state income taxes. The difference in the effective income tax rate for the nine months ended September 30, 2008 versus the federal statutory rate of 35% is primarily due to state income taxes, partially offset by the amortization of investment tax credits.

#### Liquidity and Capital Resources

##### Cash Flow

Cash flows for the nine months ended September 30, 2009 and 2008 were as follows:

	2009	2008
	(In Thousands)	
Cash and cash equivalents at beginning of period	\$2,239	\$297,082
Cash flow provided by (used in):		
Operating activities	46,255	26,804
Investing activities	(156,231)	(50,648)
Financing activities	243,169	(221,521)
Net increase (decrease) in cash and cash equivalents	133,193	(245,365)
Cash and cash equivalents at end of period	\$135,432	\$51,717

### Operating Activities

Cash flow provided by operating activities increased \$19.5 million for the nine months ended September 30, 2009 compared to the nine months ended September 30, 2008 primarily due to increased recovery of deferred fuel costs, the timing of collection of receivables from customers, and a decrease of \$16.6 million in pension contributions, substantially offset by Hurricane Ike restoration spending. The increased fuel recovery was primarily caused by the \$71 million fuel cost over-recovery refund in 2008 that is discussed in Note 2 to the financial statements in the Form 10-K, in addition to the over-recovery of fuel costs in 2009 compared to 2008.

146

---

## Investing Activities

Net cash flow used in investing activities increased \$105.6 million for the nine months ended September 30, 2009 compared to the nine months ended September 30, 2008 primarily due to money pool activity, partially offset by higher construction expenditures in 2008 due to Hurricane Ike and insurance proceeds received in 2009 relating to Hurricane Ike. Increases in Entergy Texas' receivable from the money pool are a use of cash flow, and Entergy Texas' receivable from the money pool increased by \$46.4 million for the nine months ended September 30, 2009 compared to decreasing by \$124.8 million for the nine months ended September 30, 2008. The money pool is an inter-company borrowing arrangement designed to reduce the Utility subsidiaries' need for external short-term borrowings.

## Financing Activities

Financing activities provided cash of \$243.2 million for the nine months ended September 30, 2009 compared to using cash of \$221.5 million for the nine months ended September 30, 2008 primarily due to:

- the issuance of \$500 million of 7.125% Series Mortgage Bonds in January 2009;
- the issuance of \$150 million of 7.875% Series Mortgage Bonds in May 2009;
- \$150 million of capital returned to Entergy Corporation in February 2008 as discussed in the Form 10-K; and
- the retirement of \$80 million of long-term debt in 2009 compared to \$159.2 million in 2008.

The cash provided was partially offset by:

- the repayment of \$100 million outstanding on Entergy Texas' credit facility in February 2009 as compared to borrowings of \$100 million on Entergy Texas' credit facility in 2008;
- the repayment of Entergy Texas' \$160 million note payable from Entergy Corporation in January 2009; and
- money pool activity.

Decreases in Entergy Texas' payable to the money pool are a use of cash flow, and Entergy Texas' payable to the money pool decreased by \$50.8 million for the nine months ended September 30, 2009.

## Capital Structure

Entergy Texas' capitalization is balanced between equity and debt, as shown in the following table. The increase in the debt to capital ratio for Entergy Texas as of September 30, 2009 is primarily due to the issuance of \$500 million 7.125% Series Mortgage Bonds in January 2009 and the issuance of \$150 million 7.875% Series Mortgage Bonds in May 2009, partially offset by the repayment of Entergy Texas' \$160 million note payable from Entergy Corporation in January 2009, the repayment of \$100 million outstanding on Entergy Texas' credit facility in February 2009, and the retirement of \$80 million of long-term debt prior to maturity.

	September 30, 2009	December 31, 2008
Net debt to net capital	61.6 %	59.9%
E f f e c t o f subtracting cash from debt	2.0%	0.0%



Debt to capital	63.6%	59.9%
-----------------	-------	-------

Net debt consists of debt less cash and cash equivalents. Debt consists of notes payable and long-term debt, including the currently maturing portion and also including the debt assumption liability. Capital consists of debt and shareholder's equity. Net capital consists of capital less cash and cash equivalents. Entergy Texas uses the net debt to net capital ratio in analyzing its financial condition and believes it provides useful information to its investors and creditors in evaluating Entergy Texas' financial condition.

Uses and Sources of Capital

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources" in the Form 10-K for a discussion of Entergy Texas' uses and sources of capital. Entergy Texas is developing its capital plan for 2010 through 2012 and currently anticipates making \$620 million in capital investments during that period, including approximately \$323 million for maintenance of existing assets. The remaining \$297 million is associated with specific investments such as environmental compliance spending, plant upgrades, transmission upgrades and system improvements, and other investments. Following are additional updates to the information provided in the Form 10-K.

Entergy Texas' receivables from or (payables to) the money pool were as follows:

September 30, 2009	December 31, 2008	September 30, 2008	December 31, 2007
(In Thousands)			
\$46,412	(\$50,794)	\$29,416	\$154,176

See Note 4 to the financial statements in the Form 10-K for a description of the money pool.

As discussed in the Form 10-K, Entergy Texas has a credit facility in the amount of \$100 million scheduled to expire in August 2012. No borrowings were outstanding under the facility as of September 30, 2009.

In December 2008, Entergy Texas borrowed \$160 million from its parent company, Entergy Corporation, under a \$300 million revolving credit facility pursuant to an Inter-Company Credit Agreement between Entergy Corporation and Entergy Texas. This borrowing would have matured on December 3, 2013. Entergy Texas used the proceeds, together with other available corporate funds, to pay at maturity the portion of the \$350 million Floating Rate series of first mortgage bonds due December 2008 that had been assumed by Entergy Texas, and that bond series is no longer outstanding. In January 2009, Entergy Texas repaid its \$160 million note payable to Entergy Corporation with the proceeds from the bond issuance discussed below.

In January 2009, Entergy Texas issued \$500 million of 7.125% Series Mortgage Bonds due February 2019. Entergy Texas used a portion of the proceeds to repay its \$160 million note payable to Entergy Corporation, to repay the \$100 million outstanding on its credit facility, to repay short-term borrowings under the Entergy System money pool, and to repay prior to maturity Entergy Texas' obligations related to the following debt series pursuant to the debt assumption agreement with Entergy Gulf States Louisiana:

Governmental Bonds share assumed under debt assumption agreement:	Amount
	(In Thousands)
6.75% Series due 2012, Calcasieu Parish	\$22,115
	\$7,990

6.7% Series due 2013, Point Coupee Parish	
7.0% Series due 2015, West Feliciana Parish	\$22,400
6.6% Series due 2028, West Feliciana Parish	\$18,320

Entergy Texas used the remaining proceeds for other general corporate purposes.

In May 2009, Entergy Texas issued \$150 million of 7.875% Series Mortgage Bonds due June 2039. Entergy Texas intends to use the proceeds to repay on or prior to maturity Entergy Texas' obligation related to the \$100,509,000 of Floating Rate Series Mortgage Bonds due December 2009 pursuant to the debt assumption agreement with Entergy Gulf States Louisiana and for other general corporate purposes. A portion of the net proceeds were used to repay borrowings from the Entergy System money pool and invested in temporary cash investments and the Entergy System money pool.

#### Pension Contributions

See the "Critical Accounting Estimates - Qualified Pension and Other Postretirement Benefits - Costs and Funding" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for an update to the Form 10-K discussion on pension contributions.

#### Transition to Retail Competition in Texas

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Transition to Retail Competition in Texas" in the Form 10-K for a discussion of electric restructuring activity that involves Entergy Texas. In June 2009, a law was enacted in Texas that requires Entergy Texas to cease all activities relating to Entergy Texas' transition to competition. The law allows Entergy Texas to remain a part of the SERC Region, although it does not prevent Entergy Texas from joining the Southwest Power Pool. The law provides that any further proceedings to certify a power region that Entergy Texas belongs to as a qualified power region can be initiated by the PUCT, or on motion by another party, when the conditions supporting such a proceeding exist. Under the new law, the PUCT may not approve a transition to competition plan for Entergy Texas until the expiration of four years from the PUCT's certification of Entergy Texas' power region. In response to the new law, Entergy Texas in June 2009 gave notice to the PUCT of the withdrawal of its transition to competition plan, and requested that its transition to competition proceeding be dismissed. In July 2009 the ALJ dismissed the proceeding.

The new law also contains provisions that allow Entergy Texas to be included in a cost recovery mechanism that permits annual filings for the recovery of reasonable and necessary expenditures for transmission infrastructure improvement and changes in wholesale transmission charges. This mechanism was previously available to other non-ERCOT Texas utility companies, but not to Entergy Texas.

The new law further amends already existing law that had required Entergy Texas to propose for PUCT approval a tariff to allow eligible customers the ability to contract for competitive generation. The amending language in the new law provides, among other things, that: 1) the tariff shall not be implemented in a manner that harms the sustainability or competitiveness of manufacturers who choose not to participate in the tariff; 2) Entergy Texas shall "purchase competitive generation service, selected by the customer, and provide the generation at retail to the customer"; and 3) Entergy Texas shall provide and price transmission service and ancillary services under that tariff at a rate that is unbundled from its cost of service. The new law directs that the PUCT may not issue an order on the tariff that is contrary to an applicable decision, rule, or policy statement of a federal regulatory agency having jurisdiction. Entergy Texas has thus far not made a filing with the PUCT in response to the newly adopted law addressing the tariff. The new law provides that the PUCT shall approve, reject, or modify the proposed tariff not later than September 1, 2010.

#### State and Local Rate Regulation

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - State and Local Rate Regulation" in the Form 10-K for a discussion of state and local rate regulation. Following are updates to that discussion.

#### PUCT Proceedings

In January 2008, Entergy Texas made a compliance filing with the PUCT describing how its 2007 Rough Production Cost Equalization receipts under the System Agreement were allocated between Entergy Gulf States, Inc.'s Texas and Louisiana jurisdictions. A hearing was held at the end of July 2008, and in October 2008 the ALJ issued a proposal for decision recommending an additional \$18.6 million allocation to Texas retail customers. The PUCT adopted the

ALJ's proposal for decision in December 2008. Because the PUCT allocation to Texas retail customers is inconsistent with the LPSC allocation to Louisiana retail customers, the PUCT's decision would result in trapped costs between the Texas and

Louisiana jurisdictions with no mechanism for recovery. The PUCT denied Entergy Texas' motion for rehearing and Entergy Texas commenced proceedings in both state and federal district courts seeking to reverse the PUCT's decision. On May 12, 2009, certain defendants, in their official capacities as Commissioners of the PUCT, filed a motion to dismiss Entergy Texas' pending complaint before the U.S. District Court for the Western District of Texas. The federal proceeding, including a ruling on the motion to dismiss, has been abated pending further action by the FERC in the proceeding discussed below.

Entergy Texas also filed with the FERC a proposed amendment to the System Agreement bandwidth formula to specifically calculate the payments to Entergy Gulf States Louisiana and Entergy Texas of Entergy Gulf States, Inc.'s rough production cost equalization receipts for 2007. On May 8, 2009, the FERC issued an order rejecting the proposed amendment, stating, among other things, that the FERC does not have jurisdiction over the allocation of an individual utility's receipts/payments among or between its retail jurisdictions and that this was a matter for the courts to review in the pending proceedings noted above. Because of the FERC's order, Entergy Texas recorded the effects of the PUCT's allocation of the additional \$18.6 million to retail customers in the second quarter 2009. On an after-tax basis, the charge to earnings was approximately \$13.0 million (including interest). Entergy requested rehearing of the FERC's order, and on July 8, 2009, the FERC granted the request for rehearing for the limited purpose of affording more time for consideration of Entergy's request.

In May 2009, Entergy Texas filed with the PUCT a request to refund \$46.1 million, including interest, of fuel cost recovery over-collections through February 2009. Entergy Texas requested that the proposed refund be made over a four-month period beginning June 2009. Pursuant to a stipulation among the various parties, in June 2009 the PUCT issued an order approving a refund of \$59.2 million, including interest, of fuel cost recovery overcollections through March 2009. The refund was made over a three-month period beginning July 2009.

As discussed in the Form 10-K, Entergy Texas made a rate filing in September 2007 with the PUCT requesting an annual rate increase totaling \$107.5 million, including a base rate increase of \$64.3 million and riders totaling \$43.2 million. On December 16, 2008, Entergy Texas filed a term sheet that reflected a settlement agreement that included the PUCT Staff and the other active participants in the rate case. On December 19, 2008, the ALJs approved Entergy Texas' request to implement interim rates reflecting the agreement. The agreement includes a \$46.7 million base rate increase, among other provisions. Under the ALJs' interim order, Entergy Texas implemented interim rates, subject to refund and surcharge, reflecting the rates established through the settlement. These rates became effective with bills rendered on and after January 28, 2009, for usage on and after December 19, 2008. In addition, the existing recovery mechanism for incremental purchased power capacity costs ceased as of January 28, 2009, with purchased power capacity costs then subsumed within the base rates set in this proceeding. Certain Texas municipalities exercised their original jurisdiction and took final action to approve rates consistent with the interim rates approved by the ALJs. In March 2009, the PUCT approved the settlement, which made the interim rates final, and this PUCT decision is now final and non-appealable.

In September 2009, Entergy Texas filed with the PUCT a request for a good cause exception to implement a power cost recovery factor to collect approximately \$26 million annually associated with a new purchased power contract with Entergy Arkansas that takes effect January 1, 2010. Entergy Texas proposes that the power cost recovery factor be approved beginning January 2010 and remain in place until the contract expires or new rates that include the cost of the contract are set after a general rate case, whichever is earlier. This matter is pending before the PUCT, and a procedural schedule has not been set. The ALJ suspended the effective date of the factor until March 22, 2010.

In October 2009, Entergy Texas filed with the PUCT a request to refund approximately \$71 million, including interest, of fuel cost recovery over-collections through September 2009. Entergy Texas requested that the proposed refund be made over a six-month period beginning January 2010. The matter is pending before the PUCT, and a

procedural schedule has not been set.

Entergy Texas plans to file a general rate case by the end of 2009.

150

---

#### Federal Regulation

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Federal Regulation" in the Form 10-K for a discussion of "System Agreement Proceedings," "Transmission," and "Interconnection Orders."

#### Industrial and Commercial Customers

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Industrial and Commercial Customers" in the Form 10-K for a discussion of industrial and commercial customers.

#### Environmental Risks

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Environmental Risks" in the Form 10-K for a discussion of environmental risks.

#### Critical Accounting Estimates

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Critical Accounting Estimates" in the Form 10-K for a discussion of the estimates and judgments necessary in Entergy Texas' accounting for the application of regulatory accounting principles, unbilled revenue, and qualified pension and other postretirement benefits.

#### Qualified Pension and Other Postretirement Benefits

See the "Critical Accounting Estimates - Qualified Pension and Other Postretirement Benefits - Costs and Funding" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for an update to the Form 10-K discussion on qualified pension and other postretirement benefits.

#### New Accounting Pronouncements

See "New Accounting Pronouncements" section of Entergy Corporation and Subsidiaries' Management's Financial Discussion and Analysis for a discussion of new accounting pronouncements.



ENTERGY TEXAS, INC. AND SUBSIDIARIES  
CONSOLIDATED INCOME STATEMENTS  
For the Three and Nine Months Ended September 30, 2009 and 2008  
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2009	2008	2009	2008
	(In Thousands)		(In Thousands)	
<b>OPERATING REVENUES</b>				
Electric	\$399,496	\$621,321	\$1,190,289	\$1,583,698
<b>OPERATING EXPENSES</b>				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	77,529	207,949	347,405	435,131
Purchased power	159,088	289,157	438,505	794,750
Other operation and maintenance	44,735	34,517	150,320	119,192
Decommissioning	49	46	145	137
Taxes other than income taxes	14,356	14,006	42,298	40,550
Depreciation and amortization	19,721	19,057	56,924	56,294
Other regulatory charges - net	9,691	7,826	43,478	19,523
<b>TOTAL</b>	<b>325,169</b>	<b>572,558</b>	<b>1,079,075</b>	<b>1,465,577</b>
<b>OPERATING INCOME</b>	<b>74,327</b>	<b>48,763</b>	<b>111,214</b>	<b>118,121</b>
<b>OTHER INCOME</b>				
Allowance for equity funds used during construction	1,042	563	4,561	1,541
Interest and dividend income	11,956	2,127	40,404	7,680
Miscellaneous - net	(658 )	3,968	336	15,068
<b>TOTAL</b>	<b>12,340</b>	<b>6,658</b>	<b>45,301</b>	<b>24,289</b>
<b>INTEREST AND OTHER CHARGES</b>				
Interest on long-term debt	25,854	17,280	71,801	55,787
Other interest - net	2,045	1,771	6,104	4,346
Allowance for borrowed funds used during construction	(482 )	(318 )	(2,201 )	(875 )
<b>TOTAL</b>	<b>27,417</b>	<b>18,733</b>	<b>75,704</b>	<b>59,258</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>59,250</b>	<b>36,688</b>	<b>80,811</b>	<b>83,152</b>
Income taxes	21,069	13,772	31,155	31,108
<b>NET INCOME</b>	<b>\$38,181</b>	<b>\$22,916</b>	<b>\$49,656</b>	<b>\$52,044</b>

See Notes to Financial Statements.



ENTERGY TEXAS, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the Nine Months Ended September 30, 2009 and 2008  
(Unaudited)

	2009	2008
	(In Thousands)	
<b>OPERATING ACTIVITIES</b>		
Net income	\$49,656	\$52,044
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Reserve for regulatory adjustments	-	285
Other regulatory charges - net	43,478	19,523
Depreciation, amortization, and decommissioning	57,069	56,431
Deferred income taxes, investment tax credits, and non-current taxes accrued	6,844	42,073
Changes in working capital:		
Receivables	182,852	35,134
Fuel inventory	(1,852 )	(227 )
Accounts payable	(113,033 )	85,084
Taxes accrued	(49,595 )	(15,657 )
Interest accrued	8,831	(1,246 )
Deferred fuel costs	93,449	(151,922 )
Other working capital accounts	(97,392 )	(26,404 )
Provision for estimated losses and reserves	(4,004 )	2,072
Changes in other regulatory assets	(167,389 )	76,315
Other	37,341	(146,701 )
Net cash flow provided by operating activities	46,255	26,804
<b>INVESTING ACTIVITIES</b>		
Construction expenditures	(138,916 )	(176,218 )
Allowance for equity funds used during construction	4,561	1,541
Insurance proceeds	32,895	1,420
Change in money pool receivable - net	(46,412 )	124,760
Changes in transition charge account	(8,359 )	(2,151 )
Net cash flow used in investing activities	(156,231 )	(50,648 )
<b>FINANCING ACTIVITIES</b>		
Proceeds from the issuance of long-term debt	637,341	-
Return of capital to parent	-	(150,000 )
Retirement of long-term debt	(79,978 )	(159,232 )
Changes in money pool payable - net	(50,794 )	-
Repayment of loan from Entergy Corporation	(160,000 )	-
Changes in credit borrowings - net	(100,000 )	100,000
Dividends paid:		
Common stock	(3,400 )	(12,000 )
Other	-	(289 )
Net cash flow provided by (used in) financing activities	243,169	(221,521 )

Edgar Filing: EDISON INTERNATIONAL - Form 4

Net increase (decrease) in cash and cash equivalents	133,193	(245,365 )
Cash and cash equivalents at beginning of period	2,239	297,082
Cash and cash equivalents at end of period	\$ 135,432	\$ 51,717
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest - net of amount capitalized	\$66,330	\$58,645
Income taxes	\$6,000	\$7,293
See Notes to Financial Statements.		

ENTERGY TEXAS, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS

ASSETS

September 30, 2009 and December 31, 2008

(Unaudited)

2009                  2008  
(In Thousands)

CURRENT ASSETS

Cash and cash equivalents:

Cash	\$204	\$2,201
Temporary cash investments	135,228	38
Total cash and cash equivalents	135,432	2,239
Securitization recovery trust account	20,421	12,062
Accounts receivable:		
Customer	49,798	82,583
Allowance for doubtful accounts	(977 )	(1,001 )
Associated companies	154,579	258,629
Other	8,679	14,122
Accrued unbilled revenues	36,076	30,262
Total accounts receivable	248,155	384,595
Deferred fuel costs	-	21,179
Accumulated deferred income taxes	67,653	88,611
Fuel inventory - at average cost	59,497	57,645
Materials and supplies - at average cost	31,066	36,329
Prepayments and other	38,297	12,785
TOTAL	600,521	615,445

OTHER PROPERTY AND INVESTMENTS

Investments in affiliates - at equity	830	845
Non-utility property - at cost (less accumulated depreciation)	1,569	1,788
Other	16,130	17,451
TOTAL	18,529	20,084

UTILITY PLANT

Electric	3,120,338	2,912,972
Construction work in progress	87,284	221,387
TOTAL UTILITY PLANT	3,207,622	3,134,359
Less - accumulated depreciation and amortization	1,131,705	1,104,116
UTILITY PLANT - NET	2,075,917	2,030,243

DEFERRED DEBITS AND OTHER ASSETS

Regulatory assets:		
Regulatory asset for income taxes - net	87,178	84,997
Other regulatory assets	1,076,436	1,117,257
Long-term receivables	559	559
Other	55,539	116,186

TOTAL	1,219,712	1,318,999
TOTAL ASSETS	\$3,914,679	\$3,984,771

See Notes to Financial Statements.

ENTERGY TEXAS, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
LIABILITIES AND SHAREHOLDER'S EQUITY  
September 30, 2009 and December 31, 2008  
(Unaudited)

	2009	2008
	(In Thousands)	
<b>CURRENT LIABILITIES</b>		
Currently maturing portion of debt assumption liability	\$ 156,425	\$ 100,509
Accounts payable:		
Associated companies	55,081	144,662
Other	57,835	342,449
Customer deposits	40,174	40,589
Taxes accrued	-	49,595
Interest accrued	30,933	22,102
Deferred fuel costs	72,270	-
Pension and other postretirement liabilities	1,269	1,269
System agreement cost equalization	139,820	214,315
Other	-	4,551
<b>TOTAL</b>	<b>553,807</b>	<b>920,041</b>
<b>NON-CURRENT LIABILITIES</b>		
Accumulated deferred income taxes and taxes accrued	745,858	756,996
Accumulated deferred investment tax credits	22,931	24,128
Other regulatory liabilities	20,257	-
Asset retirement cost liabilities	3,395	3,250
Accumulated provisions	8,932	12,936
Pension and other postretirement liabilities	81,487	91,316
Note payable to Entergy Corporation	-	160,000
Long-term debt - assumption liability	542,721	669,462
Other long-term debt	952,352	414,906
Other	36,534	31,587
<b>TOTAL</b>	<b>2,414,467</b>	<b>2,164,581</b>
Commitments and Contingencies		
<b>SHAREHOLDER'S EQUITY</b>		
Common stock, no par value, authorized 200,000,000 shares; issued and outstanding 46,525,000 shares in 2009 and 2008	49,452	49,452
Paid-in capital	481,994	481,994
Retained earnings	414,959	368,703
<b>TOTAL</b>	<b>946,405</b>	<b>900,149</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>\$3,914,679</b>	<b>\$3,984,771</b>

See Notes to Financial Statements.





ENTERGY TEXAS, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF RETAINED EARNINGS AND PAID-IN CAPITAL  
For the Three and Nine Months Ended September 30, 2009 and 2008  
(Unaudited)

	Three Months Ended	
	2009	2008
	(In Thousands)	
<b>RETAINED EARNINGS</b>		
Retained Earnings - Beginning of period	\$379,478	\$339,936
<b>Add:</b>		
Net Income	38,181	22,916
	38,181	22,916
<b>Deduct:</b>		
Dividends declared on common stock	2,700	-
Retained Earnings - End of period	\$414,959	\$362,852
<b>PAID-IN CAPITAL</b>		
Paid-in Capital - Beginning of period	\$481,994	\$481,994
<b>Deduct:</b>		
Return of capital to parent	-	-
Paid-in capital - End of period	\$481,994	\$481,994
<b>RETAINED EARNINGS</b>		
Retained Earnings - Beginning of period	\$368,703	\$322,808
<b>Add:</b>		
Net Income	49,656	52,044
	49,656	52,044
<b>Deduct:</b>		
Dividends declared on common stock	3,400	12,000
Retained Earnings - End of period	\$414,959	\$362,852
<b>PAID-IN CAPITAL</b>		
Paid-in Capital - Beginning of period	\$481,994	\$631,994
<b>Deduct:</b>		

Return of capital to parent	-	(150,000 )
Paid-in capital - End of period	\$481,994	\$481,994
See Notes to Financial Statements.		

ENTERGY TEXAS, INC. AND SUBSIDIARIES  
 SELECTED OPERATING RESULTS  
 For the Three and Nine Months Ended September 30, 2009 and 2008  
 (Unaudited)

Description	Three Months Ended		Increase/ (Decrease)	%	
	2009	2008			
(Dollars In Millions)					
<b>Electric Operating Revenues:</b>					
Residential	\$157	\$212	\$(55 )	(26 )	
Commercial	70	125	(55 )	(44 )	
Industrial	58	145	(87 )	(60 )	
Governmental	4	7	(3 )	(43 )	
Total retail	289	489	(200 )	(41 )	
Sales for resale					
Associated companies	106	139	(33 )	(24 )	
Non-associated companies	4	2	2	100	
Other	-	(9 )	9	100	
Total	\$399	\$621	\$(222 )	(36 )	
<b>Billed Electric Energy</b>					
<b>Sales (GWh):</b>					
Residential	1,902	1,727	175	10	
Commercial	1,228	1,180	48	4	
Industrial	1,482	1,575	(93 )	(6 )	
Governmental	73	66	7	11	
Total retail	4,685	4,548	137	3	
Sales for resale					
Associated companies	1,198	1,130	68	6	
Non-associated companies	93	23	70	304	
Total	5,976	5,701	275	5	
<b>Nine Months Ended</b>					
Description	2009		2008	Increase/ (Decrease)	%
(Dollars In Millions)					
<b>Electric Operating Revenues:</b>					
Residential	\$416	\$472	\$(56 )	(12 )	
Commercial	254	313	(59 )	(19 )	
Industrial	249	383	(134 )	(35 )	
Governmental	16	20	(4 )	(20 )	
Total retail	935	1,188	(253 )	(21 )	
Sales for resale					
Associated companies	221	377	(156 )	(41 )	
Non-associated companies	6	7	(1 )	(14 )	
Other	28	12	16	133	
Total	\$1,190	\$1,584	\$(394 )	(25 )	

Billed Electric Energy				
Sales (GWh):				
Residential	4,243	4,171	72	2
Commercial	3,150	3,165	(15 )	-
Industrial	4,191	4,726	(535 )	(11 )
Governmental	194	189	5	3
Total retail	11,778	12,251	(473 )	(4 )
Sales for resale				
Associated companies	3,041	3,105	(64 )	(2 )
Non-associated companies	134	73	61	84
Total	14,953	15,429	(476 )	(3 )

## SYSTEM ENERGY RESOURCES, INC.

## MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

## Results of Operations

System Energy's principal asset consists of a 90% ownership and leasehold interest in Grand Gulf. The capacity and energy from its 90% interest is sold under the Unit Power Sales Agreement to its only four customers, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans. System Energy's operating revenues are derived from the allocation of the capacity, energy, and related costs associated with its 90% interest in Grand Gulf pursuant to the Unit Power Sales Agreement. Payments under the Unit Power Sales Agreement are System Energy's only source of operating revenues.

Net income remained relatively flat, decreasing \$0.4 million for the third quarter 2009 compared to the third quarter 2008, and increasing \$2.0 million for the nine months ended September 30, 2009 compared to the nine months ended September 30, 2008.

## Liquidity and Capital Resources

## Cash Flow

Cash flows for the nine months ended September 30, 2009 and 2008 were as follows:

	2009	2008
	(In Thousands)	
Cash and cash equivalents at beginning of period	\$102,788	\$105,005
Cash flow provided by (used in):		
Operating activities	206,833	182,238
Investing activities	(67,745)	(79,376)
Financing activities	(92,277)	(72,001)
Net increase in cash and cash equivalents	46,811	30,861
Cash and cash equivalents at end of period	\$149,599	\$135,866

## Operating Activities

Net cash provided by operating activities increased \$24.6 million for the nine months ended September 30, 2009 compared to the nine months ended September 30, 2008 primarily due to:

- a decrease of \$7.7 million in income tax payments;
- a decrease of \$4.6 million in interest payments; and
- the timing of payments to vendors.



## Investing Activities

Net cash used in investing activities decreased \$11.6 million for the nine months ended September 30, 2009 compared to the nine months ended September 30, 2008 primarily due to money pool activity, partially offset by an increase in construction expenditures related to dry fuel storage, security projects, and new nuclear spending. Increases in System Energy's receivable from the money pool are a use of cash flow, and System Energy's receivable from the money pool increased by \$2 million for the nine months ended September 30, 2009 compared to an increase of \$20 million for the nine months ended September 30, 2008. The money pool is an inter-company borrowing arrangement designed to reduce the Utility subsidiaries' need for external short-term borrowings.

## Financing Activities

Net cash used in financing activities increased \$20.3 million for the nine months ended September 30, 2009 compared to the nine months ended September 30, 2008 primarily due to an increase in dividends paid on common stock.

## Capital Structure

System Energy's capitalization is balanced between equity and debt, as shown in the following table.

	September 30, 2009	December 31, 2008
Net debt to net capital	44.2%	48.2%
Effect of subtracting cash from debt	4.9%	3.0%
Debt to capital	49.1%	51.2%

Net debt consists of debt less cash and cash equivalents. Debt consists of notes payable, capital lease obligations, and long-term debt, including the currently maturing portion. Capital consists of debt and common shareholder's equity. Net capital consists of capital less cash and cash equivalents. System Energy uses the net debt to net capital ratio in analyzing its financial condition and believes it provides useful information to its investors and creditors in evaluating System Energy's financial condition.

## Uses and Sources of Capital

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources" in the Form 10-K for a discussion of System Energy's uses and sources of capital. System Energy is developing its capital plan for 2010 through 2012 and currently anticipates making \$541 million in capital investments during that period, including approximately \$49 million for maintenance of existing assets. The remaining \$492 million is associated with specific investments such as the Grand Gulf power uprate project. The following are updates to the Form 10-K.

In May 2009, 364-day letters of credit in the aggregate amount of approximately \$179 million were issued pursuant to System Energy's short-term borrowing authority to the owner participants in System Energy's 1988 sale and leaseback of interests in Grand Gulf.

As discussed in the Form 10-K as a potential use of capital, System Energy plans a 178 MW uprate of the Grand Gulf nuclear plant. The project is expected to cost \$575 million. On May 22, 2009, a petition and supporting testimony were filed at the MPSC requesting a Certificate of Public Convenience and Necessity for implementation of the uprate. The City Council is the only party that has intervened in the case. A hearing was held on October 29, 2009.



System Energy's receivables from the money pool were as follows:

September 30, 2009	December 31, 2008	September 30, 2008	December 31, 2007
	(In Thousands)		
\$44,879	\$42,915	\$73,614	\$53,620

See Note 4 to the financial statements in the Form 10-K for a description of the money pool.

#### Pension Contributions

See the "Critical Accounting Estimates - Qualified Pension and Other Postretirement Benefits - Costs and Funding" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for an update to the Form 10-K discussion on pension contributions.

#### Nuclear Matters

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Nuclear Matters" in the Form 10-K for a discussion of nuclear matters.

#### Environmental Risks

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Environmental Risks" in the Form 10-K for a discussion of environmental risks.

#### Critical Accounting Estimates

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Critical Accounting Estimates" in the Form 10-K for a discussion of the estimates and judgments necessary in System Energy's accounting for nuclear decommissioning costs and qualified pension and other postretirement benefits.

#### Nuclear Decommissioning Costs

In the second quarter 2009, System Energy recorded a revision to its estimated decommissioning cost liabilities for Grand Gulf as a result of a revised decommissioning cost study. The revised estimate resulted in a \$4.2 million reduction in its decommissioning liability, along with a corresponding reduction in the related regulatory asset.

#### Qualified Pension and Other Postretirement Benefits

See the "Critical Accounting Estimates - Qualified Pension and Other Postretirement Benefits - Costs and Funding" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for an update to the Form 10-K discussion on qualified pension and other postretirement benefits.

#### New Accounting Pronouncements

See "New Accounting Pronouncements" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for a discussion of new accounting pronouncements.

160

---

SYSTEM ENERGY RESOURCES, INC.  
INCOME STATEMENTS

For the Three and Nine Months Ended September 30, 2009 and 2008  
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2009	2008	2009	2008
	(In Thousands)		(In Thousands)	
<b>OPERATING REVENUES</b>				
Electric	\$ 148,789	\$ 142,045	\$ 406,548	\$ 384,783
<b>OPERATING EXPENSES</b>				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	16,152	11,315	47,480	34,619
Nuclear refueling outage expenses	4,811	4,256	14,398	12,669
Other operation and maintenance	32,020	30,712	90,485	87,709
Decommissioning	7,364	6,972	21,953	20,543
Taxes other than income taxes	6,032	6,068	18,538	10,097
Depreciation and amortization	42,212	36,427	94,373	87,504
Other regulatory credits - net	(3,263 )	(4,641 )	(13,744 )	(9,198 )
<b>TOTAL</b>	<b>105,328</b>	<b>91,109</b>	<b>273,483</b>	<b>243,943</b>
<b>OPERATING INCOME</b>	<b>43,461</b>	<b>50,936</b>	<b>133,065</b>	<b>140,840</b>
<b>OTHER INCOME</b>				
Allowance for equity funds used during construction	2,825	1,367	9,439	3,733
Interest and dividend income	2,683	2,134	4,239	8,346
Miscellaneous - net	(183 )	(116 )	(445 )	(404 )
<b>TOTAL</b>	<b>5,325</b>	<b>3,385</b>	<b>13,233</b>	<b>11,675</b>
<b>INTEREST AND OTHER CHARGES</b>				
Interest on long-term debt	12,798	16,065	35,154	39,348
Other interest - net	86	157	214	237
Allowance for borrowed funds used during construction	(950 )	(458 )	(3,167 )	(1,251 )
<b>TOTAL</b>	<b>11,934</b>	<b>15,764</b>	<b>32,201</b>	<b>38,334</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>36,852</b>	<b>38,557</b>	<b>114,097</b>	<b>114,181</b>
Income taxes	14,826	16,173	45,986	48,105
<b>NET INCOME</b>	<b>\$ 22,026</b>	<b>\$ 22,384</b>	<b>\$ 68,111</b>	<b>\$ 66,076</b>

See Notes to Financial Statements.



(Page left blank intentionally)

162

---

SYSTEM ENERGY RESOURCES, INC.  
STATEMENTS OF CASH FLOWS  
For the Nine Months Ended September 30, 2009 and 2008  
(Unaudited)

	2009	2008
	(In Thousands)	
<b>OPERATING ACTIVITIES</b>		
Net income	\$68,111	\$66,076
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Other regulatory credits - net	(13,744 )	(9,198 )
Depreciation, amortization, and decommissioning	116,326	108,047
Deferred income taxes, investment tax credits, and non-current taxes accrued	164,366	35,202
Changes in working capital:		
Receivables	(950 )	10,937
Accounts payable	8,616	2,846
Prepaid taxes	(132,362 )	-
Interest accrued	(15,847 )	(16,330 )
Other working capital accounts	7,320	(21,352 )
Provision for estimated losses and reserves	(99 )	(389 )
Changes in other regulatory assets	(9,558 )	4,390
Other	14,654	2,009
Net cash flow provided by operating activities	206,833	182,238
<b>INVESTING ACTIVITIES</b>		
Construction expenditures	(56,605 )	(43,099 )
Allowance for equity funds used during construction	9,439	3,733
Nuclear fuel purchases	-	(63,319 )
Proceeds from the sale/leaseback of nuclear fuel	-	63,322
Proceeds from nuclear decommissioning trust fund sales	338,124	344,772
Investment in nuclear decommissioning trust funds	(356,897 )	(364,791 )
Changes in money pool receivable - net	(1,964 )	(19,994 )
Other	158	-
Net cash flow used in investing activities	(67,745 )	(79,376 )
<b>FINANCING ACTIVITIES</b>		
Retirement of long-term debt	(28,440 )	(26,701 )
Dividends paid:		
Common stock	(60,800 )	(45,200 )
Other	(3,037 )	(100 )
Net cash flow used in financing activities	(92,277 )	(72,001 )
Net increase in cash and cash equivalents	46,811	30,861
Cash and cash equivalents at beginning of period	102,788	105,005
Cash and cash equivalents at end of period	\$149,599	\$135,866

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid during the period for:

Interest - net of amount capitalized	\$47,425	\$52,060
Income taxes	\$8,336	\$16,072

See Notes to Financial Statements.

SYSTEM ENERGY RESOURCES, INC.  
BALANCE SHEETS

ASSETS

September 30, 2009 and December 31, 2008

(Unaudited)

2009            2008  
(In Thousands)

CURRENT ASSETS

Cash and cash equivalents:

Cash	\$26	\$250
Temporary cash investments	149,573	102,538
Total cash and cash equivalents	149,599	102,788
Accounts receivable:		
Associated companies	93,084	91,119
Other	4,023	3,074
Total accounts receivable	97,107	94,193
Note receivable - Entergy New Orleans	25,560	-
Materials and supplies - at average cost	79,917	74,496
Deferred nuclear refueling outage costs	12,088	26,485
Prepaid taxes	207,141	74,779
Prepayments and other	2,649	993
<b>TOTAL</b>	<b>574,061</b>	<b>373,734</b>

OTHER PROPERTY AND INVESTMENTS

Decommissioning trust funds	314,574	268,822
Note receivable - Entergy New Orleans	-	25,560
<b>TOTAL</b>	<b>314,574</b>	<b>294,382</b>

UTILITY PLANT

Electric	3,314,854	3,314,473
Property under capital lease	479,933	479,933
Construction work in progress	175,144	122,952
Nuclear fuel under capital lease	88,424	125,416
Nuclear fuel	4,492	7,448
<b>TOTAL UTILITY PLANT</b>	<b>4,062,847</b>	<b>4,050,222</b>
Less - accumulated depreciation and amortization	2,287,826	2,206,780
<b>UTILITY PLANT - NET</b>	<b>1,775,021</b>	<b>1,843,442</b>

DEFERRED DEBITS AND OTHER ASSETS

Regulatory assets:		
Regulatory asset for income taxes - net	99,612	89,473
Other regulatory assets	300,377	333,389
Other	12,397	10,970
<b>TOTAL</b>	<b>412,386</b>	<b>433,832</b>

<b>TOTAL ASSETS</b>	<b>\$3,076,042</b>	<b>\$2,945,390</b>
---------------------	--------------------	--------------------

Explanation of Responses:



See Notes to Financial Statements.

164

---

SYSTEM ENERGY RESOURCES, INC.  
BALANCE SHEETS  
LIABILITIES AND SHAREHOLDER'S EQUITY  
September 30, 2009 and December 31, 2008  
(Unaudited)

	2009	2008
	(In Thousands)	
<b>CURRENT LIABILITIES</b>		
Currently maturing long-term debt	\$41,715	\$28,440
Accounts payable:		
Associated companies	2,159	2,723
Other	44,395	35,215
Accumulated deferred income taxes	4,079	9,645
Interest accrued	32,743	48,590
Obligations under capital leases	37,619	37,619
<b>TOTAL</b>	<b>162,710</b>	<b>162,232</b>
<b>NON-CURRENT LIABILITIES</b>		
Accumulated deferred income taxes and taxes accrued	540,799	365,134
Accumulated deferred investment tax credits	59,100	61,708
Obligations under capital leases	50,805	87,797
Other regulatory liabilities	210,911	197,051
Decommissioning	413,910	396,201
Accumulated provisions	1,926	2,025
Pension and other postretirement liabilities	68,995	72,008
Long-term debt	703,241	744,900
<b>TOTAL</b>	<b>2,049,687</b>	<b>1,926,824</b>
Commitments and Contingencies		
<b>SHAREHOLDER'S EQUITY</b>		
Common stock, no par value, authorized 1,000,000 shares; issued and outstanding 789,350 shares in 2009 and 2008	789,350	789,350
Retained earnings	74,295	66,984
<b>TOTAL</b>	<b>863,645</b>	<b>856,334</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>\$3,076,042</b>	<b>\$2,945,390</b>

See Notes to Financial Statements.

ENTERGY CORPORATION AND SUBSIDIARIES  
PART II. OTHER INFORMATION

Item 1. Legal Proceedings

See "PART I, Item 1, Litigation" in the Form 10-K for a discussion of legal, administrative, and other regulatory proceedings affecting Entergy, and also see "Item 5, Other Information, Environmental Regulation", below, for updates regarding environmental proceedings and regulation.

Ratepayer Lawsuits

Entergy New Orleans Fuel Adjustment Clause Litigation

See the Form 10-K for a discussion of the lawsuit filed by a group of ratepayers in April 1999 against Entergy New Orleans, Entergy Corporation, Entergy Services, and Entergy Power in state court in Orleans Parish purportedly on behalf of all Entergy New Orleans ratepayers, which currently remains pending, and the corresponding complaint filed with the City Council. In February 2004, the City Council approved a resolution that resulted in a refund to customers of \$11.3 million, including interest, during the months of June through September 2004. In May 2005 the Civil District Court for the Parish of Orleans affirmed the City Council resolution, finding no support for the plaintiffs' claim that the refund amount should be higher. In June 2005, the plaintiffs appealed the Civil District Court decision to the Louisiana Fourth Circuit Court of Appeal. On February 25, 2008, the Fourth Circuit Court of Appeal issued a decision affirming in part, and reversing in part, the Civil District Court's decision. Although the Fourth Circuit Court of Appeal did not reverse any of the substantive findings and conclusions of the City Council or the Civil District Court, the Fourth Circuit found that the amount of the refund was arbitrary and capricious and increased the amount of the refund to \$34.3 million. In April 2009 the Louisiana Supreme Court reversed the decision of the Louisiana Fourth Circuit Court of Appeal and reinstated the decision of the Civil District Court. On April 17, 2009, the plaintiffs requested rehearing by the Louisiana Supreme Court. On May 29, 2009, the Louisiana Supreme Court denied the request for rehearing.

Texas Power Price Lawsuit

See the Form 10-K for a discussion of the lawsuit filed in August 2003 in the district court of Chambers County, Texas by Texas residents purportedly on behalf of the Texas retail customers of Entergy Gulf States, Inc. who were billed and paid for electric power from January 1, 1994 to the present. The plaintiffs stated in their pleadings that customers in Texas were charged at least \$57 million above prevailing market prices for power. Plaintiffs seek actual, consequential and exemplary damages, costs and attorneys' fees, and disgorgement of profits. The plaintiffs' experts have tendered a report calculating damages in a large range, from \$153 million to \$972 million in present value, under various scenarios. The Entergy defendants have tendered expert reports challenging the assumptions, methodologies, and conclusions of the plaintiffs' expert reports. The case is pending in state district court.

Item 1A. Risk Factors

There have been no material changes to the risk factors discussed in "PART I, Item 1A, Risk Factors" in the Form 10-K.



## Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

## Issuer Purchases of Equity Securities (1)

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of a Publicly Announced Plan	Maximum \$ Amount of Shares that May Yet be Purchased Under a Plan (2)
7/01/2009-7/31/2009	355,000	\$79.44	355,000	\$581,424,514
8/01/2009-8/31/2009	4,335,000	\$79.90	4,335,000	\$235,070,434
9/01/2009-9/30/2009	2,990,000	\$79.79	2,990,000	\$-(3)
Total	7,680,000	\$-	7,680,000	

(1) In accordance with Entergy's stock-based compensation plans, Entergy periodically grants stock options to key employees, which may be exercised to obtain shares of Entergy's common stock. According to the plans, these shares can be newly issued shares, treasury stock, or shares purchased on the open market. Entergy's management has been authorized by the Board to repurchase on the open market shares up to an amount sufficient to fund the exercise of grants under the plans. In addition to this authority, on January 29, 2007, the Board approved a repurchase program under which Entergy was authorized to repurchase up to \$1.5 billion of its common stock. In January 2008, the Board authorized an incremental \$500 million share repurchase program to enable Entergy to consider opportunistic purchases in response to equity market conditions. Entergy completed both the \$1.5 billion and \$500 million programs in the third quarter 2009. See Note 12 to the financial statements in the Form 10-K for additional discussion of the stock-based compensation plans.

(2) Maximum amount of shares that may yet be repurchased does not include an estimate of the amount of shares that may be purchased to fund the exercise of grants under the stock-based compensation plans.

(3) In October 2009 the Board granted authority for an additional \$750 million share repurchase program.

The amount of share repurchases may vary as a result of material changes in business results or capital spending or new investment opportunities.

## Item 5. Other Information

## Environmental Regulation

## Clean Air Act and Subsequent Amendments

## Ozone Nonattainment

As disclosed in the Form 10-K, on March 12, 2008, the EPA revised the National Ambient Air Quality Standard for ozone, creating the potential for additional counties and parishes in which Entergy operates to be placed in nonattainment status. The LDEQ recommended that eleven parishes be designated as nonattainment for the 75 parts per billion ozone standard. Entergy Gulf States Louisiana has two fossil plants and Entergy Louisiana has one fossil plant affected by this recommendation. In Arkansas, the Governor recommended that Pulaski County be designated in nonattainment with the new ozone standard, where two of Entergy Arkansas' smaller facilities are located. These recommendations have not been approved yet by the EPA, and in September 2009 the EPA announced that it is

reconsidering the 75 parts per billion standard and may lower it further. Lowering the standard would cause the need for additional analysis of county and parish attainment status. A proposed rule is expected to be published in December 2009 and a final rule to be promulgated in August 2010. Therefore, additional counties or parishes may be affected. Following nonattainment designation, states will be required to develop state implementation plans that outline control requirements that will enable the affected counties and parishes to reach attainment status. Entergy facilities in these areas may be subject to installation of NOx controls, but the degree of control will remain unknown until the state implementation plans are developed. Entergy will continue to monitor and engage in the state implementation plan development process in Entergy states.

## Regional Haze

Entergy Arkansas has withdrawn its petition (discussed in the Form 10-K) to the Arkansas Commission on Environmental Quality requesting the revision of Regulation 19, which sets an operational deadline of September 2013 for the regional haze air emissions control project at Entergy Arkansas' White Bluff facility. Entergy Arkansas is proceeding with the regulatory approval process for the installation and operation of required emission controls.

## Potential Legislative, Regulatory, and Judicial Developments

In April 2009 the EPA issued a proposal "to find that greenhouse gases in the atmosphere endanger the public health and welfare of current and future generations" pursuant to section 202(a) of the Clean Air Act in response to the opinion of the United States Supreme Court in *Massachusetts v. EPA*. The EPA published the proposed endangerment finding in the Federal Register on April 24, 2009, and began a sixty-day notice and comment period on the proposal. The current proposal applies directly only to emissions from mobile sources such as cars and trucks. The proposed endangerment finding lists six air pollutants, including CO<sub>2</sub>, that would undergo further proposed EPA regulation as mobile source emissions under the Clean Air Act. The EPA has stated that the endangerment finding itself does not create any immediate requirements for any emissions source, but this regulatory action may lead to the proposal of similar regulations to control greenhouse gas emissions, including CO<sub>2</sub>, from stationary sources such as Entergy's facilities either through new EPA regulations or may lead to the application of the Clean Air Act's current new source review program or new source performance standard program to greenhouse gas emissions. Such a proposal of new regulations applicable to stationary sources would undergo a notice-and-comment rulemaking process through the EPA. In September 2009, however, the EPA proposed a rule that anticipates the automatic application of the current Clean Air Act programs to new and modified sources of greenhouse gases once mobile source emission rules are finalized, which is expected by the end of March 2010. The so-called "tailoring rule" restricts the applicability of the current regulatory programs to new sources of greater than 25,000 tons of greenhouse gases and to modifications that increase greenhouse gas emissions by from 10,000 to 25,000 tons per year. The effect on Entergy is impossible to estimate at this time due to the uncertainty of the final regulatory format.

## Clean Water Act

### 316(b) Cooling Water Intake Structures

As discussed in the Form 10-K, the EPA finalized new regulations in July 2004 governing the intake of water at large existing power plants employing cooling water intake structures. The rule sought to reduce perceived impacts on aquatic resources by requiring covered facilities to implement technology or other measures to meet EPA-targeted reductions in water use and corresponding perceived aquatic impacts. Entergy, other industry members and industry groups, environmental groups, and a coalition of northeastern and mid-Atlantic states challenged various aspects of the rule. In January 2007, the United States Court of Appeals for the Second Circuit remanded the rule to the EPA for reconsideration. The court instructed the EPA to reconsider several aspects of the rule that were beneficial to the regulated community after finding that these provisions of the rule were contrary to the language of the Clean Water Act or were not sufficiently explained in the rule. In April 2008, the United States Supreme Court agreed to review the decision of the Second Circuit on the question of whether the EPA may take into consideration a cost-benefit analysis in developing these regulations, a consideration of potential benefit to the regulated community that the Second Circuit disallowed. In March 2009, the Supreme Court ruled in favor of the petitioners that cost-benefit analysis may be taken into consideration. The EPA may now reissue a rule similar in structure to the rule remanded by the Second Circuit, or the EPA may issue a rule with a substantially different structure and effect. Until the EPA issues guidance to the regulated community on what actions should be taken to comply with the Clean Water Act, and until the form and substance of the new rule itself is determined, it is impossible to estimate the effect of the Supreme Court's decision on Entergy's business.

On April 6, 2009, with a reservation of rights regarding the applicability of the section, Entergy's Indian Point facility submitted a Section 401 water quality certification to the NYSDEC. The certification, or a waiver or exemption of the same, is potentially required pursuant to Section 401 of the Clean Water Act as a supporting document to the NRC's license renewal decision. On May 13, 2009, the NYSDEC deemed the application incomplete, requested additional information, and requested that Entergy respond within 120 days or by



September 10, 2009. The NYSDEC also stated that Entergy must submit all requested information by February 13, 2010. Prior to and on September 9, 2009, Entergy responded and provided some of the requested information, including an extensive list of responsive documents. On September 23, 2009, the NYSDEC requested additional information and set an interim deadline of November 13, 2009. Entergy continues to work with the NYSDEC in order to provide the additional information before the requested deadlines. By law, the NYSDEC must act on the application within one year of receipt.

#### Groundwater at Certain Nuclear Sites

As discussed in the Form 10-K, Entergy joined other nuclear utilities and the Nuclear Energy Institute in 2006 to develop a voluntary groundwater monitoring and protection program. This initiative began after detection of very low levels of radioactive material, primarily tritium, in groundwater at several plants in the United States. To date, radionuclides have been detected at Entergy's Indian Point, Palisades and Pilgrim plants. The situation at Indian Point is described in the Form 10-K.

At Palisades, Entergy identified tritium in two monitoring wells in December 2007 due to leakage from buried piping. Non-destructive evaluation of the line identified one area of leakage and repairs were completed in 2008. Since early 2008, groundwater from three wells has been sampled and analyzed on a biweekly basis. Following the repairs, tritium levels declined in all of the wells and trended downward until one well spiked in March 2009. Additional investigation was performed to locate the source, including installation of eighteen temporary monitoring wells along the path of the buried piping. A new leak location was identified and repairs at this location were completed in mid-summer 2009. When the system was put back in service, however, it became evident from groundwater samples that this same buried piping system was also breached at locations other than at the leak location that had earlier been repaired. Therefore, the piping system was again taken out of service and drained to prevent further leakage into the ground. Subsequently, a decision was made to abandon this piping and to run new replacement buried pipe for this system. This effort is currently in progress. Bi-weekly sampling will continue until the groundwater tritium levels in the monitoring wells are below minimum detection levels.

At Pilgrim, six existing monitoring wells are being sampled and analyzed on a periodic basis. Results continue to show low levels of tritium. A hydrogeological analysis will be performed in 2009 to pinpoint the location for six additional wells to further study the situation. Currently, the detections are believed to be from wash out of naturally occurring atmospheric tritium. Precipitation studies are being performed to confirm this theory.

#### Other Environmental Matters

##### Entergy Louisiana and Entergy New Orleans

In March 2009, Entergy Louisiana received a Certificate of Completion from the LDEQ for the former site of the Southern Transformer Shop, located in Algiers, Orleans Parish. This document certifies completion of the soil remediation in compliance with Louisiana's "Voluntary Remediation Program." Prior to the soil remediation, which was completed in January 2008, a thorough site assessment and risk evaluation had been performed at the property utilizing Louisiana's Risk Evaluation and Corrective Action Program.

Earnings Ratios (Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy)

The Registrant Subsidiaries have calculated ratios of earnings to fixed charges and ratios of earnings to combined fixed charges and preferred dividends/distributions pursuant to Item 503 of Regulation S-K of the SEC as follows:

	Ratios of Earnings to Fixed Charges					
	Twelve Months Ended					
	December 31,					September
	2004	2005	2006	2007	2008	30, 2009
Entergy Arkansas	3.37	3.75	3.37	3.19	2.33	2.22
Entergy Gulf States Louisiana	3.04	3.34	3.01	2.84	2.44	2.51
Entergy Louisiana	3.60	3.50	3.23	3.44	3.14	3.47
Entergy Mississippi	3.41	3.16	2.54	3.22	2.92	3.17
Entergy New Orleans	3.60	1.22	1.52	2.74	3.71	3.46
Entergy Texas	2.07	2.06	2.12	2.07	2.04	1.83
System Energy	3.95	3.85	4.05	3.95	3.29	3.55

	Ratios of Earnings to Combined Fixed Charges and Preferred Dividends/Distributions					
	Twelve Months Ended					
	December 31,					September
	2004	2005	2006	2007	2008	30, 2009
Entergy Arkansas	2.98	3.34	3.06	2.88	1.95	1.84
Entergy Gulf States Louisiana	2.90	3.18	2.90	2.73	2.42	2.49
Entergy Louisiana	3.60	3.50	2.90	3.08	2.87	3.49
Entergy Mississippi	3.07	2.83	2.34	2.97	2.67	2.92
Entergy New Orleans	3.31	1.12	1.35	2.54	3.45	3.20

The Registrant Subsidiaries accrue interest expense related to unrecognized tax benefits in income tax expense and do not include it in fixed charges.

Item 6. Exhibits \*

4(a) Seventy-seventh Supplemental Indenture, dated as of September 1, 2009, to Entergy Gulf States Louisiana's Indenture of Mortgage, dated as of September 1, 1926.

12(a) - Entergy Arkansas' Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Dividends, as defined.

- 12(b) - Entergy Gulf States Louisiana's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Distributions, as defined.
- 12(c) - Entergy Louisiana's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Distributions, as defined.
- 12(d) - Entergy Mississippi's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Dividends, as defined.
- 12(e) - Entergy New Orleans' Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Dividends, as defined.

- 12(f) - Entergy Texas' Computation of Ratios of Earnings to Fixed Charges, as defined.
- 12(g) - System Energy's Computation of Ratios of Earnings to Fixed Charges, as defined.
- 31(a) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Corporation.
- 31(b) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Corporation.
- 31(c) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Arkansas.
- 31(d) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Arkansas.
- 31(e) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Gulf States Louisiana.
- 31(f) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Gulf States Louisiana.
- 31(g) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Louisiana.
- 31(h) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Louisiana.
- 31(i) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Mississippi.
- 31(j) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Mississippi.
- 31(k) - Rule 13a-14(a)/15d-14(a) Certification for Entergy New Orleans.
- 31(l) - Rule 13a-14(a)/15d-14(a) Certification for Entergy New Orleans.
- 31(m) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Texas.
- 31(n) - Rule 13a-14(a)/15d-14(a) Certification for Entergy Texas.
- 31(o) - Rule 13a-14(a)/15d-14(a) Certification for System Energy.
- 31(p) - Rule 13a-14(a)/15d-14(a) Certification for System Energy.
- 32(a) - Section 1350 Certification for Entergy Corporation.
- 32(b) - Section 1350 Certification for Entergy Corporation.
- 32(c) - Section 1350 Certification for Entergy Arkansas.
- 32(d) - Section 1350 Certification for Entergy Arkansas.
- 32(e) - Section 1350 Certification for Entergy Gulf States Louisiana.
- 32(f) - Section 1350 Certification for Entergy Gulf States Louisiana.

32(g) - Section 1350 Certification for Entergy Louisiana.

32(h) - Section 1350 Certification for Entergy Louisiana.

32(i) - Section 1350 Certification for Entergy Mississippi.

32(j) - Section 1350 Certification for Entergy Mississippi.

32(k) - Section 1350 Certification for Entergy New Orleans.

32(l) - Section 1350 Certification for Entergy New Orleans.

32(m) - Section 1350 Certification for Entergy Texas.

32(n) - Section 1350 Certification for Entergy Texas.

32(o) - Section 1350 Certification for System Energy.

32(p) - Section 1350 Certification for System Energy.

101 INSBRL Instance Document.

-

101 SCHBRL Taxonomy Extension Schema Document.

-

101 PREBRL Taxonomy Presentation Linkbase Document.

-

101 LABBRL Taxonomy Label Linkbase Document.

-

101 CALBRL Taxonomy Calculation Linkbase Document.

-

101 DEFBRL Definition Linkbase Document.

-

---

Pursuant to Item 601(b)(4)(iii) of Regulation S-K, Entergy Corporation agrees to furnish to the Commission upon request any instrument with respect to long-term debt that is not registered or listed herein as an Exhibit because the total amount of securities authorized under such agreement does not exceed ten percent of the total assets of Entergy Corporation and its subsidiaries on a consolidated basis.

\* Reference is made to a duplicate list of exhibits being filed as a part of this report on Form 10-Q for the quarter ended September 30, 2009, which list, prepared in accordance with Item 102 of Regulation S-T of the SEC, immediately precedes the exhibits being filed with this report on Form 10-Q for the quarter ended September 30, 2009.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. The signature for each undersigned company shall be deemed to relate only to matters having reference to such company or its subsidiaries.

ENERGY  
CORPORATION  
ENERGY  
ARKANSAS,  
INC.  
ENERGY  
GULF STATES  
LOUISIANA,  
L.L.C.  
ENERGY  
LOUISIANA,  
LLC  
ENERGY  
MISSISSIPPI,  
INC.  
ENERGY NEW  
ORLEANS, INC.  
ENERGY  
TEXAS, INC.  
SYSTEM  
ENERGY  
RESOURCES,  
INC.

/s/ Theodore H.  
Bunting, Jr.  
Theodore H.  
Bunting, Jr  
Senior Vice  
President and  
Chief Accounting  
Officer  
(For each  
Registrant and for  
each as  
Principal  
Accounting  
Officer)

Date: November 6, 2009

Explanation of Responses:





