HEICO CORP
Form 8-K
December 14, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) **December 11, 2009**

HEICO Corporation

(Exact name of registrant as specified in its charter)

Florida	**1-4604**	**65-0341002**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

3000 Taft Street, Hollywood, Florida	**33021**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(954) 987-4000**

____
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

Effective December 11, 2009, the Board of Directors of the Company appointed Mitchell I. Quain to serve as a director of the Company. In addition, Mr. Quain was appointed a member of the Finance/Audit Committee. There were no arrangements or understandings pursuant to which Mr. Quain was appointed as a director, and there are no related party transactions between the Company and Mr. Quain reportable under Item 404(a) of Regulation S-K.

Mr. Quain, 58, is a Managing Director of ACI Capital, LLC, a private equity firm, and Chairman of the Board of Directors of MagneTek, Inc. (NYSE: MAG), a manufacturer of digital power and motion control systems. Mr. Quain also serves on the board of directors of Hardinge, Inc. (NASDAQ: HDNG) and Titan International, Inc. (NYSE: TWI) Mr. Quain started his career on Wall Street as a securities analyst covering industrial manufacturing companies at Wertheim & Company, where he was later named Partner. Following Wertheim's acquisition by Schroders PLC, Mr. Quain joined Furman Selz as Executive Vice President and a member of the board of directors. Furman Selz was later acquired by ABN AMRO, where Mr. Quain became Vice Chairman, Investment Banking. Mr. Quain was named by Institutional Investor magazine to their All American research team for 15 years until he retired from "research" in 1995. He left investment banking in 2001 to focus on his private equity and public company board endeavors. He also served as Chairman of the Board of Register.com and as a member of the board of DeCrane Aircraft Holdings, Inc., both of which were then publicly held.

A copy of the Company's press release announcing the appointment of Mr. Quain to the Board of Directors is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

99.1 Press Release of the Company, dated December 14, 2009.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

	HEICO Corporation
	(Registrant)
December 14, 2009	**/s/ THOMAS S. IRWIN**
(Date)	Thomas S. Irwin *Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)*

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release of the Company, dated December 14, 2009.

yle="DISPLAY: inline; FONT-FAMILY: times new roman; FONT-SIZE: 10pt">
Equity securities

9.5

374.5

-

384.0

Debt securities

94.3

122.3

-

216.6

Securitization recovery trust account

4.4

-

-

4.4

Escrow accounts

38.0

-

-

38.0

$171.1

$496.8

$-

$667.9

75

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Entergy Gulf States Louisiana

2013	Level 1	Level 2	Level 3	Total
		(In Millions)		
Assets:				
Temporary cash investments	$0.6	$-	$-	$0.6
Decommissioning trust funds (a):				
Equity securities	5.6	341.6	-	347.2
Debt securities	53.3	137.1	-	190.4
Escrow accounts	21.5	-	-	21.5
	$81.0	$478.7	$-	$559.7
Liabilities:				
Gas hedge contracts	$1.3	$-	$-	$1.3

2012	Level 1	Level 2	Level 3	Total
		(In Millions)		
Assets:				
Temporary cash investments	$0.6	$-	$-	$0.6
Decommissioning trust funds (a):				
Equity securities	5.5	283.0	-	288.5
Debt securities	49.5	139.4	-	188.9
Escrow accounts	87.0	-	-	87.0
	$142.6	$422.4	$-	$565.0
Liabilities:				
Gas hedge contracts	$2.6	$-	$-	$2.6

Entergy Louisiana

2013	Level 1	Level 2	Level 3	Total
		(In Millions)		
Assets:				
Temporary cash investments	$40.5	$-	$-	$40.5
Decommissioning trust funds (a):				
Equity securities	4.6	210.1	-	214.7

Debt securities	51.8	58.9	-	110.7
Securitization recovery trust account	10.5	-	-	10.5
	$107.4	$269.0	$-	$376.4
Liabilities:				
Gas hedge contracts	$1.4	$-	$-	$1.4

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2012	Level 1	Level 2	Level 3	Total
		(In Millions)		
Assets:				
Temporary cash investments	$29.3	$-	$-	$29.3
Decommissioning trust funds (a):				
Equity securities	2.0	173.5	-	175.5
Debt securities	52.6	59.3	-	111.9
Securitization recovery trust account	4.4	-	-	4.4
Escrow accounts	187.0	-	-	187.0
	$275.3	$232.8	$-	$508.1
Liabilities:				
Gas hedge contracts	$3.4	$-	$-	$3.4

Entergy Mississippi

2013	Level 1	Level 2	Level 3	Total
		(In Millions)		
Assets:				
Escrow accounts	$61.8	$-	$-	$61.8
Liabilities:				
Gas hedge contracts	$0.3	$-	$-	$0.3

2012	Level 1	Level 2	Level 3	Total
		(In Millions)		
Assets:				
Temporary cash investments	$52.4	$-	$-	$52.4
Escrow accounts	61.8	-	-	61.8
	$114.2	$-	$-	$114.2
Liabilities:				
Gas hedge contracts	$2.2	$-	$-	$2.2

Entergy New Orleans

2013	Level 1	Level 2	Level 3	Total

	(In Millions)			
Assets:				
Temporary cash investments	$14.4	$-	$-	$14.4
Escrow accounts	8.7	-	-	8.7
	$23.1	$-	$-	$23.1
Liabilities:				
Gas hedge contracts	$0.2	$-	$-	$0.2

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2012	Level 1	Level 2	Level 3	Total
		(In Millions)		
Assets:				
Temporary cash investments	$9.1	$-	$-	$9.1
Escrow accounts	10.6	-	-	10.6
	$19.7	$-	$-	$19.7

Entergy Texas

2013	Level 1	Level 2	Level 3	Total
		(In Millions)		
Assets:				
Temporary cash investments	$19.7	$-	$-	$19.7
Securitization recovery trust account	31.4	-	-	31.4
	$51.1	$-	$-	$51.1

2012	Level 1	Level 2	Level 3	Total
		(In Millions)		
Assets:				
Temporary cash investments	$59.7	$-	$-	$59.7
Securitization recovery trust account	37.3	-	-	37.3
	$97.0	$-	$-	$97.0

System Energy

2013	Level 1	Level 2	Level 3	Total
		(In Millions)		
Assets:				
Temporary cash investment	$3.1	$-	$-	$3.1
Decommissioning trust funds (a):				
Equity securities	1.0	342.8	-	343.8
Debt securities	151.6	68.0	-	219.6
	$155.7	$410.8	$-	$566.5

2012	Level 1	Level 2	Level 3	Total
		(In Millions)		
Assets:				
Temporary cash investments	$83.5	$-	$-	$83.5
Decommissioning trust funds (a):				
Equity securities	1.6	282.0	-	283.6
Debt securities	141.1	65.9	-	207.0
	$226.2	$347.9	$-	$574.1

(a) The decommissioning trust funds hold equity and fixed income securities. Equity securities are invested to approximate the returns of major market indices. Fixed income securities are held in various governmental and corporate securities. See Note 9 for additional information on the investment portfolios.

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

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

Entergy records decommissioning trust funds on the balance sheet at their fair value. Because of the ability of the Registrant Subsidiaries to recover decommissioning costs in rates and in accordance with the regulatory treatment for decommissioning trust funds, the Registrant Subsidiaries have recorded an offsetting amount of unrealized gains/(losses) on investment securities in other regulatory liabilities/assets. For the nonregulated portion of River Bend, Entergy Gulf States Louisiana has recorded an offsetting amount of unrealized gains/(losses) in other deferred credits. Decommissioning trust funds for Pilgrim, Indian Point 1 and 2, Vermont Yankee, and Palisades do not meet the criteria for regulatory accounting treatment. Accordingly, unrealized gains recorded on the assets in these trust funds are recognized in the accumulated other comprehensive income component of shareholders' equity because these assets are classified as available for sale. Unrealized losses (where cost exceeds fair market value) on the assets in these trust funds are also recorded in the accumulated other comprehensive income component of shareholders' equity unless the unrealized loss is other than temporary and therefore recorded in earnings. Generally, Entergy records realized gains and losses on its debt and equity securities using the specific identification method to determine the cost basis of its securities.

The securities held as of September 30, 2013 and December 31, 2012 are summarized as follows:

	Fair Value	Total Unrealized Gains (In Millions)	Total Unrealized Losses
2013			
Equity Securities	$2,888	$1,067	$1
Debt Securities	1,740	59	24
Total	$4,628	$1,126	$25

	Fair Value	Total Unrealized Gains (In Millions)	Total Unrealized Losses
2012			
Equity Securities	$2,459	$662	$1
	1,731	116	5

Debt Securities			
Total	$4,190	$778	$6

Deferred taxes on unrealized gains/(losses) are recorded in other comprehensive income for the decommissioning trusts which do not meet the criteria for regulatory accounting treatment as described above. Unrealized gains/(losses) above are reported before deferred taxes of $276 million and $211 million as of September 30, 2013 and December 31, 2012, respectively. The amortized cost of debt securities was $1,709 million as of September 30, 2013 and $1,637 million as of December 31, 2012. As of September 30, 2013, the debt securities have an average coupon rate of approximately 3.54%, an average duration of approximately 5.13 years, and an average maturity of approximately 7.68 years. The equity securities are generally held in funds that are designed to approximate or somewhat exceed the return of the Standard & Poor's 500 Index. A relatively small percentage of the securities are held in funds intended to replicate the return of the Wilshire 4500 Index or the Russell 3000 Index.

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The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of September 30, 2013:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	$19	$1	$589	$21
More than 12 months	-	-	39	3
Total	$19	$1	$628	$24

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of December 31, 2012:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	$37	$1	$175	$1
More than 12 months	20	-	48	4
Total	$57	$1	$223	$5

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

The fair value of debt securities, summarized by contractual maturities, as of September 30, 2013 and December 31, 2012 are as follows:

	2013	2012
	(In Millions)	
less than 1 year	$109	$53
1 year - 5 years	679	681
5 years - 10 years	574	562

10 years - 15 years	145	164
15 years - 20 years	59	61
20 years+	174	210
Total	$1,740	$1,731

During the three months ended September 30, 2013 and 2012, proceeds from the dispositions of securities amounted to $284 million and $472 million, respectively. During the three months ended September 30, 2013 and 2012, gross gains of $3 million and $8 million, respectively, and gross losses of $4 million and $0.2 million, respectively, were reclassified out of other comprehensive income or other regulatory liabilities/assets into earnings.

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During the nine months ended September 30, 2013 and 2012, proceeds from the dispositions of securities amounted to $1,064 million and $1,417 million, respectively. During the nine months ended September 30, 2013 and 2012, gross gains of $25 million and $32 million, respectively, and gross losses of $7 million and $5 million, respectively, were reclassified out of other comprehensive income or other regulatory liabilities/assets into earnings.

Entergy Arkansas

Entergy Arkansas holds debt and equity securities, classified as available-for-sale, in nuclear decommissioning trust accounts. The securities held as of September 30, 2013 and December 31, 2012 are summarized as follows:

	Fair Value	Total Unrealized Gains (In Millions)	Total Unrealized Losses
2013			
Equity Securities	$430.8	$181.7	$-
Debt Securities	239.0	6.3	4.1
Total	$669.8	$188.0	$4.1
2012			
Equity Securities	$384.0	$116.1	$-
Debt Securities	216.6	14.5	0.2
Total	$600.6	$130.6	$0.2

The amortized cost of debt securities was $240 million as of September 30, 2013 and $202.3 million as of December 31, 2012. As of September 30, 2013, the debt securities have an average coupon rate of approximately 2.83%, an average duration of approximately 5.30 years, and an average maturity of approximately 6.03 years. The equity securities are generally held in funds that are designed to approximate the return of the Standard & Poor's 500 Index. A relatively small percentage of the securities are held in funds intended to replicate the return of the Wilshire 4500 Index.

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of September 30, 2013:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
		(In Millions)		
	$0.1	$-	$123.7	$3.9

Less than 12 months				
More than 12 months	-	-	3.3	0.2
Total	$0.1	$-	$127.0	$4.1

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of December 31, 2012:

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	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	$0.2	$-	$24.4	$0.2
More than 12 months	-	-	1.0	-
Total	$0.2	$-	$25.4	$0.2

The fair value of debt securities, summarized by contractual maturities, as of September 30, 2013 and December 31, 2012 are as follows:

	2013	2012
	(In Millions)	
less than 1 year	$8.2	$8.8
1 year - 5 years	100.5	98.6
5 years - 10 years	122.3	93.1
10 years - 15 years	3.3	5.1
15 years - 20 years	0.9	-
20 years+	3.8	11.0
Total	$239.0	$216.6

During the three months ended September 30, 2013 and 2012, proceeds from the dispositions of securities amounted to $30.3 million and $15 million, respectively. During the three months ended September 30, 2013 and 2012, gross gains of $0.6 million and $0.1 million, respectively, and gross losses of $0.1 million and $0.01 million, respectively were reclassified out of other regulatory liabilities/assets into earnings.

During the nine months ended September 30, 2013 and 2012, proceeds from the dispositions of securities amounted to $173.4 million and $103.4 million, respectively. During the nine months ended September 30, 2013 and 2012, gross gains of $9.3 million and $2.8 million, respectively, and gross losses of $0.2 million and $0.05 million, respectively were reclassified out of other regulatory liabilities/assets into earnings.

Entergy Gulf States Louisiana

Entergy Gulf States Louisiana holds debt and equity securities, classified as available-for-sale, in nuclear decommissioning trust accounts. The securities held as of September 30, 2013 and December 31, 2012 are summarized as follows:

	Fair Value	Total Unrealized Gains	Total Unrealized Losses
		(In Millions)	
2013			
Equity Securities	$347.2	$118.0	$-
Debt Securities	190.4	8.7	2.6
Total	$537.6	$126.7	$2.6
2012			
Equity Securities	$288.5	$69.8	$-
Debt Securities	188.9	15.8	0.1
Total	$477.4	$85.6	$0.1

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The amortized cost of debt securities was $182.5 million as of September 30, 2013 and $174.1 million as of December 31, 2012. As of September 30, 2013, the debt securities have an average coupon rate of approximately 4.58%, an average duration of approximately 5.46 years, and an average maturity of approximately 8.10 years. The equity securities are generally held in funds that are designed to approximate the return of the Standard & Poor's 500 Index. A relatively small percentage of the securities are held in funds intended to replicate the return of the Wilshire 4500 Index.

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of September 30, 2013:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	$0.4	$-	$60.0	$2.6
More than 12 months	-	-	-	-
Total	$0.4	$-	$60.0	$2.6

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of December 31, 2012:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	$1.2	$-	$9.1	$0.1
More than 12 months	1.0	-	-	-
Total	$2.2	$-	$9.1	$0.1

The fair value of debt securities, summarized by contractual maturities, as of September 30, 2013 and December 31, 2012 are as follows:

2013	2012
(In Millions)	

less than 1 year	$8.0	$8.0
1 year - 5 years	41.7	43.5
5 years - 10 years	71.5	63.5
10 years - 15 years	52.8	55.8
15 years - 20 years	6.5	8.5
20 years+	9.9	9.6
Total	$190.4	$188.9

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During the three months ended September 30, 2013 and 2012, proceeds from the dispositions of securities amounted to $19.5 million and $35.9 million, respectively. During the three months ended September 30, 2013 and 2012, gross gains of $0.3 million and $3.9 million, respectively, and gross losses of $0.02 million and $0.7 thousand, respectively, were reclassified out of other regulatory liabilities/assets into earnings.

During the nine months ended September 30, 2013 and 2012, proceeds from the dispositions of securities amounted to $66.2 million and $96.7 million, respectively. During the nine months ended September 30, 2013 and 2012, gross gains of $6.6 million and $6.4 million, respectively, and gross losses of $0.03 million and $0.03 million, respectively, were reclassified out of other regulatory liabilities/assets into earnings.

Entergy Louisiana

Entergy Louisiana holds debt and equity securities, classified as available-for-sale, in nuclear decommissioning trust accounts. The securities held as of September 30, 2013 and December 31, 2012 are summarized as follows:

	Fair Value	Total Unrealized Gains	Total Unrealized Losses
		(In Millions)	
2013			
Equity Securities	$214.7	$82.5	$-
Debt Securities	110.7	5.6	1.5
Total	$325.4	$88.1	$1.5
2012			
Equity Securities	$175.5	$48.9	$0.1
Debt Securities	111.9	9.4	0.1
Total	$287.4	$58.3	$0.2

The amortized cost of debt securities was $106.8 million as of September 30, 2013 and $102.6 million as of December 31, 2012. As of September 30, 2013, the debt securities have an average coupon rate of approximately 3.42%, an average duration of approximately 4.91 years, and an average maturity of approximately 8.53 years. The equity securities are generally held in funds that are designed to approximate the return of the Standard & Poor's 500 Index. A relatively small percentage of the securities are held in funds intended to replicate the return of the Wilshire 4500 Index.

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of September 30, 2013:

	Equity Securities		Debt Securities	
		Gross		Gross

	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
		(In Millions)		
Less than 12 months	$0.1	$-	$29.0	$1.4
More than 12 months	-	-	0.6	0.1
Total	$0.1	$-	$29.6	$1.5

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The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of December 31, 2012:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	$0.7	$-	$3.4	$-
More than 12 months	5.6	0.1	0.5	0.1
Total	$6.3	$0.1	$3.9	$0.1

The fair value of debt securities, summarized by contractual maturities, as of September 30, 2013 and December 31, 2012 are as follows:

	2013	2012
	(In Millions)	
less than 1 year	$14.4	$1.9
1 year - 5 years	32.0	42.3
5 years - 10 years	35.6	24.9
10 years - 15 years	6.5	18.8
15 years - 20 years	4.5	1.7
20 years+	17.7	22.3
Total	$110.7	$111.9

During the three months ended September 30, 2013 and 2012, proceeds from the dispositions of securities amounted to $2.7 million and $9.5 million, respectively. During the three months ended September 30, 2013 and 2012, gross gains of $0.01 million and $0.1 million, respectively, and gross losses of $0.01 million and $0.5 thousand, respectively, were reclassified out of other regulatory liabilities/assets into earnings.

During the nine months ended September 30, 2013 and 2012, proceeds from the dispositions of securities amounted to $12.2 million and $19.8 million, respectively. During the nine months ended September 30, 2013 and 2012, gross gains of $0.06 million and $0.2 million, respectively, and gross losses of $0.03 million and $0.03 million, respectively, were reclassified out of other regulatory liabilities/assets into earnings.

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System Energy

System Energy holds debt and equity securities, classified as available-for-sale, in nuclear decommissioning trust accounts. The securities held as of September 30, 2013 and December 31, 2012 are summarized as follows:

	Fair Value	Total Unrealized Gains	Total Unrealized Losses
		(In Millions)	
2013			
Equity Securities	$343.8	$117.9	$-
Debt Securities	219.6	4.6	1.2
Total	$563.4	$122.5	$1.2
2012			
Equity Securities	$283.6	$63.6	$0.2
Debt Securities	207.0	9.3	0.1
Total	$490.6	$72.9	$0.3

The amortized cost of debt securities was $216.5 million as of September 30, 2013 and $197.8 million as of December 31, 2012. As of September 30, 2013, the debt securities have an average coupon rate of approximately 2.57%, an average duration of approximately 4.47 years, and an average maturity of approximately 5.97 years. The equity securities are generally held in funds that are designed to approximate the return of the Standard & Poor's 500 Index. A relatively small percentage of the securities are held in funds intended to replicate the return of the Wilshire 4500 Index.

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of September 30, 2013:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
		(In Millions)		
Less than 12 months	$0.2	$-	$52.9	$1.2
More than 12 months	-	-	-	-
Total	$0.2	$-	$52.9	$1.2

The fair value and gross unrealized losses of available-for-sale equity and debt securities, summarized by investment type and length of time that the securities have been in a continuous loss position, are as follows as of December 31, 2012:

	Equity Securities		Debt Securities	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	$1.4	$-	$15.5	$0.1
More than 12 months	13.0	0.2	-	-
Total	$14.4	$0.2	$15.5	$0.1

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The fair value of debt securities, summarized by contractual maturities, as of September 30, 2013 and December 31, 2012 are as follows:

	2013	2012
	(In Millions)	
less than 1 year	$10.4	$1.3
1 year - 5 years	132.4	128.7
5 years - 10 years	51.0	53.9
10 years - 15 years	6.3	2.3
15 years - 20 years	2.0	1.4
20 years+	17.5	19.4
Total	$219.6	$207.0

During the three months ended September 30, 2013 and 2012, proceeds from the dispositions of securities amounted to $53.4 million and $91.8 million, respectively. During the three months ended September 30, 2013 and 2012, gross gains of $0.1 million and $0.5 million, respectively, and gross losses of $0.8 million and $0.05 million, respectively, were reclassified out of other regulatory liabilities/assets into earnings.

During the nine months ended September 30, 2013 and 2012, proceeds from the dispositions of securities amounted to $144.6 million and $315.0 million, respectively. During the nine months ended September 30, 2013 and 2012, gross gains of $0.9 million and $3.5 million, respectively, and gross losses of $1.2 million and $0.2 million, respectively, were reclassified out of other regulatory liabilities/assets into earnings.

Other-than-temporary impairments and unrealized gains and losses

Entergy, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, and System Energy evaluate unrealized losses at the end of each period to determine whether an other-than-temporary impairment has occurred. The assessment of whether an investment in a debt security has suffered an other-than-temporary impairment is based on whether Entergy has the intent to sell or more likely than not will be required to sell the debt security before recovery of its amortized costs. Further, if Entergy does not expect to recover the entire amortized cost basis of the debt security, an other-than-temporary impairment is considered to have occurred and it is measured by the present value of cash flows expected to be collected less the amortized cost basis (credit loss). Entergy did not have any material other-than-temporary impairments relating to credit losses on debt securities for the three and nine months ended September 30, 2013 and 2012. The assessment of whether an investment in an equity security has suffered an other-than-temporary impairment continues to be based on a number of factors including, first, whether Entergy has the ability and intent to hold the investment to recover its value, the duration and severity of any losses, and, then, whether it is expected that the investment will recover its value within a reasonable period of time. Entergy's trusts are managed by third parties who operate in accordance with agreements that define investment guidelines and place restrictions on the purchases and sales of investments. Entergy did not record material charges to other income in the three and nine months ended September 30, 2013 and 2012, respectively, resulting from the recognition of the other-than-temporary impairment of certain equity securities held in its decommissioning trust funds.

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

See Income Tax Litigation, Income Tax Audits, and Other Tax Matters in Note 3 to the financial statements in the Form 10-K for a discussion of income tax proceedings, income tax audits, and other income tax matters involving Entergy. Following are updates to that disclosure.

In March 2013, Entergy Louisiana distributed to its parent, Entergy Louisiana Holdings, Inc., Louisiana income tax credits of $20.6 million which resulted in a decrease in Entergy Louisiana's member's equity account.

As discussed in the Form 10-K, oral argument in PPL's U.K. Windfall Tax case at the United States Supreme Court was heard in February 2013. On May 20, 2013, the Supreme Court issued a unanimous decision in PPL's favor, holding that the U.K. Windfall Tax is a creditable tax for U.S. federal income tax purposes. On May 28, 2013, the Supreme Court denied the petition for certiorari filed by the Commissioner of Internal Revenue in Entergy's U.K. Windfall Tax case, allowing the decision in Entergy's favor from the United States Court of Appeals for the Fifth Circuit to become final.

In the third quarter 2013, the IRS issued its Revenue Agent's Report (RAR) for the tax years 2008-2009. As a result of the issuance of this RAR, Entergy and the IRS resolved all of the 2008-2009 issues described in the Form 10-K except for the Applications for Change in Accounting Method (the 2009 CAM). Entergy disagrees with the IRS's disallowance of the 2009 CAM and filed a protest with the IRS Appeals Division on October 24, 2013. The issuance of the RAR by the IRS effectively settles all other issues which resulted in an adjustment to the provision for uncertain tax positions. Entergy also negotiated favorable interest settlements with state taxing authorities which allowed for an adjustment to the provision for uncertain tax positions.

Entergy also reduced a valuation allowance that had been provided on a state net operating loss carryover due to the prospective utilization of such loss carryover.

In September 2013 the IRS issued final regulations that provide guidance on the deductibility and capitalization of costs incurred associated with tangible property. Although Entergy continues to analyze these regulations, which contain numerous complex provisions, Entergy currently estimates that the effect of the regulations would result in a $348 million reduction of Entergy's repair and maintenance tax deduction, including decreases of $114 million for Entergy Arkansas, $34 million for Entergy Gulf States Louisiana, $22 million for Entergy Louisiana, $43 million for Entergy Mississippi, $137 million for Entergy Texas, and an increase of $2 million for Entergy New Orleans.

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

Construction Expenditures in Accounts Payable

Construction expenditures included in accounts payable at September 30, 2013 are $91.5 million for Entergy, $25.6 million for Entergy Arkansas, $17.7 million for Entergy Gulf States Louisiana, $12.4 million for Entergy Louisiana, $0.8 million for Entergy Mississippi, $1.4 million for Entergy New Orleans, $4.7 million for Entergy Texas, and $5.2 million for System Energy. Construction expenditures included in accounts payable at December 31, 2012 are $267 million for Entergy, $56.3 million for Entergy Arkansas, $9.7 million for Entergy Gulf States Louisiana, $110.4

million for Entergy Louisiana, $4.8 million for Entergy Mississippi, $1.9 million for Entergy New Orleans, $8.6 million for Entergy Texas, and $13.5 million for System Energy.

Impairment of Long-Lived Assets

See “Impairment of Long-Lived Assets” in Note 1 to the financial statements in the Form 10-K for a discussion of the periodic reviews that Entergy performs whenever events or changes in circumstances indicate that the recoverability of long-lived assets is uncertain. Following are updates to that discussion regarding the Vermont Yankee nuclear power plant.

First, as discussed in the Form 10-K, Entergy was seeking a Certificate of Public Good from the Vermont Public Service Board (VPSB) for operation of Vermont Yankee until March 2032. In June 2013 the VPSB completed hearings on that petition and established a schedule providing for proposals for decision and initial briefs to be filed in August 2013 and reply briefs to be filed in September 2013. After Entergy announced its plan to close Vermont Yankee in the fourth quarter of 2014, as discussed below, Entergy amended its Certificate of Public Good request to seek authorization to operate Vermont Yankee only through 2014. The VPSB thereafter postponed the date for reply briefs to be filed until October 2013 and invited comments on the reply briefs to be filed in November 2013. Second, as discussed in the Form 10-K, the New England Coalition in December 2012 filed a complaint in the Vermont Supreme Court seeking an order to shut down Vermont Yankee while its Certificate of Public Good application is pending, and Entergy moved to dismiss that complaint. On March 25, 2013, the Vermont Supreme Court granted Entergy’s motion and dismissed the complaint. Third, as discussed in the Form 10-K, Entergy appealed a January 2013 order of the VPSB that made ripe for appeal two earlier orders in which the VPSB had found that the state’s timely renewal law, 3 V.S.A. § 814(b), did not apply to certain conditions in the orders issued by the VPSB in 2002 and 2006 precluding Vermont Yankee’s operation after March 21, 2012. Briefing of this appeal has been completed. After Entergy announced its plan to close Vermont Yankee in 2014, the Vermont Supreme Court placed the appeal on waiting status until after the VPSB has ruled on Vermont Yankee’s pending petition for a Certificate of Public Good. Fourth, as discussed in the Form 10-K, in February 2013 the VPSB issued a notice allowing comments to be filed regarding Vermont Yankee’s petition for a Certificate of Public Good to install a diesel generator to enable it to comply with the NRC’s station blackout requirements. On June 6, 2013, the VPSB issued a Certificate of Public Good for the diesel generator. The generator was installed and put into service before the September 1, 2013 deadline for compliance with these NRC requirements. Fifth, on August 14, 2013, the U.S. Court of Appeals for the Second Circuit affirmed the January 2012 District Court decision that the Atomic Energy Act preempts Vermont’s laws requiring the Legislature’s authorization for Vermont Yankee to operate after March 21, 2012 and to store spent nuclear fuel from some operation and also affirmed the District Court’s permanent injunction prohibiting enforcement of these Vermont laws. The Second Circuit reversed the District Court’s decision that Vermont’s efforts to condition a CPG upon the existence of a below wholesale market power sales agreement violated the Dormant Commerce Clause of the U.S. Constitution, and affirmed the District Court’s decision that such efforts were not preempted by the Federal Power Act, on the ground that these claims were not yet ripe.

Impairments of Vermont Yankee

See the Form 10-K for a discussion of the impairment charge recorded for the Vermont Yankee plant in the first quarter 2012.

On August 27, 2013, Entergy announced its plan to close and decommission Vermont Yankee. Vermont Yankee is expected to cease power production in the fourth quarter 2014 after its current fuel cycle. This decision was approved by the Board in August 2013. The decision to shut down the plant was primarily due to sustained low natural gas and wholesale energy prices, the high cost structure of the plant, and lack of a market structure that adequately compensates merchant nuclear plants for their environmental and fuel diversity benefits in the region in which the plant operates.

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As a result of the decision to shut down the plant, Entergy recognized non-cash impairment and other related charges of $291.5 million ($183.7 million after-tax) during the third quarter 2013 to write down the carrying value of Vermont Yankee and related assets to their fair values. Entergy performed a fair value analysis based on the income approach, a discounted cash flow method, to determine the amount of impairment. The estimated fair value of the plant and related assets was $62 million, while the carrying value was $349 million. The carrying value of $349 million reflects the effect of a $58 million increase in Vermont Yankee's estimated decommissioning cost liability and the related asset retirement cost asset. The increase in the estimated decommissioning cost liability resulted from the change in expectation regarding the timing of decommissioning cash flows due to the decision to cease operations. The impairment and other related charges are recorded as a separate line item in Entergy's consolidated statements of income for the three and nine months ended September 30, 2013 and is included within the results of the Entergy Wholesale Commodities segment.

The estimate of fair value was based on the price that Entergy would expect to receive in a hypothetical sale of the Vermont Yankee plant and related assets to a market participant. In order to determine this price, Entergy used significant observable inputs, including quoted forward power and gas prices, where available. Significant unobservable inputs, such as projected long-term pre-tax operating margins (cash basis), and estimated weighted average costs of capital were also used in the estimation of fair value. In addition, Entergy made certain assumptions regarding future tax deductions associated with the plant and related assets. Based on the use of significant unobservable inputs, the fair value measurement for the entirety of the asset group, and for each type of asset within the asset group, is classified as Level 3 in the fair value hierarchy discussed in Note 8 to the financial statements.

The following table sets forth a description of significant unobservable inputs used in the valuation of the Vermont Yankee plant and related assets:

Significant Unobservable Input	Amount
Weighted average cost of capital	7.5%
Long-term pre-tax operating margin (cash basis)	7.0%

Entergy's Accounting Policy group, which reports to the Chief Accounting Officer, was primarily responsible for determining the valuation of the Vermont Yankee plant and related assets, in consultation with external advisors. Entergy's Accounting Policy group obtained and reviewed information from other Entergy departments with expertise on the various inputs and assumptions that were necessary to calculate the fair value of the asset group.

In addition to the impairment charge and depreciation of the remaining plant balance by the end of 2014, Entergy expects to record additional charges through the end of 2014 totaling approximately $55 million to $60 million related to severance and employee retention costs relating to the shutdown of Vermont Yankee.

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

See Note 18 to the financial statements in the Form 10-K for a discussion of variable interest entities. See Note 4 to the financial statements herein for details of the nuclear fuel companies' credit facility and commercial paper borrowings and long-term debt.

Entergy Louisiana and System Energy are each considered to hold a variable interest in the lessors from which they lease, respectively, undivided interests representing approximately 9.3% of the Waterford 3 and 11.5% of the Grand Gulf nuclear plants. Entergy Louisiana and System Energy are the lessees under these arrangements, which are described in more detail in Note 10 to the financial statements in the Form 10-K. Entergy Louisiana made payments on its lease, including interest, of $7.8 million and $12.3 million in the three months ended September 30, 2013 and 2012, respectively. Entergy Louisiana made payments on its lease, including interest, of $26.3 million and $39.1 million in the nine months ended September 30, 2013 and 2012, respectively. System Energy made payments on its lease, including interest, of $3.7 million and $1.8 million in the three months ended September 30, 2013 and 2012, respectively. System Energy made payments on its lease, including interest, of $50.5 million and $50.0 million in the nine months ended September 30, 2013 and 2012, respectively.

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NOTE 13. ASSET RETIREMENT OBLIGATIONS (Entergy Corporation, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy)

See Note 9 to the financial statements in the Form 10-K for a discussion of asset retirement obligations. Following is an update to that discussion.

In the first quarter 2013, Entergy Wholesale Commodities recorded a revision to its estimated decommissioning cost liability for a nuclear site as a result of a revised decommissioning cost study. The revised estimate resulted in a $46.6 million reduction in the decommissioning cost liability, along with a corresponding reduction in the related asset retirement cost asset.

In the third quarter 2013, Entergy Wholesale Commodities recorded a revision to its estimated decommissioning cost liability for Vermont Yankee as a result of a revised decommissioning cost study. The revised estimate resulted in a $58 million increase in the decommissioning cost liability, along with a corresponding increase in the related asset retirement cost asset. The increase in the estimated decommissioning cost liability resulted from the change in expectation regarding the timing of decommissioning cash flows due to the decision to cease operations of the plant. See Note 11 to the financial statements herein for further discussion of the Vermont Yankee plant.

Assuming the end of Vermont Yankee operations in the fourth quarter 2014, the amount required to meet the NRC minimum for decommissioning financial assurance for license termination is $566 million. The Vermont Yankee decommissioning trust had a balance of approximately $584 million as of September 30, 2013, excluding the $40 million guarantee by Entergy Corporation to satisfy NRC requirements following the 2009 review of financial assurance levels. Filings with the NRC for planned shutdown activities will determine whether any other financial assurance may be required and will specifically address funding for spent fuel management, which will be required until the federal government takes possession of the fuel and removes it from the site, per its current obligations.

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

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Part I, Item 4. Controls and Procedures

Disclosure Controls and Procedures

As of September 30, 2013, evaluations were performed under the supervision and with the participation of Entergy Corporation, Entergy Arkansas, Entergy Gulf States Louisiana, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy (individually "Registrant" and collectively the "Registrants") management, including their respective Principal Executive Officers (PEO) and Principal Financial Officers (PFO). The evaluations assessed the effectiveness of the Registrants' disclosure controls and procedures. Based on the evaluations, each PEO and PFO has concluded that, as to the Registrant or Registrants for which they serve as PEO or PFO, the Registrant's or Registrants' disclosure controls and procedures are effective to ensure that information required to be disclosed by each Registrant in reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms; and that the Registrant's or Registrants' disclosure controls and procedures are also effective in reasonably assuring that such information is accumulated and communicated to the Registrant's or Registrants' management, including their respective PEOs and PFOs, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Controls over Financial Reporting

Under the supervision and with the participation of each Registrants' management, including its respective PEO and PFO, each Registrant evaluated changes in internal control over financial reporting that occurred during the quarter ended September 30, 2013 and found no change that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

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ENTERGY ARKANSAS, INC. AND SUBSIDIARIES

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Plan to Spin Off the Utility's Transmission Business

See the "Plan to Spin Off the Utility's Transmission Business" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis in the Form 10-K and herein for a discussion of Entergy's plan to spin off its transmission business and merge it with a newly formed subsidiary of ITC Holdings Corp., including the planned retirement of debt and preferred securities.

Results of Operations

Net Income

Third Quarter 2013 Compared to Third Quarter 2012

Net income remained relatively unchanged. Higher net revenue and lower taxes other than income taxes were offset by higher other operation and maintenance expenses, higher depreciation and amortization expenses, and higher interest expense.

Nine Months Ended September 30, 2013 Compared to Nine Months Ended September 30, 2012

Net income decreased $4.4 million primarily due to higher other operation and maintenance expenses, a higher effective income tax rate, higher interest expense, and higher depreciation and amortization expenses, partially offset by higher net revenue and higher other income.

Net Revenue

Third Quarter 2013 Compared to Third Quarter 2012

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory credits. Following is an analysis of the change in net revenue comparing the third quarter 2013 to the third quarter 2012:

	Amount (In Millions)
2012 net revenue	$397.4
Retail electric price	13.8
ANO decommissioning trust	3.2
Volume/weather	(6.7)
Other	0.1
2013 net revenue	$407.8

The retail electric price variance is primarily due to:

- an increase in the capacity acquisition rider, as approved by the APSC, effective with the first billing cycle of December 2012, relating to the Hot Spring plant acquisition. The net income effect of the Hot Spring plant cost recovery is limited to a portion representing an allowed return on equity on the net plant investment with the remainder offset by the Hot Spring plant costs in other operation and maintenance expenses, depreciation expenses, and taxes other than income taxes; and

- an increase in the energy efficiency rider, as approved by the APSC, effective July 2013. Energy efficiency revenues are offset by costs included in other operation and maintenance expenses and have no effect on net income.

The ANO decommissioning trust variance is primarily due to higher regulatory credits resulting from a decrease in interest earned on decommissioning trust fund investments. There is no effect on net income as this interest is reflected in other income.

The volume/weather variance is primarily due to the effect of less favorable weather on residential and commercial sales, partially offset by an increase in sales volume in the unbilled sales period.

Gross operating revenues and fuel and purchased power expenses

Gross operating revenues decreased primarily due to a decrease of $37 million in fuel cost recovery revenues as a result of lower fuel rates and the decrease related to volume/weather, as discussed above.

The decrease was partially offset by:

- an increase of $16.8 million in gross wholesale revenues primarily due to increased sales to affiliated customers and higher prices;
  - an increase of $9.6 million due to the increase in the capacity acquisition rider, as discussed above; and
- an increase of $4.7 million in rider revenues primarily due to an increase in the Grand Gulf rate effective January 2013.

Fuel and purchased power expenses decreased primarily due to a decrease in the recovery from customers of deferred fuel costs due to lower fuel rates. This decrease was offset by increased gas-fired generation due to an increase in demand as a result of the ANO extended outage and an increase in the average market prices of natural gas.

Nine Months Ended September 30, 2013 Compared to Nine Months Ended September 30, 2012

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory credits. Following is an analysis of the change in net revenue comparing the nine months ended September 30, 2013 to the nine months ended September 30, 2012:

	Amount (In Millions)
2012 net revenue	$987.5
Retail electric price	36.6
MISO deferral	11.1
Net wholesale revenue	5.9
Volume/weather	(15.3)

Other	(3.6)
2013 net revenue	$1,022.2

The retail electric price variance is primarily due to:

- an increase in the capacity acquisition rider, as approved by the APSC, effective with the first billing cycle of December 2012, relating to the Hot Spring plant acquisition. The net income effect of the Hot Spring plant cost recovery is limited to a portion representing an allowed return on equity on the net plant investment with the remainder offset by the Hot Spring plant costs in other operation and maintenance expenses, depreciation expenses, and taxes other than income taxes; and

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- an increase in the energy efficiency rider, as approved by the APSC, effective July 2013 and July 2012. Energy efficiency revenues are offset by costs included in other operation and maintenance expenses and have no effect on net income.

The MISO deferral variance is due to the deferral in April 2013, as approved by the APSC, of costs incurred since March 2010 related to the transition and implementation of joining the MISO RTO.

The net wholesale variance is primarily due to higher margins on co-owner contracts.

The volume/weather variance is primarily due to a decrease of 481 GWh, or 3%, in billed electricity, including the effect of less favorable weather, as compared to the prior year, on residential and commercial sales.

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

Gross operating revenues increased primarily due to:

- an increase of $42.7 million in gross wholesale revenues primarily due to increased sales to affiliated customers and higher prices;
- the June 2012 AmerenUE refund of $30.6 million, including interest, in rough production cost equalization payments collected from AmerenUE. Entergy Arkansas had previously recorded a regulatory provision for the potential refund to AmerenUE. The result of the refund in 2012 was a decrease in gross revenues with an offsetting increase in other regulatory credits. See Note 2 to the financial statements in the Form 10-K for a discussion of the FERC order in the System Agreement production cost equalization proceedings;
  - an increase of $22.9 million due to the increase in the capacity acquisition rider, as discussed above;
- an increase of $17 million in rider revenues primarily due to an increase in the Grand Gulf rate effective January 2013;
- an increase of $14.6 million in rider revenues due to increases in the energy efficiency rider effective July 2013 and July 2012, as discussed above; and
- an increase of $11.3 million in rider revenues related to higher System Agreement production cost equalization payments. These revenues are offset in deferred fuel expenses. See Note 2 to the financial statements herein and in the Form 10-K for a discussion of the FERC orders in the System Agreement production cost equalization proceedings.

The increase was partially offset by a decrease of $68.3 million in fuel cost recovery revenues as a result of lower fuel rates, and the decrease related to volume/weather, as discussed above.

Fuel and purchased power expenses increased primarily due to:

- increased purchased power costs and gas-fired generation due to an increase in demand as a result of the ANO extended outage as well as increases in the average market prices of purchased power and natural gas; and
  - higher costs related to System Agreement production cost equalization payments, as discussed above.

The increase was partially offset by a decrease in the recovery from customers of deferred fuel costs.

Other regulatory credits decreased primarily due to the June 2012 refund to AmerenUE, as discussed above, and higher deferred gains in 2013 on the ANO 1 decommissioning trust fund investments. These decreases were partially offset by the deferral of MISO costs in April 2013, as discussed above.

Other Income Statement Variances

Third Quarter 2013 Compared to Third Quarter 2012

Other operation and maintenance expenses increased primarily due to:

- an increase of $3.5 million in compensation and benefits costs primarily due to a decrease in the discount rates used to determine net periodic pension and other postretirement benefit costs and a settlement charge, recognized in September 2013, related to the payment of lump sum benefits out of the non-qualified pension plan. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefits costs;
- an increase of $2.5 million in energy efficiency costs. These costs are recovered through the energy efficiency rider and have no effect on net income;
  - an increase of $2.1 million in distribution contract work primarily due to vegetation maintenance; and
- an increase of $2.1 million in fossil-fueled generation expenses primarily due to the addition of the Hot Spring plant in November 2012, partially offset by higher plant outage costs in 2012 due to a greater scope of work.

These increases were partially offset by a decrease of $2.8 million in nuclear generation costs primarily due to lower labor and contract costs.

Depreciation and amortization expenses increased primarily due to the acquisition of the Hot Spring plant in November 2012.

Interest expense increased primarily due to the issuance of $200 million of 4.90% Series first mortgage bonds in December 2012, the issuance of $250 million of 3.05% Series first mortgage bonds in May 2013, and the issuance of $125 million of 4.75% Series first mortgage bonds in June 2013. This increase was partially offset by the retirement, at maturity, of $300 million of 5.40% Series first mortgage bonds in August 2013.

Taxes other than income taxes decreased primarily due to a decrease in local franchise tax resulting from lower commercial and residential revenues as compared to the same period in 2012.

Nine Months Ended September 30, 2013 Compared to Nine Months Ended September 30, 2012

Other operation and maintenance expenses increased primarily due to:

- an increase of $12 million in energy efficiency costs. These costs are recovered through the energy efficiency rider and have no effect on net income;
- an increase of $11 million resulting from costs related to the generator stator incident at ANO, including an offset for expected insurance proceeds. See "ANO Damage and Outage" below for further discussion of the incident;
- an increase of $10.8 million in fossil-fueled generation expenses primarily due to the addition of the Hot Spring plant in November 2012; and
- an increase of $8.7 million in compensation and benefits costs primarily due to a decrease in the discount rates used to determine net periodic pension and other postretirement benefit costs and a settlement charge, recognized in September 2013, related to the payment of lump sum benefits out of the non-qualified pension plan. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefits costs.

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The increase was partially offset by:

- a decrease of $3.4 million due to costs incurred in 2012 related to the transition and implementation of joining the MISO RTO. In April 2013, Entergy Arkansas began deferring these costs as approved by the APSC; and
- the effects of recording the final court decision in the Entergy Arkansas lawsuit against the U.S. Department of Energy related to spent nuclear fuel disposal. The damages awarded include the reimbursement of approximately $3.2 million of spent nuclear fuel storage costs previously recorded as other operation and maintenance expense. The spent nuclear fuel disposal litigation is discussed in more detail in Part II, Item 5, "Spent Nuclear Fuel."

Depreciation and amortization expenses increased primarily due to the acquisition of the Hot Spring plant in November 2012, partially offset by the effects of recording the final court decision in the Entergy Arkansas lawsuit against the U.S. Department of Energy related to spent nuclear fuel disposal. The damages awarded include the reimbursement of approximately $3.6 million of spent nuclear fuel storage costs previously recorded as depreciation expense. The spent nuclear fuel disposal litigation is discussed in more detail in Part II, Item 5, and "Spent Nuclear Fuel."

Interest expense increased primarily due to the issuance of $200 million of 4.90% Series first mortgage bonds in December 2012.

Other income increased primarily due to higher realized gains in 2013 on the ANO 1 decommissioning trust fund investments. There is no effect on net income as these investment gains are offset by a corresponding amount of regulatory charges.

Income Taxes

The effective income tax rate was 40.6% for the third quarter 2013 and 42.3% for the nine months ended September 30, 2013. The differences in the effective income tax rates for the third quarter 2013 and the nine months ended September 30, 2013 versus the federal statutory rate of 35% were due to state income taxes, certain book and tax differences related to utility plant items, and the provision for uncertain tax positions, partially offset by book and tax differences related to the allowance for equity funds used during construction.

The effective income tax rate was 40.4% for the third quarter 2012 and 39.5% for the nine months ended September 30, 2012. The difference in the effective income tax rate for the third quarter 2012 versus the federal statutory rate of 35% was due to state income taxes and certain book and tax differences related to utility plant items. The difference in the effective income tax rate for the nine months ended September 30, 2012 versus the federal statutory rate of 35% was due to state income taxes and certain book and tax differences related to utility plant items, partially offset by the provision for uncertain tax positions.

ANO Damage and Outage

On March 31, 2013, during a scheduled refueling outage at ANO 1, a contractor-owned and operated heavy-lifting apparatus collapsed while moving the generator stator out of the turbine building. The collapse resulted in the death of an ironworker and injuries to several other contract workers, caused ANO 2 to shut down, and damaged the ANO turbine building. The turbine building serves both ANO 1 and 2 and is a non-radiological area of the plant. ANO 2 reconnected to the grid on April 28, 2013 and ANO 1 reconnected to the grid on August 7, 2013. The total cost of assessment, restoration of off-site power, site restoration, debris removal, and replacement of damaged property and equipment is currently estimated to be approximately $100 million. In addition, Entergy Arkansas incurred replacement power costs for ANO 2 power during its outage and incurred incremental replacement power costs for ANO 1 power because the outage extended beyond the originally-planned duration of the refueling outage. Each of the Utility operating companies has recovery mechanisms in place designed to recover its prudently-incurred fuel and purchased power costs.

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

Entergy Arkansas is assessing its options for recovering damages that resulted from the stator drop, including its insurance coverage and legal action. Entergy is a member of Nuclear Electric Insurance Limited (NEIL), a mutual insurance company that provides property damage coverage to the members' nuclear generating plants, including ANO. NEIL has notified Entergy that it believes that a $50 million course of construction sublimit applies to any loss associated with the lifting apparatus failure and stator drop at ANO. Entergy has responded that it disagrees with NEIL's position and is evaluating its options for enforcing its rights under the policy. On July 12, 2013, Entergy Arkansas filed a complaint in the Circuit Court in Pope County, Arkansas against the owner of the heavy-lifting apparatus that collapsed, an engineering firm, a general contractor, and certain individuals asserting claims of breach of contract, negligence, and gross negligence in connection with their responsibility for the stator drop.

In the second quarter 2013, Entergy Arkansas recorded an insurance receivable of $50 million based on the minimum amount that it expects to receive from NEIL. This $50 million receivable offset approximately $35 million of capital spending, $13 million of operation and maintenance expense, and $2 million of incremental deferred refueling outage costs incurred for the recovery through September 30, 2013. As of September 30, 2013, Entergy Arkansas has incurred approximately $33 million in capital spending, $11 million in operation and maintenance expense, and $1 million in incremental deferred refueling outage costs in excess of its recorded insurance receivable.

Liquidity and Capital Resources

Cash Flow

Cash flows for the nine months ended September 30, 2013 and 2012 were as follows:

	2013	2012
	(In Thousands)	
Cash and cash equivalents at beginning of period	$34,533	$22,599
Cash flow provided by (used in):		
Operating activities	201,757	337,920
Investing activities	(435,244)	(324,656)
Financing activities	244,017	6,759
Net increase in cash and cash equivalents	10,530	20,023
Cash and cash equivalents at end of period	$45,063	$42,622

Operating Activities

Net cash flow provided by operating activities decreased $136.2 million for the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012 primarily due to:

- income tax payments of $211.4 million in 2013 compared to income tax refunds of $6.9 million in 2012. Entergy Arkansas had income tax payments in 2013 in accordance with the Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement. The income tax payments in 2013 resulted primarily from the reversal of temporary differences for which Entergy Arkansas had previously claimed a tax deduction;

- approximately $27 million in spending related to the generator stator incident at ANO, as discussed above; and
- $22.6 million in storm restoration spending in 2013 resulting from the December 2012 winter storm which caused significant damage to Entergy Arkansas's distribution lines, equipment, poles and other facilities.

These decreases were offset by:

- proceeds of $38 million received in 2013 from the U.S. Department of Energy resulting from litigation regarding the storage of spent nuclear fuel. The litigation is discussed in more detail in Part II, Item 5, "Spent Nuclear Fuel";
- the timing of payments to vendors;
- a $30.6 million June 2012 refund to AmerenUE, as discussed above; and
- a $15.4 million decrease in pension contributions in 2013 as compared to the same period in prior year.

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for a discussion of qualified pension and other postretirement benefits funding.

Investing Activities

Net cash flow used in investing activities increased $110.6 million for the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012 primarily due to:

- approximately $68 million in spending related to the generator stator incident at ANO, as discussed above;
- money pool activity; and
- $39.6 million in storm restoration spending in 2013 resulting from the December 2012 winter storm.

The increase was partially offset by a decrease in transmission construction expenditures due to higher reliability work performed in 2012 and fluctuations in nuclear fuel activity because of variations from year to year in the timing and pricing of fuel reload requirements in the Utility business, material and services deliveries, and the timing of cash payments during the nuclear fuel cycle.

Increases in Entergy Arkansas's receivable from the money pool are a use of cash flow, and Entergy Arkansas's receivable from the money pool increased by $45.3 million for the nine months ended September 30, 2013 compared to decreasing by $9.9 million for the nine months ended September 30, 2012. The money pool is an inter-company borrowing arrangement designed to reduce the Utility subsidiaries' need for external short-term borrowings.

Financing Activities

Net cash flow provided by financing activities increased $237.3 million for the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012 primarily due to:

- the issuance of $250 million of 3.05% Series first mortgage bonds in May 2013 and $125 million of 4.75% Series first mortgage bonds in June 2013;
- the net repayment of $16.6 million of borrowings on the Entergy Arkansas nuclear fuel company variable interest entity credit facility compared to net borrowings of $18.8 million in 2012; and
- borrowings on a $250 million term loan credit facility entered into in July 2013.

The increase was partially offset by:

- the retirement, at maturity, of $30 million 9% Series H notes by the Entergy Arkansas nuclear fuel company variable interest entity in June 2013; and

- the retirement, at maturity, of $300 million of 5.40% Series first mortgage bonds in August 2013.

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

Capital Structure

Entergy Arkansas's capitalization is balanced between equity and debt, as shown in the following table. The increase in the debt to capital ratio for Entergy Arkansas as of September 30, 2013 is primarily due to an increase in long-term debt as a result of the issuance of $250 million of 3.05% Series first mortgage bonds in May 2013 and $125 million of 4.75% Series first mortgage bonds in June 2013, and borrowings on a $250 million term loan credit facility entered into by Entergy Arkansas in July 2013.

	September 30, 2013	December 31, 2012
Debt to capital	57.3%	56.0%
Effect of excluding the securitization bonds	(1.0%)	(1.2%)
Debt to capital, excluding securitization bonds (a)	56.3%	54.8%
Effect of subtracting cash	(0.5%)	(0.4%)
Net debt to net capital, excluding securitization bonds (a)	55.8%	54.4%

(a) Calculation excludes the securitization bonds, which are non-recourse to Entergy Arkansas.

Net debt consists of debt less cash and cash equivalents. Debt consists of short-term borrowings and long-term debt, including the currently maturing portion. Capital consists of debt, preferred stock without sinking fund, and common equity. Net capital consists of capital less cash and cash equivalents. Entergy Arkansas uses the debt to capital ratios excluding securitization bonds in analyzing its financial condition and believes they provide useful information to its investors and creditors in evaluating Entergy Arkansas's financial condition because the securitization bonds are non-recourse to Entergy Arkansas, as more fully described in Note 5 to the financial statements in the Form 10-K. Entergy Arkansas also uses the net debt to net capital ratio excluding securitization bonds in analyzing its financial condition and believes it provides useful information to its investors and creditors in evaluating Entergy Arkansas's financial condition because net debt indicates Entergy Arkansas's outstanding debt position that could not be readily satisfied by cash and cash equivalents on hand.

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 Arkansas's uses and sources of capital. Following are updates to the information provided in the Form 10-K. Entergy Arkansas is developing its capital investment plan for 2014 through 2016 and currently anticipates making $1.7 billion in capital investments during that period. In addition to routine capital spending to maintain operations, the capital investment plan includes specific investments and initiatives such as NRC post-Fukushima requirements, potential scrubbers at the White Bluff plant to meet pending Arkansas state requirements under the Clean Air Visibility Rule and compliance with the EPA's Mercury and Air Toxic Standard rule, and transmission spending to support economic development projects, reliability, and new compliance projects.

Entergy Arkansas has obtained short-term borrowing authorization from the FERC under which it may borrow through October 2015, up to the aggregate amount, at any one time outstanding, of $250 million. See Note 4 to the financial statements for further discussion of Entergy Arkansas's short-term borrowing limits. Entergy Arkansas has also obtained an order from the APSC authorizing long-term securities issuances through December 2015. Entergy Arkansas has also obtained long-term financing authorization from the FERC that extends through October 2015 for issuances by its nuclear fuel company variable interest entity.

Entergy Arkansas's receivables from the money pool were as follows:

September 30, 2013	December 31, 2012	September 30, 2012	December 31, 2011
(In Thousands)			
$53,375	$8,035	$7,487	$17,362

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

Entergy Arkansas has a credit facility in the amount of $150 million scheduled to expire in March 2018. Entergy Arkansas also has a $20 million credit facility scheduled to expire in April 2014. No borrowings were outstanding under the credit facilities as of September 30, 2013. See Note 4 to the financial statements herein for additional discussion of the credit facilities.

The Entergy Arkansas nuclear fuel company variable interest entity has a credit facility in the amount of $85 million scheduled to expire in June 2016. As of September 30, 2013, $20.1 million in letters of credit were outstanding under the credit facility to support a like amount of commercial paper issued by the Entergy Arkansas nuclear fuel company variable interest entity. See Note 4 to the financial statements for additional discussion of the nuclear fuel company variable interest entity credit facility.

In January 2013, Entergy Arkansas arranged for the issuance by (i) Independence County, Arkansas of $45 million of 2.375% Pollution Control Revenue Refinancing Bonds (Entergy Arkansas, Inc. Project) Series 2013 due January 2021, and (ii) Jefferson County, Arkansas of $54.7 million of 1.55% Pollution Control Revenue Refunding Bonds (Entergy Arkansas, Inc. Project) Series 2013 due October 2017, each of which series is secured by a separate series of non-interest bearing first mortgage bonds of Entergy Arkansas. The proceeds of these issuances were applied to the refunding of outstanding series of pollution control revenue bonds previously issued by the respective issuers.

In May 2013, Entergy Arkansas issued $250 million of 3.05% Series first mortgage bonds due June 2023. Entergy Arkansas used the proceeds to pay, at maturity, a portion of its $300 million 5.40% Series first mortgage bonds due August 2013 and for general corporate purposes.

In June 2013, Entergy Arkansas issued $125 million of 4.75% Series first mortgage bonds due June 2063. Entergy Arkansas used the proceeds to pay, at maturity, a portion of its $300 million 5.40% Series first mortgage bonds due August 2013 and for general corporate purposes.

In June 2013, the Entergy Arkansas nuclear fuel company variable interest entity redeemed, at maturity, its $30 million 9% Series H notes.

In July 2013, Entergy Arkansas entered into a $250 million term loan credit facility terminating January 26, 2015 with the collateral support of a series of $255 million non-interest bearing Entergy Arkansas first mortgage bonds. On July 31, 2013, Entergy Arkansas borrowed $250 million against the credit facility. Entergy Arkansas used the borrowings to pay, at maturity, a portion of its $300 million 5.40% Series first mortgage bonds due August 2013 and for general corporate purposes.

State and Local Rate Regulation and Fuel-Cost Recovery

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

2013 Base Rate Filing

In March 2013, Entergy Arkansas filed with the APSC for a general change in rates, charges, and tariffs. Recognizing that the final structure of Entergy Arkansas's transmission business has not been determined, the filing presents two alternative scenarios for the APSC to establish the appropriate level of rates for Entergy Arkansas. In the primary scenario, which assumes that Entergy Arkansas will transition to MISO in December 2013, Entergy Arkansas requests a rate increase of $174 million, including $49 million of revenue being transferred from collection in riders to base rates. The alternate scenario, which also assumes completion of the proposed spin-merge of the transmission business with ITC, reflects a $218 million total rate increase request. Both scenarios propose a new transmission rider and a capacity cost recovery rider. The filing requests a 10.4% return on common equity. In September 2013 Entergy Arkansas filed testimony reflecting an updated rate increase request of $145 million in the primary scenario, with no change to its requested return on common equity of 10.4%. Hearings in the proceeding began in October 2013, and an APSC decision is pending. New rates are expected to become effective by January 2014.

Opportunity Sales Proceeding

See Note 2 to the financial statements herein for an update to the discussion of the opportunity sales proceeding.

Federal Regulation

See "System Agreement" and "Entergy's Proposal to Join MISO" in the "Rate, Cost-recovery, and Other Regulation – Federal Regulation" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for updates to the Federal Regulation discussion in the Form 10-K.

Nuclear Matters

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

Environmental Risks

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

Critical Accounting Estimates

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

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ENTERGY ARKANSAS, INC. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
For the Three and Nine Months Ended September 30, 2013 and 2012
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2013	2012	2013	2012
	(In Thousands)		(In Thousands)	
OPERATING REVENUES				
Electric	$647,671	$656,201	$1,698,716	$1,633,401
OPERATING EXPENSES				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	113,523	116,026	321,373	362,954
Purchased power	131,736	145,305	369,643	318,474
Nuclear refueling outage expenses	9,403	11,891	29,031	35,441
Other operation and maintenance	147,513	140,730	438,021	406,561
Decommissioning	10,847	10,198	32,044	30,128
Taxes other than income taxes	24,303	26,676	69,073	69,073
Depreciation and amortization	58,083	55,092	172,059	165,697
Other regulatory credits - net	(5,418)	(2,553)	(14,465)	(35,478)
TOTAL	489,990	503,365	1,416,779	1,352,850
OPERATING INCOME	157,681	152,836	281,937	280,551
OTHER INCOME				
Allowance for equity funds used during construction	2,902	2,258	7,852	6,491
Interest and investment income	1,525	3,861	18,411	11,233
Miscellaneous - net	(629)	(496)	(2,573)	(3,139)

TOTAL	3,798	5,623	23,690	14,585
INTEREST EXPENSE				
Interest expense	23,253	20,532	69,290	61,707
Allowance for borrowed funds used during construction	(744)	(648)	(2,473)	(1,724)
TOTAL	22,509	19,884	66,817	59,983
INCOME BEFORE INCOME TAXES	138,970	138,575	238,810	235,153
Income taxes	56,393	56,024	101,031	92,973
NET INCOME	82,577	82,551	137,779	142,180
Preferred dividend requirements	1,718	1,718	5,155	5,155
EARNINGS APPLICABLE TO COMMON STOCK	$ 80,859	$ 80,833	$ 132,624	$ 137,025

See Notes to Financial Statements.

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ENTERGY ARKANSAS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 2013 and 2012
(Unaudited)

	2013	2012
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	$ 137,779	$ 142,180
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Depreciation, amortization, and decommissioning, including nuclear fuel amortization	263,176	266,755
Deferred income taxes, investment tax credits, and non-current taxes accrued	99,442	97,641
Changes in assets and liabilities:		
Receivables	(70,219)	(86,046)
Fuel inventory	16,740	3,130
Accounts payable	(12,996)	(144,562)
Prepaid taxes and taxes accrued	(222,118)	(9,302)
Interest accrued	(9,760)	(11,061)
Deferred fuel costs	26,672	88,097
Other working capital accounts	(12,324)	32,465
Provisions for estimated losses	200	171
Other regulatory assets	2,515	51,089
Pension and other postretirement liabilities	(25,332)	(40,976)
Other assets and liabilities	7,982	(51,661)
Net cash flow provided by operating activities	201,757	337,920
INVESTING ACTIVITIES		
Construction expenditures	(365,511)	(273,010)
Allowance for equity funds used during construction	10,587	9,002
Nuclear fuel purchases	(73,151)	(134,928)
Proceeds from sale of nuclear fuel	36,478	76,042
Proceeds from nuclear decommissioning trust fund	173,431	103,394

sales				
Investment in nuclear decommissioning trust funds		(178,516)		(110,520)
Changes in money pool receivable - net		(45,340)		9,875
Remittances to transition charge account		7,356		(11,987)
Payments from transition charge account		(10,849)		7,476
Litigation proceeds for reimbursement of spent nuclear fuel storage costs		10,271		-
Net cash flow used in investing activities		(435,244)		(324,656)
FINANCING ACTIVITIES				
Proceeds from the issuance of long-term debt		716,670		-
Retirement of long-term debt		(435,896)		(5,990)
Changes in short-term borrowings - net		(16,602)		18,776
Dividends paid:				
Common stock		(15,000)		-
Preferred stock		(5,155)		(5,155)
Other		-		(872)
Net cash flow provided by financing activities		244,017		6,759
Net increase in cash and cash equivalents		10,530		20,023
Cash and cash equivalents at beginning of period		34,533		22,599
Cash and cash equivalents at end of period	$	45,063	$	42,622
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:				
Cash paid (received) during the period for:				
Interest - net of amount capitalized	$	75,022	$	68,990
Income taxes	$	211,415	$	(6,897)
See Notes to Financial Statements.				

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ENTERGY ARKANSAS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
ASSETS
September 30, 2013 and December 31, 2012
(Unaudited)

	2013	2012
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	$ 3,342	$ 9,597
Temporary cash investments	41,721	24,936
Total cash and cash equivalents	45,063	34,533
Securitization recovery trust account	7,896	4,403
Accounts receivable:		
Customer	130,206	98,036
Allowance for doubtful accounts	(28,736)	(28,343)
Associated companies	127,571	67,277
Other	71,310	71,956
Accrued unbilled revenues	97,036	72,902
Total accounts receivable	397,387	281,828
Accumulated deferred income taxes	234	72,196
Deferred fuel costs	70,633	97,305
Fuel inventory - at average cost	32,235	48,975
Materials and supplies - at average cost	151,418	148,682
Deferred nuclear refueling outage costs	41,332	38,410
Prepaid taxes	7,149	-
Prepayments and other	61,281	10,586
TOTAL	814,628	736,918
OTHER PROPERTY AND INVESTMENTS		
Decommissioning trust funds	669,770	600,578
Non-utility property - at cost (less accumulated depreciation)	1,666	1,671
Other	41,182	41,182
TOTAL	712,618	643,431

UTILITY PLANT				
Electric		8,883,551		8,693,659
Property under capital lease		1,088		1,154
Construction work in progress		166,903		205,982
Nuclear fuel		284,280		303,825
TOTAL UTILITY PLANT		9,335,822		9,204,620
Less - accumulated depreciation and amortization		4,174,124		4,104,882
UTILITY PLANT - NET		5,161,698		5,099,738
DEFERRED DEBITS AND OTHER ASSETS				
Regulatory assets:				
Regulatory asset for income taxes - net		75,286		80,751
Other regulatory assets (includes securitization property of $83,856 as of September 30, 2013 and $93,238 as of December 31, 2012)		1,224,586		1,221,636
Other		41,779		36,971
TOTAL		1,341,651		1,339,358
TOTAL ASSETS	$	8,030,595	$	7,819,445
See Notes to Financial Statements.				

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ENTERGY ARKANSAS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
LIABILITIES AND EQUITY
September 30, 2013 and December 31, 2012
(Unaudited)

		2013		2012
		(In Thousands)		
CURRENT LIABILITIES				
Currently maturing long-term debt	$	70,000	$	330,000
Short-term borrowings		20,133		36,735
Accounts payable:				
Associated companies		49,802		39,288
Other		140,144		200,964
Customer deposits		85,760		85,198
Taxes accrued		-		214,969
Accumulated deferred income taxes		9,794		5,927
Interest accrued		18,658		28,418
Other		63,720		45,208
TOTAL		458,011		986,707
NON-CURRENT LIABILITIES				
Accumulated deferred income taxes and taxes accrued		1,859,020		1,829,281
Accumulated deferred investment tax credits		39,456		40,947
Other regulatory liabilities		191,842		143,901
Decommissioning		712,756		680,712
Accumulated provisions		6,022		5,822
Pension and other postretirement liabilities		589,362		614,805
Long-term debt (includes securitization bonds of $95,364 as of September 30, 2013 and $101,547 as of December 31, 2012)		2,342,168		1,793,895
Other		18,368		27,409
TOTAL		5,758,994		5,136,772
Commitments and Contingencies				
Preferred stock without sinking fund		116,350		116,350

COMMON EQUITY				
Common stock, $0.01 par value, authorized 325,000,000				
shares; issued and outstanding 46,980,196 shares in 2013				
and 2012		470		470
Paid-in capital		588,444		588,444
Retained earnings		1,108,326		990,702
TOTAL		1,697,240		1,579,616
TOTAL LIABILITIES AND EQUITY	$	8,030,595	$	7,819,445
See Notes to Financial Statements.				

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ENTERGY ARKANSAS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN COMMON EQUITY
For the Nine Months Ended September 30, 2013 and 2012
(Unaudited)

	Common Equity			
	Common Stock	Paid-in Capital	Retained Earnings	Total
	(In Thousands)			
Balance at December 31, 2011	$ 470	$ 588,444	$ 855,210	$ 1,444,124
Net income	-	-	142,180	142,180
Preferred stock dividends	-	-	(5,155)	(5,155)
Balance at September 30, 2012	$ 470	$ 588,444	$ 992,235	$ 1,581,149
Balance at December 31, 2012	$ 470	$ 588,444	$ 990,702	$ 1,579,616
Net income	-	-	137,779	137,779
Common stock dividends	-	-	(15,000)	(15,000)
Preferred stock dividends	-	-	(5,155)	(5,155)
Balance at September 30, 2013	$ 470	$ 588,444	$ 1,108,326	$ 1,697,240

See Notes to Financial Statements.

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ENTERGY ARKANSAS, INC. AND SUBSIDIARIES
SELECTED OPERATING RESULTS
For the Three and Nine Months Ended September 30, 2013 and 2012
(Unaudited)

Description	Three Months Ended 2013	Three Months Ended 2012	Increase/ (Decrease)	%
	(Dollars In Millions)			
Electric Operating Revenues:				
Residential	$ 248	$ 276	$ (28)	(10)
Commercial	141	148	(7)	(5)
Industrial	131	137	(6)	(4)
Governmental	5	4	1	25
Total retail	525	565	(40)	(7)
Sales for resale:				
Associated companies	89	71	18	25
Non-associated companies	19	19	-	-
Other	15	1	14	1,400
Total	$ 648	$ 656	$ (8)	(1)
Billed Electric Energy Sales (GWh):				
Residential	2,367	2,646	(279)	(11)
Commercial	1,767	1,859	(92)	(5)
Industrial	1,906	1,967	(61)	(3)
Governmental	67	72	(5)	(7)
Total retail	6,107	6,544	(437)	(7)
Sales for resale:				
Associated companies	2,094	1,581	513	32
Non-associated companies	181	292	(111)	(38)
Total	8,382	8,417	(35)	-

Description	Nine Months Ended 2013	Nine Months Ended 2012	Increase/ (Decrease)	%
	(Dollars In Millions)			
Electric Operating Revenues:				
Residential	$ 608	$ 613	$ (5)	(1)
Commercial	358	364	(6)	(2)
Industrial	328	335	(7)	(2)
Governmental	15	15	-	-
Total retail	1,309	1,327	(18)	(1)
Sales for resale:				
	267	221	46	21

Associated companies				
Non-associated companies	56	28	28	100
Other	67	57	10	18
Total	$ 1,699	$ 1,633	$ 66	4
Billed Electric Energy				
Sales (GWh):				
Residential	6,164	6,270	(106)	(2)
Commercial	4,503	4,682	(179)	(4)
Industrial	5,068	5,248	(180)	(3)
Governmental	182	198	(16)	(8)
Total retail	15,917	16,398	(481)	(3)
Sales for resale:				
Associated companies	6,202	5,450	752	14
Non-associated companies	539	800	(261)	(33)
Total	22,658	22,648	10	-

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ENTERGY GULF STATES LOUISIANA, L.L.C.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Plan to Spin Off the Utility's Transmission Business

See the "Plan to Spin Off the Utility's Transmission Business" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis in the Form 10-K and herein for a discussion of Entergy's plan to spin off its transmission business and merge it with a newly formed subsidiary of ITC Holdings Corp., including the planned retirement of debt and preferred securities.

Results of Operations

Net Income

Third Quarter 2013 Compared to Third Quarter 2012

Net income increased $12.4 million primarily due to higher net revenue and a lower effective income tax rate, partially offset by higher other operation and maintenance expenses, lower other income, and higher taxes other than income taxes.

Nine Months Ended September 30, 2013 Compared to Nine Months Ended September 30, 2012

Net income decreased $9.4 million primarily due to higher other operation and maintenance expenses, higher taxes other than income taxes, higher depreciation and amortization expenses, and a higher effective income tax rate, partially offset by higher net revenue.

Net Revenue

Third Quarter 2013 Compared to Third Quarter 2012

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges. Following is an analysis of the change in net revenue comparing the third quarter 2013 to the third quarter 2012:

	Amount (In Millions)
2012 net revenue	$239.3
Net wholesale revenue	5.6
Retail electric price	4.8
River Bend decommissioning trust	4.1

Volume/weather	3.8
Other	1.3
2013 net revenue	$258.9

The net wholesale revenue variance is primarily due to higher prices.

The retail electric price variance is primarily due to increased recovery of affiliate purchased power capacity costs through base rates set in the annual formula rate plan mechanism. Entergy Gulf States Louisiana’s formula rate plan is discussed in Note 2 to the financial statements herein and in the Form 10-K.

The River Bend decommissioning trust variance is primarily due to the deferral of investment gains from the River Bend decommissioning trust in 2012 in accordance with regulatory treatment. The prior year gains resulted in an increase in 2012 in other income and a corresponding decrease in regulatory charges with no effect on net income.

The volume/weather variance is primarily due to an increase of 163 GWh, or 3%, in billed electricity usage in the residential, commercial, and industrial sectors. The increase in the industrial usage was driven by the chemicals industry.

Gross operating revenues and fuel and purchased power expenses

Gross operating revenues increased primarily due to an increase of $61.2 million in fuel cost recovery revenues primarily due to higher fuel rates and an increase of $51.4 million in rider revenues primarily due to System Agreement credits to customers in 2012. Entergy Gulf States Louisiana's fuel and purchased power recovery mechanism is discussed in Note 2 to the financial statements in the Form 10-K.

Fuel and purchased power expenses increased primarily due to:

- an increase in deferred fuel expense due to the timing of receipt of System Agreement payments and credits to customers and higher fuel cost recovery revenues due to higher fuel rates as compared to the prior year. See Note 2 to the financial statements herein and in the Form 10-K for a discussion of the System Agreement proceedings; and
- an increase in the average market price of purchased power and increased demand.

Nine Months Ended September 30, 2013 Compared to Nine Months Ended September 30, 2012

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges. Following is an analysis of the change in net revenue comparing the nine months ended September 30, 2013 to the nine months ended September 30, 2012:

	Amount (In Millions)
2012 net revenue	$653.7
Louisiana Act 55 financing savings obligation	28.3
Net wholesale revenue	7.8
Other	2.0
2013 net revenue	$691.8

The Louisiana Act 55 financing savings obligation variance results from a regulatory charge recorded in the second quarter 2012 because Entergy Gulf States Louisiana is sharing with customers the savings from an IRS settlement related to the uncertain tax position regarding the Hurricane Katrina and Hurricane Rita Louisiana Act 55 financing. See Note 3 to the financial statements in the Form 10-K for additional discussion of the tax settlement and savings obligation.

The net wholesale revenue variance is primarily due to higher prices.

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

Gross operating revenues increased primarily due to:

- an increase of $138.8 million in fuel cost recovery revenues primarily due to higher fuel rates;
- an increase of $69.5 million in rider revenues primarily due to System Agreement credits to customers in 2012; and
- an increase of $12.3 million in gross wholesale revenues primarily due to higher prices.

Entergy Gulf States Louisiana's fuel and purchased power recovery mechanism is discussed in Note 2 to the financial statements in the Form 10-K.

Fuel and purchased power expenses increased primarily due to:

- an increase in the average market price of purchased power and increased demand; and
- an increase in deferred fuel expense due to the timing of receipt of System Agreement payments and credits to customers and higher fuel cost recovery revenues due to higher fuel rates as compared to the prior year. See Note 2 to the financial statements herein and in the Form 10-K for a discussion of the System Agreement proceedings.

Other regulatory charges decreased primarily due to a regulatory charge recorded in the second quarter 2012 because Entergy Gulf States Louisiana is sharing with customers the savings from an IRS settlement related to the uncertain tax position regarding the Hurricane Katrina and Hurricane Rita Louisiana Act 55 financing. See Note 3 to the financial statements in the Form 10-K for additional discussion of the tax settlement and savings obligation.

Other Income Statement Variances

Third Quarter 2013 Compared to Third Quarter 2012

Other operation and maintenance expenses increased primarily due to:

- an increase of $5.5 million in compensation and benefits costs primarily due to a settlement charge, recognized in September 2013, related to the payment of lump sum benefits out of the non-qualified pension plan and a decrease in the discount rates used to determine net periodic pension and other postretirement benefit costs. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefits costs;
- an increase of $2.3 million in loss reserves;
- an increase of $1.8 million in nuclear generation expenses primarily due to higher labor costs;
- an increase of $1.7 million in fossil-fueled generation expenses due to an overall higher scope of work done during plant outages as compared to the prior year; and
- several individually insignificant items.

Other income decreased primarily due to lower realized gains in 2013 on the River Bend decommissioning trust fund investments. There is no effect on net income as these investment gains are offset by a corresponding amount of regulatory charges.

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Nine Months Ended September 30, 2013 Compared to Nine Months Ended September 30, 2012

Other operation and maintenance expenses increased primarily due to:

- an increase of $11.4 million in compensation and benefits costs primarily due to a decrease in the discount rates used to determine net periodic pension and other postretirement benefit costs and a settlement charge, recognized in September 2013, related to the payment of lump sum benefits out of the non-qualified pension plan. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefits costs;
- the deferral recorded in the second quarter 2012, as approved by the LPSC and the FERC, of costs related to the transition and implementation of joining the MISO RTO, which reduced expenses by $4.2 million in 2012;
- an increase of $4.9 million in nuclear generation expenses primarily due to higher labor costs including higher contract labor;
- an increase of $2.7 million in loss reserves;
- an increase of $2.2 million in fossil-fueled generation expenses due to an overall higher scope of work done during plant outages as compared to the prior year; and
- several individually insignificant items.

Income Taxes

The effective income tax rate was 15.6% for the third quarter 2013 and 27.3% for the nine months ended September 30, 2013. The differences in the effective income tax rates for the third quarter 2013 and the nine months ended September 30, 2013 versus the federal statutory rate of 35% were due to the reversal of a portion of the provision for uncertain tax positions and book and tax differences related to the non-taxable income distributions earned on preferred membership interests, partially offset by state income taxes.

The effective income tax rate was 36.8% for the third quarter 2012 and 24.2% for the nine months ended September 30, 2012. The difference in the effective income tax rate for the third quarter 2012 versus the federal statutory rate of 35% was due to state income taxes and the provision for uncertain tax positions, partially offset by book and tax differences related to the non-taxable income distributions earned on preferred membership interests. The difference in the effective income tax rate for the nine months ended September 30, 2012 versus the federal statutory rate of 35% was due to book and tax differences related to the non-taxable income distributions earned on preferred membership interests and the reversal of the provision for uncertain tax positions related to an IRS settlement on how to treat the Louisiana Act 55 financing of the Hurricane Katrina and Hurricane Rita storm costs, partially offset by state income taxes.

Hurricane Isaac

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Hurricane Isaac" in the Form 10-K for a discussion of Hurricane Isaac and the damage caused to Entergy Gulf States Louisiana's service area in August 2012. In April 2013, Entergy Gulf States Louisiana and Entergy Louisiana filed a joint application with the LPSC relating to Hurricane Isaac system restoration costs. Specifically, Entergy Gulf States Louisiana requested that the LPSC determine the amount of such costs that were prudently incurred and are, thus, eligible for recovery from customers. Including carrying costs and additional storm escrow funds, Entergy Gulf States Louisiana is seeking determination that $73.8 million in system restoration costs were prudently incurred. Entergy Gulf States Louisiana intends to replenish its storm escrow accounts to $90 million primarily through traditional debt markets and has requested special rate treatment of any borrowings for that purpose. In May 2013, Entergy Gulf States Louisiana filed a supplemental application proposing a specific means to finance system restoration costs and related requests. Entergy Gulf States Louisiana is proposing to finance Hurricane Isaac restoration costs through Louisiana Act 55 financing, which was the same method it used for Hurricanes Katrina, Rita, Gustav, and Ike.

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Management's Financial Discussion and Analysis

The LPSC Staff filed direct testimony in September 2013 concluding that Hurricane Isaac system restoration costs incurred by Entergy Gulf States Louisiana and Entergy Louisiana were reasonable and prudent, subject to proposed minor adjustments which totaled approximately 1% of each company's costs. The LPSC Staff also supported the requests to re-establish storm reserves of $90 million for Entergy Gulf States Louisiana and $200 million for Entergy Louisiana. One intervenor filed testimony recommending storm reserve levels of $70 million for Entergy Gulf States Louisiana and $100 million for Entergy Louisiana, but takes no position on the prudence of the Hurricane Isaac system restoration costs. An evidentiary hearing is scheduled in December 2013, with an LPSC decision expected in 2014.

Liquidity and Capital Resources

Cash Flow

Cash flows for the nine months ended September 30, 2013 and 2012 were as follows:

	2013	2012
	(In Thousands)	
Cash and cash equivalents at beginning of period	$35,686	$24,845
Cash flow provided by (used in):		
Operating activities	270,298	391,711
Investing activities	(261,281)	(145,984)
Financing activities	(43,933)	(94,008)
Net increase (decrease) in cash and cash equivalents	(34,916)	151,719
Cash and cash equivalents at end of period	$770	$176,564

Operating Activities

Net cash flow provided by operating activities decreased $121.4 million for the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012 primarily due to:

- income tax payments of $62.4 million in the nine months ended September 30, 2013. Entergy Gulf States Louisiana had income tax payments in 2013 in accordance with the Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement. The payments resulted primarily from the reversal of temporary differences for which Entergy Gulf States Louisiana had previously claimed a tax deduction;
- higher nuclear refueling outage spending at River Bend. River Bend had a refueling outage in 2013 and did not have one in 2012; and
- the timing of collections from customers.

Investing Activities

Net cash flow used in investing activities increased $115.3 million for the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012 primarily due to:

- fluctuations in nuclear fuel activity because of variations from year to year in the timing and pricing of fuel reload requirements in the Utility business, material and services deliveries, and the timing of cash payments during the nuclear fuel cycle;
- $51 million in proceeds in 2012 from the sale of a portion of Entergy Gulf States Louisiana's investment in Entergy Holdings Company's Class A preferred membership interests to a third party;
- an increase in nuclear construction expenditures as a result of spending on nuclear projects during the River Bend refueling outage in 2013; and
  - an increase in transmission construction expenditures due to additional reliability work performed in 2013.

These increases were partially offset by:

- the withdrawal of $65.5 million from the storm reserve escrow account in 2013;
- a decrease in distribution construction expenditures due to prior year Hurricane Isaac spending; and
- a decrease in fossil-fueled generation construction expenditures as a result of decreased scope of work in 2013.

Financing Activities

Net cash flow used in financing activities decreased $50.1 million for the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012 primarily due to:

- $31 million in credit borrowings for the nine months ended September 30, 2013 compared to payments of $29.4 million on credit borrowings for the nine months ended September 30, 2012 against the nuclear fuel company variable interest entity credit facility; and
- money pool activity.

The decrease was offset by:

- an increase of $52.5 million in common equity distributions;
- net cash redemptions of $5.2 million of long-term debt for the nine months ended September 30, 2013; and
- net cash issuances of $3.4 million of long-term debt for the nine months ended September 30, 2012.

See Note 5 to the financial statements in the Form 10-K and Note 4 herein for more details on long-term debt.

Increases in Entergy Gulf States Louisiana's payable to the money pool are a source of cash flow, and Entergy Gulf States Louisiana's payable to the money pool increased by $50.8 million for the nine months ended September 30, 2013. The money pool is an inter-company borrowing arrangement designed to reduce the Utility subsidiaries' need for external short-term borrowings.

Capital Structure

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

	September 30, 2013	December 31, 2012
Debt to capital	52.7%	52.3%
Effect of subtracting cash	-%	(0.6%)
Net debt to net capital	52.7%	51.7%

Net debt consists of debt less cash and cash equivalents. Debt consists of short-term borrowings and long-term debt, including the currently maturing portion. Capital consists of debt and equity. Net capital consists of capital less cash and cash equivalents. Entergy Gulf States Louisiana uses the debt to capital ratio in analyzing its financial condition and believes it provides useful information to its investors and creditors in evaluating Entergy Gulf States Louisiana’s financial condition. Entergy Gulf States Louisiana uses the net debt to net capital ratio in analyzing its financial condition and believes it provides useful information to its investors and creditors in evaluating Entergy Gulf States Louisiana’s financial condition because net debt indicates Entergy Gulf States Louisiana’s outstanding debt position that could not be readily satisfied by cash and cash equivalents on hand.

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

Uses and Sources of Capital

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources" in the Form 10-K for a discussion of Entergy Gulf States Louisiana's uses and sources of capital. Following are updates to the information provided in the Form 10-K. Entergy Gulf States Louisiana is developing its capital investment plan for 2014 through 2016 and currently anticipates making $861 million in capital investments during that period. In addition to routine capital spending to maintain operations, the capital investment plan includes specific investments and initiatives such as NRC post-Fukushima requirements and transmission spending to support economic development projects, reliability, and new compliance projects.

Entergy Gulf States Louisiana obtained short-term borrowing authorization from the FERC under which it may borrow through October 2015, up to the aggregate amount, at any one time outstanding, of $200 million. See Note 4 to the financial statements for further discussion of Entergy Gulf States Louisiana's short-term borrowing limits. Entergy Gulf States Louisiana has also obtained an order from the FERC authorizing long-term securities issuances through October 2015. Entergy Gulf States Louisiana has also obtained long-term financing authorization from the FERC that extends through October 2015 for issuances by its nuclear fuel company variable interest entity.

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

September 30, 2013	December 31, 2012	September 30, 2012	December 31, 2011
(In Thousands)			
($57,835)	($7,074)	$32,161	$23,596

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

Entergy Gulf States Louisiana has a credit facility in the amount of $150 million scheduled to expire in March 2018. No borrowings were outstanding under the facility as of September 30, 2013. See Note 4 to the financial statements herein for additional discussion of the credit facility.

The Entergy Gulf States Louisiana nuclear fuel company variable interest entity has a credit facility in the amount of $100 million scheduled to expire in June 2016. As of September 30, 2013, $31 million was outstanding on the variable interest entity credit facility. See Note 4 to the financial statements for additional discussion of the variable interest entity credit facility.

In February 2013 the Entergy Gulf States Louisiana nuclear fuel company variable interest entity issued $70 million of 3.38% Series R notes due August 2020. The Entergy Gulf States Louisiana nuclear fuel company variable interest entity used the proceeds principally to purchase additional nuclear fuel.

In May 2013 the Entergy Gulf States Louisiana nuclear fuel company variable interest entity redeemed, at maturity, its $75 million 5.56% Series N notes.

State and Local Rate Regulation and Fuel-Cost Recovery

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

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Retail Rates - Electric

In November 2011 the LPSC approved a one-year extension of Entergy Gulf States Louisiana's formula rate plan. In May 2012, Entergy Gulf States Louisiana made its formula rate plan filing with the LPSC for the 2011 test year. The filing reflected an 11.94% earned return on common equity, which is above the earnings bandwidth and would indicate a $6.5 million cost of service rate decrease was necessary under the formula rate plan. The filing also reflected a $22.9 million rate decrease for the incremental capacity rider. Subsequently, in August 2012, Entergy Gulf States Louisiana submitted a revised filing that reflected an earned return on common equity of 11.86% indicating that a $5.7 million cost of service rate decrease is necessary under the formula rate plan. The revised filing also indicates that a reduction of $20.3 million should be reflected in the incremental capacity rider. The rate reductions were implemented, subject to refund, effective for bills rendered the first billing cycle of September 2012. Subsequently, in December 2012, Entergy Gulf States Louisiana submitted a revised evaluation report that reflects expected retail jurisdictional cost of $16.9 million for the first-year capacity charges for the purchase from Entergy Louisiana of one-third of Acadia Unit 2 capacity and energy. This rate change was implemented effective with the first billing cycle of January 2013. The 2011 test year filings, as revised, were approved by the LPSC in February 2013. In April 2013, Entergy Gulf States Louisiana submitted a revised evaluation report increasing the incremental capacity rider by approximately $7.3 million to reflect the cost of an additional capacity contract.

See Note 2 to the financial statements in the Form 10-K for a discussion of the base rate case filed by Entergy Gulf States Louisiana with the LPSC in February 2013. In April 2013 the LPSC established a procedural schedule providing for hearings in November 2013, with a decision by the LPSC expected in 2014. On July 26, 2013, with the concurrence of Entergy Gulf States Louisiana based upon an expected 60-day delay of the procedural schedule, the ALJ suspended the procedural schedule pending resolution of the appeal by Entergy Gulf States Louisiana, Entergy Louisiana and the LPSC staff regarding the ALJ's denial of a motion to consolidate the rate cases of Entergy Gulf States Louisiana and Entergy Louisiana. At an August 2013 meeting the LPSC rejected the proposed consolidation. The base rate case is currently scheduled for an evidentiary hearing in February 2014. An extension of the deadline for the filing of the staff's and intervenors' testimony was granted to allow for settlement negotiations, which are ongoing.

Retail Rates - Gas

In January 2013, Entergy Gulf States Louisiana filed with the LPSC its gas rate stabilization plan for the test year ended September 30, 2012. The filing showed an earned return on common equity of 11.18%, which resulted in a $43 thousand rate reduction. In March 2013 the LPSC Staff issued its proposed findings and recommended two adjustments. The first is to normalize property insurance expense, and the second is to modify the return on equity for gas operations to reflect the return on equity that ultimately is approved by the LPSC in the investigation previously initiated by the LPSC to review the return on equity for Louisiana gas utilities. Entergy Gulf States Louisiana and the LPSC Staff reached agreement regarding the LPSC Staff's proposed adjustments. As reflected in an unopposed joint report of proceedings filed by Entergy Gulf States Louisiana and the LPSC Staff on May 16, 2013, Entergy Gulf States Louisiana accepted, with modification, the LPSC Staff's proposed adjustment to property insurance expense and agreed to: (1) a three-year extension of the gas rate stabilization plan with a midpoint return on equity of 9.95%, with a first year midpoint reset; (2) dismissal of the docket initiated by the LPSC to evaluate the allowed return on equity for Entergy Gulf States Louisiana's gas rate stabilization plan; and (3) presentation to the LPSC by November 2014 by Entergy Gulf States Louisiana and the LPSC Staff of their recommendation for implementation of an infrastructure rider to recover expenditures associated with strategic plant investment. The LPSC approved the agreement in May 2013.

Industrial and Commercial Customers

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

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Entergy Gulf States Louisiana, L.L.C.
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Federal Regulation

See "System Agreement" and "Entergy's Proposal to Join MISO" in the "Rate, Cost-recovery, and Other Regulation – Federal Regulation" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for updates to the Federal Regulation discussion in the Form 10-K.

Nuclear Matters

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

Environmental Risks

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

Critical Accounting Estimates

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

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ENTERGY GULF STATES LOUISIANA, L.L.C.
INCOME STATEMENTS
For the Three and Nine Months Ended September 30, 2013 and 2012
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2013	2012	2013	2012
	(In Thousands)		(In Thousands)	
OPERATING REVENUES				
Electric	$549,123	$425,999	$1,428,155	$1,201,178
Natural gas	9,208	8,452	42,492	34,251
TOTAL	558,331	434,451	1,470,647	1,235,429
OPERATING EXPENSES				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	104,932	34,821	213,270	131,248
Purchased power	194,455	156,398	560,531	417,909
Nuclear refueling outage expenses	5,419	4,415	14,955	13,147
Other operation and maintenance	105,107	89,446	300,012	267,505
Decommissioning	4,005	3,783	11,845	11,187
Taxes other than income taxes	21,346	19,141	60,729	55,728
Depreciation and amortization	37,703	36,958	113,002	109,345
Other regulatory charges - net	80	3,928	5,080	32,536
TOTAL	473,047	348,890	1,279,424	1,038,605
OPERATING INCOME	85,284	85,561	191,223	196,824
OTHER INCOME				
Allowance for equity funds used during construction	2,171	1,760	5,630	6,512
Interest and investment income	9,428	13,442	34,239	33,350
	(2,822)	(1,615)	(7,861)	(6,727)

Miscellaneous - net				
TOTAL	8,777	13,587	32,008	33,135
INTEREST EXPENSE				
Interest expense	20,498	20,406	60,971	62,297
Allowance for borrowed funds used during construction	(690)	(652)	(2,041)	(2,516)
TOTAL	19,808	19,754	58,930	59,781
INCOME BEFORE INCOME TAXES	74,253	79,394	164,301	170,178
Income taxes	11,611	29,184	44,773	41,220
NET INCOME	62,642	50,210	119,528	128,958
Preferred distribution requirements and other	206	206	619	619
EARNINGS APPLICABLE TO COMMON EQUITY	$ 62,436	$ 50,004	$ 118,909	$ 128,339

See Notes to Financial Statements.

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ENTERGY GULF STATES LOUISIANA, L.L.C.
STATEMENTS OF COMPREHENSIVE INCOME
For the Three and Nine Months Ended September 30, 2013 and 2012
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2013	2012	2013	2012
	(In Thousands)		(In Thousands)	
Net Income	$ 62,642	$ 50,210	$ 119,528	$ 128,958
Other comprehensive income				
Pension and other postretirement liabilities				
(net of tax expense of $778, $703, $2,342, and $8,247)	963	862	2,880	12,397
Other comprehensive income	963	862	2,880	12,397
Comprehensive Income	$ 63,605	$ 51,072	$ 122,408	$ 141,355

See Notes to Financial Statements.

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ENTERGY GULF STATES LOUISIANA, L.L.C.
STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 2013 and 2012
(Unaudited)

	2013	2012
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	$ 119,528	$ 128,958
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Depreciation, amortization, and decommissioning, including nuclear fuel amortization	165,684	158,577
Deferred income taxes, investment tax credits, and non-current taxes accrued	78,265	51,415
Changes in working capital:		
Receivables	(59,583)	63,699
Fuel inventory	(1,868)	(7,747)
Accounts payable	13,921	42,149
Prepaid taxes and taxes accrued	(61,290)	67,987
Interest accrued	5,302	5,696
Deferred fuel costs	(8,867)	(91,354)
Other working capital accounts	(24,029)	(11,434)
Changes in provisions for estimated losses	(60,205)	(3,100)
Changes in other regulatory assets	31,754	(5,648)
Changes in pension and other postretirement liabilities	4,877	(3,459)
Other	66,809	(4,028)
Net cash flow provided by operating activities	270,298	391,711
INVESTING ACTIVITIES		
Construction expenditures	(205,162)	(198,785)
Allowance for equity funds used during construction	5,630	6,512
Nuclear fuel purchases	(132,083)	(41,592)
Proceeds from the sale of nuclear fuel	19,401	56,579

Payment to storm reserve escrow account	(25)	(66)
Receipts from storm reserve escrow account	65,475	3,364
Proceeds from nuclear decommissioning trust fund sales	66,152	96,653
Investment in nuclear decommissioning trust funds	(80,669)	(111,084)
Change in money pool receivable - net	-	(8,565)
Proceeds from the sale of investment	-	51,000
Net cash flow used in investing activities	(261,281)	(145,984)
FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	69,782	74,251
Retirement of long-term debt	(75,000)	(70,840)
Change in money pool payable - net	50,761	-
Changes in credit borrowings - net	31,000	(29,400)
Distributions paid:		
Common equity	(119,900)	(67,400)
Preferred membership interests	(619)	(619)
Other	43	-
Net cash flow used in financing activities	(43,933)	(94,008)
Net increase (decrease) in cash and cash equivalents	(34,916)	151,719
Cash and cash equivalents at beginning of period	35,686	24,845
Cash and cash equivalents at end of period	$ 770	$ 176,564
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest - net of amount capitalized	$ 53,512	$ 54,291
Income taxes	$ 62,435	$ -

See Notes to Financial Statements.

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ENTERGY GULF STATES LOUISIANA, L.L.C.
BALANCE SHEETS
ASSETS
September 30, 2013 and December 31, 2012
(Unaudited)

	2013	2012
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	$ 152	$ 35,085
Temporary cash investments	618	601
Total cash and cash equivalents	770	35,686
Accounts receivable:		
Customer	84,146	53,480
Allowance for doubtful accounts	(793)	(711)
Associated companies	91,548	71,697
Other	17,856	18,736
Accrued unbilled revenues	61,614	51,586
Total accounts receivable	254,371	194,788
Deferred fuel costs	7,919	-
Fuel inventory - at average cost	28,835	26,967
Materials and supplies - at average cost	122,664	121,289
Deferred nuclear refueling outage costs	31,598	5,953
Prepaid taxes	40,269	-
Prepayments and other	7,692	7,911
TOTAL	494,118	392,594
OTHER PROPERTY AND INVESTMENTS		
Investment in affiliate preferred membership interests	289,664	289,664
Decommissioning trust funds	537,624	477,391
Non-utility property - at cost (less accumulated depreciation)	172,098	165,410
Storm reserve escrow account	21,534	86,984
Other	14,046	13,404
TOTAL	1,034,966	1,032,853
UTILITY PLANT		

Electric	7,388,971	7,279,953
Natural gas	141,912	135,723
Construction work in progress	127,322	125,448
Nuclear fuel	208,839	146,768
TOTAL UTILITY PLANT	7,867,044	7,687,892
Less - accumulated depreciation and amortization	4,076,376	4,003,385
UTILITY PLANT - NET	3,790,668	3,684,507
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
Regulatory asset for income taxes - net	171,006	171,051
Other regulatory assets	377,944	409,653
Deferred fuel costs	100,124	100,124
Other	13,611	12,337
TOTAL	662,685	693,165
TOTAL ASSETS	$ 5,982,437	$ 5,803,119

See Notes to Financial Statements.

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ENTERGY GULF STATES LOUISIANA, L.L.C.
BALANCE SHEETS
LIABILITIES AND EQUITY
September 30, 2013 and December 31, 2012
(Unaudited)

	2013	2012
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	$ -	$ 75,000
Accounts payable:		
Associated companies	162,647	89,377
Other	80,160	97,509
Customer deposits	51,348	48,265
Taxes accrued	-	21,021
Accumulated deferred income taxes	48,902	22,249
Interest accrued	30,739	25,437
Deferred fuel costs	-	948
Pension and other postretirement liabilities	8,120	7,803
Gas hedge contracts	1,261	2,620
Other	13,047	11,999
TOTAL	396,224	402,228
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	1,463,685	1,403,195
Accumulated deferred investment tax credits	76,049	78,312
Other regulatory liabilities	143,209	103,444
Decommissioning and asset retirement cost liabilities	397,399	380,822
Accumulated provisions	37,025	97,230
Pension and other postretirement liabilities	420,780	416,220
Long-term debt	1,543,608	1,442,429
Long-term payables - associated companies	28,168	29,510
Other	91,381	66,725
TOTAL	4,201,304	4,017,887
Commitments and Contingencies		
EQUITY		

Preferred membership interests without sinking fund	10,000	10,000
Member's equity	1,437,258	1,438,233
Accumulated other comprehensive loss	(62,349)	(65,229)
TOTAL	1,384,909	1,383,004
TOTAL LIABILITIES AND EQUITY	$ 5,982,437	$ 5,803,119
See Notes to Financial Statements.		

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ENTERGY GULF STATES LOUISIANA, L.L.C.
STATEMENTS OF CHANGES IN EQUITY
For the Nine Months Ended September 30, 2013 and 2012
(Unaudited)

		Common Equity		
	Preferred Membership Interests	Member's Equity	Accumulated Other Comprehensive Income (Loss)	Total
		(In Thousands)		
Balance at December 31, 2011	$ 10,000	$ 1,393,386	$ (69,610)	$ 1,333,776
Net income	-	128,958	-	128,958
Member contribution	-	1,000	-	1,000
Other comprehensive income	-	-	12,397	12,397
Distributions declared on common equity	-	(67,400)	-	(67,400)
Distributions declared on preferred membership interests	-	(619)	-	(619)
Other	-	(114)	-	(114)
Balance at September 30, 2012	$ 10,000	$ 1,455,211	$ (57,213)	$ 1,407,998
Balance at December 31, 2012	$ 10,000	$ 1,438,233	$ (65,229)	$ 1,383,004
Net income	-	119,528	-	119,528
Other comprehensive income	-	-	2,880	2,880
Distributions declared on	-	(119,900)	-	(119,900)

common equity				
Distributions declared on preferred membership interests	-	(619)	-	(619)
Other	-	16	-	16
Balance at September 30, 2013	$ 10,000	$ 1,437,258	$ (62,349)	$ 1,384,909
See Notes to Financial Statements.				

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ENTERGY GULF STATES LOUISIANA, L.L.C.
SELECTED OPERATING RESULTS
For the Three and Nine Months Ended September 30, 2013 and 2012
(Unaudited)

Description	Three Months Ended 2013	Three Months Ended 2012	Increase/ (Decrease)	%
	(Dollars In Millions)			
Electric Operating Revenues:				
Residential	$ 158	$ 119	$ 39	33
Commercial	123	90	33	37
Industrial	137	89	48	54
Governmental	6	5	1	20
Total retail	424	303	121	40
Sales for resale:				
Associated companies	102	103	(1)	(1)
Non-associated companies	11	9	2	22
Other	12	11	1	9
Total	$ 549	$ 426	$ 123	29
Billed Electric Energy Sales (GWh):				
Residential	1,740	1,718	22	1
Commercial	1,514	1,500	14	1
Industrial	2,337	2,210	127	6
Governmental	59	61	(2)	(3)
Total retail	5,650	5,489	161	3
Sales for resale:				
Associated companies	1,940	2,295	(355)	(15)
Non-associated companies	245	229	16	7
Total	7,835	8,013	(178)	(2)

Description	Nine Months Ended 2013	Nine Months Ended 2012	Increase/ (Decrease)	%
	(Dollars In Millions)			
Electric Operating Revenues:				
Residential	$ 356	$ 295	$ 61	21
Commercial	314	258	56	22
Industrial	379	287	92	32
Governmental	16	14	2	14

Total retail	1,065	854	211	25
Sales for resale:				
Associated companies	283	281	2	1
Non-associated companies	33	23	10	43
Other	47	43	4	9
Total	$ 1,428	$ 1,201	$ 227	19
Billed Electric Energy				
Sales (GWh):				
Residential	3,982	4,019	(37)	(1)
Commercial	3,923	4,003	(80)	(2)
Industrial	6,772	6,741	31	-
Governmental	172	174	(2)	(1)
Total retail	14,849	14,937	(88)	(1)
Sales for resale:				
Associated companies	4,858	5,858	(1,000)	(17)
Non-associated companies	642	673	(31)	(5)
Total	20,349	21,468	(1,119)	(5)

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ENTERGY LOUISIANA, LLC AND SUBSIDIARIES

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Plan to Spin Off the Utility's Transmission Business

See the "Plan to Spin Off the Utility's Transmission Business" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis in the Form 10-K and herein for a discussion of Entergy's plan to spin off its transmission business and merge it with a newly formed subsidiary of ITC Holdings Corp., including the planned retirement of debt and preferred securities.

Results of Operations

Net Income

Third Quarter 2013 Compared to Third Quarter 2012

Net income increased $20.4 million primarily due to higher net revenue and a lower effective income tax rate, partially offset by higher other operation and maintenance expenses, higher depreciation and amortization expenses, higher interest expense, and higher nuclear refueling outage expenses.

Nine Months Ended September 30, 2013 Compared to Nine Months Ended September 30, 2012

Net income decreased $36.9 million primarily due to the IRS tax settlement, in June 2012, related to the uncertain tax position regarding the Hurricane Katrina and Hurricane Rita Louisiana Act 55 financing, which resulted in a $142.7 million income tax benefit in 2012. The prior year income tax benefit was partially offset by a $137.1 million ($84.3 million net-of-tax) regulatory charge, which reduced net revenue in 2012, because Entergy Louisiana is sharing the savings with customers. Also contributing to the decrease in net income was higher other operation and maintenance expenses, higher depreciation and amortization expenses, and higher interest expense, partially offset by higher net revenue. See Note 3 to the financial statements in the Form 10-K for additional discussion of the tax settlement and savings obligation.

Net Revenue

Third Quarter 2013 Compared to Third Quarter 2012

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory credits. Following is an analysis of the change in net revenue comparing the third quarter 2013 to the third quarter 2012:

	Amount (In Millions)
2012 net revenue	$312.1
Retail electric price	30.1

Volume/weather	10.3
Fuel recovery	5.0
Net wholesale revenue	3.6
Other	2.8
2013 net revenue	$363.9

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The retail electric price variance is primarily due to a formula rate plan increase effective January 2013. See Note 2 to the financial statements herein and in the Form 10-K for more discussion of the formula rate plan increase.

The volume/weather variance is primarily due to increased usage during the unbilled sales period and increased billed electricity usage in the residential, commercial, and industrial sectors due to the effect of Hurricane Isaac, which decreased sales volume in 2012. The increase in industrial usage was also driven by a prior year unplanned outage in the chemicals industry and a higher capacity factor in the petroleum industry.

The fuel recovery variance is primarily due to the expiration of the Evangeline gas contract on January 1, 2013.

The net wholesale revenue variance is primarily due to the sale to Entergy Gulf States Louisiana of one-third of Acadia Unit 2 capacity and energy.

Gross operating revenues and fuel and purchased power expenses

Gross operating revenues increased primarily due to:

- an increase of $128.9 million in fuel cost recovery revenues primarily due to higher fuel rates;
- the formula rate plan increase, as discussed above; and
- an increase of $10.8 million in affiliated sales as a result of the Acadia contract with Entergy Gulf States Louisiana effective January 2013.

Fuel and purchased power expenses increased primarily due to an increase in the average market prices of natural gas and purchased power and an increase in the recovery from customers of deferred fuel costs.

Nine Months Ended September 30, 2013 Compared to Nine Months Ended September 30, 2012

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges (credits). Following is an analysis of the change in net revenue comparing the nine months ended September 30, 2013 to the nine months ended September 30, 2012:

	Amount (In Millions)
2012 net revenue	$702.5
Louisiana Act 55 financing savings obligation	139.1
Retail electric price	63.8
Net wholesale revenue	14.2
Volume/weather	7.9
Fuel recovery	6.3
Other	1.0

2013 net revenue	$934.8

The Louisiana Act 55 financing savings obligation variance results from a regulatory charge recorded in the second quarter 2012 because Entergy Louisiana is sharing with customers the savings from an IRS settlement related to the uncertain tax position regarding the Hurricane Katrina and Hurricane Rita Louisiana Act 55 financing. See Note 3 to the financial statements in the Form 10-K for additional discussion of the tax settlement and savings obligation.

The retail electric price variance is primarily due to a formula rate plan increase effective January 2013. See Note 2 to the financial statements herein and in the Form 10-K for more discussion of the formula rate plan increase.

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The net wholesale revenue variance is primarily due to the sale to Entergy Gulf States Louisiana of one-third of Acadia Unit 2 capacity and energy.

The volume/weather variance is primarily due to increased usage during the unbilled sales period and increased billed electricity usage in all sectors due to the effect of Hurricane Isaac, which decreased sales volume in 2012. The increase in industrial usage was also driven by a higher capacity factor in the petroleum industry. The increase was partially offset by the effect of less favorable weather on residential and commercial sales as compared to the same period in prior year.

The fuel recovery variance is primarily due to the expiration of the Evangeline gas contract on January 1, 2013.

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

Gross operating revenues increased primarily due to:

- an increase of $291.2 million in fuel cost recovery revenues primarily due to higher fuel rates;
- the formula rate plan increase, as discussed above; and
- an increase of $21.8 million in affiliated sales as a result of the Acadia contract with Entergy Gulf States Louisiana effective January 2013.

Fuel and purchased power expenses increased primarily due to an increase in the average market prices of natural gas and purchased power and an increase in the recovery from customers of deferred fuel costs.

Other regulatory charges decreased primarily due to a regulatory charge recorded in the second quarter 2012 because Entergy Louisiana is sharing with customers the savings from an IRS settlement related to the uncertain tax position regarding the Hurricane Katrina and Hurricane Rita Louisiana Act 55 financing. See Note 3 to the financial statements in the Form 10-K for additional discussion of the tax settlement and savings obligation.

Other Income Statement Variances

Third Quarter 2013 Compared to Third Quarter 2012

Nuclear refueling outage expenses increased primarily due to the amortization of higher expenses associated with the planned maintenance and refueling outage at Waterford 3.

Other operation and maintenance expenses increased primarily due to:

- an increase of $7.6 million in compensation and benefits costs primarily due to a decrease in the discount rates used to determine net periodic pension and other postretirement benefit costs and a settlement charge, recognized in September 2013, related to the payment of lump sum benefits out of the non-qualified pension plan. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefits costs;
- an increase of $3.2 million in distribution expenses primarily due to higher labor and contract costs;
- an increase of $2.5 million in transmission expenses primarily due to higher equalization expenses, additional transmission services, and higher vegetation expenses; and
- an increase of $2.2 million as a result of lower write-offs of uncollectible accounts in 2012.

The increase was partially offset by a decrease of $4.3 million in fossil-fueled generation expenses due to an overall lower scope of work done during plant outages as compared to the prior year.

Depreciation and amortization expenses increased primarily due to additions to plant in service, including the completion of the Waterford 3 steam generator replacement project in December 2012.

Interest expense increased primarily due to the following long-term debt issuances:

- $200 million of 3.30% Series first mortgage bonds in December 2012;
- $100 million of 4.70% Series first mortgage bonds in May 2013; and
- $325 million of 4.05% Series first mortgage bonds in August 2013.

Nine Months Ended September 30, 2013 Compared to Nine Months Ended September 30, 2012

Nuclear refueling outage expenses increased primarily due to the amortization of higher expenses associated with the planned maintenance and refueling outage at Waterford 3.

Other operation and maintenance expenses increased primarily due to:

- an increase of $13.9 million in compensation and benefits costs primarily due to a decrease in the discount rates used to determine net periodic pension and other postretirement benefit costs and a settlement charge, recognized in September 2013, related to the payment of lump sum benefits out of the non-qualified pension plan. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefits costs;
- the prior year deferral, as approved by the LPSC and the FERC, of costs related to the transition and implementation of joining the MISO RTO, which reduced 2012 expenses by $5.2 million;
- an increase of $2.9 million in loss reserves; and
- an increase of $2.8 million in nuclear generation expenses primarily due to higher labor and materials costs.

The increase was partially offset by a decrease of $8.7 million in fossil-fueled generation expenses due to an overall lower scope of work done during plant outages as compared to the prior year and a decrease of $2.9 million in insurance expenses primarily due to decreases in premiums.

Depreciation and amortization expenses increased primarily due to additions to plant in service, including the completion of the Waterford 3 steam generator replacement project in December 2012.

Interest expense increased primarily due to the following long-term debt issuances:

- $200 million of 5.25% Series first mortgage bonds in July 2012;
- $200 million of 3.30% Series first mortgage bonds in December 2012;
- $100 million of 4.70% Series first mortgage bonds in May 2013; and
- $325 million of 4.05% Series first mortgage bonds in August 2013.

Income Taxes

The effective income tax rate was 28% for the third quarter 2013 and 25.8% for the nine months ended September 30, 2013. The differences in the effective income tax rates for the third quarter 2013 and the nine months ended September 30, 2013 versus the federal statutory rate of 35% were due to book and tax differences related to the non-taxable income distributions earned on preferred membership interests, book and tax differences related to the allowance for equity funds used during construction, and the reversal of a portion of the provision for uncertain tax positions, partially offset by state income taxes.

The effective income tax rate was 34.7% for the third quarter 2012 and (110.1%) for the nine months ended September 30, 2012. The difference in the effective income tax rate for the third quarter 2012 versus the federal statutory rate of 35% was due to a change in the regulatory treatment of state income taxes included in formula rate plan filings, partially offset by book and tax differences related to the non-taxable income distributions earned on preferred membership interests. The difference in the effective income tax rate for the nine months ended September 30, 2012 versus the federal statutory rate of 35% was due to the reversal of the provision for uncertain tax positions related to the IRS

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settlement on how to treat the Louisiana Act 55 financing of the Hurricane Katrina and Hurricane Rita storm costs, book and tax differences related to the non-taxable income distributions earned on preferred membership interests, and book and tax differences related to the allowance for equity funds used during construction, partially offset by a change to the regulatory treatment of state income taxes included in formula rate plan filings.

Hurricane Isaac

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Hurricane Isaac" in the Form 10-K for a discussion of Hurricane Isaac and the damage caused to Entergy Louisiana's service area in August 2012. In April 2013, Entergy Gulf States Louisiana and Entergy Louisiana filed a joint application with the LPSC relating to Hurricane Isaac system restoration costs. Specifically, Entergy Louisiana requested that the LPSC determine the amount of such costs that were prudently incurred and are, thus, eligible for recovery from customers. Including carrying costs and additional storm escrow funds, Entergy Louisiana is seeking determination that $247.7 million in system restoration costs were prudently incurred. Entergy Louisiana intends to replenish its storm escrow accounts to $200 million primarily through traditional debt markets and has requested special rate treatment of any borrowings for that purpose. In May 2013, Entergy Louisiana filed a supplemental application proposing a specific means to finance system restoration costs and related requests. Entergy Louisiana is proposing to finance Hurricane Isaac restoration costs through Louisiana Act 55 financing, which was the same method it used for Hurricanes Katrina, Rita, Gustav, and Ike.

The LPSC Staff filed direct testimony in September 2013 concluding that Hurricane Isaac system restoration costs incurred by Entergy Gulf States Louisiana and Entergy Louisiana were reasonable and prudent, subject to proposed minor adjustments which totaled approximately 1% of each company's costs. The LPSC Staff also supported the requests to re-establish storm reserves of $90 million for Entergy Gulf States Louisiana and $200 million for Entergy Louisiana. One intervenor filed testimony recommending storm reserve levels of $70 million for Entergy Gulf States Louisiana and $100 million for Entergy Louisiana, but takes no position on the prudence of the Hurricane Isaac system restoration costs. An evidentiary hearing is scheduled in December 2013, with an LPSC decision expected in 2014.

Liquidity and Capital Resources

Cash Flow

Cash flows for the nine months ended September 30, 2013 and 2012 were as follows:

	2013	2012
	(In Thousands)	
Cash and cash equivalents at beginning of period	$30,086	$878
Cash flow provided by (used in):		
Operating activities	450,443	401,672

Investing activities	(449,858)	(519,816)
Financing activities	10,221	266,171
Net increase in cash and cash equivalents	10,806	148,027
Cash and cash equivalents at end of period	$40,892	$148,905

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Operating Activities

Net cash flow provided by operating activities increased $48.8 million for the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012 primarily due to the increased recovery of fuel costs due to an increase in the amount of deferred fuel to be recovered compared to last year, decreased Hurricane Isaac storm spending in 2013, and a decrease of $15.5 million in pension contributions. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for a discussion of qualified pension and other postretirement benefits funding.

Investing Activities

Net cash flow used in investing activities decreased $70 million for the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012 primarily due to:

- receipts of $187 million from the storm reserve escrow account in 2013, compared to receipts of $13.7 million in 2012;
- a decrease in nuclear construction expenditures due to the Waterford 3 steam generator replacement project in 2012;
- a decrease in nuclear fuel activity because of variations from year to year in the timing and pricing of fuel reload requirements in the Utility business, material and services deliveries, and the timing of cash payments during the nuclear fuel cycle; and
  - a decrease in distribution construction expenditures due to higher Hurricane Isaac spending in prior year.

The decrease was offset by an increase in fossil-fueled generation construction expenditures due to spending on the Ninemile Unit 6 self-build project, an increase in transmission construction expenditures as a result of additional reliability work performed in 2013, and money pool activity.

Increases in Entergy Louisiana's receivable from the money pool are a use of cash flow, and Entergy Louisiana's receivable from the money pool increased by $42.4 million for the nine months ended September 30, 2013 compared to increasing by $30.7 million for the nine months ended September 30, 2012. The money pool is an inter-company borrowing arrangement designed to reduce the Utility subsidiaries' need for external short-term borrowings.

Financing Activities

Net cash flow provided by financing activities decreased $256 million for the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012 primarily due to an increase of $350.7 million in common equity dividends paid in 2013 and the net issuance of $397 million of long-term debt in 2013 compared to the net issuance of $428.3 million of long-term debt in 2012. The decrease was partially offset by money pool activity. See Note 5 to the financial statements in the Form 10-K and Note 4 herein for more details of long-term debt.

Decreases in Entergy Louisiana's payable to the money pool are a use of cash flow, and Entergy Louisiana's payable to the money pool decreased by $118.4 million for the nine months ended September 30, 2012.

Capital Structure

Entergy Louisiana's capitalization is balanced between equity and debt, as shown in the following table. The increase in the debt to capital ratio for Entergy Louisiana as of September 30, 2013 is primarily due to an increase in long-term debt as a result of the issuance of $100 million of 4.70% Series first mortgage bonds in May 2013 and $325 million of 4.05% Series first mortgage bonds in August 2013.

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	September 30, 2013	December 31, 2012
Debt to capital	52.8%	48.4%
Effect of excluding securitization bonds	(1.3%)	(1.6%)
Debt to capital, excluding securitization bonds (a)	51.5%	46.8%
Effect of subtracting cash	(0.4%)	(0.3%)
Net debt to net capital, excluding securitization bonds (a)	51.1%	46.5%

(a) Calculation excludes the securitization bonds, which are non-recourse to Entergy Louisiana.

Net debt consists of debt less cash and cash equivalents. Debt consists of short-term borrowings and long-term debt, including the currently maturing portion. Capital consists of debt and member's equity. Net capital consists of capital less cash and cash equivalents. Entergy Louisiana uses the debt to capital ratios excluding securitization bonds in analyzing its financial condition and believes they provide useful information to its investors and creditors in evaluating Entergy Louisiana's financial condition because the securitization bonds are non-recourse to Entergy Louisiana, as more fully described in Note 5 to the financial statements in the Form 10-K. Entergy Louisiana also uses the net debt to net capital ratio excluding securitization bonds in analyzing its financial condition and believes it provides useful information to its investors and creditors in evaluating Entergy Louisiana's financial condition because net debt indicates Entergy Louisiana's outstanding debt position that could not be readily satisfied by cash and cash equivalents on hand.

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. Following are updates to the information provided in the Form 10-K. Entergy Louisiana is developing its capital investment plan for 2014 through 2016 and currently anticipates making $1.3 billion in capital investments during that period. In addition to routine capital spending to maintain operations, the capital investment plan includes specific investments and initiatives such as the Ninemile Point Unit 6 self-build project, NRC post-Fukushima requirements, and transmission spending to support economic development projects, reliability, and new compliance projects.

Entergy Louisiana obtained short-term borrowing authorization from the FERC under which it may borrow through October 2015, up to the aggregate amount, at any one time outstanding, of $250 million. See Note 4 to the financial statements for further discussion of Entergy Louisiana's short-term borrowing limits. Entergy Louisiana has also obtained an order from the FERC authorizing long-term securities issuances through October 2015. Entergy Louisiana has also obtained long-term financing authorization from the FERC that extends through October 2015 for issuances by its nuclear fuel company variable interest entity.

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

September 30, 2013	December 31, 2012	September 30, 2012	December 31, 2011
(In Thousands)			
$51,867	$9,433	$30,710	($118,415)

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

In May 2013, Entergy Louisiana issued $100 million of 4.70% Series first mortgage bonds due June 2063. Entergy Louisiana used the proceeds for general corporate purposes.

In August 2013, Entergy Louisiana issued $325 million of 4.05% Series first mortgage bonds due September 2023. Entergy Louisiana used the proceeds to repay borrowings under its $200 million credit facility and for general corporate purposes.

Entergy Louisiana has a credit facility in the amount of $200 million scheduled to expire in March 2018. No borrowings were outstanding under the facility as of September 30, 2013. See Note 4 to the financial statements herein for additional discussion of the credit facility.

The Entergy Louisiana nuclear fuel company variable interest entity has a credit facility in the amount of $90 million scheduled to expire in June 2016. As of September 30, 2013, $24.3 million in letters of credit were outstanding under the credit facility to support a like amount of commercial paper issued by the Entergy Louisiana nuclear fuel company variable interest entity. See Note 4 to the financial statements for additional discussion of the nuclear fuel company variable interest entity credit facility.

State and Local Rate Regulation and Fuel-Cost Recovery

See "MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS – State and Local Rate Regulation and Fuel Cost Recovery" in the Form 10-K for a discussion of state and local rate regulation and fuel cost recovery. Following are updates to that discussion.

Retail Rates

In November 2011 the LPSC approved a one-year extension of Entergy Louisiana’s formula rate plan. In May 2012, Entergy Louisiana made its formula rate plan filing with the LPSC for the 2011 test year. The filing reflected a 9.63% earned return on common equity, which is within the earnings bandwidth and results in no cost of service rate change under the formula rate plan. The filing also reflected an $18.1 million rate increase for incremental capacity costs. In August 2012, Entergy Louisiana submitted a revised filing that reflects an earned return on common equity of 10.38%, which is still within the earnings bandwidth, resulting in no cost of service rate change. The revised filing also indicates that an increase of $15.9 million should be reflected in the incremental capacity rider. The rate change was implemented, subject to refund, effective for bills rendered the first billing cycle of September 2012. Subsequently, in December 2012, Entergy Louisiana submitted a revised evaluation report that reflects two items: 1) a $17 million reduction for the first-year capacity charges for the purchase by Entergy Gulf States Louisiana from Entergy Louisiana of one-third of Acadia Unit 2 capacity and energy, and 2) an $88 million increase for the first-year retail revenue requirement associated with the Waterford 3 replacement steam generator project, which was in-service in December 2012. These rate changes were implemented, subject to refund, effective with the first billing cycle of January 2013. In April 2013, Entergy Louisiana and the LPSC staff filed a joint report resolving the 2011 test year formula rate plan and recovery related to the Grand Gulf uprate. This report was approved by the LPSC in April 2013. With completion of the Waterford 3 replacement steam generator project, the LPSC is conducting a prudence review in connection with a filing made by Entergy Louisiana in April 2013 with regard to the following aspects of the replacement project: 1) project management; 2) cost controls; 3) success in achieving stated objectives; 4) the costs of the replacement project; and 5) the outage length and replacement power costs. A procedural schedule for the prudence review has not yet been established.

See Note 2 to the financial statements in the Form 10-K for a discussion of the base rate case filed by Entergy Louisiana with the LPSC in February 2013. In April 2013 the LPSC established a procedural schedule providing for hearings in December 2013, with a decision by the LPSC expected in 2014. On July 26, 2013, with the concurrence of Entergy Louisiana based upon an expected 60-day delay of the procedural schedule, the ALJ suspended the procedural schedule pending resolution of the appeal by Entergy Gulf States Louisiana, Entergy Louisiana and the LPSC staff regarding the ALJ's denial of a motion to consolidate the rate cases of Entergy Gulf States Louisiana and Entergy Louisiana. At an August 2013 meeting the LPSC rejected the proposed consolidation. A new procedural schedule was established calling for an evidentiary hearing in December 2013. Entergy Louisiana submitted an opposed motion to modify the procedural schedule to allow for settlement negotiations, which are ongoing. The motion was granted and the evidentiary hearing has been rescheduled to occur in January 2014.

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In March 2013, Entergy Louisiana filed a rate case for the Algiers area, which is in New Orleans and is regulated by the City Council. Entergy Louisiana is requesting a rate increase of $13 million over three years, including a 10.4% return on common equity and a formula rate plan mechanism identical to its LPSC request. Hearings are scheduled for April 2014. New rates are currently expected to become effective in second quarter 2014.

Fuel and Purchased Power Cost Recovery

In April 2010 the LPSC authorized its staff to initiate an audit of Entergy Louisiana's fuel adjustment clause filings. The audit includes a review of the reasonableness of charges flowed through the fuel adjustment clause by Entergy Louisiana for the period from 2005 through 2009. The LPSC Staff issued its audit report in January 2013. The LPSC staff recommended that Entergy Louisiana refund approximately $1.9 million, plus interest, to customers and realign the recovery of approximately $1 million from Entergy Louisiana's fuel adjustment clause to base rates. The recommended refund was made by Entergy Louisiana in May 2013 in the form of a credit to customers through its fuel adjustment clause filing. Two parties have intervened in the proceeding. A procedural schedule has been established for the identification of issues by the intervenors and for Entergy Louisiana to submit comments regarding the LPSC Staff report and any issues raised by intervenors. One intervenor is seeking further proceedings regarding certain issues it raised in its comments on the LPSC Staff report. Entergy Louisiana has filed responses to both the LPSC Staff report and the issues raised by the intervenor. As required by the procedural schedule, a joint status report was submitted in October 2013 by the parties. That report requests that a status conference be convened by the ALJ to address open issues, including whether further proceedings will be required. A status conference has been scheduled for December 5, 2013.

Federal Regulation

See "System Agreement" and "Entergy's Proposal to Join MISO" in the "Rate, Cost-recovery, and Other Regulation – Federal Regulation" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for updates to the Federal Regulation discussion in the Form 10-K.

Nuclear Matters

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

Environmental Risks

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

Critical Accounting Estimates

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

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ENTERGY LOUISIANA, LLC AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
For the Three and Nine Months Ended September 30, 2013 and 2012
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2013	2012	2013	2012
	(In Thousands)		(In Thousands)	
OPERATING REVENUES				
Electric	$782,789	$614,044	$2,024,679	$1,658,189
OPERATING EXPENSES				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	206,329	134,108	418,188	320,991
Purchased power	213,832	168,817	679,254	505,935
Nuclear refueling outage expenses	9,317	6,103	25,248	18,573
Other operation and maintenance	123,344	106,523	355,696	334,559
Decommissioning	5,437	5,169	16,106	18,172
Taxes other than income taxes	19,337	17,913	57,124	52,122
Depreciation and amortization	60,664	54,642	181,409	162,474
Other regulatory charges (credits) - net	(1,318)	(956)	(7,612)	128,749
TOTAL	636,942	492,319	1,725,413	1,541,575
OPERATING INCOME	145,847	121,725	299,266	116,614
OTHER INCOME				
Allowance for equity funds used during construction	8,854	9,981	21,693	27,032
Interest and investment income	21,149	21,566	64,064	63,178
	(618)	519	(2,271)	(1,680)

Miscellaneous - net				
TOTAL	29,385	32,066	83,486	88,530
INTEREST EXPENSE				
Interest expense	39,206	35,731	112,539	101,434
Allowance for borrowed funds used during construction	(3,714)	(4,776)	(9,198)	(12,530)
TOTAL	35,492	30,955	103,341	88,904
INCOME BEFORE INCOME TAXES	139,740	122,836	279,411	116,240
Income taxes	39,143	42,628	72,061	(127,977)
NET INCOME	100,597	80,208	207,350	244,217
Preferred dividend requirements and other	1,738	1,738	5,213	5,213
EARNINGS APPLICABLE TO COMMON EQUITY	$ 98,859	$ 78,470	$ 202,137	$ 239,004
See Notes to Financial Statements.				

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ENTERGY LOUISIANA, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Three and Nine Months Ended September 30, 2013 and 2012
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2013	2012	2013	2012
	(In Thousands)		(In Thousands)	
Net Income	$ 100,597	$ 80,208	$ 207,350	$ 244,217
Other comprehensive income				
Pension and other postretirement liabilities				
(net of tax expense of $542, $493, $1,631, and $1,480)	684	630	2,045	1,890
Other comprehensive income	684	630	2,045	1,890
Comprehensive Income	$ 101,281	$ 80,838	$ 209,395	$ 246,107

See Notes to Financial Statements.

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CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 2013 and 2012
(Unaudited)

	2013	2012
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	$ 207,350	$ 244,217
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Depreciation, amortization, and decommissioning, including nuclear fuel amortization	250,232	299,745
Deferred income taxes, investment tax credits, and non-current taxes accrued	168,988	(94,765)
Changes in working capital:		
Receivables	(131,198)	(37,610)
Fuel inventory	992	(3)
Accounts payable	(39,947)	65,772
Prepaid taxes and taxes accrued	(37,490)	6,383
Interest accrued	1,527	(1,557)
Deferred fuel costs	22,450	(30,132)
Other working capital accounts	21,742	(29,490)
Changes in provisions for estimated losses	(187,642)	(17,392)
Changes in other regulatory assets	(19,483)	(42,781)
Changes in other regulatory liabilities	146,329	139,624
Changes in pension and other postretirement liabilities	1,851	(17,361)
Other	44,742	(82,978)
Net cash flow provided by operating activities	450,443	401,672
INVESTING ACTIVITIES		
Construction expenditures	(583,451)	(429,820)
Allowance for equity funds used during construction	21,693	27,032
Nuclear fuel purchases	(41,209)	(134,413)
Proceeds from the sale of nuclear fuel	23,438	48,990

Receipts from storm reserve escrow account		187,007			13,669	
Remittances to transition charge account		(14,844	)		(22,113	)
Payments from transition charge account		8,759			15,472	
Proceeds from nuclear decommissioning trust fund sales		12,211			19,833	
Investment in nuclear decommissioning trust funds		(21,006	)		(28,422	)
Changes in money pool receivable - net		(42,434	)		(30,710	)
Other		(22	)		666	
Net cash flow used in investing activities		(449,858	)		(519,816	)
FINANCING ACTIVITIES						
Proceeds from the issuance of long-term debt		418,009			465,997	
Retirement of long-term debt		(20,960	)		(37,649	)
Changes in credit borrowings - net		(30,361	)		(37,949	)
Change in money pool payable - net		-			(118,415	)
Distributions paid:						
Common equity		(351,254	)		(600	)
Preferred membership interests		(5,213	)		(5,213	)
Net cash flow provided by financing activities		10,221			266,171	
Net increase in cash and cash equivalents		10,806			148,027	
Cash and cash equivalents at beginning of period		30,086			878	
Cash and cash equivalents at end of period	$	40,892		$	148,905	
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:						
Cash paid (received) during the period for:						
Interest - net of amount capitalized	$	106,975		$	98,979	
Income taxes	$	(3,874	)	$	(3,601	)

See Notes to Financial Statements.

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ENTERGY LOUISIANA, LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
ASSETS
September 30, 2013 and December 31, 2012
(Unaudited)

	2013	2012
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	$ 350	$ 814
Temporary cash investments	40,542	29,272
Total cash and cash equivalents	40,892	30,086
Securitization recovery trust account	10,467	4,382
Accounts receivable:		
Customer	182,711	86,072
Allowance for doubtful accounts	(1,413)	(867)
Associated companies	98,222	42,938
Other	9,022	9,354
Accrued unbilled revenues	101,941	79,354
Total accounts receivable	390,483	216,851
Accumulated deferred income taxes	103,399	113,319
Deferred fuel costs	4,118	26,568
Fuel inventory	22,591	23,583
Materials and supplies - at average cost	154,104	152,170
Deferred nuclear refueling outage costs	22,349	44,457
Prepaid taxes	45,427	7,937
Prepayments and other	11,926	12,129
TOTAL	805,756	631,482
OTHER PROPERTY AND INVESTMENTS		
Investment in affiliate preferred membership interests	807,423	807,423
Decommissioning trust funds	325,443	287,418
Storm reserve escrow account	-	186,985
Non-utility property - at cost (less accumulated depreciation)	442	578
TOTAL	1,133,308	1,282,404
UTILITY PLANT		

Electric	8,699,613	8,603,319
Property under capital lease	324,440	324,440
Construction work in progress	647,527	404,714
Nuclear fuel	170,203	204,019
TOTAL UTILITY PLANT	9,841,783	9,536,492
Less - accumulated depreciation and amortization	3,720,317	3,590,146
UTILITY PLANT - NET	6,121,466	5,946,346
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
Regulatory asset for income taxes - net	310,672	193,114
Other regulatory assets (includes securitization property of $160,690 as of September 30, 2013 and $172,838 as of December 31, 2012)	815,487	913,562
Deferred fuel costs	67,998	67,998
Other	45,677	39,178
TOTAL	1,239,834	1,213,852
TOTAL ASSETS	$ 9,300,364	$ 9,074,084
See Notes to Financial Statements.		

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ENTERGY LOUISIANA, LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
LIABILITIES AND EQUITY
September 30, 2013 and December 31, 2012
(Unaudited)

	2013	2012
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	$ 70,231	$ 14,236
Short-term borrowings	24,296	54,657
Accounts payable:		
Associated companies	90,733	103,454
Other	127,342	266,904
Customer deposits	89,375	88,805
Accumulated deferred income taxes	3,865	-
Interest accrued	38,791	37,264
Pension and other postretirement liabilities	9,421	9,170
Gas hedge contracts	1,408	3,442
Other	16,211	13,382
TOTAL	471,673	591,314
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	1,112,480	930,606
Accumulated deferred investment tax credits	68,059	70,193
Other regulatory liabilities	523,130	376,801
Decommissioning	434,228	418,122
Accumulated provisions	8,832	196,474
Pension and other postretirement liabilities	541,303	539,703
Long-term debt (includes securitization bonds of $174,844 as of September 30, 2013 and $181,553 as of December 31, 2012)	3,159,085	2,811,859
Other	78,751	68,516
TOTAL	5,925,868	5,412,274
Commitments and Contingencies		

EQUITY				
Preferred membership interests without sinking fund		100,000		100,000
Member's equity		2,846,910		3,016,628
Accumulated other comprehensive loss		(44,087)		(46,132)
TOTAL		2,902,823		3,070,496
TOTAL LIABILITIES AND EQUITY	$	9,300,364	$	9,074,084
See Notes to Financial Statements.				

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ENTERGY LOUISIANA, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Nine Months Ended September 30, 2013 and 2012
(Unaudited)

		Common Equity		
	Preferred Membership Interests	Member's Equity	Accumulated Other Comprehensive Income (Loss)	Total
	(In Thousands)			
Balance at December 31, 2011	$ 100,000	$ 2,504,436	$ (39,507)	$ 2,564,929
Net income	-	244,217	-	244,217
Other comprehensive income	-	-	1,890	1,890
Distributions to parent	-	(600)	-	(600)
Distributions declared on preferred membership interests	-	(5,213)	-	(5,213)
Balance at September 30, 2012	$ 100,000	$ 2,742,840	$ (37,617)	$ 2,805,223
Balance at December 31, 2012	$ 100,000	$ 3,016,628	$ (46,132)	$ 3,070,496
Net income	-	207,350	-	207,350
Other comprehensive income	-	-	2,045	2,045
Distributions to parent	-	(371,855)	-	(371,855)
Distributions declared on preferred membership interests	-	(5,213)	-	(5,213)

Balance at September 30, 2013	$ 100,000	$ 2,846,910	$ (44,087)	$ 2,902,823

See Notes to Financial Statements.

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ENTERGY LOUISIANA, LLC AND SUBSIDIARIES
SELECTED OPERATING RESULTS
For the Three and Nine Months Ended September 30, 2013 and 2012
(Unaudited)

Description	Three Months Ended 2013	2012	Increase/ (Decrease)	%
	(Dollars In Millions)			
Electric Operating Revenues:				
Residential	$ 286	$ 227	$ 59	26
Commercial	174	136	38	28
Industrial	255	180	75	42
Governmental	12	11	1	9
Total retail	727	554	173	31
Sales for resale:				
Associated companies	34	46	(12)	(26)
Non-associated companies	1	1	-	-
Other	21	13	8	62
Total	$ 783	$ 614	$ 169	28
Billed Electric Energy Sales (GWh):				
Residential	2,884	2,866	18	1
Commercial	1,820	1,786	34	2
Industrial	4,275	4,157	118	3
Governmental	126	125	1	1
Total retail	9,105	8,934	171	2
Sales for resale:				
Associated companies	705	682	23	3
Non-associated companies	9	21	(12)	(57)
Total	9,819	9,637	182	2

Description	Nine Months Ended 2013	2012	Increase/ (Decrease)	%
	(Dollars In Millions)			
Electric Operating Revenues:				
Residential	$ 651	$ 541	$ 110	20
Commercial	444	368	76	21
Industrial	734	554	180	32
Governmental	35	29	6	21

Total retail	1,864	1,492	372	25
Sales for resale:				
Associated companies	84	99	(15)	(15)
Non-associated companies	1	1	-	-
Other	76	66	10	15
Total	$ 2,025	$ 1,658	$ 367	22
Billed Electric Energy				
Sales (GWh):				
Residential	6,767	6,844	(77)	(1)
Commercial	4,641	4,675	(34)	(1)
Industrial	12,687	12,448	239	2
Governmental	373	362	11	3
Total retail	24,468	24,329	139	1
Sales for resale:				
Associated companies	1,322	1,749	(427)	(24)
Non-associated companies	26	39	(13)	(33)
Total	25,816	26,117	(301)	(1)

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ENTERGY MISSISSIPPI, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Plan to Spin Off the Utility's Transmission Business

See the "Plan to Spin Off the Utility's Transmission Business" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis in the Form 10-K and herein for a discussion of Entergy's plan to spin off its transmission business and merge it with a newly formed subsidiary of ITC Holdings Corp., including the planned retirement of debt and preferred securities.

Results of Operations

Net Income

Third Quarter 2013 Compared to Third Quarter 2012

Net income increased $6.7 million primarily due to higher net revenue.

Nine Months Ended September 30, 2013 Compared to Nine Months Ended September 30, 2012

Net income increased $15 million primarily due to higher net revenue, partially offset by higher other operation and maintenance expenses.

Net Revenue

Third Quarter 2013 Compared to Third Quarter 2012

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges. Following is an analysis of the change in net revenue comparing the third quarter 2013 to the third quarter 2012:

	Amount (In Millions)
2012 net revenue	$167.9
Retail electric price	11.5
Reserve equalization	2.9
Volume/weather	(2.8)
Other	1.9
2013 net revenue	$181.4

The retail electric price variance is primarily due to the recovery of Hinds plant costs through the power management rider, as approved by the MPSC, effective with the first billing cycle of 2013. The net income effect of the Hinds plant cost recovery is limited to a portion representing an allowed return on equity on the net plant investment with the remainder offset by the Hinds plant costs in other operation and maintenance expenses, depreciation expenses, and taxes other than income taxes. The increase is partially offset by a temporary increase in 2012 in the storm cost recovery rider, as approved by the MPSC for a five-month period effective August 2012. The increase in revenues in 2012 was offset by costs included in other operation and maintenance expenses and had no effect on net income.

The reserve equalization variance is primarily due to increased reserve equalization revenue resulting from the acquisition of the Hinds plant in November 2012.

The volume/weather variance is primarily due to the effect of less favorable weather on residential and commercial sales in the third quarter 2013 as compared to the same period in the prior year and decreased electricity usage in the third quarter 2013 as compared to the same period in the prior year. Billed electricity usage decreased 166 GWh, or 4%, across all customer classes.

Gross operating revenues and fuel and purchased power expenses

Gross operating revenues increased primarily due to:

- an increase of $29.3 million in fuel cost recovery revenues primarily due to higher fuel rates;
- an increase of $24.1 million in gross wholesale revenues due to an increase in sales to affiliated customers;
- an increase of $16.9 million in power management rider revenue, as approved by the MPSC, primarily resulting from the acquisition of the Hinds plant in November 2012, as discussed previously; and
- an increase of $10.7 million in rider revenue primarily due to an increase in the Grand Gulf rider effective October 2012.

Fuel and purchased power expenses increased primarily due to:

- an increase in the average market price of natural gas;
- an increase in deferred fuel expenses as a result of higher fuel revenues primarily due to lower 2012 fuel rates as a result of bandwidth remedy payments refunded to customers in August and September 2012. See Note 2 to the financial statements herein and in the Form 10-K for a discussion of the System Agreement proceedings; and
- an increase in Grand Gulf capacity costs as a result of the Grand Gulf uprate.

Nine Months Ended September 30, 2013 Compared to Nine Months Ended September 30, 2012

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory credits. Following is an analysis of the change in net revenue comparing the nine months ended September 30, 2013 to the nine months ended September 30, 2012:

	Amount (In Millions)
2012 net revenue	$432.4
Retail electric price	45.0
Reserve equalization	10.3
Volume/weather	(3.9)
Other	2.7

2013 net revenue	$486.5

The retail electric price variance is primarily due to the recovery of Hinds plant costs through the power management rider, as approved by the MPSC, effective with the first billing cycle of 2013. The net income effect of the Hinds plant cost recovery is limited to a portion representing an allowed return on equity on the net plant investment with the remainder offset by the Hinds plant costs in other operation and maintenance expenses, depreciation expenses, and taxes other than income taxes. The increase is partially offset by a temporary increase in 2012 in the storm cost recovery rider, as approved by the MPSC for a five-month period effective August 2012. The increase in revenues in 2012 was offset by costs included in other operation and maintenance expenses and had no effect on net income.

The reserve equalization variance is primarily due to increased reserve equalization revenue resulting from the acquisition of the Hinds plant in November 2012.

The volume/weather variance is primarily due to decreased electricity usage in the nine months ended September 30, 2013 as compared to the same period in the prior year. The decrease in industrial usage is primarily due to the petroleum and primary metals industries. Billed electricity usage decreased 336 GWh, or 3%, across all customer classes.

Gross operating revenues and fuel and purchased power expenses

Gross operating revenues increased primarily due to:

- an increase of $64.1 million in gross wholesale revenues due to an increase in sales to affiliated customers;
- an increase of $45.2 million in power management rider revenue, as approved by the MPSC, primarily resulting from the acquisition of the Hinds plant in November 2012, as discussed previously;
- an increase of $29.8 million in rider revenue primarily due to an increase in the Grand Gulf rider effective October 2012; and
- an increase of $19.4 million in fuel cost recovery revenues primarily due to higher fuel rates.

Fuel and purchased power expenses increased primarily due to an increase in Grand Gulf capacity costs as a result of the Grand Gulf uprate and an increase in the average market price of natural gas.

Other Income Statement Variances

Third Quarter 2013 Compared to Third Quarter 2012

Other operation and maintenance expenses decreased primarily due to a temporary increase in 2012 of $10.2 million in storm damage accruals, as approved by the MPSC for a five-month period effective August 2012, substantially offset by an increase of $4.6 million in fossil-fueled generation expenses primarily due to the acquisition of the Hinds plant in November 2012 and an increase of $2.6 million in compensation and benefits costs primarily due to a decrease in the discount rates used to determine net periodic pension and other postretirement benefit costs and a settlement charge, recognized in September 2013, related to the payment of lump sum benefits out of the non-qualified pension plan. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefits costs.

Taxes other than income taxes increased primarily due to an increase in ad valorem taxes as a result of a higher assessment in 2013 primarily due to the acquisition of the Hinds plant in November 2012.

Depreciation and amortization expenses increased primarily due to an increase in plant in service, including the acquisition of the Hinds plant in November 2012.

Nine Months Ended September 30, 2013 Compared to Nine Months Ended September 30, 2012

Other operation and maintenance expenses increased primarily due to an increase of $26.1 million in fossil-fueled generation expenses resulting from a higher scope of work done during plant outages in 2013 as compared to the same period in 2012 and the acquisition of the Hinds plant in November 2012. The increase was partially offset by a temporary increase in 2012 of $10.2 million in storm damage accruals, as approved by the MPSC for a five-month period effective August 2012.

Taxes other than income taxes increased primarily due to an increase in ad valorem taxes as a result of a higher assessment in 2013 primarily due to the acquisition of the Hinds plant in November 2012.

Depreciation and amortization expenses increased primarily due to an increase in plant in service, including the acquisition of the Hinds plant in November 2012.

Income Taxes

The effective income tax rate was 39.3% for the third quarter 2013 and 39.6% for the nine months ended September 30, 2013. The differences in the effective income tax rates for the third quarter 2013 and the nine months ended September 30, 2013 versus the federal statutory rate of 35% were primarily due to state income taxes and certain book and tax differences related to utility plant items.

The effective income tax rate was 40.6% for the third quarter 2012 and 41.8% for the nine months ended September 30, 2012. The differences in the effective income tax rates for the third quarter 2012 and the nine months ended September 30, 2012 versus the federal statutory rate of 35% were primarily due to state income taxes.

Baxter Wilson Plant Event

On September 11, 2013, Entergy Mississippi’s Baxter Wilson (Unit 1) power plant experienced a significant unplanned outage event. The cause of the event is currently under investigation. Entergy Mississippi is still in the process of assessing the nature and extent of the damage to the unit. The current estimate of costs to return the unit to service, however, is in the range of $25 million to $30 million. This estimate and return to service schedule may change as restorative activities occur. The costs necessary to return the plant to service are expected to be incurred during the fourth quarter 2013 through the second quarter 2014. Entergy Mississippi believes that the damage is covered by its property insurance policy, subject to a $20 million deductible.

Liquidity and Capital Resources

Cash Flow

Cash flows for the nine months ended September 30, 2013 and 2012 were as follows:

	2013	2012
	(In Thousands)	
Cash and cash equivalents at beginning of period	$52,970	$16
Cash flow provided by (used in):		
Operating activities	147,847	156,020
Investing activities	(109,269)	(124,165)
Financing activities	(90,457)	(4,214)
Net increase (decrease) in cash and cash equivalents	(51,879)	27,641

Cash and cash equivalents at end of period	$1,091	$27,657

Operating Activities

Net cash provided by operating activities decreased $8.2 million for the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012 primarily due to a decrease in the recovery of fuel costs and the receipt of System Agreement bandwidth remedy payments of $33 million in January 2012 to implement the FERC's remedy in an October 2011 order for the period June-December 2005, of which approximately $13 million had been refunded to customers as of September 30, 2012. The decrease was partially offset by a decrease of $4.6 million in pension contributions. See Note 2 to the financial statements herein and in the Form 10-K for a discussion of the System Agreement proceedings. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for a discussion of qualified pension and other postretirement benefits funding.

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Investing Activities

Net cash used in investing activities decreased $14.9 million for the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012 primarily due to money pool activity and decreased distribution construction expenditures as a result of spending on Hurricane Isaac in 2012. The decrease was partially offset by an increase in transmission construction expenditures due to more reliability work in 2013 as compared to 2012 and an increase in fossil-fueled generation construction expenditures as a result of an increased scope of work during outages in 2013 as compared to 2012.

Decreases in Entergy Mississippi's receivable from the money pool are a source of cash flow, and Entergy Mississippi's receivable from the money pool decreased by $16.9 million for the nine months ended September 30, 2013 compared to increasing by $5.5 million for the nine months ended September 30, 2012. The money pool is an inter-company borrowing arrangement designed to reduce the Utility subsidiaries' need for external short-term borrowings.

Financing Activities

Net cash used in financing activities increased $86.2 million for the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012 primarily due to the payment at maturity of $100 million of 5.15% Series first mortgage bonds in February 2013, partially offset by money pool activity. See Note 4 to the financial statements herein for a discussion of long-term debt and credit facilities.

Increases in Entergy Mississippi's payable to the money pool are a source of cash flow, and Entergy Mississippi's payable to the money pool increased by $19.2 million for the nine months ended September 30, 2013 compared to decreasing by $2 million for the nine months ended September 30, 2012.

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 ratio is due to the retirement of $100 million of 5.15% Series first mortgage bonds in February 2013.

	September 30, 2013	December 31, 2012
Debt to capital	52.1%	55.9%
Effect of subtracting cash	-%	(1.2%)
Net debt to net capital	52.1%	54.7%

Net debt consists of debt less cash and cash equivalents. Debt consists of short-term borrowings, capital lease obligations, and long-term debt, including the currently maturing portion. Capital consists of debt, preferred stock without sinking fund, and common equity. Net capital consists of capital less cash and cash equivalents. Entergy Mississippi uses the debt to 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. 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 because net debt indicates Entergy Mississippi's outstanding debt position that could not be readily satisfied by cash and cash equivalents on hand.

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 provided in the Form 10-K. Entergy Mississippi is developing its capital investment plan for 2014 through 2016 and currently anticipates making $658 million in capital investments during that period. In addition to routine capital spending to maintain operations, the capital investment plan includes specific investments and initiatives such as transmission spending to support economic development projects, reliability, and new compliance projects.

Entergy Mississippi has obtained short-term borrowing authorization from the FERC under which it may borrow through October 2015, up to the aggregate amount, at any one time outstanding, of $175 million. See Note 4 to the financial statements for further discussion of Entergy Mississippi’s short-term borrowing limits. Entergy Mississippi has also obtained an order from the FERC authorizing long-term securities issuances through October 2015.

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

September 30, 2013	December 31, 2012	September 30, 2012	December 31, 2011
	(In Thousands)		
($19,150)	$16,878	$5,497	($1,999)

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

In May 2013, Entergy Mississippi renewed its three separate credit facilities through May 2014 and increased the aggregate amount available under these credit facilities to $92.5 million. No borrowings were outstanding under the credit facilities as of September 30, 2013. See Note 4 to the financial statements herein for additional discussion of the credit facilities.

In February 2013, Entergy Mississippi redeemed, at maturity, its $100 million 5.15% Series first mortgage bonds.

In October 2013, Entergy Mississippi redeemed, prior to maturity, its $16.03 million 4.60% Series pollution control revenue bonds due April 2022.

State and Local Rate Regulation and Fuel-Cost Recovery

See "MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS - State and Local Rate Regulation and Fuel-Cost Recovery" in the Form 10-K for a discussion of the formula rate plan and fuel and purchased power cost recovery. Following are updates to that discussion.

Formula Rate Plan

In March 2013, Entergy Mississippi submitted its formula rate plan 2012 test year filing. The filing requested a $36.3 million revenue increase to reset Entergy Mississippi's return on common equity to 10.55%, which is a point within the formula rate plan bandwidth. In June 2013, Entergy Mississippi and the Mississippi Public Utilities Staff entered into a joint stipulation, in which both parties agreed that the MPSC should approve a $22.3 million rate increase for Entergy Mississippi which, with other adjustments reflected in the stipulation, would have the effect of resetting Entergy Mississippi’s return on common equity to 10.59% when adjusted for performance under the formula rate plan. In August 2013 the MPSC approved the joint stipulation between Entergy Mississippi and the Mississippi Public Utilities Staff authorizing the rate increase effective with September 2013 bills. Additionally, the MPSC authorized Entergy Mississippi to defer approximately $1.2 million in MISO-related implementation costs incurred in 2012, along with other MISO-related implementation costs to be incurred in 2013.

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

In August 2012 the MPSC opened inquiries to review whether the current formulaic methodology used to calculate the return on common equity in both Entergy Mississippi's formula rate plan and Mississippi Power Company's annual formula rate plan is still appropriate or can be improved to better serve the public interest. The intent of this inquiry and review is for informational purposes only; the evaluation of any recommendations for changes to the existing methodology would take place in a general rate case or in the existing formula rate plan docket. In March 2013 the Staff filed its consultant's report which noted the return on common equity estimation methods used by Entergy Mississippi and Mississippi Power Company are commonly used throughout the electric utility industry. The report suggested ways in which the methods used by Entergy Mississippi and Mississippi Power Company might be improved, but did not recommend specific changes in the return on common equity formulas or calculations at this time.

Storm Damage Accrual and Storm Cost Recovery

On July 1, 2013, Entergy Mississippi and the Mississippi Public Utilities Staff entered into a joint stipulation, wherein both parties agreed that approximately $32 million in storm restoration costs incurred in 2011 and 2012 were prudently incurred and chargeable to the storm damage reserve, while approximately $700,000 in prudently incurred costs were more properly recoverable through the formula rate plan. Entergy Mississippi and the Mississippi Public Utilities Staff also agreed that the storm damage accrual should be increased from $750,000 per month to $1.75 million per month. In September 2013 the MPSC approved the joint stipulation with the increase in the storm damage accrual effective with October 2013 bills.

Federal Regulation

See "System Agreement" and "Entergy's Proposal to Join MISO" in the "Rate, Cost-recovery, and Other Regulation – Federal Regulation" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for updates to the Federal Regulation discussion in the Form 10-K.

Nuclear Matters

See "Nuclear Matters" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis in the Form 10-K for a discussion of nuclear matters.

Environmental Risks

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

Critical Accounting Estimates

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

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ENTERGY MISSISSIPPI, INC.
INCOME STATEMENTS
For the Three and Nine Months Ended September 30, 2013 and 2012
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2013	2012	2013	2012
	(In Thousands)		(In Thousands)	
OPERATING REVENUES				
Electric	$ 397,833	$ 321,771	$ 1,015,513	$ 860,735
OPERATING EXPENSES				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	118,688	57,230	263,437	204,703
Purchased power	97,709	93,817	275,783	232,140
Other operation and maintenance	62,263	64,446	189,822	173,043
Taxes other than income taxes	21,208	19,742	61,322	56,980
Depreciation and amortization	27,717	24,377	81,268	72,451
Other regulatory charges (credits) - net	62	2,828	(10,237)	(8,476)
TOTAL	327,647	262,440	861,395	730,841
OPERATING INCOME	70,186	59,331	154,118	129,894
OTHER INCOME				
Allowance for equity funds used during construction	371	760	1,817	2,950
Interest and investment income	239	19	565	43
	(767)	(806)	(2,601)	(2,916)

Miscellaneous - net				
TOTAL	(157)	(27)	(219)	77
INTEREST EXPENSE				
Interest expense	14,585	14,113	44,753	42,761
Allowance for borrowed funds used during construction	(307)	(405)	(1,233)	(1,568)
TOTAL	14,278	13,708	43,520	41,193
INCOME BEFORE INCOME TAXES	55,751	45,596	110,379	88,778
Income taxes	21,938	18,516	43,678	37,102
NET INCOME	33,813	27,080	66,701	51,676
Preferred dividend requirements and other	707	707	2,121	2,121
EARNINGS APPLICABLE TO COMMON STOCK	$ 33,106	$ 26,373	$ 64,580	$ 49,555

See Notes to Financial Statements.

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ENTERGY MISSISSIPPI, INC.
STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 2013 and 2012
(Unaudited)

	2013	2012
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	$ 66,701	$ 51,676
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Depreciation and amortization	81,268	72,451
Deferred income taxes, investment tax credits, and non-current taxes accrued	36,845	39,703
Changes in assets and liabilities:		
Receivables	(50,692)	23,552
Fuel inventory	5,249	(3,377)
Accounts payable	17,940	12,637
Taxes accrued	(11,345)	(15,150)
Interest accrued	1,960	(3,683)
Deferred fuel costs	(10,179)	(12,249)
Other working capital accounts	2,069	(10,977)
Provisions for estimated losses	(232)	(2,496)
Other regulatory assets	8,153	10,526
Pension and other postretirement liabilities	(5,444)	(10,438)
Other assets and liabilities	5,554	3,845
Net cash flow provided by operating activities	147,847	156,020
INVESTING ACTIVITIES		
Construction expenditures	(128,006)	(121,634)
Allowance for equity funds used during construction	1,817	2,950
Change in money pool receivable - net	16,878	(5,497)
Other	42	16
	(109,269)	(124,165)

Net cash flow used in investing activities		
FINANCING ACTIVITIES		
Retirement of long-term debt	(100,000)	-
Change in money pool payable - net	19,150	(1,999)
Dividends paid:		
Common stock	(7,400)	-
Preferred stock	(2,121)	(2,121)
Other	(86)	(94)
Net cash flow used in financing activities	(90,457)	(4,214)
Net increase (decrease) in cash and cash equivalents	(51,879)	27,641
Cash and cash equivalents at beginning of period	52,970	16
Cash and cash equivalents at end of period	$ 1,091	$ 27,657
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest - net of amount capitalized	$ 40,718	$ 44,481
Income taxes	$ 1,999	$ 2,118

See Notes to Financial Statements.

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ENTERGY MISSISSIPPI, INC.
BALANCE SHEETS
ASSETS
September 30, 2013 and December 31, 2012
(Unaudited)

	2013	2012
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	$ 1,082	$ 585
Temporary cash investments	9	52,385
Total cash and cash equivalents	1,091	52,970
Accounts receivable:		
Customer	89,316	49,836
Allowance for doubtful accounts	(1,071)	(910)
Associated companies	17,201	25,504
Other	7,330	11,072
Accrued unbilled revenues	49,585	43,045
Total accounts receivable	162,361	128,547
Deferred fuel costs	36,669	26,490
Accumulated deferred income taxes	2,084	44,027
Fuel inventory - at average cost	43,529	48,778
Materials and supplies - at average cost	40,101	40,331
Prepayments and other	4,712	5,329
TOTAL	290,547	346,472
OTHER PROPERTY AND INVESTMENTS		
Non-utility property - at cost (less accumulated depreciation)	4,677	4,698
Escrow accounts	61,794	61,836
TOTAL	66,471	66,534
UTILITY PLANT		
Electric	3,800,355	3,708,743
Property under capital lease	6,038	8,112
Construction work in progress	75,900	62,876
TOTAL UTILITY PLANT	3,882,293	3,779,731
	1,390,608	1,324,627

Less - accumulated depreciation and amortization		
UTILITY PLANT - NET	2,491,685	2,455,104
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
Regulatory asset for income taxes - net	61,238	63,614
Other regulatory assets	395,694	401,471
Other	19,579	20,832
TOTAL	476,511	485,917
TOTAL ASSETS	$ 3,325,214	$ 3,354,027

See Notes to Financial Statements.

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ENTERGY MISSISSIPPI, INC.
BALANCE SHEETS
LIABILITIES AND EQUITY
September 30, 2013 and December 31, 2012
(Unaudited)

	2013	2012
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	$ -	$ 100,000
Short-term borrowings	17	21
Accounts payable:		
Associated companies	67,981	42,377
Other	51,063	44,856
Customer deposits	73,266	71,182
Taxes accrued	40,982	52,327
Accumulated deferred income taxes	3,333	218
Interest accrued	20,186	18,226
Other	29,401	21,490
TOTAL	286,229	350,697
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	754,316	761,812
Accumulated deferred investment tax credits	8,220	7,257
Obligations under capital lease	4,479	5,329
Other regulatory liabilities	1,647	1,235
Asset retirement cost liabilities	6,309	6,039
Accumulated provisions	35,588	35,820
Pension and other postretirement liabilities	155,422	160,866
Long-term debt	1,069,627	1,069,519
Other	16,170	25,426
TOTAL	2,051,778	2,073,303
Commitments and Contingencies		
Preferred stock without sinking fund	50,381	50,381

COMMON EQUITY				
Common stock, no par value, authorized 12,000,000				
shares; issued and outstanding 8,666,357 shares in 2013 and 2012		199,326		199,326
Capital stock expense and other		(690)		(690)
Retained earnings		738,190		681,010
TOTAL		936,826		879,646
TOTAL LIABILITIES AND EQUITY	$	3,325,214	$	3,354,027

See Notes to Financial Statements.

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ENTERGY MISSISSIPPI, INC.
STATEMENTS OF CHANGES IN COMMON EQUITY
For the Nine Months Ended September 30, 2013 and 2012
(Unaudited)

	Common Equity			
	Common Stock	Capital Stock Expense and Other	Retained Earnings	Total
	(In Thousands)			
Balance at December 31, 2011	$ 199,326	$ (690)	$ 637,070	$ 835,706
Net income	-	-	51,676	51,676
Preferred stock dividends	-	-	(2,121)	(2,121)
Balance at September 30, 2012	$ 199,326	$ (690)	$ 686,625	$ 885,261
Balance at December 31, 2012	$ 199,326	$ (690)	$ 681,010	$ 879,646
Net income	-	-	66,701	66,701
Common stock dividends	-	-	(7,400)	(7,400)
Preferred stock dividends	-	-	(2,121)	(2,121)
Balance at September 30, 2013	$ 199,326	$ (690)	$ 738,190	$ 936,826
See Notes to Financial Statements.				

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ENTERGY MISSISSIPPI, INC.
SELECTED OPERATING RESULTS
For the Three and Nine Months Ended September 30, 2013 and 2012
(Unaudited)

Description	Three Months Ended 2013	2012	Increase/ (Decrease)	%
	(Dollars In Millions)			
Electric Operating Revenues:				
Residential	$ 167	$ 144	$ 23	16
Commercial	126	108	18	17
Industrial	43	36	7	19
Governmental	11	10	1	10
Total retail	347	298	49	16
Sales for resale:				
Associated companies	30	5	25	500
Non-associated companies	7	7	-	-
Other	14	12	2	17
Total	$ 398	$ 322	$ 76	24
Billed Electric Energy Sales (GWh):				
Residential	1,836	1,917	(81)	(4)
Commercial	1,424	1,468	(44)	(3)
Industrial	612	651	(39)	(6)
Governmental	115	117	(2)	(2)
Total retail	3,987	4,153	(166)	(4)
Sales for resale:				
Associated companies	527	54	473	876
Non-associated companies	92	109	(17)	(16)
Total	4,606	4,316	290	7

Description	Nine Months Ended 2013	2012	Increase/ (Decrease)	%
	(Dollars In Millions)			
Electric Operating Revenues:				
Residential	$ 401	$ 355	$ 46	13
Commercial	321	292	29	10
Industrial	115	107	8	7
Governmental	31	28	3	11

Total retail	868	782	86	11
Sales for resale:				
Associated companies	79	15	64	427
Non-associated companies	18	18	-	-
Other	51	46	5	11
Total	$ 1,016	$ 861	$ 155	18
Billed Electric Energy				
Sales (GWh):				
Residential	4,345	4,387	(42)	(1)
Commercial	3,623	3,785	(162)	(4)
Industrial	1,675	1,801	(126)	(7)
Governmental	305	311	(6)	(2)
Total retail	9,948	10,284	(336)	(3)
Sales for resale:				
Associated companies	1,302	153	1,149	751
Non-associated companies	211	201	10	5
Total	11,461	10,638	823	8

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ENTERGY NEW ORLEANS, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Plan to Spin Off the Utility's Transmission Business

See the "Plan to Spin Off the Utility's Transmission Business" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis in the Form 10-K and herein for a discussion of Entergy's plan to spin off its transmission business and merge it with a newly formed subsidiary of ITC Holdings Corp., including the planned retirement of debt and preferred securities.

Results of Operations

Net Income

Third Quarter 2013 Compared to Third Quarter 2012

Net income decreased $2.5 million primarily due to higher other operation and maintenance expenses and higher taxes other than income taxes, partially offset by higher net revenue.

Nine Months Ended September 30, 2013 Compared to Nine Months Ended September 30, 2012

Net income decreased $7.8 million primarily due to higher other operation and maintenance expenses, higher taxes other than income taxes, and higher interest expense, partially offset by higher net revenue.

Net Revenue

Third Quarter 2013 Compared to Third Quarter 2012

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges. Following is an analysis of the changes in net revenue comparing the third quarter 2013 to the third quarter 2012:

	Amount (In Millions)
2012 net revenue	$69.4
Volume/weather	1.3
Rider revenue	1.2
Other	0.6
2013 net revenue	$72.5

The volume/weather variance is primarily due to an increase of 57 GWh, or 5%, in billed electricity usage in the residential and commercial sectors due to the effect of Hurricane Isaac, which decreased sales volume in 2012, and in part to a 2% increase in the average number of both residential and commercial customers.

The rider revenue variance is primarily due to an increase in franchise tax rider revenue as a result of higher retail revenues. There is a corresponding increase in taxes other than income taxes, resulting in no effect on net income.

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Gross operating revenues and fuel expenses

Gross operating revenues increased primarily due to an increase of $17.4 million in electric fuel cost recovery revenues due to higher fuel rates. Entergy New Orleans's fuel and purchased power recovery mechanism is discussed in Note 2 to the financial statements in the Form 10-K.

Fuel expenses increased primarily due to an increase in deferred fuel expense as a result of higher fuel revenues, an increase in the market price of natural gas, and an increase in gas purchased for resale as a result of an increase in price and volume.

Nine Months Ended September 30, 2013 Compared to Nine Months Ended September 30, 2012

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges. Following is an analysis of the changes in net revenue comparing the nine months ended September 30, 2013 to the nine months ended September 30, 2012:

	Amount (In Millions)
2012 net revenue	$185.9
Rider revenue	2.4
Net gas revenue	2.3
Volume/weather	1.9
Retail electric price	(1.5)
Other	0.5
2013 net revenue	$191.5

The rider revenue variance is primarily due to an increase in franchise tax rider revenue as a result of higher retail revenues. There is a corresponding increase in taxes other than income taxes, resulting in no effect on net income.

The net gas revenue variance is primarily due to the effect of more favorable weather primarily in the residential and commercial sectors in 2013 as compared to the same period in prior year.

The volume/weather variance is primarily due to an increase of 64 GWh, or 5%, in weather-adjusted usage in the residential sector due to the effect of Hurricane Isaac, which decreased sales volume in 2012, and in part to a 2% increase in the average number of residential customers, partially offset by less favorable weather in 2013 as compared to the same period in prior year.

The retail electric price variance is primarily due to an additional provision recorded in 2013 as a result of a settlement relating to the formula rate plan proceeding. See Note 2 to the financial statements for additional discussion of the settlement.

Gross operating revenues and fuel and purchased power expenses

Gross operating revenues increased primarily due to an increase of $40 million in electric fuel cost recovery revenues due to higher fuel rates and an increase of $8.9 million in gas fuel cost recovery revenues due to higher fuel rates. Entergy New Orleans's fuel and purchased power recovery mechanism is discussed in Note 2 to the financial statements in the Form 10-K.

Fuel and purchased power expenses increased primarily due to an increase in Grand Gulf capacity and energy purchases as a result of the Grand Gulf uprate and an increase in deferred fuel expense as a result of higher fuel revenues.

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Entergy New Orleans, Inc.
Management's Financial Discussion and Analysis

Other Income Statement Variances

Third Quarter 2013 Compared to Third Quarter 2012

Other operation and maintenance expenses increased primarily due to:

- an increase of $2.1 million in compensation and benefits costs primarily due to a decrease in the discount rates used to determine net periodic pension and other postretirement benefit costs and a settlement charge recognized in September 2013 related to the payment of lump sum benefits out of the non-qualified pension plan. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefits costs; and
- an increase of $1.5 million in fossil-fueled generation expenses due to an overall higher scope of work done during plant outages as compared to prior year.

Taxes other than income taxes increased primarily due to an increase in local franchise taxes resulting from higher electric and gas retail revenues as compared to prior year and an increase in ad valorem taxes resulting from higher assessments. Franchise taxes have no effect on net income as these taxes are recovered through the franchise tax rider.

Nine Months Ended September 30, 2013 Compared to Nine Months Ended September 30, 2012

Other operation and maintenance expenses increased primarily due to:

- an increase of $8.5 million in fossil-fueled generation expenses due to an overall higher scope of work done during plant outages as compared to prior year; and
- an increase of $1.9 million in compensation and benefits costs primarily due to a decrease in the discount rates used to determine net periodic pension and other postretirement benefit costs and a settlement charge recognized in September 2013 related to the payment of lump sum benefits out of the non-qualified pension plan. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefits costs.

The increase was partially offset by a decrease of $1.5 million due to expenses recorded in 2012 related to the Energy Smart Program.

Taxes other than income taxes increased primarily due to an increase in local franchise taxes resulting from higher electric and gas retail revenues as compared to prior year and an increase in ad valorem taxes resulting from higher assessments. Franchise taxes have no effect on net income as these taxes are recovered through the franchise tax rider.

Interest expense increased primarily due to the issuance of $30 million of 5.00% Series first mortgage bonds in November 2012 and the issuance of $100 million of 3.90% Series first mortgage bonds in June 2013, partially offset by the retirement, at maturity, of $70 million of 5.25% Series first mortgage bonds in August 2013.

Income Taxes

The effective income tax rate was 34.4% for the third quarter 2013 and 26.7% for the nine months ended September 30, 2013. The difference in the effective income tax rate for the third quarter 2013 versus the federal statutory rate of 35% was primarily due to flow-through tax accounting, offset by certain book and tax differences related to utility plant items and state income taxes. The difference in the effective income tax rate for the nine months ended September 30, 2013 versus the federal statutory rate of 35% was primarily due to flow-through tax accounting and book and tax differences related to the allowance for equity funds used during construction, partially offset by certain book and tax differences related to utility plant items and state income taxes.

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The effective income tax rate was 36.9% for the third quarter 2012 and 26.1% for the nine months ended September 30, 2012. The difference in the effective income tax rate for the third quarter 2012 versus the federal statutory rate of 35% was due to state income taxes and certain book and tax differences related to utility plant items, partially offset by flow-through tax accounting. The difference in the effective income tax rate for the nine months ended September 30, 2012 versus the federal statutory rate of 35% was due to the provision for uncertain tax positions and flow-through tax accounting, offset by certain book and tax differences related to utility plant items and state income taxes.

Liquidity and Capital Resources

Cash Flow

Cash flows for the nine months ended September 30, 2013 and 2012 were as follows:

	2013	2012
	(In Thousands)	
Cash and cash equivalents at beginning of period	$9,391	$9,834
Cash flow provided by (used in):		
Operating activities	59,948	23,160
Investing activities	(81,546)	(44,538)
Financing activities	27,710	12,716
Net increase (decrease) in cash and cash equivalents	6,112	(8,662)
Cash and cash equivalents at end of period	$15,503	$1,172

Operating Activities

Net cash flow provided by operating activities increased $36.8 million for the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012 primarily due to the increased recovery of fuel costs, System Agreement bandwidth remedy payments of $15 million received in 2013, and a $3.2 million decrease in pension contributions. See Note 2 to the financial statements herein and in the Form 10-K for a discussion of the System Agreement proceedings. See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for a discussion of qualified pension and other postretirement benefits funding.

Investing Activities

Net cash flow used in investing activities increased $37 million for the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012 primarily due to:

- money pool activity;
- an increase in fossil-fueled generation construction expenditures due to an increased scope of work in 2013; and
- an increase in transmission construction expenditures as a result of additional reliability work performed in 2013.

The increase was partially offset by a decrease in distribution construction expenditures due to higher spending related to Hurricane Isaac in 2012 and net receipts from the storm reserve escrow account of $1.9 million for the nine months ended September 30, 2013 compared to net payments to the storm reserve escrow account of $6.8 million for the nine months ended September 30, 2012.

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Entergy New Orleans, Inc.
Management's Financial Discussion and Analysis

Increases in Entergy New Orleans's receivable from the money pool are a use of cash flow, and Entergy New Orleans's receivable from the money pool increased $15.5 million for the nine months ended September 30, 2013 compared to decreasing $9.1 million for the nine months ended September 30, 2012. The money pool is an inter-company borrowing arrangement designed to reduce the Utility subsidiaries' need for external short-term borrowings.

Financing Activities

Net cash provided by financing activities increased $15 million for the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012 primarily due to the issuance of $100 million of 3.90% Series first mortgage bonds in June 2013, partially offset by the retirement of $70 million of 5.25% Series first mortgage bonds in August 2013 and money pool activity.

Increases in Entergy New Orleans's payable to the money pool are a source of cash flow, and Entergy New Orleans's payable to the money pool increased by $15.7 million for the nine months ended September 30, 2012.

Capital Structure

Entergy New Orleans's capitalization is balanced between equity and debt, as shown in the following table. The increase in debt to capital ratio is due to the net issuance of $30 million of first mortgage bonds in 2013, as discussed above.

	September 30, 2013	December 31, 2012
Debt to capital	50.1%	47.7%
Effect of subtracting cash	(1.7%)	(1.2%)
Net debt to net capital	48.4%	46.5%

Net debt consists of debt less cash and cash equivalents. Debt consists of short-term borrowings and long-term debt, including the currently maturing portion. Capital consists of debt, preferred stock without sinking fund, and common equity. Net capital consists of capital less cash and cash equivalents. Entergy New Orleans uses the debt to capital ratio in analyzing its financial condition and believes it provides useful information to its investors and creditors in evaluating Entergy New Orleans's financial condition. 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's financial condition because net debt indicates Entergy New Orleans's outstanding debt position that could not be readily satisfied by cash and cash equivalents on hand.

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's uses and sources of capital. Following are updates to the information provided in the Form 10-K. Entergy New Orleans is developing its capital investment plan for 2014 through 2016 and currently anticipates making $284 million in capital investments during that period. In addition to routine capital spending to maintain operations, the capital investment plan includes specific investments and initiatives such as transmission spending to support economic development projects, reliability, and new compliance projects.

Entergy New Orleans has obtained short-term borrowing authorization from the FERC under which it may borrow through October 2015, up to the aggregate amount, at any one time outstanding, of $100 million. See Note 4 to the financial statements for further discussion of Entergy New Orleans's short-term borrowing limits. The long-term securities issuances of Entergy New Orleans are limited to amounts authorized by the City Council, and the current authorization extends through July 2014.

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

September 30, 2013	December 31, 2012	September 30, 2012	December 31, 2011
(In Thousands)			
$18,403	$2,923	($15,719)	$9,074

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

Entergy New Orleans has a credit facility in the amount of $25 million scheduled to expire in November 2013. No borrowings were outstanding under the facility as of September 30, 2013. In October 2013, Entergy New Orleans renewed its credit facility through November 2014. See Note 4 to the financial statements herein for additional discussion of the credit facility.

In June 2013, Entergy New Orleans issued $100 million of 3.90% Series first mortgage bonds due July 2023. Entergy New Orleans used the proceeds to pay, at maturity, its $70 million 5.25% Series first mortgage bonds due August 2013 and for general corporate purposes.

State and Local Rate Regulation

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

As discussed in the Form 10-K, in May 2012, Entergy New Orleans filed its electric and gas formula rate plan evaluation reports for the 2011 test year. In August 2013 the City Council unanimously approved a settlement of all issues in the formula rate plan proceeding. Pursuant to the terms of the settlement, Entergy New Orleans implemented an approximately $1.625 million net decrease to the electric rates that were in effect prior to the electric rate increase implemented in October 2012, with no change in gas rates. Entergy New Orleans is in the process of refunding to customers approximately $6.0 million over the four-month period from September 2013 through December 2013 to make the electric rate decrease effective as of the first billing cycle of October 2012. Entergy New Orleans had previously recorded provisions for the majority of the refund to customers, but recorded an additional $1.1 million provision in second quarter 2013 as a result of the settlement.

Federal Regulation

See "System Agreement" and "Entergy's Proposal to Join MISO" in the "Rate, Cost-recovery, and Other Regulation – Federal Regulation" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis for updates to the Federal Regulation discussion in the Form 10-K.

Nuclear Matters

See "Nuclear Matters" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis in the Form 10-K for a discussion of nuclear matters.

Environmental Risks

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

Critical Accounting Estimates

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

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ENTERGY NEW ORLEANS, INC.
INCOME STATEMENTS
For the Three and Nine Months Ended September 30, 2013 and 2012
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2013	2012	2013	2012
	(In Thousands)		(In Thousands)	
OPERATING REVENUES				
Electric	$ 161,737	$ 146,459	$ 397,126	$ 360,772
Natural gas	16,904	15,106	70,822	59,193
TOTAL	178,641	161,565	467,948	419,965
OPERATING EXPENSES				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	42,207	29,298	83,656	68,585
Purchased power	63,705	62,410	192,028	164,042
Other operation and maintenance	33,820	28,671	102,187	92,475
Taxes other than income taxes	13,373	11,941	37,141	33,110
Depreciation and amortization	9,392	9,178	28,394	27,446
Other regulatory charges - net	249	502	748	1,483
TOTAL	162,746	142,000	444,154	387,141
OPERATING INCOME	15,895	19,565	23,794	32,824
OTHER INCOME				
Allowance for equity funds used during construction	223	185	656	487
Interest and investment income	24	8	68	29
Miscellaneous - net	(277)	(385)	(921)	(1,147)
TOTAL	(30)	(192)	(197)	(631)

INTEREST EXPENSE				
Interest expense	3,661	2,738	10,312	8,366
Allowance for borrowed funds used during construction	(130)	(88)	(351)	(230)
TOTAL	3,531	2,650	9,961	8,136
INCOME BEFORE INCOME TAXES	12,334	16,723	13,636	24,057
Income taxes	4,248	6,168	3,646	6,276
NET INCOME	8,086	10,555	9,990	17,781
Preferred dividend requirements and other	241	241	724	724
EARNINGS APPLICABLE TO COMMON STOCK	$ 7,845	$ 10,314	$ 9,266	$ 17,057

See Notes to Financial Statements.

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ENTERGY NEW ORLEANS, INC.
STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 2013 and 2012
(Unaudited)

	2013	2012
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	$ 9,990	$ 17,781
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Depreciation and amortization	28,394	27,446
Deferred income taxes, investment tax credits, and non-current taxes accrued	(13,649)	12,269
Changes in assets and liabilities:		
Receivables	(944)	(17,721)
Fuel inventory	(1,769)	1,977
Accounts payable	1,628	11,175
Prepaid taxes and taxes accrued	4,502	(10,826)
Interest accrued	(266)	(740)
Deferred fuel costs	19,108	(6,095)
Other working capital accounts	(9,813)	(6,628)
Provisions for estimated losses	(1,871)	6,015
Other regulatory assets	13,915	(10,748)
Pension and other postretirement liabilities	(2,581)	(6,597)
Other assets and liabilities	13,304	5,852
Net cash flow provided by operating activities	59,948	23,160
INVESTING ACTIVITIES		
Construction expenditures	(68,643)	(47,325)
Allowance for equity funds used during construction	656	487
Change in money pool receivable - net	(15,480)	9,074
Receipts from storm reserve escrow account	7,749	-
Payments to storm reserve escrow account	(5,828)	(6,774)
Net cash flow used in investing activities	(81,546)	(44,538)

FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	98,495	-
Retirement of long-term debt	(70,061)	-
Change in money pool payable - net	-	15,719
Dividends paid:		
Common stock	-	(1,700)
Preferred stock	(724)	(724)
Other	-	(579)
Net cash flow provided by financing activities	27,710	12,716
Net increase (decrease) in cash and cash equivalents	6,112	(8,662)
Cash and cash equivalents at beginning of period	9,391	9,834
Cash and cash equivalents at end of period	$ 15,503	$ 1,172
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest - net of amount capitalized	$ 9,775	$ 8,431
Income taxes	$ 425	$ -

See Notes to Financial Statements.

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ENTERGY NEW ORLEANS, INC.
BALANCE SHEETS
ASSETS
September 30, 2013 and December 31, 2012
(Unaudited)

	2013	2012
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents		
Cash	$ 1,117	$ 319
Temporary cash investments	14,386	9,072
Total cash and cash equivalents	15,503	9,391
Accounts receivable:		
Customer	47,901	33,142
Allowance for doubtful accounts	(573)	(446)
Associated companies	31,592	29,326
Other	2,357	3,115
Accrued unbilled revenues	18,408	18,124
Total accounts receivable	99,685	83,261
Accumulated deferred income taxes	6,257	9,517
Fuel inventory - at average cost	3,546	1,777
Materials and supplies - at average cost	11,242	10,889
Prepaid taxes	-	1,377
Prepayments and other	6,404	3,201
TOTAL	142,637	119,413
OTHER PROPERTY AND INVESTMENTS		
Non-utility property at cost (less accumulated depreciation)	1,016	1,016
Storm reserve escrow account	8,684	10,605
TOTAL	9,700	11,621
UTILITY PLANT		
Electric	878,648	860,358
Natural gas	219,529	217,769
Construction work in progress	26,572	11,135
TOTAL UTILITY PLANT	1,124,749	1,089,262
Less - accumulated depreciation and amortization	560,085	549,587
UTILITY PLANT - NET	564,664	539,675

DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
Deferred fuel costs	4,080	4,080
Other regulatory assets	188,088	202,003
Other	6,690	4,997
TOTAL	198,858	211,080
TOTAL ASSETS	$ 915,859	$ 881,789

See Notes to Financial Statements.

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ENTERGY NEW ORLEANS, INC.
BALANCE SHEETS
LIABILITIES AND EQUITY
September 30, 2013 and December 31, 2012
(Unaudited)

	2013	2012
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	$ -	$ 70,000
Accounts payable:		
Associated companies	32,646	28,778
Other	26,742	31,209
Customer deposits	22,422	21,974
Taxes accrued	3,125	-
Interest accrued	2,754	3,020
Deferred fuel costs	21,265	2,157
System agreement cost equalization	6,256	16,880
Other	7,398	3,479
TOTAL CURRENT LIABILITIES	122,608	177,497
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	172,340	172,790
Accumulated deferred investment tax credits	1,136	1,300
Regulatory liability for income taxes - net	8,417	24,291
Other regulatory liabilities	23,867	11,060
Asset retirement cost liabilities	2,307	2,193
Accumulated provisions	13,160	15,031
Pension and other postretirement liabilities	81,209	83,790
Long-term debt	225,942	126,300
Gas system rebuild insurance proceeds	34,820	44,207
Other	5,442	7,985
TOTAL NON-CURRENT LIABILITIES	568,640	488,947
Commitments and Contingencies		
Preferred stock without sinking fund	19,780	19,780

COMMON EQUITY		
Common stock, $4 par value, authorized 10,000,000		
shares; issued and outstanding 8,435,900 shares in 2013		
and 2012	33,744	33,744
Paid-in capital	36,294	36,294
Retained earnings	134,793	125,527
TOTAL	204,831	195,565
TOTAL LIABILITIES AND EQUITY	$ 915,859	$ 881,789
See Notes to Financial Statements.		

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ENTERGY NEW ORLEANS, INC.
STATEMENTS OF CHANGES IN COMMON EQUITY
For the Nine Months Ended September 30, 2013 and 2012
(Unaudited)

	Common Equity			
	Common Stock	Paid-in Capital	Retained Earnings	Total
	(In Thousands)			
Balance at December 31, 2011	$ 33,744	$ 36,294	$ 111,127	$ 181,165
Net income	-	-	17,781	17,781
Common stock dividends	-	-	(1,700)	(1,700)
Preferred stock dividends	-	-	(724)	(724)
Balance at September 30, 2012	$ 33,744	$ 36,294	$ 126,484	$ 196,522
Balance at December 31, 2012	$ 33,744	$ 36,294	$ 125,527	$ 195,565
Net income	-	-	9,990	9,990
Preferred stock dividends	-	-	(724)	(724)
Balance at September 30, 2013	$ 33,744	$ 36,294	$ 134,793	$ 204,831
See Notes to Financial Statements.				

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ENTERGY NEW ORLEANS, INC.
SELECTED OPERATING RESULTS
For the Three and Nine Months Ended September 30, 2013 and 2012
(Unaudited)

Description	Three Months Ended 2013	2012	Increase/ (Decrease)	%
	(Dollars In Millions)			
Electric Operating Revenues:				
Residential	$ 67	$ 58	$ 9	16
Commercial	55	47	8	17
Industrial	11	9	2	22
Governmental	19	18	1	6
Total retail	152	132	20	15
Sales for resale:				
Associated companies	6	10	(4)	(40)
Other	4	4	-	-
Total	$ 162	$ 146	$ 16	11
Billed Electric Energy Sales (GWh):				
Residential	613	579	34	6
Commercial	576	553	23	4
Industrial	139	130	9	7
Governmental	206	219	(13)	(6)
Total retail	1,534	1,481	53	4
Sales for resale:				
Associated companies	93	246	(153)	(62)
Non-associated companies	2	1	1	100
Total	1,629	1,728	(99)	(6)

Description	Nine Months Ended 2013	2012	Increase/ (Decrease)	%
	(Dollars In Millions)			
Electric Operating Revenues:				
Residential	$ 155	$ 135	$ 20	15
Commercial	140	123	17	14
Industrial	27	23	4	17
Governmental	51	47	4	9
Total retail	373	328	45	14
Sales for resale:				
Associated companies	14	21	(7)	(33)

Other	10	12	(2)	(17)
Total	$ 397	$ 361	$ 36	10
Billed Electric Energy				
Sales (GWh):				
Residential	1,438	1,398	40	3
Commercial	1,502	1,507	(5)	-
Industrial	358	365	(7)	(2)
Governmental	570	598	(28)	(5)
Total retail	3,868	3,868	-	-
Sales for resale:				
Associated companies	249	436	(187)	(43)
Non-associated companies	4	4	-	-
Total	4,121	4,308	(187)	(4)

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ENTERGY TEXAS, INC. AND SUBSIDIARIES

MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS

Plan to Spin Off the Utility’s Transmission Business

See the “Plan to Spin Off the Utility’s Transmission Business” section of Entergy Corporation and Subsidiaries Management’s Financial Discussion and Analysis in the Form 10-K and herein for a discussion of Entergy’s plan to spin off its transmission business and merge it with a newly formed subsidiary of ITC Holdings Corp., including the planned retirement of debt.

Results of Operations

Net Income

Third Quarter 2013 Compared to Third Quarter 2012

Net income increased $16.6 million primarily due to higher net revenue and higher other income, partially offset by higher other operation and maintenance expenses.

Nine Months Ended September 30, 2013 Compared to Nine Months Ended September 30, 2012

Net income increased $10.5 million primarily due to higher net revenue and higher other income, partially offset by higher other operation and maintenance expenses and higher depreciation and amortization expenses.

Net Revenue

Third Quarter 2013 Compared to Third Quarter 2012

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges. Following is an analysis of the change in net revenue comparing the third quarter 2013 to the third quarter 2012:

	Amount (In Millions)
2012 net revenue	$161.7
Fuel recovery	6.5
Hurricane Rita regulatory asset adjustment	6.4
Volume/weather	4.0
Other	2.2
2013 net revenue	$180.8

The fuel recovery variance is primarily the result of a $6 million adjustment to deferred fuel costs recorded in third quarter 2012 in accordance with a rate order from the PUCT issued in September 2012. See Note 2 to the financial statements in the Form 10-K for further discussion of the PUCT rate order.

The Hurricane Rita regulatory asset adjustment of $6.4 million was recorded in third quarter 2012 in accordance with the rate order from the PUCT issued in September 2012. See Note 2 to the financial statements in the Form 10-K for further discussion of the PUCT rate order.

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The volume/weather variance is primarily due to an increase of 199 GWh, or 4%, in billed electricity usage, including the effect of favorable weather compared to last year on residential and commercial sales and increased usage in the industrial sector compared to last year as a result of an unplanned outage in the refining industry in the third quarter 2012.

Gross operating revenues and fuel and purchased power expenses

Gross operating revenues increased primarily due to an increase of $20.1 million in fuel cost recovery revenues due to higher fuel rates and favorable weather/volume, as discussed above.

Fuel and purchased power expenses increased primarily due to increases in the average market prices of natural gas and purchased power offset by a decrease in deferred fuel costs due to an adjustment in the third quarter 2012 in accordance with a rate order from the PUCT issued in September 2012. See Note 2 to the financial statements in the Form 10-K for further discussion of the PUCT rate order.

Nine Months Ended September 30, 2013 Compared to Nine Months Ended September 30, 2012

Net revenue consists of operating revenues net of: 1) fuel, fuel-related expenses, and gas purchased for resale, 2) purchased power expenses, and 3) other regulatory charges. Following is an analysis of the change in net revenue comparing the nine months ended September 30, 2013 to the nine months ended September 30, 2012:

	Amount (In Millions)
2012 net revenue	$421.6
Retail electric price	14.5
Fuel recovery	6.5
Hurricane Rita regulatory asset adjustment	6.4
Reserve equalization	4.1
Volume/weather	3.0
Purchased power capacity	(10.0)
Other	(0.2)
2013 net revenue	$445.9

The retail electric price variance is primarily due to an annual base rate increase of $28 million, effective July 2012, as a result of the PUCT's order in the November 2011 rate case. See Note 2 to the financial statements in the Form 10-K for further discussion of the rate order.

The fuel recovery variance is primarily the result of a $6 million adjustment to deferred fuel costs recorded in third quarter 2012 in accordance with a rate order from the PUCT issued in September 2012. See Note 2 to the financial statements in the Form 10-K for further discussion of the PUCT rate order.

The Hurricane Rita regulatory asset adjustment of $6.4 million was recorded in third quarter 2012 in accordance with the rate order from the PUCT issued in September 2012. See Note 2 to the financial statements in the Form 10-K for further discussion of the PUCT rate order.

The reserve equalization variance is primarily due to decreased reserve equalization expense as a result of changes in the Entergy System generation mix as compared to the same period in 2012.

The volume/weather variance is primarily due to an increase of 157 GWh, or 1%, in billed electricity usage, including the effect of favorable weather compared to last year on residential sales and increased usage in the industrial sector compared to last year as a result of an unplanned outage in the refining industry in the third quarter 2012.

The purchased power capacity variance is primarily due to additional capacity purchases as well as price increases for ongoing purchased power capacity.

Gross operating revenues and fuel and purchased power expenses

Gross operating revenues increased primarily due to an increase of $81.6 million in gross wholesale revenues as a result of an increase in sales to affiliated customers and higher prices and the annual base rate increase effective July 2012, as discussed above.

Fuel and purchased power expenses increased primarily due to increases in the average market prices of natural gas and purchased power and increased demand, partially offset by a decrease in deferred fuel expense as a result of higher interim fuel refunds in 2013 compared to 2012.

Other Income Statement Variances

Third Quarter 2013 Compared to Third Quarter 2012

Other operation and maintenance expenses increased primarily due to an increase of $4.3 million in compensation and benefit costs primarily due to a decrease in discount rates used to determine net periodic pension and other postretirement benefit costs and a settlement charge related to the payment of lump sum benefits out of the non-qualified pension plan. See "MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefits costs. This increase was offset by a decrease related to the amortization of Hurricane Rita storm costs in the third quarter 2012 in accordance with a rate order from the PUCT issued in September 2012. See Note 2 to the financial statements in the Form 10-K for further discussion of the PUCT rate order.

Other income increased primarily due to the reversal in the third quarter 2012 of $6.7 million of disallowed carrying charges on Hurricane Rita storm restoration costs in accordance with a rate order from the PUCT issued in September 2012. See Note 2 to the financial statements in the Form 10-K for further discussion of the PUCT rate order.

Nine Months Ended September 30, 2013 Compared to Nine Months Ended September 30, 2012

Other operation and maintenance expenses increased primarily due to:

- an increase of $5.2 million in compensation and benefit costs primarily due to a decrease in discount rates used to determine net periodic pension and other postretirement benefit costs and a settlement charge related to the payment of lump sum benefits out of the non-qualified pension plan. See "MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS – Critical Accounting Estimates" in the Form 10-K and Note 6 to the financial statements herein for further discussion of benefits costs;
- an increase of $2.3 million primarily due to storm damage accruals in accordance with a rate order from PUCT issued in September 2012. See Note 2 to the financial statements in the Form 10-K for further discussion of the PUCT rate order;
  - an increase of $2.1 million in distribution contract work relating primarily to vegetation maintenance;
- an increase of $2.1 million in fossil-fueled generation expenses primarily due to a higher scope of work done during plant outages in 2013 as compared to the same period in prior year; and
    - an increase of $1.4 million in insurance expenses primarily due to increases in premiums.

Depreciation and amortization expenses increased primarily due to additions to plant in service and an increase in depreciation rates as a result of the rate order approved by the PUCT in September 2012. See Note 2 to the financial statements in the Form 10-K for further discussion of the PUCT rate order.

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Other income increased primarily due to the reversal in the third quarter 2012 of $6.7 million of disallowed carrying charges on Hurricane Rita storm restoration costs in accordance with a rate order from the PUCT issued in September 2012. See Note 2 to the financial statements in the Form 10-K for further discussion of the PUCT rate order.

Income Taxes

The effective income tax rate was 37.7% for the third quarter 2013 and 40.2% for the nine months ended September 30, 2013. The difference in the effective income tax rate for the third quarter 2013 versus the federal statutory rate of 35% was primarily due to certain book and tax differences related to utility plant items and state income taxes. The difference in the effective income tax rate for the nine months ended September 30, 2013 versus the federal statutory rate of 35% was primarily due to certain 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 effective income tax rate was 40.3% for the third quarter 2012 and 41.7% for the nine months ended September 30, 2012. The differences in the effective tax rates for the third quarter 2012 and the nine months ended September 30, 2012 versus the federal statutory rate of 35% were primarily due to certain book and tax differences related to utility plant items and state income taxes, partially offset by the amortization of investment tax credits and book and tax differences related to the allowance for equity funds used during construction.

Liquidity and Capital Resources

Cash Flow

Cash flows for the nine months ended September 30, 2013 and 2012 were as follows:

	2013	2012
	(In Thousands)	
Cash and cash equivalents at beginning of period	$60,236	$65,289
Cash flow provided by (used in):		
Operating activities	167,278	171,985
Investing activities	(130,025)	(65,518)
Financing activities	(75,746)	(107,340)
Net decrease in cash and cash equivalents	(38,493)	(873)
Cash and cash equivalents at end of period	$21,743	$64,416

Operating Activities

Net cash flow provided by operating activities decreased $4.7 million for the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012 primarily due to:

- $86.1 million of fuel cost refunds for the nine months ended September 30, 2013 compared to $67.2 million of fuel cost refunds for the nine months ended September 30, 2012. See Note 2 to the financial statements herein and in the Form 10-K for discussion of the fuel cost refunds; and
    - the receipt, in January 2012, of $43 million in System Agreement bandwidth remedy payments required to implement the FERC's remedy in an October 2011 order for the period June-December 2005. As of March 31, 2013, all of the $43 million, plus interest, had been credited to Entergy Texas customers, with the final $9.5 million being credited in the first quarter 2013. See Note 2 to the financial statements herein and in the Form 10-K for a discussion of the System Agreement proceedings.

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This was substantially offset by income tax refunds of $94.2 million for the nine months ended September 30, 2013 compared to income tax payments of $6 million for the nine months ended September 30, 2012. Entergy Texas had income tax refunds in 2013 in accordance with the Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement. The refunds resulted from the utilization of Entergy Texas's taxable losses against taxable income of other members of the Entergy consolidated group.

Investing Activities

Net cash flow used in investing activities increased $64.5 million for the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012 primarily due to money pool activity and an increase in transmission construction expenditures due to reliability work performed in 2013, offset by lower fossil-fueled generation construction expenditures due to a greater scope of projects in 2012.

Increases in Entergy Texas's receivable from the money pool are a use of cash flow, and Entergy Texas's receivable from the money pool increased by $5.9 million for the nine months ended September 30, 2013 compared to decreasing by $50.2 million for the nine months ended September 30, 2012. The money pool is an inter-company borrowing arrangement designed to reduce Entergy's subsidiaries' need for external short-term borrowings.

Financing Activities

Net cash flow used in financing activities decreased $31.6 million for the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012 primarily due to a decrease of $32.4 million in common equity dividends paid.

Capital Structure

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

	September 30, 2013	December 31, 2012
Debt to capital	64.1%	65.4%
Effect of excluding the securitization bonds	(12.7%)	(13.3%)
Debt to capital, excluding securitization bonds (a)	51.4%	52.1%
Effect of subtracting cash	(0.6%)	(1.7%)
Net debt to net capital, excluding securitization bonds (a)	50.8%	50.4%

(a) Calculation excludes the securitization bonds, which are non-recourse to Entergy Texas.

Net debt consists of debt less cash and cash equivalents. Debt consists of long-term debt, including the currently maturing portion. Capital consists of debt and common equity. Net capital consists of capital less cash and cash equivalents. Entergy Texas uses the debt to capital ratios excluding securitization bonds in analyzing its financial condition and believes they provide useful information to its investors and creditors in evaluating Entergy Texas's financial condition because the securitization bonds are non-recourse to Entergy Texas, as more fully described in Note 5 to the financial statements in the Form 10-K. Entergy Texas also uses the net debt to net capital ratio excluding securitization bonds in analyzing its financial condition and believes it provides useful information to its investors and creditors in evaluating Entergy Texas's financial condition because net debt indicates Entergy Texas's outstanding debt position that could not be readily satisfied by cash and cash equivalents on hand.

Uses and Sources of Capital

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources" in the Form 10-K for a discussion of Entergy Texas's uses and sources of capital. Following are updates to the information provided in the Form 10-K. Entergy Texas is developing its capital investment plan for 2014 through 2016 and currently anticipates making $748 million in capital investments during that period. In addition to routine capital spending to maintain operations, the capital investment plan includes specific investments and initiatives such as transmission spending to support economic development projects, reliability, and new compliance projects.

Entergy Texas has obtained short-term borrowing authorization through October 2015 from the FERC under which it may borrow at any one time outstanding, $200 million in the aggregate. See Note 4 to the financial statements for further discussion of Entergy Texas's short-term borrowing limits. Entergy Texas has also obtained an order from the FERC authorizing long-term securities issuances through October 2015.

Entergy Texas's receivables from the money pool were as follows:

September 30, 2013	December 31, 2012	September 30, 2012	December 31, 2011
(In Thousands)			
$25,105	$19,175	$12,981	$63,191

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

Entergy Texas has a credit facility in the amount of $150 million scheduled to expire in March 2018. No borrowings were outstanding under the facility as of September 30, 2013. See Note 4 to the financial statements herein for additional discussion of the credit facility.

State and Local Rate Regulation and Fuel-Cost Recovery

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - State and Local Rate Regulation and Fuel-Cost Recovery" in the Form 10-K for a discussion of state and local rate regulation and fuel-cost recovery. Following is an update to that discussion.

Filings with the PUCT

2013 Rate Case

In September 2013, Entergy Texas filed a rate case requesting a $38.6 million base rate increase reflecting a 10.4% return on common equity based on an adjusted test year ending March 31, 2013. The rate case also proposed (1) a rough production cost equalization adjustment rider recovering Entergy Texas's payment to Entergy New Orleans to achieve rough production cost equalization based on calendar year 2012 production costs, (2) a rate case expense rider recovering the cost of the 2013 rate case and certain costs associated with previous rate cases, and (3) a transmission cost recovery factor rider recovering any differences in transmission costs and rate mitigation compared to those included in base rates to the extent the proposed spin-merge transaction with ITC Holdings Corp. is completed. The rate case filing also includes a request to reconcile $0.9 billion of fuel and purchased power costs and fuel revenues covering the period July 2011 through March 2013. The fuel reconciliation also reflects special circumstances fuel cost recovery of approximately $22 million of purchased power capacity costs. A procedural schedule has been set that includes staff testimony due in December 2013 and hearings in January 2014. If approved, new rates could go into effect as early as April 2014.

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Entergy Texas, Inc. and Subsidiaries
Management’s Financial Discussion and Analysis

Fuel and Purchased Power Cost Recovery

In November 2012, Entergy Texas filed a pleading seeking a PUCT finding that special circumstances exist for limited cost recovery of capacity costs associated with two purchased power agreements until such time that these costs are included in base rates or a purchased capacity recovery rider or other recovery mechanism. In March 2013 the PUCT Staff and intervenors filed a joint motion to dismiss Entergy Texas’s application seeking special circumstances recovery of these capacity costs. Entergy Texas filed to withdraw this case without prejudice and the judge granted the request in June 2013.

At the April 11, 2013 open meeting, the PUCT Commissioners discussed their view that a purchased power capacity rider was good public policy.   The PUCT issued an order on May 28, 2013 adopting the rule allowing for a purchased power capacity rider, subject to an offsetting adjustment for load growth. The rule, as adopted, also includes a process for obtaining pre-approval by the PUCT of purchased power agreements. Entergy Texas has not exercised the option to recover its capacity costs under the new rider mechanism due to the pending base rate case filed with the PUCT in September 2013, but will continue to evaluate the benefits of utilizing the new rider to recover future capacity costs.

Federal Regulation

See “System Agreement” and “Entergy’s Proposal to Join MISO” in the “Rate, Cost-recovery, and Other Regulation – Federal Regulation” section of Entergy Corporation and Subsidiaries Management’s Financial Discussion and Analysis for updates to the Federal Regulation discussion in the Form 10-K.

Industrial and Commercial Customers

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

Nuclear Matters

See “Nuclear Matters” section of Entergy Corporation and Subsidiaries Management’s Financial Discussion and Analysis in the Form 10-K for a discussion of nuclear matters.

Environmental Risks

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

Critical Accounting Estimates

See "MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS - Critical Accounting Estimates" in the Form 10-K for a discussion of the unbilled revenue and qualified pension and other postretirement benefits.

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ENTERGY TEXAS, INC. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
For the Three and Nine Months Ended September 30, 2013 and 2012
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2013	2012	2013	2012
	(In Thousands)		(In Thousands)	
OPERATING REVENUES				
Electric	$ 526,978	$ 489,078	$ 1,288,251	$ 1,174,069
OPERATING EXPENSES				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	101,094	103,542	135,038	178,473
Purchased power	220,490	200,483	647,437	523,208
Other operation and maintenance	60,913	58,343	184,580	170,791
Taxes other than income taxes	16,805	19,031	46,506	50,640
Depreciation and amortization	23,659	23,043	70,731	64,887
Other regulatory charges - net	24,587	23,402	59,897	50,791
TOTAL	447,548	427,844	1,144,189	1,038,790
OPERATING INCOME	79,430	61,234	144,062	135,279
OTHER INCOME				
Allowance for equity funds used during construction	890	1,281	3,559	3,355
Interest and investment income	228	(5,566)	914	(2,648)
	(625)	(1,520)	(1,968)	(3,164)

Miscellaneous - net				
TOTAL	493	(5,805)	2,505	(2,457)
INTEREST EXPENSE				
Interest expense	23,069	24,246	69,401	71,510
Allowance for borrowed funds used during construction	(647)	(1,033)	(2,533)	(2,417)
TOTAL	22,422	23,213	66,868	69,093
INCOME BEFORE INCOME TAXES	57,501	32,216	79,699	63,729
Income taxes	21,700	12,982	32,023	26,547
NET INCOME	$ 35,801	$ 19,234	$ 47,676	$ 37,182

See Notes to Financial Statements.

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ENTERGY TEXAS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 2013 and 2012
(Unaudited)

	2013	2012
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	$ 47,676	$ 37,182
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Depreciation and amortization	70,731	64,887
Deferred income taxes, investment tax credits, and non-current taxes accrued	78,717	28,140
Changes in assets and liabilities:		
Receivables	(63,375)	(15,544)
Fuel inventory	(968)	(2,650)
Accounts payable	13,450	11,930
Taxes accrued	39,644	(8,545)
Interest accrued	(9,190)	(9,032)
Deferred fuel costs	(92,604)	11,543
Other working capital accounts	4,689	(10,244)
Provisions for estimated losses	2,358	3,172
Other regulatory assets	78,433	72,559
Pension and other postretirement liabilities	(8,983)	(11,158)
Other assets and liabilities	6,700	(255)
Net cash flow provided by operating activities	167,278	171,985
INVESTING ACTIVITIES		
Construction expenditures	(133,489)	(128,199)
Allowance for equity funds used during construction	3,559	3,355
Change in money pool receivable - net	(5,930)	50,210
Remittances to transition charge account	(68,646)	(65,325)
Payments from transition charge account	74,523	74,441

Other		(42)		-
Net cash flow used in investing activities		(130,025)		(65,518)
FINANCING ACTIVITIES				
Retirement of long-term debt		(50,579)		(49,192)
Dividends paid:				
Common stock		(25,000)		(57,420)
Other		(167)		(728)
Net cash flow used in financing activities		(75,746)		(107,340)
Net decrease in cash and cash equivalents		(38,493)		(873)
Cash and cash equivalents at beginning of period		60,236		65,289
Cash and cash equivalents at end of period	$	21,743	$	64,416
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:				
Cash paid (received) during the period for:				
Interest - net of amount capitalized	$	75,500	$	77,264
Income taxes	$	(94,233)	$	6,000

See Notes to Financial Statements.

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ENTERGY TEXAS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
ASSETS
September 30, 2013 and December 31, 2012
(Unaudited)

	2013	2012
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	$ 2,090	$ 528
Temporary cash investments	19,653	59,708
Total cash and cash equivalents	21,743	60,236
Securitization recovery trust account	31,378	37,255
Accounts receivable:		
Customer	85,202	53,836
Allowance for doubtful accounts	(894)	(680)
Associated companies	91,681	68,750
Other	15,247	10,450
Accrued unbilled revenues	48,677	38,252
Total accounts receivable	239,913	170,608
Accumulated deferred income taxes	-	34,988
Fuel inventory - at average cost	56,356	55,388
Materials and supplies - at average cost	30,020	32,853
System agreement cost equalization	6,256	16,880
Prepaid taxes	14,024	53,668
Prepayments and other	18,542	18,206
TOTAL	418,232	480,082
OTHER PROPERTY AND INVESTMENTS		
Investments in affiliates - at equity	693	678
Non-utility property - at cost (less accumulated depreciation)	419	638
Other	18,025	17,263
TOTAL	19,137	18,579
UTILITY PLANT		
Electric	3,554,829	3,475,776
Construction work in progress	106,817	90,469

TOTAL UTILITY PLANT	3,661,646	3,566,245
Less - accumulated depreciation and amortization	1,369,362	1,332,349
UTILITY PLANT - NET	2,292,284	2,233,896
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
Regulatory asset for income taxes - net	129,645	131,287
Other regulatory assets (includes securitization property of $600,055 as of September 30, 2013 and $648,863 as of December 31, 2012)	1,037,745	1,114,536
Long-term receivables - associated companies	28,168	29,510
Other	18,181	17,891
TOTAL	1,213,739	1,293,224
TOTAL ASSETS	$ 3,943,392	$ 4,025,781
See Notes to Financial Statements.		

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ENTERGY TEXAS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
LIABILITIES AND EQUITY
September 30, 2013 and December 31, 2012
(Unaudited)

	2013	2012
	(In Thousands)	
CURRENT LIABILITIES		
Accounts payable:		
Associated companies	$ 103,312	$ 88,743
Other	60,216	65,261
Customer deposits	38,437	38,859
Accumulated deferred income taxes	31,816	-
Interest accrued	22,976	32,166
Deferred fuel costs	730	93,334
Pension and other postretirement liabilities	805	853
System agreement cost equalization	-	8,968
Other	3,797	2,839
TOTAL	262,089	331,023
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	1,021,401	1,009,081
Accumulated deferred investment tax credits	16,546	17,743
Other regulatory liabilities	6,738	6,150
Asset retirement cost liabilities	4,286	4,103
Accumulated provisions	8,967	6,609
Pension and other postretirement liabilities	146,306	155,241
Long-term debt (includes securitization bonds of $639,818 as of September 30, 2013 and $690,380 as of December 31, 2012)	1,567,566	1,617,813
Other	32,671	23,872
TOTAL	2,804,481	2,840,612
Commitments and Contingencies		
COMMON EQUITY		

Common stock, no par value, authorized 200,000,000 shares; issued and outstanding 46,525,000 shares in 2013 and 2012	49,452	49,452
Paid-in capital	481,994	481,994
Retained earnings	345,376	322,700
TOTAL	876,822	854,146
TOTAL LIABILITIES AND EQUITY	$ 3,943,392	$ 4,025,781

See Notes to Financial Statements.

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ENTERGY TEXAS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN COMMON EQUITY
For the Nine Months Ended September 30, 2013 and 2012
(Unaudited)

	Common Equity			
	Common Stock	Paid-in Capital	Retained Earnings	Total
	(In Thousands)			
Balance at December 31, 2011	$ 49,452	$ 481,994	$ 367,909	$ 899,355
Net income	-	-	37,182	37,182
Common stock dividends	-	-	(57,420)	(57,420)
Balance at September 30, 2012	$ 49,452	$ 481,994	$ 347,671	$ 879,117
Balance at December 31, 2012	$ 49,452	$ 481,994	$ 322,700	$ 854,146
Net income	-	-	47,676	47,676
Common stock dividends	-	-	(25,000)	(25,000)
Balance at September 30, 2013	$ 49,452	$ 481,994	$ 345,376	$ 876,822

See Notes to Financial Statements.

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ENTERGY TEXAS, INC. AND SUBSIDIARIES
SELECTED OPERATING RESULTS
For the Three and Nine Months Ended September 30, 2013 and 2012
(Unaudited)

Description	Three Months Ended 2013	2012	Increase/ (Decrease)	%
	(Dollars In Millions)			
Electric Operating Revenues:				
Residential	$ 213	$ 192	$ 21	11
Commercial	102	98	4	4
Industrial	98	87	11	13
Governmental	7	6	1	17
Total retail	420	383	37	10
Sales for resale:				
Associated companies	90	92	(2)	(2)
Non-associated companies	10	8	2	25
Other	7	6	1	17
Total	$ 527	$ 489	$ 38	8
Billed Electric Energy Sales (GWh):				
Residential	1,917	1,879	38	2
Commercial	1,291	1,267	24	2
Industrial	1,768	1,634	134	8
Governmental	77	74	3	4
Total retail	5,053	4,854	199	4
Sales for resale:				
Associated companies	1,713	1,982	(269)	(14)
Non-associated companies	142	179	(37)	(21)
Total	6,908	7,015	(107)	(2)

Description	Nine Months Ended 2013	2012	Increase/ (Decrease)	%
	(Dollars In Millions)			
Electric Operating Revenues:				
Residential	$ 450	$ 425	$ 25	6
Commercial	240	248	(8)	(3)
Industrial	233	226	7	3
Governmental	17	17	-	-
Total retail	940	916	24	3
Sales for resale:				

Associated companies	283	201	82	41
Non-associated companies	28	28	0	-
Other	37	29	8	28
Total	$ 1,288	$ 1,174	$ 114	10
Billed Electric Energy				
Sales (GWh):				
Residential	4,383	4,386	(3)	-
Commercial	3,306	3,342	(36)	(1)
Industrial	4,704	4,512	192	4
Governmental	213	209	4	2
Total retail	12,606	12,449	157	1
Sales for resale:				
Associated companies	4,778	4,145	633	15
Non-associated companies	464	683	(219)	(32)
Total	17,848	17,277	571	3

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SYSTEM ENERGY RESOURCES, INC.

MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Results of Operations

System Energy's principal asset currently consists of an ownership interest and a 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.

Third Quarter 2013 Compared to Third Quarter 2012

Net income increased $4.5 million primarily due to a lower effective income tax rate, partially offset by lower operating income. The lower effective income tax rate was primarily due to the reversal of a portion of the provision for uncertain tax positions. Operating income was lower because of lower rate base as compared to 2012.

Nine Months Ended September 30, 2013 Compared to Nine Months Ended September 30, 2012

Net income decreased $1.7 million primarily due to lower other income and a higher effective income tax rate, substantially offset by increased operating income. Other income was lower due to AFUDC accrued on the Grand Gulf uprate project in 2012. Operating income was higher because of higher rate base compared to 2012 resulting from capital spending at Grand Gulf, including the uprate project. The Grand Gulf's spring 2012 refueling outage was completed in June 2012, and the majority of uprate-related capital improvements were completed during this outage.

Liquidity and Capital Resources

Cash Flow

Cash flows for the nine months ended September 30, 2013 and 2012 were as follows:

	2013	2012
	(In Thousands)	
Cash and cash equivalents at beginning of period	$83,622	$185,157
Cash flow provided by (used in):		
Operating activities	136,814	217,040
Investing activities	(59,890)	(513,256)
	(156,734)	131,297

Financing activities		
Net decrease in cash and cash equivalents	(79,810)	(164,919)
Cash and cash equivalents at end of period	$3,812	$20,238

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Operating Activities

Net cash provided by operating activities decreased $80.2 million for the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012 primarily due to income tax payments of $217.1 million in 2013 compared to income tax refunds of $3.9 million in 2012, partially offset by spending on the Grand Gulf refueling outage in 2012. System Energy had income tax payments in 2013 in accordance with the Entergy Corporation and Subsidiary Companies Intercompany Income Tax Allocation Agreement. The income tax payments resulted primarily from the reversal of temporary differences for which System Energy had previously claimed a tax deduction.

Investing Activities

Net cash used in investing activities decreased $453.4 million for the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012 primarily due to a decrease in construction expenditures resulting from spending on the uprate project at Grand Gulf completed during the refueling outage in 2012 and a decrease in nuclear fuel activity primarily due to the Grand Gulf refueling outage in 2012. The decrease was partially offset by money pool activity and $72.2 million of first mortgage bond proceeds deposited with a trustee in September 2012 and used in October 2012 for the redemption of another series of first mortgage bonds.

Decreases in System Energy's receivable from the money pool are a source of cash flow, and System Energy's receivable from the money pool decreased $22.9 million for the nine months ended September 30, 2013 compared to decreasing by $116.3 million for the nine months ended September 30, 2012. The money pool is an inter-company borrowing arrangement designed to reduce the Utility subsidiaries' need for external short-term borrowings.

Financing Activities

System Energy's financing activities used $156.7 million of cash for the nine months ended September 30, 2013 compared to providing $131.3 million of cash for the nine months ended September 30, 2012 primarily due to the following cash flow activity:

- the issuance of $250 million 4.10% Series first mortgage bonds by System Energy Resources in September 2012;
- an increase in borrowings of $6.5 million on the nuclear fuel company variable interest entity's credit facility in 2013 compared to an increase in borrowings of $62.8 million on the nuclear fuel company variable interest entity's credit facility in 2012;
- the redemption of $70 million of 6.29% Series F notes by the nuclear fuel company variable interest entity in September 2013;
- the issuance of $50 million of 4.02% Series H notes by the nuclear fuel company variable interest entity in February 2012;
- an increase of $17.3 million in common stock dividends paid in 2013; and
- the redemption of $152.975 million of pollution control revenue bonds in 2012.

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System Energy Resources, Inc.
Management's Financial Discussion and Analysis

Capital Structure

System Energy's capitalization is balanced between equity and debt, as shown in the following table. The decrease in the debt to capital ratio for System Energy as of September 30, 2013 is primarily due to a decrease in long-term debt as a result of the redemption of $70 million of 6.29% Series F notes, as discussed above, and an increase in retained earnings.

	September 30, 2013	December 31, 2012
Debt to capital	45.1%	49.7%
Effect of subtracting cash	(0.1%)	(2.6%)
Net debt to net capital	45.0%	47.1%

Net debt consists of debt less cash and cash equivalents. Debt consists of short-term borrowings and long-term debt, including the currently maturing portion. Capital consists of debt and common equity. Net capital consists of capital less cash and cash equivalents. System Energy uses the debt to 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. 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 because net debt indicates System Energy's outstanding debt position that could not be readily satisfied by cash and cash equivalents on hand.

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. Following are updates to the information provided in the Form 10-K. System Energy is developing its capital investment plan for 2014 through 2016 and currently anticipates making $156 million in capital investments during that period. In addition to routine capital spending to maintain operations, the capital investment plan includes specific investments and initiatives such as NRC post-Fukushima requirements and plant improvements.

System Energy has obtained a short-term borrowing authorization from the FERC under which it may borrow, through October 2015, up to the aggregate amount, at any one time outstanding, of $200 million. See Note 4 to the financial statements for further discussion of System Energy's short-term borrowing limits. System Energy has also obtained an order from the FERC authorizing long-term securities issuances through October 2015. System Energy has obtained long-term financing authorization from the FERC that extends through October 2015 for issuances by its nuclear fuel company variable interest entity.

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

September 30, 2013	December 31, 2012	September 30, 2012	December 31, 2011
(In Thousands)			
$4,008	$26,915	$4,103	$120,424

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

The System Energy nuclear fuel company variable interest entity has a credit facility in the amount of $125 million scheduled to expire in June 2016. As of September 30, 2013, $46.5 million in letters of credit were outstanding under the credit facility to support a like amount of commercial paper issued by the System Energy nuclear fuel company variable interest entity. See Note 4 to the financial statements for additional discussion of the variable interest entity credit facility.

In October 2013 the System Energy Resources nuclear fuel company variable interest entity issued $85 million of 3.78% Series I notes due October 2018. The System Energy nuclear fuel company variable interest entity used the proceeds to repay outstanding commercial paper and to purchase additional nuclear fuel.

Nuclear Matters

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

Environmental Risks

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

Critical Accounting Estimates

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

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SYSTEM ENERGY RESOURCES, INC.
INCOME STATEMENTS
For the Three and Nine Months Ended September 30, 2013 and 2012
(Unaudited)

	Three Months Ended		Nine Months Ended	
	2013	2012	2013	2012
	(In Thousands)		(In Thousands)	
OPERATING REVENUES				
Electric	$ 192,679	$ 188,680	$ 533,434	$ 428,413
OPERATING EXPENSES				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	26,974	25,538	77,077	38,976
Nuclear refueling outage expenses	7,418	7,304	22,133	14,352
Other operation and maintenance	43,577	38,029	123,955	105,754
Decommissioning	8,946	8,327	26,364	24,541
Taxes other than income taxes	6,291	5,230	19,264	16,262
Depreciation and amortization	51,981	47,991	119,427	102,989
Other regulatory credits - net	(4,537)	(2,673)	(10,499)	(7,096)
TOTAL	140,650	129,746	377,721	295,778
OPERATING INCOME	52,029	58,934	155,713	132,635
OTHER INCOME				
Allowance for equity funds used during construction	2,267	2,171	5,470	24,158
Interest and investment income	1,259	2,506	6,450	8,108
Miscellaneous - net	(134)	(146)	(493)	(446)
TOTAL	3,392	4,531	11,427	31,820
INTEREST EXPENSE				
Interest expense	9,756	12,631	28,411	34,076

Allowance for borrowed funds used during construction	(223)	(401)	(604)	(6,892)
TOTAL	9,533	12,230	27,807	27,184
INCOME BEFORE INCOME TAXES	45,888	51,235	139,333	137,271
Income taxes	10,783	20,619	48,488	44,751
NET INCOME	$ 35,105	$ 30,616	$ 90,845	$ 92,520
See Notes to Financial Statements.				

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SYSTEM ENERGY RESOURCES, INC.
STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 2013 and 2012
(Unaudited)

	2013	2012
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	$ 90,845	$ 92,520
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Depreciation, amortization, and decommissioning, including nuclear fuel amortization	206,699	157,070
Deferred income taxes, investment tax credits, and non-current taxes accrued	57,096	106,167
Changes in assets and liabilities:		
Receivables	4,180	(8,224)
Accounts payable	(2,039)	(9,070)
Taxes accrued and prepaid taxes	(219,221)	(63,879)
Interest accrued	(127)	(1,636)
Other working capital accounts	17,025	(30,126)
Other regulatory assets	13,724	(38,909)
Pension and other postretirement liabilities	(4,891)	(9,375)
Other assets and liabilities	(26,477)	22,502
Net cash flow provided by operating activities	136,814	217,040
INVESTING ACTIVITIES		
Construction expenditures	(37,731)	(415,013)
Allowance for equity funds used during construction	5,470	24,158
Nuclear fuel purchases	(53,666)	(182,619)
Proceeds from the sale of nuclear fuel	26,522	38,413
Changes in other investments - net	-	(72,170)
Proceeds from nuclear decommissioning trust fund sales	144,631	315,006
	(168,023)	(337,352)

Investment in nuclear decommissioning trust funds				
Changes in money pool receivable - net		22,907		116,321
Net cash flow used in investing activities		(59,890)		(513,256)
FINANCING ACTIVITIES				
Proceeds from the issuance of long-term debt		-		297,908
Retirement of long-term debt		(111,479)		(192,867)
Changes in credit borrowings - net		6,531		62,772
Dividends paid:				
Common stock		(50,000)		(32,750)
Other		(1,786)		(3,766)
Net cash flow provided by (used in) financing activities		(156,734)		131,297
Net decrease in cash and cash equivalents		(79,810)		(164,919)
Cash and cash equivalents at beginning of period		83,622		185,157
Cash and cash equivalents at end of period	$	3,812	$	20,238
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:				
Cash paid (received) during the period for:				
Interest - net of amount capitalized	$	20,708	$	27,667
Income taxes	$	217,089	$	(3,873)
See Notes to Financial Statements.				

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SYSTEM ENERGY RESOURCES, INC.
BALANCE SHEETS
ASSETS
September 30, 2013 and December 31, 2012
(Unaudited)

	2013	2012
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	$ 680	$ 100
Temporary cash investments	3,132	83,522
Total cash and cash equivalents	3,812	83,622
Accounts receivable:		
Associated companies	67,605	93,381
Other	4,593	5,904
Total accounts receivable	72,198	99,285
Accumulated deferred income taxes	21,792	74,331
Materials and supplies - at average cost	84,890	82,443
Deferred nuclear refueling outage costs	13,664	35,155
Prepaid taxes	37,744	-
Prepayments and other	4,102	2,080
TOTAL	238,202	376,916
OTHER PROPERTY AND INVESTMENTS		
Decommissioning trust funds	563,428	490,572
TOTAL	563,428	490,572
UTILITY PLANT		
Electric	4,003,015	3,987,672
Property under capital lease	569,355	569,355
Construction work in progress	42,870	40,392
Nuclear fuel	214,053	252,682
TOTAL UTILITY PLANT	4,829,293	4,850,101
Less - accumulated depreciation and amortization	2,665,585	2,568,862
UTILITY PLANT - NET	2,163,708	2,281,239
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
	120,739	126,503

Regulatory asset for income taxes - net		
Other regulatory assets	322,114	330,074
Other	16,290	18,212
TOTAL	459,143	474,789
TOTAL ASSETS	$ 3,424,481	$ 3,623,516
See Notes to Financial Statements.		

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SYSTEM ENERGY RESOURCES, INC.
BALANCE SHEETS
LIABILITIES AND EQUITY
September 30, 2013 and December 31, 2012
(Unaudited)

	2013	2012
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	$ 48,653	$ 111,854
Short-term borrowings	46,517	39,986
Accounts payable:		
Associated companies	7,638	5,564
Other	24,936	44,433
Taxes accrued	-	181,477
Accumulated deferred income taxes	688	1,789
Interest accrued	15,492	15,619
Other	2,432	2,429
TOTAL	146,356	403,151
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	783,720	782,469
Accumulated deferred investment tax credits	55,427	56,188
Other regulatory liabilities	299,145	256,024
Decommissioning	504,735	478,371
Pension and other postretirement liabilities	137,726	142,617
Long-term debt	623,753	671,945
Other	45	22
TOTAL	2,404,551	2,387,636
Commitments and Contingencies		
COMMON EQUITY		
Common stock, no par value, authorized 1,000,000 shares; issued and outstanding 789,350 shares in 2013 and 2012	789,350	789,350
Retained earnings	84,224	43,379
TOTAL	873,574	832,729

TOTAL LIABILITIES AND EQUITY	$ 3,424,481	$ 3,623,516

See Notes to Financial Statements.

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SYSTEM ENERGY RESOURCES, INC.
STATEMENTS OF CHANGES IN COMMON EQUITY
For the Nine Months Ended September 30, 2013 and 2012
(Unaudited)

	Common Equity		
	Common Stock	Retained Earnings	Total
		(In Thousands)	
Balance at December 31, 2011	$ 789,350	$ 11,213	$ 800,563
Net income	-	92,520	92,520
Common stock dividends	-	(32,750)	(32,750)
Balance at September 30, 2012	$ 789,350	$ 70,983	$ 860,333
Balance at December 31, 2012	$ 789,350	$ 43,379	$ 832,729
Net income	-	90,845	90,845
Common stock dividends	-	(50,000)	(50,000)
Balance at September 30, 2013	$ 789,350	$ 84,224	$ 873,574

See Notes to Financial Statements.

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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. Following is an update to that discussion. Also see "Item 5, Other Information, Environmental Regulation", below, for updates regarding environmental proceedings and regulation.

Texas Power Price Lawsuit

See the Form 10-K for a discussion of the lawsuit filed in August 2003 in the district court of Chambers County, Texas by Texas residents on behalf of a purported class of the Texas retail customers of Entergy Gulf States, Inc. who were billed and paid for electric power from January 1, 1994 to the present. The case is pending in state district court, and in March 2012 the court found that the case met the requirements to be maintained as a class action under Texas law. On April 30, 2012, the court entered an order certifying the class. The defendants have appealed the order to the Texas Court of Appeals – First District. The appeal is pending, and proceedings in district court are stayed until the appeal is resolved. Oral arguments before the court of appeals were conducted on April 23, 2013, and the matter awaits that court’s decision.

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 (a)

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 (b)
7/01/2013-7/31/2013	-	$-	-	$350,052,918
8/01/2013-8/31/2013	-	$-	-	$350,052,918
9/01/2013-9/30/2013	-	$-	-	$350,052,918
Total	-	$-	-	

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. The amount of share repurchases under these programs may vary as a result of material changes in business results or capital spending or new investment opportunities. In addition, in the first quarter 2013, Entergy withheld 62,841 shares of its common stock at $64.45 per share to pay income taxes due upon vesting of restricted stock granted as part of its long-term incentive program.

(a) See Note 12 to the financial statements in the Form 10-K for additional discussion of the stock-based compensation plans.
(b) Maximum amount of shares that may yet be repurchased does not include an estimate of the amount of shares that may be purchased to fund the exercise of grants under the stock-based compensation plans.

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Item 5. Other Information

Regulation of the Nuclear Power Industry

Nuclear Waste Policy Act of 1982

Spent Nuclear Fuel

See the discussion in Part I, Item 1 in the Form 10-K for information regarding litigation against the DOE related to the DOE's breach of its obligation to remove spent fuel from nuclear sites. Following is an update to that discussion. In April 2013 the U.S. Court of Appeals for the Federal Circuit issued a ruling in favor of Entergy Nuclear FitzPatrick and Entergy Nuclear Indian Point 3 and against the DOE that the DOE may not raise as a defense to damages claims in the spent fuel litigation a claim that it was unavoidably delayed in commencing performance. In April 2013 the U.S. Treasury paid Entergy Nuclear Generation Company $4.2 million representing the judgment in favor of Entergy Nuclear Generation Company against the DOE for the Pilgrim plant. In April 2013 the U.S. Treasury paid Entergy Nuclear Vermont Yankee $40.8 million representing the judgment in favor of Entergy Nuclear Vermont Yankee against the DOE for the Vermont Yankee plant. In April 2013 the U.S. Court of Federal Claims issued a judgment in favor of Entergy Arkansas and against the DOE in the remanded spent fuel case for damages in the amount of $47.8 million and Entergy Arkansas received payment from the U.S. Treasury in August 2013.

Nuclear Plant Decommissioning

See the discussion in Part I, Item 1 in the Form 10-K for information regarding decommissioning funding for the nuclear plants. Following is an update to that discussion. In March 2013, Entergy Operations and Entergy Nuclear Operations made filings with the NRC reporting on decommissioning funding for Entergy's nuclear plants. Those reports all showed that decommissioning funding for the nuclear plants met the NRC's financial assurance requirements.

Environmental Regulation

Following are updates to the Environmental Regulation section of Part I, Item 1 of the Form 10-K.

Clean Air Act and Subsequent Amendments

Potential SO2 Nonattainment

The EPA issued a final rule in June 2010 adopting an SO2 1-hour national ambient air quality standard of 75 parts per billion. The EPA designations for counties in attainment and nonattainment were originally due in June 2012, but the EPA has indicated that it will delay designations except for those areas with existing monitoring data from 2009 to 2011 indicating violations of the new standard. In July 2013 the EPA issued final designations for these areas. Only St. Bernard Parish in Louisiana is designated as non-attainment for the SO2 1-hour national ambient air quality standard of 75 parts per billion, but Entergy does not have a generation asset in this parish. In all other areas, analysis is required once the EPA issues additional final regulations and guidance. Additional capital projects or operational changes may be required for Entergy facilities in these areas.

Hazardous Air Pollutants

The EPA released the final Mercury and Air Toxics Standard (MATS) rule in December 2011 and the rule became effective in April 2012. Entergy currently is developing compliance plans to meet requirements of the rule, which could result in significant capital expenditures for Entergy's coal-fired units. Compliance with MATS is required by the Clean Air Act within three years, or by 2015, although certain extensions of this deadline are available from state permit authorities and the EPA. Entergy has applied for and received a one-year extension, as allowed by the Clean Air Act, for its affected facilities in Arkansas and Louisiana.

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Cross-State Air Pollution

See the Form 10-K for a discussion of the Clean Air Interstate Rule (CAIR) and the Cross-State Air Pollution Rule (CSAPR, which previously was referred to as the Transport Rule). In December 2011 the Court of Appeals for the D.C. Circuit stayed CSAPR and instructed the EPA to continue administering CAIR, pending further judicial review. In August 2012 the court issued a decision vacating CSAPR and leaving CAIR in place pending the promulgation of a lawful replacement for both rules. In January 2013 the court denied petitions for reconsideration filed by the EPA and certain states and intervenors. In March 2013 the EPA and other parties filed petitions for certiorari with the U.S. Supreme Court. The U.S. Supreme Court issued an order in June 2013 granting the EPA's and environmental groups' petitions for review of the D.C. Circuit's decision vacating CSAPR. Entergy is complying with CAIR as it continues to be implemented until further instruction from the courts or the EPA.

New Source Performance Standards for Greenhouse Gas Emissions

As a part of a climate plan announced June 25, 2013, President Obama directed the EPA to (i) reissue proposed carbon pollution standards for new power plants by September 20, 2013, with finalization of the rules to occur in a timely manner; (ii) issue proposed carbon pollution standards, regulations, or guidelines, as appropriate, for modified, reconstructed, and existing power plants no later than June 1, 2014; (iii) finalize those rules by no later than June 1, 2015; and (iv) include in the guidelines addressing existing power plants a requirement that states submit to the EPA the implementation plans required under Section 111(d) of the Clean Air Act and its implementing regulations by no later than June 30, 2016. In September 2013 the EPA issued the proposed new source performance standards (NSPS) rule for new sources and is currently conducting stakeholder meetings in preparation for issuing the proposed NSPS rule for existing sources in 2014. Entergy is involved in both processes.

Clean Water Act

Effluent Limitation Guidelines

In April 2013 the EPA issued proposed effluent limitation guidelines that, if adopted as final, would apply to discharges from Entergy's generating facilities that hold national pollutant discharge elimination system permits under the Clean Water Act. The proposal includes several options for public consideration. Entergy submitted comments on the proposed rule and will continue to engage in the public comment process as appropriate.

Indian Point Units 1 and 2 Hazardous Waste Remediation

Prior to Entergy's purchase of Indian Point Unit 1, the previous owner completed the cleanup and desludging of the Unit 1 water storage pool, generating mixed waste. The existing mixed waste storage permit and an associated order on consent were transferred to Entergy upon purchasing the unit. The waste is stored in the Unit 1 containment building in accordance with NRC regulations controlling low level radioactive waste. An order on consent with NYSDEC requires a quarterly survey of the availability of any commercial facility capable of treating, processing, and disposing of this waste in a commercially reasonable manner. However, in 2005, NYSDEC revised its regulations to conditionally exempt the storage and disposal of mixed waste that is regulated by the NRC. Thus, in October 2005 and again in January 2013, Entergy requested that NYSDEC terminate the mixed waste permit and order on consent because the waste falls within the mixed waste exemption. On April 26, 2013, NYSDEC agreed with Entergy's request to terminate the permit finding that as long as the facility continues to meet the exemption, the mixed waste permit is not required. NYSDEC denied the request to terminate the consent order, however, reasoning that it contains provisions for storage and reporting that are still applicable. Therefore, pursuant to the terms of the order on consent, Entergy continues to review this matter and to conduct its quarterly searches for a commercially reasonable vendor that is acceptable both to the NRC and the NYSDEC.

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

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

	Ratios of Earnings to Fixed Charges Twelve Months Ended					
	December 31,					September 30,
	2008	2009	2010	2011	2012	2013
Entergy Arkansas	2.33	2.39	3.91	4.31	3.79	3.62
Entergy Gulf States Louisiana	2.44	2.99	3.58	4.36	3.48	3.45
Entergy Louisiana	3.14	3.52	3.41	1.86	2.08	3.08
Entergy Mississippi	2.92	3.31	3.35	3.55	2.79	3.10
Entergy New Orleans	3.71	3.61	4.43	5.37	3.02	2.00
Entergy Texas	2.04	1.92	2.10	2.34	1.76	1.95
System Energy	3.29	3.73	3.64	3.85	5.12	5.73

	Ratios of Earnings to Combined Fixed Charges and Preferred Dividends/Distributions Twelve Months Ended					
	December 31,					September 30,
	2008	2009	2010	2011	2012	2013
Entergy Arkansas	1.95	2.09	3.60	3.83	3.36	3.23
Entergy Gulf States Louisiana	2.42	2.95	3.54	4.30	3.43	3.40
Entergy Louisiana	2.87	3.27	3.19	1.70	1.93	2.86
Entergy Mississippi	2.67	3.06	3.16	3.27	2.59	2.88
Entergy New Orleans	3.45	3.33	4.08	4.74	2.67	1.80

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

Item 6. Exhibits *

* 4(a) Seventy-eighth Supplemental Indenture, dated as of August 1, 2013, to Entergy Louisiana, LLC Mortgage and Deed of Trust, dated as of April 1, 1944 (4.08 to Form 8-K dated August 23, 2013 in 1-32718).

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

12(b)- Entergy Gulf States Louisiana's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Distributions, as defined.

12(c)- Entergy Louisiana's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Preferred Distributions, as defined.

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

12(e)- Entergy New Orleans's Computation of Ratios of Earnings to Fixed Charges and of Earnings to Combined Fixed Charges and Pre–ferred Dividends, as defined.

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12(f)- Entergy Texas's Computation of Ratios of Earnings to Fixed Charges, as defined.

12(g)- System Energy's Computation of Ratios of Earnings to Fixed Charges, as defined.

31(a)- Rule 13a-14(a)/15d-14(a) Certification for Entergy Corporation.

31(b)- Rule 13a-14(a)/15d-14(a) Certification for Entergy Corporation.

31(c)- Rule 13a-14(a)/15d-14(a) Certification for Entergy Arkansas.

31(d)- Rule 13a-14(a)/15d-14(a) Certification for Entergy Arkansas.

31(e)- Rule 13a-14(a)/15d-14(a) Certification for Entergy Gulf States Louisiana.

31(f)- Rule 13a-14(a)/15d-14(a) Certification for Entergy Gulf States Louisiana.

31(g)- Rule 13a-14(a)/15d-14(a) Certification for Entergy Louisiana.

31(h)- Rule 13a-14(a)/15d-14(a) Certification for Entergy Louisiana.

31(i)- Rule 13a-14(a)/15d-14(a) Certification for Entergy Mississippi.

31(j)- Rule 13a-14(a)/15d-14(a) Certification for Entergy Mississippi.

31(k)- Rule 13a-14(a)/15d-14(a) Certification for Entergy New Orleans.

31(l)- Rule 13a-14(a)/15d-14(a) Certification for Entergy New Orleans.

31(m)- Rule 13a-14(a)/15d-14(a) Certification for Entergy Texas.

31(n)- Rule 13a-14(a)/15d-14(a) Certification for Entergy Texas.

31(o)- Rule 13a-14(a)/15d-14(a) Certification for System Energy.

31(p)- Rule 13a-14(a)/15d-14(a) Certification for System Energy.

32(a)- Section 1350 Certification for Entergy Corporation.

32(b)- Section 1350 Certification for Entergy Corporation.

32(c)- Section 1350 Certification for Entergy Arkansas.

32(d)- Section 1350 Certification for Entergy Arkansas.

32(e)- Section 1350 Certification for Entergy Gulf States Louisiana.

32(f)- Section 1350 Certification for Entergy Gulf States Louisiana.

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

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

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

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

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

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

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

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

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

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

101 INS -XBRL Instance Document.

101 SCH -XBRL Taxonomy Extension Schema Document.

101 PRE -XBRL Taxonomy Presentation Linkbase Document.

101 LAB -XBRL Taxonomy Label Linkbase Document.

101 CAL -XBRL Taxonomy Calculation Linkbase Document.

101 DEF -XBRL Definition Linkbase Document.

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

* Incorporated herein by reference as indicated.

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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 LOUISIANA, L.L.C.
ENTERGY LOUISIANA, LLC
ENTERGY MISSISSIPPI, INC.
ENTERGY NEW ORLEANS, INC.
ENTERGY TEXAS, INC.
SYSTEM ENERGY RESOURCES, INC.

/s/ Alyson M. Mount
Alyson M. Mount
Senior Vice President and Chief Accounting Officer
(For each Registrant and for each as Principal Accounting Officer)

Date: November 7, 2013