

ENTERGY ARKANSAS INC
Form 10-Q
May 07, 2010

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

FORM 10-Q

(Mark
One)

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

For the Quarterly Period Ended March 31,
2010

OR

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

For the transition period from

_____ to _____

File Number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number, and IRS Employer Identification No.	File Number	Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number, and IRS Employer Identification No.
1-11299	ENTERGY CORPORATION (a Delaware corporation) 639 Loyola Avenue New Orleans, Louisiana 70113 Telephone (504) 576-4000 72-1229752	1-31508	ENTERGY MISSISSIPPI, INC. (a Mississippi corporation) 308 East Pearl Street Jackson, Mississippi 39201 Telephone (601) 368-5000 64-0205830
1-10764	ENTERGY ARKANSAS, INC.	0-05807	ENTERGY NEW ORLEANS, INC.

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(a Louisiana corporation)
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0-20371	ENTERGY GULF STATES LOUISIANA, L.L.C. (a Louisiana limited liability company) 446 North Boulevard Baton Rouge, Louisiana 70802 Telephone (800) 368-3749 74-0662730	1-34360	ENTERGY TEXAS, INC. (a Texas corporation) 350 Pine Street Beaumont, Texas 77701 Telephone (409) 981-2000 61-1435798
1-32718	ENTERGY LOUISIANA, LLC (a Texas limited liability company) 446 North Boulevard Baton Rouge, Louisiana 70802 Telephone (800) 368-3749 75-3206126	1-09067	SYSTEM ENERGY RESOURCES, INC. (an Arkansas corporation) Echelon One 1340 Echelon Parkway Jackson, Mississippi 39213 Telephone (601) 368-5000 72-0752777

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether Entergy Corporation has submitted electronically and posted on Entergy's corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy Resources have submitted electronically and posted on Entergy's corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrants were required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Securities Exchange Act of 1934.

	Large accelerated filer	Accelerated filer	Non- accelerated filer	Smaller reporting company
Entergy Corporation	<input checked="" type="checkbox"/>			
Entergy Arkansas, Inc.			<input checked="" type="checkbox"/>	
Entergy Gulf States Louisiana, L.L.C.			<input checked="" type="checkbox"/>	
Entergy Louisiana, LLC			<input checked="" type="checkbox"/>	
Entergy Mississippi, Inc.			<input checked="" type="checkbox"/>	
Entergy New Orleans, Inc.			<input checked="" type="checkbox"/>	
Entergy Texas, Inc.			<input checked="" type="checkbox"/>	
System Energy Resources, Inc.			<input checked="" type="checkbox"/>	

Indicate by check mark whether the registrants are shell companies (as defined in Rule 12b-2 of the Exchange Act). Yes No

Common Stock Outstanding	Outstanding at April 30, 2010
Entergy (\$0.01 par value) Corporation	189,303,044

Entergy Corporation, Entergy Arkansas, Inc., Entergy Gulf States Louisiana, L.L.C., Entergy Louisiana, LLC, Entergy Mississippi, Inc., Entergy New Orleans, Inc., Entergy Texas, Inc., and System Energy Resources, Inc. separately file this combined Quarterly Report on Form 10-Q. Information contained herein relating to any individual company is filed by such company on its own behalf. Each company reports herein only as to itself and makes no other representations whatsoever as to any other company. This combined Quarterly Report on Form 10-Q supplements and updates the Annual Report on Form 10-K for the calendar year ended December 31, 2009, filed by the individual registrants with the SEC, and should be read in conjunction therewith.

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FORWARD-LOOKING INFORMATION

In this combined report and from time to time, Entergy Corporation and the Registrant Subsidiaries each makes statements as a registrant concerning its expectations, beliefs, plans, objectives, goals, strategies, and future events or performance. Such statements are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "may," "will," "could," "project," "believe," "anticipate," "intend," "expect," "estimate," "continue," "potential," "plan," "predict," "forecast," and other similar words or expressions are intended to identify forward-looking statements but are not the only means to identify these statements. Although each of these registrants believes that these forward-looking statements and the underlying assumptions are reasonable, it cannot provide assurance that they will prove correct. Any forward-looking statement is based on information current as of the date of this combined report and speaks only as of the date on which such statement is made. Except to the extent required by the federal securities laws, these registrants undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Forward-looking statements involve a number of risks and uncertainties. There are factors that could cause actual results to differ materially from those expressed or implied in the forward-looking statements, including those factors discussed or incorporated by reference in (a) Item 1A. Risk Factors in the Form 10-K, (b) Management's Financial

Discussion and Analysis in the Form 10-K and in this report, and (c) the following factors (in addition to others described elsewhere in this combined report and in subsequent securities filings):

- resolution of pending and future rate cases and negotiations, including various performance-based rate discussions, and other regulatory proceedings, including those related to Entergy's System Agreement, Entergy's utility supply plan, recovery of storm costs, and recovery of fuel and purchased power costs
- changes in utility regulation, including the beginning or end of retail and wholesale competition, the ability to recover net utility assets and other potential stranded costs, the operations of the independent coordinator of transmission for Entergy's utility service territory, and the application of more stringent transmission reliability requirements or market power criteria by the FERC
- changes in regulation of nuclear generating facilities and nuclear materials and fuel, including possible shutdown of nuclear generating facilities, particularly those owned or operated by the Non-Utility Nuclear business
- resolution of pending or future applications for license renewals or modifications of nuclear generating facilities
- the performance of and deliverability of power from Entergy's generation resources, including the capacity factors at its nuclear generating facilities
- Entergy's ability to develop and execute on a point of view regarding future prices of electricity, natural gas, and other energy-related commodities
- prices for power generated by Entergy's merchant generating facilities, the ability to hedge, sell power forward or otherwise reduce the market price risk associated with those facilities, including the Non-Utility Nuclear plants, and the prices and availability of fuel and power Entergy must purchase for its Utility customers, and Entergy's ability to meet credit support requirements for fuel and power supply contracts
 - volatility and changes in markets for electricity, natural gas, uranium, and other energy-related commodities
- changes in law resulting from federal or state energy legislation or legislation subjecting energy derivatives used in hedging and risk management transactions to governmental regulation
- changes in environmental, tax, and other laws, including requirements for reduced emissions of sulfur, nitrogen, carbon, mercury, and other substances, and changes in costs of compliance with environmental and other laws and regulations
- uncertainty regarding the establishment of interim or permanent sites for spent nuclear fuel and nuclear waste storage and disposal
- variations in weather and the occurrence of hurricanes and other storms and disasters, including uncertainties associated with efforts to remediate the effects of hurricanes and ice storms (including most recently, Hurricane Gustav and Hurricane Ike in 2008 and the January 2009 ice storm in Arkansas) and recovery of costs associated with restoration, including accessing funded storm reserves, federal and local cost recovery mechanisms, securitization, and insurance

FORWARD-LOOKING INFORMATION (Concluded)

- effects of climate change
 - Entergy's ability to manage its capital projects and operation and maintenance costs
 - Entergy's ability to purchase and sell assets at attractive prices and on other attractive terms
- the economic climate, and particularly economic conditions in Entergy's Utility service territory and the Northeast United States
 - the effects of Entergy's strategies to reduce tax payments
- changes in the financial markets, particularly those affecting the availability of capital and Entergy's ability to refinance existing debt, execute share repurchase programs, and fund investments and acquisitions
- actions of rating agencies, including changes in the ratings of debt and preferred stock, changes in general corporate ratings, and changes in the rating agencies' ratings criteria
 - changes in inflation and interest rates
 - the effect of litigation and government investigations or proceedings

- advances in technology
 - the potential effects of threatened or actual terrorism and war
 - Entergy's ability to attract and retain talented management and directors
 - changes in accounting standards and corporate governance
- declines in the market prices of marketable securities and resulting funding requirements for Entergy's defined benefit pension and other postretirement benefit plans
- changes in decommissioning trust fund values or earnings or in the timing of or cost to decommission nuclear plant sites
- the ability to successfully complete merger, acquisition, or divestiture plans, regulatory or other limitations imposed as a result of merger, acquisition, or divestiture, and the success of the business following a merger, acquisition, or divestiture
- risks and uncertainties associated with unwinding the business infrastructure associated with the contemplated Non-Utility Nuclear spin-off, joint venture, and related transactions.

DEFINITIONS

Certain abbreviations or acronyms used in the text and notes are defined below:

Abbreviation or Acronym	Term
AEEC	Arkansas Electric Energy Consumers
AFUDC	Allowance for Funds Used During Construction
ALJ	Administrative Law Judge
ANO 1 and 2	Units 1 and 2 of Arkansas Nuclear One Steam Electric Generating Station (nuclear), owned by Entergy Arkansas
APSC	Arkansas Public Service Commission
ASC	FASB Accounting Standards Codification
ASU	FASB Accounting Standards Update
Board	Board of Directors of Entergy Corporation
capacity factor	Actual plant output divided by maximum potential plant output for the period
City Council or Council	Council of the City of New Orleans, Louisiana
Entergy	Entergy Corporation and its direct and indirect subsidiaries
Entergy Corporation	Entergy Corporation, a Delaware corporation
Entergy Gulf States, Inc.	Predecessor company for financial reporting purposes to Entergy Gulf States Louisiana that included the assets and business operations of both Entergy Gulf States Louisiana and Entergy Texas
Entergy Gulf States Louisiana	Entergy Gulf States Louisiana, L.L.C., a company created in connection with the jurisdictional separation of Entergy Gulf States, Inc. and the successor company to Entergy Gulf States, Inc. for financial reporting purposes. The term is also used to refer to the Louisiana jurisdictional

business of Entergy Gulf States, Inc., as the context requires.

Entergy Texas	Entergy Texas, Inc., a company created in connection with the jurisdictional separation of Entergy Gulf States, Inc. The term is also used to refer to the Texas jurisdictional business of Entergy Gulf States, Inc., as the context requires.
EPA	United States Environmental Protection Agency
ERCOT	Electric Reliability Council of Texas
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
Form 10-K	Annual Report on Form 10-K for the calendar year ended December 31, 2009 filed with the SEC by Entergy Corporation and its Registrant Subsidiaries
Grand Gulf	Unit No. 1 of Grand Gulf Steam Electric Generating Station (nuclear), 90% owned or leased by System Energy
GWh	Gigawatt-hour(s), which equals one million kilowatt-hours
Independence	Independence Steam Electric Station (coal), owned 16% by Entergy Arkansas, 25% by Entergy Mississippi, and 7% by Entergy Power
IRS	Internal Revenue Service
ISO	Independent System Operator
kW	Kilowatt, which equals one thousand watts
kWh	Kilowatt-hour(s)
LPSC	Louisiana Public Service Commission
MMBtu	One million British Thermal Units

DEFINITIONS (Continued)

Abbreviation or Acronym	Term
MPSC	Mississippi Public Service Commission
MW	Megawatt(s), which equals one thousand kilowatts
MWh	Megawatt-hour(s)
Net MW in operation	Installed capacity owned or operated
Non-Utility Nuclear	Entergy's business segment that owns and operates six nuclear power plants and sells electric power produced by those plants to wholesale customers
NRC	Nuclear Regulatory Commission
NYPA	New York Power Authority
PPA	Purchased power agreement
PUCT	Public Utility Commission of Texas
PUHCA 1935	Public Utility Holding Company Act of 1935, as amended
PUHCA 2005	Public Utility Holding Company Act of 2005, which repealed PUHCA 1935, among other things
Registered Subsidiaries	Entergy Arkansas, Inc., Entergy Gulf States Louisiana, L.L.C., Entergy Louisiana, LLC, Entergy Mississippi, Inc., Entergy New Orleans, Inc., Entergy Texas, Inc., and System Energy Resources, Inc.
River Bend	River Bend Steam Electric Generating Station (nuclear), owned by Entergy Gulf States Louisiana
RTO	Regional transmission organization
SEC	Securities and Exchange Commission
System Agreement	Agreement, effective January 1, 1983, as modified, among the Utility operating companies relating to the sharing of generating capacity and other power resources
System Energy	System Energy Resources, Inc.
TWh	Terawatt-hour(s), which equals one billion kilowatt-hours
Unit Power Sales Agreement	Agreement, dated as of June 10, 1982, as amended and approved by FERC, among Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy, relating to the sale of capacity and energy from System Energy's share of Grand Gulf
Utility	Entergy's business segment that generates, transmits, distributes, and sells electric power, with a small amount of natural gas distribution

Utility operating companies	Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and Entergy Texas
Waterford 3	Unit No. 3 (nuclear) of the Waterford Steam Electric Generating Station, 100% owned or leased by Entergy Louisiana
weather-adjusted usage	Electric usage excluding the effects of deviations from normal weather

ENTERGY CORPORATION AND SUBSIDIARIES

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Entergy operates primarily through two business segments: Utility and Non-Utility Nuclear.

- Utility generates, transmits, distributes, and sells electric power in service territories in four states that include portions of Arkansas, Mississippi, Texas, and Louisiana, including the City of New Orleans; and operates a small natural gas distribution business.
- Non-Utility Nuclear owns and operates six nuclear power plants located in the northern United States and sells the electric power produced by those plants primarily to wholesale customers. This business also provides services to other nuclear power plant owners.

In addition to its two primary, reportable, operating segments, Entergy also operates the non-nuclear wholesale assets business. The non-nuclear wholesale assets business sells to wholesale customers the electric power produced by power plants that it owns while it focuses on improving performance and exploring sales or restructuring opportunities for its power plants. Such opportunities are evaluated consistent with Entergy's market-based point-of-view.

Plan to Pursue Separation of Non-Utility Nuclear

See the Form 10-K for a discussion of the Board-approved plan to pursue a tax-free spin-off of the Non-Utility Nuclear business to Entergy shareholders. On March 2, 2010, Entergy proposed conditions for review by the New York Public Service Commission (NYPSC), including an incremental \$500 million reduction in Enexus's long-term debt, restrictions on Enexus's ability to make dividend payments and returns of capital to shareholders until certain conditions are met, and the potential for disbursements to New York's energy efficiency funds if power prices exceed certain levels. At its hearing held on March 4, 2010, the NYPSC discussed Entergy's petition and proposed conditions and, after that meeting, issued a notice soliciting comments "on a set of conditions that could potentially be developed" regarding Entergy's planned spin-off transaction. At its hearing held on March 25, 2010, the NYPSC voted 5-0 to reject Entergy's planned spin-off transaction.

On April 5, 2010, Entergy announced that, effective immediately, it plans to unwind the business infrastructure associated with the proposed separate Non-Utility Nuclear generation (Enexus) and nuclear services (EquaGen) companies while it evaluates and works to preserve its legal rights. Entergy also announced that its next quarterly dividend on its common shares would be \$0.83 per share, an increase from the previous \$0.75 per share, and that it expected to execute on the \$750 million share repurchase program authorized by the Board in the fourth quarter 2009. The amount of repurchases may vary as a result of material changes in business results or capital spending or new investment opportunities. As a result of the plan to unwind the business infrastructure, Entergy recorded expenses in the first quarter 2010 for the write-off of certain capitalized costs incurred in connection with the planned spin-off transaction. These costs are discussed in more detail throughout the "Results of Operations" section below. Entergy expects that it will incur approximately \$50 million in additional expenses in unwinding this business through the remainder of 2010, including additional write-offs, dis-synergies, and certain other costs.

Entergy Corporation and Subsidiaries
Management's Financial Discussion and Analysis

Results of Operations

Income Statement Variances

Following are income statement variances for Utility, Non-Utility Nuclear, Parent & Other, and Entergy comparing the first quarter 2010 to the first quarter 2009 showing how much the line item increased or (decreased) in comparison to the prior period:

	Utility	Non-Utility Nuclear	Parent & Other (1)	Entergy
	(In Thousands)			
1st Qtr 2009 Consolidated Net Income	\$115,968	\$180,882	(\$56,517)	\$240,333
Net revenue (operating revenue less fuel expense, purchased power, and other regulatory charges/credits)	93,040	(48,127)	3,772	48,685
Other operation and maintenance expenses	12,852	46,704	(1,769)	57,787
Taxes other than income taxes	3,427	(2,137)	(275)	1,015
Depreciation and amortization	7,188	4,051	113	11,352
Other income	(7,202)	32,764	1,123	26,685
Interest charges	15,970	33,098	(15,316)	33,752
Other expenses	2,892	5,449	3	8,344
Income taxes	16,506	(15,872)	(15,995)	(15,361)
1st Qtr 2010 Consolidated Net Income	\$142,971	\$94,226	(\$18,383)	\$218,814

(1) Parent & Other includes eliminations, which are primarily intersegment activity.

Refer to "ENTERGY CORPORATION AND SUBSIDIARIES - SELECTED OPERATING RESULTS" for further information with respect to operating statistics.

Net Revenue

Utility

Following is an analysis of the change in net revenue comparing the first quarter 2010 to the first quarter 2009.

	Amount (In Millions)
2009 net revenue	\$1,037
Volume/weather	65
Retail electric price	23
Net gas revenue	11
Other	(6)
2010 net revenue	\$1,130

Entergy Corporation and Subsidiaries
Management's Financial Discussion and Analysis

The volume/weather variance is primarily due to an increase of 2,654 GWh, or 12%, in billed electricity usage in all sectors, including the effect of significantly colder-than-normal weather on the residential sector.

The retail electric price variance is primarily due to increases in the formula rate plan riders at Entergy Gulf States Louisiana and Entergy Louisiana effective November 2009 and at Entergy Mississippi effective July 2009. The retail electric price increase was partially offset by the recovery in 2009 by Entergy Arkansas of 2008 extraordinary storm costs as approved by the APSC and a base rate decrease at Entergy New Orleans effective June 2009.

The net gas revenue variance is primarily due to the effect of significantly colder-than-normal weather on residential sales.

Non-Utility Nuclear

Following is an analysis of the change in net revenue comparing the first quarter 2010 to the first quarter 2009.

	Amount (In Millions)
2009 net revenue	\$603
Realized price changes	(53)
Volume	10
Other	(5)
2010 net revenue	\$555

As shown in the table above, net revenue for Non-Utility Nuclear decreased by \$48 million, or 8%, in the first quarter 2010 compared to the first quarter 2009 primarily due to lower pricing in its contracts to sell power, partially offset by slightly higher volume resulting from fewer refueling outage days. Included in net revenue is \$12 million and \$13 million of amortization of the Palisades purchased power agreement in the first quarters 2010 and 2009, respectively, which is non-cash revenue and is discussed in Note 15 to the financial statements in the Form 10-K. Following are key performance measures for Non-Utility Nuclear for the first quarter 2010 and 2009:

	2010	2009
Net MW in operation at March 31	4,998	4,998
Average realized price per MWh	\$58.72	\$63.84
GWh billed	10,255	10,074
Capacity factor	94%	92%

Refueling		
Outage Days:		
Indian Point 2	22	-
Indian Point 3	-	21
Palisades	-	9

Realized Price per MWh

See the Form 10-K for a discussion of Non-Utility Nuclear's realized price per MWh, including the factors that influence it and the increase in the annual average realized price per MWh from \$39.40 for 2003 to \$61.07 for 2009. Non-Utility Nuclear is likely to experience a decrease in realized price per MWh in 2010, however, because as shown in the contracted sale of energy table in "Market and Credit Risk Sensitive Instruments," Non-Utility Nuclear has sold forward 91% of its planned energy output for the remainder of 2010 for an average contracted energy price of \$57 per MWh.

Entergy Corporation and Subsidiaries
Management's Financial Discussion and Analysis

Other Income Statement Items

Utility

Other operation and maintenance expenses increased from \$422 million for the three months ended March 31, 2009 to \$435 million for the three months ended March 31, 2010 primarily due to an increase of \$16 million in payroll-related and benefits costs and nuclear insurance premium refunds of \$8 million received in 2009, partially offset by a decrease of \$6 million due to 2008 storm costs at Entergy Arkansas which were deferred per an APSC order and were recovered through revenues in 2009 and a decrease of \$5 million in customer write-offs.

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

Other income decreased primarily due to carrying charges on storm restoration costs recorded in the first quarter 2009 and a decrease in allowance for equity funds used during construction due to higher construction work in progress in 2009 primarily as a result of Hurricane Gustav and Hurricane Ike. The decrease was partially offset by higher earnings on decommissioning trust funds.

Interest charges increased primarily due to an increase in long-term debt outstanding resulting from debt issuances by certain of the Utility operating companies in 2009.

Non-Utility Nuclear

Other operation and maintenance expenses increased from \$200 million for the three months ended March 31, 2009 to \$247 million for the three months ended March 31, 2010 primarily due to the write-off of \$32 million of capital costs, primarily for software that will not be utilized, in connection with Entergy's decision to unwind the infrastructure created for the planned Non-Utility Nuclear spin-off transaction. Also contributing to the increase were tritium remediation work at the Vermont Yankee site, higher pension and benefits expense, and higher insurance expense.

Other income increased primarily due to \$16 million in charges in 2009 resulting from the recognition of impairments that are not considered temporary of certain equity securities held in Non-Utility Nuclear's decommissioning trust funds, increases in realized earnings on the decommissioning trust funds, and interest income from loans to Entergy subsidiaries.

Interest charges increased primarily due to the write-off of \$37 million of debt financing costs, primarily incurred for Enexus's \$1.2 billion credit facility, in connection with Entergy's decision to unwind the infrastructure created for the planned Non-Utility Nuclear spin-off transaction.

Parent & Other

Interest charges decreased primarily due to lower borrowings, including the redemption of \$267 million of notes payable in December 2009, as well as lower interest rates on borrowings under Entergy Corporation's revolving credit facility.

Income Taxes

The effective income tax rate for the first quarter 2010 was 40.3%. The difference in the effective income tax rate versus the statutory rate of 35% for the first quarter 2010 is primarily due to a charge of \$16 million resulting from a change in tax law associated with the recently enacted federal healthcare legislation, as discussed below in "Critical Accounting Estimates". Also contributing to the increased effective rate were state income taxes and certain book and tax differences for utility plant items. These factors were partially offset by a \$19 million tax benefit recorded in connection with Entergy's decision to unwind the infrastructure created for the planned Non-Utility Nuclear spin-off transaction resulting from implementation expenses that previously were not deductible for tax purposes. Also offsetting the increased effective rate are book and tax differences related to storm cost financing and allowance for equity funds used during construction.

Entergy Corporation and Subsidiaries
Management's Financial Discussion and Analysis

The effective income tax rate for the first quarter 2009 was 40.4%. The difference in the effective income tax rate versus the statutory rate of 35% for the first quarter 2009 is primarily due to state income taxes and certain book and tax differences for utility plant items, partially offset by book and tax differences related to storm cost financing and allowance for equity funds used during construction.

Liquidity and Capital Resources

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources" in the Form 10-K for a discussion of Entergy's capital structure, capital expenditure plans and other uses of capital, and sources of capital. Following are updates to that discussion.

Capital Structure

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

	March 31, 2010	December 31, 2009
Net debt to net capital, excluding the Texas securitization bonds, which are non-recourse to Entergy Texas	51.3%	51.5%
Effect of excluding the securitization bonds	2.1%	2.1%
Net debt to net capital	53.4%	53.6%
Effect of subtracting cash from debt	3.6%	3.8%
Debt to capital	57.0%	57.4%

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, common shareholders' equity, and subsidiaries' preferred stock without sinking fund. Net capital consists of capital less cash and cash equivalents. Entergy 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's financial condition.

As discussed in the Form 10-K, Entergy Corporation has in place a \$3.5 billion credit facility that expires in August 2012. Entergy Corporation has the ability to issue letters of credit against the total borrowing capacity of the facility. As of March 31, 2010, amounts outstanding under the credit facility are:

Capacity	Borrowings	Letters of Credit	Capacity Available
(In Millions)			

\$3,500	\$2,615	\$25	\$860
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Entergy Corporation's credit facility requires it to maintain a consolidated debt ratio of 65% or less of its total capitalization. The calculation of this debt ratio under Entergy Corporation's credit facility and in the indenture governing the Entergy Corporation senior notes is different than the calculation of the debt to capital ratio above. Entergy is currently in compliance with this covenant. If Entergy fails to meet this ratio, or if Entergy Corporation or one of the Utility operating companies (except Entergy New Orleans) defaults on other indebtedness or is in bankruptcy or insolvency proceedings, an acceleration of the facility's maturity date may occur, and there may be an acceleration of amounts due under Entergy Corporation's senior notes.

See Note 4 to the financial statements herein for additional discussion of the Entergy Corporation credit facility and discussion of the Registrant Subsidiaries' credit facilities.

Entergy Corporation and Subsidiaries
Management's Financial Discussion and Analysis

Capital Expenditure Plans and Other Uses of Capital

See the table and discussion in the Form 10-K under "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources - Capital Expenditure Plans and Other Uses of Capital," that sets forth the amounts of planned construction and other capital investments by operating segment for 2010 through 2012. See Part II, Item 5 in this report for an update regarding Entergy Arkansas's White Bluff project. Following are additional updates to the discussion in the Form 10-K.

Acadia Unit 2 Purchase Agreement

As discussed more fully in the Form 10-K, 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. 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. Currently the closing is expected to occur in the first quarter 2011. Entergy Louisiana and Acadia Power Partners also have entered into a purchase power agreement for 100 percent of the output of Acadia Unit 2 that is expected to commence after receipt of all required regulatory approvals and is set to expire at the closing of the acquisition transaction. Entergy Louisiana has filed with the LPSC for approval of the transaction, and the LPSC has approved the purchase power agreement. The parties have agreed to a procedural schedule for the acquisition that would lead to LPSC consideration of the matter at its January 2011 meeting and includes a hearing before the ALJ in September 2010.

Dividends and Stock Repurchases

In the fourth quarter 2009 the Board granted authority for a \$750 million share repurchase program. As discussed above, at the same time that it announced its plans to unwind the business infrastructure associated with the proposed spin-off of the Non-Utility Nuclear business, Entergy also announced in April 2010 that it expected to execute on the \$750 million share repurchase program and also that its next quarterly dividend on its common shares would be \$0.83 per share, an increase from the previous \$0.75 per share. The amount of repurchases may vary as a result of material changes in business results or capital spending or new investment opportunities.

Sources of Capital

See Note 4 to the financial statements for discussion of long-term debt issuances by Entergy Louisiana and Entergy Mississippi in 2010.

Hurricane Gustav and Hurricane Ike

As discussed in the Form 10-K, in September 2008, Hurricane Gustav and Hurricane Ike caused catastrophic damage to Entergy's service territory. Entergy Gulf States Louisiana and Entergy Louisiana filed their Hurricane Gustav and Hurricane Ike storm cost recovery case with the LPSC in May 2009. In September 2009, Entergy Gulf States Louisiana and Entergy Louisiana and the Louisiana Utilities Restoration Corporation (LURC), an instrumentality of the State of Louisiana, filed with the LPSC an application requesting that the LPSC grant financing orders authorizing the financing of Entergy Gulf States Louisiana's and Entergy Louisiana's storm costs, storm reserves, and issuance costs pursuant to Act 55 of the Louisiana Regular Session of 2007 (Act 55 financings). Entergy Gulf States Louisiana's and Entergy Louisiana's Hurricane Katrina and Hurricane Rita storm costs were financed primarily by Act

55 financings, as discussed in the Form 10-K. Entergy Gulf States Louisiana and Entergy Louisiana also filed an application requesting LPSC approval for ancillary issues including the mechanism to flow charges and Act 55 financing savings to customers via a Storm Cost Offset rider. On December 30, 2009, Entergy Gulf States Louisiana and Entergy Louisiana entered into a stipulation agreement with the LPSC Staff that provides for total recoverable costs of approximately \$234 million for Entergy Gulf States Louisiana and \$394 million for Entergy Louisiana. Under this stipulation, Entergy Gulf States Louisiana agrees not to recover \$4.4 million and Entergy Louisiana agrees not to

Entergy Corporation and Subsidiaries
Management's Financial Discussion and Analysis

recover \$7.2 million of their storm restoration spending. The stipulation also permits replenishing Entergy Gulf States Louisiana's storm reserve in the amount of \$90 million and Entergy Louisiana's storm reserve in the amount of \$200 million when the Act 55 financings are accomplished. In March and April 2010, Entergy Gulf States Louisiana, Entergy Louisiana, and other parties to the proceeding filed with the LPSC an uncontested stipulated settlement that includes these terms and also includes Entergy Gulf States Louisiana's and Entergy Louisiana's proposals under the Act 55 financings, which includes a commitment to pass on to customers a minimum of \$15.5 million and \$27.75 million of customer benefits, respectively, through prospective annual rate reductions of \$3.1 million and \$5.55 million for five years. A stipulation hearing was held before the ALJ on April 13, 2010. On April 21, 2010, the LPSC approved the settlement and subsequently issued two financing orders and one ratemaking order intended to facilitate the implementation of the Act 55 financings. Louisiana State Bond Commission approval is now required before Entergy Gulf States Louisiana and Entergy Louisiana proceed with the Act 55 financings.

Cash Flow Activity

As shown in Entergy's Consolidated Statements of Cash Flows, cash flows for the three months ended March 31, 2010 and 2009 were as follows:

	2010	2009
	(In Millions)	
Cash and cash equivalents at beginning of period	\$1,710	\$1,920
Cash flow provided by (used in):		
Operating activities	674	375
Investing activities	(515)	(646)
Financing activities	(212)	154
Net decrease in cash and cash equivalents	(53)	(117)
Cash and cash equivalents at end of period	\$1,657	\$1,803

Operating Activities

Entergy's cash flow provided by operating activities increased by \$299 million for the three months ended March 31, 2010 compared to the three months ended March 31, 2009, primarily due to the absence of the Hurricane Gustav, Hurricane Ike, and Arkansas ice storm restoration spending that occurred in 2009. In addition, an increase in Utility net revenue also contributed to the increase. These increases were partially offset by decreased collection of fuel costs and an \$87.8 million fuel cost refund made by Entergy Texas in the first quarter 2010 that is discussed further in Note 2 to the financial statements in the Form 10-K. Operating cash flow provided by the Non-Utility Nuclear business was relatively unchanged, with its decline in net revenue offset by various, individually insignificant, factors.

Investing Activities

Net cash used in investing activities decreased by \$131 million for the three months ended March 31, 2010 compared to the three months ended March 31, 2009, primarily due to a decrease in nuclear fuel purchases and an increase in collateral deposits received from Non-Utility Nuclear counterparties.

Entergy Corporation and Subsidiaries
Management's Financial Discussion and Analysis

Financing Activities

Financing activities used cash flow of \$212 million for the three months ended March 31, 2010 compared to providing cash flow of \$154 million for the three months ended March 31, 2009. The following significant financing cash flow activity occurred in the three months ended March 31, 2010 and 2009:

- Entergy Corporation increased the net borrowings under its credit facilities by \$49 million in the first quarter 2010 compared to decreasing the net borrowings under its credit facilities by \$5 million in the first quarter 2009. See Note 4 to the financial statements for a description of the Entergy Corporation credit facilities.
- Entergy Texas issued \$500 million of 7.125% Series Mortgage Bonds in January 2009 and used a portion of the proceeds to repay \$100 million in borrowings outstanding on its long-term credit facility and \$70.8 million in long-term debt prior to maturity in 2009.
- The Utility operating companies increased the borrowings outstanding on their short-term credit facilities by \$25 million in 2009.

In addition, in March 2010, Entergy Louisiana issued \$150 million of 6.0% Series first mortgage bonds due March 2040. Because the proceeds were deposited directly with a trustee and not held by Entergy Louisiana, the bond issuance is reported as a non-cash financing activity on the cash flow statement. Entergy Louisiana used the proceeds in April 2010, together with other available funds, to redeem, prior to maturity, all of its \$150 million 7.60% Series first mortgage bonds, due April 2032.

Rate, Cost-recovery, and Other Regulation

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Rate, Cost-recovery, and Other Regulation" in the Form 10-K for discussions of rate regulation, federal regulation, and related regulatory proceedings.

State and Local Rate Regulation and Fuel-Cost Recovery

See Note 2 to the financial statements herein for updates to the discussion in the Form 10-K regarding these proceedings.

Federal Regulation

See the Form 10-K for a discussion of federal regulatory proceedings. Following are updates to that discussion.

System Agreement Proceedings

Rough Production Cost Equalization Rates

2009 Rate Filing Based on Calendar Year 2008 Production Costs

Several parties intervened in the 2009 rate proceeding at the FERC, including the LPSC and Ameren, which have also filed protests. On July 27, 2009, the FERC accepted Entergy's proposed rates for filing, effective June 1, 2009, subject to refund, and set the proceeding for hearing and settlement procedures. Settlement procedures were terminated and a hearing before the ALJ was held in April 2010. An initial decision is scheduled for August 2010.

Entergy Arkansas and Entergy Mississippi Notices of Termination of System Agreement Participation and Related APSC Investigation

Entergy Corporation and Subsidiaries
Management's Financial Discussion and Analysis

In February 2010 the APSC issued an order announcing a refocus of its ongoing investigation of Entergy Arkansas' post-System Agreement operation. The order describes the APSC's "stated purpose in opening this inquiry to conduct an investigation regarding the prudence of [Entergy Arkansas] entering into a successor ESA [Entergy System Agreement] as opposed to becoming a stand-alone utility upon its exit from the ESA, and whether [Entergy Arkansas], as a standalone utility, should join the SPP RTO. It is the [APSC's] intention to render a decision regarding the prudence of [Entergy Arkansas] entering into a successor ESA as opposed to becoming a stand-alone utility upon its exit from the ESA, as well as [Entergy Arkansas'] RTO participation by the end of calendar year 2010. In parallel with this Docket, the [APSC] will be actively involved and will be closely watching to see if any meaningful enhancement will be made to a new Enhanced Independent Coordinator of Transmission ("E-ICT") Agreement through the efforts of the ETS [Entergy Transmission System] stakeholders, Entergy, and the newly formed and federally-recognized E-RSC in 2010." The schedule set by the order includes evidentiary hearings in March and May 2010.

In March 2010, Entergy Arkansas filed testimony and participated in the scheduled hearing. Entergy Arkansas noted in its testimony that it is not reasonable to complete a comprehensive evaluation of strategic options by the end of 2010 and that forcing a decision would place parties in the untenable position of making critical decisions based on insufficient information. Entergy Arkansas outlined three options for post-System Agreement operation of its electrical system: 1) Entergy Arkansas self providing as a stand-alone company for resource planning; 2) Entergy Arkansas plus new coordination agreements with third parties in which Entergy Arkansas self provides or contracts some functions, but also enters into one or more coordinating or pooling agreements with third parties, such as the Southwest Power Pool RTO; and 3) Successor Arrangements under which Entergy Arkansas plans for its own generation resources but enters into a new generation agreement with other Utility operating companies under a successor agreement intended to benefit all but avoid the litigation previously experienced. Entergy Arkansas's plan is expected to lead to a decision regarding critical path issues in late 2011; however, Entergy Arkansas anticipates several transition plan elements will move forward in 2010. In an attempt to reach understanding of complex issues, Entergy Arkansas proposes to hold a series of five technical conferences in the coming months targeting specific subjects. The initial technical conference is scheduled for May 5, 2010.

In early April 2010, Entergy Corporation and the Utility operating companies determined in connection with their decision-making process that it is appropriate to agree and commit that no Utility operating company will enter voluntarily into successor arrangements with the other Utility operating companies if its retail regulator finds successor arrangements are not in the public interest. Hugh McDonald, chief executive officer of Entergy Arkansas, notified the APSC of this decision by a letter filed with the APSC on April 26, 2010.

June 2009 LPSC Complaint Proceeding

See the Form 10-K for a discussion of the complaint that the LPSC filed in June 2009 requesting that the FERC determine that certain of Entergy Arkansas' sales of electric energy to third parties: (a) violated the provisions of the System Agreement that allocate the energy generated by Entergy System resources, (b) imprudently denied the Entergy System and its ultimate consumers the benefits of low-cost Entergy System generating capacity, and (c) violated the provision of the System Agreement that prohibits sales to third parties by individual companies absent an offer of a right-of-first-refusal to other Utility operating companies. Settlement procedures were unsuccessful, and a hearing in the matter is scheduled to commence in August 2010. On April 16, 2010, the LPSC filed direct testimony in the proceeding alleging, among other things, that (1) Entergy violated the System Agreement by permitting Entergy Arkansas to make non-requirements sales to non-affiliated third parties rather than making such energy available to the other Utility operating companies' customers; and (2) that over the period 2000 – 2009, these non-requirements sales

caused harm to the Utility operating companies' customers of \$144.4 million and these customers should be compensated for this harm by Entergy's shareholders. The Utility operating companies believe the LPSC's allegations are without merit and will file their rebuttal testimony by May 25, 2010.

Entergy Corporation and Subsidiaries
Management's Financial Discussion and Analysis

Independent Coordinator of Transmission (ICT)

See the Form 10-K for a discussion of Entergy's ICT and transmission issues. As discussed in the Form 10-K, the Entergy Regional State Committee (E-RSC), which is comprised of one representative from each of the Utility operating companies' retail regulators, has been formed to consider several of the issues related to Entergy's transmission system. Among other things, the E-RSC, in concert with the FERC, is in the process of conducting a cost/benefits analysis comparing the ICT arrangement and a proposal under which Entergy would join the Southwest Power Pool RTO. The E-RSC is also considering proposed modifications to the ICT arrangement that could be implemented commencing November 2010, when the initial term of the ICT ends. It is anticipated that the E-RSC will reach its conclusions on the proposed modifications during the June/July 2010 timeframe, following which the proposed modifications will be filed with one or more of the Utility operating companies' retail regulators and the FERC prior to implementation.

Market and Credit Risk Sensitive Instruments

Commodity Price Risk

Power Generation

As discussed more fully in the Form 10-K, the sale of electricity from the power generation plants owned by Entergy's Non-Utility Nuclear business, unless otherwise contracted, is subject to the fluctuation of market power prices. Following is an updated summary of the amount of the Non-Utility Nuclear business's output that is currently sold forward under physical or financial contracts (2010 represents the remainder of the year):

	2010	2011	2012	2013	2014
Non-Utility Nuclear: Percent of planned generation sold forward:					
Unit-contingent (1)	54%	63%	31%	12%	14%
Unit-contingent with availability guarantees (2)	37%	17%	14%	6%	3%
Firm LD (3)	0%	2%	2%	0%	0%
Total	91%	82%	47%	18%	17%
Planned generation (TWh)	30	41	41	40	41
Average contracted price per MWh (2)	\$57	\$55	\$55	\$50	\$50

(1) Unit-contingent is a transaction under which power is supplied from a specific generation asset; if the asset is not operating, seller is generally not liable to buyer for any damages.

(2) Unit-contingent with availability guarantees is a transaction under which power is supplied from a specific generation asset; if the asset is not operating, seller is generally not liable to buyer for any damages, unless the actual availability over a

specified period of time is below an availability threshold specified in the contract.

- (3) Firm LD is a transaction that requires receipt or delivery of energy at a specified delivery point (usually at a market hub not associated with a specific asset) or settles financially on notional quantities; if a party fails to deliver or receive energy, defaulting party must compensate the other party as specified in the contract.
- (4) The Vermont Yankee acquisition included a PPA under which the former owners will buy most of the power produced by the plant through the expiration in 2012 of the current operating license for the plant. The PPA includes an adjustment clause under which the prices specified in the PPA will be adjusted downward monthly if twelve month rolling average power market prices drop below prices specified in the PPA, which has not happened thus far.

Entergy Corporation and Subsidiaries
Management's Financial Discussion and Analysis

Some of the agreements to sell the power produced by Entergy's Non-Utility Nuclear power plants contain provisions that require an Entergy subsidiary to provide collateral to secure its obligations under the agreements. The Entergy subsidiary is required to provide collateral based upon the difference between the current market and contracted power prices in the regions where Non-Utility Nuclear sells power. The primary form of collateral to satisfy these requirements is an Entergy Corporation guaranty. Cash and letters of credit are also acceptable forms of collateral. At March 31, 2010, based on power prices at that time, Entergy had no credit exposure under the guarantees in place supporting Entergy Nuclear Power Marketing (a Non-Utility Nuclear subsidiary) transactions, and \$2 million of posted cash collateral. As of March 31, 2010, the credit exposure associated with Non-Utility Nuclear assurance requirements would increase by \$35 million for each \$1 per MMBtu increase in gas prices in both the short-and long-term markets. In the event of a decrease in Entergy Corporation's credit rating to below investment grade, based on power prices as of March 31, 2010, Entergy would have been required to provide approximately \$64 million of additional cash or letters of credit under some of the agreements.

As of March 31, 2010, for the planned energy output under contract for Non-Utility Nuclear through 2014, 99.7% of the planned energy output is under contract with counterparties with public investment grade credit ratings and 0.3% is with load-serving entities without public credit ratings.

In addition to selling the power produced by its plants, Non-Utility Nuclear sells unforced capacity that is used to meet requirements placed on load-serving distribution companies by the ISO in their area. Following is a summary of the amount of Non-Utility Nuclear's unforced capacity that is currently sold forward, and the blended amount of Non-Utility Nuclear's planned generation output and unforced capacity that is currently sold forward (2010 represents the remainder of the year):

	2010	2011	2012	2013	2014
Non-Utility Nuclear:					
Percent of capacity sold forward:					
Bundled capacity and energy contracts	27%	25%	18%	16%	16%
Capacity contracts	46%	26%	30%	13%	0%
Total	73%	51%	48%	29%	16%
Planned net MW in operation	4,998	4,998	4,998	4,998	4,998
Average capacity contract price per kW per month	\$3.1	\$3.6	\$3.0	\$2.6	\$-
Blended Capacity and Energy (based on revenues)					
% of planned generation and capacity sold forward	92%	84%	51%	18%	15%
Average contract revenue per MWh	\$59	\$57	\$57	\$53	\$50

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's accounting for nuclear decommissioning costs, unbilled revenue, impairment of long-lived assets and trust fund investments, qualified pension and other postretirement benefits, and other contingencies. Following is an update to that discussion.

Federal Healthcare Legislation

The Patient Protection and Affordable Care Act (PPACA) became federal law on March 23, 2010, and, on March 30, 2010, the Health Care and Education Reconciliation Act of 2010 became federal law and amended certain provisions of the PPACA. These new federal laws change the law governing employer-sponsored group health plans, like Entergy's plans. All of the effects of these changes are not yet determinable because technical guidance regarding application must still be issued, and Entergy will monitor these developments.

Entergy Corporation and Subsidiaries
Management's Financial Discussion and Analysis

One provision of the new law that is effective in 2013 eliminates the federal income tax deduction for prescription drug expenses of Medicare beneficiaries for which the plan sponsor also receives the retiree drug subsidy under Part D. Entergy receives subsidy payments under the Medicare Part D plan and therefore in the first quarter 2010 recorded a reduction to the deferred tax asset related to the unfunded other postretirement benefit obligation. The offset was recorded as a \$16 million charge to income tax expense or, for the Utility, including each Registrant Subsidiary, as a regulatory asset, as detailed in Note 2 to the financial statements herein.

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Allowance for borrowed funds used during construction		
TOTAL	171,198	137,446
INCOME BEFORE INCOME TAXES	366,499	403,379
Income taxes	147,685	163,046
CONSOLIDATED NET INCOME	218,814	240,333
Preferred dividend requirements of subsidiaries	5,015	4,998
NET INCOME ATTRIBUTABLE TO ENTERGY CORPORATION	\$ 213,799	\$ 235,335
Earnings per average common share:		
Basic	\$ 1.13	\$ 1.22
Diluted	\$ 1.12	\$ 1.20
Dividends declared per common share	\$ 0.75	\$ 0.75
Basic average number of common shares outstanding	189,202,684	192,593,601
Diluted average number of common shares outstanding	191,283,703	198,058,002
See Notes to Financial Statements.		

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2010 and 2009
(Unaudited)

	2010	2009
	(In Thousands)	
OPERATING ACTIVITIES		
Consolidated net income	\$ 218,814	\$ 240,333
Adjustments to reconcile consolidated net income to net cash flow provided by operating activities:		
Reserve for regulatory adjustments	438	1,210
Other regulatory charges (credits) - net	28,092	(29,474)
Depreciation, amortization, and decommissioning, including nuclear fuel amortization	423,432	348,444
Deferred income taxes, investment tax credits, and non-current taxes accrued	133,533	155,029
Changes in working capital:		
Receivables	43,830	102,428
Fuel inventory	(6,324)	(17,631)
Accounts payable	(79,250)	(134,008)
Taxes accrued	-	(12,784)
Interest accrued	(36,676)	(37,413)
Deferred fuel	964	275,508
Other working capital accounts	19,527	(120,505)
Provision for estimated losses and reserves	(35,870)	1,281
Changes in other regulatory assets	(66,248)	(447,882)
Changes in pensions and other postretirement liabilities	(40,884)	(29,158)
Other	70,887	79,241
Net cash flow provided by operating activities	674,265	374,619
INVESTING ACTIVITIES		
Construction/capital expenditures	(447,476)	(455,737)
Allowance for equity funds used during construction	13,296	16,947
Nuclear fuel purchases	(65,336)	(118,890)
Proceeds from sale/leaseback of nuclear fuel	-	11,040
Proceeds from sale of assets and businesses	9,675	-
Collections remitted to securitization recovery trust account	(21,940)	(7,831)
NYPA value sharing payment	(72,000)	(72,000)
Decrease in other investments	96,416	7,339
Proceeds from nuclear decommissioning trust fund sales	770,781	583,166

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Investment in nuclear decommissioning trust funds	(798,864)	(610,836)
Net cash flow used in investing activities	(515,448)	(646,802)

See Notes to Financial Statements.

ENTERGY CORPORATION AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF CASH FLOWS
 For the Three Months Ended March 31, 2010 and 2009
 (Unaudited)

2010
 (In Thousands) 2009

FINANCING ACTIVITIES

Proceeds from the issuance of:

Long-term debt	42,545	489,987
Common stock and treasury stock	6,078	927
Retirement of long-term debt	(100,289)	(215,023)
Changes in credit line borrowings - net	(13,368)	25,000
Dividends paid:		
Common stock	(141,892)	(142,085)
Preferred stock	(5,015)	(4,998)
Net cash flow provided by (used in) financing activities	(211,941)	153,808
Effect of exchange rates on cash and cash equivalents		
	607	842
Net decrease in cash and cash equivalents	(52,517)	(117,533)
Cash and cash equivalents at beginning of period		
	1,709,551	1,920,491
Cash and cash equivalents at end of period	\$ 1,657,034	\$ 1,802,958

SUPPLEMENTAL DISCLOSURE OF
 CASH FLOW INFORMATION:

Cash paid (received) during the period for:		
Interest - net of amount capitalized	\$ 171,145	\$ 176,892
Income taxes	\$ (1,385)	\$ (15,139)
Noncash financing activities:		
Long-term debt retired (equity unit notes)	-	\$ (500,000)
Common stock issued in settlement of equity unit purchase contracts	-	\$ 500,000
Proceeds from long-term debt issued for the purpose of refunding prior long-term debt	\$ 150,000	-

See Notes to Financial Statements.

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
ASSETS
March 31, 2010 and December 31, 2009
(Unaudited)

	2010	2009
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	\$ 75,446	\$ 85,861
Temporary cash investments	1,581,588	1,623,690
Total cash and cash equivalents	1,657,034	1,709,551
Securitization recovery trust account	35,037	13,098
Accounts receivable:		
Customer	570,657	553,692
Allowance for doubtful accounts	(28,432)	(27,631)
Other	144,116	152,303
Accrued unbilled revenues	250,657	302,463
Total accounts receivable	936,998	980,827
Deferred fuel costs	24,678	126,798
Accumulated deferred income taxes	24,155	-
Fuel inventory - at average cost	203,179	196,855
Materials and supplies - at average cost	833,715	825,702
Deferred nuclear refueling outage costs	214,155	225,290
System agreement cost equalization	70,000	70,000
Prepayments and other	733,669	386,040
TOTAL	4,732,620	4,534,161
OTHER PROPERTY AND INVESTMENTS		
Investment in affiliates - at equity	39,651	39,580
Decommissioning trust funds	3,330,681	3,211,183
Non-utility property - at cost (less accumulated depreciation)	247,296	247,664
Other	111,340	120,273
TOTAL	3,728,968	3,618,700
PROPERTY, PLANT AND EQUIPMENT		
Electric	36,508,160	36,343,772
Property under capital lease	782,722	783,096
Natural gas	316,136	314,256
Construction work in progress	1,667,720	1,547,319
Nuclear fuel under capital lease	-	527,521
Nuclear fuel	1,240,445	739,827
	40,515,183	40,255,791

TOTAL PROPERTY, PLANT AND
EQUIPMENT

Less - accumulated depreciation and amortization	16,976,188	16,866,389
PROPERTY, PLANT AND EQUIPMENT - NET	23,538,995	23,389,402

DEFERRED DEBITS AND OTHER
ASSETS

Regulatory assets:		
Regulatory asset for income taxes - net	625,391	619,500
Other regulatory assets	3,738,435	3,647,154
Deferred fuel costs	172,202	172,202
Goodwill	377,172	377,172
Accumulated deferred income taxes	74,028	-
Other	1,121,591	1,006,306
TOTAL	6,108,819	5,822,334
TOTAL ASSETS	\$ 38,109,402	\$ 37,364,597

See Notes to Financial Statements.

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
LIABILITIES AND EQUITY
March 31, 2010 and December 31, 2009
(Unaudited)

	2010	2009
(In Thousands)		
CURRENT LIABILITIES		
Currently maturing long-term debt	\$ 800,414	\$ 711,957
Notes payable	175,498	30,031
Accounts payable	877,093	998,228
Customer deposits	325,859	323,342
Accumulated deferred income taxes	7,100	48,584
Interest accrued	161,343	192,283
Deferred fuel costs	118,483	219,639
Obligations under capital leases	2,395	212,496
Pension and other postretirement liabilities	55,710	55,031
System agreement cost equalization	187,314	187,204
Other	348,572	215,202
TOTAL	3,059,781	3,193,997
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	7,906,361	7,422,319
Accumulated deferred investment tax credits	304,132	308,395
Obligations under capital leases	36,620	354,233
Other regulatory liabilities	534,523	421,985
Decommissioning and asset retirement cost liabilities	2,990,604	2,939,539
Accumulated provisions	92,907	141,315
Pension and other postretirement liabilities	2,199,476	2,241,039
Long-term debt	11,136,734	10,705,738
Other	677,464	711,334
TOTAL	25,878,821	25,245,897
Commitments and Contingencies		
Subsidiaries' preferred stock without sinking fund	216,721	217,343
EQUITY		
Common Shareholders' Equity:		
Common stock, \$.01 par value, authorized 500,000,000 shares;	2,548	2,548

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issued 254,752,788 shares in 2010 and in 2009		
Paid-in capital	5,373,424	5,370,042
Retained earnings	8,115,010	8,043,122
Accumulated other comprehensive income (loss)	85,392	(75,185)
Less - treasury stock, at cost (65,483,672 shares in 2010 and 65,634,580 shares in 2009)	4,716,295	4,727,167
Total common shareholders' equity	8,860,079	8,613,360
Subsidiaries' preferred stock without sinking fund	94,000	94,000
TOTAL	8,954,079	8,707,360
TOTAL LIABILITIES AND EQUITY	\$ 38,109,402	\$ 37,364,597

See Notes to Financial Statements.

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF RETAINED EARNINGS, COMPREHENSIVE
INCOME, AND PAID-IN CAPITAL
For the Three Months Ended March 31, 2010 and 2009
(Unaudited)

	2010	2009
	(In Thousands)	
RETAINED EARNINGS		
Retained Earnings - Beginning of period	\$ 8,043,122	\$ 7,382,719
Add:		
Net income attributable to Entergy Corporation	213,799	\$ 213,799
Adjustment related to implementation of new accounting pronouncement	-	6,365
Total	213,799	241,700
Deduct:		
Dividends declared on common stock	141,911	142,090
Retained Earnings - End of period	\$ 8,115,010	\$ 7,482,329
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)		
Balance at beginning of period:		
Accumulated derivative instrument fair value changes	\$ 117,943	\$ 120,830
Pension and other postretirement liabilities	(267,939)	(232,232)
Net unrealized investment gains (losses)	72,162	(4,402)
Foreign currency translation	2,649	3,106
Total	(75,185)	(112,698)
Net derivative instrument fair value changes		

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arising during the period (net of tax expense of \$87,259 and \$57,186)	142,538	142,538	87,714	87,714
Pension and other postretirement liabilities (net of tax expense (benefit) of \$891 and (\$135))	1,805	1,805	(857)	(857)
Net unrealized investment gains (losses) (net of tax expense (benefit) of \$17,813 and (\$35,977))	16,841	16,841	(25,417)	(25,417)
Adjustment related to implementation of new accounting pronouncement (net of tax benefit of (\$4,921))	-	-	(6,365)	-
Foreign currency translation (net of tax benefit of (\$327) and (\$454))	(607)	(607)	(843)	(843)
Balance at end of period: Accumulated derivative instrument fair value changes	260,481		208,544	
Pension and other postretirement liabilities	(266,134)		(233,089)	
Net unrealized investment gains (losses)	89,003		(36,184)	
Foreign currency translation	2,042		2,263	
Total	\$ 85,392		\$ (58,466)	
Add: preferred dividend requirements of subsidiaries		5,015		4,998
Comprehensive Income		\$ 379,391		\$ 300,930
PAID-IN CAPITAL				
Paid-in Capital - Beginning of period	\$ 5,370,042		\$ 4,869,303	
Add:	-		499,934	

Common stock issuances in settlement of equity unit purchase contracts		
Common stock issuances related to stock plans	3,382	1,209
Total	3,382	501,143

Paid-in Capital - End of period	\$ 5,373,424	\$ 5,370,446
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See Notes to Financial Statements.

ENTERGY CORPORATION AND SUBSIDIARIES
 SELECTED OPERATING RESULTS
 For the Three Months Ended March 31, 2010 and 2009
 (Unaudited)

Description	2010	2009	Increase/ (Decrease)	%
	(Dollars in Millions)			
Utility Electric Operating				
Revenues:				
Residential	\$ 818	\$ 756	\$ 62	8
Commercial	526	560	(34)	(6)
Industrial	521	548	(27)	(5)
Governmental	50	53	(3)	(6)
Total retail	1,915	1,917	(2)	-
Sales for resale	83	74	9	12
Other	9	36	(27)	(75)
Total	\$ 2,007	\$ 2,027	\$ (20)	(1)
Utility Billed Electric Energy				
Sales (GWh):				
Residential	9,645	7,893	1,752	22
Commercial	6,472	6,194	278	4
Industrial	8,733	8,139	594	7
Governmental	592	562	30	5
Total retail	25,442	22,788	2,654	12
Sales for resale	1,317	1,387	(70)	(5)
Total	26,759	24,175	2,584	11
Non-Utility Nuclear:				
Operating Revenues	\$ 614	\$ 656	\$ (42)	(6)
Billed Electric Energy Sales (GWh)	10,255	10,074	181	2

ENTERGY CORPORATION AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

NOTE 1. COMMITMENTS AND CONTINGENCIES (Entergy Corporation, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy)

Entergy and the Registrant Subsidiaries are involved in a number of legal, regulatory, and tax proceedings before various courts, regulatory commissions, and governmental agencies in the ordinary course of business. While management is unable to predict the outcome of such proceedings, management does not believe that the ultimate resolution of these matters will have a material adverse effect on Entergy's results of operations, cash flows, or financial condition. Entergy discusses regulatory proceedings in Note 2 to the financial statements in the Form 10-K and herein and discusses tax proceedings in Note 3 to the financial statements in the Form 10-K.

Nuclear Insurance

See Note 8 to the financial statements in the Form 10-K for information on nuclear liability and property insurance associated with Entergy's nuclear power plants.

Conventional Property Insurance

See Note 8 to the financial statements in the Form 10-K for information on Entergy's non-nuclear property insurance program.

Employment Litigation

The Registrant Subsidiaries and other Entergy subsidiaries are responding to various lawsuits in both state and federal courts and to other labor-related proceedings filed by current and former employees and third parties not selected for open positions. These actions include, but are not limited to, allegations of wrongful employment actions; wage disputes and other claims under the Fair Labor Standards Act or its state counterparts; claims of race, gender and disability discrimination; disputes arising under collective bargaining agreements; unfair labor practice proceedings and other administrative proceedings before the National Labor Relations Board; claims of retaliation; and claims for or regarding benefits under various Entergy Corporation sponsored plans. Entergy and the Registrant Subsidiaries are responding to these lawsuits and proceedings and deny liability to the claimants.

Asbestos Litigation (Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and Entergy Texas)

See Note 8 to the financial statements in the Form 10-K for information regarding asbestos litigation at Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and Entergy Texas.

NOTE 2. RATE AND REGULATORY MATTERS (Entergy Corporation, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy)

Regulatory Assets

See Note 2 to the financial statements in the Form 10-K for information regarding regulatory assets in the Utility business presented on the balance sheets of Entergy and the Registrant Subsidiaries. Following are updates to that information.

Fuel and purchased power cost recovery

See Entergy Corporation and Subsidiaries' "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - System Agreement Proceedings" for updates to the discussion in the Form 10-K regarding the System Agreement proceedings.

Entergy Mississippi

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 independent audit firm submitted its report to the MPSC in December 2009. The report does not recommend that any costs be disallowed for recovery. The report did suggest that some costs, less than one percent of the fuel and purchased power costs recovered during the period, may have been more reasonably charged to customers through base rates rather than through fuel charges, but the report did not suggest that customers should not have paid for those costs. In November 2009 the MPSC also retained another firm to review processes and practices related to fuel and purchased energy. The results of that review were filed with the MPSC in March 2010. In that report, the independent consulting firm found that the practices and procedures in activities that directly affect the costs recovered through Entergy Mississippi's fuel adjustment clause appear reasonable. Both audit reports were certified by the MPSC to the Mississippi Legislature, as required by Mississippi law. In March 2010, the MPSC opened a docket to consider revisions to its rules regarding recovery of fuel and energy costs and other general matters related to fuel adjustment clauses and fuel audits.

Storm Cost Recovery Filings

Entergy Arkansas Storm Reserve Accounting

The APSC's June 2007 order in Entergy Arkansas' base rate proceeding eliminated storm reserve accounting for Entergy Arkansas. In March 2009 a law was enacted in Arkansas that requires the APSC to permit storm reserve accounting for utilities that request it. Entergy Arkansas filed its request with the APSC, and has reinstated storm reserve accounting effective January 1, 2009. A hearing on Entergy Arkansas' request was held in March 2010, and in April 2010 the ALJ approved Entergy Arkansas's establishment of a storm cost reserve account.

Entergy Gulf States Louisiana and Entergy Louisiana Hurricane Gustav and Hurricane Ike Filing

As discussed in the Form 10-K, in September 2008, Hurricane Gustav and Hurricane Ike caused catastrophic damage to Entergy's service territory. Entergy Gulf States Louisiana and Entergy Louisiana filed their Hurricane Gustav and Hurricane Ike storm cost recovery case with the LPSC in May 2009. In September 2009, Entergy Gulf States Louisiana and Entergy Louisiana and the Louisiana Utilities Restoration Corporation (LURC), an instrumentality of the State of Louisiana, filed with the LPSC an application requesting that the LPSC grant financing orders authorizing the financing of Entergy Gulf States Louisiana's and Entergy Louisiana's storm costs, storm reserves, and issuance costs pursuant to Act 55 of the Louisiana Regular Session of 2007 (Act 55 financings). Entergy Gulf States Louisiana's and Entergy Louisiana's Hurricane Katrina and Hurricane Rita storm costs were financed primarily by Act 55 financings, as discussed in the Form 10-K. Entergy Gulf States Louisiana and Entergy Louisiana also filed an application requesting LPSC approval for ancillary issues including the mechanism to flow charges and Act 55 financing savings to customers via a Storm Cost Offset rider. On December 30, 2009, Entergy Gulf States Louisiana and Entergy Louisiana entered into a stipulation agreement with the LPSC Staff that provides for total recoverable

costs of approximately \$234 million for Entergy Gulf States Louisiana and \$394 million for Entergy Louisiana. Under this stipulation, Entergy Gulf States Louisiana agrees not to recover \$4.4 million and Entergy Louisiana agrees not to recover \$7.2 million of their storm restoration spending. The stipulation also permits replenishing Entergy Gulf States Louisiana's storm reserve in the amount of \$90 million and Entergy Louisiana's storm reserve in the amount of \$200 million when the Act 55 financings are accomplished. In March and April 2010, Entergy Gulf States Louisiana, Entergy Louisiana, and other parties to the proceeding filed with the LPSC an uncontested stipulated settlement that

Entergy Corporation and Subsidiaries
Notes to Financial Statements

includes these terms and also includes Entergy Gulf States Louisiana's and Entergy Louisiana's proposals under the Act 55 financings, which includes a commitment to pass on to customers a minimum of \$15.5 million and \$27.75 million of customer benefits, respectively, through prospective annual rate reductions of \$3.1 million and \$5.55 million for five years. A stipulation hearing was held before the ALJ on April 13, 2010. On April 21, 2010, the LPSC approved the settlement and subsequently issued two financing orders and one ratemaking order intended to facilitate the implementation of the Act 55 financings. Louisiana State Bond Commission approval is now required before Entergy Gulf States Louisiana and Entergy Louisiana proceed with the Act 55 financings.

Federal Healthcare Legislation

The Patient Protection and Affordable Care Act (PPACA) became federal law on March 23, 2010, and, on March 30, 2010, the Health Care and Education Reconciliation Act of 2010 became federal law and amended certain provisions of the PPACA. These new federal laws change the law governing employer-sponsored group health plans, like Entergy's plans. All of the effects of these changes are not yet determinable because technical guidance regarding application must still be issued, and Entergy will monitor these developments.

One provision of the new law that is effective in 2013 eliminates the federal income tax deduction for prescription drug expenses of Medicare beneficiaries for which the plan sponsor also receives the retiree drug subsidy under Part D. Entergy receives subsidy payments under the Medicare Part D plan and therefore in the first quarter 2010 recorded a reduction to the deferred tax asset related to the unfunded other postretirement benefit obligation. The offset was recorded as a charge to income tax expense or, for the Utility, including each Registrant Subsidiary, as a regulatory asset. The Utility has a regulatory asset of \$99 million recorded for this, including \$31 million at Entergy Arkansas, \$16 million at Entergy Gulf States Louisiana, \$19 million at Entergy Louisiana, \$10 million at Entergy Mississippi, \$7 million at Entergy New Orleans, \$11 million at Entergy Texas, and \$5 million at System Energy.

Retail Rate Proceedings

See Note 2 to the financial statements in the Form 10-K for information regarding retail rate proceedings involving the Utility operating companies. The following are updates to the Form 10-K.

Filings with the APSC

On September 4, 2009, Entergy Arkansas filed with the APSC for a general change in rates, charges, and tariffs. Entergy Arkansas requested a \$223.2 million base rate increase that would become effective in July 2010. In testimony filed in March 2010, Entergy Arkansas lowered its requested base rate increase to \$168.6 million. The request now reflects a 10.65% return on common equity, using a projected capital structure, and proposes a formula rate plan mechanism. Proposed formula rate plan provisions include a +/- 25 basis point bandwidth, with earnings outside the bandwidth reset to the 10.65% return on common equity midpoint and rates changing on a prospective basis depending on whether Entergy Arkansas is over or under-earning. The proposed formula rate plan also includes a recovery mechanism for APSC-approved costs for additional capacity purchases or construction/acquisition of new transmission or generating facilities. Entergy Arkansas also lowered its requested annual storm damage accrual to \$13.8 million. The latest APSC Staff position filed in testimony proposes a \$49 million revenue increase reflecting a 10.1% return on common equity and \$10 million for the 2009 ice storm. In the event a formula rate plan is adopted, the APSC Staff recommends a further return on common equity reduction to 9.6%. The APSC scheduled hearings in the proceeding beginning in May 2010.

Filings with the LPSC

(Entergy Louisiana)

See the Form 10-K for a discussion of Entergy Louisiana's formula rate plan that the LPSC approved for the 2008, 2009, and 2010 test years. Entergy Louisiana, effective with the November 2009 billing cycle, reset its rates to achieve a 10.25% return on equity for the 2008 test year. The rate reset, a \$2.5 million increase that includes a \$16.3 million cost of service adjustment less a \$13.8 million net reduction for decreased capacity costs and a base rate

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Net income attributable to Entergy Corporation	\$213.8	189.2	\$1.13	\$235.3	192.6	\$1.22
Average dilutive effect of:						
Stock options	-	2.1	(0.01)	-	2.0	(0.01)
Equity units	-	-	-	\$ 3.2	3.5	(0.01)
Diluted earnings per share	\$213.8	191.3	\$1.12	\$238.5	198.1	\$1.20

Entergy's stock option and other equity compensation plans are discussed in Note 12 to the financial statements in the Form 10-K.

Entergy Corporation and Subsidiaries
Notes to Financial Statements

Treasury Stock

During the first quarter 2010, Entergy Corporation issued 150,908 shares of its previously repurchased common stock to satisfy stock option exercises and other stock-based awards.

Retained Earnings

On April 5, 2010, Entergy Corporation's Board of Directors declared a common stock dividend of \$0.83 per share, payable on June 1, 2010 to holders of record as of May 12, 2010.

NOTE 4. REVOLVING CREDIT FACILITIES, LINES OF CREDIT, SHORT-TERM BORROWINGS, AND LONG-TERM DEBT (Entergy Corporation, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy)

Entergy Corporation has in place a credit facility that expires in August 2012 and has a borrowing capacity of \$3.5 billion. Entergy Corporation also has the ability to issue letters of credit against the total borrowing capacity of the credit facility. The facility fee is currently 0.09% of the commitment amount. Facility fees and interest rates on loans under the credit facility can fluctuate depending on the senior unsecured debt ratings of Entergy Corporation. The weighted average interest rate for the three months ended March 31, 2010 was 0.671% on the drawn portion of the facility. Following is a summary of the borrowings outstanding and capacity available under the facility as of March 31, 2010.

Capacity	Borrowings	Letters of Credit	Capacity Available
(In Millions)			
\$3,500	\$2,615	\$25	\$860

Entergy Corporation's facility requires it to maintain a consolidated debt ratio of 65% or less of its total capitalization. Entergy is in compliance with this covenant. If Entergy fails to meet this ratio, or if Entergy Corporation or one of the Utility operating companies (except Entergy New Orleans) defaults on other indebtedness or is in bankruptcy or insolvency proceedings, an acceleration of the facility maturity date may occur.

Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, and Entergy Texas each had credit facilities available as of March 31, 2010 as follows:

Company	Expiration Date	Amount of Facility	Interest Rate (a)	Amount Drawn as of March 31, 2010
Entergy Arkansas	April 2010	\$88 million	5.00%	-

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(b)				
Entergy Gulf States Louisiana	August 2012	\$100 million	0.66%	-
(c)				
Entergy Louisiana	August 2012	\$200 million	0.66%	-
(d)				
Entergy Mississippi	May 2010	\$35 million	2.00%	-
(e)				
Entergy Mississippi	May 2010	\$25 million	2.00%	-
(e)				
Entergy Mississippi	May 2010	\$10 million	2.00%	-
(e)				
Entergy Texas	August 2012	\$100 million	0.72%	-
(f)				

(a) The interest rate is the rate as of March 31, 2010 that would be applied to the outstanding borrowings under the facility.

- (b) In April 2010, Entergy Arkansas renewed its credit facility through April 2011 in the amount of \$75.125 million. The credit facility requires Entergy Arkansas to maintain a debt ratio of 65% or less of its total capitalization and, prior to its renewal, contained an interest rate floor of 5%. Borrowings under the Entergy Arkansas credit facility may be secured by a security interest in its accounts receivable.
- (c) The credit facility allows Entergy Gulf States Louisiana to issue letters of credit against the borrowing capacity of the facility. As of March 31, 2010, no letters of credit were outstanding. The credit facility requires Entergy Gulf States Louisiana to maintain a consolidated debt ratio of 65% or less of its total capitalization. Pursuant to the terms of the credit agreement, the amount of debt assumed by Entergy Texas (\$159 million as of March 31, 2010 and \$168 million as of December 31, 2009) is excluded from debt and capitalization in calculating the debt ratio.
- (d) The credit facility allows Entergy Louisiana to issue letters of credit against the borrowing capacity of the facility. As of March 31, 2010, no letters of credit were outstanding. The credit facility requires Entergy Louisiana to maintain a consolidated debt ratio of 65% or less of its total capitalization.
- (e) Borrowings under the Entergy Mississippi credit facilities may be secured by a security interest in its accounts receivable. Entergy Mississippi is required to maintain a consolidated debt ratio of 65% or less of its total capitalization. Prior to expiration on May 31, 2010, Entergy Mississippi expects to renew all of its credit facilities.
- (f) The credit facility allows Entergy Texas to issue letters of credit against the borrowing capacity of the facility. As of March 31, 2010, no letters of credit were outstanding. The credit facility requires Entergy Texas to maintain a consolidated debt ratio of 65% or less of its total capitalization. Pursuant to the terms of the credit agreement securitization bonds are excluded from debt and capitalization in calculating the debt ratio.

The facility fees on the credit facilities range from 0.09% to 0.15% of the commitment amount.

The short-term borrowings of the Registrant Subsidiaries are limited to amounts authorized by the FERC. The current FERC-authorized limits are effective through October 31, 2011 under a FERC order dated October 14, 2009. In

In addition to borrowings from commercial banks, these companies are authorized under a FERC order to borrow from the Entergy System money pool. The money pool is an inter-company borrowing arrangement designed to reduce the Utility subsidiaries' dependence on external short-term borrowings. Borrowings from the money pool and external borrowings combined may not exceed the FERC-authorized limits. The following are the FERC-authorized limits for short-term borrowings and the outstanding short-term borrowings as of March 31, 2010 (aggregating both money pool and external short-term borrowings) for the Registrant Subsidiaries:

	Authorized	Borrowings
	(In Millions)	
Entergy Arkansas	\$250	-
Entergy Gulf States Louisiana	\$200	-
Entergy Louisiana	\$250	-
Entergy Mississippi	\$175	-
Entergy New Orleans	\$100	-
Entergy Texas	\$200	-
System Energy	\$200	-

Variable Interest Entities (Entergy Corporation, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, and System Energy)

See Note 12 to the financial statements for a discussion of the consolidation of the nuclear fuel company variable interest entities (VIE) effective in the first quarter 2010. The variable interest entities have short-term credit facilities and issue commercial paper (CP) to finance the acquisition and ownership of nuclear fuel as follows as of March 31, 2010:

Entergy Corporation and Subsidiaries
Notes to Financial Statements

Company	Expiration Date	Amount of Facility	Interest Rate on Borrowings	Interest Rate on CP Issuances	Amount Drawn as of March 31, 2010	Amount of CP issued as of March 31, 2010	Weighted Average CP Rate
(Dollars in Millions)							
Entergy Arkansas VIE	August 2010	\$80	0.65%	0.40%	-	\$39.6	0.34%
Entergy Gulf States Louisiana VIE	August 2010	\$75	0.75%	n/a	\$29.2	n/a	n/a
Entergy Louisiana VIE	August 2010	\$80	0.65%	0.40%	-	\$72.1	0.36%
System Energy VIE	August 2010	\$85	0.65%	0.40%	-	\$6.1	0.35%

The amount outstanding on these credit facilities and commercial paper issuances are presented as "Notes payable" on the balance sheets. The commitment fees on the credit facilities range from 0.10% to 0.125% of the commitment amount. Each credit facility requires the respective lessee (Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, or System Energy) to maintain a consolidated debt ratio of 70% or less of its total capitalization.

The variable interest entities had long-term notes payable that are included in long-term debt on the respective balance sheets as of March 31, 2010 as follows:

Company	Description	Amount
Entergy Arkansas VIE	5.60% Series G due September 2011	\$35 million
Entergy Arkansas VIE	9% Series H due June 2013	\$30 million
Entergy Arkansas VIE	5.69% Series I due July 2014	\$70 million
Entergy Gulf States Louisiana VIE	5.56% Series N due May 2013	\$75 million
Entergy Gulf States Louisiana VIE	5.41% Series O due July 2012	\$60 million

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Entergy Louisiana VIE	5.69% Series E due July 2014	\$50 million
System Energy VIE	6.29% Series F due September 2013	\$70 million

In addition, in April 2010 the System Energy VIE issued \$60 million of long-term debt, 5.33% Series G due April 2015.

In accordance with regulatory treatment, interest on the nuclear fuel company variable interest entities' credit facilities, commercial paper, and long-term notes payable is included as fuel expense.

Debt Issuances

(Entergy Louisiana)

In March 2010, Entergy Louisiana issued \$150 million of 6.0% Series first mortgage bonds due March 2040. Entergy Louisiana used the proceeds in April 2010, together with other available funds, to redeem, prior to maturity, all of its \$150 million 7.60% Series first mortgage bonds, due April 2032.

(Entergy Mississippi)

In April 2010, Entergy Mississippi issued \$80 million of 6.20% Series first mortgage bonds due April 2040. Entergy Mississippi expects to use the proceeds, together with other available funds, to redeem, prior to maturity, all of its \$100 million 7.25% Series first mortgage bonds, due December 2032.

Fair Value

The book value and the fair value of long-term debt for Entergy Corporation and the Registrant Subsidiaries as of March 31, 2010 are as follows:

	Book Value of Long-Term Debt (a)	Fair Value of Long-Term Debt (a) (b)
	(In Thousands)	
Entergy	\$11,129,055	\$11,423,388
Entergy Arkansas	\$1,572,926	\$1,618,601
Entergy Gulf States Louisiana	\$1,752,243	\$1,801,663
Entergy Louisiana	\$1,738,459	\$1,778,171
Entergy Mississippi	\$845,322	\$877,934
Entergy New Orleans	\$198,025	\$201,181
Entergy Texas	\$1,648,968	\$1,773,766
System Energy	\$548,132	\$552,944

(a) The values exclude lease obligations of \$224 million at Entergy Louisiana and \$225 million at System Energy, long-term DOE obligations of \$181 million at Entergy Arkansas, and the note payable to NYPA of \$178 million at Entergy, and include debt due within one year.

(b) The fair value is determined using bid prices reported by dealer markets and by nationally recognized investment banking firms.

NOTE 5. STOCK-BASED COMPENSATION (Entergy Corporation)

Entergy grants stock options, which are described more fully in Note 12 to the financial statements in the Form 10-K. Awards under Entergy's plans generally vest over three years.

The following table includes financial information for stock options for the first quarter for each of the years presented:

2010	2009
(In Millions)	

Compensation expense included in Entergy's Net Income for the first quarter	\$3.9	\$4.3
Tax benefit recognized in Entergy's Net Income for the first quarter	\$1.5	\$1.6
Compensation cost capitalized as part of fixed assets and inventory as of March 31,	\$0.7	\$0.8

Entergy granted 1,407,900 stock options during the first quarter 2010 with a weighted-average fair value of \$13.18. At March 31, 2010, there were 12,547,629 stock options outstanding with a weighted-average exercise price of \$70.82. The aggregate intrinsic value of the stock options outstanding at March 31, 2010 was \$132.2 million.

Entergy Corporation and Subsidiaries
Notes to Financial Statements

NOTE 6. RETIREMENT AND OTHER POSTRETIREMENT BENEFITS (Entergy Corporation, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy)

Components of Net Pension Cost

Entergy's qualified pension cost, including amounts capitalized, for the first quarters of 2010 and 2009, included the following components:

	2010	2009
	(In Thousands)	
Service cost - benefits earned during the period	\$26,239	\$22,412
Interest cost on projected benefit obligation	57,802	54,543
Expected return on assets	(64,902)	(62,305)
Amortization of prior service cost	1,164	1,249
Amortization of loss	16,475	5,600
Net pension costs	\$36,778	\$21,499

The Registrant Subsidiaries' qualified pension cost, including amounts capitalized, for the first quarters of 2010 and 2009, included the following components:

2010	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
	(In Thousands)						
Service cost - benefits earned during the period	\$3,944	\$2,116	\$2,443	\$1,163	\$516	\$1,067	\$1,033
Interest cost on projected benefit obligation	12,319	6,094	7,135	3,807	1,510	3,967	2,252
Expected return on assets	(12,659)	(7,688)	(8,194)	(4,313)	(1,809)	(5,137)	(2,952)

Amortization of prior service							
Cost	196	75	119	79	44	59	8
Amortization of loss	4,126	1,906	2,151	1,091	636	802	132
Net pension cost	\$7,926	\$2,503	\$3,654	\$1,827	\$897	\$758	\$473

2009	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
	(In Thousands)						
Service cost - benefits earned							
during the period	\$3,400	\$1,748	\$1,974	\$995	\$425	\$917	\$880
Interest cost on projected benefit obligation	11,761	5,279	6,940	3,676	1,470	3,935	2,139
Expected return on assets	(12,187)	(7,516)	(8,197)	(4,236)	(1,815)	(5,185)	(2,766)
Amortization of prior service							
Cost	212	110	119	85	52	80	9
Amortization of loss	1,764	79	703	324	305	43	109
Net pension cost/(income)	\$4,950	(\$300)	\$1,539	\$844	\$437	(\$210)	\$371

Entergy recognized \$4.7 million and \$4.4 million in pension cost for its non-qualified pension plans in the first quarters of 2010 and 2009, respectively.

The Registrant Subsidiaries recognized the following pension cost for their non-qualified pension plans in the first quarters of 2010 and 2009:

	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas
	(In Thousands)					
Non-Qualified Pension Cost First Quarter 2010	\$101	\$41	\$6	\$50	\$6	\$170
Non-Qualified Pension Cost First Quarter 2009	\$99	\$97	\$6	\$43	\$20	\$185

Components of Net Other Postretirement Benefit Cost

Entergy's other postretirement benefit cost, including amounts capitalized, for the first quarters of 2010 and 2009, included the following components:

	2010	2009
	(In Thousands)	
Service cost - benefits earned during the period	\$13,078	\$11,691
Interest cost on APBO	19,020	18,816
Expected return on assets	(6,553)	(5,871)
Amortization of transition obligation	932	933
Amortization of prior service cost	(3,015)	(4,024)
Amortization of loss	4,317	4,743
Net other postretirement benefit cost	\$27,779	\$26,288

The Registrant Subsidiaries' other postretirement benefit cost, including amounts capitalized, for the first quarters of 2010 and 2009, included the following components:

	Entergy	Entergy	Entergy	Entergy	Entergy System
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2010 Arkansas Gulf Louisiana Mississippi New Texas Energy
 States Orleans
 Louisiana

(In Thousands)

Service cost - benefits earned							
during the period	\$1,843	\$1,370	\$1,371	\$550	\$347	\$697	\$563
Interest cost on APBO	3,629	2,144	2,269	1,093	900	1,582	641
Expected return on assets	(2,445)	-	-	(888)	(725)	(1,718)	(468)
Amortization of transition obligation	205	60	96	88	415	66	2
Amortization of prior service cost	(197)	(77)	117	(62)	90	19	(191)
Amortization of loss	1,690	663	609	476	274	752	325
Net other postretirement benefit cost	\$4,725	\$4,160	\$4,462	\$1,257	\$1,301	\$1,398	\$872

Entergy Corporation and Subsidiaries
Notes to Financial Statements

2009	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
(In Thousands)							
Service cost - benefits earned during the period	\$1,765	\$1,196	\$1,147	\$530	\$311	\$619	\$513
Interest cost on APBO	3,759	2,005	2,297	1,173	967	1,490	605
Expected return on assets	(2,143)	-	-	(757)	(684)	(1,556)	(414)
Amortization of transition obligation	205	60	96	88	416	66	2
Amortization of prior service cost	(197)	(77)	117	(62)	90	19	(245)
Amortization of loss	2,087	494	553	657	381	799	320
Net other postretirement benefit cost	\$5,476	\$3,678	\$4,210	\$1,629	\$1,481	\$1,437	\$781

Employer Contributions

Based on current assumptions, Entergy expects to contribute \$254 million to its qualified pension plans in 2010. Guidance pursuant to the Pension Protection Act of 2006 rules, effective for the 2009 plan year and beyond, may affect the level of Entergy's pension contributions in the future. As of the end of April 2010, Entergy had contributed \$112 million to its pension plans. Therefore, Entergy presently anticipates contributing an additional \$142 million to fund its qualified pension plans in 2010.

Based on current assumptions, the Registrant Subsidiaries expect to contribute the following to qualified pension plans in 2010:

	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
(In Thousands)							
Expected 2010 pension	\$71,177	\$18,858	\$35,909	\$17,792	\$6,961	\$10,635	\$16,094

contributions							
Pension							
contributions	\$32,163	\$6,936	\$11,337	\$7,441	\$2,204	\$3,302	\$6,194
made							
through							
April 2010							
Remaining							
estimated	\$39,014	\$11,922	\$24,572	\$10,351	\$4,757	\$7,333	\$9,900
pension							
contributions							
to be made in							
2010							

Medicare Prescription Drug, Improvement and Modernization Act of 2003 (Medicare Act)

Based on actuarial analysis, the estimated effect of future Medicare subsidies reduced the December 31, 2009 Accumulated Postretirement Benefit Obligation (APBO) by \$215 million, and reduced the first quarter 2010 and 2009 other postretirement benefit cost by \$6.6 million and \$6.0 million, respectively. In the first quarter 2010, Entergy received \$1.2 million in Medicare subsidies for prescription drug claims.

Based on actuarial analysis, the estimated effect of future Medicare subsidies reduced the December 31, 2009 APBO and the first quarters 2010 and 2009 other postretirement benefit cost for the Registrant Subsidiaries as follows:

	Entergy Arkansas	Entergy Gulf States Louisiana	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
	(In Thousands)						
Reduction in 12/31/2009 APBO	(\$45,809)	(\$22,227)	(\$25,443)	(\$14,824)	(\$9,798)	(\$16,652)	(\$7,965)
Reduction in first quarter 2010							
other	(\$1,314)	(\$850)	(\$786)	(\$412)	(\$268)	(\$277)	(\$267)
Reduction in first quarter 2009							
other	(\$1,235)	(\$814)	(\$695)	(\$391)	(\$261)	(\$240)	(\$231)
Medicare subsidies received in the first quarter 2010	\$269	\$157	\$174	\$95	\$92	\$135	\$30

For further information on the Medicare Act refer to Note 11 to the financial statements in the Form 10-K.

NOTE 7. BUSINESS SEGMENT INFORMATION (Entergy Corporation, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy)

Entergy Corporation

Entergy's reportable segments as of March 31, 2010 are Utility and Non-Utility Nuclear. Utility generates, transmits, distributes, and sells electric power in portions of Arkansas, Louisiana, Mississippi, and Texas, and provides natural gas utility service in portions of Louisiana. Non-Utility Nuclear owns and operates six nuclear power plants and is primarily focused on selling electric power produced by those plants to wholesale customers. "All Other" includes the parent company, Entergy Corporation, and other business activity, including the non-nuclear wholesale assets business, and earnings on the proceeds of sales of previously-owned businesses.

Entergy's segment financial information for the first quarters of 2010 and 2009 is as follows:

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	Utility	Non-Utility Nuclear*	All Other*	Eliminations	Consolidated
	(In Thousands)				
2010					
Operating revenues	\$2,103,829	\$613,776	\$48,581	(\$6,839)	\$2,759,347
Income taxes (benefit)	\$89,970	\$86,205	(\$28,490)	\$-	\$147,685
Consolidated net income (loss)	\$142,971	\$94,226	(\$24)	(\$18,359)	\$218,814
Total assets	\$29,253,077	\$9,405,822	\$1,329,834	(\$1,927,323)	\$38,061,410
2009					
Operating revenues	\$2,102,206	\$656,187	\$37,742	(\$7,023)	\$2,789,112
Income taxes (benefit)	\$73,464	\$102,077	(\$12,495)	\$-	\$163,046
Consolidated net income (loss)	\$115,968	\$180,882	(\$38,158)	(\$18,359)	\$240,333
Total assets	\$28,658,115	\$8,136,681	\$2,175,033	(\$2,357,242)	\$36,612,587

Businesses marked with * are sometimes referred to as the "competitive businesses," with the exception of the parent company, Entergy Corporation. Eliminations are primarily intersegment activity. Almost all of Entergy's goodwill is related to the Utility segment.

Entergy Corporation and Subsidiaries
Notes to Financial Statements

On April 5, 2010, Entergy announced that, effective immediately, it plans to unwind the business infrastructure associated with its proposed plan to spin-off its Non-Utility Nuclear business. As a result of the plan to unwind the business infrastructure, Entergy recorded expenses in the first quarter 2010 in the Non-Utility Nuclear segment for the write-off of certain capitalized costs incurred in connection with the planned spin-off transaction. Other operation and maintenance expenses include the write-off of \$32 million of capital costs, primarily for software that will not be utilized. Interest charges include the write-off of \$37 million of debt financing costs, primarily incurred for Enexus's \$1.2 billion credit facility. Entergy expects that it will incur approximately \$50 million in additional expenses in unwinding this business through the remainder of 2010, including additional write-offs, dis-synergies, and certain other costs.

Registrant Subsidiaries

The Registrant Subsidiaries have one reportable segment, which is an integrated utility business, except for System Energy, which is an electricity generation business. The Registrant Subsidiaries' operations are managed on an integrated basis because of the substantial effect of cost-based rates and regulatory oversight on the business process, cost structures, and operating results.

NOTE 8. RISK MANAGEMENT AND FAIR VALUES (Entergy Corporation, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy)

Market and Commodity Risks

In the normal course of business, Entergy is exposed to a number of market and commodity risks. Market risk is the potential loss that Entergy may incur as a result of changes in the market or fair value of a particular instrument or commodity. All financial and commodity-related instruments, including derivatives, are subject to market risk. Entergy is subject to a number of commodity and market risks, including:

Type of Risk	Affected Businesses
Power price risk	Utility, Non-Utility Nuclear, Non-nuclear wholesale assets
Fuel price risk	Utility, Non-Utility Nuclear, Non-nuclear wholesale assets
Foreign currency exchange rate risk	Utility, Non-Utility Nuclear, Non-nuclear wholesale assets
Equity price and interest rate risk - investments	Utility, Non-Utility Nuclear

Entergy manages a portion of these risks using derivative instruments, some of which are classified as cash flow hedges due to their financial settlement provisions while others are classified as normal purchase/normal sales transactions due to their physical settlement provisions. Normal purchase/normal sale risk management tools include power purchase and sales agreements and fuel purchase agreements, capacity contracts, and tolling agreements. Financially-settled cash flow hedges can include natural gas and electricity futures, forwards, swaps, and options; foreign currency forwards; and interest rate swaps. Entergy enters into derivatives only to manage natural

risks inherent in its physical or financial assets or liabilities.

Entergy manages fuel price risk for its Louisiana jurisdictions (Entergy Gulf States Louisiana, Entergy Louisiana, and Entergy New Orleans) and Entergy Mississippi primarily through the purchase of short-term natural gas swaps. These swaps are marked-to-market with offsetting regulatory assets or liabilities. The notional volumes of these swaps are based on a portion of projected annual exposure to gas for electric generation and projected winter purchases for gas distribution at Entergy Gulf States Louisiana and Entergy New Orleans.

Entergy's exposure to market risk is determined by a number of factors, including the size, term, composition, and diversification of positions held, as well as market volatility and liquidity. For instruments such as options, the time period during which the option may be exercised and the relationship between the current market price of the underlying instrument and the option's contractual strike or exercise price also affects the level of market risk. A

significant factor influencing the overall level of market risk to which Entergy is exposed is its use of hedging techniques to mitigate such risk. Entergy manages market risk by actively monitoring compliance with stated risk management policies as well as monitoring the effectiveness of its hedging policies and strategies. Entergy's risk management policies limit the amount of total net exposure and rolling net exposure during the stated periods. These policies, including related risk limits, are regularly assessed to ensure their appropriateness given Entergy's objectives.

Derivatives

The fair values of Entergy's derivative instruments in the consolidated balance sheet as of March 31, 2010 are as follows:

Instrument	Balance Sheet Location	Fair Value	Business
Derivatives designated as hedging instruments			
Assets:			
Electricity futures, forwards, and swaps	Prepayments and other (current portion)	\$264 million	Non-Utility Nuclear
Electricity futures, forwards, and swaps	Other deferred debits and other assets (non-current portion)	\$168 million	Non-Utility Nuclear
Derivatives not designated as hedging instruments			
Liabilities:			
Natural gas swaps	Other current liabilities	\$70 million	Utility

The fair values of Entergy's derivative instruments in the consolidated balance sheet as of December 31, 2009 are as follows:

Instrument	Balance Sheet Location	Fair Value	Business
Derivatives designated as hedging instruments			
Assets:			

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Electricity futures, forwards, and swaps	Prepayments and other (current portion)	\$109 million	Non-Utility Nuclear
Electricity futures, forwards, and swaps	Other deferred debits and other assets (non-current portion)	\$91 million	Non-Utility Nuclear
Derivatives not designated as hedging instruments			
Assets:			
Natural gas swaps	Prepayments and other	\$8 million	Utility

Entergy Corporation and Subsidiaries
Notes to Financial Statements

The effect of Entergy's derivative instruments designated as cash flow hedges on the consolidated statements of income for the three months ended March 31, 2010 is as follows:

Instrument	Amount of gain (loss) recognized in OCI (effective portion)	Statement of Income location	Amount of gain (loss) reclassified from accumulated OCI into income (effective portion)
Electricity futures, forwards, and swaps	\$268 million	Competitive businesses operating revenues	\$36 million

The effect of Entergy's derivative instruments designated as cash flow hedges on the consolidated statements of income for the three months ended March 31, 2009 is as follows:

Instrument	Amount of gain (loss) recognized in OCI (effective portion)	Statement of Income location	Amount of gain (loss) reclassified from accumulated OCI into income (effective portion)
Electricity futures, forwards, and swaps	\$201 million	Competitive businesses operating revenues	\$57 million

Electricity over-the-counter swaps that financially settle against day-ahead power pool prices are used to manage price exposure for Non-Utility Nuclear generation. Based on market prices as of March 31, 2010, cash flow hedges relating to power sales totaled \$432 million of net gains, of which approximately \$264 million are expected to be reclassified from accumulated other comprehensive income (OCI) to operating revenues in the next twelve months.

The actual amount reclassified from accumulated OCI, however, could vary due to future changes in market prices. Gains totaling approximately \$36 million were realized on the maturity of cash flow hedges for the three months ended March 31, 2010. Unrealized gains or losses recorded in OCI result from hedging power output at the Non-Utility Nuclear power plants. The related gains or losses from hedging power are included in operating revenues when realized. The maximum length of time over which Entergy is currently hedging the variability in future cash flows for forecasted power transactions at March 31, 2010 is approximately four years. Planned generation currently

sold forward from Non-Utility Nuclear power plants is 91% for the remaining three quarters of 2010 of which approximately 40% is sold under financial hedges and the remainder under normal purchase/sale contracts. The ineffective portion of the change in the value of Entergy's cash flow hedges during the three months ended March 31, 2010 was insignificant. Certain of the agreements to sell the power produced by Entergy's Non-Utility Nuclear power plants contain provisions that require an Entergy subsidiary to provide collateral to secure its obligations when the current market prices exceed the contracted power prices. The primary form of collateral to satisfy these requirements is an Entergy Corporation guaranty. At March 31, 2010, no hedge contracts were in a liability position.

Natural gas over-the-counter swaps that financially settle against NYMEX futures are used to manage fuel price risk for the Utility's Louisiana and Mississippi customers. All benefits or costs of the program are recorded in fuel costs. The total volume of natural gas swaps outstanding as of March 31, 2010 is 55,470,000 MMBtu for Entergy, 13,450,000 MMBtu for Entergy Gulf States Louisiana, 23,510,000 MMBtu for Entergy Louisiana, and 18,510,000 MMBtu for Entergy Mississippi.

The effect of Entergy's derivative instruments not designated as hedging instruments on the consolidated statements of income for the three months ended March 31, 2010 is as follows:

Instrument	Statement of Income Location	Amount of gain (loss) recorded in income
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$86) million

The effect of Entergy's derivative instruments not designated as hedging instruments on the consolidated statements of income for the three months ended March 31, 2009 is as follows:

Instrument	Statement of Income Location	Amount of gain (loss) recorded in income
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$24) million

Due to regulatory treatment, the natural gas swaps are marked to market through fuel, fuel-related expenses, and gas purchased for resale and then such amounts are simultaneously reversed and recorded as offsetting regulatory assets or liabilities. The gains or losses recorded as fuel expenses when the swaps are settled are recovered through fuel cost recovery mechanisms.

The fair values of the Registrant Subsidiaries' derivative instruments on their balance sheets as of March 31, 2010 are as follows:

Instrument	Balance Sheet Location	Fair Value	Registrant
Derivatives not designated as hedging instruments			
Liabilities:			
Natural gas swaps	Gas hedge contracts	\$17.0 million	Entergy Gulf States Louisiana
Natural gas swaps	Gas hedge contracts	\$29.7 million	Entergy Louisiana
Natural gas swaps	Gas hedge contracts	\$23.4 million	Entergy Mississippi

The fair values of the Registrant Subsidiaries' derivative instruments on their balance sheets as of December 31, 2009 are as follows:

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Instrument	Balance Sheet Location	Fair Value	Registrant
Derivatives not designated as hedging instruments			
Assets:			
Natural gas swaps	Prepayments and other	\$2.1 million	Entergy Gulf States Louisiana
Natural gas swaps	Gas hedge contracts	\$3.4 million	Entergy Louisiana
Natural gas swaps	Gas hedge contracts	\$2.9 million	Entergy Mississippi

Entergy Corporation and Subsidiaries
Notes to Financial Statements

The effects of the Registrant Subsidiaries' derivative instruments not designated as hedging instruments on their statements of income for the three months ended March 31, 2010 are as follows:

Instrument	Statement of Income Location	Amount of gain (loss) recorded in income	Registrant
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$21.2) million	Entergy Gulf States Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$36.2) million	Entergy Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$27.8) million	Entergy Mississippi

The effects of the Registrant Subsidiaries' derivative instruments not designated as hedging instruments on their statements of income for the three months ended March 31, 2009 are as follows:

Instrument	Statement of Income Location	Amount of gain (loss) recorded in income	Registrant
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$2.7) million	Entergy Gulf States Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$13.2) million	Entergy Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for	(\$11.4) million	Entergy Mississippi

resale			
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	\$3.0 million	Entergy New Orleans

Due to regulatory treatment, the natural gas swaps are marked to market through fuel, fuel-related expenses, and gas purchased for resale and then such amounts are simultaneously reversed and recorded as offsetting regulatory assets or liabilities. The gains or losses recorded as fuel expenses when the swaps are settled are recovered through fuel recovery mechanisms.

Fair Values

The estimated fair values of Entergy's financial instruments and derivatives are determined using bid prices and market quotes. Considerable judgment is required in developing the estimates of fair value. Therefore, estimates are not necessarily indicative of the amounts that Entergy could realize in a current market exchange. Gains or losses realized on financial instruments other than natural gas swaps held by regulated businesses are reflected in future rates and therefore do not accrue to the benefit or detriment of shareholders. Entergy considers the carrying amounts of most financial instruments classified as current assets and liabilities to be a reasonable estimate of their fair value because of the short maturity of these instruments.

Accounting standards define fair value as an exit price, or the price that would be received to sell an asset or the amount that would be paid to transfer a liability in an orderly transaction between knowledgeable market participants at date of measurement. Entergy and the Registrant Subsidiaries use assumptions or market input data that market participants would use in pricing assets or liabilities at fair value. The inputs can be readily observable, corroborated by market data, or generally unobservable. Entergy and the Registrant Subsidiaries endeavor to use the best available information to determine fair value.

Accounting standards establish a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy establishes the highest priority for unadjusted market quotes in an active market for the identical asset or liability and the lowest priority for unobservable inputs. The three levels of the fair value hierarchy are:

- Level 1 - Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 primarily consists of individually owned common stocks, cash equivalents, debt instruments, and gas hedge contracts.
- Level 2 - Level 2 inputs are inputs other than quoted prices included in Level 1 that are, either directly or indirectly, observable for the asset or liability at the measurement date. Assets are valued based on prices derived by independent third parties that use inputs such as benchmark yields, reported trades, broker/dealer quotes, and issuer spreads. Prices are reviewed and can be challenged with the independent parties and/or overridden by Entergy if it is believed such would be more reflective of fair value. Level 2 inputs include the following:
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability; or
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 2 consists primarily of individually owned debt instruments or shares in common trusts. Common trust funds are stated at estimated fair value based on the fair market value of the underlying investments.

- Level 3 - Level 3 inputs are pricing inputs that are generally less observable or unobservable from objective sources. These inputs are used with internally developed methodologies to produce management's best estimate of fair value for the asset or liability. Level 3 consists primarily of derivative power contracts used as cash flow hedges of power sales at merchant power plants.

The values for the cash flow hedges that are recorded as derivative contract assets or liabilities are based on both observable inputs including public market prices and unobservable inputs such as model-generated prices for longer-term markets and are classified as Level 3 assets and liabilities. The amounts reflected as the fair value of derivative assets or liabilities are based on the estimated amount that the contracts are in-the-money at the balance sheet date (treated as an asset) or out-of-the-money at the balance sheet date (treated as a liability) and would equal the estimated amount receivable or payable by Entergy if the contracts were settled at that date. These derivative contracts include cash flow hedges that swap fixed for floating cash flows for sales of the output from Entergy's Non-Utility Nuclear business. The fair values are based on the mark-to-market comparison between the fixed contract prices and the floating prices determined each period from a combination of quoted forward power market prices for the period for which such curves are available, and model-generated prices using quoted forward gas market curves and estimates regarding heat rates to convert gas to power and the costs associated with the transportation of the power from the plants' bus bar to the contract's point of delivery, generally a power market hub, for the period thereafter. The differences between the fixed price in the swap contract and these market-related prices multiplied by the volume specified in the contract and discounted at the counterparties' credit adjusted risk free rate are recorded as derivative contract assets or liabilities. All of the \$432 million of cash flow hedges as of March 31, 2010 are in-the-money contracts with counterparties who are all currently investment grade.

Entergy Corporation and Subsidiaries
Notes to Financial Statements

The following table sets forth, by level within the fair value hierarchy, Entergy's assets and liabilities that are accounted for at fair value on a recurring basis as of March 31, 2010 and December 31, 2009. The assessment of the significance of a particular input to a fair value measurement requires judgment and may affect their placement within the fair value hierarchy levels.

2010	Level 1	Level 2	Level 3	Total
(In Millions)				
Assets:				
Temporary cash investments	\$1,582	\$-	\$-	\$1,582
Decommissioning trust funds:				
Equity securities	496	1,478	-	1,974
Debt securities	452	905	-	1,357
Power contracts	-	-	432	432
Securitization recovery trust account	35	-	-	35
Other investments	34	-	-	34
	\$2,599	\$2,383	\$432	\$5,414
Liabilities:				
Gas hedge contracts	\$70	\$-	\$-	\$70
2009	Level 1	Level 2	Level 3	Total
(In Millions)				
Assets:				
Temporary cash investments	\$1,624	\$-	\$-	\$1,624
Decommissioning trust funds:				
Equity securities	528	1,260	-	1,788
Debt securities	443	980	-	1,423
Power contracts	-	-	200	200
Securitization recovery trust account	13	-	-	13
Gas hedge contracts	8	-	-	8
Other investments	42	-	-	42
	\$2,658	\$2,240	\$200	\$5,098

The following table sets forth a reconciliation of changes in the assets for the fair value of derivatives classified as Level 3 in the fair value hierarchy for the three months ended March 31, 2010 and 2009:

2010 2009
(In Millions)

Balance as of January 1,	\$200	\$207
Price changes (unrealized gains/losses)	268	201
Settlements	(36)	(57)
Balance as of March 31,	\$432	\$351

The following table sets forth, by level within the fair value hierarchy, the Registrant Subsidiaries' assets that are accounted for at fair value on a recurring basis as of March 31, 2010 and December 31, 2009. The assessment of the significance of a particular input to a fair value measurement requires judgment and may affect its placement within the fair value hierarchy levels.

Entergy Arkansas

2010	Level 1	Level 2	Level 3	Total
(In Millions)				
Assets:				
Temporary cash investments	\$163.8	\$-	\$-	\$163.8
Decommissioning trust funds:				
Equity securities	4.4	262.4	-	266.8
Debt securities	14.0	178.7	-	192.7
	\$182.2	\$441.1	\$-	\$623.3

2009	Level 1	Level 2	Level 3	Total
(In Millions)				
Assets:				
Temporary cash investments	\$82.9	\$-	\$-	\$82.9
Decommissioning trust funds:				
Equity securities	15.4	205.3	-	220.7
Debt securities	17.6	201.9	-	219.5
	\$115.9	\$407.2	\$-	\$523.1

Entergy Gulf States Louisiana

2010	Level 1	Level 2	Level 3	Total
(In Millions)				
Assets:				
Temporary cash investments	\$108.5	\$-	\$-	\$108.5
Decommissioning trust funds:				
Equity securities	2.1	199.8	-	201.9
Debt securities	27.8	133.2	-	161.0
	\$138.4	\$333.0	\$-	\$471.4
Liabilities:				

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Gas hedge contracts	\$17.0	\$-	\$-	\$17.0
2009	Level 1	Level 2	Level 3	Total
	(In Millions)			
Assets:				
Temporary cash investments	\$144.3	\$-	\$-	\$144.3
Decommissioning trust funds:				
Equity securities	6.7	175.5	-	182.2
Debt securities	25.3	142.0	-	167.3
Gas hedge contracts	2.1	-	-	2.1
	\$178.4	\$317.5	\$-	\$495.9

Entergy Corporation and Subsidiaries
Notes to Financial Statements

Entergy Louisiana

2010	Level 1	Level 2	Level 3	Total
(In Millions)				
Assets:				
Temporary cash investments	\$101.4	\$-	\$-	\$101.4
Decommissioning trust funds:				
Equity securities	4.5	126.5	-	131.0
Debt securities	44.5	43.8	-	88.3
Other investments	0.8	-	-	0.8
	\$151.2	\$170.3	\$-	\$321.5
Liabilities:				
Gas hedge contracts	\$29.7	\$-	\$-	\$29.7

2009	Level 1	Level 2	Level 3	Total
(In Millions)				
Assets:				
Temporary cash investments	\$151.7	\$-	\$-	\$151.7
Decommissioning trust funds:				
Equity securities	7.0	110.9	-	117.9
Debt securities	44.3	46.9	-	91.2
Gas hedge contracts	3.4	-	-	3.4
Other investments	0.8	-	-	0.8
	\$207.2	\$157.8	\$-	\$365.0

Entergy Mississippi

2010	Level 1	Level 2	Level 3	Total
(In Millions)				
Assets:				
Temporary cash investments	\$9.1	\$-	\$-	\$9.1
Other investments	31.9	-	-	31.9
	\$41.0	\$-	\$-	\$41.0
Liabilities:				
Gas hedge contracts	\$23.4	\$-	\$-	\$23.4

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2009	Level 1	Level 2	Level 3	Total
(In Millions)				
Assets:				
Temporary cash investments	\$90.3	\$-	\$-	\$90.3
Gas hedge contracts	2.9	-	-	2.9
Other investments	31.9	-	-	31.9
	\$125.1	\$-	\$-	\$125.1

Entergy New Orleans

2010	Level 1	Level 2	Level 3	Total
	(In Millions)			
Assets:				
Temporary cash investments	\$168.3	\$-	\$-	\$168.3
Other investments	1.2	-	-	1.2
	\$169.5	\$-	\$-	\$169.5

2009	Level 1	Level 2	Level 3	Total
	(In Millions)			
Assets:				
Temporary cash investments	\$190.0	\$-	\$-	\$190.0
Other investments	9.5	-	-	9.5
	\$199.5	\$-	\$-	\$199.5

Entergy Texas

2010	Level 1	Level 2	Level 3	Total
	(In Millions)			
Assets:				
Temporary cash investments	\$103.9	\$-	\$-	\$103.9
Securitization recovery trust account	35.0	-	-	35.0
	\$138.9	\$-	\$-	\$138.9

2009	Level 1	Level 2	Level 3	Total
	(In Millions)			
Assets:				
Temporary cash investments	\$199.2	\$-	\$-	\$199.2
Securitization recovery trust account	13.1	-	-	13.1
	\$212.3	\$-	\$-	\$212.3

System Energy

2010	Level 1	Level 2	Level 3	Total
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(In Millions)

Assets:

Temporary cash investments	\$284.5	\$-	\$-	\$284.5
Decommissioning trust funds:				
Equity securities	2.2	195.6	-	197.8
Debt securities	89.5	59.8	-	149.3
	\$376.2	\$255.4	\$-	\$631.6

2009	Level 1	Level 2	Level 3	Total
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(In Millions)

Assets:

Temporary cash investments	\$263.6	\$-	\$-	\$263.6
Decommissioning trust funds:				
Equity securities	2.1	180.2	-	182.3
Debt securities	78.4	66.3	-	144.7
	\$344.1	\$246.5	\$-	\$590.6

Entergy Corporation and Subsidiaries
Notes to Financial Statements

NOTE 9. DECOMMISSIONING TRUST FUNDS (Entergy Corporation, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, and System Energy)

Entergy holds debt and equity securities, classified as available-for-sale, in nuclear decommissioning trust accounts. The NRC requires Entergy to maintain trusts to fund the costs of decommissioning ANO 1, ANO 2, River Bend, Waterford 3, Grand Gulf, Pilgrim, Indian Point 1 and 2, Vermont Yankee, and Palisades (NYPA currently retains the decommissioning trusts and liabilities for Indian Point 3 and FitzPatrick). The funds are invested primarily in equity securities; fixed-rate, fixed-income securities; and cash and cash equivalents.

Entergy records decommissioning trust funds on the balance sheet at their fair value. Because of the ability of the Registrant Subsidiaries to recover decommissioning costs in rates and in accordance with the regulatory treatment for decommissioning trust funds, the Registrant Subsidiaries have recorded an offsetting amount of unrealized gains/(losses) on investment securities in other regulatory liabilities/assets. For the nonregulated portion of River Bend, Entergy Gulf States Louisiana has recorded an offsetting amount of unrealized gains/(losses) in other deferred credits. Decommissioning trust funds for Pilgrim, Indian Point 2, Vermont Yankee, and Palisades do not meet the criteria for regulatory accounting treatment. Accordingly, unrealized gains recorded on the assets in these trust funds are recognized in the accumulated other comprehensive income component of shareholders' equity because these assets are classified as available for sale. Unrealized losses (where cost exceeds fair market value) on the assets in these trust funds are also recorded in the accumulated other comprehensive income component of shareholders' equity unless the unrealized loss is other than temporary and therefore recorded in earnings. Generally, Entergy records realized gains and losses on its debt and equity securities using the specific identification method to determine the cost basis of its securities.

The securities held as of March 31, 2010 and December 31, 2009 are summarized as follows:

	Fair Value	Total Unrealized Gains (In Millions)	Total Unrealized Losses
2010			
Equity Securities	\$1,974	\$326	\$20
Debt Securities	1,357	58	5
Total	\$3,331	\$384	\$25
2009			
Equity Securities	\$1,788	\$311	\$30
Debt Securities	1,423	63	8
Total	\$3,211	\$374	\$38

The amortized cost of debt securities was \$1,300 million as of March 31, 2010 and \$1,368 million as of December 31, 2009. As of March 31, 2010, the debt securities have an average coupon rate of approximately 4.54%, an average

duration of approximately 5.06 years, and an average maturity of approximately 8.3 years. The equity securities are generally held in funds that are designed to approximate or somewhat exceed the return of the Standard & Poor's 500 Index. A relatively small percentage of the securities are held in funds intended to replicate the return of the Wilshire 4500 Index or the Russell 3000 Index.

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of March 31, 2010:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$12	\$-	\$293	\$3
More than 12 months	167	20	29	2
Total	\$179	\$20	\$322	\$5

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of December 31, 2009:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$57	\$1	\$311	\$6
More than 12 months	205	29	18	2
Total	\$262	\$30	\$329	\$8

The unrealized losses in excess of twelve months on equity securities above relate to Entergy's Utility operating companies and System Energy.

The fair value of debt securities, summarized by contractual maturities, as of March 31, 2010 and December 31, 2009 are as follows:

	2010	2009
	(In Millions)	
less than 1 year	\$35	\$31
1 year - 5 years	553	676
5 years - 10 years	442	388
	113	131

10 years - 15 years		
15 years - 20 years	58	34
20 years+	156	163
Total	\$1,357	\$1,423

During the three months ended March 31, 2010 and 2009, proceeds from the dispositions of securities amounted to \$771 million and \$583 million, respectively. During the three months ended March 31, 2010 and 2009, gross gains of \$15 million and \$14 million, respectively, and gross losses of \$2 million and \$16 million, respectively, were reclassified out of other comprehensive income into earnings.

Entergy Corporation and Subsidiaries
Notes to Financial Statements

Entergy Arkansas

Entergy Arkansas holds debt and equity securities, classified as available-for-sale, in nuclear decommissioning trust accounts. The securities held as of March 31, 2010 and December 31, 2009 are summarized as follows:

	Fair Value	Total Unrealized Gains (In Millions)	Total Unrealized Losses
2010			
Equity Securities	\$266.8	\$73.4	\$2.2
Debt Securities	192.7	9.9	1.2
Total	\$459.5	\$83.3	\$3.4
2009			
Equity Securities	\$220.7	\$60.1	\$3.4
Debt Securities	219.5	10.7	1.7
Total	\$440.2	\$70.8	\$5.1

The amortized cost of debt securities was \$184.0 million as of March 31, 2010 and \$210.5 million as of December 31, 2009. As of March 31, 2010, the debt securities have an average coupon rate of approximately 4.56%, an average duration of approximately 4.67 years, and an average maturity of approximately 5.8 years. The equity securities are generally held in funds that are designed to approximate the return of the Standard & Poor's 500 Index. A relatively small percentage of the securities are held in funds intended to replicate the return of the Wilshire 4500 Index.

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of March 31, 2010:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$-	\$-	\$20.7	\$0.2
More than 12 months	21.8	2.2	10.1	1.0
Total	\$21.8	\$2.2	\$30.8	\$1.2

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The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of December 31, 2009:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$-	\$-	\$31.9	\$1.2
More than 12 months	26.8	3.4	3.9	0.5
Total	\$26.8	\$3.4	\$35.8	\$1.7

The fair value of debt securities, summarized by contractual maturities, as of March 31, 2010 and December 31, 2009 are as follows:

	2010	2009
	(In Millions)	
less than 1 year	\$6.9	\$6.7
1 year - 5 years	83.1	133.2
5 years - 10 years	91.3	68.2
10 years - 15 years	3.6	5.1
15 years - 20 years	2.5	-
20 years+	5.3	6.3
Total	\$192.7	\$219.5

During the three months ended March 31, 2010 and 2009, proceeds from the dispositions of securities amounted to \$99.0 million and \$29.8 million, respectively. During the three months ended March 31, 2010 and 2009, gross gains of \$2.0 million and \$0.1 million, respectively, and gross losses of \$0.3 million and \$0.8 million, respectively, were recorded in earnings.

Entergy Gulf States Louisiana

Entergy Gulf States Louisiana holds debt and equity securities, classified as available-for-sale, in nuclear decommissioning trust accounts. The securities held as of March 31, 2010 and December 31, 2009 are summarized as follows:

	Fair Value	Total Unrealized Gains (In Millions)	Total Unrealized Losses
2010			
Equity Securities	\$201.9	\$25.1	\$3.4
Debt Securities	161.0	9.0	0.7
Total	\$362.9	\$34.1	\$4.1
2009			
Equity Securities	\$182.2	\$17.0	\$5.3
Debt Securities	167.3	10.0	0.9

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Total	\$349.5	\$27.0	\$6.2
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The amortized cost of debt securities was \$152.7 million as of March 31, 2010 and \$158.5 million as of December 31, 2009. As of March 31, 2010, the debt securities have an average coupon rate of approximately 4.62%, an average duration of approximately 6.19 years, and an average maturity of approximately 9.3 years. The equity securities are generally held in funds that are designed to approximate the return of the Standard & Poor's 500 Index. A relatively small percentage of the securities are held in funds intended to replicate the return of the Wilshire 4500 Index.

Entergy Corporation and Subsidiaries
Notes to Financial Statements

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of March 31, 2010:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$-	\$-	\$15.8	\$0.3
More than 12 months	32.7	3.4	5.6	0.4
Total	\$32.7	\$3.4	\$21.4	\$0.7

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of December 31, 2009:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$-	\$-	\$24.7	\$0.6
More than 12 months	48.9	5.3	4.3	0.3
Total	\$48.9	\$5.3	\$29.0	\$0.9

The fair value of debt securities, summarized by contractual maturities, as of March 31, 2010 and December 31, 2009 are as follows:

	2010	2009
	(In Millions)	
less than 1 year	\$4.4	\$3.3
1 year - 5 years	34.6	46.1
5 years - 10 years	58.6	53.9
10 years - 15 years	44.6	52.0

15 years - 20		
years	10.6	3.5
20 years+	8.2	8.5
Total	\$161.0	\$167.3

During the three months ended March 31, 2010 and 2009, proceeds from the dispositions of securities amounted to \$42.3 million and \$23.8 million, respectively. During the three months ended March 31, 2010 and 2009, gross gains of \$0.9 million and \$0.8 million, respectively, and gross losses of \$0.05 million and \$0.1 million, respectively, were recorded in earnings.

Entergy Louisiana

Entergy Louisiana holds debt and equity securities, classified as available-for-sale, in nuclear decommissioning trust accounts. The securities held as of March 31, 2010 and December 31, 2009 are summarized as follows:

	Fair Value	Total Unrealized Gains (In Millions)	Total Unrealized Losses
2010			
Equity Securities	\$131.0	\$20.6	\$3.6
Debt Securities	88.3	3.7	0.6
Total	\$219.3	\$24.3	\$4.2
2009			
Equity Securities	\$117.9	\$15.3	\$5.3
Debt Securities	91.2	3.9	0.9
Total	\$209.1	\$19.2	\$6.2

The amortized cost of debt securities was \$85.4 million as of March 31, 2010 and \$88.2 million as of December 31, 2009. As of March 31, 2010, the debt securities have an average coupon rate of approximately 4.02%, an average duration of approximately 4.88 years, and an average maturity of approximately 9.8 years. The equity securities are generally held in funds that are designed to approximate the return of the Standard & Poor's 500 Index. A relatively small percentage of the securities are held in funds intended to replicate the return of the Wilshire 4500 Index.

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of March 31, 2010:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
(In Millions)				
Less than 12 months	\$-	\$-	\$25.5	\$0.5
More than 12 months	30.1	3.6	2.3	0.1
Total	\$30.1	\$3.6	\$27.8	\$0.6

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The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of December 31, 2009:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$-	\$-	\$29.7	\$0.8
More than 12 months	37.5	5.3	0.9	0.1
Total	\$37.5	\$5.3	\$30.6	\$0.9

Entergy Corporation and Subsidiaries
Notes to Financial Statements

The fair value of debt securities, summarized by contractual maturities, as of March 31, 2010 and December 31, 2009 are as follows:

	2010	2009
	(In Millions)	
less than 1 year	\$3.4	\$2.2
1 year - 5 years	28.3	31.9
5 years - 10 years	24.0	23.7
10 years - 15 years	11.5	12.1
15 years - 20 years	6.3	5.5
20 years+	14.8	15.8
Total	\$88.3	\$91.2

During the three months ended March 31, 2010 and 2009, proceeds from the dispositions of securities amounted to \$20.5 million and \$10.2 million, respectively. During the three months ended March 31, 2010 and 2009, gross gains of \$0.6 million and \$0.4 million, respectively, and gross losses of \$0.01 million and \$0.1 million, respectively, were recorded in earnings.

System Energy

System Energy holds debt and equity securities, classified as available-for-sale, in nuclear decommissioning trust accounts. The securities held as of March 31, 2010 and December 31, 2009 are summarized as follows:

	Fair Value	Total Unrealized Gains (In Millions)	Total Unrealized Losses
2010			
Equity Securities	\$197.8	\$23.9	\$10.5
Debt Securities	149.3	2.6	0.6
Total	\$347.1	\$26.5	\$11.1
2009			
Equity Securities	\$182.3	\$17.8	\$14.7
Debt Securities	144.7	2.8	0.8
Total	\$327.0	\$20.6	\$15.5

The amortized cost of debt securities was \$147.4 million as of March 31, 2010 and \$142.8 million as of December 31, 2009. As of March 31, 2010, the debt securities have an average coupon rate of approximately 3.96%, an average duration of approximately 4.83 years, and an average maturity of approximately 7.5 years. The equity securities are generally held in funds that are designed to approximate the return of the Standard & Poor's 500 Index. A relatively small percentage of the securities are held in funds intended to replicate the return of the Wilshire 4500 Index.

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of March 31, 2010:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$-	\$-	\$58.0	\$0.5
More than 12 months	82.1	10.5	2.7	0.1
Total	\$82.1	\$10.5	\$60.7	\$0.6

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of December 31, 2009:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$-	\$-	\$56.4	\$0.6
More than 12 months	89.3	14.7	3.2	0.2
Total	\$89.3	\$14.7	\$59.6	\$0.8

The fair value of debt securities, summarized by contractual maturities, as of March 31, 2010 and December 31, 2009 are as follows:

	2010	2009
	(In Millions)	
less than 1 year	\$-	\$1.0
1 year - 5 years	85.5	84.0
5 years - 10 years	40.0	36.2
10 years - 15 years	5.1	4.2

15 years - 20		
years	2.9	2.3
20 years+	15.8	17.0
Total	\$149.3	\$144.7

During the three months ended March 31, 2010 and 2009, proceeds from the dispositions of securities amounted to \$81.4 million and \$151.9 million, respectively. During the three months ended March 31, 2010 and 2009, gross gains of \$1.0 million and \$3.0 million, respectively, and gross losses of \$0.1 million and \$2.4 million, respectively, were recorded in earnings.

Other-than-temporary impairments and unrealized gains and losses

Entergy, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, and System Energy evaluate unrealized losses at the end of each period to determine whether an other-than-temporary impairment has occurred. Effective January 1, 2009, Entergy adopted an accounting pronouncement providing guidance regarding recognition and presentation of other-than-temporary impairments related to investments in debt securities. The assessment of whether an investment in a debt security has suffered an other-than-temporary impairment is based on whether Entergy has the intent to sell or more likely than not will be required to sell the debt security before recovery of its amortized costs. Further, if Entergy does not expect to recover the entire amortized cost basis of the debt security, an other-than-temporary impairment is considered to have occurred and it is measured by the present

Entergy Corporation and Subsidiaries
Notes to Financial Statements

value of cash flows expected to be collected less the amortized cost basis (credit loss). For debt securities held as of January 1, 2009 for which an other-than-temporary impairment had previously been recognized but for which assessment under the new guidance indicates this impairment is temporary, Entergy recorded an adjustment to its opening balance of retained earnings of \$11.3 million (\$6.4 million net-of-tax). Entergy did not have any material other-than-temporary impairments relating to credit losses on debt securities for the three months ended March 31, 2010 and 2009. The assessment of whether an investment in an equity security has suffered an other-than-temporary impairment continues to be based on a number of factors including, first, whether Entergy has the ability and intent to hold the investment to recover its value, the duration and severity of any losses, and, then, whether it is expected that the investment will recover its value within a reasonable period of time. Entergy's trusts are managed by third parties who operate in accordance with agreements that define investment guidelines and place restrictions on the purchases and sales of investments. Non-Utility Nuclear recorded charges to other income of \$16 million in the three months ended March 31, 2009 resulting from the recognition of the other-than-temporary impairment of certain equity securities held in its decommissioning trust funds.

NOTE 10. INCOME TAXES (Entergy Corporation, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy)

Income Tax Audits and Litigation

See Note 3 to the financial statements in the Form 10-K for a discussion of tax proceedings.

NOTE 11. PROPERTY, PLANT, AND EQUIPMENT (Entergy Corporation, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy)

Construction expenditures included in accounts payable at March 31, 2010 is \$128.2 million for Entergy, \$13.2 million for Entergy Arkansas, \$13.3 million for Entergy Gulf States Louisiana, \$26.0 million for Entergy Louisiana, \$3.0 million for Entergy Mississippi, \$22 thousand for Entergy New Orleans, \$4.4 million for Entergy Texas, and \$18.2 million for System Energy. Nuclear fuel purchases included in accounts payable at March 31, 2010 is \$112.7 million for Entergy and System Energy.

Entergy's Non-Utility Nuclear business currently has pending applications for license renewals for the Vermont Yankee, Pilgrim, Indian Point 2, and Indian Point 3 power plants. In addition, for Vermont Yankee the state certificates of public good to operate the plant and store spent nuclear fuel also expire in 2012. Non-Utility Nuclear filed an application with the Vermont Public Service Board on March 3, 2008 for approval of continued operations and storage of spent nuclear fuel generated after March 21, 2012. Under Vermont law the Vermont General Assembly approval of Non-Utility Nuclear's request is required for the request to be granted. On February 24, 2010, a bill to approve the continued operation of Vermont Yankee was advanced to a vote in the Vermont Senate and defeated by a margin of 26 to 4. This vote does not preclude the Vermont Senate from voting again on a similar bill in the future. If all necessary approvals to operate Vermont Yankee beyond its current license expiration are not received, it could result in an impairment of part or all of the carrying value of the plant, including any capitalized asset retirement cost associated with the recording of the decommissioning liability. Decommissioning liabilities are further described in Note 9 to the financial statements in the Form 10-K.

NOTE 12. VARIABLE INTEREST ENTITIES (Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, System Energy)

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

The FASB issued authoritative accounting guidance that became effective in the first quarter 2010 that revises the manner in which entities evaluate whether consolidation is required for VIEs. Under the revised guidance, the primary beneficiary of a VIE is the entity that has the power to direct the activities of the VIE that most significantly affect the VIE's economic performance, and has the obligation to absorb losses or has the right to residual returns that would potentially be significant to the entity. In conjunction with the adoption of the new guidance, Entergy updated reviews of its contracts and arrangements to determine whether Entergy is the primary beneficiary of a VIE based on the revisions to the previous consolidation model and other provisions of this standard. Based on this review Entergy determined that Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, and System Energy should consolidate the respective companies from which they lease nuclear fuel, usually in a sale and leaseback transaction. This determination is because Entergy directs the nuclear fuel companies with respect to nuclear fuel purchases, assists the nuclear fuel companies in obtaining financing, and, if financing cannot be arranged, the lessee (Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, or System Energy) is responsible to repurchase nuclear fuel to allow the nuclear fuel company (the VIE) to meet its obligations. Under the previous guidance, the determination of the primary beneficiary of a VIE was based on ownership interests and the risks and rewards in the entity attributable to the variable interest holders. Therefore, the Entergy companies did not previously consolidate the nuclear fuel companies. Because Entergy has historically accounted for the leases with the nuclear fuel companies as capital lease obligations, the effect of consolidating the nuclear fuel companies did not materially affect Entergy's financial statements. During the term of the arrangements, none of the Entergy operating companies have been required to provide financial support apart from their scheduled lease payments. These nuclear fuel leases are further described in Note 10 to the financial statements in the Form 10-K. See Note 4 to the financial statements herein for details of the nuclear fuel companies' credit facility borrowings and long-term debt that are reported by Entergy, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, and System Energy. These amounts also represent Entergy's and the respective Registrant Subsidiary's maximum exposure to losses associated with their respective interests in the nuclear fuel companies.

Entergy Louisiana and System Energy are also considered to each hold a variable interest in the lessors from which they lease undivided interests representing approximately 9.3% of the Waterford 3 and 11.5% of the Grand Gulf nuclear plants, respectively. Entergy Louisiana and System Energy are the lessees under these arrangements, which are described in more detail in Note 10 to the consolidated financial statements in the Form 10-K. Entergy Louisiana made payments on its lease, including interest, of \$25.3 million in the first quarter 2010 and \$22.0 million in the first quarter 2009. System Energy made payments on its lease, including interest, of \$45.7 million in the first quarter 2010 and \$43.8 million in the first quarter 2009. The lessors are banks acting in the capacity of owner trustee for the benefit of equity investors in the transactions pursuant to trust agreements entered solely for the purpose of facilitating the lease transactions. It is possible that Entergy Louisiana and System Energy may be considered as the primary beneficiary of the lessors, but Entergy is unable to apply the revised authoritative accounting guidance with respect to these VIEs because the lessors are not required to, and could not, provide the necessary financial information to

consolidate the lessors. Because Entergy accounts for these leasing arrangements as capital financings, however, Entergy believes that consolidating the lessors would not materially affect the financial statements. In the unlikely event of default under a lease, remedies available to the lessor include payment by the lessee of the fair value of the undivided interest in the plant, payment of the present value of the basic rent payments, or payment of a predetermined casualty value. Entergy believes, however, that the obligations recorded on the balance sheets materially represent each companies' potential exposure to loss.

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

In the opinion of the management of Entergy Corporation, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas and System Energy, the accompanying unaudited financial statements contain all adjustments (consisting primarily of normal recurring accruals and reclassification of previously reported amounts to conform to current classifications) necessary for a fair statement of the results for the interim periods presented. The business of the Registrant Subsidiaries is subject to seasonal fluctuations, however, with the peak periods occurring during the third quarter. The results for the interim periods presented should not be used as a basis for estimating results of operations for a full year.

Part I, Item 4. Controls and Procedures

Disclosure Controls and Procedures

As of March 31, 2010, evaluations were performed under the supervision and with the participation of Entergy Corporation, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy (individually "Registrant" and collectively the "Registrants") management, including their respective Principal Executive Officers (PEO) and Principal Financial Officers (CFO). The evaluations assessed the effectiveness of the Registrants' disclosure controls and procedures. Based on the evaluations, each PEO and PFO has concluded that, as to the Registrant or Registrants for which they serve as PEO or PFO, the Registrant's or Registrants' disclosure controls and procedures are effective to ensure that information required to be disclosed by each Registrant in reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms; and that the Registrant's or Registrants' disclosure controls and procedures are also effective in reasonably assuring that such information is accumulated and communicated to the Registrant's or Registrants' management, including their respective PEOs and PFOs, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Controls over Financial Reporting

Under the supervision and with the participation of the Registrants' management, including their respective PEOs and PFOs, the Registrants evaluated changes in internal control over financial reporting that occurred during the quarter ended March 31, 2010 and found no change that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

ENTERGY ARKANSAS, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Results of Operations

Net Income

Net income remained relatively unchanged, decreasing by \$0.8 million, for the first quarter 2010 compared to the first quarter 2009 primarily due to higher other operation and maintenance expenses substantially offset by higher other income.

Net Revenue

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 first quarter 2010 to the first quarter 2009.

	Amount (In Millions)
2009 net revenue	\$259.8
Volume/weather	9.1
Net wholesale revenue	(5.2)
Retail electric price	(4.4)
Other	1.1
2010 net revenue	\$260.4

The volume/weather variance is primarily due to the effect of more favorable weather on residential sales.

The net wholesale revenue variance is primarily due to the expiration of a wholesale customer contract in 2009.

The retail electric price variance is primarily due to the recovery in 2009 of 2008 extraordinary storm costs as approved by the APSC, effective January 2009. The recovery of 2008 extraordinary storm costs is discussed in Note 2 to the financial statements in the Form 10-K.

Other Income Statement Variances

Other operation and maintenance expenses increased primarily due to:

- an increase of \$7.4 million in payroll-related and benefits costs;
- nuclear insurance premium refunds of \$3.4 million received in 2009; and
 - an increase of \$1.2 million in vegetation maintenance.

The increase was partially offset by:

- a decrease of \$5.7 million due to 2008 storm costs which were deferred per an APSC order and were recovered through revenues in 2009; and
 - a decrease of \$3.3 million in fossil expenses due to early plant outage costs in 2009.

Other income increased primarily due to an increase of \$3.4 million in earnings on decommissioning trust funds.

Income Taxes

The effective income tax rates for the first quarters of 2010 and 2009 were 48.8% and 51.8%, respectively. The differences in the effective income tax rates for the first quarter 2010 and 2009 versus the federal statutory rate of 35.0% are primarily due to certain book and tax differences related to utility plant items.

Liquidity and Capital Resources

Cash Flow

Cash flows for the first quarters of 2010 and 2009 were as follows:

	2010	2009
	(In Thousands)	
Cash and cash equivalents at beginning of period	\$86,233	\$39,568
Cash flow provided by (used in):		
Operating activities	222,382	186,951
Investing activities	(111,499)	(126,646)
Financing activities	(32,873)	(7,658)
Net increase in cash and cash equivalents	78,010	52,647
Cash and cash equivalents at end of period	\$164,243	\$92,215

Operating Activities

Cash flow from operations increased \$35.4 million for the first quarter 2010 compared to the first quarter 2009 primarily due to the timing of accounts receivable and payable activity and ice storm restoration spending in 2009, partially offset by decreased recovery of fuel costs, an increase of \$16.4 million in pension contributions, and income tax refunds of \$24.9 million received in 2009.

Investing Activities

Net cash flow used in investing activities decreased \$15.1 million for the first quarter 2010 compared to the first quarter 2009 primarily due to a decrease in distribution construction expenditures as a result of an ice storm hitting Entergy Arkansas's service territory in the first quarter 2009, partially offset by an increase in nuclear construction expenditures primarily due to the reactor coolant pump upgrade project and security upgrades.

Financing Activities

Net cash flow used in financing activities increased \$25.2 million for the first quarter 2010 compared to the first quarter 2009 primarily due to the payment on a short-term note of \$17.5 million and an increase of \$7.6 million in common stock dividends paid in 2010.

Environmental Quality (ADEQ) prepared a State Implementation Plan (SIP) for Arkansas facilities to implement its obligations under the Clean Air Visibility Rule. The ADEQ determined that Entergy Arkansas's White Bluff power plant affects a Class I Area visibility and will be subject to the EPA's presumptive BART requirements to install scrubbers and low NOx burners. Under current regulations, the scrubbers would have to be operational by October 2013. Entergy filed a petition in December 2009 with the Arkansas Pollution Control and Ecology (APC&E) Commission requesting a variance from this deadline, however, because the EPA has not approved Arkansas's Regional Haze SIP and the EPA has recently expressed concerns about Arkansas's Regional Haze SIP and questioned the appropriateness of issuing an air permit prior to that approval. Entergy Arkansas's petition requested that, consistent with federal law, the compliance deadline be changed as expeditiously as practicable, but in no event later than five years after EPA approval of the Arkansas Regional Haze SIP. The APC&E Commission approved the variance at its March 26, 2010 meeting. The timeline for EPA action on the Arkansas Regional Haze SIP is uncertain at this time.

In March 2009, Entergy Arkansas made a filing with the APSC seeking a declaratory order that the White Bluff project is in the public interest. In May 2009 the APSC Staff filed a motion requesting that the APSC require Entergy Arkansas to file testimony on several issues. In December 2009, in response to the EPA concerns regarding Arkansas's Regional Haze SIP, the APSC suspended the procedural schedule in the proceeding and directed Entergy Arkansas to file monthly status reports regarding developments between the EPA and the ADEQ concerning the EPA's approval of the Arkansas Regional Haze SIP.

Currently, the White Bluff project is suspended, but the latest conceptual cost estimate indicated that Entergy Arkansas's share of the project could cost approximately \$465 million. The plant would continue to operate during construction, although an outage would be necessary to complete the tie in of the scrubbers. Entergy continues to review potential environmental spending needs and financing alternatives for any such spending, and future spending estimates are likely to change based on the results of this continuing analysis.

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 is an update to the discussion in the Form 10-K.

On September 4, 2009, Entergy Arkansas filed with the APSC for a general change in rates, charges, and tariffs. Entergy Arkansas requested a \$223.2 million base rate increase that would become effective in July 2010. In testimony filed in March 2010, Entergy Arkansas lowered its requested base rate increase to \$168.6 million. The request now reflects a 10.65% return on common equity, using a projected capital structure, and proposes a formula rate plan mechanism. Proposed formula rate plan provisions include a +/- 25 basis point bandwidth, with earnings outside the bandwidth reset to the 10.65% return on common equity midpoint and rates changing on a prospective basis depending on whether Entergy Arkansas is over or under-earning. The proposed formula rate plan also includes a recovery mechanism for APSC-approved costs for additional capacity purchases or construction/acquisition of new transmission or generating facilities. Entergy Arkansas also lowered its requested annual storm damage accrual to \$13.8 million. The latest APSC Staff position filed in testimony proposes a \$49 million revenue increase reflecting a 10.1% return on common equity and \$10 million for the 2009 ice storm. In the event a formula rate plan is adopted, the APSC Staff recommends a further return on common equity reduction to 9.6%. The APSC scheduled hearings in the proceeding beginning in May 2010.

Entergy Arkansas Storm Reserve Accounting

The APSC's June 2007 order in Entergy Arkansas' base rate proceeding eliminated storm reserve accounting for Entergy Arkansas. In March 2009 a law was enacted in Arkansas that requires the APSC to permit storm reserve accounting for utilities that request it. Entergy Arkansas filed its request with the APSC, and has reinstated storm reserve accounting effective January 1, 2009. A hearing on Entergy Arkansas' request was held in March 2010, and in April 2010 the ALJ approved Entergy Arkansas's establishment of a storm cost reserve account.

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.

Nuclear Matters

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

Entergy Arkansas, Inc.
Management's Financial Discussion and Analysis

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 Arkansas's accounting for nuclear decommissioning costs, unbilled revenue, and qualified pension and other postretirement benefits.

Federal Healthcare Legislation

See the "Critical Accounting Estimates - Federal Healthcare Legislation" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for an update to the Form 10-K discussion on critical accounting estimates.

ENTERGY ARKANSAS, INC.
 INCOME STATEMENTS
 For the Three Months Ended March 31, 2010 and 2009
 (Unaudited)

	2010 (In Thousands)	2009
OPERATING REVENUES		
Electric	\$ 531,894	\$ 535,994
OPERATING EXPENSES		
Operation and Maintenance:		
Fuel, fuel-related expenses, and gas purchased for resale	165,730	185,156
Purchased power	108,150	94,327
Nuclear refueling outage expenses	11,111	9,494
Other operation and maintenance	112,140	107,426
Decommissioning	8,742	9,143
Taxes other than income taxes	22,524	21,367
Depreciation and amortization	63,998	62,361
Other regulatory credits - net	(2,418)	(3,335)
TOTAL	489,977	485,939
OPERATING INCOME	41,917	50,055
OTHER INCOME		
Allowance for equity funds used during construction	1,454	1,775
Interest and dividend income	7,688	3,224
Miscellaneous - net	238	(928)
TOTAL	9,380	4,071
INTEREST AND OTHER CHARGES		
Interest on long-term debt	21,360	21,212
Other interest - net	976	674
Allowance for borrowed funds used during construction	(849)	(1,103)
TOTAL	21,487	20,783
INCOME BEFORE INCOME TAXES	29,810	33,343
Income taxes	14,557	17,273
NET INCOME	15,253	16,070
Preferred dividend requirements and other	1,718	1,718

EARNINGS APPLICABLE TO

COMMON STOCK	\$ 13,535	\$ 14,352
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See Notes to Financial Statements.

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ENTERGY ARKANSAS, INC.
 STATEMENTS OF CASH FLOWS
 For the Three Months Ended March 31, 2010 and 2009
 (Unaudited)

	2010	2009
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	\$ 15,253	\$ 16,070
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Reserve for regulatory adjustments	(2,417)	1,203
Other regulatory credits - net	(2,418)	(3,335)
Depreciation, amortization, and decommissioning, including nuclear fuel amortization	91,235	71,504
Deferred income taxes, investment tax credits, and non-current taxes accrued	(64,921)	38,870
Changes in working capital:		
Receivables	38,352	12,383
Fuel inventory	(11,737)	(16,087)
Accounts payable	(13,464)	(2,904)
Taxes accrued	63,837	-
Interest accrued	(2,735)	(2,413)
Deferred fuel costs	98,976	115,120
Other working capital accounts	30,362	14,784
Provision for estimated losses and reserves	(8,191)	(3,247)
Changes in other regulatory assets	(30,940)	(33,221)
Changes in pension and other postretirement liabilities	(15,774)	(1,438)
Other	36,964	(20,338)
Net cash flow provided by operating activities	222,382	186,951
INVESTING ACTIVITIES		
Construction expenditures	(64,856)	(83,527)
Allowance for equity funds used during construction	1,454	1,775
Nuclear fuel purchases	(1,619)	(194)
Proceeds from sale/leaseback of nuclear fuel	-	217
Proceeds from nuclear decommissioning trust fund sales	98,992	29,779
Investment in nuclear decommissioning trust funds	(101,901)	(31,469)
Proceeds from sale of equipment	2,489	-

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Change in money pool receivable - net	(46,058)	(43,227)
Net cash flow used in investing activities	(111,499)	(126,646)
FINANCING ACTIVITIES		
Changes in short-term borrowings - net	(17,531)	-
Dividends paid:		
Common stock	(13,400)	(5,800)
Preferred stock	(1,718)	(1,718)
Other	(224)	(140)
Net cash flow used in financing activities	(32,873)	(7,658)
Net increase in cash and cash equivalents	78,010	52,647
Cash and cash equivalents at beginning of period	86,233	39,568
Cash and cash equivalents at end of period	\$ 164,243	\$ 92,215
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid/(received) during the period for:		
Interest - net of amount capitalized	\$ 20,770	\$ 23,197
Income taxes	\$ -	\$ (24,911)
See Notes to Financial Statements.		

ENTERGY ARKANSAS, INC.
BALANCE SHEETS

ASSETS

March 31, 2010 and December 31, 2009

(Unaudited)

	2010	2009
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents		
Cash	\$ 436	\$ 3,336
Temporary cash investments	163,807	82,897
Total cash and cash equivalents	164,243	86,233
Accounts receivable:		
Customer	102,747	93,754
Allowance for doubtful accounts	(22,318)	(21,853)
Associated companies	113,182	91,650
Other	52,370	55,381
Accrued unbilled revenues	56,783	76,126
Total accounts receivable	302,764	295,058
Deferred fuel costs	23,826	122,802
Fuel inventory - at average cost	26,797	15,060
Materials and supplies - at average cost	133,200	132,182
Deferred nuclear refueling outage costs	35,044	34,492
System agreement cost equalization	70,000	70,000
Prepayments and other	11,638	32,668
TOTAL	767,512	788,495
OTHER PROPERTY AND INVESTMENTS		
Investment in affiliates - at equity	11,201	11,201
Decommissioning trust funds	459,470	440,220
Non-utility property - at cost (less accumulated depreciation)	1,435	1,435
Other	2,976	2,976
TOTAL	475,082	455,832
UTILITY PLANT		
Electric	7,623,516	7,602,975
Property under capital lease	1,350	1,364
Construction work in progress	139,179	114,998
Nuclear fuel under capital lease	-	173,076
Nuclear fuel	167,408	11,543
TOTAL UTILITY PLANT	7,931,453	7,903,956
Less - accumulated depreciation and amortization	3,566,222	3,534,056

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UTILITY PLANT - NET	4,365,231	4,369,900
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
Regulatory asset for income taxes - net	51,476	51,340
Other regulatory assets	777,105	746,955
Other	27,483	23,118
TOTAL	856,064	821,413
TOTAL ASSETS	\$ 6,463,889	\$ 6,435,640

See Notes to Financial Statements.

ENTERGY ARKANSAS, INC.
BALANCE SHEETS
LIABILITIES AND SHAREHOLDERS' EQUITY
March 31, 2010 and December 31, 2009
(Unaudited)

	2010	2009
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	\$ 100,000	\$ 100,000
Notes payable	39,535	-
Accounts payable:		
Associated companies	97,980	107,584
Other	110,757	111,523
Customer deposits	68,463	67,480
Taxes accrued	63,837	-
Accumulated deferred income taxes	35,802	74,794
Interest accrued	23,859	24,104
Obligations under capital leases	63	72,838
Other	24,661	14,742
TOTAL	564,957	573,065
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	1,498,220	1,493,580
Accumulated deferred investment tax credits	46,917	47,909
Obligations under capital leases	1,287	101,601
Other regulatory liabilities	123,668	101,370
Decommissioning	575,116	566,374
Accumulated provisions	5,026	13,217
Pension and other postretirement liabilities	432,647	448,421
Long-term debt	1,653,645	1,518,569
Other	34,360	43,623
TOTAL	4,370,886	4,334,664
Commitments and Contingencies		
Preferred stock without sinking fund	116,350	116,350
SHAREHOLDERS' EQUITY		
Common stock, \$0.01 par value, authorized 325,000,000 shares; issued and outstanding 46,980,196 shares in 2010 and 2009	470	470

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Paid-in capital	588,444	588,444
Retained earnings	822,782	822,647
TOTAL	1,411,696	1,411,561
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 6,463,889	\$ 6,435,640

See Notes to Financial Statements.

ENTERGY ARKANSAS, INC.
 SELECTED OPERATING RESULTS
 For the Three Months Ended March 31, 2010 and 2009
 (Unaudited)

Description	2010	2009	Increase/ (Decrease)	%
	(Dollars In Millions)			
Electric Operating Revenues:				
Residential	\$ 219	\$ 211	\$ 8	4
Commercial	109	114	(5)	(4)
Industrial	101	104	(3)	(3)
Governmental	5	4	1	25
Total retail	434	433	1	-
Sales for resale				
Associated companies	79	73	6	8
Non-associated companies	24	32	(8)	(25)
Other	(5)	(2)	(3)	(150)
Total	\$ 532	\$ 536	\$ (4)	(1)
Billed Electric Energy				
Sales (GWh):				
Residential	2,401	2,109	292	14
Commercial	1,380	1,352	28	2
Industrial	1,586	1,499	87	6
Governmental	64	64	-	-
Total retail	5,431	5,024	407	8
Sales for resale				
Associated companies	1,986	1,870	116	6
Non-associated companies	248	563	(315)	(56)
Total	7,665	7,457	208	3

ENTERGY GULF STATES LOUISIANA, L.L.C.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Results of Operations

Net Income

Net income increased by \$11 million for the first quarter 2010 compared to the first quarter 2009 primarily due to higher net revenue and lower interest expense, partially offset by lower other income.

Net Revenue

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 first quarter 2010 to the first quarter 2009.

	Amount (In Millions)
2009 net revenue	\$196.1
Volume/weather	17.1
Retail electric price	8.2
Net wholesale revenue	(7.3)
Other	3.9
2010 net revenue	\$218.0

The volume/weather variance is primarily due to an increase of 698 GWh, or 18%, in billed electricity usage in all sectors, including the effect of more favorable weather on the residential sector.

The retail electric price variance is primarily due to a formula rate plan increase effective November 2009. See Note 2 to the financial statements for further discussion of the formula rate plan increase.

The net wholesale revenue variance is primarily due to the transfer of several wholesale customers to Entergy Texas in the first quarter 2010.

Other Income Statement Variances

Other income decreased primarily due to a decrease of \$7.7 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 \$159 million remained outstanding as of March 31, 2010 and \$699 million remained outstanding as of March 31, 2009.

Interest expense decreased primarily due to a decrease in mortgage bonds and governmental bonds outstanding.

Entergy Gulf States Louisiana, L.L.C.
Management's Financial Discussion and Analysis

Income Taxes

The effective income tax rate was 38.2% for the first quarter 2010 and 41.1% for the first quarter 2009. The difference in the effective income tax rate for the first quarter 2010 versus the federal statutory rate of 35% is primarily due to certain book and tax differences related to the utility plant items and state income taxes, partially offset by book and tax differences related to storm cost financing and the amortization of investment tax credits. The difference in the effective income tax rate for the first quarter 2009 versus the federal statutory rate of 35% is primarily due to certain book and tax differences related to the utility plant items and state income taxes, partially offset by book and tax differences related to storm cost financing, flow through book and tax timing differences, book and tax differences related to allowance for equity funds used during construction, and the amortization of investment tax credits.

Liquidity and Capital Resources

Cash Flow

Cash flows for the first quarters of 2010 and 2009 were as follows:

	2010	2009
	(In Thousands)	
Cash and cash equivalents at beginning of period	\$144,460	\$49,303
Cash flow provided by (used in):		
Operating activities	90,288	38,818
Investing activities	(77,992)	(54,820)
Financing activities	(47,934)	(206)
Net decrease in cash and cash equivalents	(35,638)	(16,208)
Cash and cash equivalents at end of period	\$108,822	\$33,095

Operating Activities

Net cash flow provided by operating activities increased \$51.5 million for the first quarter 2010 compared to the first quarter 2009 primarily due to income tax payments of \$27.9 million in 2009, a decrease of \$13.5 million in interest payments, and storm restoration spending in 2009.

Investing Activities

Net cash flow used in investing activities increased \$23.2 million for the first quarter 2010 compared to the first quarter 2009 primarily due to:

- an increase in construction expenditures resulting from \$24.9 million in costs associated with the development of new nuclear generation at River Bend, as discussed below;
- proceeds from the sale/leaseback of nuclear fuel of \$10.5 million in 2009. See Note 12 to the financial statements for discussion of the consolidation of nuclear fuel company variable interest entities effective January 1, 2010; and
 - an increase of \$9.1 million in nuclear fuel purchases.

The increase was partially offset by a decrease in distribution construction expenditures related to Hurricane Gustav and Hurricane Ike work in 2009 and money pool activity.

Entergy Gulf States Louisiana, L.L.C.
Management's Financial Discussion and Analysis

Decreases in Entergy Gulf States Louisiana's receivable from the money pool are a source of cash flow, and Entergy Gulf States Louisiana's receivable from the money pool decreased by \$0.8 million for the first quarter 2010 compared to increasing by \$9.2 million for the first quarter 2009. 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 flow used in financing activities increased \$47.7 million for the first quarter 2010 compared to the first quarter 2009 primarily due to \$41 million of common equity distributions in 2010.

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 (\$159 million as of March 31, 2010, and \$168 million as of December 31, 2009) because Entergy Gulf States Louisiana remains primarily liable on the debt.

	March 31, 2010	December 31, 2009
Net debt to net capital	53.7%	53.2%
Effect of subtracting cash from debt	1.6%	2.1%
Debt to capital	55.3%	55.3%

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. 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:

March 31, 2010	December 31, 2009	March 31, 2009	December 31, 2008
(In Thousands)			

\$49,346	\$50,131	\$20,805	\$11,589
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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 March 31, 2010.

Entergy Gulf States Louisiana, L.L.C.
Management's Financial Discussion and Analysis

New Nuclear Development

As discussed in the Form 10-K, Entergy Gulf States Louisiana and Entergy Louisiana provided public notice to the LPSC of their intention to make a filing pursuant to the LPSC's general order that governs the development of new nuclear generation in Louisiana. The project option being developed by the companies is for new nuclear generation at River Bend. Entergy Gulf States Louisiana and Entergy Louisiana, together with Entergy Mississippi, have been engaged in the development of options to construct new nuclear generation at the River Bend and Grand Gulf sites. Entergy Gulf States Louisiana and Entergy Louisiana are leading the development at River Bend, and Entergy Mississippi is leading the development at Grand Gulf. This project is in the early stages, and several issues remain to be addressed over time before significant additional capital would be committed to this project. In the first quarter 2010, Entergy Gulf States Louisiana and Entergy Louisiana each paid for and recognized on its books \$24.9 million in costs associated with the development of new nuclear generation at the River Bend site; these costs previously had been recorded on the books of Entergy New Nuclear Utility Development, LLC, a System Energy subsidiary. Entergy Gulf States Louisiana and Entergy Louisiana will share costs going forward on a 50/50 basis, which reflects each company's current participation level in the project. In March 2010, Entergy Gulf States Louisiana and Entergy Louisiana filed with the LPSC seeking approval to continue the development activities. A procedural schedule has not been established.

Hurricane Gustav and Hurricane Ike

As discussed in the Form 10-K, in September 2008,