

# Pathway to Premier

Entergy Corporation  
Third quarter 2023 earnings call

November 1, 2023



Customer service



Resilient infrastructure



Clean energy



Industrial growth



# Caution regarding forward-looking statements and Regulation G compliance

In this presentation, and from time to time, Entergy Corporation makes certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, among other things, statements regarding Entergy’s 2023 earnings guidance; current financial and operational outlooks; industrial load growth outlooks; statements regarding its climate transition and resilience plans, goals, beliefs, or expectations; and other statements of Entergy’s plans, beliefs, or expectations included in this presentation. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this presentation. Except to the extent required by the federal securities laws, Entergy undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Forward-looking statements are subject to a number of risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied in such forward-looking statements, including (a) those factors discussed elsewhere in this presentation and in Entergy’s most recent Annual Report on Form 10-K, any subsequent Quarterly Reports on Form 10-Q, and Entergy’s other reports and filings made under the Securities Exchange Act of 1934; (b) uncertainties associated with (1) rate proceedings, formula rate plans, and other cost recovery mechanisms, including the risk that costs may not be recoverable to the extent or on the timeline anticipated by the utilities and (2) implementation of the ratemaking effects of changes in law; (c) uncertainties associated with (1) realizing the benefits of its resilience plan, including impacts of the frequency and intensity of future storms and storm paths, as well as the pace of project completion and (2) efforts to remediate the effects of major storms and recover related restoration costs; (d) risks associated with operating nuclear facilities, including plant relicensing, operating, and regulatory costs and risks; (e) changes in decommissioning trust values or earnings or in the timing or cost of decommissioning Entergy’s nuclear plant sites; (f) legislative and regulatory actions and risks and uncertainties associated with claims or litigation by or against Entergy and its subsidiaries; (g) risks and uncertainties associated with executing on business strategies, including strategic transactions that Entergy or its subsidiaries may undertake and the risk that any such transaction may not be completed as and when expected and the risk that the anticipated benefits of the transaction may not be realized; (h) direct and indirect impacts to Entergy or its customers from pandemics, terrorist attacks, geopolitical conflicts, cybersecurity threats, data security breaches, or other attempts to disrupt Entergy’s business or operations, and/or other catastrophic events; and (i) effects on Entergy or its customers of (1) changes in federal, state, or local laws and regulations and other governmental actions or policies, including changes in monetary, fiscal, tax, environmental, or energy policies; (2) the effects of changes in commodity markets, capital markets, or economic conditions; and (3) the effects of technological change, including the costs, pace of development, and commercialization of new and emerging technologies.

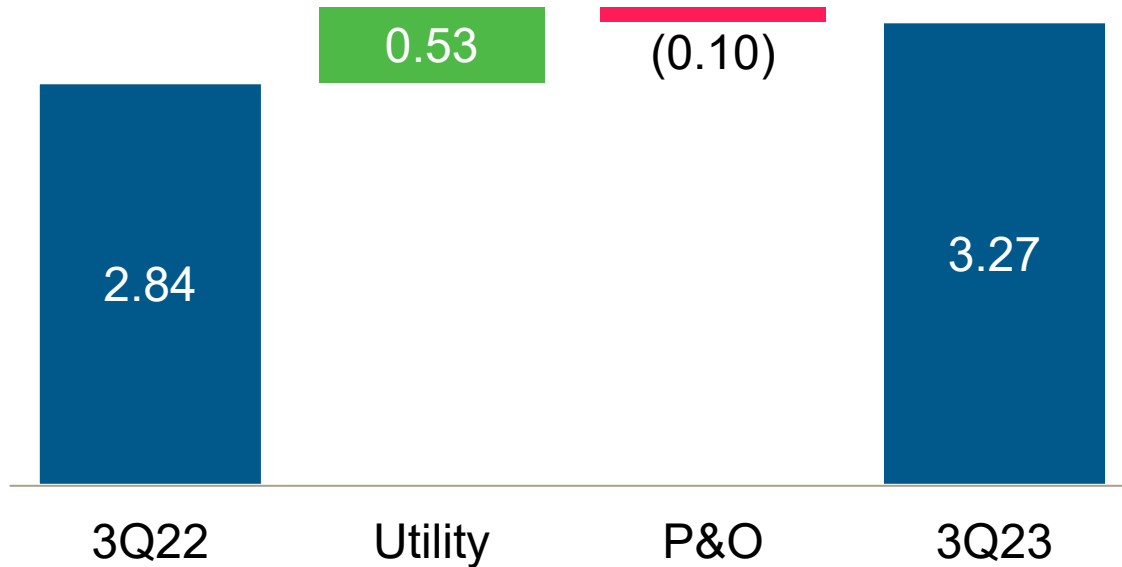
This presentation includes the non-GAAP financial measures of adjusted EPS; net liquidity, including storm escrows; adjusted ROE; and adjusted ROE, excluding affiliate preferred when describing Entergy’s results of operations and financial performance. We have prepared reconciliations of these financial measures to the most directly comparable GAAP measure, which can be found in this presentation. This presentation should be considered together with the Entergy earnings release to which this teleconference relates, which is posted on the company’s website at [www.entergy.com](http://www.entergy.com) and which contains further information on non-GAAP financial measures.

# Table of contents

<b>Section</b>	<b>Slides</b>
Business discussion	3 – 9
Appendix	
Sustainability highlights	11–12
2023 planned activities	13
Utility	14 – 37
Financial disclosures	39 – 42
Financial summaries and Regulation G reconciliations	44 – 47

# Third quarter results

## Entergy adjusted EPS; \$



## Key takeaways

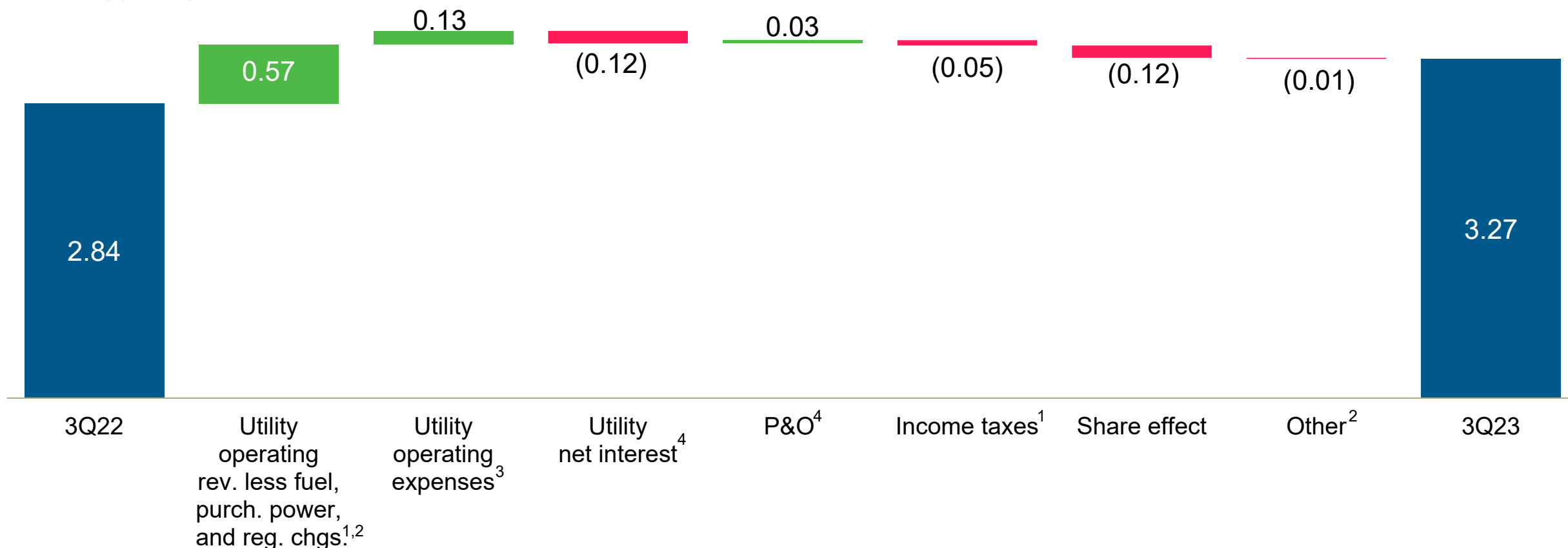
*3Q results driven by:*

- *Record-setting summer temperatures*
- *The effect of customer-centric investments*
- *Lower other O&M*
- *Partially offset by higher diluted average common shares outstanding*

*Strong year-to-date results support narrowing 2023 adjusted EPS guidance, raising bottom of the range by 10 cents*

# Third quarter adjusted EPS

Entergy adjusted EPS; \$



See Financial summaries and Regulation G reconciliations section for earnings summary

212M and 205M diluted average number of common shares outstanding for 3Q23 and 3Q22, respectively

1. Utility operating revenue excludes \$5M in 3Q23 and \$(16M) in 3Q22 for the return of unprotected excess ADIT to customers, directly offset in income taxes

2. Utility reg. charges excludes \$3M in 3Q23 and \$10M in 3Q22 for the effect of HLBV accounting and the approved deferral, directly in offset Utility noncontrolling interest

3. Operating expenses include other O&M, nuclear refueling outage expenses, depreciation/amortization expense, taxes other than income taxes, and decommissioning expense

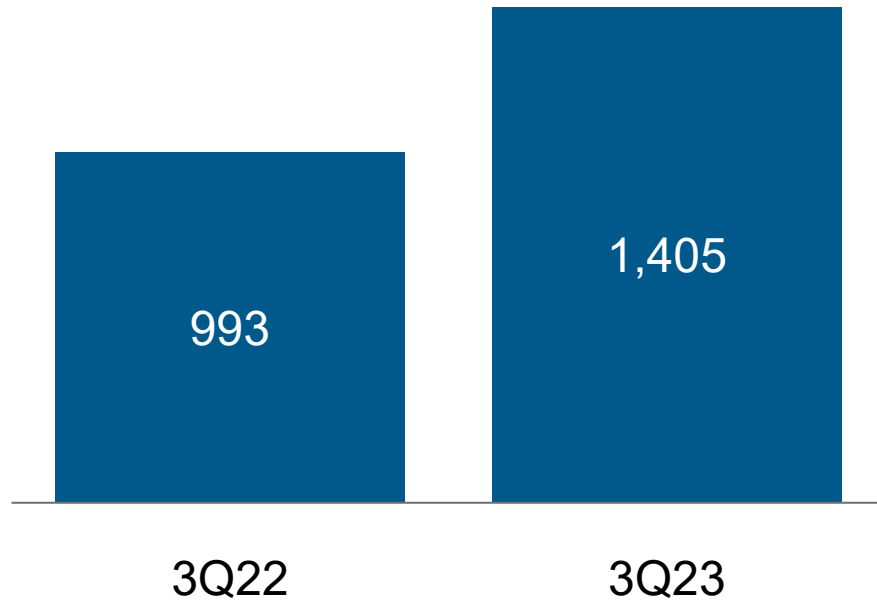
4. Excludes variances from affiliate preferred investments (\$0.13 Utility and \$(0.13) P&O, largely earnings neutral)

4



# Third quarter operating cash flow

Consolidated OCF; \$M



## Key drivers

- (+) *Utility fuel and purchased power payments*
- (+) *Utility O&M spending*
- (+) *EWC severance and retention payments*
- (-) *Utility customer receipts (primarily lower fuel revenue)*
- (-) *Higher pension contributions*

# Credit and liquidity

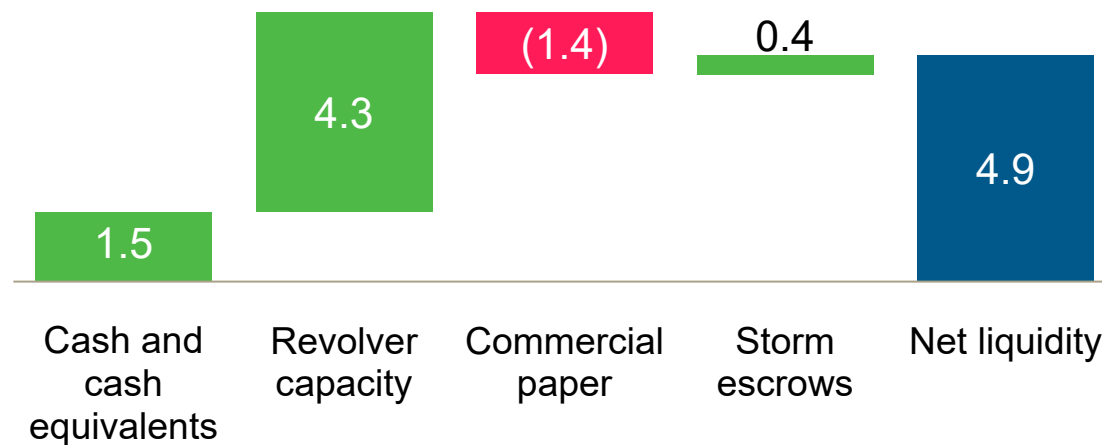
## Credit ratings<sup>1</sup> (outlooks)

	E-AR	E-LA	E-MS	E-NO	E-TX	SERI	ETR
S&P	A (stable)	A (stable)	A (stable)	BBB (developing)	A (stable)	BBB (negative)	BBB+ (stable)
Moody's	A2 (stable)	A2 (stable)	A2 (stable)	Baa2 (stable)	A3 (stable)	Baa2 (negative)	Baa2 (negative)

## Key ETR credit metrics

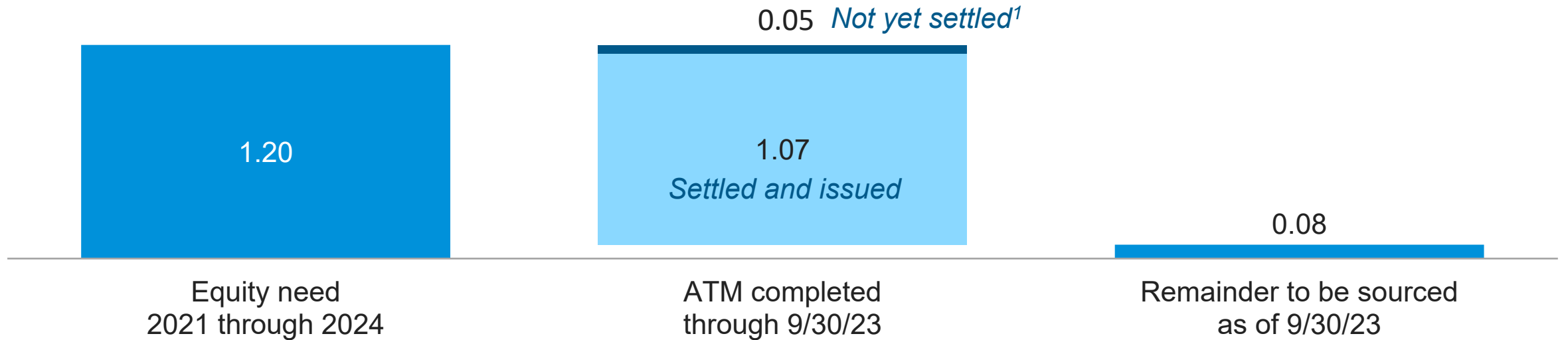
	Agency expectation	Expected in range or better by 12/31/23
<b>Moody's</b>		
CFO pre-working capital to debt	>14%	✓
Parent debt to total debt	<25%	✓
<b>Standard &amp; Poor's</b>		
FFO to debt	14% – 16%	✓

## Net liquidity, incl. storm escrows; \$B as of 9/30/23



# Equity needs through 2024 unchanged

Estimated 2021–2024 equity needs; \$B

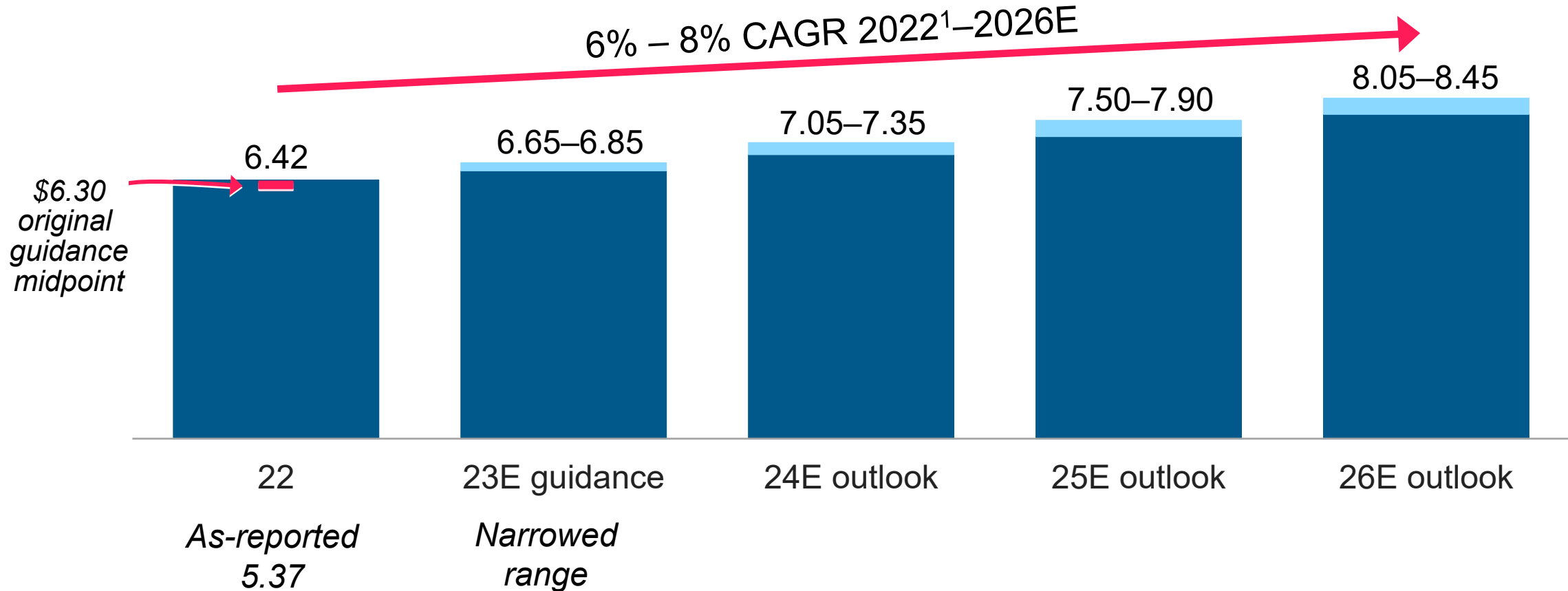




# Adjusted EPS guidance and outlooks

Targeting 60% – 65% dividend payout

Entergy adjusted EPS; \$



# Looking ahead to the EEI financial conference

Topic	Update
Strategic discussion	<ul style="list-style-type: none"><li>• Strong customer growth</li><li>• Clean energy transition</li><li>• Investing for reliability and resilience</li><li>• Other potential customer-centric investment needs</li></ul>
Extending outlooks through 2026	<ul style="list-style-type: none"><li>• Preliminary capital plan</li><li>• Rate base</li><li>• Adjusted earnings per share</li><li>• Credit</li></ul>
2024 preview	<ul style="list-style-type: none"><li>• Preliminary drivers for 2024E adjusted EPS growth</li></ul>

# Appendix

# A focus on sustainability leadership

## Environmental stewardship

*For a cleaner world*

- Among the cleanest large-scale fleets in the U.S.
- Clear plans and commitments to continue decarbonizing our delivered energy
- Uniquely positioned to expand our positive impact by reducing industrial customers' Scope 1 and Scope 2 emissions

## Social responsibility

*Promoting safety, opportunity, and equity*

- Developing and maintaining a workforce that reflects the diversity of our communities
- Commitment to improving educational, economic, and environmental outcomes in our communities

## Robust governance

*Managing risks and opportunities*

- Diverse board with an effective mix of skills, experiences, backgrounds, and perspectives
- Aligning incentives with sustainability outcomes
- Strong corporate governance that emphasizes ethics, transparency, and accountability

# Extensive and transparent sustainability reporting

Visit [energy.com/sustainability](https://www.energy.com/sustainability)

## Select disclosures

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[Integrated Report](#)

[TCFD-aligned Climate Report / 2022 Update](#)

[CDP Climate Change Questionnaire](#)

[CDP Water Security Questionnaire](#)

[Corporate Governance Guidelines](#)

[Code of Business Conduct and Ethics](#)

[Code of Entegrity](#)

[Stakeholder Engagement Principles](#)

[Public Policy and Advocacy Policy](#)

[Human Rights Statement](#)

[Climate Policy Priorities and Advocacy](#)

[Diversity, inclusion and belonging strategy](#)

[Performance data table](#)

[EEI's ESG quantitative template](#)

[EEI's ESG qualitative template](#)

[Global Reporting Initiative Index](#)

[SASB Reporting Framework](#)

[U.N. Sustainable Development Goals Initiative](#)

# 2023 planned activities

## 1Q

- ✓ E-AR FRP rates effective
- ✓ Filing for E-AR 2021 renewable RFP selections
- ✓ Filing for E-LA 2021 renewable RFP selections
- ✓ Announcement of E-AR 2022 renewable RFP selections *(completed 2Q)*
- ✓ Announcement of E-LA 2022 renewable RFP selections
- ✓ E-MS annual FRP filing

## 2Q

- Filing for E-TX 2021 renewable RFP selections *(now expected 1Q24)*
- ✓ Announcement of E-TX 2022 renewable RFP selections *(completed 3Q23)*
- ✓ Announcement of E-MS 2022 Fall renewable RFP selections
- ✓ E-LA Hurricane Ida securitization complete *(completed 1Q)*
- ✓ E-MS interim FRP rates effective
- ✓ E-TX base rate case decision (PUCT) *(completed 3Q23)*
- ✓ E-NO FRP filing
- ✓ E-LA FRP filing
- ✓ SERI UPSA formula rate complaint ALJ initial decision

## 3Q

- ✓ E-AR 2021 renewable RFP decision (APSC)
- ✓ E-MS 2022 renewable RFP decision (MPSC)
- E-TX accelerated resilience filing *(now expected 1Q24)*<sup>1</sup>
- ✓ E-LA FRP rates effective
- ✓ E-NO FRP rates effective
- ✓ E-AR FRP filing
- E-TX TCRF filing *(next filing TBD)*
- ✓ E-LA FRP extension request and/or rate case filing

## 4Q

- MTEP 2023 approval
- E-LA renewable RFP decision (LPSC) *(now expected 1Q24)*
- E-LA accelerated resilience plan decision (LPSC)<sup>2</sup>
- E-NO accelerated resilience plan decision (CCNO)
- E-NO Hurricane Ida cost certification decision (CCNO)
- ✓ E-NO FRP extension decision (CCNO) *(added 3Q23)*
- ✓ Annual dividend review

Estimated timing as of February 2023; regulatory activity or other factors could lead to changes

1. As a result of the new legislation, we expect to submit resilience plan in 1Q24 after rulemaking is complete; once filed, PUCT will have 180 days to act

2. Current procedural schedule does not support decision by year end, but if we are able to reach a settlement, we could receive a decision by year end

# Utility overview



## E-AR

- Electric utility – 730,000 customers
- Authorized ROE: 9.15% – 10.15%
- Forward test year FRP



## E-LA

- Electric and gas utility – 1,101,000 electric customers – 95,000 gas customers
- Authorized ROE: Electric 9.0% – 10.0% Gas 9.3% – 10.3%
- Electric FRP with riders (incl. capacity, transmission, and distribution), gas RSP



## E-MS

- Electric utility – 461,000 customers
- Authorized ROE: 9.74% – 11.88%
- FRP with forward-looking features



## E-NO

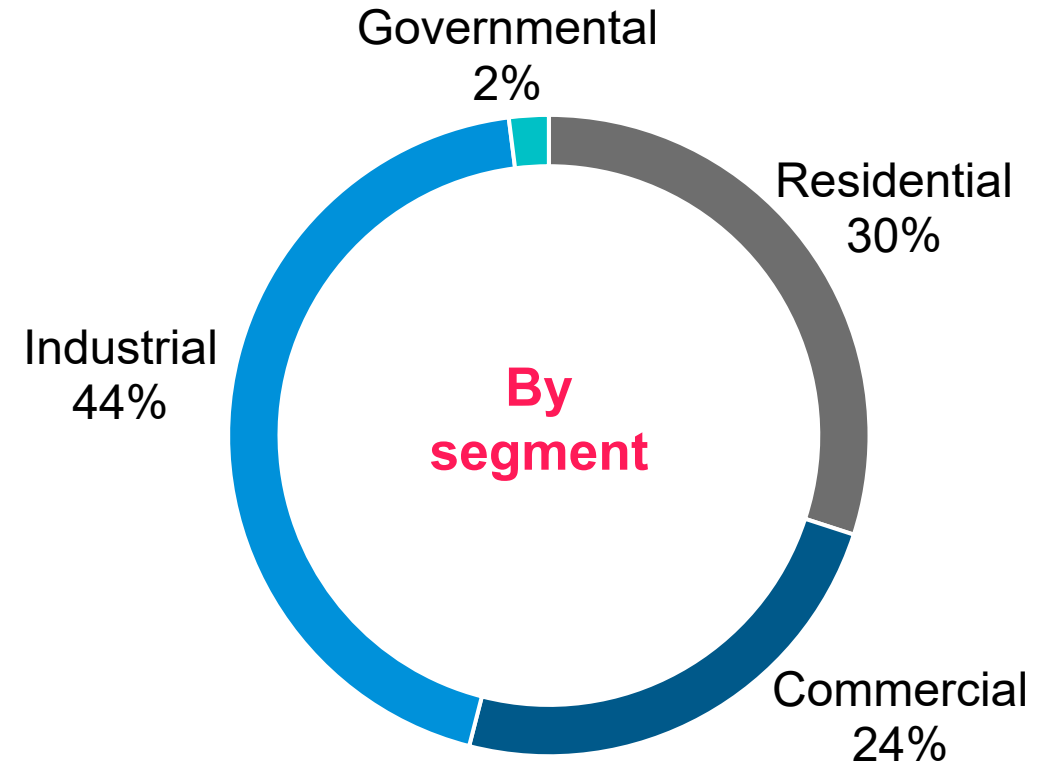
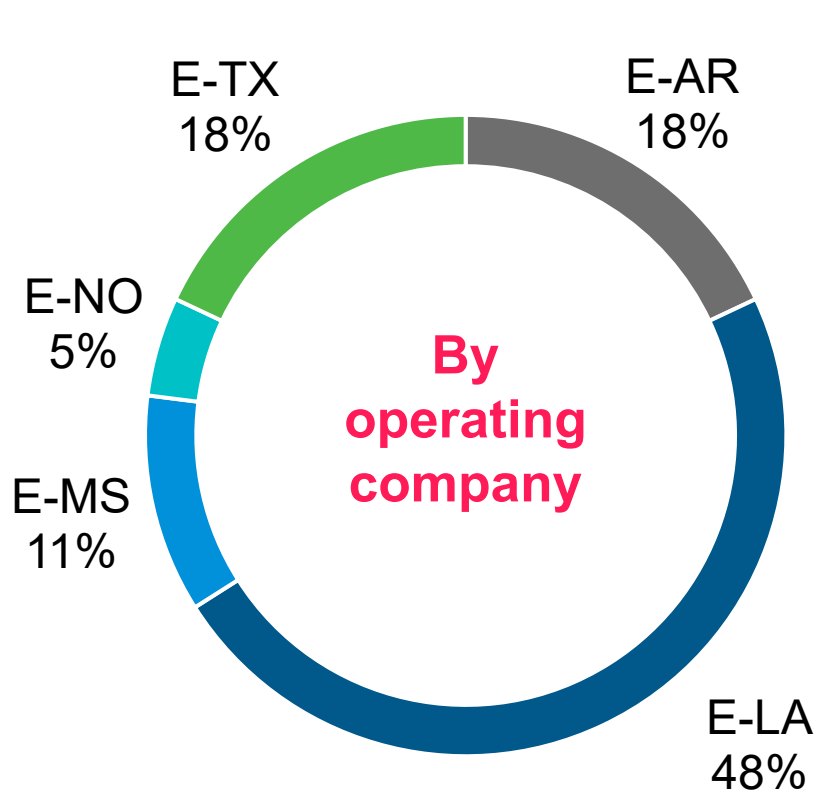
- Electric and gas utility – 211,000 electric customers – 109,000 gas customers
- Authorized ROE: 8.85% – 9.85%
- FRP with forward-looking features



## E-TX

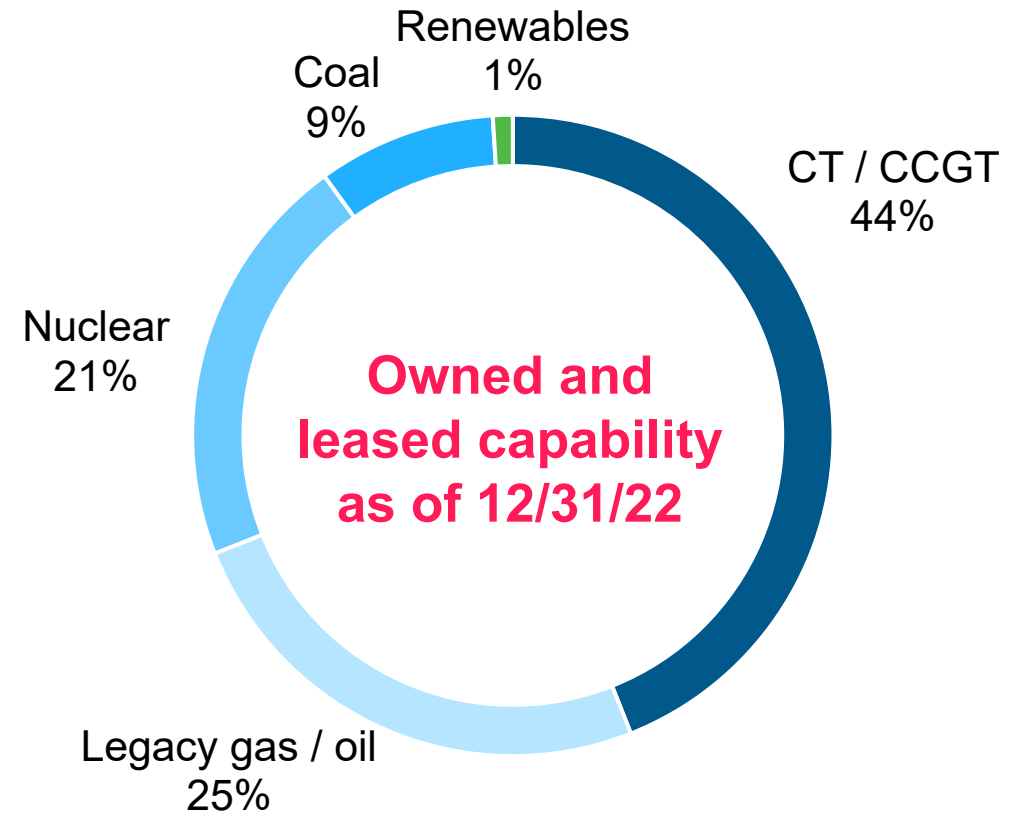
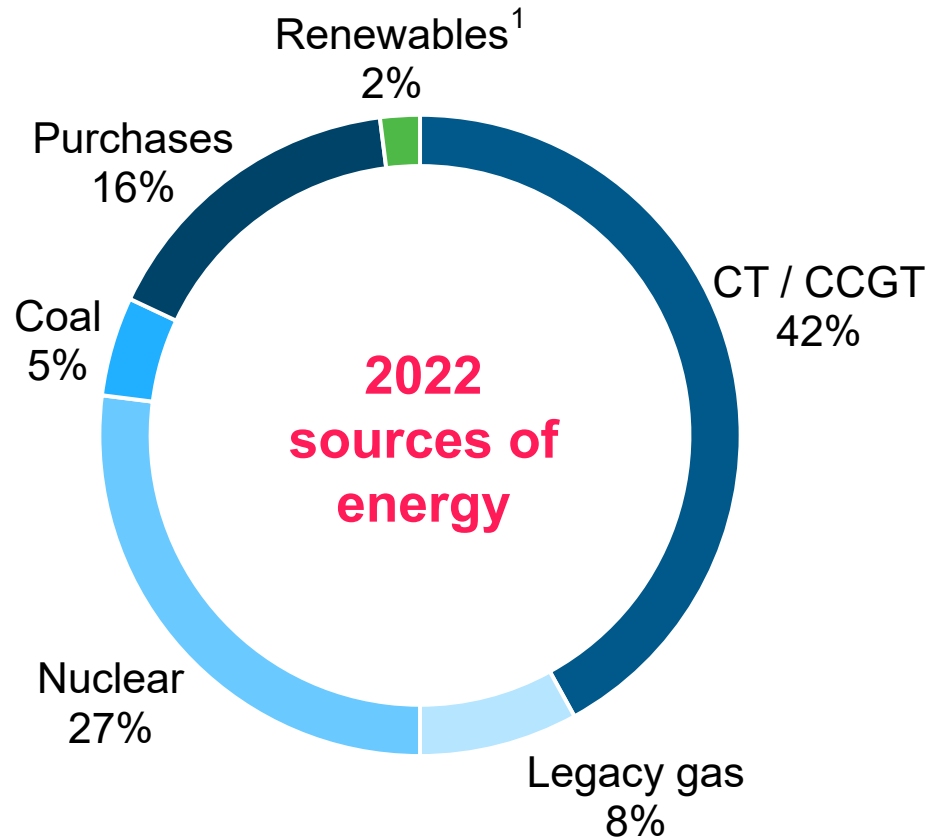
- Electric utility – 499,000 customers
- Authorized ROE: 9.57%
- Rate case and cost recovery riders (transmission, distribution, and generation)

# Utility 2022 weather-adjusted electric retail sales





# Utility generation overview



# Jurisdictional base rate filing frameworks

	<b>E-AR</b>	<b>E-LA</b>	<b>E-MS</b>	<b>E-NO</b>	<b>E-TX<sup>1</sup></b>	<b>SERI</b>
Latest filing date	7/7/23 (FRP)	5/31/23 (FRP)	3/1/23 (FRP)	4/28/23 (FRP)	7/1/22 (rate case)	Monthly cost of service
Rate effective date	Jan. following filing	Sept. following filing	April following filing <sup>2</sup>	Sept. following filing	35 days after filing <sup>3</sup>	Immediate
Evaluation period	Forward test yr. ended 12/31	Historical test yr. ended 12/31 plus transmission and distribution closed to plant above baseline through 8/31 of filing yr.; rate adjustments permitted for certain generation additions	Historical test yr. ended 12/31 plus certain known and measurable changes through 12/31 of filing yr.	Historical test yr. ended 12/31 plus certain known and measurable changes through 12/31 of filing yr.	12-month historical test yr. with available updates	Actual current month expense and prior month-end balance sheet
FRP term / post FRP framework	Five yrs. (2021–2025 filing yrs.); rate case after extension period	Three yrs. (2021–2023 filing yrs.); requested 3-yr. FRP extension and filed base rate case	No specified termination; option to file rate case as needed	Three yrs. (2024–2026 filing yrs.) (FRP extension approved)	n/a	Monthly cost of service until terminated by mutual agreement
Next filing date	July 2024 (FRP)	TBD	March 2024 (FRP)	April 2024 (FRP)	2027 <sup>4</sup> (rate case)	Every month

See operating company slides for additional details

1. In addition to base rate case filings, E-TX can file for interim recovery through DCRF, TCRF, and GCRR riders

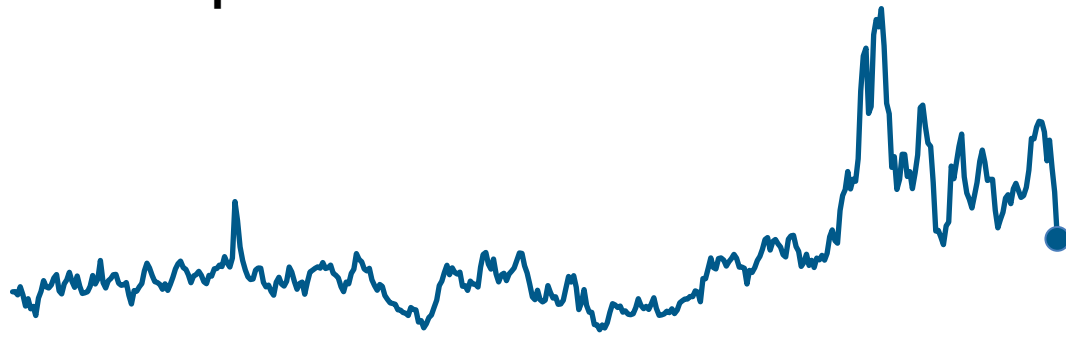
2. Interim rate change up to 2% effective April 1, any rate change above 2% (up to 4% cap) would be effective the month following the receipt of an MPSC order

3. May be suspended for an additional 150 days

4. Required to file base rate case every four years (PUCT may extend if non-material change in rates would result); base rate case also required 18 months after GCRR is utilized

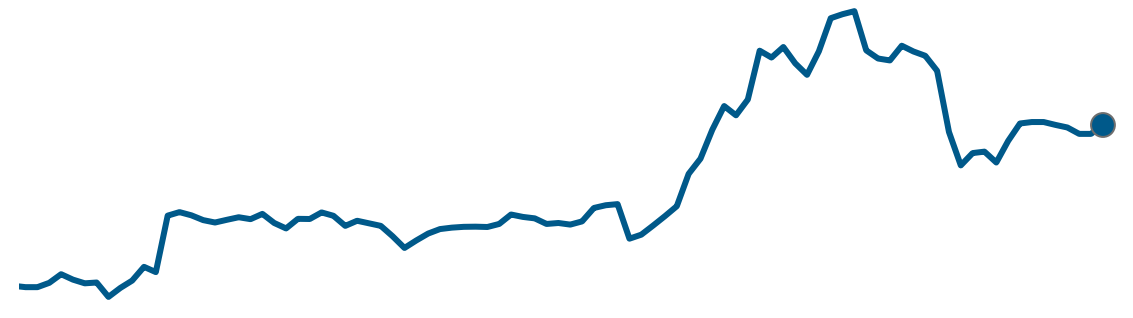
# Industrial customer metrics remain supportive

**Refining margins, Light Louisiana Sweet crude  
321 crack spread**



Jan-16 Jan-17 Jan-18 Jan-19 Jan-20 Jan-21 Jan-22 Jan-23

**Chlor-alkali, polyvinyl chloride margins,  
\$ per metric ton**



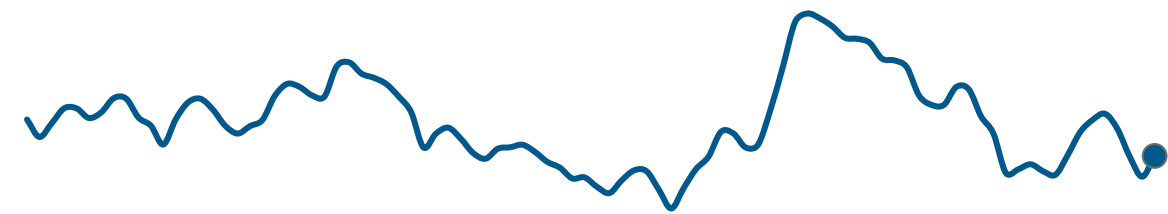
Jan-16 Jan-17 Jan-18 Jan-19 Jan-20 Jan-21 Jan-22 Jan-23

**Steel, capacity utilization %**



Jan-16 Jan-17 Jan-18 Jan-19 Jan-20 Jan-21 Jan-22 Jan-23

**Petrochemicals, polyethylene margins,  
\$ per metric ton**

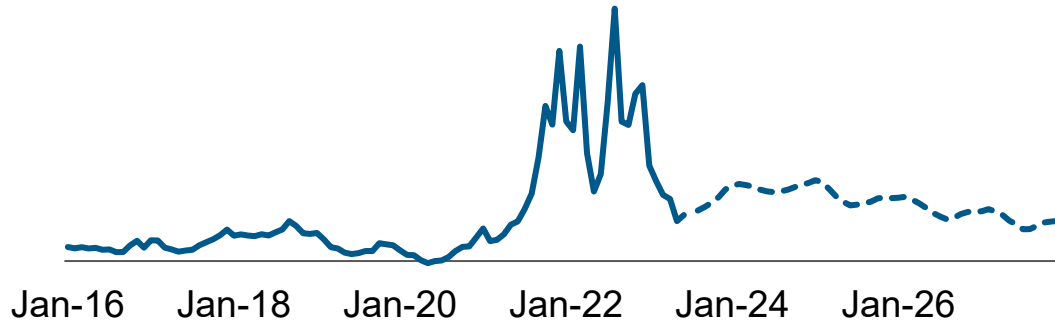


Jan-16 Jan-17 Jan-18 Jan-19 Jan-20 Jan-21 Jan-22 Jan-23

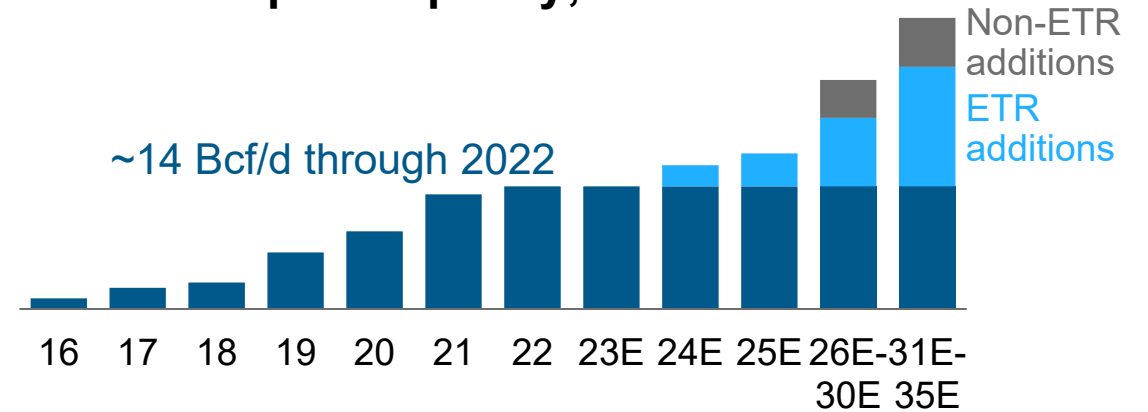
# U.S. to European spreads driving LNG expansion

Ammonia exports benefiting; tight inventories support refining margins

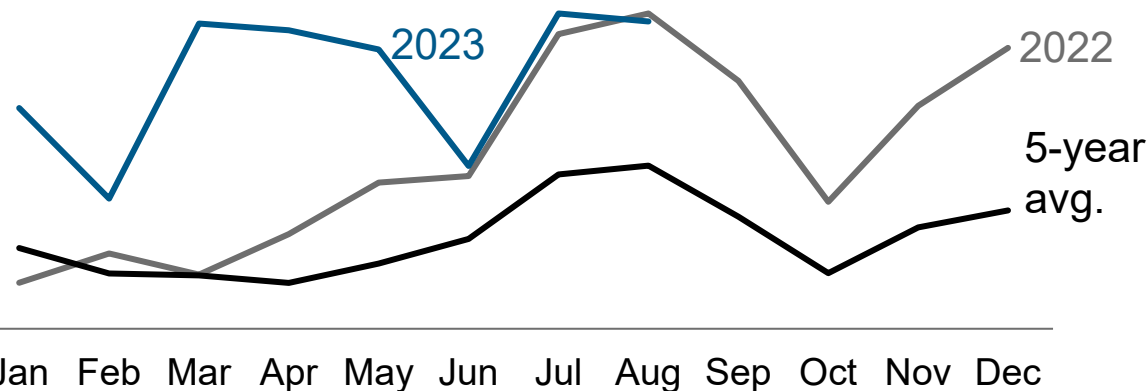
NBP to Henry Hub spread; \$/MMbtu



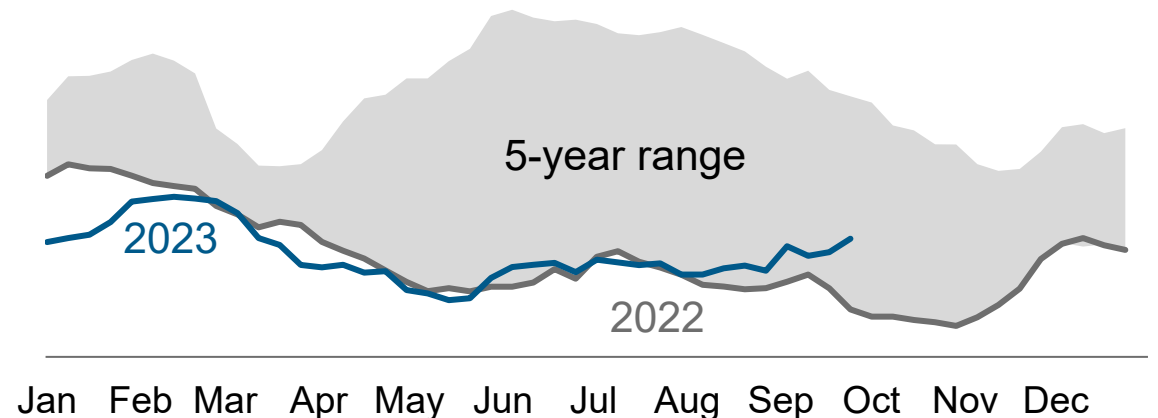
U.S. LNG export capacity; Bcf/d



U.S. ammonia exports; 000s tons



U.S. gasoline + distillate stocks; 000's bbl



# Actively expanding renewable footprint

<b>In service</b>	<b>MW</b>
Owned	301
PPA	533
	834

<b>Approved / in progress</b>	<b>MW</b>	<b>Owned / PPA</b>	<b>Est. in service<sup>1</sup></b>
<b>Project</b>			
Various solar projects (E-LA)	12	PPA	2023
Umbriel Solar (E-TX)	150	PPA	2023
Driver Solar (E-AR)	250	Owned	2024
West Memphis Solar (E-AR)	180	Owned	2024
Walnut Bend Solar (E-AR)	100	Owned	2024
Elizabeth Solar (E-LA)	125	PPA	2024
Sunlight Road Solar (E-LA)	50	PPA	2024
Flat Fork Solar (E-AR)	200	PPA	2025
Forgeview Solar (E-AR)	200	PPA	2025
Vacherie Solar (E-LA)	150	PPA	2026
Piney Woods Solar (E-TX)	150	PPA	2026
	1,567		

<b>Regulatory items pending</b>	<b>MW</b>	<b>Owned / PPA</b>	<b>Est. in service<sup>1</sup></b>
<b>Project</b>			
<b>ETR OpCo filings:</b>			
Coastal Prairie Solar (E-LA)	175	PPA	2025
Sterlington Solar (E-LA)	49	Owned	2025
	224		
<b>Other matters:</b>			
St. Jacques Solar (E-LA) <sup>2</sup>	150	Owned	2026
Wildwood Solar (E-MS) <sup>3</sup>	100	PPA	2026
Greer Solar (E-MS) <sup>3</sup>	170	PPA	2026
Hinds Solar (E-MS) <sup>3</sup>	150	PPA	2027
	570		
<b>RFPs</b>			
<b>Project<sup>4</sup></b>	<b>Solicited MW remaining<sup>5</sup></b>	<b>Owned / PPA</b>	<b>Est. in service<sup>1</sup></b>
2021 E-LA solar	425	TBD	2024–2025
2022 E-LA solar and wind	1,500	TBD	2025–2026
2021 E-TX solar	250	TBD	2026
2022 E-AR solar and wind	1,000	TBD	2026
2022 E-TX solar and wind	2,000	TBD	2026–2027
2022 Fall E-MS solar and wind	500	TBD	2026–2027

Additional details on Entergy's renewables are available at [entergy.com/renewable-energy](https://www.entergy.com/renewable-energy); additional details on RFPs are available at [spofossil.entergy.com](https://spofossil.entergy.com)  
 Note: Timing and/or cost of certain projects may be impacted by supply chain issues, including the U.S. Department of Commerce circumvention investigation

1. Date of COD or entry of contract

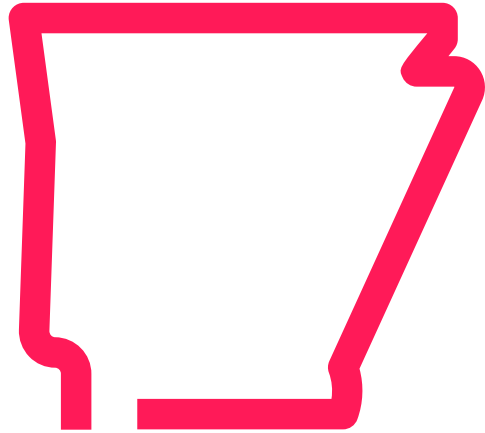
2. Subject to receipt of Solar Energy Farm Facility Permit and Land Use Designation Permit

3. Subject to approval of counterparty's CCN application

4. Resources have been selected and discussions are ongoing with the parties; additional information will be provided after parties reach definitive agreements

5. Original solicited MWs less amounts that have been announced and/or approved

# Entergy Arkansas



## E-AR (currently in rates)

Metric	Detail
Authorized ROE	9.15% – 10.15%
Rate base	\$9.2B retail rate base (2023 test year)
WACC (after-tax)	5.25%
Equity ratio	37.8% (47.0% excluding \$1.9B ADIT at 0% rate)
Regulatory construct	Forward test year FRP; result outside authorized ROE range resets to midpoint; maximum rate change 4% of filing year total retail revenue (4% applies to the true-up of historical year result combined with the future projection)
Key rate changes in last 12 months	\$80M FRP (1/3/23)
Riders	Fuel and purchased power, MISO, capacity, Grand Gulf, energy efficiency

# E-AR annual FRP filing

Unanimous settlement filed 10/31/23

## Filing highlights (docket 16-036-FR)

	2022 test year	2024 test year
Earned ROE	7.29%	8.11%
Rate base (ADIT incl. in WACC, not rate base)	\$8.8B	\$10.2B
WACC (after-tax)	5.16%	5.62%
Equity ratio (traditional equity ratio)	47%	47%
<b>Revenue requirements to midpoint</b>	<b>\$50M</b>	<b>\$81M</b>
<b>Rate change requested</b>	<b>\$89M (cap)</b>	

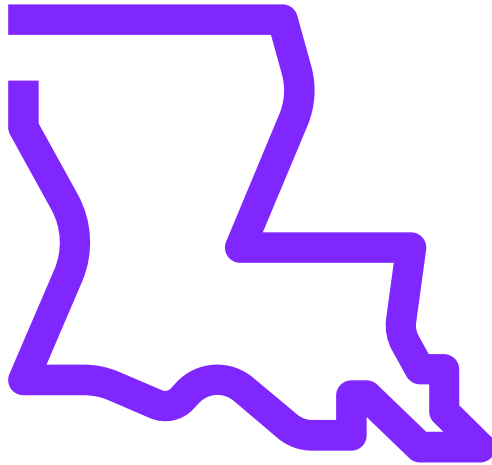
## Major drivers of proposed rate change; \$M

Category	2022 test year	2024 test year
Cost of capital	(1)	34
Expense items	53	37
Rate base	6	67
Revenue / sales shortfall	(8)	(57)
<b>Total revenue requirement</b>	<b>50</b>	<b>81</b>
<b>Rate change requested</b>	<b>89 (cap)</b>	

## Key dates

Date	Event
11/7/23	Hearing date
12/13/23	Commission ruling

# Entergy Louisiana



## E-LA (currently in rates)

Metric	Detail – electric <sup>1</sup>	Detail – gas
Authorized ROE	9.0% – 10.0%	9.3% – 10.3%
Rate base	\$15.7B (12/31/22 test year) <sup>2</sup> + \$0.3B for transmission rider + \$0.2B for distribution rider - \$(0.4B) for tax reform rider	\$0.15B (9/30/22 test year)
WACC (after-tax)	6.66%	6.93%
Equity ratio	49.51%	51.83%
Regulatory construct	Base FRP and riders	RSP <sup>3</sup>
Key rate changes in last 12 months	\$5M base FRP, \$29M transmission rider, \$21M distribution rider, \$(14M) MISO rider (offset in transmission revenue and other O&M), and \$1M TRAM (largely earnings neutral) effective 9/1/23	\$6M base RSP (5/1/23)
Riders / specific recovery	Fuel, capacity, MISO, transmission, distribution <sup>4</sup>	Gas infrastructure

1. Pending finalization of the 2022 (docket U-36822), 2021 (docket U-36381), 2020 (docket U-36092), 2019 (docket U-35581), 2018 (docket U-35205), and 2017 (docket U-34951) test year filings; settlement filed 10/31/23

2. Includes \$0.4B and \$0.2B recovered through prior year transmission and distribution riders (respectively), recovered using a 9.5% ROE

3. 50 bps dead band, 51 bps–200 bps 50% sharing, >200 bps adjust to 200 bps plus 75 bps sharing; for infrastructure costs, 100% sharing above the band

4. Distribution rider subject to annual cap of \$0.3B of additions to plant



# E-LA recommends modifying and extending FRP

Also filed full rate case

## FRP and rate case summaries (docket U-36959)

	Rate case <sup>1</sup>	FRP <sup>2</sup>
Rate effective years	2024	2024–2026
Test year	Historical year ending 12/31	
Proposed ROE	10.5%	9.5% – 10.5% (10.0% midpoint)
Est. rate base	\$16.4B <sup>3</sup>	\$15.9B <sup>4</sup>
Est. WACC (after-tax)	7.15%	6.85%
Est. equity ratio	49.5%	50.4%
Est. 2024 rate change <sup>5</sup>	\$447M	\$190M <sup>4</sup>
Higher depr. rates incl. in 2024 rate change <sup>6</sup>	\$248M	\$55M

## Proposed FRP modifications

- Remove cap on distribution recovery mechanism
- Amortization of production tax credits over the remaining useful life of the resource
- New customer-centric programs focused on affordability
- Pledging \$2M in shareholder funding to support additional customer / community programs

## Key dates

Date	Event
By 2/29/24	Three technical conferences
3/26/24	Staff and intervenor testimony
5/3/24	Staff and intervenor cross-answering testimony
7/1/24	E-LA rebuttal testimony
8/26/24	Hearing
9/1/24	Rate effective date

1. Rate case proposal includes request for a new three-year FRP effective for 2025–2027 filing years

2. All numbers are estimates; final request will be based on 2023 actual results

3. Includes forecasted additions closed to plant through 8/31/24

4. Includes transmission and distribution riders, excludes MISO and capacity riders

5. Does not include one-time \$(17M) credits to customers from previously over-collected securitizations

6. FRP includes updated depreciation rates for nuclear assets, phased in over three years; rate case includes depreciation rate updates for all asset classes

# E-LA resilience and grid hardening filing

## Resilience and grid hardening filing highlights (docket U-36625)

- Plan includes \$9.6B investment over 10 years
- Phase I seeks approval of \$5B of projects over the first five years
- Proposed recovery via forward-looking rider with semi-annual true-ups

## Key dates

Date	Event
11/13/23	E-LA rebuttal testimony
4Q23	Targeted settlement, decision
1/8/24	Hearing (if settlement not reached)

# E-LA Sterlington Solar filing

## Project overview (docket U-36685)

Item	Details
MW	49
Location	Sterlington, LA
Targeted in-service date	2026
Proposed recovery mechanism	FRP, with deferral until costs can be reflected in rates if needed

## Key dates

Date	Event
12/12/23	Hearing

# E-LA enhanced renewable RFP process

For up to 3,000 megawatts of solar

## Filing highlights (docket U-36697)

- Requests:
  - Approval of alternative process to secure up to 3,000 MW of solar resources
  - Expansion of the Geaux Green Option tariff
  - Approval of new Geaux Zero tariff
  - Proposed recovery via FRP, with deferral until costs can be reflected in rates if needed
- If approved, E-LA would be able to acquire solar resources more quickly and efficiently

## Key dates

Date	Event
11/13/23	Staff and intervenor cross-answering testimony
1/12/24	E-LA rebuttal testimony
3/4/24	Hearing

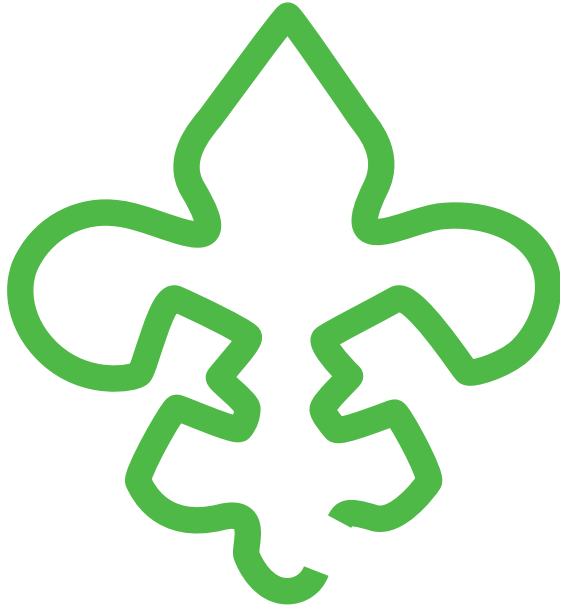
# Entergy Mississippi



## E-MS (currently in rates)

Metric	Detail
Authorized ROE	10.81% performance-adjusted midpoint (10.40% + 0.41% performance factor); 9.74% – 11.88% range (annual redetermination based on formula)
Rate base	\$4.2B (2023 forward test year)
WACC (after-tax)	7.06%
Equity ratio	46.76%
Regulatory construct	FRP with forward-looking features; performance-based bandwidth; subject to annual look-back evaluation; maximum rate increase 4% of test year retail revenue (increase above 4% requires base rate case)
Key rate changes in last 12 months	\$7M grid modernization rider (July 2023); \$5M PMR rider (July 2023); \$19M FRP 2022 lookback (July 2023 – June 2024, offset by amortization of reg. asset <sup>1</sup> ); \$26M FRP (April 2023); \$(5M) vegetation rider (April 2023)
Riders	Fuel, Grand Gulf, MISO, unit power cost, storm damage, ad valorem tax adjustment, vegetation, grid modernization, restructuring credit, PMR

# Entergy New Orleans



## E-NO (currently in rates)

Metric	Detail – electric	Detail – gas
Authorized ROE	8.85% – 9.85% (9.35% midpoint)	
Rate base	\$1.2B (12/31/22 test year plus known and measurables through 12/31/23)	\$0.2B
WACC (after-tax)	6.86%	
Equity ratio	51% <sup>1</sup>	
Regulatory construct	FRP with forward-looking features	
Key rate changes in last 12 months	\$10.5M FRP (9/1/23)	\$6.9M FRP (9/1/23)
Riders / specific recovery	Fuel and purchased power, MISO, energy efficiency, environmental, capacity costs	Purchased gas

# E-NO Ida cost certification filing

\$209M securitization financing completed December 2022

## Storm cost review (docket UD-22-05)

Storm cost summary, \$M

	Storm cost	Carrying cost	Total
Hurricane Ida	170	9	179

## Key dates

Date	Event
4Q23	Expected CCNO decision

# E-NO resilience and grid hardening filing

## Resilience and grid hardening filing highlights (docket UD 21-03)

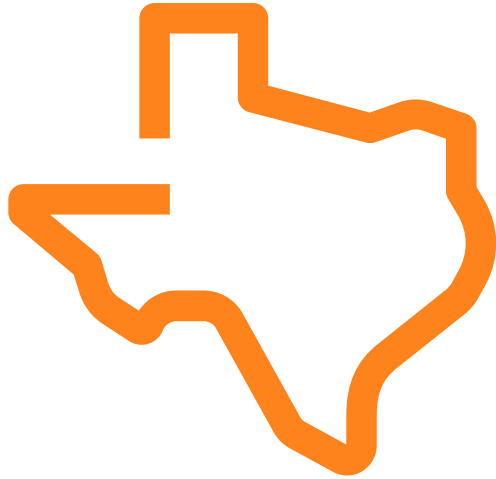
- Plan includes \$1B<sup>1</sup> investment over 10 years
- Phase I seeks approval of \$0.6B of projects over the first five years
- Proposed recovery via forward-looking rider

## Key dates

Date	Event
Nov. 2023	Various town hall meetings
4Q23	Targeted decision



# Entergy Texas



## E-TX (currently in rates)

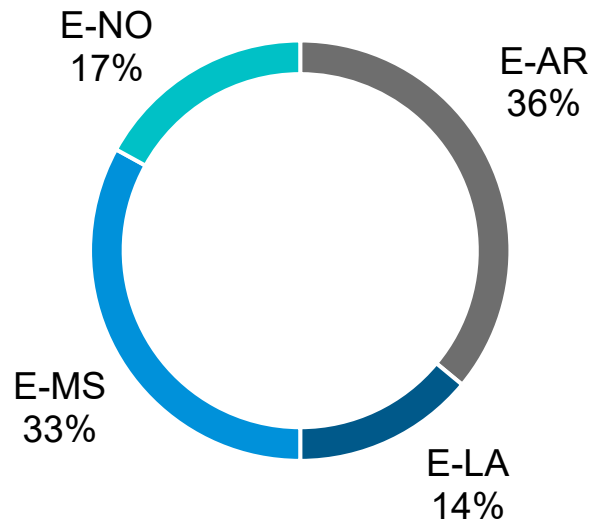
Metric	Detail
Authorized ROE	9.57%
Rate base	\$4.4B (12/31/21 test year)
WACC (after-tax)	6.61%
Equity ratio	51.2%
Regulatory construct	Rate case and cost recovery riders (distribution, transmission, and generation)
Key rate changes in last 12 months	\$54M base rate change (6/2/23) (rates retroactive to 12/3/22, reserve for retroactive revenue and higher depreciation and amortizations recorded in 3Q23)
Riders	Fuel, capacity, cost recovery riders (DCRF, TCRF, and GCRR), rate case expenses, AMI surcharge, and tax reform, among others

# System Energy Resources



## Grand Gulf Nuclear Station

### Energy and capacity allocation<sup>1</sup>



### SERI (most recent monthly bill)<sup>2,3</sup>

Metric	Detail
Principal asset	An ownership and leasehold interest in Grand Gulf Nuclear Station
Authorized ROE	10.94% <sup>4</sup>
Last calculated rate base	\$1.77B
WACC (after-tax)	8.75%
Equity ratio	63% <sup>4,5</sup>
Regulatory construct	Monthly cost of service

1. Percentages under SERI's UPSA

2. In accordance with SERI's settlement agreement with the MPSC (see slide 34), effective with the July 2022 service month, E-MS's UPSA bill is being adjusted to reflect a 9.65% ROE, a 52% equity ratio, a rate base reduction for advance collection of sale-leaseback rental costs, and the exclusion of certain long-term incentive plan performance unit costs from rates

3. If settlement in principle with the APSC is approved by FERC (see slide 34), effective with the Nov. 2023 service month, E-AR's UPSA bill will be adjusted to reflect a 9.65% ROE and a 52% equity ratio

4. Ongoing proceeding at FERC challenging SERI's authorized ROE and equity component (see slide 36)

5. For SERI ratemaking, the sale-leaseback obligation is excluded from the capital structure

# SERI global settlements with MPSC, APSC

64% of SERI litigation risk resolved

## Highlights of SERI / MPSC global settlement

- In Nov. 2022, SERI refunded \$235 million to E-MS resolving all disputes between SERI and the MPSC in FERC dockets described on slides that follow
- The settlement also specified a 9.65% ROE and up to 52% equity ratio through 6/30/26

## Highlights of SERI / APSC global settlement in principle

- Consistent with the terms of the SERI / MPSC settlement, in Oct. 2023, SERI reached a \$142 million global settlement in principle with the APSC; E-AR customers will receive a refund of \$100 million in addition to the \$42 million previously received
- The settlement also specified a 9.65% ROE and up to 52% equity ratio starting with the Nov. 2023 service month through 6/30/26

# SERI FERC cases

## LPSC complaint regarding GGNS sale-leaseback renewal and uncertain tax position (docket EL18-152)

- Complaint alleging (1) SERI double-recovering costs by including lease payments and capital additions in UPSA billings and (2) SERI incorrectly excluded FIN 48 liabilities associated with uncertain tax position from UPSA billings
- 12/23/22, FERC issued an order requiring SERI to calculate and provide refunds (1) for sale-leaseback renewal costs (retroactive to July 2015); (2) to correct a depreciation rate error; and (3) for previously-uncertain tax positions that have now been resolved
- 1/10/23, SERI paid \$104 million in refunds<sup>1</sup>: (1) \$90M for sale-leaseback issue; (2) \$14M for depreciation issue; and (3) \$0 in additional refunds for uncertain tax position issue (SERI previously paid \$43M for the uncertain tax position issue (\$25M for rate base adjustment plus \$18M for excess ADIT), with a commitment to additional future rate reductions (~\$68M through 2044))
- 3/6/23 and 9/8/23, SERI filed petitions in the U.S. Court of Appeals for the Fifth Circuit for review of FERC's 12/23/22 and 8/28/23 orders; the consolidated appeal is currently being held in abeyance
- 8/28/23, FERC issued an order denying rehearing requests on the uncertain tax positions issue and affirmed its prior remedy. FERC directed SERI to recalculate refunds on the sale-leaseback renewal and depreciation rate error issues and file a compliance refund report; FERC allowed SERI to recover an implied return of and on the depreciated cost of the portion of the plant subject to the sale-leaseback and to offset refunds so that SERI may collect interest on the rate base corrections that were part of the depreciation rate corrections
- 9/27/23, LPSC filed a request for rehearing at FERC of 8/28/23 order
- 10/27/23, SERI filed compliance report in response to FERC's 8/28/23 order, to recoup \$40.5 million from E-LA and E-NO collectively
- 10/30/23, FERC denied the LPSC request for rehearing by operation of law, but indicated that it intends to issue a substantive rehearing order

## Next steps

Date	FERC	U.S. Court of Appeals
TBD	FERC substantive rehearing order	
TBD		Procedural schedule for appeal

# SERI FERC cases

## ROE complaints and equity complaint (consolidated dockets EL17-41, EL18-142, EL18-204)

- APSC, MPSC, and LPSC filed ROE complaints; LPSC also alleged that SERI's equity component was unjust and unreasonable (complaints consolidated)
- 3/24/21, ALJ initial decision issued

### Next steps

Date	Event
TBD	FERC ruling on initial decision

## UPSA formula rate complaint (docket EL20-72)

- 9/21/20, the LPSC, APSC, MPSC, and CCNO filed a complaint alleging two categories of UPSA rate issues:
  1. violations of the filed rate that require refunds for prior periods, and
  2. elements of the UPSA that the retail regulators contend are unjust and unreasonable that require refunds for the 15-month refund period and changes to the UPSA prospectively
- 5/15/23, ALJ issued initial decision finding SERI improperly included several categories of ADIT in rates and recommending refunds, and finding the UPSA should be modified to include a negative cash working capital allowance
- 7/7/23, parties filed briefs on exceptions; briefs on opposing exceptions filed 8/18/23

### Next steps

Date	Event
TBD	FERC ruling on initial decision

# SERI FERC cases

## Prudence complaint (docket EL21-56)

- 3/2/21, the LPSC, APSC, and CCNO filed a complaint alleging operational prudence claims, primarily:
  1. based on plant capacity factor and alleged safety performance, SERI imprudently operated Grand Gulf during the period 2016–2020, and
  2. the performance and/or management of the 2012 extended power uprate of Grand Gulf was imprudent
- 4/16/21, SERI filed an answer disputing the allegations and requesting FERC to dismiss the complaint
- 5/17/21, complainants filed an answer in response to SERI’s motion to dismiss
- 11/18/22, FERC issued an order setting the prudence complaint for settlement and hearing
- 7/12/23, settlement procedures were terminated, and hearing procedures are now ongoing

## Next steps

Date	Event
1/13/25	Commencement of hearing

## Supplemental prudence complaint (docket EL24-5)

- 10/18/23, LPSC, APSC, and CCNO filed an amended and supplemental prudence complaint, expanding the period of alleged imprudence to include 2021–2022, and separately alleging that SERI violated the tariff requirement to operate in accordance with “good utility practice”

## Next steps

Date	Event
Nov. 2023	SERI answer and motion to dismiss

# Financial disclosures

# Progress against guidance (page 1 of 2)

Driver	Guidance assumption <sup>1</sup>	YTD result <sup>1</sup>	Full-year comments
ETR adjusted EPS	6.55–6.85	6.25	Guidance range narrowed to 6.65–6.85
Estimated weather in sales	Normal	0.48	
Weather-adj. retail sales volume	~1% ~0.05	(0.4)% 0.02	<ul style="list-style-type: none"> <li>• Now expect ~0.5% YoY sales growth (industrial growth, flat residential, and declining commercial)</li> <li>• Now expect flat YoY EPS due to volume (lower sales, sales mix)</li> </ul>
Utility refueling outage exp.	~(0.05)	(0.04)	
Utility other O&M	~0.60 <i>(did not include MISO change)</i>	0.45 <i>(incl. 0.14 MISO change, largely offset in revenue)</i>	<ul style="list-style-type: none"> <li>• Now expect ~\$0.20 YoY due to ~\$0.15 for MISO billing change (largely offset in revenue) and flex spending</li> </ul>
Utility decommissioning exp.	-	(0.03)	<ul style="list-style-type: none"> <li>• Now expect ~\$(0.05) YoY</li> </ul>
Utility taxes other than income taxes	~(0.05)	(0.13)	<ul style="list-style-type: none"> <li>• Now expect ~\$(0.10) YoY due primarily to higher ad valorem taxes</li> </ul>
Utility depreciation exp.	~(0.50)	(0.13)	<ul style="list-style-type: none"> <li>• Now expect ~\$(0.25) YoY due to ~\$0.15 for SERI retroactive depreciation rate adjustment (largely offset by a regulatory reserve) and difference in accounting for the E-TX rate case relate back (recorded as a regulatory charge)</li> </ul>
Utility other income <sup>2</sup>	~0.15	(0.08)	<ul style="list-style-type: none"> <li>• Now expect ~\$0.10 YoY</li> </ul>
Utility interest exp.	~(0.20)	(0.20)	

1. All values in \$/share except where noted

2. Excludes YoY variance from change in affiliate preferred interest (expected to be \$0.57 Utility and \$(0.58) P&O, largely earnings neutral) and change in returns on NDTs (offset with regulatory deferrals)



# Progress against guidance (page 2 of 2)

Driver	Guidance assumption <sup>1</sup>	YTD result <sup>1</sup>	Full-year comments
Parent & Other excl. income tax rate, share effect, and affiliate preferred <sup>2</sup>	~0.25	0.05	• Now expect ~\$0.15 YoY due to lower residual EWC revenue and parent interest
Effective income tax rate <sup>3</sup>	~24% (0.05)	~24.8% (0.12)	
Fully diluted average shares	~213M ~(0.25)	212M (0.24)	

1. All values in \$/share except where noted

2. Excludes YoY variance from change in affiliate preferred interest (expected to be \$0.57 Utility and \$(0.58) P&O, largely earnings neutral)

3. Based on adjusted earnings and excludes effects from the return of unprotected excess ADIT and HLBV accounting

# 2023 ETR adjusted EPS sensitivities

Variable	Description of sensitivity	Estimated annual EPS impact
<b>Utility</b>		
Retail sales growth	1% change in residential MWh sold	+/- 0.09
	1% change in commercial MWh sold	+/- 0.05
	1% change in industrial MWh sold	+/- 0.02
Other O&M	1% change in expense	+/- 0.10
Rate base	\$100 million change in rate base in rates	+/- 0.02
ROE	25 basis point change in allowed ROE	+/- 0.20
<b>Energy Consolidated</b>		
Interest expense	1% change in interest rate on \$1 billion debt	+/- 0.04
Pension and OPEB	25 bps change in discount rate	+/- 0.02
Effective tax rate	1% change in effective tax rate	+/- 0.09

# Financing activity

## Third quarter financing activity

OpCo	Activity	Date	Rate	Amount (\$M)	Maturity	Notes
E-NO	Retirement	7/1/23	3.90%	100	n/a	Repaid with funds from Dec. 2022 securitization proceeds and \$15M increase in 5/31/23 term loan
E-TX	Issuance	8/11/23	5.80%	350	9/1/53	To finance the construction of the OCAPS and for general corporate purposes, including the repayment of borrowings from the Entergy System money pool
E-AR	Issuance	8/17/23	5.30%	300	9/15/33	To repay debt outstanding under E-AR's revolving credit facility and for general corporate purposes, including repayment of borrowings from the Entergy System money pool
E-LA	Retirement	9/1/23	4.05%	325	n/a	Repaid with 2023 securitization proceeds

## Upcoming 4Q23 maturities

Instrument	Amount (\$M)	Notes
E-LA mortgage bond 0.62% series due Nov. 2023	665	To be repaid with funds from March 2023 securitization proceeds

# Financial summaries and Regulation G reconciliations

# Earnings summary

**Table 1: Third quarter earnings summary**

	\$ in millions		Per share in \$	
	3Q23	3Q22	3Q23	3Q22
As-reported (after-tax)				
Utility	752	672	3.54	3.29
Parent & Other				
2022 EWC	-	(19)	-	(0.10)
All other	(85)	(92)	(0.40)	(0.45)
Total Parent & Other	(85)	(112)	(0.40)	(0.55)
<b>Consolidated</b>	<b>667</b>	<b>561</b>	<b>3.14</b>	<b>2.74</b>
Less adjustments				
Utility	(59)	-	(0.28)	-
Parent & Other				
2022 EWC	-	(19)	-	(0.10)
All other	32	-	0.15	-
Total Parent & Other	32	(19)	0.15	(0.10)
<b>Consolidated</b>	<b>(27)</b>	<b>(19)</b>	<b>(0.13)</b>	<b>(0.10)</b>
Adjusted (non-GAAP)				
Utility	810	672	3.82	3.29
Parent & Other				
2022 EWC	-	-	-	-
All other	(117)	(92)	(0.55)	(0.45)
Total Parent & Other	(117)	(92)	(0.55)	(0.45)
<b>Consolidated</b>	<b>694</b>	<b>580</b>	<b>3.27</b>	<b>2.84</b>

Calculations may differ due to rounding  
 212M and 205M diluted average common shares outstanding for 3Q23 and 3Q22, respectively  
 For additional details, see Appendix A in the earnings release

# Regulation G reconciliations

**Table 2: ETR adjusted earnings**

**Reconciliation of GAAP to non-GAAP measures**

	3Q23	3Q22
<i>(Pre-tax, \$ in millions)</i>		
Net income (loss) attributable to ETR Corp.	667	561
Less adjustments:		
Utility - E-AR write-off of assets related to the ANO stator incident	(78)	-
Utility - Income tax effect on Utility adjustment above	20	-
P&O - 2022 EWC earnings	-	(19)
P&O - DOE spent nuclear fuel litigation settlements – IPEC	40	-
P&O - Income tax effect on adjustments above	(9)	-
ETR adjusted earnings (non-GAAP)	694	580
Diluted average number of common shares outstanding (in millions)	212	205
<i>(After-tax, per share in \$)</i>		
Net income (loss) attributable to ETR Corp.	3.14	2.74
Less adjustments:		
Utility - E-AR write-off of assets related to the ANO stator incident	(0.28)	-
P&O - 2022 EWC earnings	-	(0.10)
P&O - DOE spent nuclear fuel litigation settlements – IPEC	0.15	-
ETR adjusted earnings (non-GAAP)	3.27	2.84

# Regulation G reconciliations

**Table 3: ETR adjusted earnings**

**Reconciliation of GAAP to non-GAAP measures**

	<b>2022</b>
<i>(Pre-tax, \$ in millions)</i>	
Net income (loss) attributable to ETR Corp.	1,103
Less adjustments:	
Utility - E-LA and E-TX true-up for carrying costs on storm expenditures	41
Utility - E-LA contribution to the LURC related to securitization	(32)
Utility - E-LA customer-sharing of securitization benefit	(224)
Utility - SERI regulatory charge resulting from partial settlement and offer of settlement for pending litigation	(551)
Utility - SERI depreciation adjustment	33
Utility - income tax effect on Utility adjustments above	183
Utility - E-LA tax benefit resulting from securitization	283
Utility - SERI sale-leaseback reg. liability / DTA turnaround	(13)
EWC	63
ETR adjusted earnings (non-GAAP)	1,320
Diluted average number of common shares outstanding (in millions)	206
<i>(After-tax, per share in \$)</i>	
Net income (loss) attributable to ETR Corp.	5.37
Less adjustments:	
Utility - E-LA and E-TX true-up for carrying costs on storm expenditures	0.17
Utility - E-LA contribution to the LURC related to securitization	(0.15)
Utility - E-LA customer-sharing of securitization benefit	(0.81)
Utility - E-LA tax benefit resulting from securitization	1.38
Utility - SERI regulatory charge resulting from partial settlement and offer of settlement for pending litigation	(2.01)
Utility - SERI depreciation adjustment	0.12
Utility - SERI sale-leaseback reg. liability / DTA turnaround	(0.06)
EWC	0.31
ETR adjusted earnings (non-GAAP)	6.42

# Utility book ROEs

**Table 4: Utility book ROE summary**  
**LTM ending September 30, 2023**  
*(\$ in millions)*

		E-AR	E-LA	E-MS	E-NO	E-TX	Utility <sup>1</sup>
As-reported earnings available to common stock	(a)	246	978	204	70	316	1,904
Less adjustments:							
SERI depreciation adjustment							24
SERI sale-leaseback reg. liability / DTA turnaround							(13)
E-LA true-up for carrying costs for Ida storms (prior year portion)			31				31
E-LA contribution to the LURC related to securitization			(15)				(15)
E-LA tax benefit related to securitization, net of customer-sharing			58				53
E-AR write-off of assets related to the ANO stator incident		(59)					(59)
Total adjustments	(b)	(59)	74	0	0	0	21
Adjusted earnings available to common stock (non-GAAP)	(c) = (a) - (b)	304	904	204	70	316	1,883
Average common equity	(d)	3,789	10,504	2,085	735	2,814	20,837
Adjustment for E-LA affiliate preferred (offset at P&O)							
Preferred investment, net of noncontrolling interest (beginning / ending average)	(e)		3,770				
Estimated equity financing for preferred investment (beginning / ending average)	(f)		2,726				
Dividend income from affiliate preferred, net of noncontrolling interest	(g)		271				
Estimated debt financing for preferred investment	(h)		1,044				
Average cost of debt (after-tax)	(i)		2.89%				
Cost of debt financing for preferred investment (after-tax)	(j) = (h) x (i)		30				
Estimated earnings impact from affiliate preferred	(k) = (g) - (j)		241				
As-reported ROE	(a) / (d)	6.5%	9.3%	9.8%	9.5%	11.2%	9.1%
Adjusted ROE (non-GAAP)	(c) / (d)	8.0%	8.6%	9.8%	9.5%	11.2%	9.0%
Adjusted ROE, excluding average affiliate preferred (non-GAAP)	(c-k) / (d-f)		8.5%				

Calculations may differ due to rounding

1. Utility does not equal the sum of the operating companies due primarily to SERI (as-reported earnings ~\$126M, adjusted earnings ~\$114M, and average common equity ~\$900M) and Entergy Utility Holding Co.



