

ENTERGY CORP /DE/  
Form 425  
August 24, 2012

Entergy-ITC  
Transaction Discussion  
August 27, 2012  
Filed by Entergy Corporation Pursuant to Rule 425  
Under the Securities Act of 1933  
Subject Company: Entergy Corporation  
Commission File No. 001-11299

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business conditions and prospects, growth opportunities and the outlook for ITC's business, including ITC's business and the transmission industry based upon information currently available. Such statements are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Wherever possible, ITC has identified these forward-looking statements by words such as anticipates, believes, intends, estimates, expects, projects and similar phrases. These forward-looking statements are based upon assumptions ITC management believes are reasonable. Such forward-looking statements are subject to risks and uncertainties which could cause ITC's actual results, performance and achievements to differ materially from those expressed in, or implied by, these statements, including, among other things, (a) the risks and uncertainties

disclosed in ITC's annual report on Form 10-K and ITC's quarterly reports on Form 10-Q filed with the Securities and Exchange Commission (the SEC) from time to time and (b) the following transactional factors (in addition to others described elsewhere in this document and in subsequent filings with the SEC): (i) risks inherent in the contemplated transaction, including: (A) failure to obtain approval by the Company's shareholders; (B) failure to obtain regulatory approvals necessary to consummate the transaction or to obtain regulatory approvals on favorable terms; (C) the ability to obtain the required financings; (D) delays in consummating the transaction or the failure to consummate the transactions; and (E) exceeding the expected costs of the transactions; (ii) legislative and regulatory actions, and (iii) conditions of the capital markets during the periods covered by the forward-looking statements. Because ITC's forward-looking statements are based on estimates and assumptions that are subject to significant business, economic and competitive uncertainties, many of which are beyond ITC's control or are subject to change, actual results could be materially different and any or all of ITC's forward-looking statements may turn out to be wrong. They speak only as of the date of this document and can be affected by assumptions ITC might make or by known or unknown risks and uncertainties. Many factors mentioned in this document and the exhibits hereto and in ITC's annual and quarterly reports will be important in determining future results. Consequently, ITC cannot assure you that ITC's expectations or forecasts expressed in such forward-looking statements will be achieved. Actual future results may vary materially. Except as required by law, ITC undertakes no obligation to publicly update or revise ITC's forward-looking or other statements, whether as a result of new information, future events, or otherwise. The transaction is subject to certain conditions precedent, including regulatory approvals, approval of ITC's shareholders and the availability of financing. ITC cannot provide any assurance that the proposed transactions related thereto will be completed, nor can it give assurances as to the terms on which such transactions will be consummated.

This presentation contains certain statements that describe ITC Holdings Corp. (ITC) management's beliefs concerning future

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other reports and filings made under the Securities Exchange Act of 1934; (ii) the following transactional factors (in addition to others described elsewhere in this presentation and in subsequent securities filings) involving risks inherent in the contemplated transaction, including: (1) failure to obtain ITC shareholder approval, (2) failure of Entergy and its shareholders to recognize the expected benefits of the transaction, (3) failure to obtain regulatory approvals necessary to consummate the transaction or to obtain regulatory approvals on favorable terms, (4) the ability of Entergy, Transco and ITC to obtain the required financings, (5) delays in consummating the transaction or the failure to consummate the transaction, (6) exceeding the expected costs of the transaction, and (7) the failure to receive an IRS ruling approving the tax-free status of the transaction; (iii) legislative and regulatory actions; and (iv) conditions of the capital markets during the periods covered by the forward-looking statements. The transaction is subject to certain conditions precedent, including regulatory approvals, approval of ITC's shareholders and the availability of financing. Entergy cannot provide any assurance that the transaction or any of the proposed transactions related thereto will be completed, nor can it give assurances as to the terms on which such transactions will be consummated.

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ITC  
and  
Mid  
South  
TransCo  
LLC  
( TransCo )  
will

file  
registration  
statements  
with  
the  
SEC  
registering  
shares  
of  
ITC  
common  
stock  
and  
TransCo  
common  
units  
to  
be  
issued  
to  
Entergy  
Corporation  
( Entergy )  
shareholders  
in  
connection  
with  
the  
proposed  
transactions. ITC will also file a proxy statement with the SEC that will be sent to the shareholders of ITC. Entergy shareholde  
are urged to read the prospectus and/or information statement that will be included in the registration statements and any other  
relevant  
documents,  
because  
they  
contain  
important  
information  
about  
ITC,  
TransCo  
and  
the  
proposed  
transactions.  
ITC s  
shareholders  
are  
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to

read  
the  
proxy  
statement  
and  
any  
other  
relevant  
documents  
because  
they  
contain  
important  
information  
about ITC, TransCo and the proposed transactions.

The proxy statement, prospectus and/or information statement, and other documents relating to the proposed transactions (when they are available) can be obtained free of charge from the SEC's website at [www.sec.gov](http://www.sec.gov). The documents, when available, can also be obtained free of charge from Entergy upon written request to

Entergy  
Corporation,  
Investor  
Relations,  
P.O.  
Box  
61000  
New  
Orleans,  
LA  
70161

or  
by  
calling  
Entergy's  
Investor  
Relations

information line at 1-888-ENTERGY (368-3749), or from ITC upon written request to ITC Holdings Corp., Investor Relations  
27175 Energy Way, Novi, MI 48377 or by calling 248-946-3000

This presentation is not a solicitation of a proxy from any security holder of ITC. However, Entergy, ITC and certain of their respective directors and executive officers and certain other members of management and employees may be deemed to be participants

in  
the  
solicitation  
of  
proxies  
from  
shareholders  
of  
ITC



in  
connection  
with  
the  
proposed  
transaction  
under  
the  
rules  
of

the SEC. Information about the directors and executive officers of Entergy may be found in its 2011 Annual Report on Form 10-K filed with the SEC on February 28, 2012, and its definitive proxy statement relating to its 2012 Annual Meeting of Shareholders. Information about the directors and executive officers of ITC may be found in its 2011 Annual Report on Form 10-K filed with the SEC on February 22, 2012, and its definitive proxy statement relating to its 2012 Annual Meeting of Shareholders.

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Agenda

1.  
Entergy-ITC Transaction Overview

Approval requirements

2.  
Schedule

Stakeholder outreach

Anticipated timeline

3.

MISO Transition Plan and Impacts

Review transition plan

Impacts of transition plan to Entergy Customers and stakeholders

Impacts of transition plan to current MISO stakeholders

4.

Path Forward and Next Steps

5.

Q & A

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Transaction Overview

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#### Introduction

In December 2011, Entergy Corporation and ITC Holdings Corp. (ITC) announced an agreement under which Entergy will transfer ownership and operation of its electric transmission business to ITC. The transaction is targeted to close in 2013.

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Purpose of Today's Discussion:

Brief stakeholders on joint proposal to integrate transmission assets into MISO at closing of Entergy -

ITC transaction

Describe  
how  
integration  
would  
be  
accomplished  
for  
the  
period  
of  
time  
between the close date of the ITC transaction and the date the  
Entergy OpCos join MISO as market participants

Express our continued commitment to transparency

Entergy-ITC Overview  
System Peak  
Load  
26,100 MW  
28,000 MW  
Service Area  
Seven states  
Four states\*  
Total

Transmission

Miles

15,000 miles

15,800 miles

Service Area

Square Miles

89,850

114,669

RTO

Membership

MISO/SPP

MISO market

integration

by 12/2013

\* Entergy also owns limited assets in Missouri.

Entergy

Transmission

Business

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Entergy-ITC Transaction Overview  
Transaction  
Structure

Reverse  
Morris  
Trust

Entergy s

transmission  
business  
merges  
into  
ITC

Prior to merger, Entergy to pursue tax free spin-off of transmission business,  
and ITC to effectuate a \$700 million recapitalization in the form of a share  
repurchase, special dividend or some combination thereof

100% stock consideration

Entergy to issue approximately \$1.775 billion of debt, to be assumed by ITC

ITC to issue approximately \$700 million of debt at holdings level

ITC  
Shareholders  
Post-merge

50.1% Entergy shareholders

49.9% ITC shareholders

ITC Senior  
Mgmt.  
and Board

Two new independent directors who have transmission industry knowledge and  
familiarity with Entergy's region

ITC's management team will remain intact for combined business, supplemented  
with key Entergy leadership personnel from Entergy's transmission business  
Headquarters

Regional headquarters remain in Jackson, MS

Corporate headquarters in Novi, MI

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The transaction is dependent upon the following approvals and other closing conditions:

Transaction Approvals

Authority

Requirement

Entergy Retail

Regulators

(APSC, LPSC, MPSC,

MoPSC, PUCT,

CCNO)

Approval to join an acceptable RTO

Change of control of transmission assets

Authorization to incur debt in some jurisdictions  
FERC

Change of control of transmission assets

Establish rate for new ITC subsidiaries

Authorization for operating company financings  
Hart-Scott-Rodino  
Act (DOJ/FTC)

Pre-merger notification to review potential antitrust and competition issues  
IRS Private  
Letter Ruling

Ruling regarding tax  
-free treatment of the Transaction  
ITC Shareholders

Merger agreement

Amendment to ITC Articles of Incorporation to increase the number of  
authorized shares

Authorization for issuance of greater than 20% of outstanding shares

**Customer and Stakeholder Benefits**

Transaction ultimately benefits all constituencies through independent model and overall best practices

Improved reliability, reduced congestion and greater access to competitive energy marketplace

Strong credit and ability to attract cost-effective capital for needed transmission investments

Independent transmission planning and operations; aligns with public policy objectives

Maintains jobs and provides opportunities for job creation and local economic development

Commitment to communities and customers that ITC serves through corporate citizenship and community involvement

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Schedule  
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#### Stakeholder Outreach Process

ITC, Entergy and MISO scheduled this meeting to:

Provide an overview of the plan to migrate Entergy's transmission assets to MISO at the time of the transaction, integration strategy and expected impacts to Entergy and current MISO



transmission customers and stakeholders

Address questions and receive stakeholder  
feedback on any concerns

Follow-up stakeholder meeting planned for  
September, prior to FERC filings

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#### Anticipated Timeline

Transaction Change of Control filings in Entergy retail jurisdictions are planned to begin in the third

quarter  
2012  
and  
will  
be  
sequenced  
over  
subsequent weeks

MISO and ITC FERC filings by end of September 2012

Entergy ICT transition to MISO scheduled for December 1, 2012

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Transition Plan  
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MISO Transition Plan  
1  
MISO s  
Open  
Access  
Transmission,  
Energy  
and  
Operating

Reserve  
Markets  
Tariff  
is  
referred  
to  
as  
the  
EMT  
or  
the  
Tariff.  
Module  
B  
of  
the  
Tariff  
contains provisions for Transmission Service  
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ITC, Entergy and MISO have developed a three-phase  
MISO integration strategy for the Entergy footprint

Proposed strategy would allow integration of the  
transmission assets into MISO up to six months before  
the Entergy OpCos join MISO as market participants,  
depending  
on  
the  
close  
date  
of  
the  
Entergy  
-  
ITC  
transaction

Transmission service will be provided under the MISO  
tariff, with transitional provisions provided in a new  
Module B-1 of the MISO Tariff  
1  
, for the transition period  
only, until the Entergy OpCos join MISO as Market  
Participants

After full MISO integration, Module B-1 will be cancelled

Entergy MISO Integration/ITC Transaction  
Entergy's current ICT agreement  
with SPP is replaced by ICT  
agreement with MISO  
ITC Midsouth OpCos become TOs  
in MISO immediately following  
transaction close and participate in  
MISO MTEP as TOs  
MISO assumes functional control

of transmission system and is the  
Reliability Coordinator; ICT  
agreement is terminated  
MISO and ITC file with FERC  
Attachment O templates and tariff  
sheets to implement formula rates;  
no rate pancaking  
MISO is the Transmission Provider  
under MISO Tariff with select  
Entergy processes retained under  
new Module B-1 for transition  
period  
For the transition period, MISO will  
delegate select tasks to ITC via  
Appendix I Agreement  
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MISO replaces SPP as the  
Independent Coordinator of  
Transmission (ICT)  
(December 2012)  
ITC Midsouth OpCos  
become Transmission  
Owners in MISO  
(upon closing)  
Entergy OpCos become  
Market Participants in  
MISO  
(December 2013)  
Entergy OpCos become Market  
Participants in MISO  
Module B-1 is cancelled  
Delegation of Module B-1  
functions to ITC under TOA  
Appendix I terminates



MISO grants transmission service over current MISO facilities ( MISO classic ) and the ITC Midsouth systems, with a coordinated approach

for  
evaluation  
and  
approval  
of  
Transmission  
Service  
Requests,  
providing  
one  
stop  
shopping  
for  
customers

Removal of pancaked  
rates between MISO classic and ITC Midsouth transmission  
systems

Participation as a full member in the MISO 2014 MTEP planning process with ITC's  
bottom-up planning approach

Entergy's most recent Transmission Construction Plan will be incorporated in  
Appendix A of MTEP13 as planned projects with predetermined cost allocation

All new load and generator interconnection requests and long term transmission  
service requests in need of a transmission upgrade will transition to MISO tariff  
procedures

Maintains  
the  
Entergy  
Weekly  
Procurement  
Process

to  
be  
performed  
by  
ITC  
and  
subject  
to  
MISO  
IMM  
oversight

until  
the

Entergy  
OpCos  
integration  
into  
MISO  
market is  
completed  
General Implementation Construct  
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Entergy to remain the Balancing Authority and will continue to provide ancillary services for the transition period

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#### Overview of Proposed Module B-1

Module B-1 is needed to provide MISO transmission service following ITC's acquisition of Entergy's transmission assets, but prior to Entergy's integration into the MISO energy and ancillary services markets

The PTP and NITS provisions of MISO's Module B include linkages to the market portion of the Tariff

Entergy OpCos will be a non-market area until December 2013

Module B also does not include certain provisions included in the Entergy tariff, such as conditional firm transmission service

Module B-1 will provide Order 888/890-compliant PTP and NITS Service over ITC

Midsouth OpCos

facilities during the Transition Period

Service will be consistent with the pro forma OATT

Module B-1 service will include reservation and scheduling of transmission service, performing necessary studies, determining service availability, changes in service specifications, designation of network loads/resources, etc.

Where possible, MISO will include references to its standard Module B provisions and definitions

MISO

will

rely

on

its

standard

Tariff

provisions

for

issues

such

as

billing,

reciprocity,

dispute

resolution, force majeure, indemnification and other similar legal issues

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### Overview of Proposed Module B-1 (Continued)

Module B-1 will include several Attachments addressing certain Entergy footprint specific issues, including ATC/AFC calculation, payments to parties that funded upgrades on a direct assignment basis, weekly procurement process, studies and reports

MISO will provide or procure ancillary services (AS) during the Transition Period

Schedule 1 will be provided by MISO under its Tariff

Schedule 2 through 6, as well as Generator Imbalance Service, through MISO Tariff; provided by Entergy pursuant to FERC approved schedules

Once the Transition Period ends, and the Entergy OpCos are integrated in the MISO markets, Module B-1 will be cancelled by MISO and the standard provisions of the MISO Tariff will apply

#### Overview of TOA Appendix I

Appendix I of the MISO Transmission Owner Agreement is a framework for membership and operation of independent transmission companies within MISO, under which independent transmission companies are delegated to perform certain functions

Transmission entity is fully independent from any market participant



Transmission entity is of sufficient size and scale to reliably assume operational rights and responsibilities

Functions may include, but are not limited to: planning, revenue distribution, tariff administration, billing

Specifics regarding operational rights, responsibilities and procedures are reflected in an Appendix I Agreement filed with, and approved by, FERC  
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#### Overview of Weekly Procurement Process (WPP)

WPP is intended as an optimized procurement process. It is not a centralized market for energy

The intent of the WPP is to provide Entergy and its Network Customers production cost savings through optimization of short-term (daily and/or weekly) purchases

and  
the  
use  
of  
existing  
resources  
for  
the  
next  
week  
subject to the transmission network's capability and system operating  
constraints

MISO will be responsible for approving new network transmission service  
under the WPP (i.e., the designation of new Network Resources)

Generators in the MISO Classic footprint may participate in the WPP,  
provided they register and acquire firm PTP service to the ITC Midsouth  
border

Impacts of MISO Transition Plan to Entergy  
Customers and Other Stakeholders

MISO always develops a transition plan to integrate new transmission  
owners  
these plans all include incremental steps

This is a phased approach to manage the transmission and market portions of  
the integration

Entergy Transmission Customers will need to be registered as MISO Transmission Customers

There will be zonal transmission rates within the ITC Midsouth footprint

Rates will be developed by pricing zone; expect to have four

MISO transmission rates will be applicable

Existing transmission service crossing the MISO classic and ITC Midsouth transmission systems will be migrated to eliminate double counting of reservations

Settlements will be based on the MISO Tariff with one reservation per service request

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Impacts of MISO Transition Plan to Entergy  
Customers and Other Stakeholders **(Continued)**

There  
will  
continue  
to  
be

two  
balancing  
authority  
areas

MISO  
and  
Entergy

Certain existing Entergy processes will be retained through MISO  
Tariff  
Module B-1 for ITC Midsouth transmission for the transition period

Pancaked rates will be eliminated between MISO Classic and MISO South

The transmission hurdle rate for moving energy in and out of MISO market  
is reduced because rate pancaking is eliminated

Will  
provide  
one-stop  
shopping

customer  
makes  
just  
one  
transmission  
service request

TLR credits for service curtailed by MISO will be provided to ITC Midsouth  
customers, even if reservations were approved prior to the transition period

The transition to MISO enhances reliability through AFC coordination across  
the  
queues;  
increases  
efficiency  
of  
transmission  
use

24  
transmission available  
makes  
more

Impact of MISO Transition Plan on Current  
MISO Stakeholders

Approach has been designed to mitigate impacts to existing MISO priorities

Existing transmission owners will share revenue from point-to-point service

Elimination of pancaked rates between MISO Classic and MISO South



The transmission hurdle rate for moving energy in and out of MISO market is reduced because rate pancaking is eliminated

Reduction in Schedule 10 charges across MISO footprint

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Path Forward and Next Steps  
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Next Steps

Continue development of regulatory filings

MISO will file with FERC for approval of Module B-1 tariff sheets

ITC and MISO will file with FERC for approval of Attachment O templates and tariff sheets

Appendix I Agreement between ITC and MISO  
will be filed with FERC for approval

Complete stakeholder process

Execute coordinated regulatory filing  
timeline

Change of Control filings in Entergy retail  
jurisdictions

Anticipate FERC filings in September  
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Questions  
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