ROYAL BANK OF CANADA
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PRICING SUPPLEMENT
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Dated October 27, 2017
Royal Bank of Canada Trigger Callable Yield Notes
$5,700,000 Notes Linked to the Least Performing Underlying of the S&P 500® Index, the EURO STOXX 50® Index and the Russell 2000® Index due on October 30, 2020

Investment Description

Trigger Callable Yield Notes (the "Notes") are unsecured and unsubordinated debt securities issued by Royal Bank of Canada linked to the performance of the least performing underlying of the S&P 500® Index, the EURO STOXX 50® Index, and the Russell 2000® Index (each an "underlying index" and together the "underlying indices"). We will make quarterly coupon payments on the Notes at the annual rate of 5.00%. We may, at our election, call the Notes early on or prior to any Optional Call Notice Date. If we do not elect to call the Notes prior to maturity and the ending levels of each of the underlying indices are equal to or greater than their respective downside threshold, we will make a cash payment at maturity equal to the principal amount of your Notes, in addition to the applicable quarterly coupon payment. If we do not elect to call the Notes prior to maturity and the closing level of any of the underlying indices is less than its downside threshold, we will pay you less than the full principal amount, if anything, at maturity, resulting in a loss of your principal amount that is proportionate to the decline in the closing level of the underlying index with the largest percentage decrease between its initial level and final level (the "least performing underlying index"). Investing in the Notes involves significant risks. You may lose some or all of your principal amount at maturity. You will be exposed to the market risk of each underlying index on the final valuation date and any decline in the level of one underlying index may negatively affect your return and will not be offset or mitigated by a lesser decline or any potential increase in the level of the other underlying indices. Generally, a higher coupon rate is associated with a greater risk of loss. The contingent repayment of principal applies only if you hold the Notes to maturity. All payments on the Notes, including any repayment of principal, are subject to our creditworthiness. If we were to default on our payment obligations, you may not receive any amounts owed to you under the Notes and you could lose your entire investment. The Notes will not be listed on any securities exchange.

Features Key Dates

q Quarterly Coupons — Regardless of the performance of any Index, we will pay you a quarterly coupon Payment unless the Notes have been previously called. In exchange for the opportunity to receive the quarterly coupon payments, you are accepting the risk of losing some or all of your principal amount and our credit risk for all payments under the Notes.

q Issuer Callable — We may, at our election, call the Notes on each Coupon Payment Date, and pay you the principal amount plus the applicable quarterly coupon payment. If the Notes are called, no further payments will be made after the Call Settlement Date.

q Contingent Repayment of Principal at Maturity— If by maturity the Notes have not been called and each underlying index closes at or above its downside threshold on the final valuation date, we will pay you the principal amount per Note at maturity, in addition to the final coupon payment. If any underlying index closes below its downside threshold on the final valuation date, we will repay less than the principal amount, if anything, at maturity, resulting in a loss on your principal amount that is proportionate to the decline in the closing level of the least performing underlying index from its initial level to its final level. The contingent repayment of principal applies only if you hold the Notes until maturity. All payments on the Notes, including any repayment of principal, is subject to our creditworthiness.

Trade Date	October 27, 2017
Settlement Date	October 31, 2017
Coupon Payments	

	Quarterly (see page 4)
Final Valuation Date[1]	October 27, 2020
Maturity Date[1]	October 30, 2020

[1] Subject to postponement if a market disruption event occurs as described under "General Terms of the Notes — Payment at Maturity" below.

NOTICE TO INVESTORS: THE NOTES ARE SIGNIFICANTLY RISKIER THAN CONVENTIONAL DEBT INSTRUMENTS. WE ARE NOT NECESSARILY OBLIGATED TO REPAY THE FULL PRINCIPAL AMOUNT OF THE NOTES AT MATURITY, AND THE NOTES CAN HAVE DOWNSIDE MARKET RISK SIMILAR TO THE LEAST PERFORMING UNDERLYING INDEX. THIS MARKET RISK IS IN ADDITION TO THE CREDIT RISK INHERENT IN PURCHASING A DEBT OBLIGATION OF ROYAL BANK OF CANADA. YOU SHOULD NOT PURCHASE THE NOTES IF YOU DO NOT UNDERSTAND OR ARE NOT COMFORTABLE WITH THE SIGNIFICANT RISKS INVOLVED IN INVESTING IN THE NOTES.
YOU SHOULD CAREFULLY CONSIDER THE RISKS DESCRIBED UNDER ''KEY RISKS'' BEGINNING ON PAGE 5 OF THIS PRICING SUPPLEMENT AND UNDER ''RISK FACTORS'' BEGINNING ON PAGE S-1 OF THE PROSPECTUS SUPPLEMENT BEFORE PURCHASING ANY NOTES. EVENTS RELATING TO ANY OF THOSE RISKS, OR OTHER RISKS AND UNCERTAINTIES, COULD ADVERSELY AFFECT THE MARKET VALUE OF, AND THE RETURN ON, YOUR NOTES. YOU MAY LOSE SOME OR ALL OF THE PRINCIPAL AMOUNT OF THE NOTES.

Note Offering

This pricing supplement relates to Trigger Callable Yield Notes we are offering. The Notes are linked to the least performing underlying between the S&P 500® Index, the EURO STOXX 50® Index and the Russell 2000® Index. The Notes are offered at a minimum investment of 100 Notes at $10.00 per Note (representing a $1,000 investment), and integral multiples of $10.00 in excess thereof.

Underlying Indices	Tickers	Coupon Rate	Initial Levels	Downside Threshold	CUSIP	ISIN
S&P 500® Index (SPX)	SPX	5.00% per annum	2,581.07	1,548.64, which is 60% of the Initial Level*	78013F545	US78013F5456
EURO STOXX 50® Index (SX5E)	SX5E		3,652.23	2,191.34, which is 60% of the Initial Level*		
Russell 2000® Index (RTY)	RTY		1,508.316	904.990, which is 60% of the Initial Level*		

*Rounded to two decimal places in the case of the SPX and SX5E and three decimal places in the case of the RTY.
See "Additional Information About Royal Bank of Canada and the Notes" in this pricing supplement. The Notes will have the terms specified in the prospectus dated January 8, 2016, the prospectus supplement dated January 8, 2016 and this pricing supplement.
Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Notes or passed upon the accuracy or the adequacy of this pricing supplement or the accompanying prospectus and prospectus supplement. Any representation to the contrary is a criminal offense.

	Price to Public		Fees and Commissions(1)		Proceeds to Us	
Offering of the Notes	Total	Per Note	Total	Per Note	Total	Per Note
Notes linked to the Least Performing Underlying of the S&P 500® Index, the EURO STOXX 50® Index and the Russell 2000® Index	$5,700,000.00	$10.00	$85,500.00	$0.15	$5,614,500.00	$9.85

(1) UBS Financial Services Inc., which we refer to as UBS, will receive a commission of $0.15 per $10 principal amount of the Notes. See "Supplemental Plan of Distribution (Conflicts of Interest)" on page 32 of this pricing

supplement.

The initial estimated value of the Notes as of the date of this document is $9,6505 per $10 in principal amount, which is less than the price to public. The actual value of the Notes at any time will reflect many factors, cannot be predicted with accuracy, and may be less than this amount. We describe our determination of the initial estimated value under "Key Risks" beginning on page 5, "Supplemental Plan of Distribution (Conflicts of Interest)" on page 32 and "Structuring the Notes" on page 32 of this pricing supplement.

The Notes will not constitute deposits insured under the Canada Deposit Insurance Corporation Act or by the United States Federal Deposit Insurance Corporation or any other Canadian or United States government agency or instrumentality.

UBS Financial Services Inc. RBC Capital Markets, LLC

Additional Information About Royal Bank of Canada and the Notes

You should read this pricing supplement together with the prospectus dated January 8, 2016, as supplemented by the prospectus supplement dated January 8, 2016, relating to our senior global medium-term notes, Series G, of which these Notes are a part. This pricing supplement, together with the documents listed below, contains the terms of the Notes and supersedes all other prior or contemporaneous oral statements as well as any other written materials including preliminary or indicative pricing terms, correspondence, trade ideas, structures for implementation, sample structures, fact sheets, brochures or other educational materials of ours. You should carefully consider, among other things, the matters set forth in “Key Risks” below, as the Notes involve risks not associated with conventional debt securities.

If the terms of the prospectus and prospectus supplement are inconsistent with the terms discussed herein, the terms discussed in this pricing supplement will control.

You may access these on the SEC website at www.sec.gov as follows (or if such address has changed, by reviewing our filing for the relevant date on the SEC website):

¨Prospectus supplement dated January 8, 2016:
http://www.sec.gov/Archives/edgar/data/1000275/000121465916008811/p14150424b3.htm

¨Prospectus dated January 8, 2016:
http://www.sec.gov/Archives/edgar/data/1000275/000121465916008810/j18160424b3.htm

As used in this pricing supplement, “we,” “us” or “our” refers to Royal Bank of Canada.

Investor Suitability

The Notes may be suitable for you if, among other considerations:

- You fully understand the risks inherent in an investment in the Notes, including the risk of loss of your entire initial investment.
- You can tolerate a loss of all or a substantial portion of your investment and are willing to make an investment that may have the same downside market risk as an investment in the securities composing the least performing underlying index.
- You are willing to make an investment whose return is limited to the applicable coupon payments, regardless of any potential appreciation of the underlying indices, which could be significant.
- You are willing to forgo the dividends paid on the equity securities composing the underlying indices.
- You can tolerate fluctuations in the price of the Notes prior to maturity that may be similar to or exceed the downside fluctuations of the underlying indices.
- You are willing to invest in Notes for which there may be little or no secondary market and you accept that the secondary market will depend in large part on the price, if any, at which RBC Capital Markets, LLC, which we refer to as "RBCCM," is willing to purchase the Notes.
- You are willing to invest in the Notes based on the coupon rate set forth on the cover page.
- You are willing to accept individual exposure to each underlying index on the final valuation date and understand that the performance of the least performing underlying index will not be offset or mitigated by the performance of the other underlying indices.
- You understand and accept the risks and characteristics associated with the underlying indices.
- You are willing to invest in securities that may be called early at our election and you are otherwise willing to hold such securities to maturity.
- You are willing to assume our credit risk for all payments under the Notes, and understand that if we default on our obligations, you may not receive any amounts due to you, including any repayment of principal.

The Notes may not be suitable for you if, among other considerations:

- You do not fully understand the risks inherent in an investment in the Notes, including the risk of loss of your entire initial investment.
- You cannot tolerate a loss on your investment and require an investment designed to provide a full return of principal at maturity.
- You are not willing to make an investment that may have the same downside market risk as an investment in the equity securities composing the least performing underlying index.
- You believe that the levels of any underlying index will decline during the term of the Notes and is likely to close below its downside threshold on the final valuation date.
- You seek an investment that participates in the full appreciation in the levels of the underlying indices or that has unlimited return potential.
- You cannot tolerate fluctuations in the price of the Notes prior to maturity that may be similar to or exceed the downside fluctuations of the least performing underlying index.
- You are unwilling to invest in the Notes based on the coupon rate set forth on the cover page.
- You are unwilling to accept individual exposure to each underlying index on the final valuation date or do not understand that the performance of the least performing underlying index will not be offset or mitigated by the performance of the other underlying indices.
- You prefer to receive the dividends paid on the securities composing the underlying indices.
- You do not understand or accept the risks or characteristics associated with the underlying indices.
- You are unable or unwilling to hold securities that may be called early at our election, or you are otherwise unable or unwilling to hold such securities to maturity, or you seek an investment for which there will be an active secondary market for the Notes.
- You are not willing to assume our credit risk for all payments under the Notes, including any repayment of principal.

The suitability considerations identified above are not exhaustive. Whether or not the Notes are a suitable investment for you will depend on your individual circumstances, and you should reach an investment decision only after you and your investment, legal, tax, accounting, and other advisers have carefully considered the suitability of an investment in the Notes in light of your particular circumstances. You should also review carefully the "Key Risks" beginning on page 5 of this pricing supplement for risks related to an investment in the Notes. In addition, you should review carefully the section below, "Information About the Underlying Indices," for more information about these indices.

Final Terms of the Notes[1]

Issuer:	Royal Bank of Canada
Principal Amount per Note:	$10.00 per Note (subject to a minimum purchase of 100 Notes ($1,000))
Term:	Approximately 3 years, unless earlier called at our election.
Underlying Indices:	The S&P 500® Index (“SPX”), the EURO STOXX 50® Index (“SX5E”) and the Russell 2000® Index (“RTY”)
Issuer Call Feature:	We may elect to call the Notes on or prior to any quarterly Optional Call Notice Date. If the Notes are called, we will pay you on the following Call Settlement Date a cash payment per Note equal to the principal amount plus the applicable quarterly coupon payment, and no further payments will be made on the Notes. To call the Notes, we will deliver written notice to The Depository Trust Company (“DTC”) on or prior to the Optional Call Notice Date immediately prior to the applicable Call Settlement Date.
Coupon Payments:	The coupon payments will be made in equal quarterly instalments regardless of the performance of the underlying indices, unless the Notes were earlier called.
Coupon Rate:	5.00% per annum
Coupon Payment Dates:	January 31, 2018, May 1, 2018, July 31, 2018, October 31, 2018, January 30, 2019, May 1, 2019, July 31, 2019, October 30, 2019, January 29, 2020, April 29, 2020, July 29, 2020, and October 30, 2020.
Optional Call Notice Dates:	January 29, 2018, April 27, 2018, July 27, 2018, October 29, 2018, January 28, 2019, April 29, 2019, July 29, 2019, October 28, 2019, January 27, 2020, April 27, 2020, July 27, 2020, and October 27, 2020.
Call Settlement Dates:	The first Coupon Payment Date following our delivery of a call notice to the trustee for the Notes.
Payment at Maturity:	If we do not elect to call the Notes and the closing levels of each of the underlying indices are equal to or greater than their respective downside thresholds, we will pay you a cash payment per Note on the maturity date equal to $10.00 plus the applicable quarterly coupon payment. If we do not elect to call the Notes and the final level of the least performing underlying index is less than its downside threshold, we, in addition to the final coupon payment, will pay you a cash payment on the maturity date of less than the principal amount, if anything, resulting in a loss on your initial investment that is proportionate to the negative underlying return of the least performing underlying index, equal to: $10.00 × (1 + underlying return of the least performing underlying index) per Note
Least Performing Underlying Index:	The underlying index with the largest percentage decrease between its initial level and its final level.
Underlying Return:	$\frac{\text{Final Level} - \text{Initial Level}}{\text{Initial Level}}$
Downside Thresholds:	With respect to each underlying index, 60% of its initial level, as indicated on the cover page.
Initial Levels:	The closing level of each underlying index on the trade date, as indicated on the cover page.
Final Levels:	

The closing level of each underlying index on the final valuation date, as determined by the calculation agent.

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[1] Terms used in this pricing supplement, but not defined herein, shall have the meanings ascribed to them in the prospectus or the prospectus supplement.

Investment Timeline

Trade Date:	The initial level and downside threshold of each underlying index were determined. The coupon rate was set.
Quarterly (callable at our election):	We will pay the applicable quarterly coupon payments. We may, at our election and upon written notice to DTC, call the Notes on or prior to any Optional Call Notice Date. If we elect to call the Notes, we will pay you a cash payment per Note equal to the principal amount plus the applicable quarterly coupon payment and no further payments will be made on the Notes.
Maturity Date:	The final level of each underlying index is observed on the final valuation date. If we do not elect to call the Notes, and the final levels of each of the underlying indices are equal to or greater than their respective downside thresholds, we will repay the principal plus the applicable quarterly coupon payment amount equal to $10.00 per Note. If we do not elect to call the Notes and the ending level of the least performing underlying index is less than its downside threshold, in addition to the final coupon payment, we will repay less than the principal amount, if anything, resulting in a loss on your initial investment proportionate to the decline of the least performing underlying index, for an amount equal to: $10.00 × (1 + underlying return of the least performing underlying index) per Note

INVESTING IN THE NOTES INVOLVES SIGNIFICANT RISKS. YOU MAY LOSE SOME OR ALL OF YOUR PRINCIPAL AMOUNT. YOU WILL BE EXPOSED TO THE MARKET RISK OF EACH UNDERLYING INDEX ON THE FINAL VALUATION DATE, AND ANY DECLINE IN THE LEVEL OF ONE UNDERLYING INDEX MAY NEGATIVELY AFFECT YOUR RETURN AND WILL NOT BE OFFSET OR MITIGATED BY A LESSER DECLINE OR ANY POTENTIAL INCREASE IN THE LEVEL OF THE OTHER UNDERLYING INDICES. ANY PAYMENT ON THE NOTES, INCLUDING ANY REPAYMENT OF PRINCIPAL, IS SUBJECT TO OUR CREDITWORTHINESS. IF WE WERE TO DEFAULT ON OUR PAYMENT OBLIGATIONS, YOU MAY NOT RECEIVE ANY AMOUNTS OWED TO YOU UNDER THE NOTES AND YOU COULD LOSE YOUR ENTIRE INVESTMENT.

Key Risks

An investment in the Notes is subject to the risks described below, as well as the risks described under "Risk Factors" in the prospectus and the prospectus supplement. The return on the Notes is linked to the performance of the underlying indices. The Notes do not guarantee any return of principal at, or prior to, maturity. Investing in the Notes is not equivalent to investing directly in the securities composing the underlying indices. In addition, your investment in the Notes entails other risks not associated with an investment in conventional debt securities. You should consider carefully the following discussion of risks before you decide that an investment in the Notes is suitable for you.

Risks Relating to the Notes Generally

- Your investment in the Notes may result in a loss. The Notes do not guarantee any return of principal. The amount payable to you at maturity, if any, will be determined as described in this pricing supplement. If we do not elect to call the Notes and the closing level of any underlying index has declined below its downside threshold on the final valuation date, you will be fully exposed to any depreciation of the least performing underlying index from its initial level to its final level. In this case, we will repay less than the full principal amount at maturity, resulting in a loss of principal that is proportionate to the negative return of the least performing underlying index. Under these circumstances, you will lose 1% (or a fraction thereof) of the principal amount for every 1% (or a fraction thereof) decrease in the level of the least performing underlying index below its initial level. Accordingly, you may lose the entire principal amount of your Notes.
- The Notes are subject to our credit risk. The Notes are subject to our credit risk, and our credit ratings and credit spreads may adversely affect the market value of the Notes. Investors are dependent on our ability to pay all amounts due on the Notes, and therefore investors are subject to our credit risk and to changes in the market's view of our creditworthiness. Any decline in our credit ratings or increase in the credit spreads charged by the market for taking our credit risk is likely to adversely affect the value of the Notes. If we were to default on our payment obligations, you may not receive any amounts owed to you under the Notes and you could lose your entire investment.
- The return on the Notes limited to the sum of any coupons and you will not participate in any appreciation of any underlying index. The return potential of the Notes is limited to the pre-specified coupon rate, regardless of the appreciation of any underlying index, which may be significant. Further, if we elect to call the Notes, you will not receive any coupons or any other payments after the Call Settlement Date. If we do not elect to call the Notes, you may be subject to the risk of decline in the level of each underlying index, even though you are not able to participate in any potential appreciation of any underlying index. As a result, the return on an investment in the Notes could be less than the return on a hypothetical direct investment in the securities represented by any underlying index. In addition, if we do not elect to call the Notes and the final level of any underlying index is below its downside threshold, you will lose some or all of your principal amount and the overall return on the Notes would be less than the amounts that would be paid on a conventional debt security of ours of comparable maturity.
- If you sell the Notes prior to maturity, you may receive less than the principal amount. If we do not elect to call the Notes, you should be willing to hold the Notes until maturity. If you are able to sell the Notes in the secondary market prior to maturity, you may have to sell them for a loss relative to the principal amount, even if the levels of the underlying indices are above their respective downside thresholds. In addition, you will not receive the benefit of any contingent repayment of principal associated with the downside thresholds if you sell the Notes before the maturity date. The potential returns described in this document assume that the Notes, which are not designed to be short-term trading instruments, are held to maturity.
- The Notes may be called early and are subject to reinvestment risk. We may, in our sole discretion, elect to call the Notes on or prior to any Optional Call Notice Date. If we elect to call your Notes early, you will no longer have the opportunity to receive any coupons after the applicable Call Settlement Date. The first Optional Call Notice Date occurs after approximately three months and therefore you may not have the opportunity to receive any coupons after approximately three months. In the event we elect to call the Notes, there is no guarantee that you would be able to reinvest the proceeds at a comparable rate of return for a similar level of risk. To the extent you are able to reinvest such proceeds at an investment comparable to the Notes; you may incur transaction costs such as dealer discounts and hedging costs built into the price of the new securities.

It is more likely that we will elect to call the Notes prior to maturity when the expected interest payable on the Notes is greater than the interest that would be payable on other instruments issued by us of comparable maturity, terms and credit rating trading in the market. We are less likely to call the Notes prior to maturity when the expected interest payable on the Notes is less than the interest that would be payable on other comparable instruments issued by us. Therefore, the Notes are more likely to remain outstanding when the expected interest payable on the Notes is less than what would be payable on other comparable instruments.

- The coupon rate will reflect in part the volatility of the underlying indices and may not be sufficient to compensate you for the risk of loss at maturity. "Volatility" refers to the frequency and magnitude of changes in the levels of the underlying indices. The greater the volatility of the underlying indices, the more likely it is that the level of any underlying index could close below its downside threshold on any trading day during the term of the Notes. This risk will generally be reflected in a higher coupon rate for the Notes than the interest rate payable on our conventional debt securities with a comparable term. In addition, lower correlation between the underlying indices can also indicate a greater likelihood of one underlying index closing below its downside threshold on the final valuation date. This greater risk will also be reflected in a higher coupon rate than on a security linked to underlying indices with a greater degree of correlation. However, while the coupon will be a fixed amount, the underlying indices' volatility and correlation can change significantly over the term of the Notes. The levels of one or any of the underlying indices could fall sharply as of any trading day during the term of the Notes or the final valuation date, which could result in a significant loss of your principal amount.
- Your return on the Notes may be lower than the return on a conventional debt security of comparable maturity. The return that you will receive on the Notes, which could be negative, may be less than the return you could earn on other investments. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money, such as inflation.
- The initial estimated value of the Notes is less than the price to the public. The initial estimated value that is set forth on the cover page of this document, which is less than the public offering price you pay for the Notes, does not represent a minimum price at which we,

RBCCM or any of our other affiliates would be willing to purchase the Notes in any secondary market (if any exists) at any time. If you attempt to sell the Notes prior to maturity, their market value may be lower than the price you paid for them and the initial estimated value. This is due to, among other things, changes in the levels of the underlying indices, the borrowing rate we pay to issue securities of this kind, and the inclusion in the price to the public of the underwriting discount, and our estimated profit and the costs relating to our hedging of the Notes. These factors, together with various credit, market and economic factors over the term of the Notes, are expected to reduce the price at which you may be able to sell the Notes in any secondary market and will affect the value of the Notes in complex and unpredictable ways. Assuming no change in market conditions or any other relevant factors, the price, if any, at which you may be able to sell your Notes prior to maturity may be less than the price to public, as any such sale price would not be expected to include the underwriting discount and our estimated profit and the costs relating to our hedging of the Notes. In addition, any price at which you may sell the Notes is likely to reflect customary bid-ask spreads for similar trades. In addition to bid-ask spreads, the value of the Notes determined for any secondary market price is expected to be based on a secondary market rate rather than the internal borrowing rate used to price the Notes and determine the initial estimated value. As a result, the secondary price will be less than if the internal borrowing rate was used. The Notes are not designed to be short-term trading instruments. Accordingly, you should be able and willing to hold your Notes to maturity.

¨ Our initial estimated value of the Notes is an estimate only, calculated as of the time the terms of the Notes were set. The initial estimated value of the Notes is based on the value of our obligation to make the payments on the Notes, together with the mid-market value of the derivative embedded in the terms of the Notes. See "Structuring the Notes" below. Our estimate is based on a variety of assumptions, including our credit spreads, expectations as to dividends, interest rates and volatility, and the expected term of the Notes. These assumptions are based on certain forecasts about future events, which may prove to be incorrect. Other entities may value the Notes or similar securities at a price that is significantly different than we do.

The value of the Notes at any time after the trade date will vary based on many factors, including changes in market conditions, and cannot be predicted with accuracy. As a result, the actual value you would receive if you sold the Notes in any secondary market, if any, should be expected to differ materially from the initial estimated value of your Notes and the amount that may be paid on the Notes.

¨ Your return on the Notes will not reflect dividends on the equity securities composing the underlying indices. The return on the Notes will not reflect the return you would realize if you actually owned the equity securities composing the underlying indices and received the dividends paid on those equity securities. The final levels of each of the underlying indices and the determination of the amount to be paid at maturity will not take into consideration the value of those dividends.

¨ If the levels of the underlying indices change, the market value of the Notes may not change in the same manner. Owning the Notes is not the same as owning the securities composing the underlying indices. Accordingly, changes in the levels of the underlying indices may not result in a comparable change of the market value of the Notes. If the levels of the underlying indices on any trading day increase above their respective initial levels or downside thresholds, the value of the Notes may not increase in a comparable manner, if at all. It is possible for the levels of the underlying indices to increase while the value of the Notes declines.

¨ The determination of the payment at maturity on the Notes does not take into account all developments in the levels of the underlying indices. Changes in the levels of the underlying indices prior to the final valuation date will not be reflected in the calculation of the amount payable, if any, at maturity. The calculation agent will calculate the payment at maturity by comparing only the closing level of the least performing underlying index on the final valuation date relative to its initial level. No other levels will be taken into account. As a result, you may lose some or all of your principal amount even if the level of the least performing underlying index has risen at certain times during the term of the Notes before falling to a level below its downside threshold on the final valuation date.

¨ The Notes are not designed to be short-term trading instruments. The price at which you will be able to sell the Notes to us or our affiliates prior to maturity, if at all, may be at a substantial discount from the principal amount of the Notes, even in cases where the closing levels of the underlying indices have appreciated since the trade date. In addition, you will not receive the benefit of any contingent repayment of principal associated with the downside thresholds if you sell the Notes before the maturity date. The potential returns described in this document assume that the Notes, which are not designed to be short-term trading instruments, are held to maturity. You must rely on your own evaluation of the merits of an investment linked to the underlying indices. In the ordinary course of their business, our affiliates, or UBS or its affiliates, may have expressed views on expected movements in each of the underlying indices or the securities included in the underlying indices, and may do so in the future. These views or reports may be communicated to our respective clients and clients of our respective affiliates. However, these views are subject to change from time to time. Moreover, other professionals who transact business in markets relating to any underlying index, may at any time have significantly different views from those of ours, and those of UBS and its affiliates. For these reasons, you are encouraged to derive information concerning the underlying indices from multiple sources, and you should not rely solely on views expressed by us, UBS, or our respective affiliates.

¨ Your return on the Notes is not linked to a basket consisting of the underlying indices. Rather, it will be contingent upon the performance of each individual underlying index. Unlike an instrument with a return linked to a basket of indices or other underlying assets, in which risk is mitigated and diversified among all of the components of the basket, you will be exposed equally to the risks related to each of the underlying indices. Poor performance by any one of the underlying indices over the term of the Notes may negatively affect your return and will not be offset or mitigated by a positive performance by the other underlying indices. To receive contingent repayment of principal at maturity from us, all underlying indices must close above their downside thresholds on the final valuation date. In addition, if not called at our election prior to maturity, you may incur a loss proportionate to the negative return of the least performing underlying index. Accordingly, your investment is subject to the market risk of each underlying index, which results in a higher risk of your incurring a loss at maturity.

¨ Because the Notes are linked to the individual performance of more than one underlying index, it is more likely that one of the underlying indices will decrease in value below its downside threshold, increasing the probability that you will lose some or all of your initial investment. The risk that you will lose some or all of your initial investment in the Notes is greater if you invest in the Notes as opposed to securities that are linked to the performance of fewer underlying indices if their terms are otherwise substantially similar. With a greater total number of underlying indices, it is more likely that one of the underlying indices will be below its downside threshold, and therefore it is more likely that at maturity you will receive an amount in cash which is worth less than your principal amount. In addition, the performances of a pair of underlying indices may be positively or negatively correlated, or may not be correlated at all. If a pair of underlying indices is not correlated to each other or is negatively correlated, there is a greater potential for one of those underlying indices to close below its downside threshold on the final valuation date, and therefore the risk that a loss of principal will occur is even greater. Further, with three underlying indices, it is more likely that the performance of one pair of underlying indices will not be correlated or will be negatively correlated.

It is impossible to predict what the correlations between the underlying indices will be over the term of the Notes. The underlying indices represent different equity markets and these different equity markets may not perform similarly over the term of the Notes. Although the correlation of the underlying indices' performance may change over the term of the Notes, the coupon rate is determined, in part, based on the underlying indices' performance calculated using our internal models at the time when the terms of the Notes are determined. As stated earlier, a higher coupon rate is generally associated with lower correlation of the underlying indices, which reflects a greater potential for a loss on your investment at maturity. See “Correlation of the Underlying Indices” below.

Risks Relating to Liquidity and Secondary Market Issues

- Secondary trading in the Notes may be limited. The Notes will not be listed on a securities exchange. There may be little or no secondary market for the Notes. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the Notes easily.

RBCCM intends to act as a market maker for the Notes, but is not required to do so. Because we do not expect that other market makers will participate significantly in the secondary market for the Notes, the price at which you may be able to trade the Notes is likely to depend on the price, if any, at which RBCCM is willing to buy the Notes. If at any time RBCCM does not act as a market maker, it is likely that there would be little or no secondary market for the Notes. We expect that transaction costs in any secondary market would be high. As a result, the difference between the bid and asked prices for the Notes in any secondary market could be substantial. If you sell the Notes before maturity, you may have to do so at a substantial discount from the issue price, and as a result, you may suffer substantial losses.

- The terms of the Notes at issuance were influenced, and their market value prior to maturity will be influenced, by many unpredictable factors. Many economic and market factors influenced the terms of the Notes at issuance and will affect their value prior to maturity. These factors are similar in some ways to those that could affect the value of a combination of instruments that might be used to replicate the payments on the Notes, including a combination of a bond with one or more options or other derivative instruments. For the market value of the Notes, we expect that, generally, the levels of the underlying indices on any day will affect the value of the Notes more than any other single factor. However, you should not expect the value of the Notes in the secondary market to vary in proportion to changes in the levels of the underlying indices. The value of the Notes will be affected by a number of other factors that may either offset or magnify each other, including:

- the level of the underlying indices;
- whether the levels of the underlying indices are below their respective downside thresholds;
- the expected volatility of the underlying indices;
- the expected correlation of the underlying indices;
- the time to maturity of the Notes;
- the dividend rate on the securities composing the underlying indices;
- interest and yield rates in the market generally, as well as in the markets of the equity securities composing the underlying indices;
- economic, financial, political, regulatory or judicial events that affect the underlying indices or the equity securities composing the underlying indices or stock markets generally, and which may affect the levels of the underlying indices;
- the exchange rate and the volatility of the exchange rate between the U.S. dollar and euro, which is the currency in which the equity securities included in the SX5E are traded; and
- our creditworthiness, including actual or anticipated downgrades in our credit ratings.

Some or all of these factors influenced the terms of the Notes at issuance and will influence the price you will receive if you choose to sell the Notes prior to maturity. The impact of any of the factors set forth above may enhance or offset some or all of any change resulting from another factor or factors. You may have to sell the Notes at a substantial discount from the principal amount if the levels of the underlying indices are at, below or not sufficiently above, their respective initial levels or downside thresholds.

Risks Relating to the Underlying Indices

¨ Changes that affect an underlying index will affect the market value of the Notes and the payments on the Notes. The policies of the applicable index sponsor concerning the calculation of each underlying index, additions, deletions or substitutions of the components of that underlying index and the manner in which changes affecting those components, such as stock dividends, reorganizations or mergers, may be reflected in the underlying index and, therefore, could affect the amounts payable on the Notes, and the market value of the Notes prior to maturity. The amounts payable on the Notes and their market value could also be affected if the index sponsor changes these policies, for example, by changing the manner in which it calculates the applicable underlying index, or if the index sponsor discontinues or suspends calculation or publication of that underlying index, in which case it may become difficult to determine the market value of the Notes.

¨ We have no affiliation with any index sponsor and will not be responsible for any actions taken by an index sponsor. No index sponsor is an affiliate of ours or will be involved in the offering of the Notes in any way. Consequently, we have no control of the actions of any index sponsor, including any actions of the type that might impact the value of the Notes. No index sponsor has any obligation of any sort with respect to the Notes. Thus, no index sponsor has any obligation to take your interests into consideration for any reason, including in taking any actions that might affect the value of the Notes. None of our proceeds from the issuance of the Notes will be delivered to any index sponsor.

- The historical performance of the underlying indices should not be taken as an indication of their future performance. The levels of the underlying indices will determine the amount to be paid on the Notes. The historical performance of each underlying index does not give an indication of its future performance. As a result, it is impossible to predict whether the level of the underlying indices will rise or fall during the term of the Notes. The level of each underlying index will be influenced by complex and interrelated political, economic, financial and other factors. The level of each underlying index may decrease such that you may not receive any return on your investment. There can be no assurance that the level of each underlying index will not decrease so that at maturity you will not lose some or all of your investment.
- An investment in the Notes is subject to risks associated with non-U.S. securities markets. The securities included in the SX5E have been issued by non-U.S. companies. An investment in securities linked to the value of non-U.S. equity securities involves particular risks. Non-U.S. securities markets may be more volatile than U.S. securities markets, and market developments may affect non-U.S. securities markets differently from the U.S. securities markets. Direct or indirect government intervention to stabilize these non-U.S. securities markets, as well as cross shareholdings among non-U.S. companies, may affect trading prices and volumes in those markets. Also, there is generally less publicly available information in the U.S. about non-U.S. companies than about those U.S. companies that are subject to the reporting requirements of the SEC, and non-U.S. companies are subject to accounting, disclosure, auditing and financial reporting standards and requirements that differ from those applicable to U.S. reporting companies.

Prices of securities in non-U.S. countries are subject to political, economic, financial and social factors that may be unique to the particular countries. These factors, which could negatively affect the non-U.S. securities markets, include the possibility of recent or future changes in the economic and fiscal policies of non-U.S. governments, the possible imposition of, or changes in, currency exchange laws or other non-U.S. laws or restrictions applicable to non-U.S. companies or investments in non-U.S. equity securities, the possibility of fluctuations in the rate of exchange between currencies, the possibility of outbreaks of hostility and political instability and the possibility of natural disaster or adverse public health developments in the relevant region. Moreover, the economies of certain foreign countries may differ favorably or unfavorably from the U.S. economy in important respects, such as growth of gross national product, rate of inflation, trade surpluses or deficits, capital reinvestment, resources and self-sufficiency.

- As a holder of the Notes, you will not have direct exposure to fluctuations in the U.S. dollar/euro exchange rate related to the SX5E. The value of the Notes will not be adjusted for exchange rate fluctuations between the U.S. dollar and the euro, even though any currency fluctuations could affect the performance of the SX5E. Therefore, if the euro appreciates or depreciates relative to the U.S. dollar over the term of the Notes, you will not receive any additional payment or incur any reduction in any payment on the Notes.
- An investment in the Notes linked to the RTY is subject to risks associated in investing in stocks with a small market capitalization. The RTY consists of stocks issued by companies with relatively small market capitalizations. These companies often have greater stock price volatility, lower trading volume and less liquidity than large-capitalization companies. As a result, the level of this underlying index may be more volatile than that of a market measure that does not track solely small-capitalization stocks. Stock prices of small-capitalization companies are also often more vulnerable than those of large-capitalization companies to adverse business and economic developments, and the stocks of small-capitalization companies may be thinly traded, and be less attractive to many investors if they do not pay dividends. In addition, small capitalization companies are often less well-established and less stable financially than large-capitalization companies and may depend on a small number of key personnel, making them more vulnerable to loss of those individuals. Small capitalization companies tend to have lower revenues, less diverse product lines, smaller shares of their target markets, fewer financial resources and fewer competitive strengths than large-capitalization companies. These companies may also be more susceptible to adverse developments related to their products or services.

Risks Relating to Hedging Activities and Conflicts of Interest

- We, UBS or our respective affiliates may have adverse economic interests to the holders of the Notes. RBCCM, UBS and our respective affiliates trade the securities represented by the underlying indices, and other financial instruments related to the underlying indices, on a regular basis, for their accounts and for other accounts under our or their management. UBS, RBCCM and these affiliates may also issue or underwrite or assist unaffiliated entities in the issuance or underwriting of other securities or financial instruments that relate to the underlying indices. To the extent that we, UBS or any of our respective affiliates serves as issuer, agent or underwriter for such securities or financial instruments, our or their interests with respect to such products may be adverse to those of the holders of the Notes. Any of these trading activities could potentially affect the performance of the underlying indices and, accordingly, could affect the value of the Notes, and the amount, if any, payable on the Notes at maturity.

We, UBS or our respective affiliates may currently or from time to time engage in business with the issuers of the securities represented by the underlying indices, including extending loans to, or making equity investments in, or providing advisory services to them, including merger and acquisition advisory services. In the course of this business, we, UBS or our respective affiliates may acquire non-public information about these companies, and we will not disclose any such information to you. None of us, UBS or our respective affiliates makes any representation or warranty to any purchaser of a Note with respect to any matters whatsoever relating to our business with the issuer of any security included in the underlying indices or future price movements of any such security.

Additionally, we, UBS or our respective affiliates may serve as issuer, agent or underwriter for additional issuances of securities with returns linked or related to changes in the level of one or more of the underlying indices. By introducing competing products into the marketplace in this manner, we could adversely affect the value of the Notes.

We may hedge our obligations under the Notes through certain affiliates, who would expect to make a profit on such hedge. We or our affiliates may adjust these hedges by, among other things, purchasing or selling those assets at any time, including around the time of the final valuation date, which could have an impact on the return of the Notes. Because hedging our obligations entails risk and may be influenced by market forces beyond our or our affiliates' control, such hedging may result in a profit that is more or less than expected, or it may result in a loss.

We, UBS or our respective affiliates may currently or from time to time engage in trading activities related to the euro, which is the currency in which the securities represented by the SX5E are denominated. These trading activities could potentially affect the exchange rates with respect to the euro and could affect the level of the SX5E.
In the course of our currency trading activities, we, UBS or our respective affiliates may acquire material nonpublic information with respect to currency exchange rates, and we will not disclose any such information to you. In addition, we, UBS or our respective affiliates may produce and/or publish research reports, or otherwise express views, with respect to expected movements in currency exchange rates. We, UBS and our respective do not make any representation or warranty to any purchaser of the Notes with respect to any matters whatsoever relating to future currency exchange rate movements, and any prospective purchaser of the Notes should undertake an independent investigation of the applicable currencies as, in its judgment, is appropriate to make an informed decision with respect to an investment in the No"JUSTIFY">

the AFC hearing process in light of those errors. In April 2007, the FERC issued an order terminating the AFC hearing, now that Entergy's ICT has been installed. Requests for rehearing of the FERC order canceling the AFC hearing are due in May 2007.

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 variability of market power prices. Following is an updated summary of the amount of the Non-Utility Nuclear business' output that is sold forward as of March 31, 2007 under physical or financial contracts (2007 represents the remaining three quarters of the year):

	2007	2008	2009	2010	2011
Non-Utility Nuclear (including Palisades acquisition) :					
Percent of planned generation sold forward:					
Unit-contingent	44%	48%	38%	25%	23%
Unit-contingent with availability guarantees (1)	45%	36%	28%	22%	7%
Firm liquidated damages	6%	4%	0%	0%	0%
Total	95%	88%	66%	47%	30%
Planned generation (TWh)	30	41	41	41	42
Average contracted price per MWh	$48	$54	$57	$53	$47

(1) A sale of power on a unit contingent basis coupled with a guarantee of availability provides for the payment to the power purchaser of contract damages, if incurred, in the event the seller fails to deliver power as a result of the failure of the specified generation unit to generate power at or above a specified availability threshold. All of Entergy's outstanding guarantees of availability provide for dollar limits on Entergy's maximum liability under such guarantees.

The Vermont Yankee acquisition included a 10-year PPA under which the former owners will buy 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 power market prices drop below PPA prices, which has not happened thus far and is not expected in the foreseeable future.

See the Form 10-K for a discussion of Non-Utility Nuclear's value sharing agreements with NYPA involving energy sales from the Fitzpatrick and Indian Point 3 power plants. Non-Utility Nuclear calculated that nothing was owed to NYPA under the value sharing agreements for 2005. On November 1, 2006, NYPA filed a demand for arbitration claiming that $90.5 million was due to NYPA under these agreements for 2005. Non-Utility Nuclear filed a motion in New York state court to determine whether NYPA's claim should be decided by a court as opposed to an arbitrator. In February 2007, the court issued an order denying Non-Utility Nuclear's request, and NYPA's claim is now in binding arbitration. Non-Utility Nuclear has also calculated that nothing was owed to NYPA under the value sharing agreements for 2006. On April 24, 2007, NYPA filed an amended demand for arbitration claiming that an additional $54 million was due to NYPA under the value sharing agreements for 2006. With respect to both of these claims, Non-Utility Nuclear disagrees with NYPA's interpretation of the value sharing agreements, believes it has meritorious defenses to NYPA's claims, and intends to defend against those claims vigorously.

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, 2007, based on power prices at that time, Entergy had in place as collateral $797 million of Entergy Corporation guarantees for wholesale transactions, including $73 million of guarantees that support letters of credit. The assurance requirement associated with Non-Utility Nuclear is estimated to increase by an amount of up to $297 million if gas prices increase $1 per MMBtu in both the short- and long-term markets. In the event of a decrease in Entergy Corporation's credit rating to below investment grade, Entergy will be required to replace Entergy Corporation guarantees with cash or letters of credit under some of the agreements.

In addition to selling the power produced by its plants, the Non-Utility Nuclear business sells installed capacity to load-serving distribution companies in order for those companies to meet requirements placed on them by the ISO in their area. Following is a summary of the amount of the Non-Utility Nuclear business' installed capacity that is currently sold forward, and the blended amount of the Non-Utility Nuclear business' planned generation output and installed capacity that is currently sold forward as of March 31, 2007 (2007 represents the remaining three quarters of the year):

	2007	2008	2009	2010	2011
Non-Utility Nuclear (including Palisades acquisition) :					
Percent of capacity sold forward:					
Bundled capacity and energy contracts	23%	27%	27%	27%	26%
Capacity contracts	63%	39%	26%	9%	3%
Total	86%	66%	53%	36%	29%
Planned net MW in operation	4,998	4,998	4,998	4,998	4,998
Average capacity contract price per kW per month	$1.7	$1.4	$1.3	$1.7	$2.0
<u>Blended Capacity and Energy (based on revenues)</u>					

% of planned generation and capacity sold forward	92%	83%	60%	39%	22%
Average contract revenue per MWh	$49	$54	$58	$54	$47

As of March 31, 2007, approximately 98% of Non-Utility Nuclear's counterparty exposure from energy and capacity contracts is with counterparties with investment grade credit ratings.

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, qualified pension and other postretirement benefits, and other contingencies.

New Accounting Pronouncements

The FASB issued Statement of Financial Accounting Standards No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" (SFAS 159) during the first quarter of 2007. SFAS 159 provides an option for companies to select certain financial assets and liabilities to be accounted for at fair value with changes in the fair value of those assets or liabilities being reported through earnings. The intent of the standard is to mitigate volatility in reported earnings caused by the application of the more complicated fair value hedging accounting rules. Under SFAS 159, companies can select existing assets or liabilities for this fair value option concurrent with the effective date of January 1, 2008 for companies with fiscal years ending December 31 or can select future assets or liabilities as they are acquired or entered into. Entergy is in the process of evaluating the potential effect of making this accounting election.

In June 2006, the EITF reached a consensus on EITF Issue 06-3 "How Taxes Collected from Customers and Remitted to Governmental Authorities Should Be Presented in the Income Statement (That Is, Gross versus Net Presentation)" (EITF 06-3). The scope of this issue includes any tax assessed by a governmental authority that is both imposed on and concurrent with a specific revenue-producing transaction between a seller and a customer, and may include, but is not limited to, sales, use, value added, and some excise taxes. Under EITF 06-3, the presentation of taxes within the scope of this issue on either a gross basis (included in revenues and costs) or a net basis (excluded from revenues) basis is an

accounting policy decision that should be disclosed. For any such taxes reported on a gross basis, the amounts of those taxes in interim and annual financial statements, for each period for which an income statement is presented, should be disclosed if those amounts are significant. Entergy's policy is to present such taxes on a net basis. EITF 06-3 did not affect Entergy's financial statements.

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
For the Three Months Ended March 31, 2007 and 2006
(Unaudited)

	2007	2006
	(In Thousands, Except Share Data)	
OPERATING REVENUES		
Electric	$2,064,653	$2,092,933
Natural gas	37,928	37,415
Competitive businesses	497,649	437,683
TOTAL	2,600,230	2,568,031
OPERATING EXPENSES		
Operating and Maintenance:		
Fuel, fuel-related expenses, and gas purchased for resale	709,981	840,171
Purchased power	477,753	461,370
Nuclear refueling outage expenses	42,975	41,993
Other operation and maintenance	540,969	529,430
Decommissioning	37,785	35,596
Taxes other than income taxes	112,909	103,338
Depreciation and amortization	224,331	205,388
Other regulatory charges (credits) - net	22,507	(44,018)
TOTAL	2,169,210	2,173,268
OPERATING INCOME	431,020	394,763
OTHER INCOME		
Allowance for equity funds used during construction	16,067	15,459
Interest and dividend income	57,768	43,831
Equity in earnings of unconsolidated equity affiliates	4,534	3,586
Miscellaneous - net	(5,141)	(6,207)
TOTAL	73,228	56,669
INTEREST AND OTHER CHARGES		
Interest on long-term debt	119,854	120,481
Other interest - net	31,297	17,261
Allowance for borrowed funds used during construction	(9,631)	(9,045)
Preferred dividend requirements and other	5,980	8,038
TOTAL	147,500	136,735
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	356,748	314,697
Income taxes	144,553	118,830

INCOME FROM CONTINUING OPERATIONS	212,195	195,867
LOSS FROM DISCONTINUED OPERATIONS (net of income tax benefit of ($1,204))	-	(2,239)
CONSOLIDATED NET INCOME	$212,195	$193,628
Basic earnings (loss) per average common share:		
Continuing operations	$1.06	$0.94
Discontinued operations	-	($0.01)
Basic earnings per average common share	$1.06	$0.93
Diluted earnings (loss) per average common share:		
Continuing operations	$1.03	$0.93
Discontinued operations	-	($0.01)
Diluted earnings per average common share	$1.03	$0.92
Dividends declared per common share	$0.54	$0.54
Basic average number of common shares outstanding	200,549,935	207,732,341
Diluted average number of common shares outstanding	206,133,440	211,374,512

See Notes to Financial Statements.

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ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2007 and 2006
(Unaudited)

	2007	2006
	(In Thousands)	
OPERATING ACTIVITIES		
Consolidated net income	$212,195	$193,628
Adjustments to reconcile consolidated net income to net cash flow		
provided by operating activities:		
Reserve for regulatory adjustments	10,931	42,162
Other regulatory charges (credits) - net	22,507	(44,018)
Depreciation, amortization, and decommissioning	262,117	241,807
Deferred income taxes, investment tax credits, and non-current taxes accrued	368,709	370,774
Equity in earnings of unconsolidated equity affiliates - net of dividends	(4,534)	(1,412)
Changes in working capital:		
Receivables	63,874	328,019
Fuel inventory	(4,648)	(28,607)
Accounts payable	(288,421)	(256,420)
Taxes accrued	(187,324)	35,968
Interest accrued	(20,827)	(16,861)
Deferred fuel	151,853	199,619
Other working capital accounts	(110,493)	140,795
Provision for estimated losses and reserves	(15,918)	15,029
Changes in other regulatory assets	68,790	(75,674)
Other	(52,702)	(132,294)
Net cash flow provided by operating activities	476,109	1,012,515
INVESTING ACTIVITIES		
Construction/capital expenditures	(284,731)	(664,178)
Allowance for equity funds used during construction	16,067	15,459
Nuclear fuel purchases	(184,806)	(91,027)
Proceeds from sale/leaseback of nuclear fuel	114,486	8,827
Proceeds from sale of assets and businesses	2,617	-
Payment for purchase of plant	-	(88,199)
Decrease in other investments	113,027	12,340
	160,007	283,874

Proceeds from nuclear decommissioning trust fund sales		
Investment in nuclear decommissioning trust funds	(189,536)	(312,417)
Other regulatory investments	-	(23,448)
Net cash flow used in investing activities	(252,869)	(858,769)

See Notes to Financial Statements.

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2007 and 2006
(Unaudited)

	2007	**2006**
	(In Thousands)	
FINANCING ACTIVITIES		
Proceeds from the issuance of:		
Long-term debt	820,016	748,584
Preferred stock	-	73,354
Common stock and treasury stock	30,889	11,805
Retirement of long-term debt	(334,873)	(655,649)
Repurchase of common stock	(558,186)	-
Redemption of preferred stock	(2,250)	(2,250)
Changes in credit line borrowings - net	-	(40,000)
Dividends paid:		
Common stock	(108,967)	(112,190)
Preferred stock	(5,987)	(7,661)
Net cash flow provided by (used in) financing activities	(159,358)	15,993
Effect of exchange rates on cash and cash equivalents	(11)	(173)
Net increase in cash and cash equivalents	63,871	169,566
Cash and cash equivalents at beginning of period	1,016,152	582,820

Cash and cash equivalents at end of period	$1,080,023	$752,386
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid/(received) during the period for:		
Interest - net of amount capitalized	$165,856	$146,429
Income taxes	$31,433	($345,366)

See Notes to Financial Statements.

19

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
ASSETS
March 31, 2007 and December 31, 2006
(Unaudited)

	2007	**2006**
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	$113,975	$117,379
Temporary cash investments - at cost, which approximates market	966,048	898,773
Total cash and cash equivalents	1,080,023	1,016,152
Note receivable - Entergy New Orleans DIP loan	42,026	51,934
Notes receivable	614	699
Accounts receivable:		
Customer	405,416	410,512
Allowance for doubtful accounts	(19,386)	(19,348)
Other	446,710	487,264
Accrued unbilled revenues	230,980	249,165
Total receivables	1,063,720	1,127,593
Accumulated deferred income taxes	19,533	11,680
Fuel inventory - at average cost	197,746	193,098
Materials and supplies - at average cost	616,893	604,998
Deferred nuclear refueling outage costs	144,176	147,521

Prepayments and other	131,377	171,759
TOTAL	3,296,108	3,325,434
OTHER PROPERTY AND INVESTMENTS		
Investment in affiliates - at equity	233,520	229,089
Decommissioning trust funds	2,905,580	2,858,523
Non-utility property - at cost (less accumulated depreciation)	210,285	212,726
Other	41,777	47,115
TOTAL	3,391,162	3,347,453
PROPERTY, PLANT AND EQUIPMENT		
Electric	30,950,535	30,713,284
Property under capital lease	729,443	730,182
Natural gas	94,785	92,787
Construction work in progress	778,900	786,147
Nuclear fuel under capital lease	222,203	269,485
Nuclear fuel	646,191	561,291
TOTAL PROPERTY, PLANT AND EQUIPMENT	33,422,057	33,153,176
Less - accumulated depreciation and amortization	13,883,748	13,715,099
PROPERTY, PLANT AND EQUIPMENT - NET	19,538,309	19,438,077
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
SFAS 109 regulatory asset - net	744,424	740,110
Other regulatory assets	2,653,282	2,768,352
Deferred fuel costs	168,122	168,122
Long-term receivables	17,875	19,349
Goodwill	377,172	377,172
Other	960,388	898,662
TOTAL	4,921,263	4,971,767
TOTAL ASSETS	$31,146,842	$31,082,731

See Notes to Financial Statements.

20

ENTERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
LIABILITIES AND SHAREHOLDERS' EQUITY
March 31, 2007 and December 31, 2006
(Unaudited)

	2007	2006
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	$271,942	$181,576

Notes payable	25,039	25,039
Accounts payable	812,018	1,122,596
Customer deposits	256,753	248,031
Taxes accrued	-	187,324
Interest accrued	140,004	160,831
Deferred fuel costs	224,883	73,031
Obligations under capital leases	153,186	153,246
Pension and other postretirement liabilities	33,726	41,912
Other	170,902	271,544
TOTAL	2,088,453	2,465,130
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	6,142,823	5,820,700
Accumulated deferred investment tax credits	354,102	358,550
Obligations under capital leases	218,118	188,033
Other regulatory liabilities	506,016	449,237
Decommissioning and asset retirement cost liabilities	2,058,544	2,023,846
Transition to competition	79,098	79,098
Accumulated provisions	91,286	88,902
Pension and other postretirement liabilities	1,438,754	1,410,433
Long-term debt	9,197,328	8,798,087
Preferred stock with sinking fund	8,250	10,500
Other	780,099	847,415
TOTAL	20,874,418	20,074,801
Commitments and Contingencies		
Preferred stock without sinking fund	344,915	344,913
SHAREHOLDERS' EQUITY		
Common stock, $.01 par value, authorized 500,000,000 shares; issued 248,174,087 shares in 2007 and in 2006	2,482	2,482
Paid-in capital	4,831,803	4,827,265
Retained earnings	6,211,617	6,113,042
Accumulated other comprehensive loss	(54,560)	(100,512)
Less - treasury stock, at cost (50,353,826 shares in 2007 and 45,506,311 shares in 2006)	3,152,286	2,644,390
TOTAL	7,839,056	8,197,887
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$31,146,842	$31,082,731

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, 2007 and 2006
(Unaudited)

	2007		2006	
		(In Thousands)		
RETAINED EARNINGS				
Retained Earnings - Beginning of period	$6,113,042		$5,433,931	
Add:				
Consolidated net income	212,195	$212,195	193,628	$193,628
Adjustment related to FIN 48 implementation	(4,600)		-	
Total	207,595		193,628	
Deduct:				
Dividends declared on common stock	109,020		112,138	
Capital stock and other expenses	-		-	
Total	109,020		112,138	
Retained Earnings - End of period	$6,211,617		$5,515,421	
ACCUMULATED OTHER COMPREHENSIVE LOSS				
Balance at beginning of period:				
Accumulated derivative instrument fair value changes	($105,578)		($392,614)	
Pension and other postretirement liabilities	(105,909)		-	
Net unrealized investment gains	104,551		67,923	
Foreign currency translation	6,424		3,217	
Minimum pension liability	-		(22,345)	
Total	(100,512)		(343,819)	
Net derivative instrument fair value changes arising during the period (net of tax expense of $28,325 and $120,392)	41,467	41,467	191,313	191,313
Pension and other postretirement liabilities (net of tax expense of $274)	478	478	-	-
	3,996	3,996	3,327	3,327

Net unrealized investment gains (net of tax expense of $2,790 and $2,314)				
Foreign currency translation (net of tax expense of $6 and $93)	11	11	173	173
Balance at end of period:				
Accumulated derivative instrument fair value changes	(64,111)		(201,301)	
Pension and other postretirement liabilities	(105,431)		-	
Net unrealized investment gains	108,547		71,250	
Foreign currency translation	6,435		3,390	
Minimum pension liability	-		(22,345)	
Total	($54,560)		($149,006)	
Comprehensive Income		$258,147		$388,441

PAID-IN CAPITAL

Paid-in Capital - Beginning of period	$4,827,265	$4,817,637
Add (Deduct):		
Common stock issuances related to stock plans	4,538	(1,600)
Paid-in Capital - End of period	$4,831,803	$4,816,037

See Notes to Financial Statements.

22

ENTERGY CORPORATION AND SUBSIDIARIES
SELECTED OPERATING RESULTS
For the Three Months Ended March 31, 2007 and 2006
(Unaudited)

Increase/

Description	2007	2006	(Decrease)	%
	(Dollars in Millions)			
Utility Electric Operating Revenues:				
Residential	$719	$697	$22	3
Commercial	518	541	(23)	(4)
Industrial	623	667	(44)	(7)
Governmental	37	40	(3)	(8)
Total retail	1,897	1,945	(48)	(2)
Sales for resale	131	175	(44)	(25)
Other	37	(27)	64	237
Total	$2,065	$2,093	($28)	(1)
Utility Billed Electric Energy Sales (GWh):				
Residential	7,558	6,917	641	9
Commercial	5,721	5,499	222	4
Industrial	9,186	9,042	144	2
Governmental	385	377	8	2
Total retail	22,850	21,835	1,015	5
Sales for resale	2,536	2,761	(225)	(8)
Total	25,386	24,596	790	3

23

ENTERGY CORPORATION AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
(Unaudited)

NOTE 1. COMMITMENTS AND CONTINGENCIES

Entergy New Orleans Bankruptcy

See Note 9 to the financial statements for information on the Entergy New Orleans bankruptcy proceeding.

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. Following is an update to that information.

Property Insurance

In April 2007, the excess layer coverage for the Utility nuclear plants was increased to $750 million per occurrence per plant and the blanket layer coverage (shared among the plants) for the Utility nuclear plants was decreased to $350 million per occurrence.

Non-Nuclear Property Insurance

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

Entergy has reached an agreement with one of its excess insurers under which Entergy will receive $69.5 million in settlement of its Hurricane Katrina claim. Entergy expects that $53.7 million of this amount will be allocated to Entergy New Orleans. Entergy New Orleans submitted the agreement to the bankruptcy court, which approved the agreement on April 25, 2007. Entergy expects to receive the proceeds under the settlement agreement by the end of May 2007.

NYPA Value Sharing Agreements

See Note 8 to the financial statements in the Form 10-K for information on the NYPA Value Sharing Agreements. Non-Utility Nuclear calculated that nothing was owed to NYPA under the value sharing agreements for 2005. On November 1, 2006, NYPA filed a demand for arbitration claiming that $90.5 million was due to NYPA under these agreements for 2005. Non-Utility Nuclear filed a motion in New York state court to determine whether NYPA's claim should be decided by a court as opposed to an arbitrator. In February 2007, the court issued an order denying Non-Utility Nuclear's request, and NYPA's claim is now in binding arbitration. Non-Utility Nuclear has also calculated that nothing was owed to NYPA under the value sharing agreements for 2006. On April 24, 2007, NYPA filed an amended demand for arbitration claiming that an additional $54 million was due to NYPA under the value sharing agreements for 2006. With respect to both of these claims, Non-Utility Nuclear disagrees with NYPA's interpretation of the value sharing agreements, believes it has meritorious defenses to NYPA's claims, and intends to defend against those claims vigorously.

CashPoint Bankruptcy

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

See Note 8 to the financial statements in the Form 10-K for information regarding the bankruptcy of CashPoint, which managed a network of payment agents for the Utility operating companies.

24

Employment Litigation

Entergy Corporation and the Registrant Subsidiaries are defendants in numerous lawsuits and other labor-related proceedings filed by former employees asserting that they were wrongfully terminated and/or discriminated against on the basis of age, race, sex, and/or other protected characteristics. Entergy Corporation and these subsidiaries are vigorously defending these suits and deny any liability to the plaintiffs. Nevertheless, no assurance can be given as to the outcome of these cases.

Asbestos and Hazardous Material Litigation

(Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans)

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

NOTE 2. RATE AND REGULATORY MATTERS

Regulatory Assets

Other Regulatory Assets

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

Deferred Fuel Costs

See Note 2 to the financial statements in the Form 10-K for information regarding fuel proceedings involving the Utility operating companies. Following are updates to that information.

Entergy Arkansas

In March 2007, in order to allow further consideration by the APSC, the APSC granted Entergy Arkansas' petition for rehearing and for stay of the APSC's January 2007 order in the proceeding investigating Entergy Arkansas' interim energy cost rate.

In March 2007, Entergy Arkansas filed with the APSC its annual energy cost rate for the period April 2007 through March 2008. The filed energy cost rate decreased from $0.02827/kWh to $0.01179/kWh.

Entergy Gulf States (Texas)

In March 2007, Entergy Gulf States filed with the PUCT a request to refund $78.5 million, including interest, of fuel cost recovery over-collections for the period through January 2007. Entergy Gulf States requested that the proposed refund be made over a six-month period beginning June 2007; however, the refund period is subject to the PUCT's discretion.

25

Storm Cost Recovery Filings

See Note 2 to the financial statements in the Form 10-K for information regarding storm cost recovery filings involving the Utility operating companies. The following are updates to the Form 10-K.

Entergy Gulf States - Texas

In April 2007, the PUCT issued its financing order authorizing the issuance of securitization bonds to recover $353 million of hurricane reconstruction costs and up to $6 million of transaction costs, offset by $32 million of related deferred income tax benefits. Entergy Gulf States expects by mid-2007 to implement rates to recover revenues to pay the securitization bonds, and expects to receive securitization funding by the end of the third quarter 2007.

Entergy Gulf States - Louisiana and Entergy Louisiana

In February 2007, Entergy Louisiana and Entergy Gulf States filed rebuttal testimony and filed a second supplemental and amending application by which they seek authority from the LPSC to securitize their storm cost recovery and storm reserve amounts, together with certain debt retirement costs and upfront and ongoing costs of the securitized debt issued. Securitization is authorized by a law signed by the Governor of Louisiana in May 2006. The filing updates actual storm-related costs through January 2007 and estimated future costs, declaring that Entergy Louisiana's costs are $561 million and Entergy Gulf States' costs are $219 million. The filing also updates the requested storm reserve amounts, requesting $141 million for Entergy Louisiana and $87 million for Entergy Gulf States. Hearings began in late-April 2007. At the start of the hearing, a stipulation among Entergy Gulf States, Entergy Louisiana, the LPSC staff, and most other parties in the proceeding was read into the record. The stipulation quantifies the balance of storm restoration costs for recovery as $545 million for Entergy Louisiana and $187 million for Entergy Gulf States, and sets the storm reserve amounts at $152 million for Entergy Louisiana and $87 million for Entergy Gulf States. The stipulation also calls for securitization of the storm restoration costs and storm reserves in those same amounts. The LPSC has not issued a decision in the proceeding.

Entergy New Orleans

In March 2007, the City Council certified that Entergy New Orleans has incurred $205 million in storm-related costs through December 2006 that are eligible for CDBG funding under the state action plan, and certified Entergy New Orleans' estimated costs of $465 million for the gas system rebuild. In April 2007, Entergy New Orleans executed an agreement with the Louisiana Office of Community Development under which $200 million of CDBG funds will be made available to Entergy New Orleans. Entergy New Orleans submitted the agreement to the bankruptcy court, which approved it on April 25, 2007. Entergy New Orleans received $171.7 million of the funds on April 27, 2007, and the remainder will be paid to Entergy New Orleans as it incurs and submits additional eligible costs.

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 (Entergy Arkansas)

In March 2007, Entergy Arkansas filed rebuttal testimony in the rate case that it filed in August 2006. The rebuttal testimony requests an annual rate increase of $106.5 million, and retains a return on common equity (ROE) of 11.25%. A primary reason for the decline in the rate request from the original request of $150 million is the removal of the revenue requirement for the proposed acquisition of a load-following, combined cycle gas-fired generation resource, because Entergy Arkansas was not able to complete negotiations with the owner within the time requirements of the rate case. Also, in March 2007 and April 2007, the APSC staff and intervenors filed additional testimony. The APSC staff's filings indicate that an annual rate increase of $2 million is warranted, with a proposed ROE of 9.9%. The APSC staff has also taken positions, which Entergy

Arkansas opposes, regarding costs accumulated in the storm reserve, FERC-allocated System Agreement cost allocation, and removal costs associated with the termination of a lease that could have an adverse effect on future financial results. An evidentiary hearing in the rate case proceeding ended in early-May 2007.

Filings with the LPSC (Entergy Gulf States)

In January 2007, Entergy Gulf States filed with the LPSC its gas rate stabilization plan for the test year ending September 30, 2006. The filing showed a revenue deficiency of $3.5 million based on an ROE mid-point of 10.5%. In March 2007, Entergy Gulf States filed a set of rate and rider schedules that reflected all proposed LPSC staff adjustments and implemented a $2.4 million base rate increase effective with the first billing cycle of April 2007 pursuant to the rate stabilization plan.

Filings with the MPSC (Entergy Mississippi)

In March 2007, Entergy Mississippi made its annual scheduled formula rate plan filing for the 2006 test year with the MPSC. The filing shows that an increase of $12.9 million in annual electric revenues is warranted. The Mississippi Public Utilities Staff is reviewing the filing.

Electric Industry Restructuring

Texas (Entergy Gulf States)

Refer to Note 2 to the financial statements in the Form 10-K for the current Texas legislation and Entergy Gulf States' proposed transition to competition plan.

In December 2006, the PUCT asked for parties to brief the effects of the 2005 legislation on the competition dockets of Entergy Gulf States, most notably, the settlement that the parties entered with respect to the unbundling of Entergy Gulf States for retail open access. Finding that the 2005 legislation now provides the mechanism by which Entergy Gulf States will transition to competition, the PUCT, on February 1, 2007, dismissed Entergy Gulf States' unbundled cost of service proceeding. After analyzing the PUCT's decision, Entergy Gulf States recorded a provision for its estimated exposure related to certain past fuel cost recoveries that may be credited to customers.

27

NOTE 3. COMMON EQUITY

Common Stock

Earnings per Share

The following tables present Entergy's basic and diluted earnings per share calculations included on the consolidated income statement:

	For the Three Months Ended March 31,			
	2007		2006	
	(In Millions, Except Per Share Data)			
		$/share		$/share

Earnings applicable to common stock	$212.2		$193.6	
Average number of common shares outstanding - basic	200.5	$1.06	207.7	$0.93
Average dilutive effect of:				
Stock Options	4.8	(0.025)	3.5	(0.015)
Equity Units	0.7	(0.003)	-	-
Deferred Units	0.1	(0.001)	0.2	(0.001)
Average number of common shares outstanding - diluted	206.1	$1.03	211.4	$0.92

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

Treasury Stock

During the first quarter of 2007, Entergy Corporation issued 824,527 shares of its previously repurchased common stock to satisfy stock option exercises and other stock-based awards. During the first quarter of 2007, Entergy Corporation purchased 5,672,042 shares of common stock for a total purchase price of $558.2 million.

Retained Earnings

On April 4, 2007, Entergy Corporation's Board of Directors declared a common stock dividend of $0.54 per share, payable on June 1, 2007 to holders of record as of May 10, 2007.

Accumulated Other Comprehensive Income

Cash flow hedges with net unrealized losses of approximately $67.8 million net-of-tax at March 31, 2007 are expected to be reclassified into earnings during the next twelve months.

NOTE 4. LINES OF CREDIT, RELATED SHORT-TERM BORROWINGS, AND LONG-TERM DEBT

Entergy Corporation has in place two separate revolving credit facilities, a five-year credit facility and a three-year credit facility. The five-year credit facility, which expires in May 2010, has a borrowing capacity of $2 billion and the three-year facility, which expires in December 2008, has a borrowing capacity of $1.5 billion. Entergy Corporation also has the ability to issue letters of credit against the total borrowing capacity of both credit facilities. The commitment fee for these facilities is currently 0.13% per annum of the unused amount. Commitment fees and interest rates on loans under the credit facility can fluctuate depending on the senior debt ratings of the Utility operating companies. Following is a summary of the borrowings outstanding and capacity available under these facilities as of March 31, 2007.

Facility	Capacity	Borrowings	Letters of Credit	Capacity Available
		(In Millions)		

5-Year Facility	$2,000	$895	$79	$1,026
3-Year Facility	$1,500	$540	$-	$960

See Part II, Item 5 for an update of the borrowings outstanding as of May 8, 2007.

Entergy Corporation's facilities require it to maintain a consolidated debt ratio of 65% or less of its total capitalization. If Entergy fails to meet this ratio, or if Entergy or the Utility operating companies (except Entergy New Orleans) and System Energy default on other indebtedness or are in bankruptcy or insolvency proceedings, an acceleration of the facilities' maturity dates may occur.

Entergy Arkansas, Entergy Gulf States, and Entergy Mississippi, each had credit facilities available as of March 31, 2007 as follows:

Company	Expiration Date	Amount of Facility	Amount Drawn as of March 31, 2007
Entergy Arkansas	April 2007	$85 million	-
Entergy Gulf States	February 2011	$50 million (a)	-
Entergy Mississippi	May 2007	$30 million (b)	-
Entergy Mississippi	May 2007	$20 million (b)	-

(a) The credit facility allows Entergy Gulf States to issue letters of credit against the borrowing capacity of the facility. As of March 31, 2007, $1.4 million in letters of credit had been issued.

(b) Borrowings under the Entergy Mississippi credit facilities may be secured by a security interest in its accounts receivable.

In April 2007, Entergy Arkansas renewed its credit facility through April 2008 and increased the amount of the credit facility to $100 million. Prior to expiration on May 31, 2007, it is expected that Entergy Mississippi will renew both of its credit facilities.

The credit facilities have variable interest rates and the average commitment fee is 0.13%. The Entergy Arkansas credit facility requires that it maintain total shareholders' equity of at least 25% of its total assets.

The short-term borrowings of the Registrant Subsidiaries (other than Entergy New Orleans) and certain other Entergy subsidiaries are limited to amounts authorized by the FERC. The current FERC-authorized limits are effective through March 31, 2008. 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 Entergy's subsidiaries' dependence on external short-term borrowings. Borrowings from the money pool and external borrowings combined may not exceed the FERC authorized limits. As of March 31, 2007, Entergy's subsidiaries' aggregate money pool and external short-term borrowings authorized limit was $2.0 billion, the aggregate outstanding borrowing from the money pool was $330.1 million, and Entergy's subsidiaries' had no outstanding short-term borrowing from external sources.

The following are the FERC-authorized limits for short-term borrowings effective February 8, 2006 and the outstanding short-term borrowings from the money pool for the Registrant Subsidiaries (other than Entergy New Orleans) as of March 31, 2007:

	Authorized	Borrowings
	(In Millions)	
Entergy Arkansas	$250	-
Entergy Gulf States	$350	-
Entergy Louisiana	$250	$67.1
Entergy Mississippi	$175	-
System Energy	$200	-

Under a savings provision in PUHCA 2005, which repealed PUHCA 1935, Entergy New Orleans may continue to be a participant in the money pool to the extent authorized by its SEC PUHCA 1935 order. However, Entergy New Orleans has not made, and does not expect to make, any additional money pool borrowings while it is in bankruptcy proceedings. Entergy New Orleans had $37.2 million in borrowings outstanding from the money pool as of its bankruptcy filing date, September 23, 2005.

In January 2007, Entergy Mississippi redeemed, prior to maturity, $100 million of 4.35% Series of First Mortgage Bonds due April 2008.

Entergy New Orleans Debtor-in-Possession Credit Facility

See Note 4 in the Form 10-K for a discussion of the Entergy New Orleans $200 million debtor-in-possession (DIP) credit facility. As of March 31, 2007, Entergy New Orleans had $42 million of outstanding borrowings under the DIP credit agreement. During April 2007, at the same time that it made a scheduled pension plan contribution, Entergy New Orleans borrowed under the DIP credit agreement, and on May 8, 2007 had $67 million of outstanding borrowings under the DIP credit agreement.

NOTE 5. ACQUISITIONS

In April 2007, Entergy's Non-Utility Nuclear business purchased the 798 MW Palisades nuclear energy plant located near South Haven, Michigan from Consumers Energy Company for a cash payment of $380 million. Entergy received the plant, nuclear fuel, inventories, and other assets. The liability to decommission the plant, as well as related decommissioning trust funds of approximately $250 million, was also transferred to Entergy's Non-Utility Nuclear business. Entergy's Non-Utility Nuclear business executed a unit contingent, 15-year purchased power agreement (PPA) with Consumers Energy for 100% of the plant's output, excluding any future uprates. Prices under the PPA range from $43.50/MWh in 2007 to $61.50/MWh in 2022, and the average price under the PPA is $51/MWh. In the first quarter 2007, the NRC renewed Palisades' operating license until 2031. Also as part of the transaction, Consumers Energy paid Entergy's Non-Utility Nuclear business $30 million to assume responsibility for spent fuel at the decommissioned Big Rock Point nuclear plant, which is located near Charlevoix, Michigan.

30

NOTE 6. STOCK-BASED COMPENSATION

Entergy grants stock options, which are described more fully in Note 12 to the consolidated financial statements in the Form 10-K. Entergy adopted SFAS 123R, "Share-Based Payment" on January 1, 2006. The adoption of the standard did not materially affect Entergy's financial position, results of operations, or cash flows because Entergy adopted the fair value based method of accounting for stock options prescribed by SFAS 123, "Accounting for Stock-Based Compensation" on January 1, 2003. Prior to 2003, Entergy applied the recognition and measurement principles of APB Opinion 25, "Accounting for Stock Issued to Employees," and related Interpretations in accounting for those plans. Awards under Entergy's plans generally vest over three years.

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

	2007	2006
	(In Millions)	
Compensation expense included in Entergy's Net Income for the first quarter	$3.3	$2.8
Tax benefit recognized in Entergy's Net Income for the first quarter	$1.3	$1.1
Compensation cost capitalized as part of fixed assets and inventory as of March 31,	$0.5	$0.5

Entergy granted 1,854,900 stock options during the first quarter of 2007 with a weighted-average fair value of $14.15. At March 31, 2007, there were 11,834,930 stock options outstanding with a weighted-average exercise price of $57.54. The aggregate intrinsic value of the stock options outstanding was $561 million.

NOTE 7. RETIREMENT AND OTHER POSTRETIREMENT BENEFITS

Components of Net Pension Cost

Entergy's qualified pension cost, including amounts capitalized, for the first quarters of 2007 and 2006, included the following components:

	2007	2006
	(In Thousands)	
Service cost - benefits earned during the period	$23,428	$23,176
Interest cost on projected benefit obligation	44,602	41,814
Expected return on assets	(49,179)	(44,482)
Amortization of prior service cost	1,338	1,365
Amortization of loss	11,075	10,931
Net pension costs	$31,264	$32,804

31

The Registrant Subsidiaries' qualified pension cost, including amounts capitalized, for the first quarters of 2007 and 2006, included the following components:

2007	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
			(In Thousands)			

Service cost - benefits earned during the period	$3,638	$3,011	$2,231	$1,089	$470	$1,021
Interest cost on projected benefit obligation	10,498	8,139	6,251	3,371	1,260	1,710
Expected return on assets	(11,009)	(10,750)	(7,808)	(3,837)	(1,446)	(2,136)
Amortization of prior service cost	412	304	160	114	44	12
Amortization of loss	2,721	623	1,433	749	368	151
Net pension cost	$6,260	$1,327	$2,267	$1,486	$696	$758

2006	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
			(In Thousands)			
Service cost - benefits earned during the period	$3,626	$2,993	$2,182	$1,077	$501	$1,031
Interest cost on projected benefit obligation	9,915	7,914	6,052	3,252	1,282	1,604
Expected return on assets	(9,834)	(10,176)	(7,114)	(3,683)	(884)	(1,775)
Amortization of prior service cost	415	309	141	128	56	12
Amortization of loss	2,438	640	1,509	725	509	167
Net pension cost	$6,560	$1,680	$2,770	$1,499	$1,464	$1,039

Entergy recognized $4.0 million and $3.9 million in pension cost for its non-qualified pension plans in the first quarters of 2007 and 2006, respectively.

The Registrant Subsidiaries recognized the following pension cost for their non-qualified pension plans in the first quarters of 2007 and 2006:

	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans
			(In Thousands)		
Non-Qualified Pension Cost First Quarter 2007	$123	$317	$6	$44	$57

Non-Qualified Pension Cost First Quarter 2006	$113	$220	$5	$36	$54

32

Components of Net Other Postretirement Benefit Cost

Entergy's other postretirement benefit cost, including amounts capitalized, for the first quarters of 2007 and 2006, included the following components:

	2007	2006
	(In Thousands)	
Service cost - benefits earned during the period	$10,638	$10,370
Interest cost on APBO	14,816	14,316
Expected return on assets	(5,577)	(4,756)
Amortization of transition obligation	542	542
Amortization of prior service cost	(4,049)	(3,688)
Amortization of loss	4,461	5,698
Net other postretirement benefit cost	$20,831	$22,482

The Registrant Subsidiaries' other postretirement benefit cost, including amounts capitalized, for the first quarters of 2007 and 2006, included the following components:

2007	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
			(In Thousands)			
Service cost - benefits earned						
during the period	$1,525	$1,547	$973	$476	$255	$451
Interest cost on APBO	3,037	2,876	1,941	1,049	870	433
Expected return on assets	(2,231)	(1,697)	-	(819)	(682)	(470)
Amortization of transition obligation	205	151	96	88	416	2
Amortization of prior service cost	(197)	218	117	(62)	90	(283)
Amortization of loss	1,500	793	764	613	282	149
Net other postretirement benefit cost	$3,839	$3,888	$3,891	$1,345	$1,231	$282

2006	Entergy Arkansas	Entergy	Entergy Louisiana	Entergy Mississippi	Entergy	System Energy

		Gulf States			New Orleans	
			(In Thousands)			
Service cost - benefits earned during the period	$1,337	$1,254	$854	$419	$232	$414
Interest cost on APBO	2,844	2,747	1,856	944	856	407
Expected return on assets	(1,797)	(1,489)	-	(709)	(611)	(421)
Amortization of transition obligation	205	151	96	88	416	2
Amortization of prior service cost	(408)	-	(24)	(137)	10	(301)
Amortization of loss	1,671	1,002	893	644	343	207
Net other postretirement benefit cost	$3,852	$3,665	$3,675	$1,249	$1,246	$308

Employer Contributions

Entergy expects to contribute $176 million to its qualified pension plans in 2007. As of the end of April 2007, Entergy had contributed $96 million to its pension plans. Therefore, Entergy presently anticipates contributing an additional $80 million to fund its qualified pension plans in 2007.

The Registrant Subsidiaries expect to contribute the following to qualified pension plans in 2007:

	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
			(In Thousands)			
Expected 2007 pension contributions disclosed in Form 10-K	$6,987	$25,346	$ -	$784	$43,585	$5,688
Pension contributions made through April 2007	$ -	$16,550	$ -	$ -	$28,459	$3,538
Remaining estimated pension contributions to be made in 2007	$6,987	$8,796	$ -	$784	$15,126	$2,150

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

Based on actuarial analysis, the estimated impact of future Medicare subsidies reduced the December 31, 2006 Accumulated Postretirement Benefit Obligation (APBO) by $183 million, and reduced the first quarter 2007 and 2006 other postretirement benefit cost by $6.3 million and $6.9 million, respectively. In the first quarter 2007, Entergy received $0.9 million in Medicare subsidies for prescription drug claims during the third quarter 2006.

Based on actuarial analysis, the estimated impact of future Medicare subsidies reduced the December 31, 2006 APBO and the first quarters 2007 and 2006 other postretirement benefit cost for the Registrant Subsidiaries as follows:

	Entergy Arkansas	Entergy Gulf States	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	System Energy
			(In Thousands)			
Reduction in 12/31/2006 APBO	($40,636)	($35,991)	($22,486)	($13,560)	($10,110)	($5,966)
Reduction in first quarter 2007 other postretirement benefit cost	($1,376)	($1,222)	($762)	($438)	($311)	($246)
Reduction in first quarter 2006 other postretirement benefit cost	($1,562)	($1,332)	($865)	($512)	($376)	($268)
Medicare subsidies received in the first quarter 2007 for third quarter 2006 claims	$296	$205	$129	$75	$74	$15

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

34

NOTE 8. BUSINESS SEGMENT INFORMATION

Entergy's reportable segments as of March 31, 2007 are Utility and Non-Utility Nuclear. "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. As a result of the Entergy New Orleans bankruptcy filing, Entergy discontinued the consolidation of Entergy New Orleans retroactive to January 1, 2005, and is reporting Entergy New Orleans results under the equity method of accounting in the Utility segment. As discussed more thoroughly in Note 9 to the financial statements, Entergy expects to reconsolidate Entergy New Orleans in the second quarter 2007, retroactive to January 1, 2007.

Entergy's segment financial information for the first quarters of 2007 and 2006 is as follows:

	Utility	Non-Utility Nuclear*	All Other*	Eliminations	Consolidated

			(In Thousands)		
2007					
Operating Revenues	$2,103,269	$458,251	$45,048	($6,338)	$2,600,230
Equity in earnings of unconsolidated equity affiliates	$2,909	$-	$1,625	$-	$4,534
Income Taxes (Benefit)	$79,180	$84,735	($19,362)	$-	$144,553
Net Income (Loss)	$104,450	$128,170	($20,425)	$-	$212,195
Total Assets	$25,167,308	$5,513,662	$2,887,861	($2,421,989)	$31,146,842
2006					
Operating Revenues	$2,131,020	$388,010	$66,688	($17,687)	$2,568,031
Equity in earnings (loss) of unconsolidated equity affiliates	$5,643	$-	($2,057)	$-	$3,586
Income Taxes (Benefit)	$76,973	$52,916	($11,059)	$-	$118,830
Net Income (Loss)	$119,752	$81,530	($7,622)	($32)	$193,628
Total Assets	$24,736,486	$5,037,167	$3,451,763	($2,709,370)	$30,516,046

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.

NOTE 9. ENTERGY NEW ORLEANS BANKRUPTCY PROCEEDING

See Note 18 to the financial statements in the Form 10-K for a discussion of the Entergy New Orleans bankruptcy proceeding. On May 7, 2007, the bankruptcy judge entered an order confirming Entergy New Orleans' plan of reorganization. With the receipt of CDBG funds, and the agreement on insurance recovery with one of its excess insurers, Entergy New Orleans waived the conditions precedent in its plan of reorganization, and the plan became effective on May 8, 2007.

35

Following are significant terms in Entergy New Orleans' plan of reorganization:

- Entergy New Orleans will pay in full, in cash, within 15 days of the effective date, the allowed third-party prepetition accounts payable (estimated at $29.5 million).
- Entergy New Orleans will issue notes due in three years in satisfaction of its affiliate prepetition accounts payable (estimated at $69.5 million), including its indebtedness to the Entergy System money pool.
- Entergy New Orleans will also pay interest from September 23, 2005 on the third-party and affiliate accounts payable at the Louisiana judicial rate of interest in 2005 (6%) and 2006 (8%), and at the Louisiana judicial rate of interest plus 1% thereafter. The Louisiana judicial rate of interest is 9.5% for 2007.
- Entergy New Orleans will repay to Entergy Corporation, in full, in cash, within 15 days of the effective date, the outstanding borrowings under the debtor-in-possession (DIP) credit agreement. On May 8, 2007, Entergy

New Orleans had $67 million of outstanding borrowings under the DIP credit agreement.

- Entergy New Orleans' first mortgage bonds will remain outstanding with their current maturity dates and interest terms. Pursuant to an agreement with the first mortgage bondholders, Entergy New Orleans will pay, on the effective date, the first mortgage bondholders an amount equal to the one year of interest from the bankruptcy petition date that the bondholders had waived previously in the bankruptcy proceeding.
- Entergy New Orleans' preferred stock will remain outstanding on its current dividend terms, with payment, within 15 days of the effective date, of unpaid preferred dividends in arrears.
- Litigation claims will generally be unaltered, and will generally proceed as if Entergy New Orleans had not filed for bankruptcy protection, with exceptions for certain claims.

Entergy New Orleans currently estimates that the prepetition claims that will be allowed and paid (either in cash or by notes) in the bankruptcy case will approximate the prepetition liabilities currently recorded by Entergy New Orleans, including interest.

(Entergy Corporation)

Entergy's income statement for the three months ended March 31, 2007 includes $41 million in operating revenues and $34 million in purchased power expenses from transactions with Entergy New Orleans. Entergy's income statement for the three months ended March 31, 2006 includes $61 million in operating revenues and $7 million in purchased power expenses from transactions with Entergy New Orleans. Entergy's balance sheet as of March 31, 2007 includes $98 million of accounts that are payable to Entergy affiliates by Entergy New Orleans. Entergy's balance sheet as of December 31, 2006 includes $95 million of accounts that are payable to Entergy affiliates by Entergy New Orleans.

With confirmation of the plan of reorganization, Entergy expects to reconsolidate Entergy New Orleans in the second quarter 2007, retroactive to January 1, 2007. Because Entergy owns all of the common stock of Entergy New Orleans, reconsolidation will not affect the amount of net income that Entergy records from Entergy New Orleans' operations for any current or prior period, but will result in Entergy New Orleans' results being included in each individual income statement line item in 2007, rather than just its net income being presented as "Equity in earnings (loss) of unconsolidated equity affiliates," as will remain the case for 2005 and 2006.

(Entergy New Orleans)

Reorganization items reported as operating expenses in the income statements for the three months ended March 31, 2007 and 2006 primarily consist of professional fees associated with the bankruptcy case.

NOTE 10. INCOME TAXES

Entergy or one of its subsidiaries files income tax returns in the U.S. federal jurisdiction, and various state and foreign jurisdictions. With few exceptions, Entergy is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by taxing authorities for years before 2002. Entergy's U.S. income tax returns for 2002 and 2003 are currently under examination by the IRS, and the examination is anticipated to be completed by the end of 2007. As of March 31, 2007, the IRS has not proposed any significant adjustments resulting from the current examination.

On November 16, 2006, the IRS issued a Notice of Deficiency to Entergy for the tax years 1997 and 1998. The Notice asserts that Entergy owes additional tax of $17.3 million for 1997 and $61.7 million for 1998. Entergy and the IRS have settled all issues for 1997 and 1998 except for those raised in the Notice which are described as follows: 1) The IRS believes that U.K. Windfall Tax paid by London Electricity, a former subsidiary of Entergy, was not an eligible tax under the foreign tax credit provisions of the Internal Revenue Code. Entergy believes that it properly claimed a foreign tax credit for the tax year 1998 attributable to the Windfall Tax paid by London Electricity. This issue accounts for $59.7 million of the 1998 deficiency. 2) The IRS denied Entergy's change in method of accounting for street lighting assets and the related increase in depreciation deductions for 1997 and 1998. Entergy believes that street lighting assets are a separate line of business not subject to the same 20-year depreciable life as distribution assets, but rather are properly classified as having a 7-year depreciable life. This issue accounts for all of the 1997 deficiency of $17.3 million and $2 million of the 1998 deficiency. On December 6, 2006, Entergy filed a petition in the U.S. Tax Court requesting a redetermination of these issues and the resulting deficiencies.

Entergy expects the IRS to issue another Notice of Deficiency in 2007 for the years 1999 - 2001 related to the U.K. Windfall Tax credit and street lighting issues indicating deficiencies of approximately $29 million and $7 million, respectively. In addition, Entergy expects the IRS to include in the Notice an amount related to depreciation deductions that resulted from Entergy's purchase price allocations on its acquisitions of the Pilgrim and Indian Point 2 power plants. Entergy's allocation methodology results in nuclear plant depreciation deductions which have been disallowed by the IRS. Entergy estimates that the 1999 - 2001 deficiency related to nuclear plant depreciation will be approximately $11 million.

For years after 2001, the U.K. Windfall Tax, street lighting, and nuclear plant depreciation issues resulted in federal and state tax benefits of approximately $63 million, $6 million, and $52 million, respectively for each issue, for a total of $121 million.

In summary, these three issues have resulted in tax reductions of approximately $152 million for foreign tax credits, $32 million for street lighting, and $63 million for nuclear depreciation, for a total of $247 million for all years. The potential for accrued federal and state interest on these three issues for all years is estimated to be approximately $69 million, after-tax and net of deposit offsets. Entergy believes that the provisions recorded in its financial statements and as shown in the table below are sufficient to address these three issues as well as other liabilities that are reasonably estimable, including an estimate of probable interest expense, associated with all uncertain tax positions.

Entergy has $124 million in deposits on account with the IRS covering these three and all other uncertain tax positions.

FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48) was issued in July 2006. FIN 48 establishes a "more-likely-than-not" recognition threshold that must be met before a tax benefit can be recognized in the financial statements. If a tax deduction is taken on a tax return, but does not meet the more-likely-than-not recognition threshold, an increase in income tax liability, above what is payable on the tax return, is required to be recorded. Entergy and the Registrant Subsidiaries adopted the provisions of FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48), on January 1, 2007. As a result of the implementation of FIN 48, Entergy recognized an increase in the

liability for unrecognized tax benefits of approximately $5 million, which was accounted for as a reduction to the January 1, 2007 balance of retained earnings.

As of January 1, 2007, Entergy had a total balance of unrecognized tax benefits of approximately $2 billion. Included in this balance of unrecognized tax benefits are $1.7 billion of tax positions for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. Because of the impact of deferred tax accounting, other than interest and penalties, the disallowance of the shorter deductibility period would not affect the annual effective income tax rate but would accelerate the payment of cash to the taxing authority to an earlier period. Entergy's January 1, 2007 balance of unrecognized tax benefits includes $244 million which could affect the effective income tax rate. Entergy accrues interest and penalties expenses related to unrecognized tax benefits in income tax expense. Entergy's January 1, 2007 balance of unrecognized tax benefits includes approximately $52 million accrued for the possible payment of interest and penalties.

As of January 1, 2007, Entergy and the Registrant Subsidiaries have total balances of unrecognized tax benefits, which did not change significantly during the three months ended March 31, 2007, reflected in their balance sheets as follows:

	Entergy	**Entergy Arkansas**	**Entergy Gulf States**	**Entergy Louisiana**	**Entergy Mississippi**	**Entergy New Orleans**	**System Energy**
				(In Thousands)			
Taxes accrued	($184,372)	($43,445)	($640)	$234	$5,830	$4,304	($35,506)
Accumulated deferred income taxes and taxes accrued	2,161,372	194,718	193,949	58,839	44,599	16,118	209,599
Total unrecognized tax benefit	$1,977,000	$151,273	$193,309	$59,073	$50,429	$20,422	$174,093

The Registrant Subsidiaries' January 1, 2007 balances of unrecognized tax benefits include amounts which could affect the effective income tax rate as follows (in millions):

Entergy Arkansas	$0.8
Entergy Gulf States	$3.6
Entergy Louisiana	$1.2
Entergy Mississippi	$3.4
Entergy New Orleans	$1.4
System Energy	$1.7

The Registrant Subsidiaries accrue interest and penalties related to unrecognized tax benefits in income tax expense. Included in the January 1, 2007 balance of unrecognized tax benefits were accruals for the possible payment of interest and penalty as follows (in millions):

Entergy Arkansas	$1.6
Entergy Gulf States	$4.0
Entergy Louisiana	$0.8

Entergy Mississippi	$3.9
Entergy New Orleans	$0.9
System Energy	$0.8

Entergy and the Registrant Subsidiaries do not expect that total unrecognized tax benefits will significantly change within the next twelve months.

38

NOTE 11. NEW ACCOUNTING PRONOUNCEMENTS

The FASB issued Statement of Financial Accounting Standards No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" (SFAS 159) during the first quarter of 2007. SFAS 159 provides an option for companies to select certain financial assets and liabilities to be accounted for at fair value with changes in the fair value of those assets or liabilities being reported through earnings. The intent of the standard is to mitigate volatility in reported earnings caused by the application of the more complicated fair value hedging accounting rules. Under SFAS 159, companies can select existing assets or liabilities for this fair value option concurrent with the effective date of January 1, 2008 for companies with fiscal years ending December 31 or can select future assets or liabilities as they are acquired or entered into. Entergy is in the process of evaluating the potential effect of making this accounting election.

In June 2006, the EITF reached a consensus on EITF Issue 06-3 "How Taxes Collected from Customers and Remitted to Governmental Authorities Should Be Presented in the Income Statement (That Is, Gross versus Net Presentation)" (EITF 06-3). The scope of this issue includes any tax assessed by a governmental authority that is both imposed on and concurrent with a specific revenue-producing transaction between a seller and a customer, and may include, but is not limited to, sales, use, value added, and some excise taxes. Under EITF 06-3, the presentation of taxes within the scope of this issue on either a gross basis (included in revenues and costs) or a net basis (excluded from revenues) is an accounting policy decision that should be disclosed. For any such taxes reported on a gross basis, the amounts of those taxes in interim and annual financial statements, for each period for which an income statement is presented, should be disclosed if those amounts are significant. Entergy's policy is to present such taxes on a net basis. EITF 06-3 did not affect Entergy's financial statements.

In the opinion of the management of Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, 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, 2007, evaluations were performed under the supervision and with the participation of Entergy Corporation, Entergy Arkansas, Entergy Gulf States, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy Resources (individually "Registrant" and collectively the "Registrants") management, including their respective Chief Executive Officers (CEO) and Chief Financial Officers (CFO). The evaluations assessed the effectiveness of the Registrants' disclosure controls and procedures. Based on the evaluations, each CEO and CFO has concluded that, as to the Registrant or Registrants for which they serve as CEO or CFO, 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 CEOs and CFOs, as appropriate to allow timely decisions regarding required disclosure.

39

ENTERGY ARKANSAS, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Results of Operations

Net Income

Net income remained relatively unchanged for the first quarter of 2007 compared to the first quarter of 2006 because higher net revenue was offset by higher taxes other than income taxes and higher other operation and maintenance expenses.

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 of 2007 to the first quarter of 2006.

	Amount (In Millions)
2006 net revenue	$231.7
Pass-through rider revenue	8.5
Volume/weather	8.3
Deferred fuel cost revisions	7.3
Net wholesale revenue	(10.9)
Other	8.4
2007 net revenue	$253.3

The pass-through rider revenue variance is primarily due to a change in August 2006 in the accounting for city franchise tax revenues as directed by the APSC. The change results in an increase in rider revenue with a corresponding increase in taxes other than income taxes resulting in no effect on net income.

The volume/weather variance is primarily due to an increase in electricity usage, including the effect of more favorable weather compared to 2006. Billed retail electricity usage increased by a total of 113 GWh.

The deferred fuel cost revisions variance is primarily due to the 2006 energy cost recovery true-up, made in the first quarter of 2007, which increased net revenue by $6.6 million.

The net wholesale revenue variance is primarily due to decreased results from wholesale contracts and lower wholesale prices.

Gross operating revenues and fuel and purchased power expenses

Gross operating revenues increased primarily due to:

- an increase of $49.9 million in fuel cost recovery revenues due to an increase in the energy cost recovery rider effective July 2006. The energy cost recovery rider filings are discussed in Note 2 to the financial statements in the Form 10-K;
- an increase of $8.5 million in pass-through rider revenue, as discussed above; and
- an increase of $8.3 million related to volume/weather, as discussed above.

The increase was partially offset by a decrease of $17.7 million in gross wholesale revenue due to lower wholesale prices and a decrease in volume.

Fuel and purchased power expenses increased primarily due to an increase in deferred fuel expense associated with higher energy cost recovery rates collected from customers.

Other Income Statement Variances

Other operation and maintenance expenses increased primarily due to:

- an increase of $2.7 million in nuclear spending due to higher NRC fees and labor costs;
- an increase of $2.7 million in transmission spending due to additional costs related to substation and transmission line maintenance and higher transmission equalization expenses; and
- an increase of $1.7 million in distribution spending due to vegetation costs and increased labor costs.

Partially offsetting the increase was a decrease of $1.6 million in payroll and benefits costs.

Taxes other than income taxes increased primarily due to an increase in city franchise tax expense due to a change in August 2006 in the accounting for city franchise tax revenues as directed by the APSC. The change results in an increase in taxes other than income taxes with a corresponding increase in rider revenue, resulting in no effect on net income.

Depreciation and amortization expenses increased primarily due to an increase in plant in service and a revision in 2006 of estimated depreciable lives involving certain intangible assets.

Other income increased primarily due to a revision to the allowance for equity funds used during construction related to removal costs.

Interest and other charges increased primarily due to interest expense of $2.9 million recorded in the first quarter of 2007 on advances from independent power producers per a FERC order, partially offset by a revision to the allowance for borrowed funds used during construction related to removal costs.

Income Taxes

The effective income tax rates for the first quarters of 2007 and 2006 were 45.4% and 44.1%, respectively. The difference in the effective income tax rate for the first quarter of 2007 versus the federal statutory rate of 35.0% is primarily due to book and tax differences related to utility plant items and state income taxes, partially offset by book and tax differences related to the allowance for equity funds used during construction. The difference in the effective income tax rate for the first quarter of 2006 versus the federal statutory rate of 35.0% is primarily due to book and tax differences related to utility plant items and state income taxes, partially offset by the amortization of investment tax credits.

41

Liquidity and Capital Resources

Cash Flow

Cash flows for the first quarters of 2007 and 2006 were as follows:

	2007	2006
	(In Thousands)	
Cash and cash equivalents at beginning of period	$34,815	$9,393
Cash flow provided by (used in):		
Operating activities	208,282	95,463
Investing activities	(115,117)	(89,049)
Financing activities	(17,518)	28,556
Net increase in cash and cash equivalents	75,647	34,970
Cash and cash equivalents at end of period	$110,462	$44,363

Operating Activities

Cash flow from operations increased $112.8 million for the first quarter of 2007 compared to the first quarter of 2006 primarily due to the timing of payments to vendors, increased recovery of deferred fuel costs, and the timing of the collection of receivables from customers.

Investing Activities

Net cash flow used in investing activities increased $26.1 million for the first quarter of 2007 compared to the first quarter of 2006 primarily due to money pool activity.

Financing Activities

Financing activities used $17.5 million for the first quarter of 2007 compared to providing $28.6 million for the first quarter of 2006 primarily due to the issuance of $75 million of preferred stock in March 2006, partially offset by money pool activity.

Capital Structure

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

	March 31, 2007	December 31, 2006
Net debt to net capital	45.9%	47.5%
Effect of subtracting cash from debt	2.0%	0.6%
Debt to capital	47.9%	48.1%

Net debt consists of debt less cash and cash equivalents. Debt consists of notes payable, capital lease obligations, and long-term debt, including the currently maturing portion. Capital consists of debt and shareholders' equity. Net capital consists of capital less cash and cash equivalents. Entergy Arkansas 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 Arkansas' financial condition.

42

Uses and Sources of Capital

See "**MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - <u>Liquidity and Capital Resources</u>**" in the Form 10-K for a discussion of Entergy Arkansas' uses and sources of capital. Following are updates to the information provided in the Form 10-K.

In April 2007, Entergy Arkansas renewed its credit facility through April 2008 and increased the amount of the credit facility to $100 million. There were no outstanding borrowings under the Entergy Arkansas credit facility as of March 31, 2007.

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

March 31, 2007	December 31, 2006	March 31, 2006	December 31, 2005
	(In Thousands)		
$62,748	$16,109	$24,577	($27,346)

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

<u>Significant Factors and Known Trends</u>

See "**MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - <u>Significant Factors and Known Trends</u>**" in the Form 10-K for a discussion of state and local rate regulation, energy cost rate investigation, federal regulation, utility restructuring, nuclear matters, and environmental risks. Following are updates to the information provided in the Form 10-K.

State and Local Rate Regulation

<u>Entergy Arkansas</u>

In March 2007, Entergy Arkansas filed with the APSC its annual energy cost rate for the period April 2007 through March 2008. The filed energy cost rate decreased from $0.02827/kWh to $0.01179/kWh.

In March 2007, Entergy Arkansas filed rebuttal testimony in the rate case that it filed in August 2006. The rebuttal testimony requests an annual rate increase of $106.5 million, and retains a return on common equity (ROE) of 11.25%. A primary reason for the decline in the rate request from the original request of $150 million is the removal of the revenue requirement for the proposed acquisition of a load-following, combined cycle gas-fired generation resource, because Entergy Arkansas was not able to complete negotiations with the owner within the time requirements of the rate case. Also, in March 2007 and April 2007, the APSC staff and intervenors filed additional testimony. The APSC staff's filings indicate that an annual rate increase of $2 million is warranted, with a proposed ROE of 9.9%. The APSC staff has also taken positions, which Entergy Arkansas opposes, regarding costs accumulated in the storm reserve, FERC-allocated System Agreement cost allocation, and removal costs associated with the termination of a lease that could have an adverse effect on future financial results. An evidentiary hearing in the rate case proceeding ended in early-May 2007.

Energy Cost Rate Investigation

In March 2007, in order to allow further consideration by the APSC, the APSC granted Entergy Arkansas' petition for rehearing and for stay of the APSC's January 2007 order in the proceeding investigating Entergy Arkansas' interim energy cost rate.

Federal Regulation

See "System Agreement Proceedings", "Independent Coordinator of Transmission", and "Available Flowgate Capacity Proceeding" in the "**Significant Factors and Known Trends**" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for updates to the discussion in the Form 10-K.

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

New Accounting Pronouncements

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

ENTERGY ARKANSAS, INC.
INCOME STATEMENTS
For the Three Months Ended March 31, 2007 and 2006
(Unaudited)

	2007	2006
	(In Thousands)	
OPERATING REVENUES		
Electric	$502,738	$447,622
OPERATING EXPENSES		
Operation and Maintenance:		
Fuel, fuel-related expenses, and gas purchased for resale	138,039	102,471
Purchased power	116,405	118,930
Nuclear refueling outage expenses	7,013	7,355
Other operation and maintenance	99,855	91,755
Decommissioning	8,000	7,483
Taxes other than income taxes	19,983	9,620
Depreciation and amortization	56,065	52,818
Other regulatory credits - net	(5,028)	(5,527)
TOTAL	440,332	384,905
OPERATING INCOME	62,406	62,717
OTHER INCOME		
Allowance for equity funds used during construction	5,596	1,902
Interest and dividend income	7,583	7,675
Miscellaneous - net	(1,206)	(885)
TOTAL	11,973	8,692
INTEREST AND OTHER CHARGES		
Interest on long-term debt	19,354	18,978
Other interest - net	4,897	1,540
Allowance for borrowed funds used during construction	(2,744)	(857)
TOTAL	21,507	19,661
INCOME BEFORE INCOME TAXES	52,872	51,748
Income taxes	23,990	22,825
NET INCOME	28,882	28,923
Preferred dividend requirements and other	1,718	2,038
EARNINGS APPLICABLE TO COMMON STOCK	$27,164	$26,885

See Notes to Financial Statements.

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ENTERGY ARKANSAS, INC.
STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2007 and 2006
(Unaudited)

	2007	2006
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	$28,882	$28,923
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Reserve for regulatory adjustments	(552)	7,082
Other regulatory credits - net	(5,028)	(5,527)
Depreciation, amortization, and decommissioning	64,065	60,301
Deferred income taxes,investment tax credits, and non-current taxes accrued	67,344	20,019
Changes in working capital:		

Receivables	39,292	25,549
Fuel inventory	(12,908)	(14,869)
Accounts payable	(27,956)	(69,957)
Taxes accrued	(30,513)	9,570
Interest accrued	596	3,666
Deferred fuel costs	84,739	47,312
Other working capital accounts	3,845	5,649
Provision for estimated losses and reserves	134	(1,214)
Changes in other regulatory assets	8,441	2,037
Other	(12,099)	(23,078)
Net cash flow provided by operating activities	208,282	95,463
INVESTING ACTIVITIES		
Construction expenditures	(72,495)	(63,547)
Allowance for equity funds used during construction	5,596	1,902
Nuclear fuel purchases	(30,530)	-
Proceeds from sale/leaseback of nuclear fuel	32,601	-
Proceeds from nuclear decommissioning trust fund sales	7,008	48,526
Investment in nuclear decommissioning trust funds	(10,658)	(51,353)
Change in money pool receivable - net	(46,639)	(24,577)
Net cash flow used in investing activities	(115,117)	(89,049)
FINANCING ACTIVITIES		
Proceeds from the issuance of preferred stock	-	73,446
Change in money pool payable - net	-	(27,346)
Dividends paid:		
Common stock	(15,800)	(15,600)
Preferred stock	(1,718)	(1,944)
Net cash flow provided by (used in) financing activities	(17,518)	28,556
Net increase in cash and cash equivalents	75,647	34,970
Cash and cash equivalents at beginning of period	34,815	9,393
Cash and cash equivalents at end of period	$110,462	$44,363
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest - net of amount capitalized	$20,361	$14,049

See Notes to Financial Statements.

ENTERGY ARKANSAS, INC.
BALANCE SHEETS
ASSETS
March 31, 2007 and December 31, 2006
(Unaudited)

	2007	2006
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	$2,684	$2,849
Temporary cash investments - at cost, which approximates market	107,778	31,966
Total cash and cash equivalents	110,462	34,815
Accounts receivable:		
Customer	106,874	105,347
Allowance for doubtful accounts	(15,031)	(15,257)
Associated companies	101,243	57,554
Other	84,748	114,108
Accrued unbilled revenues	58,141	66,876
Total accounts receivable	335,975	328,628
Deferred fuel costs	-	2,157
Accumulated deferred income taxes	22,086	19,232
Fuel inventory - at average cost	35,881	22,973
Materials and supplies - at average cost	102,660	100,061
Deferred nuclear refueling outage costs	17,892	23,678
Prepayments and other	9,073	6,368
TOTAL	634,029	537,912
OTHER PROPERTY AND INVESTMENTS		
Investment in affiliates - at equity	11,205	11,206
Decommissioning trust funds	444,162	439,408
Non-utility property - at cost (less accumulated depreciation)	1,445	1,446
Other	2,976	2,976
TOTAL	459,788	455,036
UTILITY PLANT		
Electric	6,643,784	6,599,348
Property under capital lease	4,534	5,260
Construction work in progress	128,018	113,069
Nuclear fuel under capital lease	121,397	124,850
Nuclear fuel	19,253	21,044
TOTAL UTILITY PLANT	6,916,986	6,863,571
Less - accumulated depreciation and amortization	3,019,804	2,986,576
UTILITY PLANT - NET	3,897,182	3,876,995
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		

SFAS 109 regulatory asset - net	86,312	93,682
Other regulatory assets	529,742	542,052
Other	40,812	35,359
TOTAL	656,866	671,093
TOTAL ASSETS	$5,647,865	$5,541,036

See Notes to Financial Statements.

48

ENTERGY ARKANSAS, INC.
BALANCE SHEETS
LIABILITIES AND SHAREHOLDERS' EQUITY
March 31, 2007 and December 31, 2006
(Unaudited)

	2007	**2006**
	(In Thousands)	
CURRENT LIABILITIES		
Accounts payable:		
Associated companies	$36,553	$64,546
Other	116,478	117,655
Customer deposits	52,896	49,978
Taxes accrued	6,648	37,161
Interest accrued	20,175	19,579
Deferred fuel costs	82,582	-
Obligations under capital leases	56,203	56,265
Other	14,648	15,372
TOTAL	386,183	360,556
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	1,306,294	1,243,855
Accumulated deferred investment tax credits	58,839	59,834
Obligations under capital leases	69,728	73,845
Other regulatory liabilities	104,454	103,350
Decommissioning	480,810	472,810
Accumulated provisions	14,673	14,539
Pension and other postretirement liabilities	258,407	259,147
Long-term debt	1,308,400	1,306,201
Other	98,438	96,623
TOTAL	3,700,043	3,630,204
Commitments and Contingencies		
SHAREHOLDERS' EQUITY		
Preferred stock without sinking fund	116,350	116,350

Common stock, $0.01 par value, authorized 325,000,000 shares; issued and outstanding 46,980,196 shares in 2007 and 2006	470	470
Paid-in capital	588,527	588,528
Retained earnings	856,292	844,928
TOTAL	1,561,639	1,550,276
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$5,647,865	$5,541,036

See Notes to Financial Statements.

ENTERGY ARKANSAS, INC.
SELECTED OPERATING RESULTS
For the Three Months Ended March 31, 2007 and 2006
(Unaudited)

Description	2007	2006	Increase/ (Decrease)	%
	(Dollars In Millions)			
Electric Operating Revenues:				
Residential	$ 181	$ 151	$ 30	20
Commercial	99	80	19	24
Industrial	102	89	13	15
Governmental	5	4	1	25
Total retail	387	324	63	19
Sales for resale				
Associated companies	78	78	-	-
Non-associated companies	33	51	(18)	(35)
Other	5	(5)	10	200
Total	$ 503	$ 448	$ 55	12
Billed Electric Energy Sales (GWh):				
Residential	2,032	1,910	122	6
Commercial	1,327	1,279	48	4
Industrial	1,721	1,778	(57)	(3)
Governmental	65	65	-	-
Total retail	5,145	5,032	113	2
Sales for resale				
Associated companies	1,993	1,865	128	7
Non-associated companies	669	856	(187)	(22)

Total	7,807	7,753	54	1

ENTERGY GULF STATES, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Hurricane Rita and Hurricane Katrina

See the Form 10-K for a discussion of the effects of Hurricanes Katrina and Rita, which hit Entergy Gulf States' service territory in the Texas and Louisiana jurisdictions in August and September 2005, which resulted in power outages, significant damage to electric distribution, transmission, and generation and gas infrastructure, and the loss of sales and customers due to mandatory evacuations, and Entergy Gulf States' efforts to recover storm restoration costs. Following is an update to that discussion.

Storm Cost Recovery Filings with Retail Regulators

In April 2007, the PUCT issued its financing order authorizing the issuance of securitization bonds to recover $353 million of hurricane reconstruction costs and up to $6 million of transaction costs, offset by $32 million of related deferred income tax benefits. Entergy Gulf States expects by mid-2007 to implement rates to recover revenues to pay the securitization bonds, and expects to receive securitization funding by the end of the third quarter 2007.

In February 2007, Entergy Louisiana and Entergy Gulf States filed rebuttal testimony and filed a second supplemental and amending application by which they seek authority from the LPSC to securitize their storm cost recovery and storm reserve amounts, together with certain debt retirement costs and upfront and ongoing costs of the securitized debt issued. Securitization is authorized by a law signed by the Governor of Louisiana in May 2006. The filing updates actual storm-related costs through January 2007 and estimated future costs, declaring that Entergy Louisiana's costs are $561 million and Entergy Gulf States' costs are $219 million. The filing also updates the requested storm reserve amounts, requesting $141 million for Entergy Louisiana and $87 million for Entergy Gulf States. Hearings began in late-April 2007. At the start of the hearing, a stipulation among Entergy Gulf States, Entergy Louisiana, the LPSC staff, and most other parties in the proceeding was read into the record. The stipulation quantifies the balance of storm restoration costs for recovery as $545 million for Entergy Louisiana and $187 million for Entergy Gulf States, and sets the storm reserve amounts at $152 million for Entergy Louisiana and $87 million for Entergy Gulf States. The stipulation also calls for securitization of the storm restoration costs and storm reserves in those same amounts. The LPSC has not issued a decision in the proceeding.

Results of Operations

Net Income

Net income decreased $17.5 million primarily due to lower net revenue and a higher effective income tax rate partially 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 charges. Following is an analysis of the change in net revenue comparing the first quarter of 2007 to the first quarter of 2006.

	Amount (In Millions)
2006 net revenue	$295.0
Fuel recovery	(33.1)
Volume/weather	19.8
Other	(3.2)
2007 net revenue	$278.5

51

The fuel recovery variance resulted primarily from adjustments of fuel clause recoveries in the first quarter of 2006 in Entergy Gulf States' Louisiana jurisdiction and a reserve for potential rate refunds in the first quarter of 2007 in Entergy Gulf States' Texas jurisdiction as a result of a PUCT ruling related to the application of past PUCT rulings addressing transition to competition in Texas.

The volume/weather variance is primarily due to increased electricity usage, including increased usage during the unbilled sales period and the effect of more favorable weather compared to the same period in 2006. Billed usage increased a total of 185 GWh. See Note 1 to the financial statements in the Form 10-K for a discussion of the accounting for unbilled revenues.

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

Gross operating revenues decreased primarily due to a decrease in fuel cost recovery revenues of $97 million due to lower fuel rates. The decrease was partially offset by more favorable volume/weather as discussed above.

Fuel and purchased power expenses decreased primarily due to decreased recovery of fuel and purchased power costs as a result of lower fuel rates.

Other regulatory charges increased primarily due to higher purchased power capacity charges.

Other Income Statement Variances

Taxes other than income taxes decreased primarily due to lower Louisiana franchise taxes resulting from lower fuel recovery revenues as discussed above.

Other income increased primarily due to carrying charges on storm restoration costs approved by the PUCT, in addition to interest earned on money pool investments. The PUCT approval and the securitization filing for the recovery of reconstruction costs are discussed in Note 2 to the financial statements in the Form 10-K and Note 2 to the financial statements herein.

Interest and other charges increased primarily due to interest recorded on advances from independent power producers per a FERC order and interest recorded on deferred fuel costs.

Income Taxes

The effective income tax rate was 39.8% for the first quarter of 2007 and 27.6% for the first quarter of 2006. The difference in the effective income tax rate for the first quarter of 2007 versus the federal statutory rate of 35% is due to book and tax differences related to utility plant items and state income taxes, partially offset by book and tax differences related to the allowance for equity funds used during construction. The difference in the effective income tax rate for the first quarter of 2006 is primarily due to book and tax differences related to the allowance for equity funds used during construction and utility plant items, the amortization of investment tax credits, and flow-through book and tax timing differences.

52

Liquidity and Capital Resources

Cash Flow

Cash flows for the first quarters of 2007 and 2006 were as follows:

	2007	2006
	(In Thousands)	
Cash and cash equivalents at beginning of period	$180,381	$25,373
Cash flow provided by (used in):		
Operating activities	141,210	138,424
Investing activities	(88,201)	(153,109)
Financing activities	(36,818)	1,845
Net increase (decrease) in cash and cash equivalents	16,191	(12,840)
Cash and cash equivalents at end of period	$196,572	$12,533

Investing Activities

Net cash used in investing activities decreased $64.9 million for the first quarter of 2007 compared to the first quarter of 2006 primarily due to a decrease in construction expenditures of $137 million due to storm-related projects in 2006, partially offset by money pool activity.

Financing Activities

Financing activities used cash of $36.8 million for the first quarter of 2007 compared to providing cash of $1.8 million for the first quarter of 2006 primarily due to common stock dividends paid in 2007 and money pool activity.

Capital Structure

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

	March 31, 2007	December 31, 2006

Net debt to net capital	49.9%	50.1%
Effect of subtracting cash from debt	2.1%	1.9%
Debt to capital	52.0%	52.0%

Net debt consists of debt less cash and cash equivalents. Debt consists of notes payable, capital lease obligations, preferred stock with sinking fund, and long-term debt, including the currently maturing portion. Capital consists of debt and shareholders' equity. Net capital consists of capital less cash and cash equivalents. Entergy Gulf States 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' financial condition.

53

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' uses and sources of capital. Following are updates to the information provided in the Form 10-K.

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

March 31, 2007	December 31, 2006	March 31, 2006	December 31, 2005
	(In Thousands)		
$107,555	$75,048	($5,124)	$64,011

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

Entergy Gulf States has a $50 million line of credit. The line of credit allows Entergy Gulf States to borrow money and to issue letters of credit. $1.4 million in letters of credit were issued under the facility at March 31, 2007, and no borrowings were outstanding. The line of credit terminates in February 2011.

Significant Factors and Known Trends

See "**MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Significant Factors and Known Trends**" in the Form 10-K for a discussion of transition to retail competition; state and local rate regulation; federal regulation; the Energy Policy Act of 2005; industrial, commercial, and wholesale customers; nuclear matters; environmental risks; and litigation risks. Following are updates to the information disclosed in the Form 10-K.

Jurisdictional Separation Plan

In March 2007, Entergy Gulf States filed an application with the FERC requesting authorization to implement its jurisdictional separation plan that will result in the restructuring of Entergy Gulf States into two separate utilities, one subject solely to the retail jurisdiction of the LPSC (EGS-LA) and the other subject solely to the retail jurisdiction of the PUCT (ETI). Interventions and protests are due by May 14, 2007.

In addition to the terms of the plan described in the Form 10-K, additional terms of the plan include that EGS-LA will retain the entirety of Entergy Gulf States' outstanding long-term debt. Under one or more debt assumption agreements with EGS-LA, ETI would assume a portion of this long-term debt allocable to the portion of Entergy Gulf States' assets allocated to ETI. EGS-LA will record an assumption asset to reflect the long-term debt assumed by ETI.

ETI would grant EGS-LA a first lien on its assets to secure its debt obligations under the debt assumption agreement or agreements. ETI would have three years from the date of separation to pay off the assumed debt. In addition, under the proposal, the currently outstanding preferred stock of Entergy Gulf States would be redeemed as part of the jurisdictional separation.

Entergy Gulf States has also filed with the FERC an application, on behalf of ETI, for authority from the end of 2007 through March 31, 2010 to issue up to $200 million of short-term debt, up to $300 million of tax-exempt bonds, and up to $1.4 billion of other long-term securities, including common and preferred stock and long-term debt. Entergy Gulf States, on behalf of EGS-LA, has filed a similar FERC application for authority over the same time period to issue up to $200 million of short-term debt, up to $500 million of tax-exempt bonds and up to $750 million of other long-term securities, including common and preferred membership units and long-term debt.

Additional FERC filings and a filing with the NRC will be made before the separation can occur. In addition, under the LPSC order approving the jurisdictional separation plan, jurisdictional separation will not occur if Entergy Gulf States cannot obtain reasonable assurances from the rating agencies that upon the separation there will not be a downgrade in ETI's or EGS-LA's credit ratings from Entergy Gulf States' credit ratings. Entergy Gulf States' current target for completing the jurisdictional separation is projected to be the end of 2007.

54

State and Local Rate Regulation

In January 2007, Entergy Gulf States filed with the LPSC its gas rate stabilization plan for the test year ending September 30, 2006. The filing showed a revenue deficiency of $3.5 million based on an ROE mid-point of 10.5%. In March 2007, Entergy Gulf States filed a set of rate and rider schedules that reflected all proposed LPSC staff adjustments and implemented a $2.4 million base rate increase effective with the first billing cycle of April 2007 pursuant to the rate stabilization plan.

In March 2007, Entergy Gulf States filed with the PUCT a request to refund $78.5 million, including interest, of fuel cost recovery over-collections for the period through January 2007. Entergy Gulf States requested that the proposed refund be made over a six-month period beginning June 2007; however, the refund period is subject to the PUCT's discretion.

Federal Regulation

See "System Agreement Proceedings", "Independent Coordinator of Transmission", and "Available Flowgate Capacity Proceeding" in the "**Significant Factors and Known Trends**" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for updates to the discussion in the Form 10-K.

Critical Accounting Estimates

See "**MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Critical Accounting Estimates**" in the Form 10-K for a discussion of the estimates and judgments necessary in Entergy Gulf States' accounting for nuclear decommissioning costs, the application of SFAS 71, unbilled revenue, and qualified pension and other postretirement benefits.

New Accounting Pronouncements

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

ENTERGY GULF STATES, INC.
INCOME STATEMENTS
For the Three Months Ended March 31, 2007 and 2006
(Unaudited)

	2007	2006
	(In Thousands)	
OPERATING REVENUES		
Electric	$795,254	$855,790
Natural gas	37,928	37,415
TOTAL	833,182	893,205
OPERATING EXPENSES		
Operation and Maintenance:		
Fuel, fuel-related expenses, and gas purchased for resale	239,568	284,876
Purchased power	306,804	313,092
Nuclear refueling outage expenses	3,656	4,674
Other operation and maintenance	125,854	121,557
Decommissioning	2,844	2,622
Taxes other than income taxes	31,311	36,025
Depreciation and amortization	52,415	48,695
Other regulatory charges - net	8,358	269
TOTAL	770,810	811,810
OPERATING INCOME	62,372	81,395
OTHER INCOME		
Allowance for equity funds used during construction	4,432	6,046
Interest and dividend income	16,375	8,103
Miscellaneous - net	-	(910)
TOTAL	20,807	13,239
INTEREST AND OTHER CHARGES		
Interest on long-term debt	34,893	33,653
Other interest - net	5,344	2,096
Allowance for borrowed funds used during construction	(2,888)	(3,309)
TOTAL	37,349	32,440
INCOME BEFORE INCOME TAXES	45,830	62,194

Income taxes	18,233	17,145
NET INCOME	27,597	45,049
Preferred dividend requirements and other	962	1,022
EARNINGS APPLICABLE TO COMMON STOCK	$26,635	$44,027

See Notes to Financial Statements.

56

ENTERGY GULF STATES, INC.
STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2007 and 2006
(Unaudited)

	2007	2006
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	$27,597	$45,049
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Reserve for regulatory adjustments	11,816	6,087
Other regulatory charges - net	8,358	269
Depreciation, amortization, and decommissioning	55,259	51,317
Deferred income taxes, investment tax credits, and non-current taxes accrued	13,128	32,760
Changes in working capital:		
Receivables	17,530	120,195
Fuel inventory	(6,595)	(9,143)
Accounts payable	(6,063)	(17,833)
Taxes accrued	(384)	-
Interest accrued	579	(102)
Deferred fuel costs	34,127	27,723
Other working capital accounts	(18,560)	(660)
Provision for estimated losses and reserves	693	(769)
Changes in other regulatory assets	7,971	(106,199)
Other	(4,246)	(10,270)
Net cash flow provided by operating activities	141,210	138,424
INVESTING ACTIVITIES		
Construction expenditures	(69,249)	(206,217)

Allowance for equity funds used during construction	4,432	6,046
Insurance proceeds	8,134	-
Nuclear fuel purchases	(7,461)	(6,102)
Proceeds from sale/leaseback of nuclear fuel	9,923	5,391
Proceeds from nuclear decommissioning trust fund sales	12,093	20,360
Investment in nuclear decommissioning trust funds	(15,947)	(23,891)
Change in money pool receivable - net	(32,507)	64,011
Changes in other investments - net	2,381	915
Other regulatory investments	-	(13,622)
Net cash flow used in investing activities	(88,201)	(153,109)
FINANCING ACTIVITIES		
Change in money pool payable - net	-	5,124
Redemption of preferred stock	(2,250)	(2,250)
Dividends paid:		
Common stock	(33,600)	-
Preferred stock	(968)	(1,029)
Net cash flow provided by (used in) financing activities	(36,818)	1,845
Net increase (decrease) in cash and cash equivalents	16,191	(12,840)
Cash and cash equivalents at beginning of period	180,381	25,373
Cash and cash equivalents at end of period	$196,572	$12,533
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest - net of amount capitalized	$37,457	$33,485

See Notes to Financial Statements.

57

ENTERGY GULF STATES, INC.
BALANCE SHEETS
ASSETS
March 31, 2007 and December 31, 2006
(Unaudited)

	2007	2006
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	$2,608	$2,923

Temporary cash investments - at cost, which approximates market	193,964	177,458
Total cash and cash equivalents	196,572	180,381
Accounts receivable:		
Customer	139,578	146,144
Allowance for doubtful accounts	(1,522)	(1,618)
Associated companies	133,836	106,990
Other	46,838	50,811
Accrued unbilled revenues	78,112	79,538
Total accounts receivable	396,842	381,865
Accumulated deferred income taxes	17,934	20,352
Fuel inventory - at average cost	75,806	69,211
Materials and supplies - at average cost	122,329	120,245
Deferred nuclear refueling outage costs	9,517	12,971
Prepayments and other	19,071	16,725
TOTAL	838,071	801,750
OTHER PROPERTY AND INVESTMENTS		
Decommissioning trust funds	348,388	344,911
Non-utility property - at cost (less accumulated depreciation)	94,263	94,776
Other	23,585	25,218
TOTAL	466,236	464,905
UTILITY PLANT		
Electric	8,905,494	8,857,166
Natural gas	94,366	92,368
Construction work in progress	145,111	149,392
Nuclear fuel under capital lease	65,604	73,422
Nuclear fuel	9,715	10,821
TOTAL UTILITY PLANT	9,220,290	9,183,169
Less - accumulated depreciation and amortization	4,299,104	4,263,307
UTILITY PLANT - NET	4,921,186	4,919,862
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
SFAS 109 regulatory asset - net	478,795	465,259
Other regulatory assets	967,100	1,001,016
Deferred fuel costs	100,124	100,124
Long-term receivables	8,359	9,833
Other	29,854	23,928
TOTAL	1,584,232	1,600,160
TOTAL ASSETS	$7,809,725	$7,786,677

See Notes to Financial Statements.

ENTERGY GULF STATES, INC.
BALANCE SHEETS
LIABILITIES AND SHAREHOLDERS' EQUITY
March 31, 2007 and December 31, 2006
(Unaudited)

	2007	**2006**
	(In Thousands)	
CURRENT LIABILITIES		
Accounts payable:		
Associated companies	$103,101	$79,584
Other	161,479	200,746
Customer deposits	71,355	68,844
Taxes accrued	27,397	27,781
Interest accrued	35,062	34,483
Deferred fuel costs	60,389	26,262
Obligations under capital leases	24,769	24,769
Pension and other postretirement liabilities	7,735	7,662
Other	11,833	31,933
TOTAL	503,120	502,064
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	1,827,120	1,803,461
Accumulated deferred investment tax credits	125,775	127,202
Obligations under capital leases	40,835	48,653
Other regulatory liabilities	60,434	53,648
Decommissioning and asset retirement cost liabilities	195,124	191,036
Transition to competition	79,098	79,098
Accumulated provisions	23,151	21,245
Pension and other postretirement liabilities	142,805	141,834
Long-term debt	2,358,939	2,358,327
Preferred stock with sinking fund	8,250	10,500
Other	198,827	196,731
TOTAL	5,060,358	5,031,735
Commitments and Contingencies		
SHAREHOLDERS' EQUITY		
Preferred stock without sinking fund	47,327	47,327
Common stock, no par value, authorized 200,000,000 shares; issued and outstanding 100 shares in 2007 and 2006	114,055	114,055
Paid-in capital	1,457,486	1,457,486
Retained earnings	646,959	653,924
Accumulated other comprehensive loss	(19,580)	(19,914)
TOTAL	2,246,247	2,252,878

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$7,809,725	$7,786,677

See Notes to Financial Statements.

59

ENTERGY GULF STATES, INC.
STATEMENTS OF RETAINED EARNINGS AND COMPREHENSIVE INCOME
For the Three Months Ended March 31, 2007 and 2006
(Unaudited)

	2007		**2006**	
	(In Thousands)			
RETAINED EARNINGS				
Retained Earnings - Beginning of period	$653,924		$659,102	
Add: Net Income	27,597	$27,597	45,049	$45,049
Deduct:				
Dividends declared on common stock	33,600		-	
Preferred dividend requirements and other	962	962	1,022	1,022
	34,562		1,022	
Retained Earnings - End of period	$646,959		$703,129	
ACCUMULATED OTHER COMPREHENSIVE LOSS (Net of Taxes):				
Balance at beginning of period:				
Pension and other postretirement liabilities	($19,914)		$ -	
Other accumulated comprehensive income items	-		(1,409)	
Pension and other postretirement liabilities (net of tax expense of $326)	$334	$334	-	
Net unrealized investment gains	-	-	55	55
Balance at end of period:				
Pension and other postretirement liabilities	(19,580)		-	
Other accumulated comprehensive income items	-		(1,354)	
Total	($19,580)		($1,354)	
Comprehensive Income		$26,969		$44,082

See Notes to Financial Statements.

60

ENTERGY GULF STATES, INC.
SELECTED OPERATING RESULTS
For the Three Months Ended March 31, 2007 and 2006
(Unaudited)

Description	2007	2006	Increase/ (Decrease)	%
	(Dollars In Millions)			
Electric Operating Revenues:				
Residential	$242	$240	$2	1
Commercial	193	210	(17)	(8)
Industrial	255	317	(62)	(20)
Governmental	12	13	(1)	(8)
Total retail	702	780	(78)	(10)
Sales for resale				
Associated companies	28	27	1	4
Non-associated companies	50	52	(2)	(4)
Other	15	(3)	18	600
Total	$795	$856	($61)	(7)
Billed Electric Energy Sales (GWh):				
Residential	2,322	2,096	226	11
Commercial	2,024	1,970	54	3
Industrial	3,584	3,679	(95)	(3)
Governmental	112	112	-	-
Total retail	8,042	7,857	185	2
Sales for resale				
Associated companies	754	585	169	29
Non-associated companies	851	617	234	38
Total	9,647	9,059	588	6

61

ENTERGY LOUISIANA, LLC

Hurricane Rita and Hurricane Katrina

See the Form 10-K for a discussion of the effects of Hurricanes Katrina and Rita, which caused catastrophic damage to Entergy Louisiana's service territory in August and September 2005, including the effect of extensive flooding that resulted from levee breaks in and around Entergy Louisiana's service territory, and Entergy Louisiana's efforts to recover storm restoration costs.

In February 2007, Entergy Louisiana and Entergy Gulf States filed rebuttal testimony and filed a second supplemental and amending application by which they seek authority from the LPSC to securitize their storm cost recovery and storm reserve amounts, together with certain debt retirement costs and upfront and ongoing costs of the securitized debt issued. Securitization is authorized by a law signed by the Governor of Louisiana in May 2006. The filing updates actual storm-related costs through January 2007 and estimated future costs, declaring that Entergy Louisiana's costs are $561 million and Entergy Gulf States' costs are $219 million. The filing also updates the requested storm reserve amounts, requesting $141 million for Entergy Louisiana and $87 million for Entergy Gulf States. Hearings began in late-April 2007. At the start of the hearing, a stipulation among Entergy Gulf States, Entergy Louisiana, the LPSC staff, and most other parties in the proceeding was read into the record. The stipulation quantifies the balance of storm restoration costs for recovery as $545 million for Entergy Louisiana and $187 million for Entergy Gulf States, and sets the storm reserve amounts at $152 million for Entergy Louisiana and $87 million for Entergy Gulf States. The stipulation also calls for securitization of the storm restoration costs and storm reserves in those same amounts. The LPSC has not issued a decision in the proceeding.

Results of Operations

Net Income

Net income increased $6.4 million for the first quarter of 2007 compared to the first quarter of 2006 primarily due to higher net revenue, partially offset by higher other operation and maintenance expenses, higher depreciation and amortization expenses, and 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 of 2007 to the first quarter of 2006.

	Amount (In Millions)
2006 net revenue	$187.6
Volume/weather	32.5
Base revenues	27.2
Purchased power capacity	(30.5)
Other	(2.4)
2007 net revenue	$214.4

The volume/weather variance is due to increased electricity usage primarily in the industrial class, including electricity sales during the unbilled service period and the effect of more favorable weather in the service territory compared to 2006. Billed retail electricity usage increased a total of 573 GWh in all sectors. See Note 1 to the financial statements in the Form 10-K for a discussion of the accounting for unbilled revenues.

62

The base revenues variance is primarily due to increases effective September 2006 for the 2005 formula rate plan filing to recover LPSC-approved incremental deferred and ongoing capacity costs and for the interim recovery of storm costs. See Note 2 to the financial statements in the Form 10-K for a discussion of the formula rate plan filing.

The purchased power capacity variance is primarily due to higher purchased power capacity charges and the amortization of capacity charges effective September 2006 as a result of the formula rate plan filing in May 2006. A portion of the purchased power capacity costs is offset in base revenues due to a base rate increase implemented to recover incremental deferred and ongoing purchased power capacity charges, as mentioned above. See Note 2 to the financial statements in the Form 10-K for a discussion of the formula rate plan filing.

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

Gross operating revenues increased primarily due to:

- an increase of $41.6 million in fuel cost recovery revenues due to higher fuel rates and usage;
- an increase of $32.5 million related to volume/weather, as discussed above; and
- an increase of $27.2 million in base revenues, as discussed above.

The increase was partially offset by a decrease of $42.9 million in gross wholesale revenue due to decreased sales to affiliated systems.

Fuel and purchased power expenses increased primarily due to an increase in the average market price of purchased power and an increase in net area demand, partially offset by a decrease in the recovery from customers of deferred fuel costs.

Other regulatory credits decreased primarily due to the deferral of capacity charges in 2006 in addition to the amortization of these capacity charges in 2007 as a result of the May 2006 formula rate plan filing (for the 2005 test year) with the LPSC to recover such costs through base rates effective September 2006.

Other Income Statement Variances

Other operation and maintenance expenses increased primarily due to:

- an increase of $2.1 million due to higher insurance premiums as a result of amending coverage in June 2006 and the timing of premium payments in 2007 compared to 2006;
- an increase of $1.5 million in distribution labor and contract costs;
- an increase of $1.4 million due to the amortization in 2006 of proceeds received from the radwaste settlement which is discussed in "**MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYIS - Significant Factors and Known Trends - Central States Compact Claim**" in the Form 10-K; and
- an increase of $1.1 million in vegetation maintenance expenses.

The increase was partially offset by the following:

- a decrease of $1.9 million in customer service costs, including a decrease in customer write-offs; and
- a decrease of $1.1 million in payroll and benefits costs.

Depreciation and amortization expenses increased primarily due to a revision made in the first quarter of 2006 of estimated depreciable lives involving certain intangible assets and an increase in plant in service.

63

Other income decreased primarily due to:

- a decrease in interest earned on deferred capacity charges;
- a decrease related to proceeds received in 2006 from the radwaste settlement discussed in "**MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYIS - Significant Factors and Known Trends - Central States Compact Claim**" in the Form 10-K; and
- a decrease in the allowance for equity funds used during construction due to more construction work in progress in 2006 as a result of Hurricanes Katrina and Rita.

Income Taxes

The effective income tax rates for the first quarters of 2007 and 2006 were 35.6% and 39.9%, respectively. The difference in the effective income tax rate for the first quarter of 2006 versus the federal statutory rate of 35.0% is primarily due to state income taxes and book and tax differences related to utility plant items, partially offset by book and tax differences related to the allowance for equity funds used during construction and the amortization of investment tax credits.

Liquidity and Capital Resources

Cash Flow

Cash flows for the first quarters of 2007 and 2006 were as follows:

	2007	2006
	(In Thousands)	
Cash and cash equivalents at beginning of period	$2,743	$105,285
Cash flow provided by (used in):		
Operating activities	29,837	192,210
Investing activities	(41,487)	(218,567)
Financing activities	11,325	(71,254)
Net decrease in cash and cash equivalents	(325)	(97,611)
Cash and cash equivalents at end of period	$2,418	$7,674

Operating Activities

Cash flow from operations decreased $162.4 million for the first quarter of 2007 compared to the first quarter of 2006 primarily due to timing of collections of receivables from customers and payments to vendors, partially offset by increased recovery of deferred fuel costs.

Investing Activities

The decrease of $177.1 million in net cash used by investing activities for the first quarter of 2007 compared to the first quarter of 2006 is primarily due to higher distribution and transmission construction expenditures in 2006 due to Hurricanes Katrina and Rita.

Financing Activities

Entergy Louisiana's financing activities provided $11.3 million for the first quarter of 2007 compared to using $71.3 million for the first quarter of 2006 primarily due to money pool activity and the payment of $40 million on a credit facility in 2006.

64

Capital Structure

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

	March 31, 2007	December 31, 2006
Net debt to net capital	45.8%	46.4%
Effect of subtracting cash from debt	0.1%	-
Debt to capital	45.9%	46.4%

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 and members' equity. Net capital consists of capital less cash and cash equivalents. Entergy Louisiana uses the net debt to net capital ratio in analyzing its financial condition and believes it provides useful information to its investors and creditors in evaluating Entergy Louisiana's financial condition.

Uses and Sources of Capital

See "**MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources**" in the Form 10-K for a discussion of Entergy Louisiana's uses and sources of capital.

In April 2007, Entergy Louisiana announced that it plans to pursue the self-build solid fuel repowering of a 538MW unit at its Little Gypsy plant. Petroleum coke will be the unit's primary fuel source. Entergy Louisiana expects to spend $1.02 billion on the project, and expects the project to be completed in 2011-2012. The planned capital investment estimate in the Form 10-K included the capital required for a project of this type.

Entergy Louisiana's payables to the money pool were as follows:

March 31, 2007	December 31, 2006	March 31, 2006	December 31, 2005
(In Thousands)			
($67,103)	($54,041)	($38,871)	($68,677)

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

Significant Factors and Known Trends

See "**MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Significant Factors and Known Trends**" in the Form 10-K for a discussion of state and local rate regulation, federal regulation, the Energy Policy Act of 2005, utility restructuring, nuclear matters, environmental risks, and litigation risks. Following are updates to the information provided in the Form 10-K.

Federal Regulation

See "System Agreement Proceedings", "Independent Coordinator of Transmission", and "Available Flowgate Capacity Proceeding" in the "**Significant Factors and Known Trends**" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for updates to the discussion in the Form 10-K.

65

Critical Accounting Estimates

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

New Accounting Pronouncements

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

66

ENTERGY LOUISIANA, LLC
INCOME STATEMENTS
For the Three Months Ended March 31, 2007 and 2006
(Unaudited)

	2007	2006
	(In Thousands)	
OPERATING REVENUES		
Electric	$617,479	$552,057
OPERATING EXPENSES		
Operation and Maintenance:		
Fuel, fuel-related expenses, and gas purchased for resale	193,956	204,004

Purchased power	197,763	176,614
Nuclear refueling outage expenses	4,197	4,234
Other operation and maintenance	91,467	84,102
Decommissioning	4,508	4,196
Taxes other than income taxes	13,814	16,006
Depreciation and amortization	48,978	42,085
Other regulatory charges (credits) - net	11,343	(16,138)
TOTAL	566,026	515,103
OPERATING INCOME	51,453	36,954
OTHER INCOME		
Allowance for equity funds used during construction	3,948	5,587
Interest and dividend income	3,594	5,442
Miscellaneous - net	(1,232)	(798)
TOTAL	6,310	10,231
INTEREST AND OTHER CHARGES		
Interest on long-term debt	20,233	20,378
Other interest - net	3,360	1,708
Allowance for borrowed funds used during construction	(2,746)	(3,851)
TOTAL	20,847	18,235
INCOME BEFORE INCOME TAXES	36,916	28,950
Income taxes	13,148	11,554
NET INCOME	23,768	17,396
Preferred dividend requirements and other	1,738	1,738
EARNINGS APPLICABLE TO COMMON EQUITY	$22,030	$15,658

See Notes to Financial Statements.

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68

ENTERGY LOUISIANA, LLC
STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2007 and 2006
(Unaudited)

	2007	2006
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	$23,768	$17,396
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Reserve for regulatory adjustments	104	(185)
Other regulatory charges (credits) - net	11,343	(16,138)
Depreciation, amortization, and decommissioning	53,486	46,281
Deferred income taxes, investment tax credits, and non-current taxes accrued	17,108	(149,174)
Changes in working capital:		
Receivables	(19,852)	143,629
Accounts payable	(100,435)	(42,366)
Taxes accrued	15,123	35,756
Interest accrued	(1,764)	(2,397)
Deferred fuel costs	52,789	1,507
Other working capital accounts	(22,023)	153,597
Provision for estimated losses and reserves	(2,209)	1,067
Changes in other regulatory assets	7,084	23,903
Other	(4,685)	(20,666)
Net cash flow provided by operating activities	29,837	192,210
INVESTING ACTIVITIES		
Construction expenditures	(56,974)	(211,398)
Allowance for equity funds used during construction	3,948	5,587
Insurance proceeds	2,765	-
Nuclear fuel purchases	(3,103)	-
Proceeds from the sale/leaseback of nuclear fuel	14,279	-
Proceeds from nuclear decommissioning trust fund sales	3,693	7,187
Investment in nuclear decommissioning trust funds	(6,095)	(10,117)
Other regulatory investments	-	(9,826)

Net cash flow used in investing activities	(41,487)	(218,567)
FINANCING ACTIVITIES		
Additional equity from parent	1,119	-
Change in money pool payable - net	13,062	(29,806)
Changes in short-term borrowings	-	(40,000)
Distributions paid:		
Preferred membership interests	(2,856)	(1,448)
Net cash flow provided by (used in) financing activities	11,325	(71,254)
Net decrease in cash and cash equivalents	(325)	(97,611)
Cash and cash equivalents at beginning of period	2,743	105,285
Cash and cash equivalents at end of period	$2,418	$7,674
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest - net of amount capitalized	$24,402	$23,521

See Notes to Financial Statements.

ENTERGY LOUISIANA, LLC
BALANCE SHEETS
ASSETS
March 31, 2007 and December 31, 2006
(Unaudited)

	2007	2006
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents	$2,418	$2,743
Accounts receivable:		
Customer	105,071	97,207
Allowance for doubtful accounts	(2,192)	(1,856)
Associated companies	48,235	28,621
Other	19,380	22,652
Accrued unbilled revenues	65,610	69,628
Total accounts receivable	236,104	216,252

Deferred fuel costs	-	46,310
Materials and supplies - at average cost	101,689	98,284
Deferred nuclear refueling outage costs	20,292	23,639
Prepayments and other	14,212	5,769
TOTAL	374,715	392,997
OTHER PROPERTY AND INVESTMENTS		
Decommissioning trust funds	220,158	208,926
Non-utility property - at cost (less accumulated depreciation)	1,624	1,670
Other	4	4
TOTAL	221,786	210,600
UTILITY PLANT		
Electric	6,755,036	6,693,633
Property under capital lease	252,972	252,972
Construction work in progress	177,219	190,454
Nuclear fuel under capital lease	75,120	82,464
TOTAL UTILITY PLANT	7,260,347	7,219,523
Less - accumulated depreciation and amortization	3,002,111	2,959,422
UTILITY PLANT - NET	4,258,236	4,260,101
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
SFAS 109 regulatory asset - net	156,720	157,789
Other regulatory assets	501,323	539,309
Deferred fuel costs	67,998	67,998
Long-term receivables	5,986	5,986
Other	25,795	20,062
TOTAL	757,822	791,144
TOTAL ASSETS	$5,612,559	$5,654,842

See Notes to Financial Statements.

70 **ENTERGY LOUISIANA, LLC BALANCE SHEETS LIABILITIES AND MEMBERS' EQUITY March 31, 2007 and December 31, 2006 (Unaudited) 2007 2006 (In Thousands)** **CURRENT LIABILITIES** Accounts payable: Associated companies $139,778 $160,555 Other 127,109 203,076 Customer deposits 74,361 72,579 Taxes accrued 21,360 6,237 Accumulated deferred income taxes 15,974 32,026 Interest accrued 28,725 30,489 Deferred fuel cost 6,479 - Obligations under capital leases 39,067 39,067 Pension and other postretirement liabilities 8,368 8,276 Other 14,014 30,425 **TOTAL** 475,235 582,730 **NON-CURRENT LIABILITIES** Accumulated deferred income taxes and taxes accrued 1,852,511 1,827,900 Accumulated deferred investment tax credits 88,443 89,242 Obligations under capital leases 36,052 43,397 Other regulatory liabilities 69,005 50,210 Decommissioning 243,045 238,536 Accumulated provisions 21,589 23,798 Pension and other postretirement liabilities 148,184 146,646 Long-term debt 1,147,650 1,147,647 Other 88,877 86,428 **TOTAL** 3,695,356 3,653,804 Commitments and Contingencies **MEMBERS' EQUITY** Preferred membership interests without sinking fund 100,000 100,000 Members' equity 1,367,152 1,344,003 Accumulated other comprehensive loss

(25,184) (25,695) **TOTAL** 1,441,968 1,418,308 **TOTAL LIABILITIES AND MEMBERS' EQUITY** $5,612,559 $5,654,842 See Notes to Financial Statements.

ENTERGY LOUISIANA, LLC
STATEMENTS OF MEMBERS' EQUITY AND COMPREHENSIVE INCOME
For the Three Months Ended March 31, 2007 and 2006
(Unaudited)

	2007		2006	
		(In Thousands)		
MEMBERS' EQUITY				
Members' Equity - Beginning of period	$1,344,003		$1,105,172	
Add:				
Net income	23,768	$23,768	17,396	$17,396
Additional equity from parent	1,119		65,703	
	24,887		83,099	
Deduct:				
Distributions declared:				
Preferred membership interests	1,738	1,738	1,738	1,738
Other	-		97	
	1,738		1,835	
Members' Equity - End of period	$1,367,152		$1,186,436	
ACCUMULATED OTHER COMPREHENSIVE INCOME (Net of Taxes):				
Balance at beginning of period:				
Pension and other postretirement liabilities	($25,695)		$-	
Pension and other postretirement liabilities (net of tax expense of $466)	511	511	-	
Balance at end of period:				
Pension and other postretirement liabilities	($25,184)		$-	
Comprehensive Income		$22,541		$15,658

See Notes to Financial Statements.

72

ENTERGY LOUISIANA, LLC
SELECTED OPERATING RESULTS
For the Three Months Ended March 31, 2007 and 2006
(Unaudited)

Description	2007	2006	Increase/ (Decrease)	%
		(Dollars In Millions)		
Electric Operating Revenues:				
Residential	$196	$161	$35	22
Commercial	136	119	17	14
Industrial	225	193	32	17
Governmental	12	11	1	9
Total retail	569	484	85	18
Sales for resale				
Associated companies	38	80	(42)	(53)
Non-associated companies	2	2	-	-
Other	8	(14)	22	157
Total	$617	$552	$65	12
Billed Electric Energy Sales (GWh):				
Residential	1,952	1,771	181	10
Commercial	1,300	1,246	54	4
Industrial	3,228	2,894	334	12
Governmental	115	111	4	4
Total retail (1)	6,595	6,022	573	10
Sales for resale				
Associated companies	342	723	(381)	(53)
Non-associated companies	32	14	18	129
Total	6,969	6,759	210	3

(1) 2006 billed electric energy sales includes 96 GWh of billings related to 2005 deliveries that were billed in 2006 because of billing delays following Hurricane Katrina, which results in an increase of 669 GWh in 2007, or 11.3%.

73

Results of Operations

Net income increased $2.1 million for the first quarter of 2007 compared to the first quarter of 2006 primarily due to higher other income and higher net revenue, partially offset by higher other operation and maintenance expenses, higher depreciation and amortization expense, and a higher effective income tax rate.

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 of 2007 to the first quarter of 2006.

	Amount (In Millions)
2006 net revenue	$90.3
Volume/weather	7.8
Attala costs	(6.6)
Other	2.4
2007 net revenue	$93.9

The volume/weather variance is primarily due to increased usage primarily during the unbilled sales period and more favorable weather on billed sales compared to the same period in 2006. 9; See Note 1 to the financial statements in the Form 10-K for a discussion of the accounting for unbilled revenues.

The Attala costs variance is primarily due to the deferral of Attala costs during the first quarter of 2006 that was recovered in the second quarter of 2006. The net income effect of this cost deferral was partially offset in other operation and maintenance expenses, depreciation expense, and taxes other than income taxes.

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

Gross operating revenues decreased primarily due to a decrease of $147.3 million in fuel cost recovery revenues due to lower fuel rates, partially offset by higher power management rider rates.

Fuel and purchased power expenses decreased primarily due to a decrease in deferred fuel expense due to a decrease in fuel rates.

Other regulatory charges increased primarily due to the refunding in 2006, through the power management recovery rider, of gains recorded on gas hedging contracts in addition to the over-recovery in 2007, through the Grand Gulf rider, of Grand Gulf capacity charges. The increase was partially offset by the deferral of Attala costs in 2006, discussed above. There is no material effect on net income due to quarterly adjustments to the power management recovery rider.

Other Income Statement Variances

Other operation and maintenance expense increased primarily due to:

- an increase of $1.4 million in vegetation maintenance contract costs due to timing differences;
- an increase of $1.3 million in insurance costs as a result of higher premiums due to amending coverage in mid-2006 and timing differences in premium payments in 2007 compared to 2006;
- an increase of $1.2 million in fossil maintenance outage costs; and
- an increase of $1.1 million in costs associated with the operation of the Attala plant which was purchased in late-January 2006.

The increase was partially offset by a decrease of $1.7 million in loss reserves in 2007.

Depreciation and amortization expenses increased primarily due to an increase in plant in service. The increase is also due to an adjustment made in February 2006 as a result of a revision in estimated depreciable lives involving certain intangible assets.

Taxes other than income taxes decreased primarily due to lower franchise taxes in 2007.

Other income increased primarily due to the gain recorded on the sale of non-utility property and higher interest earned on money pool investments.

Interest expense decreased primarily due to a decrease in long-term debt outstanding as a result of the redemption of $100 million of first mortgage bonds in January 2007. Interest expense also decreased due to money pool activity.

Income Taxes

The effective income tax rates for the first quarters of 2007 and 2006 were 35.6% and 0.4%, respectively. The difference in the effective tax rate for the first quarter of 2006 versus the federal statutory rate of 35.0% is primarily due to book and tax differences related to the allowance for equity funds used during construction, the amortization of investment tax credits, and book and tax differences related to utility plant items.

Liquidity and Capital Resources

Cash Flow

Cash flows for the first quarters of 2007 and 2006 were as follows:

	2007	2006
	(In Thousands)	
Cash and cash equivalents at beginning of period	$73,417	$4,523
Cash flow provided by (used in):		
Operating activities	(18,033)	60,292
Investing activities	84,504	(135,611)
Financing activities	(102,707)	80,199
Net increase (decrease) in cash and cash equivalents	(36,236)	4,880
Cash and cash equivalents at end of period	$37,181	$9,403

75

Operating Activities

Entergy Mississippi's operating activities used $18.0 million for the first quarter of 2007 compared to providing $60.3 million for the first quarter of 2006 primarily due to decreased collection of deferred fuel and purchased power costs, partially offset by the timing of payments to vendors.

Investing Activities

Investing activities provided $84.5 million in cash flow for the first quarter of 2007 compared to using $135.6 million for the first quarter 2006 primarily due to:

- the receipt of proceeds in 2007 from funds held in trust in 2006 that were used for the redemption in January 2007, prior to maturity, of $100 million 4.35% Series of First Mortgage Bonds;
- the purchase of the Attala plant for $88 million in January 2006; and
- higher construction expenditures in 2006 due to Hurricanes Katrina and Rita.

Financing Activities

Entergy's Mississippi's financing activities used $102.7 million for the first quarter of 2007 compared to providing $80.2 million for the first quarter of 2006 primarily due to the redemption, prior to maturity, of $100 million of first mortgage bonds in January 2007, and the issuance of $100 million of long-term debt during 2006, partially offset by money pool activity.

Capital Structure

Entergy Mississippi's capitalization is balanced between equity and debt, as shown in the following table. The decrease in the debt to capital percentage as of March 31, 2007 is primarily due to the redemption of $100 million of First Mortgage Bonds in January 2007.

	March 31, 2007	December 31, 2006
Net debt to net capital	49.5%	51.9%
Effect of subtracting cash from debt	1.4%	2.4%
Debt to capital	50.9%	54.3%

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 shareholders' equity. Net capital consists of capital less cash and cash equivalents. Entergy Mississippi uses the net debt to net capital ratio in analyzing its financial condition and believes it provides useful information to its investors and creditors in evaluating Entergy Mississippi's financial condition.

76

Uses and Sources of Capital

See "**MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources**" in the Form 10-K for a discussion of Entergy Mississippi's uses and sources of capital. Following are updates to the information presented in the Form 10-K.

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

March 31, 2007	December 31, 2006	March 31, 2006	December 31, 2005
(In Thousands)			
$29,999	$39,573	($65,732)	($84,066)

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 Mississippi has two separate credit facilities in the aggregate amount of $50 million that expire in May 2007. Borrowings under the credit facilities may be secured by a security interest in Entergy Mississippi's accounts receivable. Entergy Mississippi expects to renew both of its credit facilities prior to expiration. No borrowings were outstanding under either facility as of March 31, 2007.

In January 2007, Entergy Mississippi redeemed, prior to maturity, $100 million of 4.35% Series of First Mortgage Bonds due April 2008.

Significant Factors and Known Trends

See "**MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Significant Factors and Known Trends**" in the Form 10-K for a discussion of state and local rate regulation, federal regulation, the Energy Policy Act of 2005, and utility restructuring. The following is an update to the information provided in the Form 10-K.

State and Local Rate Regulation

In March 2007, Entergy Mississippi made its annual scheduled formula rate plan filing for the 2006 test year with the MPSC. The filing shows that an increase of $12.9 million in annual electric revenues is warranted. The Mississippi Public Utilities Staff is reviewing the filing.

Federal Regulation

See "System Agreement Proceedings", "Independent Coordinator of Transmission", and "Available Flowgate Capacity Proceeding" in the "**Significant Factors and Known Trends**" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for updates to the discussion in the Form 10-K.

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 Mississippi's accounting for unbilled revenue and qualified pension and other postretirement benefits.

New Accounting Pronouncements

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

77

ENTERGY MISSISSIPPI, INC.

INCOME STATEMENTS

For the Three Months Ended March 31, 2007 and 2006

(Unaudited)

	2007	2006
	(In Thousands)	
OPERATING REVENUES		
Electric	$270,525	$373,234
OPERATING EXPENSES		
Operation and Maintenance:		
Fuel, fuel-related expenses, and		
gas purchased for resale	70,974	179,157
Purchased power	95,835	124,426
Other operation and maintenance	45,115	40,965
Taxes other than income taxes	15,015	17,516
Depreciation and amortization	20,269	16,996
Other regulatory charges (credits) - net	9,795	(20,642)
TOTAL	257,003	358,418
OPERATING INCOME	13,522	14,816
OTHER INCOME		
Allowance for equity funds used during construction	1,676	1,241
Interest and dividend income	1,448	229
Miscellaneous - net	2,252	(562)
TOTAL	5,376	908
INTEREST AND OTHER CHARGES		
Interest on long-term debt	10,382	11,115
Other interest - net	1,235	2,112
Allowance for borrowed funds used during construction	(1,119)	(814)
TOTAL	10,498	12,413
INCOME BEFORE INCOME TAXES	8,400	3,311

Income taxes	2,991	14
NET INCOME	5,409	3,297
Preferred dividend requirements and other	707	707
EARNINGS APPLICABLE TO COMMON STOCK	$4,702	$2,590

See Notes to Financial Statements.

ENTERGY MISSISSIPPI, INC.

STATEMENTS OF CASH FLOWS

For the Three Months Ended March 31, 2007 and 2006

(Unaudited)

	2007	2006
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	$5,409	$3,297
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Other regulatory charges (credits) - net	9,795	(20,642)
Depreciation and amortization	20,269	16,996
Deferred income taxes, investment tax credits, and non-current taxes accrued	(2,936)	62,760
Changes in working capital:		
Receivables	11,621	14,211
Fuel inventory	(44)	(3,103)
Accounts payable	(10,893)	(53,206)
Taxes accrued	(23,943)	(33,121)
Interest accrued	1,697	1,323
Deferred fuel costs	(19,802)	123,076
Other working capital accounts	(15,662)	(38,085)
Provision for estimated losses and reserves	292	(23)
Changes in other regulatory assets	18,322	(14,621)
Other	(12,158)	1,430

Net cash flow provided by (used in) operating activities	(18,033)	60,292
INVESTING ACTIVITIES		
Construction expenditures	(29,362)	(48,653)
Payment for purchase of plant	-	(88,199)
Allowance for equity funds used during construction	1,676	1,241
Change in money pool receivable - net	9,574	-
Change in other temporary investments - net	100,000	-
Proceeds from sale of assets	2,616	-
Net cash flow provided by (used in) investing activities	84,504	(135,611)
FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	-	99,240
Retirement of long-term debt	(100,000)	-
Change in money pool payable - net	-	(18,334)
Dividends paid:		
Common stock	(2,000)	-
Preferred stock	(707)	(707)
Net cash flow provided by (used in) financing activities	(102,707)	80,199
Net increase (decrease) in cash and cash equivalents	(36,236)	4,880
Cash and cash equivalents at beginning of period	73,417	4,523
Cash and cash equivalents at end of period	$37,181	$9,403
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest - net of amount capitalized	$9,401	$11,390

See Notes to Financial Statements.

79

ENTERGY MISSISSIPPI, INC.

BALANCE SHEETS

ASSETS

March 31, 2007 and December 31, 2006

(Unaudited)

	2007	2006
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	$1,703	$2,128
Temporary cash investment - at cost,		
which approximates market	35,478	71,289
Total cash and cash equivalents	37,181	73,417
Accounts receivable:		
Customer	53,439	61,216
Allowance for doubtful accounts	(642)	(616)
Associated companies	36,367	45,040
Other	7,966	9,032
Accrued unbilled revenues	28,897	32,550
Total accounts receivable	126,027	147,222
Accumulated deferred income taxes	432	-
Fuel inventory - at average cost	7,689	7,645
Materials and supplies - at average cost	29,886	28,607
Other special deposits	-	100,000
Prepayments and other	13,674	7,398
TOTAL	214,889	364,289
OTHER PROPERTY AND INVESTMENTS		
Investment in affiliates - at equity	5,531	5,531
Non-utility property - at cost (less accumulated depreciation)	5,243	6,061
TOTAL	10,774	11,592
UTILITY PLANT		
Electric	2,736,499	2,692,971
Property under capital lease	4	17
Construction work in progress	65,331	79,950
TOTAL UTILITY PLANT	2,801,834	2,772,938
Less - accumulated depreciation and amortization	959,553	945,548
UTILITY PLANT - NET	1,842,281	1,827,390
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
SFAS 109 regulatory asset - net	28,579	26,378

Other regulatory assets	160,980	186,986
Long-term receivables	2,288	2,288
Other	24,653	21,968
TOTAL	216,500	237,620
TOTAL ASSETS	$2,284,444	$2,440,891

See Notes to Financial Statements.

80

ENTERGY MISSISSIPPI, INC.

BALANCE SHEETS

LIABILITIES AND SHAREHOLDERS' EQUITY

March 31, 2007 and December 31, 2006

(Unaudited)

	2007	2006
	(In Thousands)	
CURRENT LIABILITIES		
Accounts payable:		
Associated companies	$58,171	$59,696
Other	26,843	38,097
Customer deposits	53,296	51,568
Taxes accrued	21,744	45,687
Accumulated deferred income taxes	-	3,963
Interest accrued	14,760	13,063
Deferred fuel costs	75,434	95,236
Obligations under capital leases	4	2
Other	7,787	17,622
TOTAL	258,039	324,934
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	519,452	516,558
Accumulated deferred investment tax credits	10,722	11,047
Other regulatory liabilities	5,965	-

Asset retirement cost liabilities	4,315	4,254
Accumulated provisions	10,328	10,036
Pension and other postretirement liabilities	64,368	64,604
Long-term debt	695,218	795,187
Other	45,317	46,253
TOTAL	1,355,685	1,447,939
Commitments and Contingencies		
SHAREHOLDERS' EQUITY		
Preferred stock without sinking fund	50,381	50,381
Common stock, no par value, authorized 15,000,000		
shares; issued and outstanding 8,666,357 shares in 2007 and 2006	199,326	199,326
Capital stock expense and other	(690)	(690)
Retained earnings	421,703	419,001
TOTAL	670,720	668,018
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$2,284,444	$2,440,891

See Notes to Financial Statements.

81

ENTERGY MISSISSIPPI, INC.

SELECTED OPERATING RESULTS

For the Three Months Ended March 31, 2007 and 2006

(Unaudited)

Description	2007	2006	Increase/ (Decrease)	%
		(Dollars In Millions)		
Electric Operating Revenues:				
Residential	$ 101	$ 146	($45)	(31)
Commercial	90	130	(40)	(31)

Industrial	41	68	(27)	(40)
Governmental	9	13	(4)	(31)
Total retail	241	357	(116)	(32)
Sales for resale				
Associated companies	16	8	8	100
Non-associated companies	6	8	(2)	(25)
Other	7	-	7	-
Total	$ 270	$ 373	($103)	(28)
Billed Electric Energy				
Sales (GWh):				
Residential	1,251	1,185	66	6
Commercial	1,070	1,040	30	3
Industrial	653	701	(48)	(7)
Governmental	95	93	2	2
Total retail	3,069	3,019	50	2
Sales for resale				
Associated companies	146	71	75	106
Non-associated companies	84	68	16	24
Total	3,299	3,158	141	4

82

ENTERGY NEW ORLEANS, INC. (Debtor-in-possession)

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Hurricane Katrina

See the Form 10-K for a discussion of the effects of Hurricane Katrina, which in August 2005 caused catastrophic damage to Entergy New Orleans' service territory, including the effect of extensive flooding that resulted from levee breaks in and around the New Orleans area, and Entergy New Orleans' efforts to seek recovery of storm restoration costs.

In March 2007, the City Council certified that Entergy New Orleans has incurred $205 million in storm-related costs through December 2006 that are eligible for CDBG funding under the state action plan, and certified Entergy New Orleans' estimated costs of $465 million for the gas system rebuild. In April 2007, Entergy New Orleans executed an agreement with the Louisiana Office of Community Development under which $200 million of CDBG funds will be made available to Entergy New Orleans. Entergy New Orleans submitted the agreement to the bankruptcy court, which approved it on April 25, 2007. Entergy New Orleans received $171.7 million of the funds on April 27, 2007, and the remainder will be paid to Entergy New Orleans as it incurs and submits additional eligible costs.

Entergy has reached an agreement with one of its excess insurers under which Entergy will receive $69.5 million in settlement of its Hurricane Katrina claim. Entergy expects that $53.7 million of this amount will be allocated to Entergy New Orleans. Entergy New Orleans submitted the agreement to the bankruptcy court, which approved the agreement on April 25, 2007. Entergy expects to receive the proceeds under the settlement agreement by the end of May 2007.

Bankruptcy Proceedings

See the Form 10-K for a discussion of the Entergy New Orleans bankruptcy proceeding. On May 7, 2007, the bankruptcy judge entered an order confirming Entergy New Orleans' plan of reorganization. With the receipt of CDBG funds, and the agreement on insurance recovery with one of its excess insurers, Entergy New Orleans waived the conditions precedent in its plan of reorganization, and the plan became effective on May 8, 2007. Following are significant terms in Entergy New Orleans' plan of reorganization:

- Entergy New Orleans will pay in full, in cash, within 15 days of the effective date, the allowed third-party prepetition accounts payable (estimated at $29.5 million).
- Entergy New Orleans will issue notes due in three years in satisfaction of its affiliate prepetition accounts payable (estimated at $69.5 million), including its indebtedness to the Entergy System money pool.
- Entergy New Orleans will also pay interest from September 23, 2005 on the third-party and affiliate accounts payable at the Louisiana judicial rate of interest in 2005 (6%) and 2006 (8%), and at the Louisiana judicial rate of interest plus 1% thereafter. The Louisiana judicial rate of interest is 9.5% for 2007.
- Entergy New Orleans will repay to Entergy Corporation, in full, in cash, within 15 days of the effective date, the outstanding borrowings under the debtor-in-possession (DIP) credit agreement. On May 8, 2007, Entergy New Orleans had $67 million of outstanding borrowings under the DIP credit agreement.
- Entergy New Orleans' first mortgage bonds will remain outstanding with their current maturity dates and interest terms. Pursuant to an agreement with the first mortgage bondholders, Entergy New Orleans will pay, on the effective date, the first mortgage bondholders an amount equal to the one year of interest from the bankruptcy petition date that the bondholders had waived previously in the bankruptcy proceeding.

- Entergy New Orleans' preferred stock will remain outstanding on its current dividend terms, with payment, within 15 days of the effective date, of unpaid preferred dividends in arrears.
- Litigation claims will generally be unaltered, and will generally proceed as if Entergy New Orleans had not filed for bankruptcy protection, with exceptions for certain claims.

Entergy New Orleans currently estimates that the prepetition claims that will be allowed and paid (either in cash or by notes) in the bankruptcy case will approximate the prepetition liabilities currently recorded by Entergy New Orleans, including interest.

With confirmation of the plan of reorganization, Entergy expects to reconsolidate Entergy New Orleans in the second quarter 2007, retroactive to January 1, 2007. Because Entergy owns all of the common stock of Entergy New Orleans, reconsolidation will not affect the amount of net income that Entergy records from Entergy New Orleans' operations for any current or prior period, but will result in Entergy New Orleans' results being included in each individual income statement line item in 2007, rather than just its net income being presented as "Equity in earnings (loss) of unconsolidated equity affiliates," as will remain the case for 2005 and 2006.

Results of Operations

Net Income

Net income decreased $2.5 million in the first quarter 2007 compared to the first quarter 2006 primarily due to higher other operation and maintenance expenses and higher interest charges, partially offset by higher net revenue.

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. Following is an analysis of the changes in net revenue comparing the first quarter of 2007 to the first quarter of 2006.

	Amount (In Millions)
2006 net revenue	$40.3
Fuel recovery	21.1
Volume/weather	11.3
Net wholesale revenue	(25.3)
Other	2.6
2007 net revenue	$50.0

The fuel recovery variance is due to the inclusion of Grand Gulf costs in fuel recoveries effective July 1, 2006. In June 2006, the City Council approved the recovery of Grand Gulf costs through the fuel adjustment clause, without a corresponding change in base rates (a significant portion of Grand Gulf costs was previously recovered through base rates).

The volume/weather variance is due to an increase in electricity usage in the service territory in 2007 compared to the same period in 2006. The first quarter of 2006 was affected by customer losses following Hurricane Katrina. Billed retail electricity usage increased a total of 224 GWh compared to the first quarter of 2006, an increase of 32%.

The net wholesale revenue variance is due to higher energy available for resale sales in 2006 due to the decrease in retail usage caused by customer losses following Hurricane Katrina. In addition, 2006 revenue includes the sales into the wholesale market of Entergy New Orleans' share of the output of Grand Gulf, pursuant to City Council approval of measures proposed by Entergy New Orleans to address the reduction in

Entergy New Orleans' retail customer demand caused by Hurricane Katrina and to provide revenue support for the costs of Entergy New Orleans' share of Grand Gulf.

Other Income Statement Variances

Other operation and maintenance expenses increased primarily due to storm restoration work capitalized in 2006 as a result of Hurricane Katrina compared to normal operations and maintenance work in 2007.

Other income increased due to carrying costs of $2 million related to the Hurricane Katrina storm costs regulatory asset.

Interest and other charges increased primarily due to interest accruals on first mortgage bonds. On September 23, 2006, when the one-year interest moratorium agreed to by the bondholders expired, Entergy New Orleans resumed interest accruals on its outstanding first mortgage bonds. In addition, Entergy New Orleans began accruing interest on affiliate accounts payable as a result of its plan of reorganization filed with the bankruptcy court in February 2007. The plan of reorganization is discussed in Note 18 to the financial statements in the Form 10-K and updated in Note 9 to the financial statements herein.

Income Taxes

The effective income tax rate was 32.4% for the first quarter of 2007 and 37.5% for the first quarter of 2006. The effective income tax rate for the first quarter of 2007 was lower than the federal statutory rate of 35% primarily due to book and tax differences related to the allowance of equity funds used during construction and the amortization of deferred income taxes and investment tax credits, partially offset by book and tax differences related to utility plant items and state income taxes.

Preferred Dividends

No preferred dividends were declared during the first quarter of 2006. Due to its bankruptcy, Entergy New Orleans did not pay the preferred stock dividends due October 1, 2005; January 1, 2006; or April 1, 2006.

Because its plan of reorganization proposes to pay the accumulated, unpaid dividends on all three series of its preferred stock, Entergy New Orleans began accruing for those dividends in the fourth quarter 2006. The plan of reorganization is discussed in Note 9 to the financial statements.

Liquidity and Capital Resources

Debtor-in-Possession Credit Facility

See the Form 10-K for a discussion of the Entergy New Orleans debtor-in-possession (DIP) credit facility between Entergy New Orleans as borrower and Entergy Corporation as lender. As of March 31, 2007, Entergy New Orleans had $42 million of outstanding borrowings under the DIP credit agreement. During April 2007, at the same time as it made a scheduled pension plan contribution, Entergy New Orleans borrowed under the DIP credit agreement, and on May 8, 2007 had $67 million of outstanding borrowings under the DIP credit agreement.

Cash Flow

Cash flows for the first quarters of 2007 and 2006 were as follows:

	2007	2006
	(In Thousands)	
Cash and cash equivalents at beginning of period	$17,093	$48,056
Cash flow provided by (used in):		
Operating activities	17,191	30,729
Investing activities	(3,795)	(43,240)
Financing activities	(10,000)	(10,000)
Net increase (decrease) in cash and cash equivalents	3,396	(22,511)
Cash and cash equivalents at end of period	$20,489	$25,545

Operating Activities

Net cash provided by operating activities decreased $13.5 million for the first quarter of 2007 compared to the first quarter of 2006 primarily due to an increase in interest paid of $6.9 million. Entergy New Orleans' operating cash flow for the first quarter of 2007 is also affected by increased operating activity in 2007 compared to the first quarter of 2006 following Hurricane Katrina.

Investing Activities

Net cash used in investing activities decreased $39.4 million for the first quarter of 2007 compared to the first quarter of 2006 primarily due to capital expenditure activity in 2006 related to Hurricane Katrina. Entergy New Orleans also received proceeds of $10 million related to the sale in the first quarter of 2007 of a power plant that had been out of service since 1984.

Capital Structure

Entergy New Orleans' capitalization is shown in the following table.

	March 31, 2007	December 31, 2006
Net debt to net capital	58.7%	60.4%
Effect of subtracting cash from debt	1.9%	1.5%
Debt to capital	60.6%	61.9%

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

86

Uses and Sources of Capital

See "**MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources**" in the Form 10-K for a discussion of Entergy New Orleans' uses and sources of capital. The following are updates to the Form 10-K.

Entergy New Orleans' payables to the money pool were as follows:

March 31, 2007	December 31, 2006	March 31, 2006	December 31, 2005
(In Thousands)			
($37,166)	($37,166)	($37,166)	($37,166)

See Note 4 to the financial statements in the Form 10-K for a description of the money pool. Entergy New Orleans remains a participant in the money pool, but Entergy New Orleans has not made, and does not expect to make, any additional borrowings from the money pool while it is in bankruptcy proceedings. See **Bankruptcy Proceedings** above for a discussion of the treatment in Entergy New Orleans' plan of reorganization of the payable to the money pool.

Significant Factors and Known Trends

See "**MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Significant Factors and Known Trends**" in the Form 10-K for a discussion of state and local rate regulation, federal regulation, the Energy Policy Act of 2005, environmental risks, and litigation risks. Following are updates to the discussion in the Form 10-K.

Federal Regulation

See "System Agreement Proceedings", "Independent Coordinator of Transmission", and "Available Flowgate Capacity Proceeding" in the "**Significant Factors and Known Trends**" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for updates to the discussion in the Form 10-K.

Critical Accounting Estimates

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

New Accounting Pronouncements

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

87

ENTERGY NEW ORLEANS, INC.
(DEBTOR-IN-POSSESSION)
INCOME STATEMENTS
For the Three Months Ended March 31, 2007 and 2006

(Unaudited)

	2007	2006
	(In Thousands)	
OPERATING REVENUES		
Electric	$121,619	$99,249
Natural gas	47,023	37,012
TOTAL	168,642	136,261
OPERATING EXPENSES		
Operation and Maintenance:		
Fuel, fuel-related expenses, and gas purchased for resale	77,431	34,668
Purchased power	40,159	60,237
Other operation and maintenance	22,205	13,810
Taxes other than income taxes	9,774	8,600
Depreciation and amortization	8,123	7,464
Reorganization items	2,343	1,678
Other regulatory charges - net	1,033	1,043
TOTAL	161,068	127,500
OPERATING INCOME	7,574	8,761
OTHER INCOME		
Allowance for equity funds used during construction	1,191	1,079
Interest and dividend income	2,733	803
Miscellaneous - net	(179)	(152)
TOTAL	3,745	1,730
INTEREST AND OTHER CHARGES		
Interest on long-term debt	3,245	184
Other interest - net	4,309	2,141
Allowance for borrowed funds used during construction	(898)	(863)
TOTAL	6,656	1,462
INCOME BEFORE INCOME TAXES	4,663	9,029
Income taxes	1,513	3,386
NET INCOME	3,150	5,643
Preferred dividend requirements and other	241	-
EARNINGS APPLICABLE TO COMMON STOCK	$2,909	$5,643

See Notes to Financial Statements.

ENTERGY NEW ORLEANS, INC.
(DEBTOR-IN-POSSESSION)
STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2007 and 2006
(Unaudited)

	2007	2006
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	$3,150	$5,643
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Other regulatory charges - net	1,033	1,043
Depreciation and amortization	8,123	7,464
Deferred income taxes, investment tax credits, and non-current taxes accrued	15,615	70,879
Changes in working capital:		
Receivables	(6,626)	14,565
Fuel inventory	4,843	6,820
Accounts payable	15,069	(6,995)
Taxes accrued	7,123	-
Interest accrued	(1,377)	282
Deferred fuel costs	2,207	4,581
Other working capital accounts	(5,790)	(66,694)
Provision for estimated losses and reserves	421	-
Changes in other regulatory assets	(1,175)	7,308
Other	(25,425)	(14,167)
Net cash flow provided by operating activities	17,191	30,729
INVESTING ACTIVITIES		
Construction expenditures	(17,836)	(44,319)
Allowance for equity funds used during construction	1,191	1,079
Insurance proceeds	2,804	-
Proceeds from the sale of assets	10,046	-
Net cash flow used in investing activities	(3,795)	(43,240)
FINANCING ACTIVITIES		
Repayment of DIP credit facility	(9,908)	(10,000)
Dividends paid:		
Preferred stock	(92)	-
Net cash flow used in financing activities	(10,000)	(10,000)
Net increase (decrease) in cash and cash equivalents	3,396	(22,511)
Cash and cash equivalents at beginning of period	17,093	48,056
Cash and cash equivalents at end of period	$20,489	$25,545

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest - net of amount capitalized	$8,745	$1,859

See Notes to Financial Statements.

89

ENTERGY NEW ORLEANS, INC.
(DEBTOR-IN-POSSESSION)
BALANCE SHEETS
ASSETS
March 31, 2007 and December 31, 2006
(Unaudited)

	2007	**2006**
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents		
Cash	$661	$3,886
Temporary cash investments - at cost		
which approximates market	19,828	13,207
Total cash and cash equivalents	20,489	17,093
Accounts receivable:		
Customer	60,758	58,999
Allowance for doubtful accounts	(10,389)	(10,563)
Associated companies	23,607	17,797
Other	9,589	8,428
Accrued unbilled revenues	21,480	23,758
Total accounts receivable	105,045	98,419
Deferred fuel costs	16,789	18,996
Fuel inventory - at average cost	198	5,041
Materials and supplies - at average cost	7,612	7,825
Prepayments and other	10,904	5,641
TOTAL	161,037	153,015
OTHER PROPERTY AND INVESTMENTS		
Investment in affiliates - at equity	3,259	3,259
Non-utility property at cost (less accumulated depreciation)	1,016	1,107
TOTAL	4,275	4,366
UTILITY PLANT		

Electric	700,959	698,081
Natural gas	190,483	186,932
Construction work in progress	12,858	21,824
TOTAL UTILITY PLANT	904,300	906,837
Less - accumulated depreciation and amortization	455,464	446,673
UTILITY PLANT - NET	448,836	460,164
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
Other regulatory assets	300,824	295,440
Long term receivables	936	936
Other	9,464	7,230
TOTAL	311,224	303,606
TOTAL ASSETS	$925,372	$921,151

See Notes to Financial Statements.

90

ENTERGY NEW ORLEANS, INC.
(DEBTOR-IN-POSSESSION)
BALANCE SHEETS
LIABILITIES AND SHAREHOLDERS' EQUITY
March 31, 2007 and December 31, 2006
(Unaudited)

	2007	**2006**
	(In Thousands)	
CURRENT LIABILITIES		
DIP credit facility	$42,026	$51,934
Accounts payable:		
Associated companies	97,771	94,686
Other	76,245	76,831
Customer deposits	16,139	14,808
Taxes accrued	9,209	2,086
Accumulated deferred income taxes	2,005	2,924
Interest accrued	16,627	18,004
Other	4,232	6,154
TOTAL CURRENT LIABILITIES	264,254	267,427
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	95,003	98,884
Accumulated deferred investment tax credits	3,067	3,157
SFAS 109 regulatory liability - net	71,740	71,870
Other regulatory liabilities	9,522	-

Retirement cost liability	2,635	2,591
Accumulated provisions	8,806	8,385
Pension and other postretirement liabilities	59,125	60,033
Long-term debt	229,879	229,875
Other	4,664	5,161
TOTAL NON-CURRENT LIABILITIES	484,441	479,956
Commitments and Contingencies		
SHAREHOLDERS' EQUITY		
Preferred stock without sinking fund	19,780	19,780
Common stock, $4 par value, authorized 10,000,000 shares; issued and outstanding 8,435,900 shares in 2007 and 2006	33,744	33,744
Paid-in capital	36,294	36,294
Retained earnings	86,859	83,950
TOTAL	176,677	173,768
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$925,372	$921,151

See Notes to Financial Statements.

91

ENTERGY NEW ORLEANS, INC.
(DEBTOR-IN-POSSESSION)
SELECTED OPERATING RESULTS
For the Three Months Ended March 31, 2007 and 2006
(Unaudited)

Description	2007	2006	Increase/ (Decrease)	%
	(Dollars In Millions)			
Electric Operating Revenues:				
Residential	$25	$17	$8	47
Commercial	38	35	3	9
Industrial	10	8	2	25
Governmental	15	10	5	50
Total retail	88	70	18	26
Sales for resale				
Associated companies	34	7	27	386
Non-associated companies	-	27	(27)	(100)
Other	-	(5)	5	100

Total	$122	$99	$23	23
Billed Electric Energy Sales (GWh):				
Residential	234	138	96	70
Commercial	395	360	35	10
Industrial	137	102	35	34
Governmental	164	106	58	55
Total retail	930	706	224	32
Sales for resale				
Associated companies	350	120	230	192
Non-associated companies	2	407	(405)	(100)
Total	1,282	1,233	49	4

92

SYSTEM ENERGY RESOURCES, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Results of Operations

System Energy's principal asset consists of a 90% ownership and leasehold interest in Grand Gulf. The capacity and energy from its 90% interest is sold under the Unit Power Sales Agreement to its only four customers, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans. System Energy's operating revenues are derived from the allocation of the capacity, energy, and related costs associated with its 90% interest in Grand Gulf pursuant to the Unit Power Sales Agreement. Payments under the Unit Power Sales Agreement are System Energy's only source of operating revenues. Net income decreased by $3.5 million for the first quarter of 2007 compared to the first quarter of 2006. The decrease is primarily due to a decrease in rate base in the first quarter of 2007 compared to the same period in 2006 resulting in lower operating income.

Liquidity and Capital Resources

Cash Flow

Cash flows for the first quarters of 2007 and 2006 were as follows:

	2007	2006
	(In Thousands)	
Cash and cash equivalents at beginning of period	$135,012	$75,704
Cash flow provided by (used in):		
Operating activities	59,420	59,065
Investing activities	(31,754)	107,623
Financing activities	(45,835)	(57,089)
Net increase (decrease) in cash and cash equivalents	(18,169)	109,599

Cash and cash equivalents at end of period	$116,843	$185,303

Investing Activities

Investing activities used $31.8 million in cash flow for the first quarter of 2007 compared to providing $107.6 million for the first quarter of 2006 primarily due to money pool activity.

Financing Activities

The decrease of $11.3 million in net cash used in financing activities for the first quarter of 2007 compared to the first quarter of 2006 was primarily due to a decrease of $11.6 million in common stock dividends.

93

Capital Structure

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

	March 31, 2007	December 31, 2006
Net debt to net capital	47.7%	46.4%
Effect of subtracting cash from debt	3.5%	4.2%
Debt to capital	51.2%	50.6%

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

Uses and Sources of Capital

See "**MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources**" in the Form 10-K for a discussion of System Energy's uses and sources of capital. The following is an update to the Form 10-K.

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

March 31, 2007	December 31, 2006	March 31, 2006	December 31, 2005
(In Thousands)			
$99,031	$88,231	$155,495	$277,287

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

Significant Factors and Known Trends

See "**MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Significant Factors and Known Trends**" in the Form 10-K for a discussion of the Energy Policy Act of 2005, nuclear matters, litigation risks, and environmental risks.

Critical Accounting Estimates

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

New Accounting Pronouncements

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

SYSTEM ENERGY RESOURCES, INC.
INCOME STATEMENTS
For the Three Months Ended March 31, 2007 and 2006
(Unaudited)

	2007	2006
	(In Thousands)	
OPERATING REVENUES		
Electric	$126,157	$131,654
OPERATING EXPENSES		
Operation and Maintenance:		
Fuel, fuel-related expenses, and gas purchased for resale	8,388	11,213
Nuclear refueling outage expenses	4,535	3,573
Other operation and maintenance	24,237	23,252
Decommissioning	6,255	5,819
Taxes other than income taxes	8,411	6,189
Depreciation and amortization	25,962	25,677
Other regulatory credits - net	(1,960)	(1,980)
TOTAL	75,828	73,743
OPERATING INCOME	50,329	57,911
OTHER INCOME		
Allowance for equity funds used during construction	416	683
Interest and dividend income	5,815	5,629
Miscellaneous - net	(79)	(107)
TOTAL	6,152	6,205
INTEREST AND OTHER CHARGES		
Interest on long-term debt	12,353	12,533

Other interest - net	16	28
Allowance for borrowed funds used during construction	(135)	(215)
TOTAL	12,234	12,346
INCOME BEFORE INCOME TAXES	44,247	51,770
Income taxes	16,950	21,022
NET INCOME	$27,297	$30,748

See Notes to Financial Statements.

95

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96

SYSTEM ENERGY RESOURCES, INC.
STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2007 and 2006
(Unaudited)

	2007	**2006**
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	$27,297	$30,748
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Other regulatory credits - net	(1,960)	(1,980)

Depreciation, amortization, and decommissioning	32,217	31,496
Deferred income taxes, investment tax credits and non-current taxes accrued	57,248	25,174
Changes in working capital:		
Receivables	969	8,979
Accounts payable	17,411	1,039
Taxes accrued	(47,988)	(18,964)
Interest accrued	(31,678)	(30,412)
Other working capital accounts	(17,321)	(2,097)
Changes in other regulatory assets	721	(4,392)
Other	22,504	19,474
Net cash flow provided by operating activities	59,420	59,065
INVESTING ACTIVITIES		
Construction expenditures	(14,275)	(8,122)
Allowance for equity funds used during construction	416	683
Nuclear fuel purchases	(56,279)	(370)
Proceeds from sale/leaseback of nuclear fuel	56,370	370
Proceeds from nuclear decommissioning trust fund sales	27,337	27,489
Investment in nuclear decommissioning trust funds	(34,523)	(34,219)
Change in money pool receivable - net	(10,800)	121,792
Net cash flow provided by (used in) investing activities	(31,754)	107,623
FINANCING ACTIVITIES		
Retirement of long-term debt	(23,335)	(22,989)
Dividends paid:		
Common stock	(22,500)	(34,100)
Net cash flow used in financing activities	(45,835)	(57,089)
Net increase (decrease) in cash and cash equivalents	(18,169)	109,599
Cash and cash equivalents at beginning of period	135,012	75,704
Cash and cash equivalents at end of period	$116,843	$185,303
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest - net of amount capitalized	$42,592	$41,520

See Notes to Financial Statements.

SYSTEM ENERGY RESOURCES, INC.
BALANCE SHEETS
ASSETS
March 31, 2007 and December 31, 2006
(Unaudited)

	2007	2006
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	$143	$56
Temporary cash investments - at cost, which approximates market	116,700	134,956
Total cash and cash equivalents	116,843	135,012
Accounts receivable:		
Associated companies	142,349	142,121
Other	12,904	3,301
Total accounts receivable	155,253	145,422
Materials and supplies - at average cost	60,846	61,097
Deferred nuclear refueling outage costs	13,166	5,060
Prepayments and other	10,946	1,480
TOTAL	357,054	348,071
OTHER PROPERTY AND INVESTMENTS		
Decommissioning trust funds	289,801	281,430
UTILITY PLANT		
Electric	3,245,500	3,248,582
Property under capital lease	471,933	471,933
Construction work in progress	49,481	38,088
Nuclear fuel under capital lease	104,645	55,280
Nuclear fuel	10,222	10,222
TOTAL UTILITY PLANT	3,881,781	3,824,105
Less - accumulated depreciation and amortization	2,021,979	2,000,320
UTILITY PLANT - NET	1,859,802	1,823,785
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
SFAS 109 regulatory asset - net	88,288	92,600
Other regulatory assets	295,030	293,292
Other	13,396	14,062
TOTAL	396,714	399,954
TOTAL ASSETS	$2,903,371	$2,853,240

See Notes to Financial Statements.

SYSTEM ENERGY RESOURCES, INC.
BALANCE SHEETS
LIABILITIES AND SHAREHOLDER'S EQUITY
March 31, 2007 and December 31, 2006
(Unaudited)

	2007	**2006**
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	$96,701	$93,335
Accounts payable:		
Associated companies	4,966	1,634
Other	40,715	26,636
Taxes accrued	-	47,988
Accumulated deferred income taxes	4,945	1,828
Interest accrued	14,457	46,135
Obligations under capital leases	33,142	33,142
TOTAL	194,926	250,698
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	353,318	304,691
Accumulated deferred investment tax credits	67,791	68,660
Obligations under capital leases	71,503	22,138
Other regulatory liabilities	266,158	242,029
Decommissioning	349,101	342,846
Accumulated provisions	2,422	2,422
Pension and other postretirement liabilities	32,735	32,060
Long-term debt	703,234	729,914
Other	-	396
TOTAL	1,846,262	1,745,156
Commitments and Contingencies		
SHAREHOLDER'S EQUITY		
Common stock, no par value, authorized 1,000,000 shares; issued and outstanding 789,350 shares in 2007 and 2006	789,350	789,350
Retained earnings	72,833	68,036
TOTAL	862,183	857,386
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	$2,903,371	$2,853,240

See Notes to Financial Statements.

99

ENTERGY CORPORATION AND SUBSIDIARIES

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

See "**PART I, Item 1, Litigation**" in the Form 10-K for a discussion of legal, administrative, and other regulatory proceedings affecting Entergy.

Item 1A. Risk Factors

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

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

Issuer Purchases of Equity Securities (1)

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of a Publicly Announced Plan	Maximum $ Amount of Shares that May Yet be Purchased Under a Plan (2)
1/01/2007-1/31/2007	55,000	$92.07	55,000	$1,500,000,000
2/01/2007-2/28/2007	4,907,042	$98.39	4,907,042	$1,027,316,661
3/01/2007-3/31/2007	710,000	$98.92	710,000	$999,999,949
Total	5,672,042	$98.39	5,672,042	

(1) In accordance with Entergy's stock-based compensation plans, Entergy periodically grants stock options to key employees, which may be exercised to obtain shares of Entergy's common stock. According to the plans, these shares can be newly issued shares, treasury stock, or shares purchased on the open market. Entergy's management has been authorized by the Board to repurchase on the open market shares up to an amount sufficient to fund the exercise of grants under the plans. In addition to this authority, on January 29, 2007, the Board approved a repurchase program under which Entergy is authorized to repurchase up to $1.5 billion of its common stock. The program does not have an expiration date, but Entergy expects to complete it over the next two years. See Note 12 to the financial statements in the Form 10-K for additional discussion of the stock-based compensation plans.

(2) Maximum amount of shares that may yet be repurchased relates only to the $1.5 billion plan and does not include an estimate of the amount of shares that may be purchased to fund the exercise of grants under the stock-based compensation plans.

Item 5. Other Information

Other Generation Resources

On April 5, 2007 the FERC issued an Opinion and Order on Rehearing and Clarification (Opinion) in the proceeding involving Entergy Louisiana and Entergy New Orleans' three long-term contracts to procure power from affiliates that are discussed in Part 1, Item 1 of the Form 10-K. In its Opinion, the FERC rejects the Utility operating companies and the LPSC's request to allow Entergy New Orleans and Entergy Louisiana to purchase the Independence plant capacity and energy for a term extending for the life-of-the-unit, as originally proposed, as opposed to the ten-year term ordered by the FERC in its initial opinion. The Opinion also clarifies that while the Utility operating companies' use of bid information obtained from the 2002 request for proposal to develop the Entergy Arkansas base load purchase power agreements was improper, the record does not establish that the communications constituted a violation of the Utility operating companies' code of conduct. The Opinion further

100

clarified that the retained share of Grand Gulf that is purchased by Entergy Louisiana and Entergy New Orleans from Entergy Arkansas should be priced at cost, and not at the below-cost price of $46/MWh specified in the original opinion. Additionally, the Opinion rejects: (1) the LPSC's argument that one-month capacity sales by Entergy Arkansas to third parties triggered a right-of-first refusal on behalf of the other Utility operating companies related to Entergy Arkansas' base load capacity; and (2) the LPSC's argument that Entergy Gulf States was entitled to a portion of the River Bend purchased power agreement (rather than just Entergy Louisiana and Entergy New Orleans) and the LPSC's jurisdictional arguments related thereto.

Environmental Regulation and Proceedings

Clean Air Act and Subsequent Amendments

New Source Review (NSR)

In April 2007 the U.S. Supreme Court ruled that the applicability of Clean Air Act NSR requirements are not limited only to modifications that create an increase in hourly emission rates, but also can apply to modifications that create an increase in annual emission rates (*Environmental Defense v. Duke Energy*). This holding reversed a Fourth Circuit Court of Appeals decision limiting the applicability of NSR. This Supreme Court decision may result in a renewed effort by the EPA to bring enforcement actions against electric generating units for major non-permitted facility modifications. As discussed in the Form 10-K, Entergy has an established process for identifying modifications requiring additional Clean Air Act permitting approval and has not been the subject of EPA or state enforcement action regarding NSR.

Future Legislative and Regulatory Developments

In April 2007 the U.S. Supreme Court held that the EPA is authorized by the current provisions of the Clean Air Act to regulate emissions of CO_2 and other "greenhouse gases" as "pollutants" (*Massachusetts v. EPA*) and that the EPA is required to regulate these emissions from motor vehicles if the emissions are anticipated to endanger public health or welfare. The Supreme Court directed the EPA to make further findings in this regard. The decision is expected to affect a similar case pending in the U.S. Court of Appeals for the D.C. Circuit (*Coke Oven Environmental Task Force v. EPA*) considering the same question under a similar Clean Air Act provision in the context of CO_2 emissions from electric generating units. Although Entergy cannot predict how the D.C. Circuit or the EPA will react to the Supreme Court decision, one outcome could be a decision to regulate, under the Clean Air Act, emissions of CO_2 and other "greenhouse gases" from motor vehicles or from power plants. Entergy is participating as a friend of the court in both of these cases in support of reasonable market-based regulation of CO_2 as a pollutant under the Clean Air Act.

Bankruptcy of Entergy New Orleans - Order Confirming Plan of Reorganization

On May 7, 2007, Judge Jerry Brown of the United States Bankruptcy Court for the Eastern District of Louisiana entered an order confirming Entergy New Orleans' plan of reorganization under the provisions of Chapter 11 of the United States Bankruptcy Code (Case No. 05-17697). For a summary of the material features of the plan of reorganization, see "**Bankruptcy Proceedings**" in Entergy New Orleans' Management's Financial Discussion and Analysis in this report on Form 10-Q. No shares or other units of Entergy Corporation or Entergy New Orleans are reserved for future issuance in respect of claims and interests filed and allowed under the plan. Information regarding the assets and liabilities of Entergy New Orleans can be found in its financial statements and the notes thereto contained in the report on Form 10-Q. A copy of the plan of reorganization as confirmed is included as Exhibit 2(a) to this report on Form 10-Q.

101

Entergy Corporation Revolving Credit Facilities

As more fully-described in its report on Form 8-K filed on June 1, 2005 and in Note 4 to the financial statements in this report, Entergy Corporation has two revolving credit facilities available to it. Entergy Corporation from time to time has borrowed under the facilities and has also from time to time issued letters of credit against the borrowing capacity of the facilities. Following is a summary of the borrowings outstanding and capacity available under these facilities as of May 8, 2007:

Facility	Capacity	Borrowings	Letters of Credit	Capacity Available
		(In Millions)		
5-Year Facility	$2,000	$895	$79	$1,026
3-Year Facility	$1,500	$1,030	$-	$470

Amendment to Entergy New Orleans Articles of Incorporation and By-Laws

Effective May 8, 2007, pursuant to the terms of its plan of reorganization, Entergy New Orleans amended its articles of incorporation and its by-laws. The amendments:

- Remove the unsecured debt provision that was provided in Article Fifth, paragraph 7(b), and Article Fifth, II, paragraph (D)(2) that required, under certain circumstances, the preferred shareholders of Entergy New Orleans to consent to the issuance or assumption of unsecured notes, debentures or other securities representing unsecured indebtedness.
- Prohibit the issuance of nonvoting equity securities to the extent required by section 1123(a) of the United States Bankruptcy Code.
- Provide for common stock dividend restrictions for a period of up to three years.
- Specify that the foregoing common stock dividend restriction is not for the benefit of, and does not affect the rights of, the preferred shareholders for any purpose.

The Amended and Restated Articles of Incorporation of Entergy New Orleans, Inc. are included as Exhibit 3(a) and the Amended By-Laws of Entergy New Orleans, Inc. are included as Exhibit 3(b) to this report on Form 10-Q.

102

Earnings Ratios

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

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

	Ratios of Earnings to Fixed Charges Twelve Months Ended December 31,					March 31,
	2002	2003	2004	2005	2006	2007
Entergy Arkansas	2.79	3.17	3.37	3.75	3.37	3.30
Entergy Gulf States	2.49	1.51	3.04	3.34	3.01	2.85
Entergy Louisiana	3.14	3.93	3.60	3.50	3.23	3.26
Entergy Mississippi	2.48	3.06	3.41	3.16	2.54	2.68
Entergy New Orleans	(a)	1.73	3.60	1.22	1.52	1.24
System Energy	3.25	3.66	3.95	3.85	4.05	3.94

	Ratios of Earnings to Combined Fixed Charges and Preferred Dividends/Distributions Twelve Months Ended December 31,					March 31,
	2002	2003	2004	2005	2006	2007
Entergy Arkansas	2.53	2.79	2.98	3.34	3.06	3.01
Entergy Gulf States	2.40	1.45	2.90	3.18	2.90	2.74
Entergy Louisiana	-	-	-	-	2.90	2.94
Entergy Mississippi	2.27	2.77	3.07	2.83	2.34	2.45
Entergy New Orleans	(a)	1.59	3.31	1.12	1.35	1.11

(a) Earnings for the twelve months ended December 31, 2002, for Entergy New Orleans were not adequate to cover fixed charges and combined fixed charges and preferred dividends by $0.7 million and $3.4 million, respectively.

Item 6. Exhibits *

2(a) -	Chapter 11 Plan of Reorganization of Entergy New Orleans, Inc., as modified, dated May 2, 2007, confirmed by bankruptcy court order dated May 7, 2007.
3(a) -	Amended and Restated Articles of Incorporation of Entergy New Orleans, Inc., as amended May 8, 2007.

3(b) -	Amended By-Laws of Entergy New Orleans, Inc., as amended May 8, 2007.
12(a) -	Entergy Arkansas' Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Dividends, as defined.
12(b) -	Entergy Gulf States' Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Dividends, as defined.
12(c) -	Entergy Louisiana's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Distributions, as defined.

12(d) -	Entergy Mississippi's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Dividends, as defined.
12(e) -	Entergy New Orleans' Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Dividends, as defined.
12(f) -	System Energy's Computation of Ratios of Earnings to Fixed Charges, as defined.
31(a) -	Rule 13a-14(a)/15d-14(a) Certification for Entergy Corporation.
31(b) -	Rule 13a-14(a)/15d-14(a) Certification for Entergy Corporation.
31(c) -	Rule 13a-14(a)/15d-14(a) Certification for Entergy Arkansas.
31(d) -	Rule 13a-14(a)/15d-14(a) Certification for Entergy Arkansas.
31(e) -	Rule 13a-14(a)/15d-14(a) Certification for Entergy Gulf States.
31(f) -	Rule 13a-14(a)/15d-14(a) Certification for Entergy Gulf States.

31(g) -	Rule 13a-14(a)/15d-14(a) Certification for Entergy Gulf States.
31(h) -	Rule 13a-14(a)/15d-14(a) Certification for Entergy Louisiana.
31(i) -	Rule 13a-14(a)/15d-14(a) Certification for Entergy Louisiana.
31(j) -	Rule 13a-14(a)/15d-14(a) Certification for Entergy Mississippi.
31(k) -	Rule 13a-14(a)/15d-14(a) Certification for Entergy Mississippi.
31(l) -	Rule 13a-14(a)/15d-14(a) Certification for Entergy New Orleans.
31(m) -	Rule 13a-14(a)/15d-14(a) Certification for Entergy New Orleans.
31(n) -	Rule 13a-14(a)/15d-14(a) Certification for System Energy.
31(o) -	Rule 13a-14(a)/15d-14(a) Certification for System Energy.
32(a) -	Section 1350 Certification for Entergy Corporation.
32(b) -	Section 1350 Certification for Entergy Corporation.
32(c) -	Section 1350 Certification for Entergy Arkansas.
32(d) -	Section 1350 Certification for Entergy Arkansas.
32(e) -	Section 1350 Certification for Entergy Gulf States.
32(f) -	Section 1350 Certification for Entergy Gulf States.
32(g) -	Section 1350 Certification for Entergy Gulf States.
32(h) -	Section 1350 Certification for Entergy Louisiana.
32(i) -	Section 1350 Certification for Entergy Louisiana.

32(j) -	Section 1350 Certification for Entergy Mississippi.
32(k) -	Section 1350 Certification for Entergy Mississippi.
32(l) -	Section 1350 Certification for Entergy New Orleans.
32(m) -	Section 1350 Certification for Entergy New Orleans.
32(n) -	Section 1350 Certification for System Energy.
32(o) -	Section 1350 Certification for System Energy.

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

* Reference is made to a duplicate list of exhibits being filed as a part of this report on Form 10-Q for the quarter ended March 31, 2007, which list, prepared in accordance with Item 102 of Regulation S-T of the SEC, immediately precedes the exhibits being filed with this report on Form 10-Q for the quarter ended March 31, 2007.

** Incorporated herein by reference as indicated.

105

SIGNATURE

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

ENTERGY CORPORATION
ENTERGY ARKANSAS, INC.
ENTERGY GULF STATES, INC.
ENTERGY LOUISIANA, LLC
ENTERGY MISSISSIPPI, INC.
ENTERGY NEW ORLEANS, INC.
SYSTEM ENERGY RESOURCES, INC.

/s/ Nathan E. Langston

Nathan E. Langston
Senior Vice President and Chief Accounting Officer
(For each Registrant and for each as
Principal Accounting Officer)

Date: May 9, 2007