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

**FORM 10-Q**

(Mark One)



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

**For the quarterly period ended June 30, 2024**

**OR**



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

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

<b>Commission File Number</b>	<b>Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number, and IRS Employer Identification No.</b>	<b>Commission File Number</b>	<b>Registrant, State of Incorporation or Organization, Address of Principal Executive Offices, Telephone Number, and IRS Employer Identification No.</b>
1-11299	ENTERGY CORPORATION (a Delaware corporation) 639 Loyola Avenue New Orleans, Louisiana 70113 Telephone (504) 576-4000 72-1229752	1-35747	ENTERGY NEW ORLEANS, LLC (a Texas limited liability company) 1600 Perdido Street New Orleans, Louisiana 70112 Telephone (504) 670-3702 82-2212934
1-10764	ENTERGY ARKANSAS, LLC (a Texas limited liability company) 425 West Capitol Avenue Little Rock, Arkansas 72201 Telephone (501) 377-4000 83-1918668	1-34360	ENTERGY TEXAS, INC. (a Texas corporation) 2107 Research Forest Drive The Woodlands, Texas 77380 Telephone (409) 981-2000 61-1435798
1-32718	ENTERGY LOUISIANA, LLC (a Texas limited liability company) 4809 Jefferson Highway Jefferson, Louisiana 70121 Telephone (504) 576-4000 47-4469646	1-09067	SYSTEM ENERGY RESOURCES, INC. (an Arkansas corporation) 1340 Echelon Parkway Jackson, Mississippi 39213 Telephone (601) 368-5000 72-0752777
1-31508	ENTERGY MISSISSIPPI, LLC (a Texas limited liability company) 308 East Pearl Street Jackson, Mississippi 39201 Telephone (601) 368-5000 83-1950019		



**Securities registered pursuant to Section 12(b) of the Act:**

<b>Registrant</b>	<b>Title of Class</b>	<b>Trading Symbol</b>	<b>Name of Each Exchange on Which Registered</b>
Entergy Corporation	Common Stock, \$0.01 Par Value	ETR	New York Stock Exchange
	Common Stock, \$0.01 Par Value	ETR	NYSE Chicago, Inc.
Entergy Arkansas, LLC	Mortgage Bonds, 4.875% Series due September 2066	EAI	New York Stock Exchange
Entergy Louisiana, LLC	Mortgage Bonds, 4.875% Series due September 2066	ELC	New York Stock Exchange
Entergy Mississippi, LLC	Mortgage Bonds, 4.90% Series due October 2066	EMP	New York Stock Exchange
Entergy New Orleans, LLC	Mortgage Bonds, 5.0% Series due December 2052	ENJ	New York Stock Exchange
	Mortgage Bonds, 5.50% Series due April 2066	ENO	New York Stock Exchange
Entergy Texas, Inc.	5.375% Series A Preferred Stock, Cumulative, No Par Value (Liquidation Value \$25 Per Share)	ETI/PR	New York Stock Exchange

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

Indicate by check mark whether the registrants have submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrants were required to submit such files). Yes ☒ No ☐

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

	Large accelerated filer	Accelerated filer	Non- accelerated filer	Smaller reporting company	Emerging growth company
Entergy Corporation	✓				
Entergy Arkansas, LLC			✓		
Entergy Louisiana, LLC			✓		
Entergy Mississippi, LLC			✓		
Entergy New Orleans, LLC			✓		
Entergy Texas, Inc.			✓		
System Energy Resources, Inc.			✓		

If an emerging growth company, indicate by check mark if the registrants have elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

Common Stock Outstanding		Outstanding at July 31, 2024
Entergy Corporation	(\$0.01 par value)	213,830,846

Entergy Corporation, Entergy Arkansas, LLC, Entergy Louisiana, LLC, Entergy Mississippi, LLC, Entergy New Orleans, LLC, Entergy Texas, Inc., and System Energy Resources, Inc. separately file this combined Quarterly Report on Form 10-Q. Information contained herein relating to any individual company is filed by such company on its own behalf. Each company makes representations only as to itself and makes no other representations whatsoever as to any other company. This combined Quarterly Report on Form 10-Q supplements and updates the Annual Report on Form 10-K for the calendar year ended December 31, 2023 and the Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, filed by the individual registrants with the SEC, and should be read in conjunction therewith.

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## FORWARD-LOOKING INFORMATION

In this combined report and from time to time, Entergy Corporation and the Registrant Subsidiaries each makes statements as a registrant concerning its expectations, beliefs, plans, objectives, goals, projections, strategies, and future events or performance. Such statements are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “may,” “will,” “could,” “project,” “believe,” “anticipate,” “intend,” “goal,” “commitment,” “expect,” “estimate,” “continue,” “potential,” “plan,” “predict,” “forecast,” and other similar words or expressions are intended to identify forward-looking statements but are not the only means to identify these statements. Although each of these registrants believes that these forward-looking statements and the underlying assumptions are reasonable, it cannot provide assurance that they will prove correct. Any forward-looking statement is based on information current as of the date of this combined report and speaks only as of the date on which such statement is made. Except to the extent required by the federal securities laws, each registrant 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 involve a number of risks and uncertainties. There are factors that could cause actual results to differ materially from those expressed or implied in the forward-looking statements, including (a) those factors discussed or incorporated by reference in Item 1A. Risk Factors in the Form 10-K and in this report, (b) those factors discussed or incorporated by reference in Management’s Financial Discussion and Analysis in the Form 10-K and in this report, and (c) the following factors (in addition to others described elsewhere in this combined report and in subsequent securities filings):

- resolution of pending and future rate cases and related litigation, formula rate proceedings and related negotiations, including various performance-based rate discussions, Entergy’s utility supply plan, and recovery of fuel and purchased power costs, as well as delays in cost recovery resulting from these proceedings;
- regulatory and operating challenges and uncertainties and economic risks associated with the Utility operating companies’ participation in MISO, including the benefits of continued MISO participation, the effect of current or projected MISO market rules, market design and market and system conditions in the MISO markets, the absence of a minimum capacity obligation for load serving entities in MISO and the consequent ability of some load serving entities to “free ride” on the energy market without paying appropriate compensation for the capacity needed to produce that energy, the allocation of MISO system transmission upgrade costs, delays in developing or interconnecting new generation or other resources or other adverse effects arising from the volume of requests in the MISO transmission interconnection queue, the MISO-wide base rate of return on equity allowed or any MISO-related charges and credits required by the FERC, and the effect of planning decisions that MISO makes with respect to future transmission investments by the Utility operating companies;
- changes in utility regulation, including, with respect to retail and wholesale competition, the ability to recover net utility assets and other potential stranded costs, and the application of more stringent return on equity criteria, transmission reliability requirements, or market power criteria by the FERC or the U.S. Department of Justice;
- changes in the regulation or regulatory oversight of Entergy’s owned or operated nuclear generating facilities, nuclear materials and fuel, and the effects of new or existing safety or environmental concerns regarding nuclear power plants and fuel;
- resolution of pending or future applications, and related regulatory proceedings and litigation, for license modifications or other authorizations required of nuclear generating facilities and the effect of public and political opposition on these applications, regulatory proceedings, and litigation;
- the performance of and deliverability of power from Entergy’s generation resources, including the capacity factors at Entergy’s nuclear generating facilities;
- increases in costs and capital expenditures that could result from changing regulatory requirements, changing economic conditions, and emerging operating and industry issues, and the risks related to recovery of these costs and capital expenditures from Entergy’s customers (especially in an increasing cost environment);

## FORWARD-LOOKING INFORMATION (Continued)

- the commitment of substantial human and capital resources required for the safe and reliable operation and maintenance of Entergy's utility system, including its nuclear generating facilities;
- Entergy's ability to develop and execute on a point of view regarding future prices of electricity, natural gas, and other energy-related commodities;
- the prices and availability of fuel and power Entergy must purchase for its Utility customers, particularly given the recent and ongoing significant growth in liquified natural gas exports and the associated significantly increased demand for natural gas and resulting increase in natural gas prices, and Entergy's ability to meet credit support requirements for fuel and power supply contracts;
- volatility and changes in markets for electricity, natural gas, uranium, emissions allowances, and other energy-related commodities, and the effect of those changes on Entergy and its customers;
- changes in law resulting from federal or state energy legislation or legislation subjecting energy derivatives used in hedging and risk management transactions to governmental regulation;
- changes in environmental laws and regulations, agency positions, or associated litigation, including requirements for reduced emissions of sulfur dioxide, nitrogen oxide, greenhouse gases, mercury, particulate matter and other regulated air emissions, heat and other regulated discharges to water, waste management and disposal, remediation of contaminated sites, wetlands protection and permitting, and reporting, and changes in costs of compliance with environmental laws and regulations;
- changes in laws and regulations, agency positions, or associated litigation related to protected species and associated critical habitat designations;
- the effects of changes in federal, state, or local laws and regulations, and other governmental actions or policies, including changes in monetary, fiscal, tax, environmental, trade/tariff, domestic purchase requirements, or energy policies and related laws, regulations, and other governmental actions, including as a result of prolonged litigation over proposed legislation or regulatory actions;
- the effects of full or partial shutdowns of the federal government or delays in obtaining government or regulatory actions or decisions;
- uncertainty regarding the establishment of interim or permanent sites for spent nuclear fuel and nuclear waste storage and disposal and the level of spent fuel and nuclear waste disposal fees charged by the U.S. government or other providers related to such sites;
- variations in weather and the occurrence of hurricanes and other storms and disasters, including uncertainties associated with efforts to remediate the effects of hurricanes, ice storms, wildfires, or other weather events and the recovery of costs associated with restoration, including the ability to access funded storm reserves, federal and local cost recovery mechanisms, securitization, and insurance, as well as any related unplanned outages;
- effects of climate change, including the potential for increases in extreme weather events, such as hurricanes, heat waves, drought or wildfires, and sea levels or coastal land and wetland loss;
- the risk that an incident at any nuclear generation facility in the U.S. could lead to the assessment of significant retrospective assessments and/or retrospective insurance premiums as a result of Entergy's participation in a secondary financial protection system and a utility industry mutual insurance company;
- changes in the quality and availability of water supplies and the related regulation of water use and diversion;
- Entergy's ability to manage its capital projects, including by completing projects timely and within budget, to obtain the anticipated performance or other benefits of such capital projects, and to manage its capital and operation and maintenance costs;
- the effects of supply chain disruptions, including those driven by geopolitical developments or trade-related governmental actions, on Entergy's ability to complete its capital projects in a timely and cost-effective manner;
- Entergy's ability to purchase and sell assets at attractive prices and on other attractive terms;
- the economic climate, and particularly economic conditions in Entergy's Utility service area and events and circumstances that could influence economic conditions in those areas, including power prices and inflation, and the risk that anticipated load growth may not materialize;



## FORWARD-LOOKING INFORMATION (Continued)

- changes to federal income tax laws, regulations, and interpretive guidance, including the Inflation Reduction Act of 2022 and the continued impact of the Tax Cuts and Jobs Act of 2017, and any related intended or unintended consequences on financial results and future cash flows;
- the effects of Entergy's strategies to reduce tax payments;
- the effect of increased interest rates and other changes in the financial markets and regulatory requirements for the issuance of securities, particularly as they affect access to and cost of capital and Entergy's ability to refinance existing securities and fund investments and acquisitions;
- actions of rating agencies, including changes in the ratings of debt and preferred stock, changes in general corporate ratings, and changes in the rating agencies' ratings criteria;
- changes in inflation and interest rates and the impacts of inflation or a recession on our customers;
- the effects of litigation, including the outcome and resolution of the proceedings involving System Energy currently before the FERC and any appeals of FERC decisions in those proceedings;
- the effects of government investigations, proceedings, or audits;
- changes in technology, including (i) Entergy's ability to effectively assess, implement, and manage new or emerging technologies, including its ability to maintain and protect personally identifiable information while doing so, (ii) the emergence of artificial intelligence (including machine learning), which may present ethical, security, legal, operational, or regulatory challenges, (iii) the impact of changes relating to new, developing, or alternative sources of generation such as distributed energy and energy storage, renewable energy, energy efficiency, demand side management, and other measures that reduce load and government policies incentivizing development or utilization of the foregoing, and (iv) competition from other companies offering products and services to Entergy's customers based on new or emerging technologies or alternative sources of generation;
- Entergy's ability to effectively formulate and implement plans to increase its carbon-free energy capacity and to reduce its carbon emission rate and aggregate carbon emissions, including its commitment to achieve net-zero carbon emissions by 2050 and the related increasing investment in renewable power generation sources, and the potential impact on its business and financial condition of attempting to achieve such objectives;
- the effects, including increased security costs, of threatened or actual terrorism, cyber attacks or data security breaches, physical attacks on or other interference with facilities or infrastructure, natural or man-made electromagnetic pulses that affect transmission or generation infrastructure, accidents, and war or a catastrophic event such as a nuclear accident or a natural gas pipeline explosion;
- impacts of perceived or actual cybersecurity or data security threats or events on Entergy and its subsidiaries, its vendors, suppliers or other third parties interconnected through the grid, which could, among other things, result in disruptions to its operations, including but not limited to, the loss of operational control, temporary or extended outages, or loss of data, including but not limited to, sensitive customer, employee, financial or operations data;
- the effects of a catastrophe, pandemic (or other health-related event), or a global or geopolitical event such as the military activities between Russia and Ukraine, or Israel and Hamas, including resultant economic and societal disruptions; fuel procurement disruptions; volatility in the capital markets (and any related increased cost of capital or any inability to access the capital markets or draw on available bank credit facilities); reduced demand for electricity, particularly from commercial and industrial customers; increased or unrecoverable costs; supply chain, vendor, and contractor disruptions, including as a result of trade-related sanctions; delays in completion of capital or other construction projects, maintenance, and other operations activities, including prolonged or delayed outages; impacts to Entergy's workforce availability, health, or safety; increased cybersecurity risks as a result of many employees telecommuting; increased late or uncollectible customer payments; regulatory delays; executive orders affecting, or increased regulation of, Entergy's business; changes in credit ratings or outlooks as a result of any of the foregoing; or other adverse impacts on Entergy's ability to execute on its business strategies and initiatives or, more generally, on Entergy's results of operations, financial condition, and liquidity;

## **FORWARD-LOOKING INFORMATION (Concluded)**

- Entergy's ability to attract and retain talented management, directors, and employees with specialized skills;
- Entergy's ability to attract, retain, and manage an appropriately qualified workforce;
- changes in accounting standards and corporate governance best practices;
- declines in the market prices of marketable securities and resulting funding requirements and the effects on benefits costs for Entergy's defined benefit pension and other postretirement benefits plans;
- future wage and employee benefits costs, including changes in discount rates and returns on benefit plan assets;
- changes in decommissioning trust fund values or earnings or in the timing of, requirements for, or cost to decommission Entergy's nuclear plant sites and the implementation of decommissioning of such sites following shutdown;
- the effectiveness of Entergy's risk management policies and procedures and the ability and willingness of its counterparties to satisfy their financial and performance commitments; and
- Entergy and its subsidiaries' ability to successfully execute on their business strategies, including their ability to complete strategic transactions that they may undertake.

## DEFINITIONS

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

Abbreviation or Acronym	Term
ALJ	Administrative Law Judge
ANO 1 and 2	Units 1 and 2 of Arkansas Nuclear One (nuclear), owned by Entergy Arkansas
APSC	Arkansas Public Service Commission
Board	Board of Directors of Entergy Corporation
Cajun	Cajun Electric Power Cooperative, Inc.
capacity factor	Actual plant output divided by maximum potential plant output for the period
City Council	Council of the City of New Orleans, Louisiana
COVID-19	The novel coronavirus disease declared a pandemic by the World Health Organization and the Centers for Disease Control and Prevention in March 2020
DOE	United States Department of Energy
Entergy	Entergy Corporation and its direct and indirect subsidiaries
Entergy Corporation	Entergy Corporation, a Delaware corporation
Entergy Gulf States, Inc.	Predecessor company for financial reporting purposes to Entergy Gulf States Louisiana that included the assets and business operations of both Entergy Gulf States Louisiana and Entergy Texas
Entergy Gulf States Louisiana	Entergy Gulf States Louisiana, L.L.C., a Louisiana limited liability company formally created as part of the jurisdictional separation of Entergy Gulf States, Inc. and the successor company to Entergy Gulf States, Inc. for financial reporting purposes. The term is also used to refer to the Louisiana jurisdictional business of Entergy Gulf States, Inc., as the context requires. Effective October 1, 2015, the business of Entergy Gulf States Louisiana was combined with Entergy Louisiana.
Entergy Louisiana	Entergy Louisiana, LLC, a Texas limited liability company formally created as part of the combination of Entergy Gulf States Louisiana and the company formerly known as Entergy Louisiana, LLC (Old Entergy Louisiana) into a single public utility company and the successor to Old Entergy Louisiana for financial reporting purposes
Entergy Texas	Entergy Texas, Inc., a Texas corporation formally created as part of the jurisdictional separation of Entergy Gulf States, Inc. The term is also used to refer to the Texas jurisdictional business of Entergy Gulf States, Inc., as the context requires.
Entergy Wholesale Commodities	Prior to January 1, 2023, one of Entergy's reportable business segments consisting of non-utility business activities primarily comprised of the ownership, operation, and decommissioning of nuclear power plants, the ownership of interests in non-nuclear power plants, and the sale of the electric power produced by its operating power plants to wholesale customers
EPA	United States Environmental Protection Agency
FERC	Federal Energy Regulatory Commission
Form 10-K	Annual Report on Form 10-K for the calendar year ended December 31, 2023, filed with the SEC by Entergy Corporation and its Registrant Subsidiaries
GAAP	Generally Accepted Accounting Principles
Grand Gulf	Unit No. 1 of Grand Gulf Nuclear Station (nuclear), 90% owned or leased by System Energy
GWh	Gigawatt-hour(s), which equals one million kilowatt-hours
Independence	Independence Steam Electric Station (coal), owned 16% by Entergy Arkansas, 25% by Entergy Mississippi, and 7% by Entergy Power, LLC
Indian Point 2	Unit 2 of Indian Point Energy Center (nuclear), previously owned as part of Entergy's non-utility business, which ceased power production in April 2020 and was sold in May 2021

## DEFINITIONS (Continued)

Abbreviation or Acronym	Term
Indian Point 3	Unit 3 of Indian Point Energy Center (nuclear), previously owned as part of Entergy's non-utility business, which ceased power production in April 2021 and was sold in May 2021
IRS	Internal Revenue Service
ISO	Independent System Operator
kW	Kilowatt, which equals one thousand watts
kWh	Kilowatt-hour(s)
LPSC	Louisiana Public Service Commission
LURC	Louisiana Utilities Restoration Corporation
MISO	Midcontinent Independent System Operator, Inc., a regional transmission organization
MMBtu	One million British Thermal Units
MPSC	Mississippi Public Service Commission
MW	Megawatt(s), which equals one thousand kilowatts
MWh	Megawatt-hour(s)
Nelson Unit 6	Unit No. 6 (coal) of the Nelson Steam Electric Generating Station, 70% of which is co-owned by Entergy Louisiana (57.5%) and Entergy Texas (42.5%) and 10.9% of which is owned by EAM Nelson Holding, LLC
Net debt to net capital ratio	Gross debt less cash and cash equivalents divided by total capitalization less cash and cash equivalents, which is a non-GAAP measure
NRC	Nuclear Regulatory Commission
Palisades	Palisades Nuclear Plant (nuclear), previously owned as part of Entergy's non-utility business, which ceased power production in May 2022 and was sold in June 2022
Parent & Other	The portions of Entergy not included in the Utility segment, primarily consisting of the activities of the parent company, Entergy Corporation, and other business activity, including Entergy's non-utility operations business which owns interests in non-nuclear power plants that sell the electric power produced by those plants to wholesale customers and also provides decommissioning services to nuclear power plants owned by non-affiliated entities in the United States
PPA	Purchased power agreement or power purchase agreement
PUCT	Public Utility Commission of Texas
Registrant Subsidiaries	Entergy Arkansas, LLC, Entergy Louisiana, LLC, Entergy Mississippi, LLC, Entergy New Orleans, LLC, Entergy Texas, Inc., and System Energy Resources, Inc.
River Bend	River Bend Station (nuclear), owned by Entergy Louisiana
SEC	Securities and Exchange Commission
System Agreement	Agreement, effective January 1, 1983, as modified, among the Utility operating companies relating to the sharing of generating capacity and other power resources. The agreement terminated effective August 2016.
System Energy	System Energy Resources, Inc.
Unit Power Sales Agreement	Agreement, dated as of June 10, 1982, as amended and approved by the FERC, among Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and System Energy, relating to the sale of capacity and energy from System Energy's share of Grand Gulf
Utility	Entergy's reportable segment that generates, transmits, distributes, and sells electric power, with a small amount of natural gas distribution in portions of Louisiana
Utility operating companies	Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and Entergy Texas

**DEFINITIONS (Concluded)**

<b>Abbreviation or Acronym</b>	<b>Term</b>
Vermont Yankee	Vermont Yankee Nuclear Power Station (nuclear), previously owned as part of Entergy's non-utility business, which ceased power production in December 2014 and was disposed of in January 2019
Waterford 3	Unit No. 3 (nuclear) of the Waterford Steam Electric Station, owned by Entergy Louisiana
weather-adjusted usage	Electric usage excluding the effects of deviations from normal weather
White Bluff	White Bluff Steam Electric Generating Station, 57% owned by Entergy Arkansas

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## ENTERGY CORPORATION AND SUBSIDIARIES

### MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

Entergy operates primarily through a single reportable segment, Utility. The Utility segment includes the generation, transmission, distribution, and sale of electric power in portions of Arkansas, Mississippi, Texas, and Louisiana, including the City of New Orleans; and operation of a small natural gas distribution business in portions of Louisiana. See “**Planned Sale of Gas Distribution Businesses**” herein and in the Form 10-K for discussion of the planned sale of the Entergy New Orleans and Entergy Louisiana gas distribution businesses. See Note 7 to the financial statements herein for discussion of and financial information regarding Entergy’s business segment.

#### **Results of Operations**

##### **Second Quarter 2024 Compared to Second Quarter 2023**

Following are income statement variances for Utility, Parent & Other, and Entergy comparing the second quarter 2024 to the second quarter 2023 showing how much the line item increased or (decreased) in comparison to the prior period.

	Utility	Parent & Other (a)	Entergy
	(In Thousands)		
<b>2023 Net Income (Loss) Attributable to Entergy Corporation</b>	\$514,227	(\$122,983)	\$391,244
Operating revenues	122,657	(15,063)	107,594
Fuel, fuel-related expenses, and gas purchased for resale	(60,277)	(890)	(61,167)
Purchased power	1,801	(7,632)	(5,831)
Other regulatory charges (credits) - net	224,108	—	224,108
Other operation and maintenance	41,842	39	41,881
Taxes other than income taxes	3,925	17	3,942
Depreciation and amortization	36,401	24	36,425
Other income (deductions)	50,001	(314,439)	(264,438)
Interest expense	20,977	17,732	38,709
Other expenses	6,532	1	6,533
Income taxes	(31,472)	(69,690)	(101,162)
Preferred dividend requirements of subsidiaries and noncontrolling interests	2,040	—	2,040
<b>2024 Net Income (Loss) Attributable to Entergy Corporation</b>	<b>\$441,008</b>	<b>(\$392,086)</b>	<b>\$48,922</b>

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

Second quarter 2024 results of operations include: (1) a \$317 million (\$250 million net-of-tax) settlement charge, reflected in Parent & Other above, recognized as a result of a group annuity contract purchased in May 2024 to settle certain pension liabilities; and (2) expenses of \$151 million (\$112 million net-of-tax), recorded at Utility in second quarter 2024, primarily consisting of regulatory charges to reflect the effects of an agreement in principle between Entergy Louisiana and the LPSC staff and the intervenors in July 2024 to renew Entergy Louisiana’s formula rate plan and resolve a number of other retail dockets and matters, including all formula rate plan test years prior to 2023. See Note 6 to the financial statements herein for discussion of the group annuity contract and settlement charge. See Note 2 to the financial statements herein for discussion of the Entergy Louisiana agreement in principle and the subsequently filed global stipulated settlement agreement.

## Operating Revenues

### Utility

Following is an analysis of the change in operating revenues comparing the second quarter 2024 to the second quarter 2023:

	<b>Amount</b>
	(In Millions)
2023 operating revenues	\$2,819
Fuel, rider, and other revenues that do not significantly affect net income	8
Volume/weather	79
Retail electric price	35
<b>2024 operating revenues</b>	<b>\$2,941</b>

The Utility operating companies' results include revenues from rate mechanisms designed to recover fuel, purchased power, and other costs such that the revenues and expenses associated with these items generally offset and do not affect net income. "Fuel, rider, and other revenues that do not significantly affect net income" includes the revenue variance associated with these items.

The volume/weather variance is primarily due to the effect of more favorable weather on residential and commercial sales and an increase in industrial usage. The increase in industrial usage is primarily due to an increase in demand from large industrial customers, primarily in the petroleum refining industry.

The retail electric price variance is primarily due to:

- an increase in Entergy Arkansas's formula rate plan rates effective January 2024;
- an increase in Entergy Louisiana's formula rate plan revenues, including increases in the distribution and transmission recovery mechanisms, effective September 2023; and
- an increase in Entergy Mississippi's formula rate plan rates effective April 2024.

See Note 2 to the financial statements herein and in the Form 10-K for discussion of the regulatory proceedings discussed above.

Total electric energy sales for Utility for the three months ended June 30, 2024 and 2023 are as follows:

	<b>2024</b>	<b>2023</b>	<b>% Change</b>
	(GWh)		
Residential	9,557	9,027	6
Commercial	7,236	6,969	4
Industrial	13,973	13,301	5
Governmental	626	608	3
Total retail	31,392	29,905	5
Sales for resale	3,052	3,171	(4)
Total	34,444	33,076	4

See Note 12 to the financial statements herein for additional discussion of operating revenues.



## Other Income Statement Items

### Utility

Other operation and maintenance expenses increased from \$644 million for the second quarter 2023 to \$686 million for the second quarter 2024 primarily due to:

- an increase of \$12 million in contract costs related to operational performance, customer service, and organizational health initiatives;
- an increase of \$11 million in energy efficiency expenses primarily due to the timing of recovery from customers;
- a gain of \$7 million on the partial sale of a service center at Entergy Texas in April 2023 as part of an eminent domain proceeding; and
- an increase of \$5 million in transmission costs allocated by MISO. See Note 2 to the financial statements in the Form 10-K for discussion of the recovery of these costs.

Depreciation and amortization expenses increased primarily due to:

- additions to plant in service;
- the recognition of \$14 million in depreciation expense in second quarter 2024 at Entergy Texas for the 2022 base rate case relate back period, effective over six months beginning January 2024. The recognition of depreciation expense for the relate back period is effective over the same period as collections from the relate back surcharge rider and results in no effect on net income; and
- an increase in depreciation rates at Entergy Texas, effective June 2023.

The increase was partially offset by a reduction in depreciation expense at System Energy as a result of the approval by the FERC in August 2023 of the settlement establishing updated depreciation rates used in calculating Grand Gulf plant depreciation and amortization expenses under the Unit Power Sales Agreement. See Note 2 to the financial statements in the Form 10-K for discussion of the Unit Power Sales Agreement depreciation amendment proceeding. See Note 2 to the financial statements in the Form 10-K for discussion of the 2022 base rate case at Entergy Texas.

Other regulatory charges (credits) - net includes regulatory charges of \$150 million, recorded by Entergy Louisiana in second quarter 2024, to reflect the effects of an agreement in principle between Entergy Louisiana and the LPSC staff and the intervenors in July 2024 to renew Entergy Louisiana's formula rate plan and resolve a number of other retail dockets and matters, including all formula rate plan test years prior to 2023. See Note 2 to the financial statements herein for discussion of the Entergy Louisiana agreement in principle and the subsequently filed global stipulated settlement agreement. In addition, Entergy records a regulatory charge or credit for the difference between asset retirement obligation-related expenses and nuclear decommissioning trust earnings plus asset retirement obligation-related costs collected in revenue.

Other income increased primarily due to:

- changes in decommissioning trust fund activity, including portfolio rebalancing of decommissioning trust funds in second quarter 2024; and
- a decrease of \$11 million in net periodic pension and other postretirement benefits non-service costs primarily as a result of pension settlement charges recorded in second quarter 2023 and a reduction in 2024 in the amortization of deferred pension losses as a result of an amendment to a qualified pension plan spinning-off predominantly inactive participants into a new qualified plan, extending the amortization period for deferred losses. See "**MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Critical Accounting Estimates**" in the Form 10-K, Note 6 to the financial statements herein, and Note 11

to the financial statements in the Form 10-K for further discussion of pension and other postretirement benefits costs.

Interest expense increased primarily due to:

- the issuance by Entergy Arkansas of \$300 million of 5.30% Series mortgage bonds in August 2023;
- the issuances by Entergy Arkansas of \$400 million of 5.75% Series mortgage bonds and \$400 million of 5.45% Series mortgage bonds, each in May 2024; and
- the issuance by Entergy Texas of \$350 million of 5.80% Series mortgage bonds in August 2023.

#### Parent and Other

Other income (deductions) decreased primarily due to a \$317 million (\$250 million net-of-tax) non-cash settlement charge recognized as a result of a group annuity contract purchased in May 2024 to settle certain pension liabilities. See Note 6 to the financial statements herein for discussion of the group annuity contract and settlement charge.

Interest expense increased primarily due to higher commercial paper balances and the issuance of \$1.2 billion of junior subordinated debentures in May 2024. See Note 4 to the financial statements herein for discussion of Entergy's commercial paper program.

#### Income Taxes

The effective income tax rate was 39.4% for the second quarter 2024. The difference in the effective income tax rate for the second quarter 2024 versus the federal statutory rate of 21% was primarily due to the accrual for state income taxes, a provision for uncertain tax positions, and amortization of accumulated deferred income taxes as a result of tax rate changes, partially offset by certain book and tax differences related to utility plant items and book and tax differences related to the allowance for equity funds used during construction.

The effective income tax rate was 25.6% for the second quarter 2023. The difference in the effective income tax rate for the second quarter 2023 versus the federal statutory rate of 21% was primarily due to the accrual for state income taxes.

## Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

Following are income statement variances for Utility, Parent & Other, and Entergy comparing the six months ended June 30, 2024 to the six months ended June 30, 2023 showing how much the line item increased or (decreased) in comparison to the prior period.

	Utility	Parent & Other (a)	Entergy
	(In Thousands)		
<b>2023 Net Income (Loss) Attributable to Entergy Corporation</b>	\$911,529	(\$209,350)	\$702,179
Operating revenues	(53,161)	(25,676)	(78,837)
Fuel, fuel-related expenses, and gas purchased for resale	(344,322)	1,388	(342,934)
Purchased power	2,028	(18,004)	(15,976)
Other regulatory charges (credits) - net	309,781	—	309,781
Other operation and maintenance	102,763	(5,378)	97,385
Asset write-offs, impairments, and related charges	131,775	—	131,775
Taxes other than income taxes	11,295	(361)	10,934
Depreciation and amortization	82,147	22	82,169
Other income (deductions)	185,805	(340,449)	(154,644)
Interest expense	30,890	29,281	60,171
Other expenses	10,450	2	10,452
Income taxes	69,202	(70,396)	(1,194)
Preferred dividend requirements of subsidiaries and noncontrolling interests	1,932	—	1,932
<b>2024 Net Income (Loss) Attributable to Entergy Corporation</b>	<u>\$636,232</u>	<u>(\$512,029)</u>	<u>\$124,203</u>

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

Results of operations for the six months ended June 30, 2024 include: (1) a \$317 million (\$250 million net-of-tax) settlement charge, reflected in Parent & Other above, recognized as a result of a group annuity contract purchased in May 2024 to settle certain pension liabilities; (2) expenses of \$151 million (\$112 million net-of-tax), recorded at Utility in second quarter 2024, primarily consisting of regulatory charges to reflect the effects of an agreement in principle between Entergy Louisiana and the LPSC staff and the intervenors in July 2024 to renew Entergy Louisiana's formula rate plan and resolve a number of other retail dockets and matters, including all formula rate plan test years prior to 2023; (3) a \$132 million (\$97 million net-of-tax) charge, recorded at Utility, to reflect the write-off of a previously recorded regulatory asset as a result of an adverse decision in the Entergy Arkansas opportunity sales proceeding in March 2024; and (4) a \$78 million (\$57 million net-of-tax) regulatory charge, recorded at Utility in first quarter 2024, primarily to reflect a settlement in principle between Entergy New Orleans and the City Council in April 2024 for additional sharing with customers of income tax benefits from the resolution of the 2016-2018 IRS audit. See Note 6 to the financial statements herein for discussion of the group annuity contract and settlement charge. See Note 2 to the financial statements herein for discussion of the Entergy Louisiana agreement in principle and the subsequently filed global stipulated settlement agreement. See Note 2 to the financial statements herein and in the Form 10-K for discussion of the Entergy Arkansas opportunity sales proceeding. See Note 10 to the financial statements herein for discussion of the April 2024 settlement in principle and Note 3 to the financial statements in the Form 10-K for discussion of the resolution of the 2016-2018 IRS audit.

Results of operations for the six months ended June 30, 2023 include a \$129 million reduction in income tax expense as a result of the Hurricane Ida securitization in March 2023, which also resulted in a \$103 million (\$76 million net-of-tax) regulatory charge, recorded at Utility, to reflect Entergy Louisiana's obligation to provide credits to its customers as described in an LPSC ancillary order issued as part of the securitization regulatory proceeding.

See Notes 2 and 3 to the financial statements in the Form 10-K for discussion of the Entergy Louisiana March 2023 storm cost securitization.

### Operating Revenues

#### Utility

Following is an analysis of the change in operating revenues comparing the six months ended June 30, 2024 to the six months ended June 30, 2023:

	<b>Amount</b>
	(In Millions)
2023 operating revenues	\$5,767
Fuel, rider, and other revenues that do not significantly affect net income	(201)
Storm restoration carrying costs	(31)
Retail electric price	81
Volume/weather	98
<b>2024 operating revenues</b>	<b>\$5,714</b>

The Utility operating companies' results include revenues from rate mechanisms designed to recover fuel, purchased power, and other costs such that the revenues and expenses associated with these items generally offset and do not affect net income. "Fuel, rider, and other revenues that do not significantly affect net income" includes the revenue variance associated with these items.

Storm restoration carrying costs represent the equity component of storm restoration carrying costs recognized by Entergy Louisiana as part of its March 2023 storm cost securitization. See Note 2 to the financial statements in the Form 10-K for discussion of the Entergy Louisiana March 2023 storm cost securitization.

The retail electric price variance is primarily due to:

- an increase in Entergy Arkansas's formula rate plan rates effective January 2024;
- an increase in Entergy Louisiana's formula rate plan revenues, including increases in the distribution and transmission recovery mechanisms, effective September 2023;
- increases in Entergy Mississippi's formula rate plan rates effective April 2023 and April 2024; and
- an increase in Entergy Texas's base rates effective June 2023, partially offset by the implementation of the generation cost recovery relate-back rider for the Hardin County Peaking Facility effective over three months beginning in May 2023.

See Note 2 to the financial statements herein and in the Form 10-K for discussion of the regulatory proceedings discussed above.

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

Total electric energy sales for Utility for the six months ended June 30, 2024 and 2023 are as follows:

	<b>2024</b>	<b>2023</b>	<b>% Change</b>
	(GWh)		
Residential	17,315	16,303	6
Commercial	13,460	13,217	2
Industrial	26,633	26,041	2
Governmental	1,198	1,185	1
Total retail	58,606	56,746	3
Sales for resale	7,010	7,674	(9)
Total	65,616	64,420	2

See Note 12 to the financial statements herein for additional discussion of operating revenues.

#### Other Income Statement Items

##### Utility

Other operation and maintenance expenses increased from \$1,264 million for the six months ended June 30, 2023 to \$1,367 million for the six months ended June 30, 2024 primarily due to:

- an increase of \$21 million in contract costs related to operational performance, customer service, and organizational health initiatives;
- an increase of \$15 million in energy efficiency expenses primarily due to the timing of recovery from customers;
- an increase of \$14 million in compensation and benefits costs primarily due to higher healthcare claims activity in 2024;
- the effects of recording a final judgment in first quarter 2023 to resolve claims in the ANO damages case against the DOE related to spent nuclear fuel storage costs. The damages awarded included the reimbursement of approximately \$10 million of spent nuclear fuel storage costs previously recorded as other operation and maintenance expenses. See Note 8 to the financial statements in the Form 10-K for discussion of the spent nuclear fuel litigation;
- an increase of \$7 million in nuclear generation expenses primarily due to a higher scope of work, including during plant outages, performed in 2024 as compared to 2023;
- an increase of \$7 million in transmission costs allocated by MISO. See Note 2 to the financial statements in the Form 10-K for discussion of the recovery of these costs; and
- a gain of \$7 million on the partial sale of a service center at Entergy Texas in April 2023 as part of an eminent domain proceeding.

Asset write-offs, impairments, and related charges includes a \$132 million (\$97 million net-of-tax) charge to reflect the write-off, at Entergy Arkansas, of a previously recorded regulatory asset as a result of an adverse decision in the Entergy Arkansas opportunity sales proceeding in March 2024. See Note 2 to the financial statements herein and in the Form 10-K for discussion of the Entergy Arkansas opportunity sales proceeding.

Taxes other than income taxes increased primarily due to increases in ad valorem taxes resulting from higher assessments.

Depreciation and amortization expenses increased primarily due to:

- additions to plant in service;
- the recognition of \$28 million in depreciation expense in 2024 at Entergy Texas for the 2022 base rate case relate back period, effective over six months beginning January 2024. The recognition of depreciation expense for the relate back period is effective over the same period as collections from the relate back surcharge rider and results in no effect on net income; and
- an increase in depreciation rates at Entergy Texas, effective June 2023.

The increase was partially offset by a reduction in depreciation expense at System Energy as a result of the approval by the FERC in August 2023 of the settlement establishing updated depreciation rates used in calculating Grand Gulf plant depreciation and amortization expenses under the Unit Power Sales Agreement. See Note 2 to the financial statements in the Form 10-K for discussion of the Unit Power Sales Agreement depreciation amendment proceeding. See Note 2 to the financial statements in the Form 10-K for discussion of the 2022 base rate case at Entergy Texas.

Other regulatory charges (credits) - net includes:

- regulatory charges of \$150 million, recorded by Entergy Louisiana in second quarter 2024, to reflect the effects of an agreement in principle between Entergy Louisiana and the LPSC staff and the intervenors in July 2024 to renew Entergy Louisiana's formula rate plan and resolve a number of other retail dockets and matters, including all formula rate plan test years prior to 2023. See Note 2 to the financial statements here in for discussion of the Entergy Louisiana agreement in principle and the subsequently filed global stipulated settlement agreement;
- a regulatory charge of \$103 million, recorded by Entergy Louisiana in first quarter 2023, to reflect its obligation to provide credits to its customers as described in an LPSC ancillary order issued in the Hurricane Ida securitization regulatory proceeding. See Note 2 to the financial statements in the Form 10-K for discussion of the Entergy Louisiana March 2023 storm cost securitization; and
- a regulatory charge of \$78 million, recorded by Entergy New Orleans in first quarter 2024, primarily to reflect a settlement in principle between Entergy New Orleans and the City Council in April 2024 for additional sharing with customers of income tax benefits from the resolution of the 2016-2018 IRS audit. See Note 10 to the financial statements herein for discussion of the April 2024 settlement in principle and Note 3 to the financial statements in the Form 10-K for discussion of the resolution of the 2016-2018 IRS audit.

In addition, Entergy records a regulatory charge or credit for the difference between asset retirement obligation-related expenses and nuclear decommissioning trust earnings plus asset retirement obligation-related costs collected in revenue.

Other income increased primarily due to:

- changes in decommissioning trust fund activity, including portfolio rebalancing of decommissioning trust funds in 2024;
- a decrease of \$26 million in net periodic pension and other postretirement benefits non-service costs primarily as a result of pension settlement charges recorded in 2023 and a reduction in 2024 in the amortization of deferred pension losses as a result of an amendment to a qualified pension plan spinning-off predominantly inactive participants into a new qualified plan, extending the amortization period for deferred losses. See "**MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Critical Accounting Estimates**" in the Form 10-K, Note 6 to the financial statements herein, and Note 11 to the financial statements in the Form 10-K for further discussion of pension and other postretirement benefits costs;
- an increase of \$21 million in intercompany dividend income from affiliated preferred membership interests related to storm cost securitizations. The intercompany dividend income on the affiliate preferred

membership interests is eliminated for consolidation purposes and has no effect on net income since the investment is in another Entergy subsidiary; and

- a \$15 million charge, recorded by Entergy Louisiana in first quarter 2023, for the LURC's 1% beneficial interest in the storm trust II established as part of the March 2023 storm cost securitization. See Note 2 to the financial statements in the Form 10-K for discussion of the Entergy Louisiana March 2023 storm cost securitization.

Interest expense increased primarily due to:

- the issuance by Entergy Arkansas of \$300 million of 5.30% Series mortgage bonds in August 2023;
- the issuances by Entergy Arkansas of \$400 million of 5.75% Series mortgage bonds and \$400 million of 5.45% Series mortgage bonds, each in May 2024; and
- the issuance by Entergy Texas of \$350 million of 5.80% Series mortgage bonds in August 2023.

#### Parent and Other

Other income (deductions) decreased primarily due to:

- a \$317 million (\$250 million net-of-tax) non-cash settlement charge recognized as a result of a group annuity contract purchased in May 2024 to settle certain pension liabilities. See Note 6 to the financial statements herein for discussion of the group annuity contract and settlement charge; and
- the elimination for consolidation purposes of intercompany dividend income of \$21 million from affiliated preferred membership interests, as discussed above.

Interest expense increased primarily due to higher commercial paper balances and the issuance of \$1.2 billion of junior subordinated debentures in May 2024. See Note 4 to the financial statements herein for discussion of Entergy's commercial paper program.

#### Income Taxes

The effective income tax rate was 29.9% for the six months ended June 30, 2024. The difference in the effective income tax rate for the six months ended June 30, 2024 versus the federal statutory rate of 21% was primarily due to the accrual for state income taxes, amortization of accumulated deferred income taxes as a result of tax rate changes, and a provision for uncertain tax positions, partially offset by certain book and tax differences related to utility plant items and book and tax differences related to the allowance for equity funds used during construction.

The effective income tax rate was 7.3% for the six months ended June 30, 2023. The difference in the effective income tax rate for the six months ended June 30, 2023 versus the federal statutory rate of 21% was primarily due to the reduction in income tax expense as a result of the securitization of Hurricane Ida storm costs pursuant to Louisiana Act 55, as supplemented by Act 293 of the Louisiana Legislature's Regular Session of 2021. See Notes 2 and 3 to the financial statements in the Form 10-K for a discussion of the Entergy Louisiana March 2023 storm cost securitization under Act 293.

#### Income Tax Legislation and Regulation

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Income Tax Legislation and Regulation" in the Form 10-K for discussion of income tax legislation and regulation. The following is an update to that discussion.

Entergy Arkansas, Entergy Louisiana, and System Energy have the potential to generate zero-emission nuclear power production tax credits for electricity generated by their respective nuclear power facilities. Based on

guidance provided by the United States Treasury Department and the IRS, the production tax credits will be calculated by multiplying the kWh of qualifying electricity by \$0.003, with the value of the credits decreasing ratably, or phasing out, once the annual gross receipts from the sale of nuclear power exceed a certain threshold. If certain prevailing wage requirements are satisfied, the calculation of the credit, as described in the preceding sentence, is multiplied by a factor of five. Additional guidance is needed from the United States Treasury Department and/or the IRS to determine how the value of these credits will be calculated for power generated from nuclear facilities of rate-regulated utilities. Due to the uncertainty of value, if any, of credits Entergy Arkansas, Entergy Louisiana, or System Energy may receive, such credits have not been recognized for the nuclear power produced through the second quarter of 2024. If credits are recognized in future periods, the value of such credits is expected to be provided to customers. As such, recognition of production tax credits is not expected to have a material effect on the results of operations of Entergy, Entergy Arkansas, Entergy Louisiana, or System Energy.

### **Entergy Wholesale Commodities Exit from the Merchant Power Business**

See “MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS - **Entergy Wholesale Commodities Exit from the Merchant Power Business**” in the Form 10-K for discussion of the exit from the merchant power business.

### **Planned Sale of Gas Distribution Businesses**

See “MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS - **Planned Sale of Gas Distribution Businesses**” in the Form 10-K for discussion of the planned sale of Entergy New Orleans’s and Entergy Louisiana’s gas distribution businesses. The following is an update to that discussion.

In July 2024 the LPSC staff issued a report recommending LPSC approval of the application of Delta States Utilities LA, LLC (a Bernhard Capital Partners Management LP affiliate) and Entergy Louisiana and the transaction described therein as being in the public interest and proposing certain conditions. Entergy Louisiana anticipates that the LPSC will review the matter at its August Business and Executive meeting.

### **Liquidity and Capital Resources**

See “MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS - **Liquidity and Capital Resources**” in the Form 10-K for a discussion of Entergy’s capital structure, capital spending plans and other uses of capital, and sources of capital. The following are updates to that discussion.

### **Capital Structure and Resources**

Entergy’s debt to capital ratio is shown in the following table. The increase in the debt to capital ratio is primarily due to the net issuance of long-term debt in 2024.

	June 30, 2024	December 31, 2023
Debt to capital	65.9 %	63.8 %
Effect of excluding securitization bonds	(0.2 %)	(0.3 %)
Debt to capital, excluding securitization bonds (non-GAAP) (a)	65.7 %	63.5 %
Effect of subtracting cash	(1.1 %)	(0.1 %)
Net debt to net capital, excluding securitization bonds (non-GAAP) (a)	64.6 %	63.4 %

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



As of June 30, 2024, 21.3% of the debt outstanding is at the parent company, Entergy Corporation, and 78.2% is at the Utility. The remaining 0.5% of the debt outstanding relates to the Vermont Yankee credit facility, as discussed in Note 4 to the financial statements herein. Net debt consists of debt less cash and cash equivalents. Debt consists of notes payable and commercial paper, finance lease obligations, and long-term debt, including the currently maturing portion. Capital consists of debt, equity, and subsidiaries' preferred stock without sinking fund. Net capital consists of capital less cash and cash equivalents. The debt to capital ratio excluding securitization bonds and net debt to net capital ratio excluding securitization bonds are non-GAAP measures. Entergy 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's financial condition because the securitization bonds are non-recourse to Entergy, as more fully described in Note 5 to the financial statements in the Form 10-K. Entergy 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's financial condition because net debt indicates Entergy's outstanding debt position that could not be readily satisfied by cash and cash equivalents on hand.

Entergy Corporation has in place a credit facility that has a borrowing capacity of \$3 billion and expires in June 2029. The facility includes fronting commitments for the issuance of letters of credit against \$20 million of the total borrowing capacity of the credit facility. The commitment fee is currently 0.225% of the undrawn commitment amount. Commitment fees and interest rates on loans under the credit facility can fluctuate depending on the senior unsecured debt ratings of Entergy Corporation. As there were no borrowings under the facility for the six months ended June 30, 2024, the estimated interest rate as of June 30, 2024 that would have been applied to outstanding borrowings under the facility was 6.94%. The following is a summary of the amounts outstanding and capacity available under the credit facility as of June 30, 2024:

Capacity	Borrowings	Letters of Credit	Capacity Available
(In Millions)			
\$3,000	\$—	\$4	\$2,996

Entergy Corporation's credit facility includes a covenant requiring Entergy to maintain a consolidated debt ratio, as defined, of 65% or less of its total capitalization. The calculation of this debt ratio under Entergy Corporation's credit facility is different than the calculation of the debt to capital ratio above. Entergy is currently in compliance with the covenant and expects to remain in compliance with this covenant. If Entergy fails to meet this ratio, or if Entergy Corporation or one of the Registrant Subsidiaries (except Entergy New Orleans and System Energy) defaults on other indebtedness or is in bankruptcy or insolvency proceedings, an acceleration of the Entergy Corporation credit facility's maturity date may occur. See Note 4 to the financial statements herein for additional discussion of the Entergy Corporation credit facility and discussion of the Registrant Subsidiaries' credit facilities.

Entergy Corporation has a commercial paper program with a Board-approved program limit of \$2 billion. As of June 30, 2024, Entergy Corporation had \$932.4 million of commercial paper outstanding. The weighted-average interest rate for the six months ended June 30, 2024 was 5.67%.

#### Equity Issuances and Equity Distribution Program

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - **Liquidity and Capital Resources** - Sources of Capital - Equity Issuances and Equity Distribution Program" in the Form 10-K and Note 3 to the financial statements herein for discussion of the equity distribution program.

## Capital Expenditure Plans and Other Uses of Capital

See the table and discussion in the Form 10-K under “**MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS - Liquidity and Capital Resources - Capital Expenditure Plans and Other Uses of Capital**,” that sets forth the amounts of Entergy’s planned construction and other capital investments for 2024 through 2026. The following are updates to that discussion.

Following are the current annual amounts of Entergy’s planned construction and other capital investments.

Planned construction and capital investments	2024	2025	2026
	(In Millions)		
Generation	\$2,215	\$2,850	\$2,470
Transmission	1,245	1,580	1,930
Distribution	2,080	2,470	2,045
Utility Support	355	295	315
Total	<u>\$5,895</u>	<u>\$7,195</u>	<u>\$6,760</u>

The updated capital plan for 2024-2026 reflects accelerated resilience spending and a change in the timing of capital investment for certain potential generation projects. The capital plan includes amounts Entergy plans to spend on routine capital projects that are necessary to support reliability of its service, equipment, or systems and to support normal customer growth. In addition to routine capital projects, the capital plan also includes amounts Entergy plans to spend on non-routine capital investments for which Entergy is either contractually obligated, has Board approval, or otherwise expects to make to satisfy regulatory or legal requirements. Amounts include the following types of construction and capital investments:

- Investments in generation projects to modernize, decarbonize, and diversify Entergy’s portfolio, including Walnut Bend Solar, West Memphis Solar, Driver Solar, Bayou Power Station, Orange County Advanced Power Station, Lone Star Power Station, Segno Solar, Votaw Solar, and potential construction of additional generation;
- Investments in Entergy’s Utility nuclear fleet;
- Transmission spending to improve reliability and resilience while also supporting renewables expansion and customer growth; and
- Distribution and Utility support spending to improve reliability, resilience, and customer experience through projects focused on asset renewals and enhancements and grid stability.

## Renewables

### Alternative RFP and Certification

As discussed in the Form 10-K, in March 2023, Entergy Louisiana made the first phase of a bifurcated filing to seek approval from the LPSC for an alternative to the requests for proposals (RFP) process that would enable the acquisition of up to 3 GW of solar resources on a faster timeline than the current RFP and certification process allows. The initial phase of the filing established the need for the acquisition of additional resources and the need for an alternative to the RFP process. The second phase of the filing, which contains the details of the proposal for the alternative competitive procurement process and the information necessary to support certification, was filed in May 2023. In addition to the acquisition of up to 3 GW of solar resources, the filing also seeks approval of a new renewable energy credits-based tariff, Rider Geaux ZERO. In May 2024 the LPSC voted to approve the application, and in June 2024 the LPSC issued an order reflecting that approval.

## Segno Solar and Votaw Solar

In July 2024, Entergy Texas filed an application seeking PUCT approval to amend Entergy Texas's certificate of convenience and necessity to construct, own, and operate the Segno Solar facility, a 170 MW solar facility to be located in Polk County, Texas, and the Votaw Solar facility, a 141 MW solar facility to be located in Hardin County, Texas. The Segno Solar facility will cost an estimated \$351.6 million, and the Votaw Solar facility will cost an estimated \$303.8 million, in each case inclusive of estimated transmission interconnection and upgrade costs. Subject to receipt of required regulatory approval and other conditions, the Segno Solar facility is expected to be in service by early 2027, and the Votaw Solar facility is expected to be in service by mid-2028.

## Other Generation

### Bayou Power Station

In March 2024, Entergy Louisiana filed an application with the LPSC seeking certification that the public convenience and necessity would be served by the construction of the Bayou Power Station, a 112 MW aggregated capacity floating natural gas power station with black-start capability in Leeville, Louisiana and an associated microgrid that would serve nearby areas, including Port Fourchon, Golden Meadow, Leeville, and Grand Isle. The current estimated cost of the Bayou Power Station is \$411 million, including estimated costs of transmission interconnection and other related costs. Subject to timely approval by the LPSC and receipt of other permits and approvals, commercial operation is expected to occur by the end of 2028. A procedural schedule has been established with a hearing in December 2024.

### Legend Power Station and Lone Star Power Station

In June 2024, Entergy Texas filed an application seeking PUCT approval to amend Entergy Texas's certificate of convenience and necessity to construct, own, and operate the Legend Power Station, a 754 MW combined-cycle combustion turbine facility, which will be enabled with both carbon capture and storage and hydrogen co-firing optionality, to be located in Jefferson County, Texas, and the Lone Star Power Station, a 453 MW simple-cycle combustion turbine facility, which will be enabled with hydrogen co-firing optionality, to be located in Liberty County, Texas. Legend Power Station will cost an estimated \$1.46 billion and Lone Star Power Station will cost an estimated \$735.3 million, in each case inclusive of the estimated costs of the generation facilities, interconnection costs, transmission network upgrades, and an allowance for funds used during construction. As described in the application, Entergy Texas is considering alternative financing approaches for Legend Power Station and plans to pursue the financing option that is in the best interest of customers. In July 2024 the PUCT referred the proceeding to the State Office of Administrative Hearings and, also in July 2024, the ALJ with the State Office of Administrative Hearings adopted a procedural schedule, with a hearing on the merits scheduled to begin in October 2024. Subject to receipt of required regulatory approval and other conditions, both facilities are expected to be in service by mid-2028.

## Resilience and Grid Hardening

### Entergy Louisiana

As discussed in the Form 10-K, in December 2022, Entergy Louisiana filed an application with the LPSC seeking a public interest finding regarding Phase I of Entergy Louisiana's Future Ready resilience plan and approval of a rider mechanism to recover the program's costs. Phase I in the December 2022 application reflected the first five years of a ten-year resilience plan and included investment of approximately \$5 billion, including hardening investment, transmission dead-end structures, enhanced vegetation management, and telecommunications improvement. In April 2024 the LPSC approved a framework which includes an initial five-year resilience plan providing for an investment of approximately \$1.9 billion with cost recovery via a forward-looking rider with semi-annual true-ups. The plan is subject to specified reporting requirements and includes a performance review of the

hardened assets. The LPSC order approving the framework does not include any restrictions on Entergy Louisiana's ability to file applications for approval of additional investments in resilience.

#### Entergy New Orleans

As discussed in the Form 10-K, in October 2021 the City Council passed a resolution and order establishing a docket and procedural schedule with respect to system resiliency and storm hardening. In July 2022, Entergy New Orleans filed with the City Council a response identifying a preliminary plan for storm hardening and resiliency projects, including microgrids, to be implemented over ten years at an approximate cost of \$1.5 billion. In February 2023 the City Council approved a revised procedural schedule requiring Entergy New Orleans to make a filing in April 2023 containing a narrowed list of proposed hardening projects. In April 2023, Entergy New Orleans filed the required application and supporting testimony seeking City Council approval of the first phase (five years and \$559 million) of a ten-year infrastructure hardening plan totaling approximately \$1 billion. Entergy New Orleans also sought, among other relief, City Council approval of a rider to recover from customers the costs of the infrastructure hardening plan. In February 2024 the City Council approved a resolution authorizing Entergy New Orleans to implement a resilience project to be partially funded by \$55 million of matching funding through the DOE's Grid Resilience and Innovation Partnerships program. The resolution also required Entergy New Orleans to submit, no later than July 2024, a revised resilience plan consisting of projects over a three-year period. In March 2024, Entergy New Orleans filed with the City Council for approval the requested three-year resilience plan, which includes \$168 million in hardening projects. The three-year resilience plan is in addition to the previously authorized resilience project to be partially funded by the DOE's Grid Resilience and Innovation Partnerships program. In July 2024 the City Council held a technical conference regarding Entergy New Orleans's three-year resilience plan.

#### Entergy Texas

In June 2024, Entergy Texas filed an application with the PUCT requesting approval of Phase I of its Texas Future Ready Resiliency Plan, a cost-effective set of measures to begin accelerating the resiliency of Entergy Texas's transmission and distribution system. Phase I is comprised of projects totaling approximately \$335.1 million, including approximately \$198 million of projects contingent upon Entergy Texas's receipt of grant funds in that amount from the Texas Energy Fund. The projects in Phase I include distribution and transmission hardening and modernization projects and targeted vegetation management projects to mitigate the risk of wildfire. Work on these projects is expected to commence within approximately three years of PUCT approval. The PUCT referred the proceeding to the State Office of Administrative Hearings in June 2024. In July 2024, Entergy Texas filed a motion, on behalf of the parties to the proceeding, requesting the ALJ with the State Office of Administrative Hearings adopt an agreed proposed procedural schedule, with a hearing on the merits scheduled for September 2024. A PUCT decision is expected in fourth quarter 2024.

#### Dividends

Declarations of dividends on Entergy's common stock are made at the discretion of the Board. Among other things, the Board evaluates the level of Entergy's common stock dividends based upon earnings per share from the Utility segment and the Parent and Other portion of the business, financial strength, and future investment opportunities. At its July 2024 meeting, the Board declared a dividend of \$1.13 per share.

**Cash Flow Activity**

As shown in Entergy's Consolidated Statements of Cash Flows, cash flows for the six months ended June 30, 2024 and 2023 were as follows:

	<b>2024</b>	<b>2023</b>
	(In Millions)	
Cash and cash equivalents at beginning of period	\$133	\$224
Net cash provided by (used in):		
Operating activities	1,546	1,826
Investing activities	(2,466)	(2,445)
Financing activities	2,142	1,589
Net increase in cash and cash equivalents	1,222	970
Cash and cash equivalents at end of period	\$1,355	\$1,194

**Operating Activities**

Net cash flow provided by operating activities decreased \$280 million for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 primarily due to lower collections from Utility customers, including the effect of higher deferred fuel collections in 2023, and the timing of payments to vendors.

**Investing Activities**

Net cash flow used in investing activities increased \$21 million for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 primarily due to:

- the initial payment of approximately \$170 million in February 2024 for the purchase of the Walnut Bend Solar facility by Entergy Arkansas; and
- an increase of \$34 million in transmission construction expenditures primarily due to increased spending on various transmission projects in 2024 and increased development in the Utility service area, partially offset by lower capital expenditures for storm restoration in 2024.

The increase was partially offset by:

- a decrease of \$115 million in nuclear construction expenditures primarily due to decreased spending on various nuclear projects in 2024;
- a decrease of \$44 million in distribution construction expenditures primarily due to lower capital expenditures for storm restoration in 2024 and a lower scope of work on projects in 2024 as compared to 2023; and
- the substantial completion payment of approximately \$30 million in April 2023 for the purchase of the Sunflower Solar facility by the Entergy Mississippi tax equity partnership.

See Note 14 to the financial statements herein for discussion of the Walnut Bend Solar facility purchase and Note 14 to the financial statements in the Form 10-K for discussion of the Sunflower Solar facility purchase.

**Financing Activities**

Net cash flow provided by financing activities increased \$553 million for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 primarily due to long-term debt activity providing

approximately \$2,688 million of cash in 2024 compared to providing approximately \$216 million of cash in 2023. The increase was partially offset by:

- proceeds from securitization of \$1.5 billion received by the storm trust II at Entergy Louisiana in 2023; and
- net repayments of \$206 million of commercial paper in 2024 as compared to net issuances of \$281 million of commercial paper in 2023.

See Note 2 to the financial statements in the Form 10-K for a discussion of the Entergy Louisiana March 2023 storm cost securitization. See Note 4 to the financial statements herein and Notes 4 and 5 to the financial statements in the Form 10-K for details of Entergy's commercial paper program and long-term debt.

### **Rate, Cost-recovery, and Other Regulation**

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

#### **State and Local Rate Regulation and Fuel-Cost Recovery**

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

#### **Federal Regulation**

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

### **Market and Credit Risk Sensitive Instruments**

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - **Market and Credit Risk Sensitive Instruments**" in the Form 10-K for a discussion of market and credit risk sensitive instruments. The following is an update to that discussion.

Some of the agreements to sell the power produced by Entergy's non-utility operations business contain provisions that require an Entergy subsidiary to provide credit support to secure its obligations under such agreement. The primary form of credit support used to satisfy these requirements is an Entergy Corporation guarantee. Cash and letters of credit are also acceptable forms of credit support. At June 30, 2024, based on power prices at that time, Entergy had liquidity exposure of \$6 million under the guarantees in place supporting its non-utility operations business transactions and \$3 million of posted cash collateral.

### **Nuclear Matters**

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - **Nuclear Matters**" in the Form 10-K for a discussion of nuclear matters. The following is an update to that discussion.

#### **NRC Reactor Oversight Process**

The NRC's Reactor Oversight Process is a program to collect information about plant performance, assess the information for its safety significance, and provide for appropriate licensee and NRC response. The NRC evaluates plant performance by analyzing two distinct inputs: inspection findings resulting from the NRC's inspection program and performance indicators reported by the licensee. The evaluations result in the placement of each plant in one of the NRC's Reactor Oversight Process Action Matrix columns: "licensee response column," or

Column 1, “regulatory response column,” or Column 2, “degraded cornerstone column,” or Column 3, “multiple/repetitive degraded cornerstone column,” or Column 4, and “unacceptable performance,” or Column 5. Plants in Column 1 are subject to normal NRC inspection activities. Plants in Column 2, Column 3, or Column 4 are subject to progressively increasing levels of inspection by the NRC with, in general, progressively increasing levels of associated costs. Continued plant operation is not permitted for plants in Column 5. All of the nuclear generating plants owned and operated by Entergy's Utility business are currently in Column 1, except Waterford 3. Entergy expects the NRC to determine that Waterford 3 entered Column 2, effective second quarter 2024, based on exceeding the threshold for reactor scrams in June 2024. Waterford 3 will remain in Column 2 until a supplemental inspection is satisfactorily completed.

### **Critical Accounting Estimates**

See “**MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Critical Accounting Estimates**” in the Form 10-K for a discussion of the estimates and judgments necessary in Entergy's accounting for nuclear decommissioning costs, utility regulatory accounting, taxation and uncertain tax positions, qualified pension and other postretirement benefits, and other contingencies.

### **New Accounting Pronouncements**

See Note 1 to the financial statements in the Form 10-K for discussion of new accounting pronouncements. The following is an update to that discussion.

In March 2024 the SEC issued final rules that require registrants to provide certain climate-related disclosures in annual reports and registration statements in order to enhance and standardize climate-related disclosures for investors. The final rules require a registrant to disclose, among other things: material climate-related risks; activities to mitigate or adapt to such risks; information about the registrant's board of directors' oversight of climate-related risks and management's role in managing material climate-related risks; and information on any climate-related targets or goals that are material to the registrant's business, results of operations, or financial condition. In addition, the final rules require disclosure of Scope 1 and/or Scope 2 greenhouse gas emissions on a phased-in basis by certain larger registrants when those emissions are material; the filing of an attestation report covering the required disclosure of such registrants' Scope 1 and/or Scope 2 emissions, also on a phased-in basis; and disclosure of the financial statement effects of severe weather events and other natural conditions. The phase-in compliance period is effective for Entergy beginning with its annual report for the fiscal year ending December 31, 2025. In April 2024 the SEC stayed the final rules, pending judicial review of consolidated challenges to the rules by the Court of Appeals for the Eighth Circuit. Entergy is evaluating the impact the final rules will have on its disclosures and will continue to monitor developments related to the SEC's stay of the rules and the litigation challenging such rules.

**ENTERGY CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED INCOME STATEMENTS**  
For the Three and Six Months Ended June 30, 2024 and 2023  
(Unaudited)

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>(In Thousands, Except Share Data)</b>			
<b>OPERATING REVENUES</b>				
Electric	\$2,906,047	\$2,785,244	\$5,612,553	\$5,668,654
Natural gas	35,357	33,503	101,024	98,084
Other	12,216	27,279	34,671	60,347
<b>TOTAL</b>	<b>2,953,620</b>	<b>2,846,026</b>	<b>5,748,248</b>	<b>5,827,085</b>
<b>OPERATING EXPENSES</b>				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	522,550	583,717	1,139,166	1,482,100
Purchased power	200,705	206,536	428,847	444,823
Nuclear refueling outage expenses	38,277	34,785	76,540	72,018
Other operation and maintenance	701,775	659,894	1,388,806	1,291,421
Asset write-offs, impairments, and related charges	—	—	131,775	—
Decommissioning	54,193	51,152	107,574	101,644
Taxes other than income taxes	187,520	183,578	379,949	369,015
Depreciation and amortization	505,363	468,938	1,005,024	922,855
Other regulatory charges (credits) - net	125,607	(98,501)	234,954	(74,827)
<b>TOTAL</b>	<b>2,335,990</b>	<b>2,090,099</b>	<b>4,892,635</b>	<b>4,609,049</b>
<b>OPERATING INCOME</b>	<b>617,630</b>	<b>755,927</b>	<b>855,613</b>	<b>1,218,036</b>
<b>OTHER INCOME (DEDUCTIONS)</b>				
Allowance for equity funds used during construction	29,275	24,867	56,070	48,013
Interest and investment income	70,587	45,428	221,283	93,687
Miscellaneous - net	(342,549)	(48,544)	(393,294)	(102,997)
<b>TOTAL</b>	<b>(242,687)</b>	<b>21,751</b>	<b>(115,941)</b>	<b>38,703</b>
<b>INTEREST EXPENSE</b>				
Interest expense	301,263	261,349	579,006	516,678
Allowance for borrowed funds used during construction	(11,686)	(10,481)	(22,229)	(20,072)
<b>TOTAL</b>	<b>289,577</b>	<b>250,868</b>	<b>556,777</b>	<b>496,606</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>85,366</b>	<b>526,810</b>	<b>182,895</b>	<b>760,133</b>
Income taxes	33,634	134,796	54,627	55,821
<b>CONSOLIDATED NET INCOME</b>	<b>51,732</b>	<b>392,014</b>	<b>128,268</b>	<b>704,312</b>
Preferred dividend requirements of subsidiaries and noncontrolling interests	2,810	770	4,065	2,133
<b>NET INCOME ATTRIBUTABLE TO ENTERGY CORPORATION</b>	<b>\$48,922</b>	<b>\$391,244</b>	<b>\$124,203</b>	<b>\$702,179</b>
Earnings per average common share:				
Basic	\$0.23	\$1.85	\$0.58	\$3.32
Diluted	\$0.23	\$1.84	\$0.58	\$3.31
Basic average number of common shares outstanding	213,617,110	211,449,211	213,380,414	211,400,230
Diluted average number of common shares outstanding	214,376,721	212,201,529	214,155,768	212,173,254

See Notes to Financial Statements.





**ENTERGY CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**For the Three and Six Months Ended June 30, 2024 and 2023**  
**(Unaudited)**

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>(In Thousands)</b>			
<b>Net Income</b>	\$51,732	\$392,014	\$128,268	\$704,312
<b>Other comprehensive income (loss)</b>				
Pension and other postretirement adjustment (net of tax expense (benefit) of \$65,371, (\$1,065), \$64,170, and (\$335))	246,489	(3,292)	242,821	(1,265)
Other comprehensive income (loss)	246,489	(3,292)	242,821	(1,265)
<b>Comprehensive Income</b>	298,221	388,722	371,089	703,047
Preferred dividend requirements of subsidiaries and noncontrolling interests	2,810	770	4,065	2,133
<b>Comprehensive Income Attributable to Entergy Corporation</b>	<u>\$295,411</u>	<u>\$387,952</u>	<u>\$367,024</u>	<u>\$700,914</u>

See Notes to Financial Statements.

**ENTERGY CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For the Six Months Ended June 30, 2024 and 2023  
(Unaudited)

	2024	2023
	(In Thousands)	
OPERATING ACTIVITIES		
Consolidated net income	\$128,268	\$704,312
Adjustments to reconcile consolidated net income to net cash flow provided by operating activities:		
Depreciation, amortization, and decommissioning, including nuclear fuel amortization	1,206,492	1,116,843
Deferred income taxes, investment tax credits, and non-current taxes accrued	15,998	43,502
Asset write-offs, impairments, and related charges	131,775	—
Pension settlement charge	316,738	—
Changes in working capital:		
Receivables	(187,554)	65,259
Fuel inventory	18,324	(43,493)
Accounts payable	(149,554)	(267,820)
Taxes accrued	16,546	(25,080)
Interest accrued	23,560	6,807
Deferred fuel costs	134,953	563,610
Other working capital accounts	(120,277)	(148,738)
Changes in provisions for estimated losses	4,630	(16,564)
Changes in regulatory assets	260,722	391,188
Changes in other regulatory liabilities	380,394	308,058
Effect of securitization on regulatory asset	—	(491,150)
Changes in pension and other postretirement funded status	(131,539)	(128,379)
Other	(503,020)	(252,383)
Net cash flow provided by operating activities	1,546,456	1,825,972
INVESTING ACTIVITIES		
Construction/capital expenditures	(2,124,279)	(2,311,465)
Allowance for equity funds used during construction	56,070	48,013
Nuclear fuel purchases	(161,483)	(134,698)
Payment for purchase of plant and assets	(172,614)	(30,433)
Proceeds from sale of assets	—	11,000
Insurance proceeds received for property damages	—	6,184
Changes in securitization account	3,976	7,803
Payments to storm reserve escrow accounts	(9,595)	(9,080)
Decrease (increase) in other investments	(9,689)	262
Litigation proceeds for reimbursement of spent nuclear fuel storage costs	—	17,933
Proceeds from nuclear decommissioning trust fund sales	1,201,162	435,903
Investment in nuclear decommissioning trust funds	(1,250,039)	(486,853)
Net cash flow used in investing activities	(2,466,491)	(2,445,431)

See Notes to Financial Statements.

**ENTERGY CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the Six Months Ended June 30, 2024 and 2023**  
**(Unaudited)**

	2024	2023
	(In Thousands)	
FINANCING ACTIVITIES		
Proceeds from the issuance of:		
Long-term debt	5,068,266	2,489,886
Treasury stock	45,982	4,078
Retirement of long-term debt	(2,379,903)	(2,273,773)
Changes in commercial paper - net	(205,820)	280,765
Capital contribution from noncontrolling interest	—	25,708
Proceeds received by storm trust related to securitization	—	1,457,676
Other	105,540	66,898
Dividends paid:		
Common stock	(482,255)	(452,442)
Preferred stock	(9,159)	(9,159)
Net cash flow provided by financing activities	2,142,651	1,589,637
Net increase in cash and cash equivalents	1,222,616	970,178
Cash and cash equivalents at beginning of period	132,548	224,164
Cash and cash equivalents at end of period	\$1,355,164	\$1,194,342
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest - net of amount capitalized	\$532,742	\$490,201
Income taxes	\$7,822	\$31,231
Noncash investing activities:		
Accrued construction expenditures	\$537,463	\$535,714

See Notes to Financial Statements.

**ENTERGY CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**ASSETS**  
**June 30, 2024 and December 31, 2023**  
**(Unaudited)**

	2024	2023
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	\$82,850	\$71,609
Temporary cash investments	1,272,314	60,939
Total cash and cash equivalents	1,355,164	132,548
Accounts receivable:		
Customer	777,791	699,411
Allowance for doubtful accounts	(16,642)	(25,905)
Other	227,075	225,334
Accrued unbilled revenues	592,785	494,615
Total accounts receivable	1,581,009	1,393,455
Deferred fuel costs	78,434	169,967
Fuel inventory - at average cost	174,475	192,799
Materials and supplies - at average cost	1,576,459	1,418,969
Deferred nuclear refueling outage costs	134,500	140,115
Prepayments and other	247,056	213,016
TOTAL	5,147,097	3,660,869
OTHER PROPERTY AND INVESTMENTS		
Decommissioning trust funds	5,265,003	4,863,710
Non-utility property - at cost (less accumulated depreciation)	417,553	418,546
Storm reserve escrow accounts	332,801	323,206
Other	71,920	69,494
TOTAL	6,087,277	5,674,956
PROPERTY, PLANT, AND EQUIPMENT		
Electric	68,241,911	66,850,474
Natural gas	732,677	717,503
Construction work in progress	2,682,373	2,109,703
Nuclear fuel	682,247	707,852
TOTAL PROPERTY, PLANT, AND EQUIPMENT	72,339,208	70,385,532
Less - accumulated depreciation and amortization	27,171,548	26,551,203
PROPERTY, PLANT, AND EQUIPMENT - NET	45,167,660	43,834,329
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
Other regulatory assets (includes securitization property of \$243,478 as of June 30, 2024 and \$250,830 as of December 31, 2023)	5,408,682	5,669,404
Deferred fuel costs	172,201	172,201
Goodwill	374,099	374,099
Accumulated deferred income taxes	16,510	16,367
Other	392,771	301,171
TOTAL	6,364,263	6,533,242
TOTAL ASSETS	\$62,766,297	\$59,703,396

See Notes to Financial Statements.

**ENTERGY CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**LIABILITIES AND EQUITY**  
**June 30, 2024 and December 31, 2023**  
**(Unaudited)**

	2024	2023
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	\$1,517,072	\$2,099,057
Notes payable and commercial paper	932,351	1,138,171
Accounts payable	1,314,661	1,566,745
Customer deposits	462,222	446,146
Taxes accrued	450,759	434,213
Interest accrued	237,757	214,197
Deferred fuel costs	262,348	218,927
Pension and other postretirement liabilities	56,521	59,508
Other	253,489	219,528
TOTAL	5,487,180	6,396,492
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	4,321,771	4,245,982
Accumulated deferred investment tax credits	199,745	205,973
Regulatory liability for income taxes - net	1,042,248	1,033,242
Other regulatory liabilities	3,488,314	3,116,926
Decommissioning and asset retirement cost liabilities	4,683,902	4,505,782
Accumulated provisions	467,200	462,570
Pension and other postretirement liabilities	519,861	648,413
Long-term debt (includes securitization bonds of \$248,670 as of June 30, 2024 and \$263,007 as of December 31, 2023)	26,301,092	23,008,839
Other	1,353,919	1,116,661
TOTAL	42,378,052	38,344,388
Commitments and Contingencies		
Subsidiaries’ preferred stock without sinking fund	219,410	219,410
EQUITY		
Preferred stock, no par value, authorized 1,000,000 shares in 2024 and 2023; issued shares in 2024 and 2023 - none	—	—
Common stock, \$0.01 par value, authorized 499,000,000 shares in 2024 and 2023; issued 280,975,348 shares in 2024 and 2023	2,810	2,810
Paid-in capital	7,785,921	7,795,411
Retained earnings	11,582,332	11,940,384
Accumulated other comprehensive income (loss)	80,361	(162,460)
Less - treasury stock, at cost (67,166,752 shares in 2024 and 68,126,778 shares in 2023)	4,883,695	4,953,498
Total shareholders’ equity	14,567,729	14,622,647
Subsidiaries’ preferred stock without sinking fund and noncontrolling interests	113,926	120,459
TOTAL	14,681,655	14,743,106
TOTAL LIABILITIES AND EQUITY	\$62,766,297	\$59,703,396

See Notes to Financial Statements.

**ENTERGY CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**For the Six Months Ended June 30, 2024**  
**(Unaudited)**

	Subsidiaries' Preferred Stock and Noncontrolling Interests	Shareholders' Equity					Total
		Common Stock	Treasury Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	
Balance at December 31, 2023	\$120,459	\$2,810	(\$4,953,498)	\$7,795,411	\$11,940,384	(\$162,460)	\$14,743,106
Consolidated net income (a)	1,255	—	—	—	75,281	—	76,536
Other comprehensive loss	—	—	—	—	—	(3,668)	(3,668)
Common stock issuances related to stock plans	—	—	30,881	(25,842)	—	—	5,039
Common stock dividends declared	—	—	—	—	(240,959)	—	(240,959)
Distributions to noncontrolling interests	(1,108)	—	—	—	—	—	(1,108)
Preferred dividend requirements of subsidiaries (a)	(4,580)	—	—	—	—	—	(4,580)
Balance at March 31, 2024	\$116,026	\$2,810	(\$4,922,617)	\$7,769,569	\$11,774,706	(\$166,128)	\$14,574,366
Consolidated net income (a)	2,810	—	—	—	48,922	—	51,732
Other comprehensive income	—	—	—	—	—	246,489	246,489
Common stock issuances related to stock plans	—	—	38,922	16,352	—	—	55,274
Common stock dividends declared	—	—	—	—	(241,296)	—	(241,296)
Distributions to noncontrolling interests	(330)	—	—	—	—	—	(330)
Preferred dividend requirements of subsidiaries (a)	(4,580)	—	—	—	—	—	(4,580)
Balance at June 30, 2024	\$113,926	\$2,810	(\$4,883,695)	\$7,785,921	\$11,582,332	\$80,361	\$14,681,655

See Notes to Financial Statements.

(a) Consolidated net income and preferred dividend requirements of subsidiaries for first quarter 2024 and second quarter 2024 each includes \$4 million of preferred dividends on subsidiaries' preferred stock without sinking fund that is not presented as equity.

**ENTERGY CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the Six Months Ended June 30, 2023**  
**(Unaudited)**

	Subsidiaries' Preferred Stock and Noncontrolling Interests	Common Shareholders' Equity					Accumulated Other Comprehensive Income (Loss)	Total
		Common Stock	Treasury Stock	Paid-in Capital	Retained Earnings			
		(In Thousands)						
Balance at December 31, 2022	\$97,907	\$2,797	(\$4,978,994)	\$7,632,895	\$10,502,041	(\$191,754)	\$13,064,892	
Consolidated net income (a)	1,364	—	—	—	310,935	—	312,299	
Other comprehensive income	—	—	—	—	—	2,027	2,027	
Common stock issuances related to stock plans	—	—	19,599	(15,118)	—	—	4,481	
Common stock dividends declared	—	—	—	—	(226,194)	—	(226,194)	
Beneficial interest in storm trust	14,577	—	—	—	—	—	14,577	
Distributions to noncontrolling interests	(574)	—	—	—	—	—	(574)	
Preferred dividend requirements of subsidiaries (a)	(4,580)	—	—	—	—	—	(4,580)	
Balance at March 31, 2023	\$108,694	\$2,797	(\$4,959,395)	\$7,617,777	\$10,586,782	(\$189,727)	\$13,166,928	
Consolidated net income (a)	770	—	—	—	391,244	—	392,014	
Other comprehensive loss	—	—	—	—	—	(3,292)	(3,292)	
Common stock issuances related to stock plans	—	—	600	16,528	—	—	17,128	
Common stock dividends declared	—	—	—	—	(226,248)	—	(226,248)	
Capital contribution from noncontrolling interest	25,708	—	—	—	—	—	25,708	
Distributions to noncontrolling interests	(113)	—	—	—	—	—	(113)	
Preferred dividend requirements of subsidiaries (a)	(4,580)	—	—	—	—	—	(4,580)	
Balance at June 30, 2023	\$130,479	\$2,797	(\$4,958,795)	\$7,634,305	\$10,751,778	(\$193,019)	\$13,367,545	

See Notes to Financial Statements.

(a) Consolidated net income and preferred dividend requirements of subsidiaries for first quarter 2023 and second quarter 2023 each includes \$4 million of preferred dividends on subsidiaries' preferred stock without sinking fund that is not presented as equity.



## ENTERGY CORPORATION AND SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS (Unaudited)

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

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

#### **Vidalia Purchased Power Agreement**

See Note 8 to the financial statements in the Form 10-K for information on Entergy Louisiana's Vidalia purchased power agreement.

#### **Spent Nuclear Fuel Litigation**

See Note 8 to the financial statements in the Form 10-K for information on Entergy's spent nuclear fuel litigation.

#### **Nuclear Insurance**

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

#### **Non-Nuclear Property Insurance**

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

#### **Employment and Labor-related Proceedings**

See Note 8 to the financial statements in the Form 10-K for information on Entergy's employment and labor-related proceedings.

#### **Asbestos Litigation (Entergy Arkansas, Entergy Louisiana, Entergy New Orleans, and Entergy Texas)**

See Note 8 to the financial statements in the Form 10-K for information regarding asbestos litigation.

#### **Grand Gulf - Related Agreements**

See Note 8 to the financial statements in the Form 10-K for information regarding Grand Gulf-related agreements.

**Nelson Industrial Steam Company (Entergy Louisiana)**

See Note 8 to the financial statements in the Form 10-K for information on Entergy Louisiana's Nelson Industrial Steam Company partnership.

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

**Regulatory Assets and Regulatory Liabilities**

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

**Fuel and purchased power cost recovery**

**Entergy Arkansas**

**Energy Cost Recovery Rider**

In March 2024, Entergy Arkansas filed its annual redetermination of its energy cost rate pursuant to the energy cost recovery rider, which reflected a decrease in the rate from \$0.01883 per kWh to \$0.00882 per kWh. Due to a change in law in the State of Arkansas, the annual redetermination included \$9 million, recorded as a credit to fuel expense in first quarter 2024, for recovery attributed to net metering costs in 2023. The primary reason for the rate decrease is a large over-recovered balance as a result of lower natural gas prices in 2023. To mitigate the effect of projected increases in natural gas prices in 2024, Entergy Arkansas adjusted the over-recovered balance included in the March 2024 annual redetermination filing by \$43.7 million. This adjustment is expected to reduce the rate change that will be reflected in the 2025 energy cost rate redetermination. The redetermined rate of \$0.00882 per kWh became effective with the first billing cycle in April 2024 through the normal operation of the tariff.

**Entergy Mississippi**

In June 2024 the MPSC approved a joint stipulation agreement between Entergy Mississippi and the Mississippi Public Utilities Staff for Entergy Mississippi's 2024 formula rate plan filing. The 2024 formula rate plan filing included the conclusion of the modified interim adjustments to Entergy Mississippi's energy cost recovery rider and power management rider, which were approved in October 2022 and allowed Entergy Mississippi to recover certain under-collected fuel balances. The stipulation provided for Entergy Mississippi to reduce its net energy cost factor. See "**Retail Rate Proceedings - Filings with the MPSC (Entergy Mississippi) - Retail Rates**" - 2024 Formula Rate Plan Filing" below for further discussion of the 2024 formula rate plan filing and the joint stipulation agreement.

## **Retail Rate Proceedings**

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

### **Filings with the APSC (Entergy Arkansas)**

#### **Retail Rates**

##### **2024 Formula Rate Plan Filing**

In July 2024, Entergy Arkansas filed with the APSC its 2024 formula rate plan filing to set its formula rate for the 2025 calendar year. The filing contained an evaluation of Entergy Arkansas's earnings for the 2025 projected year and a netting adjustment for the 2023 historical year. The filing showed that Entergy Arkansas's earned rate of return on common equity for the 2025 projected year was 8.43% resulting in a revenue deficiency of \$69.5 million. The earned rate of return on common equity for the 2023 historical year was 7.48% resulting in a \$33.1 million netting adjustment. The total proposed revenue change for the 2025 projected year and 2023 historical year netting adjustment is \$102.6 million. By operation of the formula rate plan, Entergy Arkansas's recovery of the revenue requirement is subject to a four percent annual revenue constraint. Because Entergy Arkansas's revenue requirement in this filing exceeded the constraint, the resulting increase was limited to \$82.6 million. This filing is subject to review by the APSC, which is expected to issue its order on the filing in December 2024.

##### **Grand Gulf Credit Rider**

In June 2024, Entergy Arkansas filed with the APSC a tariff to provide retail customers a credit resulting from the terms of the settlement agreement between Entergy Arkansas, System Energy, additional named Entergy parties, and the APSC pertaining to System Energy's billings for wholesale sales of energy and capacity from the Grand Gulf nuclear plant. See "**Complaints Against System Energy - System Energy Settlement with the APSC**" below and in the Form 10-K for discussion of the settlement. In July 2024 the APSC approved the tariff, under which Entergy Arkansas will refund retail customers a total of \$100.6 million with a one-time bill credit during the August 2024 billing cycle.

### **Filings with the LPSC (Entergy Louisiana)**

#### **Retail Rates - Electric**

##### **2023 Entergy Louisiana Rate Case and Formula Rate Plan Extension Request**

As discussed in the Form 10-K, in August 2023, Entergy Louisiana filed an application for approval of a regulatory blueprint necessary for it to strengthen the electric grid for the State of Louisiana, which contains a dual-path request to update rates through either: (1) extension of Entergy Louisiana's current formula rate plan (with certain modifications) for three years (the Rate Mitigation Proposal), which is Entergy Louisiana's recommended path; or (2) implementation of rates resulting from a cost-of-service study (the Rate Case path). The application complies with Entergy Louisiana's previous formula rate plan extension order requiring that for Entergy Louisiana to obtain another extension of its formula rate plan that included a rate reset, Entergy Louisiana would need to submit a full cost-of-service/rate case. Entergy Louisiana's filing supports the need to extend Entergy Louisiana's formula rate plan with credit supportive mechanisms needed to facilitate investment in the distribution, transmission, and generation functions.

A status conference was held in October 2023 at which a procedural schedule was adopted that included three technical conferences and a hearing in August 2024. In March 2024 the parties agreed to an eight-week

extension of all deadlines to allow for continuation of settlement negotiations, and the ALJ issued an order with an amended procedural schedule. In July 2024 the parties agreed to extend further the procedural schedule to facilitate the continuation of settlement negotiations, with the hearing commencing in December 2024.

In July 2024, Entergy Louisiana reached an agreement in principle with the LPSC staff and the intervenors in the proceeding and filed with the LPSC a joint motion to suspend the procedural schedule to allow for all parties to finalize a stipulated settlement agreement.

In August 2024, Entergy Louisiana and the LPSC staff jointly filed a global stipulated settlement agreement for consideration by the LPSC with key terms as follows:

- continuation of the formula rate plan for 2024-2026 (test years 2023-2025);
- a base formula rate plan revenue increase of \$120 million for test year 2023, effective for rates beginning September 2024;
- a \$140 million cumulative cap on base formula rate plan revenue increases, if needed, for test years 2024 and 2025, excluding outside the bandwidth items;
- \$184 million of customer rate credits to be given over two years, including increasing customer sharing of income tax benefits resulting from the 2016-2018 IRS audit, to resolve any remaining disputed issues stemming from formula rate plan test years prior to test year 2023, including but not limited to the investigation into Entergy Services costs billed to Entergy Louisiana. As discussed in Note 3 to the financial statements in the Form 10-K, a \$38 million regulatory liability was recorded in 2023 in connection with the 2016-2018 IRS audit;
- \$75.8 million of customer rate credits, as provided for in the System Energy global settlement, to be credited over three years subject to and conditioned upon FERC approval of the System Energy global settlement. See **“Complaints Against System Energy – System Energy Settlement with the LPSC”** below for further details of the System Energy global settlement;
- \$5.8 million of customer rate credits provided for in the Entergy Louisiana formula rate plan global settlement agreement approved by the LPSC in November 2023 credited over one year. See Note 2 to the financial statements in the Form 10-K for the discussion of the November 2023 Entergy Louisiana formula rate plan global settlement agreement;
- an increase in the allowed midpoint return on common equity from 9.5% to 9.7%, with a bandwidth of 40 basis points above and below the midpoint, for the extended term of the formula rate plan, except that for test year 2023 in which the authorized return on common equity shall have no bearing on the change in base formula rate plan revenue described above and, for test year 2024, any earnings above the authorized return on common equity shall be returned to customers through a credit;
- an increase in nuclear depreciation rates by \$15 million in each of the 2023, 2024, and 2025 test years outside of the formula rate plan bandwidth calculation; and
- for the transmission recovery mechanism and the distribution recovery mechanism, no change to the existing floors, but the caps for both would be \$350 million for test year 2023, \$375 million for test year 2024, and \$400 million for test year 2025. LPSC-approved transmission projects will be exempt from the transmission recovery mechanism cap.

The terms of the global stipulated settlement agreement are subject to approval by the LPSC and will not go into effect unless/until such approval is obtained. Entergy Louisiana anticipates the global stipulated settlement agreement to be considered by the LPSC at its Business and Executive meeting on August 14, 2024.

Based on the July 2024 agreement in principle, in second quarter 2024 Entergy Louisiana recorded expenses of \$151 million (\$111 million net-of-tax) primarily consisting of regulatory charges to reflect the effects of the agreement in principle.

**Filings with the MPSC (Entergy Mississippi)**Retail Rates

## 2024 Formula Rate Plan Filing

In March 2024, Entergy Mississippi submitted its formula rate plan 2024 test year filing and 2023 look-back filing showing Entergy Mississippi's earned return on rate base for the historical 2023 calendar year to be within the formula rate plan bandwidth and projected earned return for the 2024 calendar year to be below the formula rate plan bandwidth. The 2024 test year filing showed a \$63.4 million rate increase was necessary to reset Entergy Mississippi's earned return on rate base to the specified point of adjustment of 7.10%, within the formula rate plan bandwidth. The 2023 look-back filing compared actual 2023 results to the approved benchmark return on rate base and reflected no change in formula rate plan revenues. In accordance with the provisions of the formula rate plan, Entergy Mississippi implemented a \$32.6 million interim rate increase, reflecting a cap equal to 2% of 2023 retail revenues, effective April 2024.

In December 2014 the MPSC ordered Entergy Mississippi to file an updated depreciation study at least once every four years. Pursuant to this order and Entergy Mississippi's filing cycle, Entergy Mississippi would have filed an updated depreciation report with its formula rate plan filing in 2023. However, in July 2022 the MPSC directed Entergy Mississippi to file its next depreciation study in connection with its 2024 formula rate plan filing notwithstanding the MPSC's prior order. Accordingly, Entergy Mississippi filed a depreciation study in February 2024. The study showed a need for an increase in annual depreciation expense of \$55.2 million. The calculated increase in annual depreciation expense was excluded from Entergy Mississippi's 2024 formula rate plan revenue increase request because the MPSC had not yet approved the proposed depreciation rates.

In June 2024, Entergy Mississippi and the Mississippi Public Utilities Staff entered into a joint stipulation that confirmed the 2024 test year filing, with the exception of immaterial adjustments to certain operation and maintenance expenses. After performance adjustments, the formula rate plan reflected an earned return on rate base of 6.08% for calendar year 2024, which resulted in a total revenue increase of \$64.6 million for 2024. The joint stipulation also recommended approval of a revised customer charge of \$31.82 per month for residential customers and \$53.10 per month for general service customers. Pursuant to the stipulation, Entergy Mississippi's 2023 look-back filing reflected an earned return on rate base of 6.81%, resulting in an increase of \$0.3 million in the formula rate plan revenues for 2023. Finally, the stipulation recommended approval of Entergy Mississippi's proposed depreciation rates with those rates to be implemented upon request and approval at a later date. In June 2024 the MPSC approved the joint stipulation with rates effective in July 2024. The approval also included a reduction to the energy cost factor, resulting in a net bill decrease for a typical residential customer using 1,000 kWh per month. Also in June 2024, Entergy Mississippi recorded regulatory credits of \$7.3 million to reflect the difference between interim rates placed in effect in April 2024 and the rates reflected in the joint stipulation.

Also, in May 2024, Entergy Mississippi received approval from the MPSC for formula rate plan revisions that were necessary for Entergy Mississippi to comply with recently passed state legislation. The legislation allows Entergy Mississippi to make interim rate adjustments to recover the non-fuel related annual ownership cost of certain facilities that directly or indirectly provide service to customers who own certain data processing center projects as specified in the legislation. Entergy Mississippi filed its interim facilities rate adjustment report in May 2024 to recover approximately \$8.7 million of these costs over a six-month period with rates effective beginning in July 2024.

## **Filings with the City Council (Entergy New Orleans)**

### **Retail Rates**

#### **2024 Formula Rate Plan Filing**

In April 2024, Entergy New Orleans submitted to the City Council its formula rate plan 2023 test year filing. Without the requested rate change in 2024, the 2023 test year evaluation report produced an electric earned return on equity of 8.66% and a gas earned return on equity of 5.87% compared to the authorized return on equity for each of 9.35%. Entergy New Orleans seeks approval of a \$12.6 million rate increase based on the formula set by the City Council in the 2018 rate case and approved again by the City Council in 2023. The formula would result in an increase in authorized electric revenues of \$7.0 million and an increase in authorized gas revenues of \$5.6 million. Following City Council review, the City Council's advisors issued a report in July 2024 seeking a reduction in Entergy New Orleans's requested formula rate plan revenues in an aggregate amount of approximately \$1.6 million for electric and gas together due to alleged errors. The City Council's advisors' report began a 35-day period to resolve any disputes among the parties regarding the formula rate plan. Resulting rates will be effective with the first billing cycle of September 2024 pursuant to the formula rate plan tariff. For any disputed rate adjustments, however, the City Council would set a procedural schedule that would extend the process for City Council approval of disputed rate adjustments.

## **Filings with the PUCT and Texas Cities (Entergy Texas)**

### **Retail Rates**

#### **2022 Base Rate Case**

As discussed in the Form 10-K, in August 2023 the PUCT issued an order severing issues related to electric vehicle charging infrastructure in the 2022 base rate case proceeding to a separate proceeding. In December 2023 the PUCT referred the separate proceeding to resolve the issues related to electric vehicle charging infrastructure to the State Office of Administrative Hearings. A hearing on the merits was held in April 2024. In June 2024 the ALJ with the State Office of Administrative Hearings issued a proposal for decision concluding that it is appropriate for a vertically integrated electric utility, and Entergy Texas specifically, to own vehicle-charging facilities or other transportation electrification and charging infrastructure and recommending that both of Entergy Texas's proposed transportation electrification riders be approved. A PUCT decision is expected in third quarter 2024.

#### **Distribution Cost Recovery Factor (DCRF) Rider**

In June 2024, Entergy Texas filed with the PUCT a request to set a new DCRF rider. The proposed rider is designed to collect from Entergy Texas's retail customers approximately \$40.3 million annually based on its capital invested in distribution between January 1, 2022 and March 31, 2024. The PUCT adopted a procedural schedule in July 2024. A PUCT decision is expected in third quarter 2024.

## **Entergy Arkansas Opportunity Sales Proceeding**

See Note 2 to the financial statements in the Form 10-K for discussion of the Entergy Arkansas opportunity sales proceeding. As discussed in the Form 10-K, in September 2020, Entergy Arkansas filed a complaint in the U.S. District Court for the Eastern District of Arkansas challenging the APSC's denial of recovery of \$135 million of payments to other Utility operating companies in December 2018 relating to off-system sales of electricity from 2002-2009, as ordered by the FERC. The complaint also involved a challenge to the \$13.7 million, plus interest, of related refunds ordered by the APSC and paid by Entergy Arkansas in August 2020. The trial was held in February 2023. Following the trial, Entergy Arkansas filed a motion with the United States Court of Appeals for the Eighth District to expedite the appeal filed by Arkansas Electric Energy Consumers, Inc. The United States Court of

Appeals for the Eighth District granted Entergy Arkansas's request, and oral arguments were held in June 2023. In August 2023 the United States Court of Appeals for the Eighth District affirmed the order of the court denying Arkansas Electric Energy Consumers, Inc.'s motion to intervene.

In March 2024 the U.S. District Court for the Eastern District of Arkansas issued a judgment in favor of the APSC and against Entergy Arkansas. In March 2024 Entergy Arkansas filed a notice of appeal and a motion to expedite oral arguments with the United States Court of Appeals for the Eighth District and the court granted the motion to expedite. Briefing to the United States Court of Appeals for the Eighth District concluded in July 2024. As a result of the adverse decision by the U.S. District Court for the Eastern District of Arkansas, Entergy Arkansas concluded that it could no longer support the recognition of its \$131.8 million regulatory asset reflecting the previously-expected recovery of a portion of the costs at issue in the opportunity sales proceeding and recorded a \$131.8 million (\$99.1 million net-of-tax) charge to earnings in first quarter 2024.

#### **MSS-4 Replacement Tariff – Net Operating Loss Carryforward Proceeding**

In January 2021, pursuant to section 205 of the Federal Power Act, Entergy Services filed an amendment to the MSS-4 replacement tariff, a tariff governing the sales of energy and capacity between the Utility operating companies, in order to provide for the inclusion of specified accumulated deferred income taxes, including net operating loss carryforward accumulated deferred income taxes (NOLC ADIT), in the rate for sales of energy among the Utility operating companies on a prospective basis. In March 2021, the FERC accepted the filing, subject to refund and hearing procedures.

In October 2021 the LPSC filed a complaint with the FERC alleging that Entergy Services improperly excluded NOLC ADIT from MSS-4 replacement tariff rates in the period before March 20, 2021. The LPSC argued that sales from Entergy Louisiana to Entergy Texas and Entergy New Orleans were charged at rates lower than they otherwise should have been, and it accordingly seeks surcharges for the period prior to March 20, 2021. The FERC set the complaint for hearing procedures and subsequently the hearing for this complaint proceeding was consolidated with the hearing procedures for Entergy Services' January 2021 NOLC ADIT filing.

Testimony was filed by parties in 2023, and the hearing before a FERC ALJ was concluded in February 2024. In June 2024, the FERC ALJ issued an initial decision addressing three major issues: (1) whether Entergy Services' proposed prospective inclusion and allocation of NOLC ADIT in MSS-4 replacement tariff rates using a modified with-and-without methodology is just and reasonable; (2) whether Entergy Services correctly calculated excess and deficient accumulated deferred income taxes in accordance with the terms of a prior settlement; and (3) whether NOLC ADIT should have been included in MSS-4 replacement tariff rates prior to the effective date of the January 2021 MSS-4 replacement tariff filing.

With respect to issues (1) and (2), the presiding ALJ concluded that Entergy Services' proposed methodology for allocating and including NOLC ADIT in MSS-4 replacement tariff rates was just and reasonable and that Entergy Services correctly performed the excess and deficient accumulated deferred income taxes calculations. With respect to issue (3), however, the presiding ALJ agreed with the LPSC that NOLC ADIT should have been included in MSS-4 replacement tariff rates since September 1, 2016, and as a result, the presiding ALJ ordered that Entergy Louisiana and Entergy Arkansas recalculate bills for the period of September 1, 2016 through November 11, 2023 with surcharges expected to be due to those operating companies from the purchasing operating companies, Entergy New Orleans, Entergy Texas, and Entergy Louisiana (for some Entergy Arkansas sales). The presiding ALJ also ordered Entergy Services to pay the interest owed to Entergy Louisiana on these surcharges.

The surcharge methodology that the presiding ALJ recommended in connection with issue (3) was not supported by any participant in the hearing. As part of their exceptions to the initial decision, all parties to the proceeding opposed the use of the ALJ's methodology, except for the FERC trial staff, which took no position. During the hearing, the LPSC and the FERC trial staff advocated that the alleged tariff violation should be remedied by the application of Entergy Services' January 2021 proposed methodology. All other parties, including the



PUCT, the City Council, and Entergy Services, opposed any surcharges for the period prior to the March 20, 2021 effective date of the January 2021 filing.

Entergy Services disputes the presiding ALJ's rulings on issue (3) and filed exceptions to these rulings in July 2024. The ALJ's initial decision is not binding on the FERC and is an interim step in the hearing process. No refunds will be owed in connection with this proceeding unless and until the FERC requires them in a final order.

### **Complaints Against System Energy**

See Note 2 to the financial statements in the Form 10-K for information regarding pending complaints against System Energy. System Energy and the Unit Power Sales Agreement are currently the subject of several litigation proceedings at the FERC (or on appeal from the FERC to the United States Court of Appeals for the Fifth Circuit), including challenges with respect to System Energy's authorized return on equity and capital structure, renewal of its sale-leaseback arrangement, treatment of uncertain tax positions, a broader investigation of rates under the Unit Power Sales Agreement, and two prudence complaints, one challenging the extended power uprate completed at Grand Gulf in 2012 and the operation and management of Grand Gulf, particularly in the 2016-2020 time period, and the second challenging the operation and management of Grand Gulf in the 2021-2022 time period. Settlements that resolve all significant aspects of these complaints have been reached with the MPSC and the APSC and approved by the FERC. A settlement has been reached with the City Council and is pending FERC approval, as described in "**System Energy Settlement with the City Council**" below. An agreement in principle has been reached with the LPSC staff, as described in "**System Energy Settlement with the LPSC**" below. If the settlement with the City Council is approved by the FERC and the settlement with the LPSC staff is approved by the LPSC and the FERC, it would resolve all significant aspects of these pending complaints. The following are updates to the discussion in the Form 10-K.

### **Return on Equity and Capital Structure Complaints**

As discussed in the Form 10-K, in March 2021 the FERC ALJ issued an initial decision in the proceeding initiated by the LPSC, the MPSC, the APSC, and the City Council against System Energy regarding the return on equity component of the Unit Power Sales Agreement. With regard to System Energy's authorized return on equity, the ALJ determined that the existing return on equity of 10.94% is no longer just and reasonable, and that the replacement authorized return on equity, based on application of the FERC's Opinion No. 569-A methodology, should be 9.32%. The ALJ further determined that System Energy should pay refunds for a fifteen-month refund period (January 2017-April 2018) based on the difference between the current return on equity and the replacement authorized return on equity. The ALJ determined that the April 2018 complaint concerning the authorized return on equity should be dismissed, and that no refunds for a second fifteen-month refund period should be due. With regard to System Energy's capital structure, the ALJ determined that System Energy's actual equity ratio is excessive and that the just and reasonable equity ratio is 48.15% equity, based on the average equity ratio of the proxy group used to evaluate the return on equity for the second complaint. The ALJ further determined that System Energy should pay refunds for a fifteen-month refund period (September 2018-December 2019) based on the difference between the actual equity ratio and the 48.15% equity ratio. If the ALJ's initial decision is upheld, the estimated refund for this proceeding is approximately \$25.3 million, which includes interest through June 30, 2024, and the estimated resulting annual rate reduction would be approximately \$15 million. As a result of the settlement agreements with the MPSC and the APSC, both the estimated refund and rate reduction exclude Entergy Mississippi's and Entergy Arkansas's portions. See "**System Energy Settlement with the MPSC**" in the Form 10-K and see "**System Energy Settlement with the APSC**" below and in the Form 10-K for discussion of the settlements. The estimated refund will continue to accrue interest until a final FERC decision is issued.

The ALJ initial decision is an interim step in the FERC litigation process, and an ALJ's determinations made in an initial decision are not controlling on the FERC. In April 2021, System Energy filed its brief on exceptions, in which it challenged the initial decision's findings on both the return on equity and capital structure issues. Also in April 2021 the LPSC, the APSC, the MPSC, the City Council, and the FERC trial staff filed briefs



on exceptions. Reply briefs opposing exceptions were filed in May 2021 by System Energy, the FERC trial staff, the LPSC, the APSC, the MPSC, and the City Council. Refunds, if any, that might be required will only become due after the FERC issues its order reviewing the initial decision.

### **Grand Gulf Sale-leaseback Renewal Complaint and Uncertain Tax Position Rate Base Issue**

As discussed in the Form 10-K, in May 2018 the LPSC filed a complaint against System Energy and Entergy Services related to System Energy's renewal of a sale-leaseback transaction originally entered into in December 1988 for an 11.5% undivided interest in Grand Gulf Unit 1. The APSC, the MPSC, and the City Council subsequently intervened in the proceeding. A hearing was held before a FERC ALJ in November 2019. In April 2020 the ALJ issued the initial decision, and in December 2022 the FERC issued an order on the ALJ's initial decision, which affirmed it in part and modified it in part. The FERC's order directed System Energy to calculate refunds on three issues, and to provide a compliance report detailing the calculations. The FERC's order also disallows the future recovery of sale-leaseback renewal costs, which is estimated at approximately \$11.5 million annually for purchases from Entergy Arkansas, Entergy Louisiana, and Entergy New Orleans through July 2036. The three refund issues are rental expenses related to the renewal of the sale-leaseback arrangements; refunds, if any, for the revenue requirement impact of including accumulated deferred income taxes resulting from the decommissioning uncertain tax positions from 2004 through the present; and refunds for the net effect of correcting the depreciation inputs for capital additions attributable to the portion of plant subject to the sale-leaseback.

In January 2023, System Energy filed its compliance report with the FERC. With respect to the sale-leaseback renewal costs, System Energy calculated a refund of \$89.8 million, which represented all of the sale-leaseback renewal rental costs that System Energy recovered in rates, with interest. With respect to the decommissioning uncertain tax position issue, System Energy calculated that no additional refunds are owed because it had already provided a one-time historical credit (for the period January 2016 through September 2020) of \$25.2 million based on the accumulated deferred income taxes that resulted from the IRS's partial acceptance of the decommissioning tax position, and because it has been providing an ongoing rate base credit for the accumulated deferred income taxes that resulted from the IRS's partial acceptance of the decommissioning tax position since October 2020. With respect to the depreciation refund, System Energy calculated a refund of \$13.7 million, which is the net total of a refund to customers for excess depreciation expense previously collected, plus interest, offset by the additional return on rate base that System Energy previously did not collect, without interest.

In January 2023, System Energy filed a request for rehearing of the FERC's determinations in the December 2022 order on sale-leaseback refund issues and future lease cost disallowances, the FERC's prospective policy on uncertain tax positions, and the proper accounting of System Energy's accumulated deferred income taxes adjustment for the Tax Cuts and Jobs Act of 2017; and a motion for confirmation of its interpretation of the December 2022 order's remedy concerning the decommissioning tax position. In January 2023 the retail regulators filed a motion for confirmation of their interpretation of the refund requirement in the December 2022 FERC order and a provisional request for rehearing. In February 2023 the FERC issued a notice that the rehearing requests have been deemed denied by operation of law. The deemed denial of the rehearing request initiated a sixty-day period in which aggrieved parties could petition for federal appellate court review of the underlying FERC orders; however, the FERC may issue a substantive order on rehearing as long as it continues to have jurisdiction over the case. In March 2023, System Energy filed in the United States Court of Appeals for the Fifth Circuit a petition for review of the December 2022 order. In March 2023, System Energy also filed an unopposed motion to stay the proceeding in the Fifth Circuit pending the FERC's disposition of the pending motions, and the court granted the motion to stay.

In August 2023 the FERC issued an order addressing arguments raised on rehearing and partially setting aside the prior order (rehearing order). The rehearing order addresses rehearing requests that were filed in January 2023 separately by System Energy and the LPSC, the APSC, and the City Council.

In the rehearing order, the FERC directs System Energy to recalculate refunds for two issues: (1) refunds of rental expenses related to the renewal of the sale-leaseback arrangements and (2) refunds for the net effect of correcting the depreciation inputs for capital additions associated with the sale-leaseback. With regard to the sale-leaseback renewal rental expenses, the rehearing order allows System Energy to recover an implied return of and on the depreciated cost of the portion of the plant subject to the sale-leaseback as of the expiration of the initial lease term. With regard to the depreciation input issue, the rehearing order allows System Energy to offset refunds so that System Energy may collect interest on the rate base recalculations that were part of the overall depreciation rate recalculations. The rehearing order further directs System Energy to submit within 60 days of the date of the rehearing order an additional compliance filing to revise the total refunds for these two issues. As discussed above, System Energy's January 2023 compliance filing calculated \$103.5 million in total refunds, and the refunds were paid in January 2023. In October 2023, System Energy filed its compliance report with the FERC as directed in the August 2023 rehearing order. The October 2023 compliance report reflected recalculated refunds totaling \$35.7 million for the two issues resulting in \$67.8 million in refunds that could be recouped by System Energy. As discussed below in "**System Energy Settlement with the APSC**," System Energy reached a settlement in principle with the APSC to resolve several pending cases under the FERC's jurisdiction, including this one, pursuant to which it has agreed not to recoup the \$27.3 million calculated for Entergy Arkansas in the compliance filing. Consistent with the compliance filing, in October 2023, Entergy Louisiana and Entergy New Orleans paid recoupment amounts of \$18.2 million and \$22.3 million, respectively, to System Energy.

On the third refund issue identified in the rehearing requests, concerning the decommissioning uncertain tax positions, the rehearing order denied all rehearing requests, re-affirmed the remedy contained in the December 2022 order, and did not direct System Energy to recalculate refunds or to submit an additional compliance filing. On this issue, as reflected in its January 2023 compliance filing, System Energy believes it has already paid the refunds due under the remedy that the FERC outlined for the uncertain tax positions issue in its December 2022 order. In August 2023 the LPSC issued a media release in which it stated that it disagrees with System Energy's determination that the rehearing order requires no further refunds to be made on this issue.

In September 2023, System Energy filed a protective appeal of the rehearing order with the United States Court of Appeals for the Fifth Circuit. The appeal was consolidated with System Energy's prior appeal of the December 2022 order.

In September 2023 the LPSC filed with the FERC a request for rehearing and clarification of the rehearing order. The LPSC requests that the FERC reverse its determination in the rehearing order that System Energy may collect an implied return of and on the depreciated cost of the portion of the plant subject to the sale-leaseback, as of the expiration of the initial lease term, as well as its determination in the rehearing order that System Energy may offset the refunds for the depreciation rate input issue and collect interest on the rate base recalculations that were part of the overall depreciation rate recalculations. In addition, the LPSC requests that the FERC either confirm the LPSC's interpretation of the refund associated with the decommissioning uncertain tax positions or explain why it is not doing so. In October 2023 the FERC issued a notice that the rehearing request has been deemed denied by operation of law. In November 2023 the FERC issued a further notice stating that it would not issue any further order addressing the rehearing request. Also in November 2023 the LPSC filed with the United States Court of Appeals for the Fifth Circuit a petition for review of the FERC's August 2023 rehearing order and denials of the September 2023 rehearing request.

In December 2023 the United States Court of Appeals for the Fifth Circuit lifted the abeyance on the consolidated System Energy appeals, and it also consolidated the LPSC's appeal with the System Energy appeals. In March 2024, separate petition briefs were filed by System Energy and by the LPSC. Also in March 2024, the City Council filed an intervenor brief supporting the LPSC. In June 2024 counsel for the FERC filed the respondent's brief, arguing that the FERC's August 2023 rehearing order concerning the sale-leaseback and depreciation rate remedy issues should be affirmed and arguing that the dispute over the uncertain tax position issue is not yet ripe. In July 2024, System Energy and the LPSC each filed separate reply briefs.

## LPSC Additional Complaints

As discussed in the Form 10-K, in May 2020 the LPSC authorized its staff to file additional complaints at the FERC related to the rates charged by System Energy for Grand Gulf energy and capacity supplied to Entergy Louisiana under the Unit Power Sales Agreement. The following are updates to that discussion.

### Unit Power Sales Agreement Complaint

As discussed in the Form 10-K, the first of the additional complaints was filed by the LPSC, the APSC, the MPSC, and the City Council in September 2020. The first complaint raises two sets of rate allegations: violations of the filed rate and a corresponding request for refunds for prior periods; and elements of the Unit Power Sales Agreement are unjust and unreasonable and a corresponding request for refunds for the 15-month refund period and changes to the Unit Power Sales Agreement prospectively. In May 2021 the FERC issued an order addressing the complaint, establishing a refund effective date of September 21, 2020, establishing hearing procedures, and holding those procedures in abeyance pending the FERC's review of the initial decision in the Grand Gulf sale-leaseback renewal complaint discussed above.

In November 2021 the LPSC, the APSC, and the City Council filed direct testimony and requested the FERC to order refunds for prior periods and prospective amendments to the Unit Power Sales Agreement. System Energy filed answering testimony in January 2022. In March 2022 the FERC trial staff filed direct and answering testimony recommending refunds and prospective modifications to the Unit Power Sales Agreement.

In April 2022, System Energy filed cross-answering testimony in response to the FERC trial staff's recommendations. In June 2022 the FERC trial staff submitted revised answering testimony, in which it recommended additional refunds associated with the accumulated deferred income tax balances in account 190. Also in June 2022, System Energy filed revised and supplemental cross-answering testimony to respond to the FERC trial staff's testimony and oppose its revised recommendation.

In May 2022 the LPSC, the APSC, and the City Council filed rebuttal testimony and asserted new claims. In June 2022 a new procedural schedule was adopted, providing for additional rounds of testimony and for the hearing to begin in September 2022. The hearing concluded in December 2022. Also in December 2022, a motion to extend the briefing schedule and the May 2023 deadline for the initial decision was granted.

In November 2022, System Energy filed a partial settlement agreement with the APSC, the City Council, and the LPSC that resolved the following issues raised in the Unit Power Sales Agreement complaint: advance collection of lease payments, aircraft costs, executive incentive compensation, money pool borrowings, advertising expenses, deferred nuclear refueling outage costs, industry association dues, and termination of the capital funds agreement. The settlement provided that System Energy would provide a black box refund of \$18 million (inclusive of interest), plus additional refund amounts with interest to be calculated for certain issues to be distributed to Entergy Arkansas, Entergy Louisiana, and Entergy New Orleans as the Utility operating companies other than Entergy Mississippi purchasing under the Unit Power Sales Agreement. The settlement further provided that if the APSC, the City Council, or the LPSC agrees to the global settlement System Energy entered into with the MPSC (see "**System Energy Settlement with the MPSC**" in the Form 10-K for discussion of the settlement), and such global settlement includes a black box refund amount, then the black box refund for this settlement agreement shall not be incremental or in addition to the global black box refund amount. The settlement agreement addressed other matters as well, including adjustments to rate base beginning in October 2022, exclusion of certain other costs, and inclusion of money pool borrowings, if any, in short-term debt within the cost of capital calculation used in the Unit Power Sales Agreement. In April 2023 the FERC approved the settlement agreement. The refund provided for in the settlement agreement was included in the May 2023 service month bills under the Unit Power Sales Agreement.

In May 2023 the presiding ALJ issued an initial decision finding that System Energy should have excluded multiple identified categories of accumulated deferred income taxes from rate base when calculating Unit Power

Sales Agreement bills. Based on this finding, the initial decision recommended refunds; System Energy estimates that those refunds for Entergy Louisiana and Entergy New Orleans would total approximately \$69.9 million plus \$97.8 million of interest through June 30, 2024. The initial decision also finds that the Unit Power Sales Agreement should be modified such that a cash working capital allowance of negative \$36.4 million is applied prospectively. If the FERC ultimately orders these modifications to cash working capital be implemented, the estimated annual revenue requirement impact is expected to be immaterial. On the other non-settled issues for which the complainants sought refunds or changes to the Unit Power Sales Agreement, the initial decision ruled against the complainants.

The initial decision is an interim step in the FERC litigation process, and an ALJ's determination made in an initial decision is not controlling on the FERC. System Energy disagrees with the ALJ's findings concerning the accumulated deferred income taxes issues and cash working capital. In July 2023, System Energy filed a brief on exceptions to the initial decision's accumulated deferred income taxes findings. Also in July 2023, the APSC, the LPSC, the City Council, and the FERC trial staff filed separate briefs on exceptions. The APSC's brief on exceptions challenges the ALJ's determinations on the money pool interest and retained earnings issues. The LPSC's brief on exceptions challenges the ALJ's determinations regarding the sale-leaseback transaction costs, legal fees, and retained earnings issues. The City Council's brief on exceptions challenges the ALJ's determinations on the money pool and cash management issues. The FERC trial staff's brief on exceptions challenges the ALJ's determinations on the cash working capital issue as well as certain of the accumulated deferred income taxes issues. In August 2023 all parties filed separate briefs opposing exceptions. System Energy filed a brief opposing the exceptions of the APSC, the LPSC, and the City Council. The APSC, the LPSC, and the City Council filed separate briefs opposing the exceptions raised by System Energy and the FERC trial staff. The FERC trial staff filed its own brief opposing certain exceptions raised by System Energy, the APSC, the LPSC, and the City Council. The case is now pending a decision by the FERC. Refunds, if any, that might be required will become due only after the FERC issues its order reviewing the initial decision.

#### LPSC Petition for a Writ of Mandamus

In March 2024 the LPSC filed a petition for a writ of mandamus, requesting that the United States Court of Appeals for the Fifth Circuit direct the FERC to take action on (1) System Energy's pending compliance filings (and the LPSC's protests) in response to the FERC's orders on the uncertain tax position rate base issue, as discussed above; and (2) the ALJ's pending initial decision in the return on equity and capital structure proceeding, also as discussed above. System Energy filed a notice of intervention in the proceeding.

In March 2024 the United States Court of Appeals for the Fifth Circuit directed the FERC to respond to the LPSC's petition. Also in March 2024, System Energy filed its response to the LPSC's petition, in which it opposed the LPSC's mandamus request on the compliance filing and took no position on the request for action on the return on equity and capital structure case. Later in March 2024, the FERC responded opposing both parts of the LPSC's petition, and the LPSC filed an opposed motion for leave to answer and its answer to the FERC's and System Energy's responses. In July 2024 the Fifth Circuit held oral argument on the petition. During oral argument, the FERC's counsel represented that the FERC intends to issue an order in the return on equity and capital structure proceeding by the end of the year. Later in July 2024 the Fifth Circuit issued an order denying the LPSC's petition.

#### **System Energy Settlement with the APSC**

As discussed in the Form 10-K, in October 2023, System Energy, Entergy Arkansas, and additional named Entergy parties involved in multiple docketed proceedings pending before the FERC reached a settlement in principle with the APSC to globally resolve all of their actual and potential claims in those dockets and with System Energy's past implementation of the Unit Power Sales Agreement. The settlement also covers the amended and supplemental complaint, discussed in "[Grand Gulf Prudence Complaint](#)" in the Form 10-K, filed by the LPSC, the APSC, and the City Council at the FERC in October 2023. System Energy, Entergy Arkansas, additional Entergy parties, and the APSC filed the settlement agreement and supporting materials with the FERC in November 2023.

The Unit Power Sales Agreement is a FERC-jurisdictional formula rate tariff for sales of energy and capacity from System Energy's owned and leased share of Grand Gulf to Entergy Mississippi, Entergy Arkansas, Entergy Louisiana, and Entergy New Orleans. System Energy previously settled with the MPSC with respect to these complaints before the FERC.

The terms of the settlement with the APSC align with the \$588 million global black box settlement reached between System Energy and the MPSC in June 2022 and provide for Entergy Arkansas to receive a black box refund of \$142 million from System Energy, inclusive of \$49.5 million already received by Entergy Arkansas from System Energy. In November 2022 the FERC approved the System Energy settlement with the MPSC and stated that the settlement "appears to be fair and reasonable and in the public interest."

In addition to the black box refund of \$142 million described above, beginning with the November 2023 service month, the settlement provides for Entergy Arkansas's bills from System Energy to be adjusted to reflect an authorized rate of return on equity of 9.65% and a capital structure not to exceed 52% equity.

In December 2023 the FERC trial staff and the LPSC filed comments. The FERC trial staff commented that it "believes that the settlement is fair, and in the public interest," and neither it nor the LPSC oppose the settlement. In December 2023 the remaining black box refund to Entergy Arkansas was reclassified from long-term other regulatory liabilities to accounts payable - associated companies on System Energy's balance sheet. In March 2024 the FERC approved the settlement "because it appears to be fair and reasonable and in the public interest." System Energy paid the remaining black box refund of \$92 million to Entergy Arkansas in May 2024.

### **System Energy Settlement with the City Council**

In April 2024, System Energy, Entergy New Orleans, and additional named Entergy parties involved in multiple docketed proceedings pending before the FERC reached a settlement in principle with the City Council to globally resolve all of their actual and potential claims in those dockets and with System Energy's past implementation of the Unit Power Sales Agreement. The settlement also covers the amended and supplemental complaint, discussed in "[Grand Gulf Prudence Complaint](#)" in the Form 10-K, filed by the LPSC, the APSC, and the City Council at the FERC in October 2023. In May 2024, System Energy, Entergy New Orleans, additional named Entergy parties, and the City Council filed the settlement agreement and supporting materials with the FERC. The Unit Power Sales Agreement is a FERC-jurisdictional formula rate tariff for sales of energy and capacity from System Energy's owned and leased share of Grand Gulf to Entergy Mississippi, Entergy Arkansas, Entergy Louisiana, and Entergy New Orleans. As discussed above and in Note 2 to the financial statements in the Form 10-K, System Energy previously settled with the MPSC and the APSC with respect to these complaints before the FERC. Entergy Mississippi and Entergy Arkansas have nearly 65% of System Energy's share of Grand Gulf's output, after purchases from affiliates are considered. The settlements with the APSC, the MPSC, and the City Council represent almost 85% of System Energy's share of the output of Grand Gulf.

The terms of the settlement with the City Council align with the \$588 million global black box settlement amount reflected in the prior settlements reached between System Energy and the MPSC in June 2022 and between System Energy and the APSC in November 2023. The settlement provides for Entergy New Orleans to receive a black box refund of \$116 million from System Energy, inclusive of approximately \$18 million already received by Entergy New Orleans from System Energy. In November 2022 the FERC approved the System Energy settlement with the MPSC, and in March 2024 the FERC approved the System Energy settlement with the APSC. In both settlements, the FERC stated that the settlements "appear to be fair and reasonable and in the public interest." In March 2024 the \$98 million black box refund to Entergy New Orleans was reclassified from long-term other regulatory liabilities to accounts payable - associated companies on System Energy's balance sheet.

In addition to the black box refund of \$116 million described above, beginning with the June 2024 service month, the settlement provides for Entergy New Orleans's bills from System Energy to be adjusted to reflect an authorized rate of return on equity of 9.65% and a capital structure not to exceed 52% equity.

## **System Energy Settlement with the LPSC**

In July 2024, System Energy and the LPSC staff reached a settlement in principle to globally resolve all of the LPSC's actual and potential claims in multiple docketed proceedings pending before the FERC (including all docketed proceedings resolved by the MPSC, the APSC, and the City Council settlements) and with System Energy's past implementation of the Unit Power Sales Agreement. The settlement also covers the amended and supplemental complaint, discussed in "[Grand Gulf Prudence Complaint](#)" in the Form 10-K, filed by the LPSC, the APSC, and the City Council at the FERC in October 2023. The settling parties intend to file the settlement for approval by the FERC following the LPSC's approval of the settlement.

The terms of the settlement with the LPSC staff align with the \$588 million global black box settlement amount reflected in the prior settlements reached between System Energy and the MPSC in June 2022, between System Energy and the APSC in November 2023, and between System Energy and the City Council in April 2024. The settlement in principle provides for Entergy Louisiana to receive a black box refund of \$95 million from System Energy, inclusive of approximately \$15 million already received by Entergy Louisiana from System Energy. In June 2024 the remaining \$80 million black box refund to Entergy Louisiana was reclassified from long-term other regulatory liabilities to accounts payable - associated companies on System Energy's balance sheet.

In addition to the black box refund of \$95 million described above, beginning with the September 2024 service month, the settlement provides for Entergy Louisiana's bills from System Energy to be adjusted to reflect an authorized rate of return on equity of 9.65% and a capital structure not to exceed 52% equity.

### **System Energy Regulatory Liability for Pending Complaints**

As discussed in the Form 10-K, System Energy had recorded a regulatory liability related to complaints against System Energy, which was consistent with the settlement agreements reached with the MPSC and the APSC, taking into account amounts already or expected to be refunded. System Energy's remaining regulatory liability related to complaints against System Energy as of December 31, 2023 was \$178 million. As discussed above in "**System Energy Settlement with the City Council**," in first quarter 2024 the \$98 million black box refund to Entergy New Orleans was reclassified from the regulatory liability to accounts payable - associated companies on System Energy's balance sheet. As discussed above in "**System Energy Settlement with the LPSC**," in second quarter 2024 the \$80 million black box refund to Entergy Louisiana was reclassified from the regulatory liability to accounts payable - associated companies on System Energy's balance sheet.

## **Unit Power Sales Agreement**

### **System Energy Formula Rate Annual Protocols Formal Challenge Concerning 2022 Calendar Year Bills**

In February 2024, pursuant to the protocols procedures discussed in Note 2 to the financial statements in the Form 10-K, the LPSC and the City Council filed with the FERC a formal challenge to System Energy's implementation of the formula rate during calendar year 2022. The formal challenge alleges: (1) that the equity ratio charged in rates was excessive; and (2) that all issues in the pending Unit Power Sales Agreement complaint proceeding should also be reflected in calendar year 2022 bills. These allegations are identical to issues that were raised in the formal challenge to the calendar year 2020 and 2021 bills.

In March 2024, System Energy filed an answer to the formal challenge in which it requested that the FERC deny the formal challenge as a matter of law, or else hold the proceeding in abeyance pending the resolution of related dockets.



**Pension Costs Amendment Proceeding**

As discussed in the Form 10-K, in October 2021, System Energy submitted to the FERC proposed amendments to the Unit Power Sales Agreement to include in the rate base the prepaid and accrued pension costs associated with System Energy's qualified pension plans. Based on data ending in 2020, the increased annual revenue requirement associated with the filing is approximately \$8.9 million. In March 2022 the FERC accepted System Energy's proposed amendments with an effective date of December 1, 2021, subject to refund pending the outcome of the settlement and/or hearing procedures. In August 2023 the FERC chief ALJ terminated settlement procedures and designated a presiding ALJ to oversee hearing procedures. In October 2023, System Energy filed direct testimony in support of its proposed amendments. Under the procedural schedule, testimony was filed through April 2024, and the hearing occurred from late May through early June 2024. The presiding ALJ's initial decision is expected in September 2024.

**Storm Cost Recovery Filings with Retail Regulators**

See Note 2 to the financial statements in the Form 10-K for discussion regarding storm cost recovery filings. The following is an update to that discussion.

**Entergy Mississippi**

As discussed in the Form 10-K, Entergy Mississippi had approval from the MPSC to collect a storm damage provision of \$1.75 million per month. If Entergy Mississippi's accumulated storm damage provision balance exceeded \$15 million, the collection of the storm damage provision ceased until such time that the accumulated storm damage provision became less than \$10 million.

In December 2023, Entergy Mississippi filed a Notice of Storm Escrow Disbursement and Request for Interim Relief notifying the MPSC that Entergy Mississippi had requested disbursement of approximately \$34.5 million of storm escrow funds from its restricted storm escrow account. The filing also requested authorization from the MPSC, on a temporary basis, that the \$34.5 million of storm escrow funds be credited to Entergy Mississippi's storm damage provision, pending the MPSC's review of Entergy Mississippi's storm-related costs, and that Entergy Mississippi continue to bill its monthly storm damage provision without suspension in the event the storm damage provision balance exceeds \$15 million, in anticipation of a subsequent filing by Entergy Mississippi in this proceeding. The storm damage reserve exceeded \$15 million upon receipt of the storm escrow funds. Because the MPSC had not entered an order on Entergy Mississippi's filing on the requested relief to continue billing this provision, Entergy Mississippi suspended billing the monthly storm damage provision effective with February 2024 bills.

In March 2024, Entergy Mississippi made a combined dual filing which included a Notice of Intent to Make Routine Change in Rates and Schedules and a Motion for Determination relating to the above-described Notice of Storm Escrow Disbursement. The Notice of Intent proposed a new storm damage mitigation and restoration rider to supersede both the current storm damage rate schedule and the vegetation management rider schedule, in which the collection of both expenses would be combined. The proposal requests that the MPSC authorize Entergy Mississippi to collect a storm damage provision of \$5.2 million per month. Furthermore, if Entergy Mississippi's accumulated storm damage provision balance exceeds \$70 million, collection of the storm damage provision would cease until such time that the accumulated storm damage provision becomes less than \$60 million.

The Mississippi Public Utilities Staff reviewed the storm-related costs submitted by Entergy Mississippi and found them prudent. In June 2024 the MPSC considered and unanimously granted the relief sought by Entergy Mississippi. The new combined storm damage mitigation and restoration rider became effective with the July 2024 billing cycle. Additionally, Entergy Mississippi made a compliance filing to cease billing under the existing vegetation management rider schedule as of the same billing cycle.

### NOTE 3. EQUITY (Entergy Corporation and Entergy Louisiana)

#### Common Stock

#### Earnings per Share

The following tables present Entergy's basic and diluted earnings per share calculations for the three and six months ended June 30, 2024 and 2023, included on the consolidated income statements:

	For the Three Months Ended June 30,			
	2024		2023	
	(Dollars In Thousands, Except Per Share Data; Shares in Millions)			
	\$ /share		\$ /share	
Consolidated net income	\$51,732		\$392,014	
Less: Preferred dividend requirements of subsidiaries and noncontrolling interests	2,810		770	
Net income attributable to Entergy Corporation	\$48,922		\$391,244	
Basic shares and earnings per average common share	213.6	\$0.23	211.4	\$1.85
Average dilutive effect of:				
Stock options	0.3	—	0.3	—
Other equity plans	0.5	—	0.5	(0.01)
Diluted shares and earnings per average common shares	214.4	\$0.23	212.2	\$1.84

  

	For the Six Months Ended June 30,			
	2024		2023	
	(Dollars In Thousands, Except Per Share Data; Shares in Millions)			
	\$ /share		\$ /share	
Consolidated net income	\$128,268		\$704,312	
Less: Preferred dividend requirements of subsidiaries and noncontrolling interests	4,065		2,133	
Net income attributable to Entergy Corporation	\$124,203		\$702,179	
Basic shares and earnings per average common share	213.4	\$0.58	211.4	\$3.32
Average dilutive effect of:				
Stock options	0.3	—	0.3	—
Other equity plans	0.5	—	0.5	(0.01)
Diluted shares and earnings per average common shares	214.2	\$0.58	212.2	\$3.31

The number of stock options not included in the calculation of diluted common shares outstanding due to their antidilutive effect was 1,448,982 options for the three months ended June 30, 2024 and 1,315,567 options for the three months ended June 30, 2023. The number of stock options not included in the calculation of diluted common shares outstanding due to their antidilutive effect was 1,471,220 options for the six months ended June 30, 2024 and 1,248,743 options for the six months ended June 30, 2023.



Entergy's stock options and other equity compensation plans are discussed in Note 5 to the financial statements herein and in Note 12 to the financial statements in the Form 10-K.

Dividends declared per common share were \$1.13 for the three months ended June 30, 2024 and \$1.07 for the three months ended June 30, 2023. Dividends declared per common share were \$2.26 for the six months ended June 30, 2024 and \$2.14 for the six months ended June 30, 2023.

### Equity Distribution Program

See Note 7 to the financial statements in the Form 10-K for discussion of Entergy Corporation's at the market equity distribution program. The following are updates to that discussion.

In May 2024, Entergy Corporation entered into an amendment to the equity distribution sales agreement for its at the market equity distribution program wherein it increased by an additional \$1 billion the aggregate gross sales price authorized under the at the market equity distribution program from \$2 billion to \$3 billion and added additional agents, forward purchasers, and forward sellers. The aggregate number of shares of common stock sold under this sales agreement and under any forward sale agreement may not exceed an aggregate gross sales price of \$3 billion. As of June 30, 2024, an aggregate gross sales price of approximately \$2 billion has been sold under the at the market equity distribution program.

During the six months ended June 30, 2024 and 2023, there were no shares of common stock issued under the at the market equity distribution program.

In March 2024, Entergy Corporation entered into two separate forward sale agreements for 284,922 shares and 1,160,415 shares of common stock, respectively. No amounts have been or will be recorded on Entergy's balance sheet with respect to the equity offerings until settlements of the equity forward sale agreements occur. The forward sale agreements require Entergy Corporation to, at its election prior to May 30, 2025, either (i) physically settle the transactions by issuing the total of 284,922 shares and 1,160,415 shares, respectively, of its common stock to the forward counterparty in exchange for net proceeds at the then-applicable forward sale price specified by the applicable agreement (initially approximately \$101.92 and \$101.74 per share, respectively) or (ii) net settle the applicable transaction in whole or in part through the delivery or receipt of cash or shares. Each forward sale price is subject to adjustment on a daily basis based on a floating interest rate factor and will decrease by other fixed amounts specified in the applicable agreement. In connection with the forward sale agreements, the forward seller, or its affiliates, borrowed from third parties and sold 284,922 shares and 1,160,415 shares, respectively, of Entergy Corporation's common stock. The gross sales price of these shares totaled approximately \$29.3 million and \$119.2 million, respectively. In connection with the sales of these shares, Entergy Corporation paid the forward seller fees of approximately \$0.3 million and \$1.2 million, respectively, which have not been deducted from the gross sales price. Entergy Corporation did not receive any proceeds from such sales of borrowed shares.

In May 2024, Entergy Corporation entered into two separate forward sale agreements for 1,278,416 shares and 1,233,235 shares of common stock, respectively. No amounts have been or will be recorded on Entergy's balance sheet with respect to the equity offerings until settlements of the equity forward sale agreements occur. The forward sale agreements require Entergy Corporation to, at its election prior to July 31, 2025, either (i) physically settle the transactions by issuing the total of 1,278,416 shares and 1,233,235 shares, respectively, of its common stock to the forward counterparty in exchange for net proceeds at the then-applicable forward sale price specified by the applicable agreement (initially approximately \$110.32 and \$107.93 per share, respectively) or (ii) net settle the applicable transaction in whole or in part through the delivery or receipt of cash or shares. Each forward sale price is subject to adjustment on a daily basis based on a floating interest rate factor and will decrease by other fixed amounts specified in the applicable agreement. In connection with the forward sale agreements, the forward seller, or its affiliates, borrowed from third parties and sold 1,278,416 shares and 1,233,235 shares, respectively, of Entergy Corporation's common stock. The gross sales price of these shares totaled approximately \$142.4 million and \$134.4 million, respectively. In connection with the sales of these shares, Entergy Corporation paid the forward

seller fees of approximately \$1.4 million and \$1.3 million, respectively, which have not been deducted from the gross sales price. Entergy Corporation did not receive any proceeds from such sales of borrowed shares.

In June 2024, Entergy Corporation entered into a forward sale agreement for 1,070,003 shares of common stock. No amounts have been or will be recorded on Entergy's balance sheet with respect to the equity offering until settlement of the equity forward sale agreement occurs. The forward sale agreement requires Entergy Corporation to, at its election prior to July 31, 2025, either (i) physically settle the transaction by issuing the total of 1,070,003 shares of its common stock to the forward counterparty in exchange for net proceeds at the then-applicable forward sale price specified by the agreement (initially approximately \$106.12 per share) or (ii) net settle the transaction in whole or in part through the delivery or receipt of cash or shares. The forward sale price is subject to adjustment on a daily basis based on a floating interest rate factor and will decrease by other fixed amounts specified in the agreement. In connection with the forward sale agreement, the forward seller, or its affiliates, borrowed from third parties and sold 1,070,003 shares of Entergy Corporation's common stock. The gross sales price of these shares totaled approximately \$114.5 million. In connection with the sale of these shares, Entergy Corporation paid the forward seller fees of approximately \$1.1 million which have not been deducted from the gross sales price. Entergy Corporation did not receive any proceeds from such sales of borrowed shares.

Until settlement of the forward sale agreements occurs, earnings per share dilution resulting from the agreements, if any, is determined under the treasury stock method. Share dilution occurs when the average market price of Entergy Corporation's common stock is higher than the average forward sales price. For the three months ended June 30, 2024 and 2023, 1,094,239 shares and 156,101 shares, respectively, under current and then-outstanding forward sale agreements were not included in the calculation of diluted earnings per share because their effect would have been antidilutive. For the six months ended June 30, 2024 and 2023, 1,502,247 and 78,050 shares, respectively, under current and then-outstanding forward sale agreements were not included in the calculation of diluted earnings per share because their effect would have been antidilutive.

### **Treasury Stock**

During the six months ended June 30, 2024, Entergy Corporation reissued 10,757 shares of its previously repurchased common stock to satisfy stock option exercises, vesting of shares of restricted stock, and other stock-based awards. Entergy Corporation did not repurchase any of its common stock during the six months ended June 30, 2024.

### **Retained Earnings**

On July 26, 2024, Entergy Corporation's Board of Directors declared a common stock dividend of \$1.13 per share, payable on September 3, 2024 to holders of record as of August 13, 2024.

## Comprehensive Income

Accumulated other comprehensive income (loss) is included in the equity section of the balance sheets of Entergy and Entergy Louisiana. The following table presents changes in accumulated other comprehensive income (loss) for Entergy for the three months ended June 30, 2024 and 2023:

	Pension and Other Postretirement Benefit Plans	
	2024	2023
	(In Thousands)	
Beginning balance, April 1,	(\$166,128)	(\$189,727)
Amounts reclassified from accumulated other comprehensive income (loss)	246,489	(3,292)
Net other comprehensive income (loss) for the period	246,489	(3,292)
Ending balance, June 30,	\$80,361	(\$193,019)

The following table presents changes in accumulated other comprehensive income (loss) for Entergy for the six months ended June 30, 2024 and 2023:

	Pension and Other Postretirement Benefit Plans	
	2024	2023
	(In Thousands)	
Beginning balance, January 1,	(\$162,460)	(\$191,754)
Amounts reclassified from accumulated other comprehensive income (loss)	242,821	(1,265)
Net other comprehensive income (loss) for the period	242,821	(1,265)
Ending balance, June 30,	\$80,361	(\$193,019)

The following table presents changes in accumulated other comprehensive income for Entergy Louisiana for the three months ended June 30, 2024 and 2023:

	Pension and Other Postretirement Benefit Plans	
	2024	2023
	(In Thousands)	
Beginning balance, April 1,	\$52,774	\$54,584
Amounts reclassified from accumulated other comprehensive income	(2,023)	(1,773)
Net other comprehensive loss for the period	(2,023)	(1,773)
Ending balance, June 30,	\$50,751	\$52,811

The following table presents changes in accumulated other comprehensive income for Entergy Louisiana for the six months ended June 30, 2024 and 2023:

	<b>Pension and Other Postretirement Benefit Plans</b>	
	<b>2024</b>	<b>2023</b>
	(In Thousands)	
Beginning balance, January 1,	\$54,798	\$55,370
Amounts reclassified from accumulated other comprehensive income	(4,047)	(2,559)
Net other comprehensive loss for the period	(4,047)	(2,559)
Ending balance, June 30,	\$50,751	\$52,811

Total reclassifications out of accumulated other comprehensive income (loss) (AOCI) for Entergy for the three months ended June 30, 2024 and 2023 are as follows:

	<b>Amounts reclassified from AOCI</b>		<b>Income Statement Location</b>
	<b>2024</b>	<b>2023</b>	
	(In Thousands)		
Pension and other postretirement benefit plans			
Amortization of prior service credit	\$3,473	\$3,398	(a)
Amortization of net gain	1,641	1,633	(a)
Settlement loss	(316,974)	(674)	(a)
Total amortization and settlement loss	(311,860)	4,357	
Income taxes	65,371	(1,065)	Income taxes
Total amortization and settlement loss (net of tax)	(\$246,489)	\$3,292	
Total reclassifications for the period (net of tax)	(\$246,489)	\$3,292	

- (a) These accumulated other comprehensive income (loss) components are included in the computation of net periodic pension and other postretirement cost. See Note 6 to the financial statements herein for additional details.

Total reclassifications out of accumulated other comprehensive income (loss) (AOCI) for Entergy for the six months ended June 30, 2024 and 2023 are as follows:

	Amounts reclassified from AOCI		Income Statement Location
	2024	2023	
	(In Thousands)		
Pension and other postretirement benefit plans			
Amortization of prior service credit	\$6,946	\$6,795	(a)
Amortization of net gain	3,037	3,295	(a)
Settlement loss	(316,974)	(8,490)	(a)
Total amortization and settlement loss	(306,991)	1,600	
Income taxes	64,170	(335)	Income taxes
Total amortization and settlement loss (net of tax)	(\$242,821)	\$1,265	
Total reclassifications for the period (net of tax)	(\$242,821)	\$1,265	

- (a) These accumulated other comprehensive income (loss) components are included in the computation of net periodic pension and other postretirement cost. See Note 6 to the financial statements herein for additional details.

Total reclassifications out of accumulated other comprehensive income (AOCI) for Entergy Louisiana for the three months ended June 30, 2024 and 2023 are as follows:

	Amounts reclassified from AOCI		Income Statement Location
	2024	2023	
	(In Thousands)		
Pension and other postretirement benefit plans			
Amortization of prior service credit	\$1,136	\$951	(a)
Amortization of net gain	1,632	1,564	(a)
Settlement loss	—	(89)	(a)
Total amortization and settlement loss	2,768	2,426	
Income taxes	(745)	(653)	Income taxes
Total amortization and settlement loss (net of tax)	2,023	1,773	
Total reclassifications for the period (net of tax)	\$2,023	\$1,773	

- (a) These accumulated other comprehensive income components are included in the computation of net periodic pension and other postretirement cost. See Note 6 to the financial statements herein for additional details.

Total reclassifications out of accumulated other comprehensive income (AOCI) for Entergy Louisiana for the six months ended June 30, 2024 and 2023 are as follows:

	Amounts reclassified from AOCI		Income Statement Location
	2024	2023	
	(In Thousands)		
Pension and other postretirement benefit plans			
Amortization of prior service credit	\$2,272	\$1,902	(a)
Amortization of net gain	3,266	3,129	(a)
Settlement loss	—	(1,529)	(a)
Total amortization and settlement loss	5,538	3,502	
Income taxes	(1,491)	(943)	Income taxes
Total amortization and settlement loss (net of tax)	4,047	2,559	
Total reclassifications for the period (net of tax)	\$4,047	\$2,559	

- (a) These accumulated other comprehensive income components are included in the computation of net periodic pension and other postretirement cost. See Note 6 to the financial statements herein for additional details.

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

Entergy Corporation has in place a credit facility that has a borrowing capacity of \$3 billion and expires in June 2029. The facility includes fronting commitments for the issuance of letters of credit against \$20 million of the total borrowing capacity of the credit facility. The commitment fee is currently 0.225% of the undrawn commitment amount. Commitment fees and interest rates on loans under the credit facility can fluctuate depending on the senior unsecured debt ratings of Entergy Corporation. As there were no borrowings under the facility for the six months ended June 30, 2024, the estimated interest rate as of June 30, 2024 that would have been applied to outstanding borrowings under the facility was 6.94%. The following is a summary of the amounts outstanding and capacity available under the credit facility as of June 30, 2024:

Capacity	Borrowings	Letters of Credit	Capacity Available
(In Millions)			
\$3,000	\$—	\$4	\$2,996

Entergy Corporation's credit facility includes a covenant requiring Entergy to maintain a consolidated debt ratio, as defined, of 65% or less of its total capitalization. Entergy is in compliance with this covenant. If Entergy fails to meet this ratio, or if Entergy Corporation or one of the Registrant Subsidiaries (except Entergy New Orleans and System Energy) defaults on other indebtedness or is in bankruptcy or insolvency proceedings, an acceleration of the Entergy Corporation credit facility's maturity date may occur.

Entergy Corporation has a commercial paper program with a Board-approved program limit of \$2 billion. As of June 30, 2024, Entergy Corporation had \$932.4 million of commercial paper outstanding. The weighted-average interest rate for the six months ended June 30, 2024 was 5.67%.

Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and Entergy Texas each had credit facilities available as of June 30, 2024 as follows:

Company	Expiration Date	Amount of Facility	Interest Rate (a)	Amount Drawn as of June 30, 2024	Letters of Credit Outstanding as of June 30, 2024
Entergy Arkansas	April 2026	\$25 million (b)	7.29%	\$—	\$—
Entergy Arkansas	June 2029	\$300 million (c)	6.57%	\$—	\$—
Entergy Louisiana	June 2029	\$400 million (c)	6.69%	\$—	\$—
Entergy Mississippi	June 2029	\$300 million (c)	6.57%	\$—	\$—
Entergy New Orleans	June 2027	\$25 million (c)	7.07%	\$—	\$—
Entergy Texas	June 2029	\$300 million (c)	6.69%	\$—	\$1.1 million

- (a) The interest rate is the estimated interest rate as of June 30, 2024 that would have been applied to outstanding borrowings under the facility.
- (b) Borrowings under this Entergy Arkansas credit facility may be secured by a security interest in its accounts receivable at Entergy Arkansas's option.
- (c) The credit facility includes fronting commitments for the issuance of letters of credit against a portion of the borrowing capacity of the facility as follows: \$5 million for Entergy Arkansas; \$15 million for Entergy Louisiana; \$5 million for Entergy Mississippi; \$10 million for Entergy New Orleans; and \$30 million for Entergy Texas.

The commitment fees on the credit facilities range from 0.075% to 0.375% of the undrawn commitment amount for Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy Texas, and of the entire facility amount for Entergy New Orleans. Each of the credit facilities requires the Registrant Subsidiary borrower to maintain a debt ratio, as defined, of 65% or less of its total capitalization. Each Registrant Subsidiary is in compliance with this covenant.

In addition, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and Entergy Texas each has an uncommitted standby letter of credit facility as a means to post collateral to support its obligations to MISO and for other purposes. The following is a summary of the uncommitted standby letter of credit facilities as of June 30, 2024:

Company	Amount of Uncommitted Facility	Letter of Credit Fee	Letters of Credit Issued as of June 30, 2024 (a) (b)
Entergy Arkansas	\$25 million	0.78%	\$12.4 million
Entergy Louisiana	\$125 million	0.78%	\$20.7 million
Entergy Mississippi	\$65 million	0.78%	\$41.1 million
Entergy New Orleans	\$15 million	1.625%	\$0.5 million
Entergy Texas	\$80 million	1.250%	\$79.7 million

- (a) As of June 30, 2024, letters of credit posted with MISO covered financial transmission rights exposure of \$1.0 million for Entergy Arkansas, \$0.7 million for Entergy Louisiana, \$0.6 million for Entergy Mississippi, and \$0.4 million for Entergy Texas. See Note 8 to the financial statements herein for discussion of financial transmission rights.
- (b) As of June 30, 2024, the letters of credit issued for Entergy Mississippi include \$30.9 million in MISO letters of credit and \$10.2 million in non-MISO letters of credit outstanding under this facility.

The short-term borrowings of the Registrant Subsidiaries are limited to amounts authorized by the FERC. Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and Entergy Texas have FERC-

authorized short-term borrowing limits effective through April 2025. The FERC-authorized short-term borrowing limit for System Energy is effective through March 2025. In addition to borrowings from commercial banks, these companies may also borrow from the Entergy system money pool and from other internal short-term borrowing arrangements. The money pool is an intercompany cash management program that makes possible intercompany borrowing and lending arrangements, and the money pool and the other internal borrowing arrangements are designed to reduce the Registrant Subsidiaries' dependence on external short-term borrowings. Borrowings from internal and external short-term borrowings combined may not exceed the FERC-authorized limits. The following are the FERC-authorized limits for short-term borrowings and the outstanding short-term borrowings as of June 30, 2024 (aggregating both internal and external short-term borrowings) for the Registrant Subsidiaries:

	Authorized	Borrowings
	(In Millions)	
Entergy Arkansas	\$250	\$—
Entergy Louisiana	\$450	\$—
Entergy Mississippi	\$200	\$40
Entergy New Orleans	\$150	\$—
Entergy Texas	\$200	\$—
System Energy	\$200	\$—

### **Vermont Yankee Credit Facility (Entergy Corporation)**

In January 2019, Entergy Nuclear Vermont Yankee was transferred to NorthStar and its credit facility was assumed by Entergy Assets Management Operations, LLC (formerly Vermont Yankee Asset Retirement, LLC), Entergy Nuclear Vermont Yankee's parent company that remains an Entergy subsidiary after the transfer. The credit facility has a borrowing capacity of \$139 million and expires in December 2024. The commitment fee is currently 0.20% of the undrawn commitment amount. As of June 30, 2024, \$139 million in cash borrowings were outstanding under the credit facility. The weighted-average interest rate for the six months ended June 30, 2024 was 6.95% on the drawn portion of the facility.

### **Variable Interest Entities (Entergy Corporation, Entergy Arkansas, Entergy Louisiana, and System Energy)**

See Note 17 to the financial statements in the Form 10-K for a discussion of the consolidation of the nuclear fuel company variable interest entities (VIEs). To finance the acquisition and ownership of nuclear fuel, the nuclear fuel company VIEs have credit facilities and three of the four VIEs also issue commercial paper, details of which follow as of June 30, 2024:

Company	Expiration Date	Amount of Facility	Weighted-Average Interest Rate on Borrowings (a)	Amount Outstanding as of June 30, 2024
(Dollars in Millions)				
Entergy Arkansas VIE	June 2027	\$80	6.44%	\$—
Entergy Louisiana River Bend VIE	June 2027	\$105	6.43%	\$27.9
Entergy Louisiana Waterford VIE	June 2027	\$105	6.43%	\$26.5
System Energy VIE	June 2027	\$120	6.43%	\$104.1

- (a) Includes letter of credit fees and bank fronting fees on commercial paper issuances by the nuclear fuel company VIEs for Entergy Arkansas, Entergy Louisiana, and System Energy. The nuclear fuel company VIE for Entergy Louisiana River Bend does not issue commercial paper, but borrows directly on its bank credit facility.



The commitment fees on the credit facilities are 0.100% of the undrawn commitment amount for the Entergy Arkansas, Entergy Louisiana, and System Energy VIEs. Each credit facility requires the respective lessee of nuclear fuel (Entergy Arkansas, Entergy Louisiana, or Entergy Corporation as guarantor for System Energy) to maintain a consolidated debt ratio, as defined, of 70% or less of its total capitalization. Each lessee and guarantor is in compliance with this covenant.

The nuclear fuel company VIEs had notes payable that were included in debt on the respective balance sheets as of June 30, 2024 as follows:

Company	Description	Amount
Entergy Arkansas VIE	1.84% Series N due July 2026	\$90 million
Entergy Arkansas VIE	5.54% Series O due May 2029	\$70 million
Entergy Louisiana River Bend VIE	2.51% Series V due June 2027	\$70 million
Entergy Louisiana Waterford VIE	5.94% Series J due September 2026	\$70 million
System Energy VIE	2.05% Series K due September 2027	\$90 million

In accordance with regulatory treatment, interest on the nuclear fuel company VIEs' credit facilities, commercial paper, and long-term notes payable is reported in fuel expense.

As of June 30, 2024, Entergy Arkansas and Entergy Louisiana each has obtained financing authorization from the FERC that extends through April 2025 for issuances by its nuclear fuel company VIEs. System Energy has obtained financing authorization from the FERC that extends through March 2025 for issuances by its nuclear fuel company VIE.

### **Debt Issuances and Retirements**

(Entergy Corporation)

In May 2024, Entergy Corporation issued \$1.2 billion of junior subordinated debentures due December 2054. Entergy Corporation will pay interest at an annual rate of 7.125% through November 2029. Commencing on December 1, 2029, the annual rate will equal the five-year treasury rate as of the most recent reset interest determination date plus 2.67%. Entergy Corporation used the proceeds to repay a portion of outstanding commercial paper and for general corporate purposes.

(Entergy Arkansas)

In May 2024, Entergy Arkansas issued \$400 million of 5.45% Series mortgage bonds due June 2034 and \$400 million of 5.75% Series mortgage bonds due June 2054. Entergy Arkansas used a portion of the proceeds, together with other funds, to repay, at maturity, its \$375 million of 3.70% Series mortgage bonds due June 2024 and to repay borrowings from the Entergy system money pool. Entergy Arkansas expects to use the remaining proceeds, together with other funds, to repay a portion of the purchase price of each of Driver Solar, Walnut Bend Solar, and/or West Memphis Solar, and for general corporate purposes.

(Entergy Louisiana)

In March 2024, Entergy Louisiana issued \$500 million of 5.35% Series mortgage bonds due March 2034 and \$700 million of 5.70% Series mortgage bonds due March 2054. Entergy Louisiana used a portion of the proceeds, together with other funds, to repay in March 2024 debt outstanding under its long-term revolving credit facility and to repay in April 2024, prior to maturity, its \$400 million of 5.40% Series mortgage bonds due November 2024. Entergy Louisiana expects to use the remaining proceeds, together with other funds, to repay, at or prior to maturity, its \$1 billion of 0.95% Series mortgage bonds due October 2024, for capital expenditures, and for general corporate purposes.

(Entergy Mississippi)

In May 2024, Entergy Mississippi issued \$300 million of 5.85% Series mortgage bonds due June 2054. Entergy Mississippi used the proceeds, together with other funds, to repay in June 2024, prior to maturity, its \$100 million of 3.75% Series mortgage bonds due July 2024, to repay debt incurred under its long-term revolving credit facility, to repay borrowings from the Entergy system money pool, and for general corporate purposes.

(Entergy New Orleans)

In April 2024, Entergy New Orleans entered into a bond purchase agreement related to the sale of \$150 million of mortgage bonds to be issued in May 2024. In May 2024, Entergy New Orleans issued (1) \$35 million of 6.25% Series mortgage bonds due June 2029, (2) \$65 million of 6.41% Series mortgage bonds due June 2031, and (3) \$50 million of 6.54% Series mortgage bonds due June 2034. Entergy New Orleans used the proceeds, together with other funds, to repay, at maturity, its \$85 million unsecured term loan due June 2024 and for general corporate purposes.

**Fair Value**

The book value and the fair value of long-term debt for Entergy and the Registrant Subsidiaries as of June 30, 2024 were as follows:

	<b>Book Value of Long-Term Debt</b>	<b>Fair Value of Long-Term Debt (a)</b>
	(In Thousands)	
Entergy	\$27,818,164	\$24,689,579
Entergy Arkansas	\$5,094,160	\$4,470,941
Entergy Louisiana	\$10,188,393	\$8,964,781
Entergy Mississippi	\$2,426,614	\$2,093,565
Entergy New Orleans	\$736,476	\$695,029
Entergy Texas	\$3,216,909	\$2,823,011
System Energy	\$822,762	\$782,228

(a) Fair values were classified as Level 2 in the fair value hierarchy discussed in Note 8 to the financial statements herein.

The book value and the fair value of long-term debt for Entergy and the Registrant Subsidiaries as of December 31, 2023 were as follows:

	<b>Book Value of Long-Term Debt</b>	<b>Fair Value of Long-Term Debt (a)</b>
	(In Thousands)	
Entergy	\$25,107,896	\$22,489,174
Entergy Arkansas	\$4,673,080	\$4,166,941
Entergy Louisiana	\$9,420,689	\$8,414,512
Entergy Mississippi	\$2,229,510	\$1,969,334
Entergy New Orleans	\$677,450	\$602,716
Entergy Texas	\$3,225,092	\$2,936,130
System Energy	\$738,459	\$696,168

- (a) Fair values were classified as Level 2 in the fair value hierarchy discussed in Note 8 to the financial statements herein.

**NOTE 5. STOCK-BASED COMPENSATION (Entergy Corporation)**

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

**Stock Options**

In January 2024 the Board approved and Entergy granted long-term incentive awards in the form of options on 352,199 shares of its common stock under the 2019 Omnibus Incentive Plan with a fair value of \$18.61 per option. As of June 30, 2024, there were options on 2,599,829 shares of common stock outstanding with a weighted-average exercise price of \$101.84. The intrinsic value, which has no effect on net income, of the outstanding stock options is calculated by the positive difference between the weighted-average exercise price of the stock options granted and Entergy Corporation's common stock price as of June 30, 2024. The aggregate intrinsic value of the stock options outstanding as of June 30, 2024 was \$25.7 million.

The following table includes financial information for stock options for the three months ended June 30, 2024 and 2023:

	2024	2023
	(In Millions)	
Compensation expense included in Entergy's consolidated net income	\$1.1	\$1.1
Tax benefit recognized in Entergy's consolidated net income	\$0.3	\$0.3
Compensation cost capitalized as part of fixed assets and materials and supplies	\$0.5	\$0.6

The following table includes financial information for stock options for the six months ended June 30, 2024 and 2023:

	2024	2023
	(In Millions)	
Compensation expense included in Entergy's consolidated net income	\$2.2	\$2.1
Tax benefit recognized in Entergy's consolidated net income	\$0.6	\$0.6
Compensation cost capitalized as part of fixed assets and materials and supplies	\$1.0	\$1.1

**Other Equity Awards**

In January 2024 the Board approved and Entergy granted long-term incentive awards in the form of 409,947 restricted stock awards and 158,176 performance units under the 2019 Omnibus Incentive Plan. The restricted stock awards were made effective on January 25, 2024 and were valued at \$99.08 per share, which was the closing price of Entergy Corporation's common stock on that date. Shares of restricted stock have the same dividend and voting rights as other common stock, are considered issued and outstanding shares of Entergy upon vesting, and are expensed ratably over the three-year vesting period. One-third of the restricted stock awards and accrued dividends will vest upon each anniversary of the grant date.

The performance units represent the value of, and are settled with, one share of Entergy Corporation common stock at the end of the three-year performance period, plus dividends accrued during the performance

period on the number of performance units earned. To emphasize the importance of environmental stewardship, specifically of carbon-free generation and resilience, an environmental achievement measure was selected as one of the performance measures for the 2024-2026 performance period. Performance will be based eighty percent on relative total shareholder return and twenty percent on the environmental achievement measure. The performance units were granted on January 25, 2024 and eighty percent were valued at \$124.65 per share based on various factors, primarily market conditions; and twenty percent were valued at \$99.08 per share, the closing price of Entergy Corporation's common stock on that date. Performance units have the same dividend and voting rights as other common stock and are considered issued and outstanding shares of Entergy upon vesting, and are expensed ratably over the three-year vesting period, and compensation cost for the portion of the award based on the selected environmental achievement measure will be adjusted based on the number of units that ultimately vest. See Note 12 to the financial statements in the Form 10-K for a description of the Long-Term Performance Unit Program.

The following table includes financial information for other outstanding equity awards for the three months ended June 30, 2024 and 2023:

	2024	2023
	(In Millions)	
Compensation expense included in Entergy's consolidated net income	\$9.8	\$10.1
Tax benefit recognized in Entergy's consolidated net income	\$2.5	\$2.6
Compensation cost capitalized as part of fixed assets and materials and supplies	\$4.6	\$4.4

The following table includes financial information for other outstanding equity awards for the six months ended June 30, 2024 and 2023:

	2024	2023
	(In Millions)	
Compensation expense included in Entergy's consolidated net income	\$19.7	\$17.8
Tax benefit recognized in Entergy's consolidated net income	\$5.0	\$4.6
Compensation cost capitalized as part of fixed assets and materials and supplies	\$9.1	\$7.6

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

**Components of Qualified Net Pension Cost**

Entergy's qualified pension costs, including amounts capitalized, for the second quarters of 2024 and 2023, included the following components:

	2024	2023
	(In Thousands)	
Service cost - benefits earned during the period	\$23,370	\$25,366
Interest cost on projected benefit obligation	65,961	74,033
Expected return on assets	(89,506)	(95,752)
Recognized net loss	14,854	21,307
Settlement charges	325,253	7,246
Net pension costs	\$339,932	\$32,200

Entergy's qualified pension costs, including amounts capitalized, for the six months ended June 30, 2024 and 2023, included the following components:

	2024	2023
	(In Thousands)	
Service cost - benefits earned during the period	\$46,746	\$51,044
Interest cost on projected benefit obligation	136,587	149,734
Expected return on assets	(185,486)	(193,885)
Recognized net loss	29,974	43,654
Settlement charges	325,253	145,674
Net pension cost	<u>\$353,074</u>	<u>\$196,221</u>

The Registrant Subsidiaries' qualified pension costs, including amounts capitalized, for their current and former employees for the second quarters of 2024 and 2023, included the following components:

2024	Entergy Arkansas	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
	(In Thousands)					
Service cost - benefits earned during the period	\$4,100	\$5,551	\$1,284	\$440	\$962	\$1,383
Interest cost on projected benefit obligation	13,217	13,961	3,521	1,569	2,831	3,386
Expected return on assets	(18,155)	(19,447)	(5,113)	(2,203)	(4,077)	(4,633)
Recognized net loss	5,746	2,602	1,140	470	393	1,162
Settlement charges	—	—	—	—	—	611
Net pension cost	<u>\$4,908</u>	<u>\$2,667</u>	<u>\$832</u>	<u>\$276</u>	<u>\$109</u>	<u>\$1,909</u>

  

2023	Entergy Arkansas	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
	(In Thousands)					
Service cost - benefits earned during the period	\$4,661	\$6,199	\$1,456	\$487	\$1,090	\$1,445
Interest cost on projected benefit obligation	13,917	14,944	3,824	1,669	3,162	3,435
Expected return on assets	(17,878)	(18,766)	(4,635)	(2,310)	(4,023)	(4,501)
Recognized net loss	5,763	4,992	1,627	484	1,059	1,274
Settlement charges	1,784	2,232	88	7	592	490
Net pension cost	<u>\$8,247</u>	<u>\$9,601</u>	<u>\$2,360</u>	<u>\$337</u>	<u>\$1,880</u>	<u>\$2,143</u>

The Registrant Subsidiaries' qualified pension costs, including amounts capitalized, for their current and former employees for the six months ended June 30, 2024 and 2023, included the following components:

2024	Entergy Arkansas	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
(In Thousands)						
Service cost - benefits earned during the period	\$8,199	\$11,102	\$2,568	\$880	\$1,923	\$2,767
Interest cost on projected benefit obligation	26,434	27,922	7,042	3,138	5,662	6,777
Expected return on assets	(36,310)	(38,894)	(10,226)	(4,407)	(8,154)	(9,281)
Recognized net loss	11,492	5,204	2,280	940	786	2,327
Settlement charges	—	—	—	—	—	611
Net pension cost	<u>\$9,815</u>	<u>\$5,334</u>	<u>\$1,664</u>	<u>\$551</u>	<u>\$217</u>	<u>\$3,201</u>

  

2023	Entergy Arkansas	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
(In Thousands)						
Service cost - benefits earned during the period	\$9,410	\$12,479	\$2,938	\$978	\$2,197	\$2,912
Interest cost on projected benefit obligation	28,197	30,323	7,754	3,384	6,404	6,963
Expected return on assets	(35,954)	(37,999)	(9,519)	(4,577)	(8,175)	(9,039)
Recognized net loss	12,732	9,956	3,392	997	2,049	2,735
Settlement charges	23,958	38,230	11,743	1,700	10,270	5,290
Net pension cost	<u>\$38,343</u>	<u>\$52,989</u>	<u>\$16,308</u>	<u>\$2,482</u>	<u>\$12,745</u>	<u>\$8,861</u>

#### Non-Qualified Net Pension Cost

Entergy recognized \$2.7 million and \$8.8 million in pension cost for its non-qualified pension plans for the second quarters of 2024 and 2023, respectively. For the second quarter of 2024, there were no settlement charges related to the payment of lump sum benefits out of the plan. Included in the pension cost for non-qualified pension plans for the second quarter of 2023 were settlement charges of \$4.6 million related to the payment of lump sum benefits out of the plans. Entergy recognized \$5.4 million and \$18 million in pension cost for its non-qualified pension plans for the six months ended June 30, 2024 and 2023, respectively. For the six months ended June 30, 2024, there were no settlement charges related to the payment of lump sum benefits out of the plan. Included in the pension cost non-qualified pension plans for the six months ended June 30, 2023 were settlement charges of \$9.3 million related to the payment of lump sum benefits out of the plans.

The Registrant Subsidiaries recognized the following pension cost for their current and former employees for their non-qualified pension plans for the second quarters of 2024 and 2023:

	Entergy Arkansas	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas
(In Thousands)					
2024	\$68	\$51	\$83	\$31	\$62
2023	\$63	\$25	\$87	\$33	\$63

The Registrant Subsidiaries recognized the following pension cost for their current and former employees for their non-qualified pension plans for the six months ended June 30, 2024 and 2023:

	Entergy Arkansas	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas
	(In Thousands)				
2024	\$136	\$102	\$166	\$61	\$124
2023	\$513	\$52	\$639	\$66	\$126

For the second quarters of 2024 and 2023, there were no settlement charges for the Registrant Subsidiaries related to the payment of lump sum benefits out of the plan. For the six months ended June 30, 2024, there were no settlement charges for the Registrant Subsidiaries related to the payment of lump sum benefits out of the plan. For the six months ended June 30, 2023, there were settlement charges of \$379 thousand and \$453 thousand for Entergy Arkansas and Entergy Mississippi, respectively, included in the non-qualified pension costs above related to the payment of lump sum benefits out of the plan.

#### **Components of Net Other Postretirement Benefits Cost (Income)**

Entergy's other postretirement benefits income, including amounts capitalized, for the second quarters of 2024 and 2023, included the following components:

	2024	2023
	(In Thousands)	
Service cost - benefits earned during the period	\$3,126	\$3,664
Interest cost on accumulated postretirement benefit obligation (APBO)	9,852	10,568
Expected return on assets	(10,569)	(9,183)
Amortization of prior service credit	(5,720)	(5,640)
Recognized net gain	(2,761)	(2,862)
Net other postretirement benefits income	<u>(\$6,072)</u>	<u>(\$3,453)</u>

Entergy's other postretirement benefits income, including amounts capitalized, for the six months ended June 30, 2024 and 2023, included the following components:

	2024	2023
	(In Thousands)	
Service cost - benefits earned during the period	\$6,252	\$7,328
Interest cost on accumulated postretirement benefit obligation (APBO)	19,704	21,136
Expected return on assets	(21,138)	(18,366)
Amortization of prior service credit	(11,440)	(11,280)
Recognized net gain	(5,522)	(5,724)
Net other postretirement benefits income	<u>(\$12,144)</u>	<u>(\$6,906)</u>

The Registrant Subsidiaries' other postretirement benefits cost (income), including amounts capitalized, for their current and former employees for the second quarters of 2024 and 2023, included the following components:

2024	Entergy Arkansas	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
(In Thousands)						
Service cost - benefits earned during the period	\$642	\$700	\$184	\$51	\$168	\$175
Interest cost on APBO	1,833	1,999	486	253	603	398
Expected return on assets	(4,384)	—	(1,372)	(1,479)	(2,539)	(728)
Amortization of prior service cost (credit)	524	(1,136)	(239)	(229)	(1,093)	(73)
Recognized net (gain) loss	—	(1,738)	15	19	148	—
Net other postretirement benefits income	<u>(\$1,385)</u>	<u>(\$175)</u>	<u>(\$926)</u>	<u>(\$1,385)</u>	<u>(\$2,713)</u>	<u>(\$228)</u>
2023	Entergy Arkansas	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
(In Thousands)						
Service cost - benefits earned during the period	\$741	\$845	\$220	\$59	\$202	\$189
Interest cost on APBO	2,001	2,233	543	290	649	432
Expected return on assets	(3,778)	—	(1,179)	(1,316)	(2,194)	(634)
Amortization of prior service cost (credit)	524	(951)	(239)	(229)	(1,093)	(73)
Recognized net (gain) loss	43	(1,764)	21	117	229	—
Net other postretirement benefits (income) cost	<u>(\$469)</u>	<u>\$363</u>	<u>(\$634)</u>	<u>(\$1,079)</u>	<u>(\$2,207)</u>	<u>(\$86)</u>

The Registrant Subsidiaries' other postretirement benefits cost (income), including amounts capitalized, for their current and former employees for the six months ended June 30, 2024 and 2023, included the following components:

2024	Entergy Arkansas	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
(In Thousands)						
Service cost - benefits earned during the period	\$1,284	\$1,400	\$368	\$102	\$336	\$350
Interest cost on APBO	3,666	3,998	972	506	1,206	796
Expected return on assets	(8,768)	—	(2,744)	(2,958)	(5,078)	(1,456)
Amortization of prior service cost (credit)	1,048	(2,272)	(478)	(458)	(2,186)	(146)
Recognized net (gain) loss	—	(3,476)	30	38	296	—
Net other postretirement benefits income	<u>(\$2,770)</u>	<u>(\$350)</u>	<u>(\$1,852)</u>	<u>(\$2,770)</u>	<u>(\$5,426)</u>	<u>(\$456)</u>



2023	Entergy Arkansas	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
(In Thousands)						
Service cost - benefits earned during the period	\$1,482	\$1,690	\$440	\$118	\$404	\$378
Interest cost on APBO	4,002	4,466	1,086	580	1,298	864
Expected return on assets	(7,556)	—	(2,358)	(2,632)	(4,388)	(1,268)
Amortization of prior service cost (credit)	1,048	(1,902)	(478)	(458)	(2,186)	(146)
Recognized net (gain) loss	86	(3,528)	42	234	458	—
Net other postretirement benefits (income) cost	(\$938)	\$726	(\$1,268)	(\$2,158)	(\$4,414)	(\$172)

**Reclassification out of Accumulated Other Comprehensive Income (Loss)**

Entergy and Entergy Louisiana reclassified the following costs out of accumulated other comprehensive income (loss) (before taxes and including amounts capitalized) for the second quarters of 2024 and 2023:

2024	Qualified Pension Costs	Other Postretirement Costs	Non-Qualified Pension Costs	Total
(In Thousands)				
<b>Entergy</b>				
Amortization of prior service credit (cost)	\$—	\$3,513	(\$40)	\$3,473
Amortization of net gain (loss)	(894)	2,615	(80)	1,641
Settlement loss	(316,974)	—	—	(316,974)
	(\$317,868)	\$6,128	(\$120)	(\$311,860)
<b>Entergy Louisiana</b>				
Amortization of prior service credit	\$—	\$1,136	\$—	\$1,136
Amortization of net gain (loss)	(104)	1,738	(2)	1,632
	(\$104)	\$2,874	(\$2)	\$2,768
2023	Qualified Pension Costs	Other Postretirement Costs	Non-Qualified Pension Costs	Total
(In Thousands)				
<b>Entergy</b>				
Amortization of prior service credit (cost)	\$—	\$3,510	(\$112)	\$3,398
Amortization of net gain (loss)	(1,104)	2,897	(160)	1,633
Settlement loss	(310)	—	(364)	(674)
	(\$1,414)	\$6,407	(\$636)	\$4,357
<b>Entergy Louisiana</b>				
Amortization of prior service credit	\$—	\$951	\$—	\$951
Amortization of net gain (loss)	(200)	1,764	—	1,564
Settlement loss	(89)	—	—	(89)
	(\$289)	\$2,715	\$—	\$2,426

Entergy and Entergy Louisiana reclassified the following costs out of accumulated other comprehensive income (loss) (before taxes and including amounts capitalized) for the six months ended June 30, 2024 and 2023:

2024	Qualified Pension Costs	Other Postretirement Costs	Non-Qualified Pension Costs	Total
	(In Thousands)			
<b>Entergy</b>				
Amortization of prior service credit (cost)	\$—	\$7,026	(\$80)	\$6,946
Amortization of net gain (loss)	(2,033)	5,230	(160)	3,037
Settlement loss	(316,974)	—	—	(316,974)
	(319,007)	\$12,256	(\$240)	(\$306,991)
<b>Entergy Louisiana</b>				
Amortization of prior service credit	\$—	\$2,272	\$—	\$2,272
Amortization of net gain (loss)	(208)	3,476	(2)	3,266
	(\$208)	\$5,748	(\$2)	\$5,538
2023	Qualified Pension Costs	Other Postretirement Costs	Non-Qualified Pension Costs	Total
	(In Thousands)			
<b>Entergy</b>				
Amortization of prior service credit (cost)	\$—	\$7,020	(\$225)	\$6,795
Amortization of net gain (loss)	(2,144)	5,796	(357)	3,295
Settlement loss	(6,957)	—	(1,533)	(8,490)
	(\$9,101)	\$12,816	(\$2,115)	\$1,600
<b>Entergy Louisiana</b>				
Amortization of prior service credit	\$—	\$1,902	\$—	\$1,902
Amortization of net gain (loss)	(398)	3,528	(1)	3,129
Settlement loss	(1,529)	—	—	(1,529)
	(\$1,927)	\$5,430	(\$1)	\$3,502

### Accounting for Pension and Other Postretirement Benefits

In accordance with accounting standards, the other components of net benefit cost are required to be presented in the income statement separately from the service cost component and outside a subtotal of income from operations and are presented by Entergy in miscellaneous - net in other income.

### **Qualified Pension Settlement Costs**

In May 2024, Entergy Corporation entered into a commitment agreement by and between Entergy Corporation, Newport Trust Company, LLC, as independent fiduciary of Entergy Corporation Retirement Plan II for Non-Bargaining Employees, Entergy Corporation Retirement Plan II for Bargaining Employees, Entergy Corporation Retirement Plan III, and Entergy Corporation Retirement Plan IV for Bargaining Employees (the Pension Plans), and the Metropolitan Life Insurance Company (MetLife), under which the Pension Plans purchased a nonparticipating single premium group annuity contract from MetLife to settle approximately \$1.157 billion of benefit liabilities of the Pension Plans.

The group annuity contract primarily covers a population that includes approximately 3,400 non-utility business retirees, joint annuitants, beneficiaries, and alternate payees who commenced benefit payments from the Pension Plans on or before March 1, 2024 (Transferred Participants). MetLife irrevocably guarantees and assumes the sole obligation to make future monthly pension benefit payments to the Transferred Participants as provided under its group annuity contract, with direct payments beginning September 1, 2024. The aggregate amount of each Transferred Participant's payment under the group annuity contract will be equal to the amount of each individual's payment under the Pension Plans.

The purchase of the group annuity contract was funded directly by assets of the Pension Plans. The transferred pension liability required no additional funding prior to transfer, as the liability was fully funded. As a result of the transaction, Entergy recognized a one-time non-cash pension settlement charge in the second quarter of 2024 of \$325 million, of which \$8 million was recorded at Utility, as described below, and \$317 million was recorded at Parent & Other. The \$317 million settlement charge at Parent & Other is reflected in Miscellaneous - net in Other income (deductions) on the consolidated income statements.

For the six months ended June 30, 2023, lump sum benefit payments from the Entergy Corporation Retirement Plan for Bargaining Employees and the Entergy Corporation Retirement Plan for Non-Bargaining Employees exceeded the sum of the Plans' 2023 service and interest cost, resulting in settlement costs. Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy each participate in one or both of the Entergy Corporation Retirement Plan for Bargaining Employees and the Entergy Corporation Retirement Plan for Non-Bargaining Employees and incurred settlement costs.

In accordance with accounting standards, settlement accounting requires immediate recognition of the portion of previously unrecognized losses associated with the settled portion of the plan's pension liability. Similar to other pension costs, the settlement costs were included with employee labor costs and charged to expense and capital in the same manner that labor costs were charged. Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy New Orleans each received regulatory approval to defer the expense portion of the settlement costs, with future amortization of the deferred settlement expense over the period in which the expense otherwise would be recorded had the immediate recognition not occurred.

In September 2020, Entergy Texas elected to establish a reserve, in accordance with PUCT regulations, to track the surplus or deficit in the annual amount of actuarially determined pension and other postretirement benefits chargeable to Entergy Texas's expense. The reserve amounts recorded are evaluated in each rate case filed by Entergy Texas and an amortization period is determined at that time.

See Note 11 to the financial statements in the Form 10-K for further discussion of pension and other postretirement benefits costs.

## Employer Contributions

Based on current assumptions, Entergy expects to contribute \$270 million to its qualified pension plans in 2024. As of June 30, 2024, Entergy had contributed \$111.4 million to its pension plans. Based on current assumptions, the Registrant Subsidiaries expect to contribute the following to qualified pension plans for their current and former employees in 2024:

	Entergy Arkansas	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas	System Energy
	(In Thousands)					
Expected 2024 pension contributions	\$55,112	\$48,401	\$14,980	\$4,931	\$8,272	\$16,650
Pension contributions made through June 2024	\$22,784	\$19,862	\$7,240	\$1,499	\$3,037	\$6,666
Remaining estimated pension contributions to be made in 2024	\$32,328	\$28,539	\$7,740	\$3,432	\$5,235	\$9,984

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

Entergy has a single reportable segment, Utility, which includes the generation, transmission, distribution, and sale of electric power in portions of Arkansas, Mississippi, Texas, and Louisiana, including the City of New Orleans; and operation of a small natural gas distribution business in portions of Louisiana. The Utility segment reflects management's primary basis of organization with a predominant focus on its utility operations in the Gulf South. Parent & Other includes the parent company, Entergy Corporation, and other business activity, including Entergy's non-utility operations business which owns interests in non-nuclear power plants that sell the electric power produced by those plants to wholesale customers and also provides decommissioning services to nuclear power plants owned by non-affiliated entities in the United States.

Entergy's segment financial information for the second quarters of 2024 and 2023 was as follows:

	Utility	Parent & Other	Eliminations	Consolidated
	(In Thousands)			
<b>2024</b>				
Operating revenues	\$2,941,404	\$12,227	(\$11)	\$2,953,620
Income taxes	\$113,017	(\$79,383)	\$—	\$33,634
Consolidated net income (loss)	\$443,319	(\$312,702)	(\$78,885)	\$51,732
<b>2023</b>				
Operating revenues	\$2,818,747	\$27,287	(\$8)	\$2,846,026
Income taxes	\$144,489	(\$9,693)	\$—	\$134,796
Consolidated net income (loss)	\$514,498	(\$40,559)	(\$81,925)	\$392,014

Entergy's segment financial information for the six months ended June 30, 2024 and 2023 was as follows:

	Utility	Parent & Other	Eliminations	Consolidated
	(In Thousands)			
<b>2024</b>				
Operating revenues	\$5,713,577	\$34,703	(\$32)	\$5,748,248
Income taxes	\$147,565	(\$92,938)	\$—	\$54,627
Consolidated net income (loss)	\$639,299	(\$352,585)	(\$158,446)	\$128,268
Total assets as of June 30, 2024	\$66,945,968	\$925,848	(\$5,105,519)	\$62,766,297
<b>2023</b>				
Operating revenues	\$5,766,738	\$60,358	(\$11)	\$5,827,085
Income taxes	\$78,363	(\$22,542)	\$—	\$55,821
Consolidated net income (loss)	\$912,664	(\$70,953)	(\$137,399)	\$704,312
Total assets as of December 31, 2023	\$63,887,038	\$836,598	(\$5,020,240)	\$59,703,396

Eliminations are primarily intersegment activity. All of Entergy's goodwill is related to the Utility segment.

### **Registrant Subsidiaries**

Each of the Registrant Subsidiaries has one reportable segment, which is an integrated utility business, except for System Energy, which is an electricity generation business. Each of the Registrant Subsidiaries' operations are managed on an integrated basis by that company because of the substantial effect of cost-based rates and regulatory oversight on the business process, cost structures, and operating results. Management allocates resources and assesses financial performance on a consolidated basis.

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

#### **Market Risk**

In the normal course of business, Entergy is exposed to a number of market risks. Market risk is the potential loss that Entergy may incur as a result of changes in the market or fair value of a particular commodity or instrument. All financial and commodity-related instruments, including derivatives, are subject to market risk including commodity price risk, equity price, and interest rate risk. Entergy uses derivatives primarily to mitigate commodity price risk, particularly power price and fuel price risk.

The Utility has limited exposure to the effects of market risk because it operates primarily under cost-based rate regulation. To the extent approved by their retail regulators, the Utility operating companies use commodity and financial instruments to hedge the exposure to price volatility inherent in their purchased power, fuel, and gas purchased for resale costs, that are recovered from customers.

Entergy's exposure to market risk is determined by a number of factors, including the size, term, composition, and diversification of positions held, as well as market volatility and liquidity. For instruments such as options, the time period during which the option may be exercised and the relationship between the current market price of the underlying instrument and the option's contractual strike or exercise price also affects the level of market risk. A significant factor influencing the overall level of market risk to which Entergy is exposed is its use of hedging techniques to mitigate such risk. Hedging instruments and volumes are chosen based on ability to mitigate risk associated with future energy and capacity prices; however, other considerations are factored into hedge product and volume decisions including corporate liquidity, corporate credit ratings, counterparty credit risk,

hedging costs, firm settlement risk, and product availability in the marketplace. Entergy manages market risk by actively monitoring compliance with stated risk management policies as well as monitoring the effectiveness of its hedging policies and strategies. Entergy's risk management policies limit the amount of total net exposure and rolling net exposure during the stated periods. These policies, including related risk limits, are regularly assessed to ensure their appropriateness given Entergy's objectives.

## **Derivatives**

Entergy designates a significant portion of its derivative instruments as normal purchase/normal sale transactions due to their physical settlement provisions, including power purchase and sales agreements, fuel purchase agreements, and capacity contracts. Certain derivative instruments do not qualify for designation as normal purchase/normal sale transactions due to their financial settlement provisions. See further discussion below regarding the accounting for these derivative instruments.

Entergy manages fuel price volatility for its Louisiana jurisdictions (Entergy Louisiana and Entergy New Orleans) and Entergy Mississippi through the purchase of natural gas swaps and options that financially settle against either the average Henry Hub Gas Daily prices or the NYMEX Henry Hub. These swaps and options are marked-to-market through fuel expense with offsetting regulatory assets or liabilities. All benefits or costs of the program are recorded in fuel costs. The notional volumes of these swaps are based on a portion of projected annual exposure to gas price volatility for electric generation at Entergy Louisiana and Entergy Mississippi and projected winter purchases for gas distribution at Entergy New Orleans. The maximum length of time over which Entergy has executed natural gas swaps and options as of June 30, 2024 is 9 months for Entergy Mississippi. The total volume of natural gas swaps and options outstanding as of June 30, 2024 is 10,988,500 MMBtu for Entergy and Entergy Mississippi. As of June 30, 2024, Entergy Louisiana and Entergy New Orleans had no outstanding natural gas swaps or options. Credit support for these natural gas swaps and options is covered by master agreements that do not require Entergy to provide collateral based on mark-to-market value, but do carry adequate assurance language that may lead to requests for collateral.

During the second quarter 2024, Entergy participated in the annual financial transmission rights auction process for the MISO planning year of June 1, 2024 through May 31, 2025. Financial transmission rights are derivative instruments that represent economic hedges of future congestion charges that will be incurred in serving Entergy's customer load. They are not designated as hedging instruments. Entergy initially records financial transmission rights at their estimated fair value and subsequently adjusts the carrying value to their estimated fair value at the end of each accounting period prior to settlement. Unrealized gains or losses on financial transmission rights held by the non-utility operations are included in operating revenues. The Utility operating companies recognize regulatory liabilities or assets for unrealized gains or losses on financial transmission rights. The total volume of financial transmission rights outstanding as of June 30, 2024 is 133,533 GWh for Entergy, including 31,900 GWh for Entergy Arkansas, 57,200 GWh for Entergy Louisiana, 19,179 GWh for Entergy Mississippi, 5,469 GWh for Entergy New Orleans, and 19,448 GWh for Entergy Texas. Credit support for financial transmission rights held by the Utility operating companies is covered by cash and/or letters of credit issued by each Utility operating company as required by MISO. Credit support for financial transmission rights held by Entergy's non-utility operations business is covered by cash. No cash or letters of credit were required to be posted for financial transmission rights exposure for the non-utility operations business as of June 30, 2024 and December 31, 2023. Letters of credit posted with MISO covered the financial transmission rights exposure for Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, and Entergy Texas as of June 30, 2024 and for Entergy Mississippi, Entergy New Orleans, and Entergy Texas as of December 31, 2023.

The fair values of Entergy's derivative instruments not designated as hedging instruments on the consolidated balance sheets as of June 30, 2024 and December 31, 2023 are shown in the table below. Certain investments, including those not designated as hedging instruments, are subject to master netting agreements and are presented in the balance sheet on a net basis in accordance with accounting guidance for derivatives and hedging.

Instrument	Balance Sheet Location	Gross Fair Value (a)	Offsetting Position (b)	Net Fair Value (c) (d)
(In Millions)				
<b>2024</b>				
Assets:				
Financial transmission rights	Prepayments and other	\$49	\$—	\$49
Liabilities:				
Natural gas swaps and options	Other current liabilities	\$2	\$—	\$2
<b>2023</b>				
Assets:				
Financial transmission rights	Prepayments and other	\$21	\$—	\$21
Liabilities:				
Natural gas swaps and options	Other current liabilities	\$11	\$—	\$11

(a) Represents the gross amounts of recognized assets/liabilities

(b) Represents the netting of fair value balances with the same counterparty

(c) Represents the net amounts of assets/liabilities presented on the Entergy Corporation and Subsidiaries' Consolidated Balance Sheets

(d) Excludes letters of credit in the amount of \$3 million posted as of June 30, 2024 and \$2 million posted as of December 31, 2023

The effects of Entergy's derivative instruments not designated as hedging instruments on the consolidated income statements for the three months ended June 30, 2024 and 2023 are as follows:

Instrument	Income Statement location	Amount of gain (loss) recorded in the income statement
(In Millions)		
<b>2024</b>		
Natural gas swaps and options	Fuel, fuel-related expenses, and gas purchased for resale (a)	\$3
Financial transmission rights	Purchased power expense (b)	\$47
<b>2023</b>		
Natural gas swaps and options	Fuel, fuel-related expenses, and gas purchased for resale (a)	(\$1)
Financial transmission rights	Purchased power expense (b)	\$32

The effects of Entergy's derivative instruments not designated as hedging instruments on the consolidated income statements for the six months ended June 30, 2024 and 2023 are as follows:

Instrument	Income Statement location	Amount of gain (loss) recorded in the income statement
(In Millions)		
<b>2024</b>		
Natural gas swaps and options	Fuel, fuel-related expenses, and gas purchased for resale (a)	(\$3)
Financial transmission rights	Purchased power expense (b)	\$100
<b>2023</b>		
Natural gas swaps and options	Fuel, fuel-related expenses, and gas purchased for resale (a)	(\$38)
Financial transmission rights	Purchased power expense (b)	\$48

- (a) Due to regulatory treatment, the natural gas swaps and options are marked-to-market through fuel, fuel-related expenses, and gas purchased for resale and then such amounts are simultaneously reversed and recorded as an offsetting regulatory asset or liability. The gains or losses recorded as fuel expenses when the swaps and options are settled are recovered or refunded through fuel cost recovery mechanisms.
- (b) Due to regulatory treatment, the changes in the estimated fair value of financial transmission rights for the Utility operating companies are recorded through purchased power expense and then such amounts are simultaneously reversed and recorded as an offsetting regulatory asset or liability. The gains or losses recorded as purchased power expense when the financial transmission rights for the Utility operating companies are settled are recovered or refunded through fuel cost recovery mechanisms.



The fair values of derivative instruments not designated as hedging instruments on the Registrant Subsidiaries' balance sheets as of June 30, 2024 and December 31, 2023 are shown in the tables below. Certain investments, including those not designated as hedging instruments, are subject to master netting agreements and are presented in the balance sheet on a net basis in accordance with accounting guidance for derivatives and hedging.

Instrument	Balance Sheet Location	Gross Fair Value (a)	Offsetting Position (b)	Net Fair Value (c) (d)	Registrant
(In Millions)					
<b>2024</b>					
Assets:					
Financial transmission rights	Prepayments and other	\$16.1	\$—	\$16.1	Entergy Arkansas
Financial transmission rights	Prepayments and other	\$19.9	(\$0.1)	\$19.8	Entergy Louisiana
Financial transmission rights	Prepayments and other	\$3.6	\$—	\$3.6	Entergy Mississippi
Financial transmission rights	Prepayments and other	\$2.6	\$—	\$2.6	Entergy New Orleans
Financial transmission rights	Prepayments and other	\$6.6	\$—	\$6.6	Entergy Texas
Liabilities:					
Natural gas swaps	Other current liabilities	\$1.5	\$—	\$1.5	Entergy Mississippi
<b>2023</b>					
Assets:					
Financial transmission rights	Prepayments and other	\$6.0	\$—	\$6.0	Entergy Arkansas
Financial transmission rights	Prepayments and other	\$9.8	\$—	\$9.8	Entergy Louisiana
Financial transmission rights	Prepayments and other	\$1.4	\$—	\$1.4	Entergy Mississippi
Financial transmission rights	Prepayments and other	\$1.1	\$—	\$1.1	Entergy New Orleans
Financial transmission rights	Prepayments and other	\$2.7	(\$0.3)	\$2.4	Entergy Texas
Liabilities:					
Natural gas swaps and options	Other current liabilities	\$0.4	\$—	\$0.4	Entergy Louisiana
Natural gas swaps	Other current liabilities	\$10.1	\$—	\$10.1	Entergy Mississippi
Natural gas swaps	Other current liabilities	\$0.6	\$—	\$0.6	Entergy New Orleans

(a) Represents the gross amounts of recognized assets/liabilities

(b) Represents the netting of fair value balances with the same counterparty

(c) Represents the net amounts of assets/liabilities presented on the Registrant Subsidiaries' balance sheets

(d) As of June 30, 2024, letters of credit posted with MISO covered financial transmission rights exposure of \$1.0 million for Entergy Arkansas, \$0.7 million for Entergy Louisiana, \$0.6 million for Entergy Mississippi,

and \$0.4 million for Entergy Texas. As of December 31, 2023, letters of credit posted with MISO covered financial transmission rights exposure of \$1.2 million for Entergy Arkansas, \$0.5 million for Entergy Louisiana, \$0.3 million for Entergy Mississippi, and \$0.1 million for Entergy Texas.

The effects of derivative instruments not designated as hedging instruments on the Registrant Subsidiaries' income statements for the three months ended June 30, 2024 and 2023 are as follows:

Instrument	Income Statement Location	Amount of gain (loss) recorded in the income statement (In Millions)	Registrant
<b>2024</b>			
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$3.0)	(a) Entergy Mississippi
Financial transmission rights	Purchased power expense	\$12.0	(b) Entergy Arkansas
Financial transmission rights	Purchased power expense	\$25.0	(b) Entergy Louisiana
Financial transmission rights	Purchased power expense	\$2.1	(b) Entergy Mississippi
Financial transmission rights	Purchased power expense	\$3.3	(b) Entergy New Orleans
Financial transmission rights	Purchased power expense	\$4.6	(b) Entergy Texas
<b>2023</b>			
Natural gas swaps and options	Fuel, fuel-related expenses, and gas purchased for resale	\$0.8	(a) Entergy Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$1.2)	(a) Entergy Mississippi
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	\$0.1	(a) Entergy New Orleans
Financial transmission rights	Purchased power expense	\$4.1	(b) Entergy Arkansas
Financial transmission rights	Purchased power expense	\$19.5	(b) Entergy Louisiana
Financial transmission rights	Purchased power expense	\$3.0	(b) Entergy Mississippi
Financial transmission rights	Purchased power expense	\$1.5	(b) Entergy New Orleans
Financial transmission rights	Purchased power expense	\$3.5	(b) Entergy Texas

The effects of derivative instruments not designated as hedging instruments on the Registrant Subsidiaries' income statements for the six months ended June 30, 2024 and 2023 are as follows:

Instrument	Income Statement Location	Amount of gain (loss) recorded in the income statement		Registrant
		(In Millions)		
2024				
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	\$2.3	(a)	Entergy Mississippi
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	\$0.5	(a)	Entergy New Orleans
Financial transmission rights	Purchased power expense	\$38.9	(b)	Entergy Arkansas
Financial transmission rights	Purchased power expense	\$41.2	(b)	Entergy Louisiana
Financial transmission rights	Purchased power expense	\$3.1	(b)	Entergy Mississippi
Financial transmission rights	Purchased power expense	\$4.4	(b)	Entergy New Orleans
Financial transmission rights	Purchased power expense	\$12.1	(b)	Entergy Texas
2023				
Natural gas swaps and options	Fuel, fuel-related expenses, and gas purchased for resale	(\$5.7)	(a)	Entergy Louisiana
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	\$29.8	(a)	Entergy Mississippi
Natural gas swaps	Fuel, fuel-related expenses, and gas purchased for resale	(\$2.1)	(a)	Entergy New Orleans
Financial transmission rights	Purchased power expense	\$8.0	(b)	Entergy Arkansas
Financial transmission rights	Purchased power expense	\$28.3	(b)	Entergy Louisiana
Financial transmission rights	Purchased power expense	\$4.5	(b)	Entergy Mississippi
Financial transmission rights	Purchased power expense	\$2.4	(b)	Entergy New Orleans
Financial transmission rights	Purchased power expense	\$4.2	(b)	Entergy Texas

- (a) Due to regulatory treatment, the natural gas swaps and options are marked-to-market through fuel, fuel-related expenses, and gas purchased for resale and then such amounts are simultaneously reversed and recorded as an offsetting regulatory asset or liability. The gains or losses recorded as fuel expenses when the swaps and options are settled are recovered or refunded through fuel cost recovery mechanisms.
- (b) Due to regulatory treatment, the changes in the estimated fair value of financial transmission rights for the Utility operating companies are recorded through purchased power expense and then such amounts are simultaneously reversed and recorded as an offsetting regulatory asset or liability. The gains or losses recorded as purchased power expense when the financial transmission rights for the Utility operating companies are settled are recovered or refunded through fuel cost recovery mechanisms.

### **Fair Values**

The estimated fair values of Entergy's financial instruments and derivatives are determined using historical prices, bid prices, market quotes, and financial modeling. Considerable judgment is required in developing the estimates of fair value. Therefore, estimates are not necessarily indicative of the amounts that Entergy could realize in a current market exchange. Gains or losses realized on financial instruments are reflected in future rates and therefore do not affect net income. Entergy considers the carrying amounts of most financial instruments classified

as current assets and liabilities to be a reasonable estimate of their fair value because of the short maturity of these instruments.

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

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

The three levels of the fair value hierarchy are:

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

Level 2 consists primarily of individually-owned debt instruments and gas swaps and options valued using observable inputs.

- Level 3 - Level 3 inputs are pricing inputs that are generally less observable or unobservable from objective sources. These inputs are used with internally developed methodologies to produce management's best estimate of fair value for the asset or liability. Level 3 consists primarily of financial transmission rights.

The values of financial transmission rights are based on unobservable inputs, including estimates of congestion costs in MISO between applicable generation and load pricing nodes based on the 50th percentile of historical prices. They are classified as Level 3 assets and liabilities. The valuations of these assets and liabilities are performed by the Office of Corporate Risk Oversight. The values are calculated internally and verified against the data published by MISO. Entergy's Accounting group reviews these valuations for reasonableness, with the assistance of others within the organization with knowledge of the various inputs and assumptions used in the

valuation. The Office of Corporate Risk Oversight reports to the Vice President and Treasurer. The Accounting group reports to the Chief Accounting Officer.

The following tables set forth, by level within the fair value hierarchy, Entergy's assets and liabilities that are accounted for at fair value on a recurring basis as of June 30, 2024 and December 31, 2023. The assessment of the significance of a particular input to a fair value measurement requires judgment and may affect placement within the fair value hierarchy levels.

2024	Level 1	Level 2	Level 3	Total
(In Millions)				
<b>Assets:</b>				
Temporary cash investments	\$1,272	\$—	\$—	\$1,272
Decommissioning trust funds (a):				
Equity securities	54	—	—	54
Debt securities	721	1,201	—	1,922
Common trusts (b)				3,289
Securitization recovery trust account	4	—	—	4
Storm reserve escrow accounts	333	—	—	333
Financial transmission rights	—	—	49	49
	<u>\$2,384</u>	<u>\$1,201</u>	<u>\$49</u>	<u>\$6,923</u>
<b>Liabilities:</b>				
Gas hedge contracts	<u>\$2</u>	<u>\$—</u>	<u>\$—</u>	<u>\$2</u>
2023	Level 1	Level 2	Level 3	Total
(In Millions)				
<b>Assets:</b>				
Temporary cash investments	\$61	\$—	\$—	\$61
Decommissioning trust funds (a):				
Equity securities	24	—	—	24
Debt securities	611	1,159	—	1,770
Common trusts (b)				3,070
Securitization recovery trust account	8	—	—	8
Storm reserve escrow accounts	323	—	—	323
Financial transmission rights	—	—	21	21
	<u>\$1,027</u>	<u>\$1,159</u>	<u>\$21</u>	<u>\$5,277</u>
<b>Liabilities:</b>				
Gas hedge contracts	<u>\$11</u>	<u>\$—</u>	<u>\$—</u>	<u>\$11</u>

- (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 to the financial statements herein for additional information on the investment portfolios.
- (b) Common trust funds are not publicly quoted and are valued by the fund administrators using net asset value as a practical expedient. Accordingly, these funds are not assigned a level in the fair value table. The fund administrator of these investments allows daily trading at the net asset value and trades settle at a later date.

The following table sets forth a reconciliation of changes in the net assets for the fair value of financial transmission rights classified as Level 3 in the fair value hierarchy for the three months ended June 30, 2024 and 2023:

	2024	2023
	(In Millions)	
Balance as of April 1,	\$9	\$7
Total gains (losses) for the period		
Included as a regulatory liability/asset	34	23
Issuances of financial transmission rights	53	42
Settlements	(47)	(32)
Balance as of June 30,	<u>\$49</u>	<u>\$40</u>

The following table sets forth a reconciliation of changes in the net assets for the fair value of financial transmission rights classified as Level 3 in the fair value hierarchy for the six months ended June 30, 2024 and 2023:

	2024	2023
	(In Millions)	
Balance as of January 1,	\$21	\$19
Total gains (losses) for the period		
Included as a regulatory liability/asset	75	27
Issuances of financial transmission rights	53	42
Settlements	(100)	(48)
Balance as of June 30,	<u>\$49</u>	<u>\$40</u>

The fair values of the Level 3 financial transmission rights are based on unobservable inputs calculated internally and verified against historical pricing data published by MISO.

The following tables set forth, by level within the fair value hierarchy, the Registrant Subsidiaries' assets and liabilities that are accounted for at fair value on a recurring basis as of June 30, 2024 and December 31, 2023. The assessment of the significance of a particular input to a fair value measurement requires judgment and may affect placement within the fair value hierarchy levels.

#### Entergy Arkansas

2024	Level 1	Level 2	Level 3	Total
	(In Millions)			
<b>Assets:</b>				
Temporary cash investments	\$772.2	\$—	\$—	\$772.2
Decommissioning trust funds (a):				
Equity securities	33.1	—	—	33.1
Debt securities	165.1	389.3	—	554.4
Common trusts (b)				935.0
Financial transmission rights	—	—	16.1	16.1
	<u>\$970.4</u>	<u>\$389.3</u>	<u>\$16.1</u>	<u>\$2,310.8</u>

2023	Level 1	Level 2	Level 3	Total
(In Millions)				
<b>Assets:</b>				
Temporary cash investments	\$3.1	\$—	\$—	\$3.1
Decommissioning trust funds (a):				
Equity securities	6.4	—	—	6.4
Debt securities	129.9	367.0	—	496.9
Common trusts (b)				910.7
Financial transmission rights	—	—	6.0	6.0
	<u>\$139.4</u>	<u>\$367.0</u>	<u>\$6.0</u>	<u>\$1,423.1</u>

**Entergy Louisiana**

2024	Level 1	Level 2	Level 3	Total
(In Millions)				
<b>Assets:</b>				
Temporary cash investments	\$185.3	\$—	\$—	\$185.3
Decommissioning trust funds (a):				
Equity securities	18.6	—	—	18.6
Debt securities	293.7	518.9	—	812.6
Common trusts (b)				1,461.0
Storm reserve escrow account	250.4	—	—	250.4
Financial transmission rights	—	—	19.8	19.8
	<u>\$748.0</u>	<u>\$518.9</u>	<u>\$19.8</u>	<u>\$2,747.7</u>

2023	Level 1	Level 2	Level 3	Total
(In Millions)				
<b>Assets:</b>				
Temporary cash investments	\$0.5	\$—	\$—	\$0.5
Decommissioning trust funds (a):				
Equity securities	14.6	—	—	14.6
Debt securities	271.7	516.4	—	788.1
Common trusts (b)				1,304.7
Storm reserve escrow account	243.8	—	—	243.8
Financial transmission rights	—	—	9.8	9.8
	<u>\$530.6</u>	<u>\$516.4</u>	<u>\$9.8</u>	<u>\$2,361.5</u>
<b>Liabilities:</b>				
Gas hedge contracts	<u>\$0.4</u>	<u>\$—</u>	<u>\$—</u>	<u>\$0.4</u>

**Entergy Mississippi**

2024	Level 1	Level 2	Level 3	Total
(In Millions)				
<b>Assets:</b>				
Temporary cash investments	\$3.1	\$—	\$—	\$3.1
Storm reserve escrow account	0.8	—	—	0.8
Financial transmission rights	—	—	3.6	3.6
	<u>\$3.9</u>	<u>\$—</u>	<u>\$3.6</u>	<u>\$7.5</u>
<b>Liabilities:</b>				
Gas hedge contracts	<u>\$1.5</u>	<u>\$—</u>	<u>\$—</u>	<u>\$1.5</u>
2023	Level 1	Level 2	Level 3	Total
(In Millions)				
<b>Assets:</b>				
Temporary cash investments	\$6.6	\$—	\$—	\$6.6
Storm reserve escrow account	0.7	—	—	0.7
Financial transmission rights	—	—	1.4	1.4
	<u>\$7.3</u>	<u>\$—</u>	<u>\$1.4</u>	<u>\$8.7</u>
<b>Liabilities:</b>				
Gas hedge contracts	<u>\$10.1</u>	<u>\$—</u>	<u>\$—</u>	<u>\$10.1</u>

**Entergy New Orleans**

2024	Level 1	Level 2	Level 3	Total
(In Millions)				
<b>Assets:</b>				
Temporary cash investments	\$6.5	\$—	\$—	\$6.5
Securitization recovery trust account	1.3	—	—	1.3
Storm reserve escrow account	81.7	—	—	81.7
Financial transmission rights	—	—	2.6	2.6
	<u>\$89.5</u>	<u>\$—</u>	<u>\$2.6</u>	<u>\$92.1</u>
2023	Level 1	Level 2	Level 3	Total
(In Millions)				
<b>Assets:</b>				
Securitization recovery trust account	\$2.4	\$—	\$—	\$2.4
Storm reserve escrow account	78.7	—	—	78.7
Financial transmission rights	—	—	1.1	1.1
	<u>\$81.1</u>	<u>\$—</u>	<u>\$1.1</u>	<u>\$82.2</u>
<b>Liabilities:</b>				
Gas hedge contracts	<u>\$0.6</u>	<u>\$—</u>	<u>\$—</u>	<u>\$0.6</u>



**Entergy Texas**

2024	Level 1	Level 2	Level 3	Total
(In Millions)				
<b>Assets:</b>				
Temporary cash investments	\$124.9	\$—	\$—	\$124.9
Securitization recovery trust account	2.3	—	—	2.3
Financial transmission rights	—	—	6.6	6.6
	<u>\$127.2</u>	<u>\$—</u>	<u>\$6.6</u>	<u>\$133.8</u>
2023	Level 1	Level 2	Level 3	Total
(In Millions)				
<b>Assets:</b>				
Temporary cash investments	\$20.5	\$—	\$—	\$20.5
Securitization recovery trust account	5.2	—	—	5.2
Financial transmission rights	—	—	2.4	2.4
	<u>\$25.7</u>	<u>\$—</u>	<u>\$2.4</u>	<u>\$28.1</u>

**System Energy**

2024	Level 1	Level 2	Level 3	Total
(In Millions)				
<b>Assets:</b>				
Temporary cash investments	\$30.8	\$—	\$—	\$30.8
Decommissioning trust funds (a):				
Equity securities	2.0	—	—	2.0
Debt securities	262.3	292.3	—	554.6
Common trusts (b)	—	—	—	893.7
	<u>\$295.1</u>	<u>\$292.3</u>	<u>\$—</u>	<u>\$1,481.1</u>
2023	Level 1	Level 2	Level 3	Total
(In Millions)				
<b>Assets:</b>				
Decommissioning trust funds (a):				
Equity securities	\$2.7	\$—	\$—	\$2.7
Debt securities	209.5	275.7	—	485.2
Common trusts (b)	—	—	—	854.4
	<u>\$212.2</u>	<u>\$275.7</u>	<u>\$—</u>	<u>\$1,342.3</u>

- (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 to the financial statements herein for additional information on the investment portfolios.

- (b) Common trust funds are not publicly quoted and are valued by the fund administrators using net asset value as a practical expedient. Accordingly, these funds are not assigned a level in the fair value table. The fund administrator of these investments allows daily trading at the net asset value and trades settle at a later date.

The following table sets forth a reconciliation of changes in the net assets for the fair value of financial transmission rights classified as Level 3 in the fair value hierarchy for the three months ended June 30, 2024.

	Entergy Arkansas	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas
(In Millions)					
Balance as of April 1,	\$2.8	\$4.1	\$0.6	\$0.5	\$1.2
Issuances of financial transmission rights	17.6	21.6	3.9	2.8	7.3
Gains (losses) included as a regulatory liability/asset	7.7	19.1	1.2	2.6	2.7
Settlements	(12.0)	(25.0)	(2.1)	(3.3)	(4.6)
Balance as of June 30,	<u>\$16.1</u>	<u>\$19.8</u>	<u>\$3.6</u>	<u>\$2.6</u>	<u>\$6.6</u>

The following table sets forth a reconciliation of changes in the net assets (liabilities) for the fair value of financial transmission rights classified as Level 3 in the fair value hierarchy for the three months ended June 30, 2023.

	Entergy Arkansas	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas
(In Millions)					
Balance as of April 1,	\$4.0	\$2.5	\$0.2	\$0.3	(\$0.1)
Issuances of financial transmission rights	20.6	18.1	1.4	1.4	0.2
Gains (losses) included as a regulatory liability/asset	(0.9)	15.6	2.6	1.3	4.6
Settlements	(4.1)	(19.5)	(3.0)	(1.5)	(3.5)
Balance as of June 30,	<u>\$19.6</u>	<u>\$16.7</u>	<u>\$1.2</u>	<u>\$1.5</u>	<u>\$1.2</u>

The following table sets forth a reconciliation of changes in the net assets for the fair value of financial transmission rights classified as Level 3 in the fair value hierarchy for the six months ended June 30, 2024.

	Entergy Arkansas	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas
(In Millions)					
Balance as of January 1,	\$6.0	\$9.8	\$1.4	\$1.1	\$2.4
Issuances of financial transmission rights	17.6	21.6	3.9	2.8	7.3
Gains (losses) included as a regulatory liability/asset	31.4	29.6	1.4	3.1	9.0
Settlements	(38.9)	(41.2)	(3.1)	(4.4)	(12.1)
Balance as of June 30,	<u>\$16.1</u>	<u>\$19.8</u>	<u>\$3.6</u>	<u>\$2.6</u>	<u>\$6.6</u>

The following table sets forth a reconciliation of changes in the net assets for the fair value of financial transmission rights classified as Level 3 in the fair value hierarchy for the six months ended June 30, 2023.

	Entergy Arkansas	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas
(In Millions)					
Balance as of January 1,	\$10.3	\$7.3	\$0.6	\$0.8	\$0.1
Issuances of financial transmission rights	20.6	18.1	1.4	1.4	0.2
Gains (losses) included as a regulatory liability/asset	(3.3)	19.6	3.7	1.7	5.1
Settlements	(8.0)	(28.3)	(4.5)	(2.4)	(4.2)
Balance as of June 30,	<u>\$19.6</u>	<u>\$16.7</u>	<u>\$1.2</u>	<u>\$1.5</u>	<u>\$1.2</u>

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

The NRC requires certain of the Utility operating companies and System Energy to maintain nuclear decommissioning trusts to fund the costs of decommissioning ANO 1, ANO 2, River Bend, Waterford 3, and Grand Gulf. Entergy's nuclear decommissioning trust funds invest in equity securities, fixed-rate debt 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, for unrealized gains/(losses) on investment securities, the Registrant Subsidiaries record an offsetting amount in other regulatory liabilities/assets. For the 30% interest in River Bend formerly owned by Cajun, Entergy Louisiana records an offsetting amount in other deferred credits for the unrealized trust earnings not currently expected to be needed to decommission the plant. Generally, Entergy records gains and losses on its debt and equity securities using the specific identification method to determine the cost basis of its securities.

The unrealized gains/(losses) recognized during the three and six months ended June 30, 2024 on equity securities still held as of June 30, 2024 were \$78 million and \$366 million, respectively. 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 equity securities are held in funds intended to replicate the return of the Wilshire 4500 Index or the Russell 3000 Index. The debt securities are generally held in individual government and credit issuances.

The available-for-sale securities held as of June 30, 2024 and December 31, 2023 are summarized as follows:

	Fair Value	Total Unrealized Gains	Total Unrealized Losses
(In Millions)			
<b>2024</b>			
Debt Securities	\$1,922	\$10	\$139
<b>2023</b>			
Debt Securities	\$1,770	\$19	\$134

As of June 30, 2024 and December 31, 2023, there were no deferred taxes on unrealized gains/(losses). The amortized cost of available-for-sale debt securities was \$2,051 million as of June 30, 2024 and \$1,885 million as of December 31, 2023. As of June 30, 2024, available-for-sale debt securities had an average coupon rate of approximately 3.63%, an average duration of approximately 6.14 years, and an average maturity of approximately 10.44 years.

The fair value and gross unrealized losses of available-for-sale debt securities, summarized by length of time that the securities had been in a continuous loss position, were as follows as of June 30, 2024 and December 31, 2023:

	June 30, 2024		December 31, 2023	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$453	\$5	\$134	\$6
More than 12 months	949	134	999	128
<b>Total</b>	<b>\$1,402</b>	<b>\$139</b>	<b>\$1,133</b>	<b>\$134</b>

The fair value of available-for-sale debt securities, summarized by contractual maturities, as of June 30, 2024 and December 31, 2023 were as follows:

	2024	2023
	(In Millions)	
Less than 1 year	\$76	\$82
1 year - 5 years	568	517
5 years - 10 years	575	504
10 years - 15 years	120	121
15 years - 20 years	186	179
20 years+	397	367
<b>Total</b>	<b>\$1,922</b>	<b>\$1,770</b>

During the three months ended June 30, 2024 and 2023, proceeds from the dispositions of available-for-sale debt securities amounted to \$161 million and \$136 million, respectively. During the three months ended June 30, 2024 and 2023, there were no gross gains and gross losses of \$14 million and \$8 million, respectively, related to available-for-sale debt securities reclassified out of other regulatory liabilities/assets into earnings.

During the six months ended June 30, 2024 and 2023, proceeds from the dispositions of available-for-sale debt securities amounted to \$330 million and \$260 million, respectively. During the six months ended June 30, 2024 and 2023, there were gross gains of \$1 million in each period and gross losses of \$20 million and \$17 million, respectively, related to available-for-sale debt securities reclassified out of other regulatory liabilities/assets into earnings.

## Entergy Arkansas

Entergy Arkansas holds equity securities and available-for-sale debt securities in nuclear decommissioning trust accounts. The available-for-sale securities held as of June 30, 2024 and December 31, 2023 are summarized as follows:

	Fair Value	Total Unrealized Gains	Total Unrealized Losses
	(In Millions)		
<b>2024</b>			
Debt Securities	\$554.4	\$1.9	\$59.0
<b>2023</b>			
Debt Securities	\$496.9	\$2.4	\$53.6

The amortized cost of available-for-sale debt securities was \$611.5 million as of June 30, 2024 and \$548.1 million as of December 31, 2023. As of June 30, 2024, the available-for-sale debt securities had an average coupon rate of approximately 2.92%, an average duration of approximately 5.80 years, and an average maturity of approximately 7.51 years.

The unrealized gains/(losses) recognized during the three and six months ended June 30, 2024 on equity securities still held as of June 30, 2024 were \$21.7 million and \$105.7 million, respectively. 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 equity 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 debt securities, summarized by length of time that the securities had been in a continuous loss position, were as follows as of June 30, 2024 and December 31, 2023:

	June 30, 2024		December 31, 2023	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$70.8	\$1.1	\$22.5	\$0.4
More than 12 months	388.7	57.9	403.4	53.2
<b>Total</b>	<b>\$459.5</b>	<b>\$59.0</b>	<b>\$425.9</b>	<b>\$53.6</b>

The fair value of available-for-sale debt securities, summarized by contractual maturities, as of June 30, 2024 and December 31, 2023 were as follows:

	2024	2023
	(In Millions)	
Less than 1 year	\$43.5	\$45.3
1 year - 5 years	156.3	132.2
5 years - 10 years	234.8	205.7
10 years - 15 years	31.7	39.9
15 years - 20 years	59.8	49.6
20 years+	28.3	24.2
<b>Total</b>	<b>\$554.4</b>	<b>\$496.9</b>

During the three months ended June 30, 2024 and 2023, proceeds from the dispositions of available-for-sale debt securities amounted to \$5.5 million and \$0.9 million, respectively. During the three months ended June 30, 2024, there were gross gains of \$0.1 million and gross losses of \$0.4 million related to available-for-sale debt securities reclassified out of other regulatory liabilities/assets into earnings. During the three months ended June 30, 2023, there were no gross gains and gross losses of \$0.1 million related to available-for-sale debt securities reclassified out of other regulatory liabilities/assets into earnings.

During the six months ended June 30, 2024 and 2023, proceeds from the dispositions of available-for-sale debt securities amounted to \$17.9 million and \$16.6 million, respectively. During the six months ended June 30, 2024, there were gross gains of \$0.1 million and gross losses of \$0.9 million related to available-for-sale debt securities reclassified out of other regulatory liabilities/assets into earnings. During the six months ended June 30, 2023, there were no gross gains and gross losses of \$1.7 million related to available-for-sale debt securities reclassified out of other regulatory liabilities/assets into earnings.

### **Entergy Louisiana**

Entergy Louisiana holds equity securities and available-for-sale debt securities in nuclear decommissioning trust accounts. The available-for-sale securities held as of June 30, 2024 and December 31, 2023 are summarized as follows:

	Fair Value	Total Unrealized Gains	Total Unrealized Losses
	(In Millions)		
<b>2024</b>			
Debt Securities	\$812.6	\$4.6	\$39.8
<b>2023</b>			
Debt Securities	\$788.1	\$11.7	\$37.4

The amortized cost of available-for-sale debt securities was \$847.8 million as of June 30, 2024 and \$813.9 million as of December 31, 2023. As of June 30, 2024, the available-for-sale debt securities had an average coupon rate of approximately 4.03%, an average duration of approximately 6.36 years, and an average maturity of approximately 12.79 years.

The unrealized gains/(losses) recognized during the three and six months ended June 30, 2024 on equity securities still held as of June 30, 2024 were \$42.3 million and \$166.6 million, respectively. 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 equity 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 debt securities, summarized by length of time that the securities had been in a continuous loss position, were as follows as of June 30, 2024 and December 31, 2023:

	June 30, 2024		December 31, 2023	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$275.6	\$2.7	\$69.8	\$0.9
More than 12 months	340.4	37.1	356.1	36.5
<b>Total</b>	<b>\$616.0</b>	<b>\$39.8</b>	<b>\$425.9</b>	<b>\$37.4</b>

The fair value of available-for-sale debt securities, summarized by contractual maturities, as of June 30, 2024 and December 31, 2023 were as follows:

	2024	2023
	(In Millions)	
Less than 1 year	\$27.3	\$31.4
1 year - 5 years	189.2	181.6
5 years - 10 years	186.9	170.0
10 years - 15 years	79.8	70.2
15 years - 20 years	84.7	90.2
20 years+	244.7	244.7
<b>Total</b>	<b>\$812.6</b>	<b>\$788.1</b>

During the three months ended June 30, 2024 and 2023, proceeds from the dispositions of available-for-sale securities amounted to \$62.5 million and \$65.2 million, respectively. During the three months ended June 30, 2024 and 2023, there were gross gains of \$0.1 million in each period and gross losses of \$4.8 million and \$4 million, respectively, related to available-for-sale debt securities reclassified out of other regulatory liabilities/assets into earnings.

During the six months ended June 30, 2024 and 2023, proceeds from the dispositions of available-for-sale securities amounted to \$110.9 million and \$132.6 million, respectively. During the six months ended June 30, 2024 and 2023, there were gross gains of \$0.2 million and \$0.5 million, respectively, and gross losses of \$7.7 million and \$9 million, respectively, related to available-for-sale debt securities reclassified out of other regulatory liabilities/assets into earnings.

## System Energy

System Energy holds equity securities and available-for-sale debt securities in nuclear decommissioning trust accounts. The available-for-sale securities held as of June 30, 2024 and December 31, 2023 are summarized as follows:

	Fair Value	Total Unrealized Gains	Total Unrealized Losses
	(In Millions)		
<b>2024</b>			
Debt Securities	\$554.6	\$3.2	\$40.2
<b>2023</b>			
Debt Securities	\$485.2	\$4.5	\$42.5

The amortized cost of available-for-sale debt securities was \$591.6 million as of June 30, 2024 and \$523.2 million as of December 31, 2023. As of June 30, 2024, the available-for-sale debt securities had an average coupon rate of approximately 3.78%, an average duration of approximately 6.18 years, and an average maturity of approximately 10.03 years.

The unrealized gains/(losses) recognized during the three and six months ended June 30, 2024 on equity securities still held as of June 30, 2024 were \$14.3 million and \$93.3 million, respectively. 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 equity 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 debt securities, summarized by length of time that the securities had been in a continuous loss position, were as follows as of June 30, 2024 and December 31, 2023:

	June 30, 2024		December 31, 2023	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(In Millions)			
Less than 12 months	\$106.8	\$1.6	\$42.1	\$4.5
More than 12 months	219.8	38.6	239.1	38.0
<b>Total</b>	<b>\$326.6</b>	<b>\$40.2</b>	<b>\$281.2</b>	<b>\$42.5</b>



The fair value of available-for-sale debt securities, summarized by contractual maturities, as of June 30, 2024 and December 31, 2023 were as follows:

	2024	2023
	(In Millions)	
Less than 1 year	\$5.4	\$5.3
1 year - 5 years	222.1	203.4
5 years - 10 years	153.5	128.6
10 years - 15 years	8.1	10.7
15 years - 20 years	41.0	38.8
20 years+	124.5	98.4
<b>Total</b>	<b>\$554.6</b>	<b>\$485.2</b>

During the three months ended June 30, 2024 and 2023, proceeds from the dispositions of available-for-sale debt securities amounted to \$93.5 million and \$69.9 million, respectively. During the three months ended June 30, 2024 and 2023, there were no gross gains and gross losses of \$8.4 million and \$4.1 million, respectively, related to available-for-sale debt securities reclassified out of other regulatory liabilities/assets into earnings.

During the six months ended June 30, 2024 and 2023, proceeds from the dispositions of available-for-sale debt securities amounted to \$201.5 million and \$111.2 million, respectively. During the six months ended June 30, 2024, there were gross gains of \$0.2 million and gross losses of \$11.9 million related to available-for-sale debt securities reclassified out of other regulatory liabilities/assets into earnings. During the three months ended June 30, 2023, there were no gross gains and gross losses of \$6.3 million related to available-for-sale debt securities reclassified out of other regulatory liabilities/assets into earnings.

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

See “**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 audits, the Tax Cuts and Jobs Act, and other income tax matters involving Entergy. The following are updates to that discussion.

**Income Tax Audits**

As discussed in Note 3 to the financial statements in the Form 10-K, in November 2023 the IRS completed its examination of the 2016 through 2018 tax years and issued a Revenue Agent Report for each federal filer under audit. Based on prior regulatory agreements and general rate-making principles, in fourth quarter 2023 Entergy New Orleans recorded a regulatory liability and associated regulatory charge of \$60 million (\$44 million net-of-tax). In April 2024, Entergy New Orleans and the City Council entered into a settlement in principle whereby Entergy New Orleans agreed to share with customers \$138 million of income tax benefits from the resolution of the 2016–2018 IRS audit. Based on this settlement in principle, in first quarter 2024 Entergy New Orleans increased the associated regulatory liability from \$60 million to \$138 million and recorded a corresponding \$78 million regulatory charge (\$57 million net-of-tax). The settlement in principle requires that the regulatory liability be amortized over 25 years with the unamortized balance included in rate base and the amortization treated as a reduction to Entergy New Orleans’s retail revenue requirement. In May 2024 the City Council approved the settlement.

### **Arkansas Corporate Income Tax Rate Change**

In June 2024, Arkansas Act 1 of the Second Extraordinary Session reduced the Arkansas corporate income tax rate from 4.8% to 4.3%, which is retroactively effective as of January 1, 2024. As a result of the rate reduction, Entergy Arkansas accrued a regulatory liability for income taxes of approximately \$31 million in the second quarter of 2024. The regulatory liability includes a tax gross-up related to the treatment of income taxes in the retail and wholesale ratemaking formulas and is expected to be included in future rate mechanisms.

### **NOTE 11. VARIABLE INTEREST ENTITIES (Entergy Corporation, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy)**

See Note 17 to the financial statements in the Form 10-K for a discussion of variable interest entities (VIEs). See Note 4 to the financial statements herein for details of the nuclear fuel companies' credit facilities, commercial paper borrowings, and long-term debt. See Note 6 to the financial statements in the Form 10-K for discussion of noncontrolling interests.

Restoration Law Trust I (the storm trust I), a trust consolidated by Entergy Louisiana, is a VIE and Entergy Louisiana is the primary beneficiary. As of June 30, 2024 and December 31, 2023, the primary asset held by the storm trust I was \$2.9 billion and \$3 billion, respectively, of outstanding Entergy Finance Company preferred membership interests, which is reflected as an investment in affiliate preferred membership interests on the consolidated balance sheets of Entergy Louisiana. The LURC's 1% beneficial interest in the storm trust I is recorded as noncontrolling interest on the consolidated balance sheets of Entergy and Entergy Louisiana, with balances of \$30.6 million as of June 30, 2024 and \$30.5 million as of December 31, 2023.

Restoration Law Trust II (the storm trust II), a trust consolidated by Entergy Louisiana, is a VIE and Entergy Louisiana is the primary beneficiary. As of June 30, 2024 and December 31, 2023, the primary asset held by the storm trust II was \$1.5 billion of outstanding Entergy Finance Company preferred membership interests, which is reflected as an investment in affiliate preferred membership interests on the consolidated balance sheets of Entergy Louisiana. The LURC's 1% beneficial interest in the storm trust II is recorded as noncontrolling interest on the consolidated balance sheets of Entergy and Entergy Louisiana, with balances of \$14.9 million as of June 30, 2024 and \$14.6 million as of December 31, 2023.

System Energy is considered to hold a variable interest in the lessor from which it leases an undivided interest in the Grand Gulf nuclear plant. System Energy is the lessee under this arrangement, which is described in more detail in Note 5 to the financial statements in the Form 10-K. System Energy made payments under this arrangement, including interest, of \$8.6 million in each of the six months ended June 30, 2024 and the six months ended June 30, 2023.

AR Searcy Partnership, LLC is a tax equity partnership that qualifies as a VIE, which Entergy Arkansas is required to consolidate as it is the primary beneficiary. As of June 30, 2024, AR Searcy Partnership, LLC recorded assets equal to \$132.5 million, primarily consisting of property, plant, and equipment, and the carrying value of Entergy Arkansas's ownership interest in the partnership was approximately \$112.9 million. As of December 31, 2023, AR Searcy Partnership, LLC recorded assets equal to \$134 million, primarily consisting of property, plant, and equipment, and the carrying value of Entergy Arkansas's ownership interest in the partnership was approximately \$111.2 million. The tax equity investor's ownership interest is recorded as noncontrolling interest on the consolidated balance sheets of Entergy and Entergy Arkansas.

MS Sunflower Partnership, LLC is a tax equity partnership that qualifies as a VIE, which Entergy Mississippi is required to consolidate as it is the primary beneficiary. As of June 30, 2024, MS Sunflower Partnership, LLC recorded assets equal to \$167.7 million, primarily consisting of property, plant, and equipment, and the carrying value of Entergy Mississippi's ownership interest in the partnership was approximately

\$131.1 million. As of December 31, 2023, MS Sunflower Partnership, LLC recorded assets equal to \$163.2 million, primarily consisting of property, plant, and equipment, and the carrying value of Entergy Mississippi's ownership interest in the partnership was approximately \$128.4 million. The tax equity investor's ownership interest is recorded as noncontrolling interest on the consolidated balance sheets of Entergy and Entergy Mississippi.

**NOTE 12. REVENUE (Entergy Corporation, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy)**

**Operating Revenues**

See Note 19 to the financial statements in the Form 10-K for a discussion of revenue recognition. Entergy's total revenues for the three months ended June 30, 2024 and 2023 were as follows:

	<b>2024</b>	<b>2023</b>
	(In Thousands)	
<b>Utility:</b>		
Residential	\$1,009,836	\$951,424
Commercial	713,282	692,788
Industrial	792,721	750,177
Governmental	65,861	63,816
<b>Total billed retail</b>	<b>2,581,700</b>	<b>2,458,205</b>
Sales for resale (a)	54,579	68,262
Other electric revenues (b)	257,813	247,331
<b>Revenues from contracts with customers</b>	<b>2,894,092</b>	<b>2,773,798</b>
Other Utility revenues (c)	11,955	11,446
<b>Electric revenues</b>	<b>2,906,047</b>	<b>2,785,244</b>
Natural gas revenues	35,357	33,503
Other revenues (d)	12,216	27,279
<b>Total operating revenues</b>	<b>\$2,953,620</b>	<b>\$2,846,026</b>

Entergy's total revenues for the six months ended June 30, 2024 and 2023 were as follows:

	2024	2023
	(In Thousands)	
<b>Utility:</b>		
Residential	\$2,080,177	\$1,992,883
Commercial	1,405,133	1,407,089
Industrial	1,541,679	1,613,899
Governmental	131,172	131,153
<b>Total billed retail</b>	<b>5,158,161</b>	<b>5,145,024</b>
Sales for resale (a)	133,583	176,209
Other electric revenues (b)	293,847	291,788
<b>Revenues from contracts with customers</b>	<b>5,585,591</b>	<b>5,613,021</b>
Other Utility revenues (c)	26,962	55,633
<b>Electric revenues</b>	<b>5,612,553</b>	<b>5,668,654</b>
Natural gas revenues	101,024	98,084
Other revenues (d)	34,671	60,347
<b>Total operating revenues</b>	<b>\$5,748,248</b>	<b>\$5,827,085</b>

The Utility operating companies' total revenues for the three months ended June 30, 2024 and 2023 were as follows:

2024	Entergy Arkansas	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas
	(In Thousands)				
Residential	\$204,822	\$353,975	\$163,049	\$71,842	\$216,148
Commercial	132,950	265,869	142,173	57,360	114,930
Industrial	138,786	458,420	49,180	7,602	138,733
Governmental	4,433	21,223	14,061	19,167	6,977
<b>Total billed retail</b>	<b>480,991</b>	<b>1,099,487</b>	<b>368,463</b>	<b>155,971</b>	<b>476,788</b>
Sales for resale (a)	43,842	80,823	21,260	8,575	3,015
Other electric revenues (b)	81,733	74,670	50,718	12,811	39,224
<b>Revenues from contracts with customers</b>	<b>606,566</b>	<b>1,254,980</b>	<b>440,441</b>	<b>177,357</b>	<b>519,027</b>
Other revenues (c)	2,232	6,464	2,453	1,307	50
<b>Electric revenues</b>	<b>608,798</b>	<b>1,261,444</b>	<b>442,894</b>	<b>178,664</b>	<b>519,077</b>
Natural gas revenues	—	14,680	—	20,677	—
<b>Total operating revenues</b>	<b>\$608,798</b>	<b>\$1,276,124</b>	<b>\$442,894</b>	<b>\$199,341</b>	<b>\$519,077</b>

2023	Entergy Arkansas	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas
(In Thousands)					
Residential	\$204,808	\$334,246	\$163,001	\$68,535	\$180,834
Commercial	136,591	253,365	142,997	56,095	103,740
Industrial	153,817	407,045	54,738	7,562	127,015
Governmental	4,945	19,407	14,971	17,896	6,597
<b>Total billed retail</b>	<b>500,161</b>	<b>1,014,063</b>	<b>375,707</b>	<b>150,088</b>	<b>418,186</b>
Sales for resale (a)	48,266	80,248	26,073	11,075	1,986
Other electric revenues (b)	65,807	91,372	40,966	5,667	44,861
<b>Revenues from contracts with customers</b>	<b>614,234</b>	<b>1,185,683</b>	<b>442,746</b>	<b>166,830</b>	<b>465,033</b>
Other revenues (c)	2,113	6,226	2,384	1,386	(603)
<b>Electric revenues</b>	<b>616,347</b>	<b>1,191,909</b>	<b>445,130</b>	<b>168,216</b>	<b>464,430</b>
Natural gas revenues	—	13,703	—	19,800	—
<b>Total operating revenues</b>	<b>\$616,347</b>	<b>\$1,205,612</b>	<b>\$445,130</b>	<b>\$188,016</b>	<b>\$464,430</b>

The Utility operating companies' total revenues for the six months ended June 30, 2024 and 2023 were as follows:

2024	Entergy Arkansas	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas
(In Thousands)					
Residential	\$480,574	\$699,003	\$341,666	\$139,520	\$419,414
Commercial	274,258	522,565	274,491	110,585	223,234
Industrial	288,193	880,017	95,607	14,580	263,282
Governmental	9,133	43,044	27,390	37,521	14,084
<b>Total billed retail</b>	<b>1,052,158</b>	<b>2,144,629</b>	<b>739,154</b>	<b>302,206</b>	<b>920,014</b>
Sales for resale (a)	82,807	163,551	69,193	21,075	4,922
Other electric revenues (b)	91,074	112,615	44,516	9,592	38,736
<b>Revenues from contracts with customers</b>	<b>1,226,039</b>	<b>2,420,795</b>	<b>852,863</b>	<b>332,873</b>	<b>963,672</b>
Other revenues (c)	4,804	13,442	4,887	2,732	(104)
<b>Electric revenues</b>	<b>1,230,843</b>	<b>2,434,237</b>	<b>857,750</b>	<b>335,605</b>	<b>963,568</b>
Natural gas revenues	—	44,327	—	56,697	—
<b>Total operating revenues</b>	<b>\$1,230,843</b>	<b>\$2,478,564</b>	<b>\$857,750</b>	<b>\$392,302</b>	<b>\$963,568</b>

2023	Entergy Arkansas	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas
(In Thousands)					
Residential	\$444,307	\$694,892	\$332,390	\$132,101	\$389,193
Commercial	261,927	531,543	276,673	110,164	226,782
Industrial	285,053	916,949	106,153	14,975	290,769
Governmental	9,605	42,481	28,854	35,694	14,519
<b>Total billed retail</b>	<b>1,000,892</b>	<b>2,185,865</b>	<b>744,070</b>	<b>292,934</b>	<b>921,263</b>
Sales for resale (a)	114,283	163,484	64,816	35,985	4,431
Other electric revenues (b)	79,524	117,939	43,840	6,084	47,085
<b>Revenues from contracts with customers</b>	<b>1,194,699</b>	<b>2,467,288</b>	<b>852,726</b>	<b>335,003</b>	<b>972,779</b>
Other revenues (c)	4,397	44,373	4,832	2,908	(843)
<b>Electric revenues</b>	<b>1,199,096</b>	<b>2,511,661</b>	<b>857,558</b>	<b>337,911</b>	<b>971,936</b>
Natural gas revenues	—	39,159	—	58,925	—
<b>Total operating revenues</b>	<b>\$1,199,096</b>	<b>\$2,550,820</b>	<b>\$857,558</b>	<b>\$396,836</b>	<b>\$971,936</b>

- (a) Sales for resale includes day-ahead sales of energy in a market administered by an ISO. These sales represent financially binding commitments for the sale of physical energy the next day. These sales are adjusted to actual power generated and delivered in the real time market. Given the short duration of these transactions, Entergy does not consider them to be derivatives subject to fair value adjustments and includes them as part of customer revenues.
- (b) Other electric revenues consist primarily of transmission and ancillary services provided to participants of an ISO-administered market and unbilled revenue.
- (c) Other Utility revenues include the equity component of carrying costs related to securitization, occasional sales of inventory, alternative revenue programs, provisions for revenue subject to refund, and late fees.
- (d) Other revenues include the sale of electric power and capacity to wholesale customers, day-ahead sales of energy in a market administered by an ISO, and operation and management services fees.

#### Allowance for doubtful accounts

The allowance for doubtful accounts reflects Entergy's best estimate of expected losses on its accounts receivable balances. Due to the essential nature of utility services, Entergy has historically experienced a low rate of default on its accounts receivables. The following tables set forth a reconciliation of changes in the allowance for doubtful accounts for the six months ended June 30, 2024 and 2023.

	Entergy	Entergy Arkansas	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas
(In Millions)						
Balance as of December 31, 2023	\$25.9	\$7.2	\$6.1	\$3.3	\$7.8	\$1.5
Provisions	15.3	2.6	6.2	2.2	1.4	2.9
Write-offs	(46.0)	(10.7)	(15.6)	(7.4)	(7.1)	(5.2)
Recoveries	21.4	5.2	6.7	4.1	3.7	1.7
Balance as of June 30, 2024	<u>\$16.6</u>	<u>\$4.3</u>	<u>\$3.4</u>	<u>\$2.2</u>	<u>\$5.8</u>	<u>\$0.9</u>

	Entergy	Entergy Arkansas	Entergy Louisiana	Entergy Mississippi	Entergy New Orleans	Entergy Texas
	(In Millions)					
Balance as of December 31, 2022	\$30.9	\$6.5	\$7.6	\$2.5	\$11.9	\$2.4
Provisions	15.5	3.2	7.0	2.1	0.7	2.5
Write-offs	(51.5)	(13.2)	(21.4)	(3.7)	(6.5)	(6.7)
Recoveries	26.9	8.7	11.7	1.5	1.5	3.5
Balance as of June 30, 2023	<u>\$21.8</u>	<u>\$5.2</u>	<u>\$4.9</u>	<u>\$2.4</u>	<u>\$7.6</u>	<u>\$1.7</u>

The allowance is calculated as the historical rate of customer write-offs multiplied by the current accounts receivable balance, taking into account the length of time the receivable balances have been outstanding. The rate of customer write-offs has historically experienced minimal variation, although general economic conditions can affect the rate of customer write-offs. Management monitors the current condition of individual customer accounts to manage collections and ensure bad debt expense is recorded in a timely manner.

**NOTE 13. ASSET RETIREMENT OBLIGATIONS (Entergy Corporation, Entergy Arkansas, 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. The following are updates to that discussion.

**Nuclear Plant Decommissioning**

In first quarter 2024, Entergy Arkansas recorded a revision to its estimated decommissioning cost liabilities for ANO 1 and 2 as a result of a revised decommissioning cost study. The revised estimates resulted in a \$14.4 million decrease in its decommissioning cost liabilities, along with corresponding decreases in the related asset retirement cost assets that will be depreciated over the remaining useful lives of the units.

In second quarter 2024, revisions were recorded to the estimated decommissioning cost liabilities for White Bluff and Independence as a result of the EPA rule that was finalized in May 2024 establishing management standards for legacy coal combustion residuals (CCR) surface impoundments (i.e., inactive surface impoundments at inactive power plants) and establishing a new class of units referred to as CCR management units (CCRMUs) (i.e., non-containerized CCR located at a regulated CCR facility). Entergy does not have any legacy impoundments; however, the definition of CCR management units includes on-site areas where CCR was beneficially used. This is contrary to the previous CCR rule which exempted beneficial uses that met certain criteria. Under this expanded rule, all facilities must identify and delineate any CCRMU greater than one ton and submit a facility evaluation report by February 2026. Any potential requirements for corrective action or operational changes under the various CCR rules continue to be assessed. Given the complexity and recency of the EPA guidance, Entergy is still evaluating the level of work that will ultimately be required to comply with the rule. Based on initial estimates of multiple possible remediation scenarios, Entergy Arkansas and Entergy Mississippi recorded increases of \$31 million and \$9 million, respectively, in their decommissioning cost liabilities, along with corresponding increases in the related asset retirement cost assets that will be depreciated over the remaining useful lives of the units. Entergy will continue to update the asset retirement obligation as the requirements of the revised CCR rule are clarified.

## **NOTE 14. ACQUISITIONS (Entergy Corporation and Entergy Arkansas)**

### **Acquisitions**

#### **Walnut Bend Solar**

In June 2020, Entergy Arkansas signed an agreement for the purchase of an approximately 100 MW to-be-constructed solar photovoltaic energy facility, Walnut Bend Solar facility, to be sited on approximately 1,000 acres in Lee County, Arkansas. Acquisition of the Walnut Bend Solar facility was initially approved by the APSC in July 2021. The agreement was amended by the parties in February 2023 and the revised agreement was approved by the APSC in July 2023. In February 2024, Entergy Arkansas made an initial payment of approximately \$170 million to acquire the facility. The project will achieve commercial operation once testing is completed and the project has achieved substantial completion. Entergy Arkansas currently expects the project to achieve commercial operation in 2024, at which time a substantial completion payment of approximately \$20 million is expected.

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In the opinion of the management of Entergy Corporation, Entergy Arkansas, 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. Entergy's business is subject to seasonal fluctuations, however, with peak periods occurring typically during the first and third quarters. The results for the interim periods presented should not be used as a basis for estimating results of operations for a full year.



## **Part I, Item 3. Quantitative and Qualitative Disclosures About Market Risk**

See the “**Market and Credit Risk Sensitive Instruments**” section of Entergy Corporation and Subsidiaries Management’s Financial Discussion and Analysis.

## **Part I, Item 4. Controls and Procedures**

### **Disclosure Controls and Procedures**

As of June 30, 2024, evaluations were performed under the supervision and with the participation of Entergy Corporation, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Entergy Texas, and System Energy (each individually a “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 Control over Financial Reporting**

Under the supervision and with the participation of each Registrant’s management, including its respective PEO and PFO, each Registrant evaluated changes in internal control over financial reporting that occurred during the quarter ended June 30, 2024 and found no change that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

**ENTERGY ARKANSAS, LLC AND SUBSIDIARIES**  
**MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS**

**Results of Operations**

**Net Income**

**Second Quarter 2024 Compared to Second Quarter 2023**

Net income increased \$28.4 million primarily due to higher retail electric price and higher volume/weather, partially offset by higher interest expense and higher depreciation and amortization expenses.

**Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023**

Net income decreased \$63.3 million primarily due to a \$131.8 million (\$99.1 million net-of-tax) charge to reflect the write-off of a previously recorded regulatory asset as a result of an adverse decision in the opportunity sales proceeding in March 2024, higher other operation and maintenance expenses, higher interest expense, and higher depreciation and amortization expenses. The decrease was partially offset by higher retail electric price and higher volume/weather. See Note 2 to the financial statements herein and in the Form 10-K for discussion of the opportunity sales proceeding.

**Operating Revenues**

**Second Quarter 2024 Compared to Second Quarter 2023**

Following is an analysis of the change in operating revenues comparing the second quarter 2024 to the second quarter 2023:

	<b>Amount</b>
	<b>(In Millions)</b>
2023 operating revenues	\$616.3
Fuel, rider, and other revenues that do not significantly affect net income	(45.9)
Volume/weather	18.6
Retail electric price	19.8
<b>2024 operating revenues</b>	<b>\$608.8</b>

Entergy Arkansas's results include revenues from rate mechanisms designed to recover fuel, purchased power, and other costs such that the revenues and expenses associated with these items generally offset and do not affect net income. "Fuel, rider, and other revenues that do not significantly affect net income" includes the revenue variance associated with these items.

The volume/weather variance is primarily due to an increase in weather-adjusted residential usage, the effect of more favorable weather on residential sales, and an increase in industrial and commercial usage. The increase in weather-adjusted residential usage is primarily due to an increase in customers. The increase in industrial usage is primarily due to an increase in demand from large industrial customers, primarily new customers in the technology industry, and an increase in demand from small industrial customers.

The retail electric price variance is primarily due to an increase in formula rate plan rates effective January 2024. See Note 2 to the financial statements in the Form 10-K for discussion of the 2023 formula rate plan filing.

Total electric energy sales for Entergy Arkansas for the three months ended June 30, 2024 and 2023 are as follows:

	2024	2023	% Change
	(GWh)		
Residential	1,855	1,767	5
Commercial	1,419	1,374	3
Industrial	2,443	2,226	10
Governmental	50	49	2
Total retail	5,767	5,416	6
Sales for resale:			
Associated companies	522	512	2
Non-associated companies	982	811	21
Total	7,271	6,739	8

See Note 12 to the financial statements herein for additional discussion of Entergy Arkansas's operating revenues.

#### Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

Following is an analysis of the change in operating revenues comparing the six months ended June 30, 2024 to the six months ended June 30, 2023:

	Amount
	(In Millions)
2023 operating revenues	\$1,199.1
Fuel, rider, and other revenues that do not significantly affect net income	(32.0)
Retail electric price	35.0
Volume/weather	28.7
2024 operating revenues	\$1,230.8

Entergy Arkansas's results include revenues from rate mechanisms designed to recover fuel, purchased power, and other costs such that the revenues and expenses associated with these items generally offset and do not affect net income. "Fuel, rider, and other revenues that do not significantly affect net income" includes the revenue variance associated with these items.

The retail electric price variance is primarily due to an increase in formula rate plan rates effective January 2024. See Note 2 to the financial statements in the Form 10-K for discussion of the 2023 formula rate plan filing.

The volume/weather variance is primarily due to the effect of more favorable weather on residential sales, an increase in weather-adjusted residential usage, and an increase in industrial usage. The increase in weather-adjusted residential usage is primarily due to an increase in customers. The increase in industrial usage is primarily due to an increase in demand from large industrial customers, primarily new customers in the technology industry, and an increase in demand from small industrial customers.

Total electric energy sales for Entergy Arkansas for the six months ended June 30, 2024 and 2023 are as follows:

	2024	2023	% Change
	(GWh)		
Residential	3,821	3,569	7
Commercial	2,699	2,613	3
Industrial	4,711	4,276	10
Governmental	95	95	—
Total retail	11,326	10,553	7
Sales for resale:			
Associated companies	984	1,075	(8)
Non-associated companies	1,949	2,379	(18)
Total	14,259	14,007	2

See Note 12 to the financial statements herein for additional discussion of Entergy Arkansas's operating revenues.

## Other Income Statement Variances

### Second Quarter 2024 Compared to Second Quarter 2023

Other operation and maintenance expenses decreased primarily due to a decrease of \$3.4 million in non-nuclear generation expenses primarily due to a lower scope of work during plant outages performed in 2024 as compared to 2023 and a decrease of \$2.2 million in power delivery expenses primarily due to lower vegetation maintenance costs. The decrease was partially offset by an increase of \$2.9 million in contract costs related to operational performance, customer service, and organizational health initiatives.

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

Other income increased primarily due to a decrease of \$3.7 million in net periodic pension and other postretirement benefits non-service costs primarily as a result of pension settlement charges recorded in second quarter 2023 and a reduction in 2024 in the amortization of deferred pension losses as a result of an amendment to a qualified pension plan spinning-off predominantly inactive participants into a new qualified plan, extending the amortization period for deferred losses. See **"MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Critical Accounting Estimates"** in the Form 10-K, Note 6 to the financial statements herein, and Note 11 to the financial statements in the Form 10-K for further discussion of pension and other postretirement benefits costs.

Interest expense increased primarily due to the issuance of \$300 million of 5.30% Series mortgage bonds in August 2023 and the issuances of \$400 million of 5.75% Series mortgage bonds and \$400 million of 5.45% Series mortgage bonds, each in May 2024.

### Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

Fuel, fuel-related expenses, and gas purchased for resale includes a credit of \$9 million, recorded in first quarter 2024, for costs related to net metering. The costs were incurred in 2023 and included within Entergy Arkansas's annual redetermination of its energy cost recovery rider filed in March 2024 due to a change in law in the state of Arkansas. See Note 2 to the financial statements herein for discussion of the March 2024 energy cost recovery rider filing.

Other operation and maintenance expenses increased primarily due to:

- the effects of recording a final judgment in first quarter 2023 to resolve claims in the ANO damages case against the DOE related to spent nuclear fuel storage costs. The damages awarded included the reimbursement of approximately \$10.3 million of spent nuclear fuel storage costs previously recorded as other operation and maintenance expenses. See Note 8 to the financial statements in the Form 10-K for discussion of the spent nuclear fuel litigation;
- an increase of \$6.1 million in energy efficiency expenses primarily due to the timing of recovery from customers; and
- an increase of \$5.2 million in contract costs related to operational performance, customer service, and organizational health initiatives.

The increase was partially offset by a decrease of \$5.5 million in non-nuclear generation expenses primarily due to a lower scope of work during plant outages performed in 2024 as compared to 2023.

Asset write-offs includes a \$131.8 million (\$99.1 million net-of-tax) charge to reflect the write-off of a previously recorded regulatory asset as a result of an adverse decision in the opportunity sales proceeding in March 2024. See Note 2 to the financial statements herein and in the Form 10-K for discussion of the opportunity sales proceeding.

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

Entergy Arkansas records a regulatory charge or credit for the difference between asset retirement obligation-related expenses and nuclear decommissioning trust earnings plus asset retirement obligation-related costs collected in revenue.

Other income increased primarily due to changes in decommissioning trust fund activity, including portfolio rebalancing of the decommissioning trust funds in first quarter 2024.

Interest expense increased primarily due to the issuance of \$300 million of 5.30% Series mortgage bonds in August 2023 and the issuances of \$400 million of 5.75% Series mortgage bonds and \$400 million of 5.45% Series mortgage bonds, each in May 2024. The increase was partially offset by the repayment of \$250 million of 3.05% Series mortgage bonds in June 2023.

#### Income Taxes

The effective income tax rate was 25.2% for the second quarter 2024. The difference in the effective income tax rate for the second quarter 2024 versus the federal statutory rate of 21% was primarily due to the accrual for state income taxes and the amortization of accumulated deferred income taxes as a result of tax rate changes, partially offset by certain book and tax differences related to utility plant items and book and tax differences related to the allowance for equity funds used during construction.

The effective income tax rate was 25.4% for the six months ended June 30, 2024. The difference in the effective income tax rate for the six months ended June 30, 2024 versus the federal statutory rate of 21% was primarily due to the amortization of accumulated deferred income taxes as a result of tax rate changes and the accrual for state income taxes, partially offset by certain book and tax differences related to utility plant items and book and tax differences related to the allowance for equity funds used during construction.

The effective income tax rate was 22.9% for the second quarter 2023. The difference in the effective income tax rate for the second quarter 2023 versus the federal statutory rate of 21% was primarily due to the accrual for state income taxes, partially offset by certain book and tax differences related to utility plant items.

The effective income tax rate was 19.4% for the six months ended June 30, 2023. The difference in the effective income tax rate for the six months ended June 30, 2023 versus the federal statutory rate of 21% was primarily due to the amortization of state accumulated deferred income taxes as a result of tax rate changes and certain book and tax differences related to utility plant items, partially offset by the accrual for state income taxes.

### **Income Tax Legislation and Regulation**

See “MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS - **Income Tax Legislation and Regulation**” herein and in the Form 10-K for discussion of income tax legislation and regulation.

### **Liquidity and Capital Resources**

#### **Cash Flow**

Cash flows for the six months ended June 30, 2024 and 2023 were as follows:

	<b>2024</b>	<b>2023</b>
	(In Thousands)	
Cash and cash equivalents at beginning of period	\$3,632	\$5,278
Net cash provided by (used in):		
Operating activities	524,708	407,699
Investing activities	(721,529)	(563,854)
Financing activities	979,521	155,090
Net increase (decrease) in cash and cash equivalents	<u>782,700</u>	<u>(1,065)</u>
Cash and cash equivalents at end of period	<u><u>\$786,332</u></u>	<u><u>\$4,213</u></u>

#### **Operating Activities**

Net cash flow provided by operating activities increased \$117 million for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 primarily due to:

- the receipt of \$92 million in settlement proceeds in May 2024 as a result of the System Energy settlement with the APSC. See Note 2 to the financial statements for a discussion of the System Energy settlement agreement with the APSC;
- higher collections from customers;
- a decrease of \$30.1 million in interest paid; and
- a decrease in spending of \$14.1 million on nuclear refueling outages in 2024.

The increase was partially offset by:

- the timing of recovery of fuel and purchased power costs. See Note 2 to the financial statements herein and in the Form 10-K for a discussion of fuel and purchased power cost recovery;
- the refund of \$41.7 million received from System Energy in January 2023 related to the sale-leaseback renewal costs and depreciation litigation as calculated in System Energy’s January 2023 compliance report filed with the FERC. The refund was subsequently applied to the under-recovered deferred fuel balance. See Note 2 to the financial statements in the Form 10-K for further discussion of the refund and the related proceedings;

- \$23.2 million in proceeds received from the DOE in April 2023 resulting from litigation regarding spent nuclear fuel storage costs that were previously expensed. See Note 1 to the financial statements in the Form 10-K for discussion of the spent nuclear fuel litigation; and
- the timing of payments to vendors.

### Investing Activities

Net cash flow used in investing activities increased \$157.7 million for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 primarily due to:

- the initial payment of approximately \$169.7 million in February 2024 for the purchase of the Walnut Bend Solar facility. See Note 14 to the financial statements herein for discussion of the Walnut Bend Solar facility purchase;
- money pool activity; and
- \$17.9 million in proceeds received from the DOE in April 2023 resulting from litigation regarding spent nuclear fuel storage costs that were previously recorded as plant. See Note 8 to the financial statements in the Form 10-K for discussion of the spent nuclear fuel litigation.

The increase was partially offset by:

- a decrease of \$89.5 million in distribution construction expenditures primarily due to lower capital expenditures for storm restoration in 2024;
- a decrease of \$31.2 million in nuclear construction expenditures primarily due to decreased spending on various nuclear projects in 2024; and
- a decrease of \$24.5 million as a result of fluctuations in nuclear fuel activity due to variations from year to year in the timing and pricing of fuel reload requirements, materials 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 \$130.6 million for the six months ended June 30, 2024. The money pool is an intercompany cash management program that makes possible intercompany borrowing and lending arrangements, and the money pool and other borrowing arrangements are designed to reduce the Registrant Subsidiaries' dependence on external short-term borrowings.

### Financing Activities

Net cash flow provided by financing activities increased \$824.4 million for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 primarily due to:

- the issuances of \$400 million of 5.45% Series mortgage bonds and \$400 million of 5.75% Series mortgage bonds, each in May 2024;
- capital contributions of approximately \$695 million received from Entergy Corporation in 2024 in anticipation of upcoming expenditures, including the acquisitions of the Walnut Bend Solar facility, the Driver Solar facility, and the West Memphis Solar facility;
- the repayment, at maturity, of \$250 million of 3.05% Series mortgage bonds in June 2023;
- \$89 million in common equity distributions paid in 2023 in order to maintain Entergy Arkansas's capital structure; and
- the issuance of \$70 million of 5.54% Series O notes by the Entergy Arkansas nuclear fuel company variable interest entity in March 2024.

The increase was partially offset by:

- the issuance of \$425 million of 5.15% Series mortgage bonds in January 2023;
- the repayment, at maturity, of \$375 million of 3.70% Series mortgage bonds in June 2024;
- net repayments of \$70.2 million in 2024 compared to net borrowings of \$97.5 million in 2023 on the nuclear fuel company variable interest entity's credit facility; and
- money pool activity.

Decreases in Entergy Arkansas's payable to the money pool are a use of cash flow, and Entergy Arkansas's payable to the money pool decreased \$145.4 million for the six months ended June 30, 2024 compared to decreasing by \$28.5 million for the six months ended June 30, 2023.

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

## Capital Structure

Entergy Arkansas's debt to capital ratio is shown in the following table. The decrease in the debt to capital ratio for Entergy Arkansas is primarily due to capital contributions of \$695 million received from Entergy Corporation in 2024, partially offset by the net issuance of long-term debt in 2024.

	June 30, 2024	December 31, 2023
Debt to capital	53.1 %	55.5 %
Effect of subtracting cash	(4.2 %)	— %
Net debt to net capital (non-GAAP)	48.9 %	55.5 %

Net debt consists of debt less cash and cash equivalents. Debt consists of short-term borrowings, finance lease obligations, 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 Arkansas 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 Arkansas's financial condition. The net debt to net capital ratio is a non-GAAP measure. Entergy Arkansas also uses the net debt to net capital ratio in analyzing its financial condition and believes it provides useful information to its investors and creditors in evaluating Entergy Arkansas'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. The following are updates to the information provided in the Form 10-K.

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

June 30, 2024	December 31, 2023	June 30, 2023	December 31, 2022
(In Thousands)			
\$130,602	(\$145,385)	(\$152,327)	(\$180,795)

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 \$300 million scheduled to expire in June 2029. Entergy Arkansas also has a \$25 million credit facility scheduled to expire in April 2026. The \$300 million credit facility includes fronting commitments for the issuance of letters of credit against \$5 million of the borrowing capacity of the facility. As of June 30, 2024, there were no cash borrowings and no letters of credit outstanding under the credit facilities. In addition, Entergy Arkansas is a party to an uncommitted letter of credit facility as a means to post collateral to support its obligations to MISO. As of June 30, 2024, \$12.4 million in letters of credit were outstanding under Entergy Arkansas's uncommitted letter of credit facility. See Note 4 to the financial statements herein for discussion of the credit facilities.

The Entergy Arkansas nuclear fuel company variable interest entity has a credit facility in the amount of \$80 million scheduled to expire in June 2027. As of June 30, 2024, there were no loans outstanding under the credit facility for the Entergy Arkansas nuclear fuel company variable interest entity. See Note 4 to the financial statements herein for 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. The following are updates to that discussion.

#### **Retail Rates**

##### **2024 Formula Rate Plan Filing**

In July 2024, Entergy Arkansas filed with the APSC its 2024 formula rate plan filing to set its formula rate for the 2025 calendar year. The filing contained an evaluation of Entergy Arkansas's earnings for the 2025 projected year and a netting adjustment for the 2023 historical year. The filing showed that Entergy Arkansas's earned rate of return on common equity for the 2025 projected year was 8.43% resulting in a revenue deficiency of \$69.5 million. The earned rate of return on common equity for the 2023 historical year was 7.48% resulting in a \$33.1 million netting adjustment. The total proposed revenue change for the 2025 projected year and 2023 historical year netting adjustment is \$102.6 million. By operation of the formula rate plan, Entergy Arkansas's recovery of the revenue requirement is subject to a four percent annual revenue constraint. Because Entergy Arkansas's revenue requirement in this filing exceeded the constraint, the resulting increase was limited to \$82.6 million. This filing is subject to review by the APSC, which is expected to issue its order on the filing in December 2024.

##### **Grand Gulf Credit Rider**

In June 2024, Entergy Arkansas filed with the APSC a tariff to provide retail customers a credit resulting from the terms of the settlement agreement between Entergy Arkansas, System Energy, additional named Entergy parties, and the APSC pertaining to System Energy's billings for wholesale sales of energy and capacity from the Grand Gulf nuclear plant. See “**Complaints Against System Energy - System Energy Settlement with the APSC**” in Note 2 to the financial statements herein and in the Form 10-K for discussion of the settlement. In July 2024 the APSC approved the tariff, under which Entergy Arkansas will refund retail customers a total of \$100.6 million with a one-time bill credit during the August 2024 billing cycle.

#### **Energy Cost Recovery Rider**

In March 2024, Entergy Arkansas filed its annual redetermination of its energy cost rate pursuant to the energy cost recovery rider, which reflected a decrease in the rate from \$0.01883 per kWh to \$0.00882 per kWh. Due to a change in law in the State of Arkansas, the annual redetermination included \$9 million, recorded as a credit to fuel expense in first quarter 2024, for recovery attributed to net metering costs in 2023. The primary reason for

the rate decrease is a large over-recovered balance as a result of lower natural gas prices in 2023. To mitigate the effect of projected increases in natural gas prices in 2024, Entergy Arkansas adjusted the over-recovered balance included in the March 2024 annual redetermination filing by \$43.7 million. This adjustment is expected to reduce the rate change that will be reflected in the 2025 energy cost rate redetermination. The redetermined rate of \$0.00882 per kWh became effective with the first billing cycle in April 2024 through the normal operation of the tariff.

### **Opportunity Sales Proceeding**

See Note 2 to the financial statements in the Form 10-K for discussion of the Entergy Arkansas opportunity sales proceeding. As discussed in the Form 10-K, in September 2020, Entergy Arkansas filed a complaint in the U.S. District Court for the Eastern District of Arkansas challenging the APSC's denial of recovery of \$135 million of payments to other Utility operating companies in December 2018 relating to off-system sales of electricity from 2002-2009, as ordered by the FERC. The complaint also involved a challenge to the \$13.7 million, plus interest, of related refunds ordered by the APSC and paid by Entergy Arkansas in August 2020. The trial was held in February 2023. Following the trial, Entergy Arkansas filed a motion with the United States Court of Appeals for the Eighth District to expedite the appeal filed by Arkansas Electric Energy Consumers, Inc. The United States Court of Appeals for the Eighth District granted Entergy Arkansas's request, and oral arguments were held in June 2023. In August 2023 the United States Court of Appeals for the Eighth District affirmed the order of the court denying Arkansas Electric Energy Consumers, Inc.'s motion to intervene.

In March 2024 the U.S. District Court for the Eastern District of Arkansas issued a judgment in favor of the APSC and against Entergy Arkansas. In March 2024 Entergy Arkansas filed a notice of appeal and a motion to expedite oral arguments with the United States Court of Appeals for the Eighth District and the court granted the motion to expedite. Briefing to the United States Court of Appeals for the Eighth District concluded in July 2024. As a result of the adverse decision by the U.S. District Court for the Eastern District of Arkansas, Entergy Arkansas concluded that it could no longer support the recognition of its \$131.8 million regulatory asset reflecting the previously-expected recovery of a portion of the costs at issue in the opportunity sales proceeding and recorded a \$131.8 million (\$99.1 million net-of-tax) charge to earnings in first quarter 2024.

### **Federal Regulation**

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – **Federal Regulation**" in the Form 10-K for a discussion of federal regulation.

### **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. See "Other Information - **Environmental Regulation**" in Part II, Item 5 herein for updates regarding environmental proceedings and regulation.

### **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, utility regulatory accounting, taxation and uncertain tax positions, qualified pension and other postretirement benefits, and other contingencies.

### **New Accounting Pronouncements**

See the “**New Accounting Pronouncements**” section of Note 1 to the financial statements in the Form 10-K for a discussion of new accounting pronouncements and the “**New Accounting Pronouncements**” section of Entergy Corporation and Subsidiaries Management’s Financial Discussion and Analysis herein for updates to the discussion of new accounting pronouncements.

**ENTERGY ARKANSAS, LLC AND SUBSIDIARIES**  
**CONSOLIDATED INCOME STATEMENTS**  
For the Three and Six Months Ended June 30, 2024 and 2023  
(Unaudited)

	Three Months Ended		Six Months Ended	
	2024	2023	2024	2023
	(In Thousands)		(In Thousands)	
OPERATING REVENUES				
Electric	\$608,798	\$616,347	\$1,230,843	\$1,199,096
OPERATING EXPENSES				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	52,756	102,350	159,195	215,859
Purchased power	55,602	57,648	107,922	122,399
Nuclear refueling outage expenses	14,101	15,504	28,189	30,845
Other operation and maintenance	174,835	178,044	352,876	334,863
Asset write-offs	—	—	131,775	—
Decommissioning	22,832	21,667	45,479	43,017
Taxes other than income taxes	34,390	34,743	70,614	67,094
Depreciation and amortization	103,966	99,707	206,957	196,148
Other regulatory charges (credits) - net	(20,934)	(19,185)	27,685	(40,029)
TOTAL	437,548	490,478	1,130,692	970,196
OPERATING INCOME				
	171,250	125,869	100,151	228,900
OTHER INCOME				
Allowance for equity funds used during construction	5,862	5,400	11,394	10,243
Interest and investment income	5,181	5,727	77,941	13,206
Miscellaneous - net	(2,799)	(6,239)	(6,380)	(8,340)
TOTAL	8,244	4,888	82,955	15,109
INTEREST EXPENSE				
Interest expense	54,879	46,038	104,144	91,405
Allowance for borrowed funds used during construction	(2,864)	(2,169)	(5,563)	(4,114)
TOTAL	52,015	43,869	98,581	87,291
INCOME BEFORE INCOME TAXES				
	127,479	86,888	84,525	156,718
Income taxes	32,120	19,940	21,446	30,374
NET INCOME	95,359	66,948	63,079	126,344
Net loss attributable to noncontrolling interest	(825)	(1,006)	(2,643)	(2,635)
EARNINGS APPLICABLE TO MEMBER'S EQUITY	\$96,184	\$67,954	\$65,722	\$128,979

See Notes to Financial Statements.

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**ENTERGY ARKANSAS, LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For the Six Months Ended June 30, 2024 and 2023  
(Unaudited)

	2024	2023
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	\$63,079	\$126,344
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Depreciation, amortization, and decommissioning, including nuclear fuel amortization	287,564	270,098
Deferred income taxes, investment tax credits, and non-current taxes accrued	41,130	33,572
Asset write-offs	131,775	—
Changes in assets and liabilities:		
Receivables	67,067	21,444
Fuel inventory	10,890	(6,830)
Accounts payable	26,093	(43,953)
Taxes accrued	(15,496)	(4,315)
Interest accrued	4,647	10,421
Deferred fuel costs	2,317	123,264
Other working capital accounts	(13,243)	(30,581)
Provisions for estimated losses	5,725	(26,606)
Other regulatory assets	179,719	(51,960)
Other regulatory liabilities	71,529	97,349
Pension and other postretirement funded status	(27,588)	(18,948)
Other assets and liabilities	(310,500)	(91,600)
Net cash flow provided by operating activities	524,708	407,699
INVESTING ACTIVITIES		
Construction expenditures	(394,973)	(524,723)
Allowance for equity funds used during construction	11,394	10,243
Payment for purchase of plant	(169,694)	—
Nuclear fuel purchases	(65,010)	(73,912)
Proceeds from sale of nuclear fuel	33,213	17,614
Proceeds from nuclear decommissioning trust fund sales	412,931	54,469
Investment in nuclear decommissioning trust funds	(418,818)	(65,584)
Change in money pool receivable - net	(130,602)	—
Litigation proceeds for reimbursement of spent nuclear fuel storage costs	—	17,933
Decrease in other investments	30	106
Net cash flow used in investing activities	(721,529)	(563,854)
FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	970,030	661,923
Retirement of long-term debt	(555,411)	(394,810)
Capital contributions from parent	695,000	—
Changes in money pool payable - net	(145,385)	(28,468)
Common equity distributions paid	—	(89,000)
Other	15,287	5,445
Net cash flow provided by financing activities	979,521	155,090
Net increase (decrease) in cash and cash equivalents	782,700	(1,065)
Cash and cash equivalents at beginning of period	3,632	5,278
Cash and cash equivalents at end of period	\$786,332	\$4,213
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest - net of amount capitalized	\$49,597	\$79,716
Income taxes	\$1,569	\$—
Noncash investing activities:		
Accrued construction expenditures	\$36,355	\$113,205

See Notes to Financial Statements.



**ENTERGY ARKANSAS, LLC AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**ASSETS**  
**June 30, 2024 and December 31, 2023**  
**(Unaudited)**

	2024	2023
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	\$14,168	\$520
Temporary cash investments	772,164	3,112
Total cash and cash equivalents	786,332	3,632
Accounts receivable:		
Customer	159,732	157,520
Allowance for doubtful accounts	(4,297)	(7,182)
Associated companies	176,832	124,672
Other	70,310	89,532
Accrued unbilled revenues	142,619	117,119
Total accounts receivable	545,196	481,661
Fuel inventory - at average cost	46,605	57,495
Materials and supplies - at average cost	387,125	358,302
Deferred nuclear refueling outage costs	39,064	35,463
Prepayments and other	37,288	40,866
TOTAL	1,841,610	977,419
OTHER PROPERTY AND INVESTMENTS		
Decommissioning trust funds	1,522,508	1,414,009
Other	799	801
TOTAL	1,523,307	1,414,810
UTILITY PLANT		
Electric	15,166,477	14,821,814
Construction work in progress	503,003	340,601
Nuclear fuel	226,459	213,722
TOTAL UTILITY PLANT	15,895,939	15,376,137
Less - accumulated depreciation and amortization	6,144,521	6,002,203
UTILITY PLANT - NET	9,751,418	9,373,934
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
Other regulatory assets	1,705,642	1,885,361
Other	154,064	21,334
TOTAL	1,859,706	1,906,695
TOTAL ASSETS	\$14,976,041	\$13,672,858

See Notes to Financial Statements.



**ENTERGY ARKANSAS, LLC AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**LIABILITIES AND EQUITY**  
**June 30, 2024 and December 31, 2023**  
**(Unaudited)**

	2024	2023
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	\$—	\$375,000
Accounts payable:		
Associated companies	98,324	225,344
Other	196,722	215,502
Customer deposits	121,174	113,186
Taxes accrued	89,655	105,151
Interest accrued	40,017	35,370
Deferred fuel costs	90,599	88,282
Other	65,592	55,683
TOTAL	702,083	1,213,518
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	1,445,165	1,437,053
Accumulated deferred investment tax credits	26,670	27,270
Regulatory liability for income taxes - net	419,526	392,496
Other regulatory liabilities	803,680	759,181
Decommissioning	1,625,476	1,560,057
Accumulated provisions	64,684	58,959
Pension and other postretirement liabilities	103,190	8,901
Long-term debt	5,094,160	4,298,080
Other	172,939	156,673
TOTAL	9,755,490	8,698,670
Commitments and Contingencies		
EQUITY		
Member's equity	4,499,793	3,739,071
Noncontrolling interest	18,675	21,599
TOTAL	4,518,468	3,760,670
TOTAL LIABILITIES AND EQUITY	\$14,976,041	\$13,672,858

See Notes to Financial Statements.

**ENTERGY ARKANSAS, LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**For the Six Months Ended June 30, 2024 and 2023**  
**(Unaudited)**

	<b>Noncontrolling Interest</b>	<b>Member's Equity</b>	<b>Total</b>
	<b>(In Thousands)</b>		
<b>Balance at December 31, 2022</b>	\$27,825	\$3,753,990	\$3,781,815
Net income (loss)	(1,629)	61,026	59,397
Common equity distributions	—	(80,000)	(80,000)
Distributions to noncontrolling interest	(104)	—	(104)
<b>Balance at March 31, 2023</b>	26,092	3,735,016	3,761,108
Net income (loss)	(1,006)	67,954	66,948
Common equity distributions	—	(9,000)	(9,000)
Distributions to noncontrolling interest	(113)	—	(113)
<b>Balance at June 30, 2023</b>	<u>\$24,973</u>	<u>\$3,793,970</u>	<u>\$3,818,943</u>
<b>Balance at December 31, 2023</b>	\$21,599	\$3,739,071	\$3,760,670
Net loss	(1,818)	(30,462)	(32,280)
Capital contribution from parent	—	275,000	275,000
Distributions to noncontrolling interest	(250)	—	(250)
<b>Balance at March 31, 2024</b>	19,531	3,983,609	4,003,140
Net income (loss)	(825)	96,184	95,359
Capital contribution from parent	—	420,000	420,000
Distributions to noncontrolling interest	(31)	—	(31)
<b>Balance at June 30, 2024</b>	<u>\$18,675</u>	<u>\$4,499,793</u>	<u>\$4,518,468</u>
See Notes to Financial Statements.			

**ENTERGY LOUISIANA, LLC AND SUBSIDIARIES**  
**MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS**

**Results of Operations**

**Net Income**

**Second Quarter 2024 Compared to Second Quarter 2023**

Net income decreased \$132.1 million primarily due to expenses of \$151.5 million (\$110.7 million net-of-tax), recorded in second quarter 2024, primarily consisting of regulatory charges to reflect the effects of an agreement in principle between Entergy Louisiana and the LPSC staff and the intervenors in July 2024 to renew Entergy Louisiana's formula rate plan and resolve a number of other retail dockets and matters, including all formula rate plan test years prior to 2023. Also contributing to the decrease were higher other operation and maintenance expenses, partially offset by higher volume/weather and a lower effective income tax rate. See Note 2 to the financial statements herein for discussion of the agreement in principle and the subsequently filed global stipulated settlement agreement.

**Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023**

Net income decreased \$193.4 million primarily due to expenses of \$151.5 million (\$110.7 million net-of-tax), recorded in second quarter 2024, primarily consisting of regulatory charges to reflect the effects of an agreement in principle between Entergy Louisiana and the LPSC staff and the intervenors in July 2024 to renew Entergy Louisiana's formula rate plan and resolve a number of other retail dockets and matters, including all formula rate plan test years prior to 2023. Also contributing to the decrease are the net effects of Entergy Louisiana's storm cost securitization in March 2023, including a \$133.4 million reduction in income tax expense, partially offset by a \$103.4 million (\$76.4 million net-of-tax) regulatory charge to reflect Entergy Louisiana's obligation to share the benefits of the securitization with customers, and higher other operation and maintenance expenses. The decrease was partially offset by higher other income and higher volume/weather. See Note 2 to the financial statements herein for discussion of the agreement in principle and the subsequently filed global stipulated settlement agreement. See Note 2 to the financial statements in the Form 10-K for discussion of the March 2023 storm cost securitization.

**Operating Revenues**

**Second Quarter 2024 Compared to Second Quarter 2023**

Following is an analysis of the change in operating revenues comparing the second quarter 2024 to the second quarter 2023:

	<b>Amount</b>
	(In Millions)
2023 operating revenues	\$1,205.6
Fuel, rider, and other revenues that do not significantly affect net income	43.0
Volume/weather	18.4
Retail electric price	9.1
<b>2024 operating revenues</b>	<b>\$1,276.1</b>

Entergy Louisiana's results include revenues from rate mechanisms designed to recover fuel, purchased power, and other costs such that the revenues and expenses associated with these items generally offset and do not affect net income. "Fuel, rider, and other revenues that do not significantly affect net income" includes the revenue variance associated with these items.

The volume/weather variance is primarily due to the effect of more favorable weather on residential sales and an increase in industrial usage, partially offset by a decrease in weather-adjusted residential usage. The increase in industrial usage is primarily due to an increase in demand from large industrial customers, primarily in the petroleum refining industry.

The retail electric price variance is primarily due to an increase in formula rate plan revenues, including increases in the distribution and transmission recovery mechanisms, effective September 2023. See Note 2 to the financial statements in the Form 10-K for discussion of the formula rate plan proceeding.

Total electric energy sales for Entergy Louisiana for the three months ended June 30, 2024 and 2023 are as follows:

	<b>2024</b>	<b>2023</b>	<b>% Change</b>
	(GWh)		
Residential	3,913	3,694	6
Commercial	2,881	2,801	3
Industrial	8,414	8,014	5
Governmental	209	206	1
Total retail	15,417	14,715	5
Sales for resale:			
Associated companies	1,482	678	119
Non-associated companies	395	464	(15)
Total	17,294	15,857	9

See Note 12 to the financial statements herein for additional discussion of Entergy Louisiana's operating revenues.

#### Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

Following is an analysis of the change in operating revenues comparing the six months ended June 30, 2024 to the six months ended June 30, 2023:

	<b>Amount</b>
	(In Millions)
2023 operating revenues	\$2,550.8
Fuel, rider, and other revenues that do not significantly affect net income	(95.7)
Storm restoration carrying costs	(30.6)
Retail electric price	20.4
Volume/weather	33.7
<b>2024 operating revenues</b>	<b>\$2,478.6</b>

Entergy Louisiana's results include revenues from rate mechanisms designed to recover fuel, purchased power, and other costs such that the revenues and expenses associated with these items generally offset and do not affect net income. "Fuel, rider, and other revenues that do not significantly affect net income" includes the revenue variance associated with these items.

Storm restoration carrying costs represent the equity component of storm restoration carrying costs recognized as part of the securitization of Hurricane Ida restoration costs in March 2023. See Note 2 to the financial statements in the Form 10-K for discussion of the March 2023 storm cost securitization.

The retail electric price variance is primarily due to an increase in formula rate plan revenues, including increases in the distribution and transmission recovery mechanisms, effective September 2023. See Note 2 to the financial statements in the Form 10-K for discussion of the formula rate plan proceeding.

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

Total electric energy sales for Entergy Louisiana for the six months ended June 30, 2024 and 2023 are as follows:

	2024	2023	% Change
	(GWh)		
Residential	6,728	6,378	5
Commercial	5,335	5,248	2
Industrial	16,175	15,845	2
Governmental	408	400	2
Total retail	28,646	27,871	3
Sales for resale:			
Associated companies	2,740	2,355	16
Non-associated companies	777	688	13
Total	32,163	30,914	4

See Note 13 to the financial statements herein for additional discussion of Entergy Louisiana's operating revenues.

## Other Income Statement Variances

### Second Quarter 2024 Compared to Second Quarter 2023

Other operation and maintenance expenses increased primarily due to:

- an increase of \$7.8 million in nuclear generation expenses primarily due to a higher scope of work, including during plant outages, performed in 2024 as compared to 2023;
- an increase of \$7 million in energy efficiency expenses primarily due to the timing of recovery from customers;
- an increase of \$4.4 million in contract costs related to operational performance, customer service, and organizational health initiatives; and
- an increase of \$2.5 million in transmission costs allocated by MISO. See Note 2 to the financial statements in the Form 10-K for discussion of the recovery of these costs.

Taxes other than income taxes increased primarily due to increases in ad valorem taxes resulting from higher assessments.

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

Other regulatory charges (credits) - net includes a regulatory charge of \$150.2 million, recorded in second quarter 2024, to reflect the effects of an agreement in principle between Entergy Louisiana and the LPSC staff and the intervenors in July 2024 to renew Entergy Louisiana's formula rate plan and resolve a number of other retail dockets and matters, including all formula rate plan test years prior to 2023. In addition, Entergy Louisiana records a regulatory charge or credit for the difference between asset retirement obligation-related expenses and nuclear decommissioning trust earnings plus asset retirement obligation-related costs collected in revenue. See Note 2 to the financial statements herein for discussion of the agreement in principle and the subsequently filed global stipulated settlement agreement.

#### Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

Other operation and maintenance expenses increased primarily due to:

- an increase of \$8.8 million in non-nuclear generation expenses primarily due to a higher scope of work, including during plant outages, performed in 2024 as compared to 2023;
- an increase of \$8.1 million in nuclear generation expenses primarily due to a higher scope of work, including during plant outages, performed in 2024 as compared to 2023;
- an increase of \$7.6 million in contract costs related to operational performance, customer service, and organizational health initiatives;
- an increase of \$7 million in energy efficiency expenses primarily due to the timing of recovery from customers;
- an increase of \$3.9 million in compensation and benefits costs primarily due to higher healthcare claims activity in 2024; and
- an increase of \$3.4 million in transmission costs allocated by MISO. See Note 2 to the financial statements in the Form 10-K for discussion of the recovery of these costs.

Taxes other than income taxes increased primarily due to increases in ad valorem taxes resulting from higher assessments.

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

Other regulatory charges (credits) - net includes:

- a regulatory charge of \$150.2 million, recorded in second quarter 2024, to reflect the effects of an agreement in principle between Entergy Louisiana and the LPSC staff and the intervenors in July 2024 to renew Entergy Louisiana's formula rate plan and resolve a number of other retail dockets and matters, including all formula rate plan test years prior to 2023. See Note 2 to the financial statements herein for discussion of the agreement in principle and the subsequently filed global stipulated settlement agreement; and
- a regulatory charge of \$103.4 million, recorded in first quarter 2023, to reflect Entergy Louisiana's obligation to provide credits to its customers as described in an LPSC ancillary order issued in the Hurricane Ida securitization regulatory proceeding. See Note 2 to the financial statements in the Form 10-K for discussion of the March 2023 storm cost securitization.

In addition, Entergy Louisiana records a regulatory charge or credit for the difference between asset retirement obligation-related expenses and nuclear decommissioning trust earnings plus asset retirement obligation-related costs collected in revenue.

Other income increased primarily due to:

- changes in decommissioning trust fund activity, including portfolio rebalancing of the River Bend decommissioning trust fund in first quarter 2024;

- an increase of \$21 million in affiliated dividend income from affiliated preferred membership interests, related to storm cost securitizations;
- a \$14.6 million charge, recorded in first quarter 2023, for the LURC's 1% beneficial interest in the storm trust II established as part of the March 2023 storm cost securitization; and
- a decrease of \$12.8 million in net periodic pension and other postretirement benefits non-service costs primarily as a result of pension settlement charges recorded in second quarter 2023 and a reduction in 2024 in the amortization of deferred pension losses as a result of an amendment to a qualified pension plan spinning-off predominantly inactive participants into a new qualified plan, extending the amortization period for deferred losses. See "**MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Critical Accounting Estimates**" in the Form 10-K, Note 6 to the financial statements herein, and Note 11 to the financial statements in the Form 10-K for further discussion of pension and other postretirement benefits costs.

See Note 2 to the financial statements in the Form 10-K for discussion of the storm cost securitizations.

Interest expense increased primarily due to a decrease in the allowance for borrowed funds used during construction due to lower construction work in progress in 2024.

### Income Taxes

The effective income tax rate was 13.7% for the second quarter 2024 and 16% for the six months ended June 30, 2024. The differences in the effective income tax rates for the second quarter 2024 and for the six months ended June 30, 2024 versus the federal statutory rate of 21% were primarily due to the book and tax differences related to the non-taxable income distributions earned on preferred membership interests and certain book and tax differences related to utility plant items, partially offset by the accrual for state income taxes and the amortization of state accumulated deferred income taxes as a result of tax rate changes.

The effective income tax rate was 20.7% for the second quarter 2023. The difference in the effective income tax rate for the second quarter 2023 versus the federal statutory rate of 21% was primarily due to book and tax differences related to the non-taxable income distributions earned on preferred membership interests, partially offset by the accrual for state income taxes and the amortization of state accumulated deferred income taxes as a result of a tax rate change.

The effective income tax rate was (9.1%) for the six months ended June 30, 2023. The difference in the effective income tax rate for the six months ended June 30, 2023 versus the federal statutory rate of 21% was primarily due to the reduction in income tax expense as a result of the March 2023 securitization of storm costs pursuant to Louisiana Act 55, as supplemented by Act 293 of the Louisiana Legislature's Regular Session of 2021 and book and tax differences related to the non-taxable income distributions earned on preferred membership interests, partially offset by the accrual for state income taxes and the amortization of state accumulated deferred income taxes as a result of a tax rate change. See Notes 2 and 10 to the financial statements herein for a discussion of the March 2023 storm cost securitization under Act 293.

### Income Tax Legislation and Regulation

See "**MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS - Income Tax Legislation and Regulation**" herein and in the Form 10-K for discussion of income tax legislation and regulation.

**Planned Sale of Gas Distribution Business**

See “MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS - **Planned Sale of Gas Distribution Businesses**” in the Form 10-K for discussion of the planned sale of Entergy Louisiana’s gas distribution business. The following is an update to that discussion.

In July 2024 the LPSC staff issued a report recommending LPSC approval of the application of Delta States Utilities LA, LLC (a Bernhard Capital Partners Management LP affiliate) and Entergy Louisiana and the transaction described therein as being in the public interest and proposing certain conditions. Entergy Louisiana anticipates that the LPSC will review the matter at its August Business and Executive meeting.

**Liquidity and Capital Resources****Cash Flow**

Cash flows for the six months ended June 30, 2024 and 2023 were as follows:

	<b>2024</b>	<b>2023</b>
	(In Thousands)	
Cash and cash equivalents at beginning of period	\$2,772	\$56,613
Net cash provided by (used in):		
Operating activities	808,398	928,060
Investing activities	(639,095)	(2,658,135)
Financing activities	13,706	2,530,488
Net increase in cash and cash equivalents	<u>183,009</u>	<u>800,413</u>
Cash and cash equivalents at end of period	<u>\$185,781</u>	<u>\$857,026</u>

**Operating Activities**

Net cash flow provided by operating activities decreased \$119.7 million for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 primarily due to:

- higher fuel costs and the timing of recovery of fuel and purchased power costs. See Note 2 to the financial statements in the Form 10-K for a discussion of fuel and purchased power cost recovery;
- lower collections from customers;
- the timing of payments to vendors; and
- the refund of \$27.8 million received from System Energy in January 2023 related to the sale-leaseback renewal costs and depreciation litigation as calculated in System Energy’s January 2023 compliance report filed with the FERC. See Note 2 to the financial statements in the Form 10-K for further discussion of the refund and the related proceedings.

The decrease was partially offset by a decrease of \$16.3 million in spending on nuclear refueling outages.



## Investing Activities

Net cash flow used in investing activities decreased \$2,019 million for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 primarily due to:

- an increase in investment in affiliates in 2023 due to the \$1,457.7 million purchase by the storm trust II of preferred membership interests issued by an Entergy affiliate. See Note 2 to the financial statements in the Form 10-K for a discussion of the March 2023 storm cost securitization and the storm trust II's investment in preferred membership interests;
- money pool activity;
- a decrease of \$123.6 million in nuclear construction expenditures primarily due to decreased spending on various nuclear projects in 2024;
- an increase of \$67.3 million in redemptions of the preferred membership interests held by the storm trusts in 2024 as compared to 2023, as part of periodic redemptions that are expected to occur, subject to certain conditions, for the preferred membership interests that were issued in connection with the storm cost securitizations. See Note 2 to the financial statements in the Form 10-K for a discussion of the storm cost securitizations;
- a decrease of \$57.5 million as a result of fluctuations in nuclear fuel activity due to variations from year to year in the timing and pricing of fuel reload requirements, materials and services deliveries, and the timing of cash payments during the nuclear fuel cycle;
- a decrease of \$36.3 million in transmission construction expenditures primarily due to decreased spending on various transmission projects in 2024 and lower capital expenditures for storm restoration in 2024; and
- a decrease of \$25.5 million in non-nuclear generation construction expenditures primarily due to a lower scope of work on projects performed in 2024 as compared to 2023.

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 \$31.4 million for the six months ended June 30, 2024 compared to increasing by \$275.6 million for the six months ended June 30, 2023. The money pool is an intercompany cash management program that makes possible intercompany borrowing and lending arrangements, and the money pool and other borrowing arrangements are designed to reduce the Registrant Subsidiaries' dependence on external short-term borrowings.

## Financing Activities

Net cash flow provided by financing activities decreased \$2,516.8 million for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 primarily due to:

- proceeds from securitization of \$1.5 billion received by the storm trust II in 2023;
- a capital contribution of approximately \$1.5 billion in 2023 received indirectly from Entergy Corporation related to the March 2023 storm cost securitization;
- an increase of \$503.9 million in common equity distributions paid in 2024 in order to maintain Entergy Louisiana's capital structure;
- the repayment, prior to maturity, of \$400 million of 5.40% Series mortgage bonds in April 2024; and
- an increase in net long-term repayments of \$54 million on the nuclear fuel company variable interest entities' credit facilities.

The decrease was partially offset by:

- the issuances of \$500 million of 5.35% Series mortgage bonds and \$700 million of 5.70% Series mortgage bonds in March 2024;
- money pool activity; and
- a decrease of \$50 million in 2024 in net repayments on Entergy Louisiana's revolving credit facility.

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 \$156.2 million for the six months ended June 30, 2024 compared to decreasing by \$226.1 million for the six months ended June 30, 2023.

See Note 4 to the financial statements herein and Note 5 to the financial statements in the Form 10-K for more details on long-term debt. See Note 2 to the financial statements in the Form 10-K for a discussion of the storm cost securitizations.

## Capital Structure

Entergy Louisiana's debt to capital ratio is shown in the following table. The increase in the debt to capital ratio for Entergy Louisiana is primarily due to the net issuance of long-term debt in 2024.

	June 30, 2024	December 31, 2023
Debt to capital	47.7 %	44.9 %
Effect of subtracting cash	(0.5 %)	0.0 %
Net debt to net capital (non-GAAP)	47.2 %	44.9 %

Net debt consists of debt less cash and cash equivalents. Debt consists of short-term borrowings, finance lease obligations, 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 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 Louisiana's financial condition. The net debt to net capital ratio is a non-GAAP measure. Entergy Louisiana also uses the net debt to net capital ratio in analyzing its financial condition and believes it provides useful information to its investors and creditors in evaluating Entergy Louisiana's financial condition 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. The following are updates to the information provided in the Form 10-K.

Following are the current annual amounts of Entergy Louisiana's planned construction and other capital investments.

	2024	2025	2026
	(In Millions)		
Planned construction and capital investment:			
Generation	\$380	\$825	\$515
Transmission	615	955	1,230
Distribution	785	1,120	860
Utility Support	100	80	75
Total	\$1,880	\$2,980	\$2,680

The updated capital plan for 2024-2026 reflects accelerated resilience spending. In addition to routine capital spending to maintain operations, the capital plan includes investments in generation projects to modernize, decarbonize, and diversify Entergy Louisiana's portfolio, including Bayou Power Station; investments in River Bend and Waterford 3; distribution and Utility support spending to improve reliability, resilience, and customer

experience; transmission spending to improve reliability and resilience while also supporting renewables expansion and customer growth; and other investments.

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

<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>	<b>December 31, 2022</b>
(In Thousands)			
\$31,361	(\$156,166)	\$275,559	(\$226,114)

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

Entergy Louisiana has a credit facility in the amount of \$400 million scheduled to expire in June 2029. The credit facility includes fronting commitments for the issuance of letters of credit against \$15 million of the borrowing capacity of the facility. As of June 30, 2024, there were no cash borrowings and no letters of credit outstanding under the credit facility. In addition, Entergy Louisiana is a party to an uncommitted letter of credit facility as a means to post collateral to support its obligations to MISO. As of June 30, 2024, \$20.7 million in letters of credit were outstanding under Entergy Louisiana's uncommitted letter of credit facility. See Note 4 to the financial statements herein for additional discussion of the credit facilities.

The Entergy Louisiana nuclear fuel company variable interest entities have two separate credit facilities, each in the amount of \$105 million and scheduled to expire in June 2027. As of June 30, 2024, \$27.9 million in loans were outstanding under the credit facility for the Entergy Louisiana River Bend nuclear fuel company variable interest entity and \$26.5 million in loans were outstanding under the credit facility for the Entergy Louisiana Waterford nuclear fuel company variable interest entity. See Note 4 to the financial statements herein for additional discussion of the nuclear fuel company variable interest entity credit facilities.

#### Alternative RFP and Certification

As discussed in the Form 10-K, in March 2023, Entergy Louisiana made the first phase of a bifurcated filing to seek approval from the LPSC for an alternative to the requests for proposals (RFP) process that would enable the acquisition of up to 3 GW of solar resources on a faster timeline than the current RFP and certification process allows. The initial phase of the filing established the need for the acquisition of additional resources and the need for an alternative to the RFP process. The second phase of the filing, which contains the details of the proposal for the alternative competitive procurement process and the information necessary to support certification, was filed in May 2023. In addition to the acquisition of up to 3 GW of solar resources, the filing also seeks approval of a new renewable energy credits-based tariff, Rider Geaux ZERO. In May 2024 the LPSC voted to approve the application, and in June 2024 the LPSC issued an order reflecting that approval.

#### Resilience and Grid Hardening

As discussed in the Form 10-K, in December 2022, Entergy Louisiana filed an application with the LPSC seeking a public interest finding regarding Phase I of Entergy Louisiana's Future Ready resilience plan and approval of a rider mechanism to recover the program's costs. Phase I in the December 2022 application reflected the first five years of a ten-year resilience plan and included investment of approximately \$5 billion, including hardening investment, transmission dead-end structures, enhanced vegetation management, and telecommunications improvement. In April 2024 the LPSC approved a framework which includes an initial five-year resilience plan providing for an investment of approximately \$1.9 billion with cost recovery via a forward-looking rider with semi-annual true-ups. The plan is subject to specified reporting requirements and includes a performance review of the hardened assets. The LPSC order approving the framework does not include any restrictions on Entergy Louisiana's ability to file applications for approval of additional investments in resilience.

### Bayou Power Station

In March 2024, Entergy Louisiana filed an application with the LPSC seeking certification that the public convenience and necessity would be served by the construction of the Bayou Power Station, a 112 MW aggregated capacity floating natural gas power station with black-start capability in Leesville, Louisiana and an associated microgrid that would serve nearby areas, including Port Fourchon, Golden Meadow, Leesville, and Grand Isle. The current estimated cost of the Bayou Power Station is \$411 million, including estimated costs of transmission interconnection and other related costs. Subject to timely approval by the LPSC and receipt of other permits and approvals, commercial operation is expected to occur by the end of 2028. A procedural schedule has been established with a hearing in December 2024.

### Nelson Industrial Steam Company

See “MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS - Nelson Industrial Steam Company” in the Form 10-K for information on Entergy Louisiana’s Nelson Industrial Steam Company partnership.

### 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. The following are updates to that discussion.

### **Retail Rates**

#### 2023 Entergy Louisiana Rate Case and Formula Rate Plan Extension Request

As discussed in the Form 10-K, in August 2023, Entergy Louisiana filed an application for approval of a regulatory blueprint necessary for it to strengthen the electric grid for the State of Louisiana, which contains a dual-path request to update rates through either: (1) extension of Entergy Louisiana’s current formula rate plan (with certain modifications) for three years (the Rate Mitigation Proposal), which is Entergy Louisiana’s recommended path; or (2) implementation of rates resulting from a cost-of-service study (the Rate Case path). The application complies with Entergy Louisiana’s previous formula rate plan extension order requiring that for Entergy Louisiana to obtain another extension of its formula rate plan that included a rate reset, Entergy Louisiana would need to submit a full cost-of-service/rate case. Entergy Louisiana’s filing supports the need to extend Entergy Louisiana’s formula rate plan with credit supportive mechanisms needed to facilitate investment in the distribution, transmission, and generation functions.

A status conference was held in October 2023 at which a procedural schedule was adopted that included three technical conferences and a hearing in August 2024. In March 2024 the parties agreed to an eight-week extension of all deadlines to allow for continuation of settlement negotiations, and the ALJ issued an order with an amended procedural schedule. In July 2024 the parties agreed to extend further the procedural schedule to facilitate the continuation of settlement negotiations, with the hearing commencing in December 2024.

In July 2024, Entergy Louisiana reached an agreement in principle with the LPSC staff and the intervenors in the proceeding and filed with the LPSC a joint motion to suspend the procedural schedule to allow for all parties to finalize a stipulated settlement agreement.

In August 2024, Entergy Louisiana and the LPSC staff jointly filed a global stipulated settlement agreement for consideration by the LPSC with key terms as follows:

- continuation of the formula rate plan for 2024-2026 (test years 2023-2025);
- a base formula rate plan revenue increase of \$120 million for test year 2023, effective for rates beginning September 2024;
- a \$140 million cumulative cap on base formula rate plan revenue increases, if needed, for test years 2024 and 2025, excluding outside the bandwidth items;
- \$184 million of customer rate credits to be given over two years, including increasing customer sharing of income tax benefits resulting from the 2016-2018 IRS audit, to resolve any remaining disputed issues stemming from formula rate plan test years prior to test year 2023, including but not limited to the investigation into Entergy Services costs billed to Entergy Louisiana. As discussed in Note 3 to the financial statements in the Form 10-K, a \$38 million regulatory liability was recorded in 2023 in connection with the 2016-2018 IRS audit;
- \$75.8 million of customer rate credits, as provided for in the System Energy global settlement, to be credited over three years subject to and conditioned upon FERC approval of the System Energy global settlement. See “**Complaints Against System Energy – System Energy Settlement with the LPSC**” in Note 2 to the financial statements herein for further details of the System Energy global settlement;
- \$5.8 million of customer rate credits provided for in the Entergy Louisiana formula rate plan global settlement agreement approved by the LPSC in November 2023 credited over one year. See Note 2 to the financial statements in the Form 10-K for the discussion of the November 2023 Entergy Louisiana formula rate plan global settlement agreement;
- an increase in the allowed midpoint return on common equity from 9.5% to 9.7%, with a bandwidth of 40 basis points above and below the midpoint, for the extended term of the formula rate plan, except that for test year 2023 in which the authorized return on common equity shall have no bearing on the change in base formula rate plan revenue described above and, for test year 2024, any earnings above the authorized return on common equity shall be returned to customers through a credit;
- an increase in nuclear depreciation rates by \$15 million in each of the 2023, 2024, and 2025 test years outside of the formula rate plan bandwidth calculation; and
- for the transmission recovery mechanism and the distribution recovery mechanism, no change to the existing floors, but the caps for both would be \$350 million for test year 2023, \$375 million for test year 2024, and \$400 million for test year 2025. LPSC-approved transmission projects will be exempt from the transmission recovery mechanism cap.

The terms of the global stipulated settlement agreement are subject to approval by the LPSC and will not go into effect unless/until such approval is obtained. Entergy Louisiana anticipates the global stipulated settlement agreement to be considered by the LPSC at its Business and Executive meeting on August 14, 2024.

Based on the July 2024 agreement in principle, in second quarter 2024 Entergy Louisiana recorded expenses of \$151 million (\$111 million net-of-tax) primarily consisting of regulatory charges to reflect the effects of the agreement in principle.

### **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.

### **Federal Regulation**

See “**MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS – Federal Regulation**” in the Form 10-K for a discussion of federal regulation.

## **Nuclear Matters**

See “**MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS - Nuclear Matters**” in the Form 10-K for a discussion of nuclear matters. The following is an update to that discussion.

### **NRC Reactor Oversight Process**

The NRC’s Reactor Oversight Process is a program to collect information about plant performance, assess the information for its safety significance, and provide for appropriate licensee and NRC response. The NRC evaluates plant performance by analyzing two distinct inputs: inspection findings resulting from the NRC’s inspection program and performance indicators reported by the licensee. The evaluations result in the placement of each plant in one of the NRC’s Reactor Oversight Process Action Matrix columns: “licensee response column,” or Column 1, “regulatory response column,” or Column 2, “degraded cornerstone column,” or Column 3, “multiple/repetitive degraded cornerstone column,” or Column 4, and “unacceptable performance,” or Column 5. Plants in Column 1 are subject to normal NRC inspection activities. Plants in Column 2, Column 3, or Column 4 are subject to progressively increasing levels of inspection by the NRC with, in general, progressively increasing levels of associated costs. Continued plant operation is not permitted for plants in Column 5. River Bend is currently in Column 1. Entergy expects the NRC to determine that Waterford 3 entered Column 2, effective second quarter 2024, based on exceeding the threshold for reactor scrams in June 2024. Waterford 3 will remain in Column 2 until a supplemental inspection is satisfactorily completed.

## **Environmental Risks**

See “**MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS - Environmental Risks**” in the Form 10-K for a discussion of environmental risks. See “**Other Information - Environmental Regulation**” in Part II, Item 5 herein for updates regarding environmental proceedings and regulation.

## **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, utility regulatory accounting, taxation and uncertain tax positions, qualified pension and other postretirement benefits, and other contingencies.

## **New Accounting Pronouncements**

See the “**New Accounting Pronouncements**” section of Note 1 to the financial statements in the Form 10-K for a discussion of new accounting pronouncements and the “**New Accounting Pronouncements**” section of Entergy Corporation and Subsidiaries Management’s Financial Discussion and Analysis herein for updates to the discussion of new accounting pronouncements.

**ENTERGY LOUISIANA, LLC AND SUBSIDIARIES**  
**CONSOLIDATED INCOME STATEMENTS**  
For the Three and Six Months Ended June 30, 2024 and 2023  
(Unaudited)

	Three Months Ended		Six Months Ended	
	2024	2023	2024	2023
	(In Thousands)		(In Thousands)	
OPERATING REVENUES				
Electric	\$1,261,444	\$1,191,909	\$2,434,237	\$2,511,661
Natural gas	14,680	13,703	44,327	39,159
TOTAL	1,276,124	1,205,612	2,478,564	2,550,820
OPERATING EXPENSES				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	246,571	230,365	486,658	605,635
Purchased power	166,868	133,376	367,148	328,310
Nuclear refueling outage expenses	20,041	12,588	37,554	27,861
Other operation and maintenance	275,168	249,717	536,147	496,088
Decommissioning	20,061	18,820	39,725	37,406
Taxes other than income taxes	70,629	61,663	140,468	125,618
Depreciation and amortization	190,861	181,247	380,405	357,342
Other regulatory charges (credits) - net	120,298	(24,767)	111,944	49,229
TOTAL	1,110,497	863,009	2,100,049	2,027,489
OPERATING INCOME	165,627	342,603	378,515	523,331
OTHER INCOME				
Allowance for equity funds used during construction	7,522	8,654	14,807	17,715
Interest and investment income	15,229	31,880	78,192	60,723
Interest and investment income - affiliated	80,075	81,877	160,479	137,303
Miscellaneous - net	(20,646)	(42,583)	(67,821)	(90,668)
TOTAL	82,180	79,828	185,657	125,073
INTEREST EXPENSE				
Interest expense	98,536	94,931	195,731	192,102
Allowance for borrowed funds used during construction	(2,593)	(4,321)	(5,070)	(8,714)
TOTAL	95,943	90,610	190,661	183,388
INCOME BEFORE INCOME TAXES	151,864	331,821	373,511	465,016
Income taxes	20,750	68,561	59,674	(42,268)
NET INCOME	131,114	263,260	313,837	507,284
Net income attributable to noncontrolling interests	788	819	1,583	1,373
EARNINGS APPLICABLE TO MEMBER'S EQUITY	\$130,326	\$262,441	\$312,254	\$505,911

See Notes to Financial Statements.

**ENTERGY LOUISIANA, LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**For the Three and Six Months Ended June 30, 2024 and 2023**  
**(Unaudited)**

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>(In Thousands)</b>		<b>(In Thousands)</b>	
<b>Net Income</b>	\$131,114	\$263,260	\$313,837	\$507,284
<b>Other comprehensive loss</b>				
Pension and other postretirement adjustment (net of tax benefit of \$745, \$653, \$1,491, and \$943)	(2,023)	(1,773)	(4,047)	(2,559)
Other comprehensive loss	(2,023)	(1,773)	(4,047)	(2,559)
<b>Comprehensive Income</b>	129,091	261,487	309,790	504,725
Net income attributable to noncontrolling interests	788	819	1,583	1,373
<b>Comprehensive Income Applicable to Member's Equity</b>	<u>\$128,303</u>	<u>\$260,668</u>	<u>\$308,207</u>	<u>\$503,352</u>

See Notes to Financial Statements.



**ENTERGY LOUISIANA, LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the Six Months Ended June 30, 2024 and 2023**  
**(Unaudited)**

	2024	2023
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	\$313,837	\$507,284
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Depreciation, amortization, and decommissioning, including nuclear fuel amortization	453,888	423,535
Deferred income taxes, investment tax credits, and non-current taxes accrued	146,540	185
Changes in working capital:		
Receivables	(161,001)	67,807
Fuel inventory	6,890	(14,907)
Accounts payable	(1,443)	(147,001)
Taxes accrued	27,677	48,015
Interest accrued	14,163	(5,396)
Deferred fuel costs	11,364	188,801
Other working capital accounts	(190,407)	(213,571)
Changes in provisions for estimated losses	9,519	3,909
Changes in other regulatory assets	(9,005)	448,144
Changes in other regulatory liabilities	286,036	217,746
Effect of securitization on regulatory asset	—	(491,150)
Changes in pension and other postretirement funded status	(22,548)	(12,364)
Other	(77,112)	(92,977)
Net cash flow provided by operating activities	808,398	928,060
INVESTING ACTIVITIES		
Construction expenditures	(685,206)	(889,118)
Allowance for equity funds used during construction	14,807	17,715
Nuclear fuel purchases	(52,992)	(88,403)
Proceeds from sale of nuclear fuel	38,822	16,733
Payments to storm reserve escrow account	(6,553)	(6,602)
Purchase of preferred membership interests of affiliate	—	(1,457,676)
Redemption of preferred membership interests of affiliate	113,942	46,643
Proceeds from nuclear decommissioning trust fund sales	333,149	229,972
Investment in nuclear decommissioning trust funds	(363,736)	(258,420)
Changes in money pool receivable - net	(31,361)	(275,559)
Insurance proceeds received for property damages	—	6,184
Decrease in other investments	33	396
Net cash flow used in investing activities	(639,095)	(2,658,135)
FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	1,825,954	833,484
Retirement of long-term debt	(1,061,918)	(851,617)
Proceeds received by storm trust related to securitization	—	1,457,676
Capital contribution from parent	—	1,457,676
Changes in money pool payable - net	(156,166)	(226,114)
Common equity distributions paid	(664,100)	(160,250)
Other	69,936	19,633
Net cash flow provided by financing activities	13,706	2,530,488
Net increase in cash and cash equivalents	183,009	800,413
Cash and cash equivalents at beginning of period	2,772	56,613
Cash and cash equivalents at end of period	\$185,781	\$857,026
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid (received) during the period for:		
Interest - net of amount capitalized	\$177,455	\$192,861
Income taxes	\$58	(\$6,037)
Non-cash investing activities:		
Accrued construction expenditures	\$81,177	\$138,522
See Notes to Financial Statements.		



**ENTERGY LOUISIANA, LLC AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**ASSETS**  
**June 30, 2024 and December 31, 2023**  
**(Unaudited)**

	2024	2023
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	\$474	\$2,255
Temporary cash investments	185,307	517
Total cash and cash equivalents	185,781	2,772
Accounts receivable:		
Customer	302,489	264,776
Allowance for doubtful accounts	(3,361)	(6,156)
Associated companies	205,140	82,292
Other	68,394	74,685
Accrued unbilled revenues	237,470	202,173
Total accounts receivable	810,132	617,770
Deferred fuel costs	13,436	24,800
Fuel inventory - at average cost	50,928	57,818
Materials and supplies - at average cost	732,270	652,180
Deferred nuclear refueling outage costs	66,810	96,047
Prepayments and other	240,739	71,613
TOTAL	2,100,096	1,523,000
OTHER PROPERTY AND INVESTMENTS		
Investment in affiliate preferred membership interests	4,382,304	4,496,245
Decommissioning trust funds	2,292,174	2,107,384
Non-utility property - at cost (less accumulated depreciation)	404,313	404,043
Storm reserve escrow account	250,372	243,819
Other	9,587	9,367
TOTAL	7,338,750	7,260,858
UTILITY PLANT		
Electric	28,341,063	27,800,467
Natural gas	324,169	315,658
Construction work in progress	514,882	592,803
Nuclear fuel	249,813	333,472
TOTAL UTILITY PLANT	29,429,927	29,042,400
Less - accumulated depreciation and amortization	10,776,257	10,570,707
UTILITY PLANT - NET	18,653,670	18,471,693
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
Other regulatory assets	1,657,857	1,648,852
Deferred fuel costs	168,122	168,122
Other	52,426	36,945
TOTAL	1,878,405	1,853,919
TOTAL ASSETS	\$29,970,921	\$29,109,470

See Notes to Financial Statements.

**ENTERGY LOUISIANA, LLC AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**LIABILITIES AND EQUITY**  
**June 30, 2024 and December 31, 2023**  
**(Unaudited)**

	2024	2023
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	\$1,300,000	\$1,400,000
Accounts payable:		
Associated companies	132,514	283,016
Other	406,932	467,414
Customer deposits	172,428	167,905
Taxes accrued	94,140	66,463
Interest accrued	105,819	91,656
Other	107,516	87,468
TOTAL	2,319,349	2,563,922
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	2,525,735	2,391,442
Accumulated deferred investment tax credits	90,961	93,242
Regulatory liability for income taxes - net	194,618	193,754
Other regulatory liabilities	1,692,861	1,407,689
Decommissioning	1,896,968	1,836,240
Accumulated provisions	273,388	263,869
Pension and other postretirement liabilities	249,718	271,928
Long-term debt	8,888,393	8,020,689
Other	619,985	493,176
TOTAL	16,432,627	14,972,029
Commitments and Contingencies		
EQUITY		
Member’s equity	11,122,661	11,473,614
Accumulated other comprehensive income	50,751	54,798
Noncontrolling interests	45,533	45,107
TOTAL	11,218,945	11,573,519
TOTAL LIABILITIES AND EQUITY	\$29,970,921	\$29,109,470
See Notes to Financial Statements.		

**ENTERGY LOUISIANA, LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**For the Six Months Ended June 30, 2024 and 2023**  
**(Unaudited)**

	Noncontrolling Interests	Member's Equity	Accumulated Other Comprehensive Income	Total
<b>Balance at December 31, 2022</b>	\$31,735	\$9,406,343	\$55,370	\$9,493,448
Net income	554	243,470	—	244,024
Other comprehensive loss	—	—	(786)	(786)
Capital contribution from parent	—	1,457,676	—	1,457,676
Common equity distributions	—	(160,250)	—	(160,250)
Beneficial interest in storm trust	14,577	—	—	14,577
Distribution to LURC	(470)	—	—	(470)
Other	—	(28)	—	(28)
<b>Balance at March 31, 2023</b>	46,396	10,947,211	54,584	11,048,191
Net income	819	262,441	—	263,260
Other comprehensive loss	—	—	(1,773)	(1,773)
Other	—	15	—	15
<b>Balance at June 30, 2023</b>	\$47,215	\$11,209,667	\$52,811	\$11,309,693
<b>Balance at December 31, 2023</b>	\$45,107	\$11,473,614	\$54,798	\$11,573,519
Net income	795	181,928	—	182,723
Other comprehensive loss	—	—	(2,024)	(2,024)
Non-cash contribution from parent	—	976	—	976
Common equity distributions	—	(97,500)	—	(97,500)
Distributions to LURC	(858)	—	—	(858)
Other	—	(43)	—	(43)
<b>Balance at March 31, 2024</b>	45,044	11,558,975	52,774	11,656,793
Net income	788	130,326	—	131,114
Other comprehensive loss	—	—	(2,023)	(2,023)
Common equity distributions	—	(566,600)	—	(566,600)
Distributions to LURC	(299)	—	—	(299)
Other	—	(40)	—	(40)
<b>Balance at June 30, 2024</b>	\$45,533	\$11,122,661	\$50,751	\$11,218,945

See Notes to Financial Statements.

**ENTERGY MISSISSIPPI, LLC AND SUBSIDIARIES**  
**MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS**

**Results of Operations**

**Net Income**

**Second Quarter 2024 Compared to Second Quarter 2023**

Net income increased \$21.3 million primarily due to higher volume/weather and higher retail electric price.

**Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023**

Net income increased \$27.8 million primarily due to higher retail electric price and higher volume/weather.

**Operating Revenues**

**Second Quarter 2024 Compared to Second Quarter 2023**

Following is an analysis of the change in operating revenues comparing the second quarter 2024 to the second quarter 2023:

	<b>Amount</b>
	(In Millions)
2023 operating revenues	\$445.1
Fuel, rider, and other revenues that do not significantly affect net income	(20.0)
Retail electric price	5.0
Volume/weather	12.8
<b>2024 operating revenues</b>	<b>\$442.9</b>

Entergy Mississippi's results include revenues from rate mechanisms designed to recover fuel, purchased power, and other costs such that the revenues and expenses associated with these items generally offset and do not affect net income. "Fuel, rider, and other revenues that do not significantly affect net income" includes the revenue variance associated with these items.

The retail electric price variance is primarily due to an increase in formula rate plan rates effective April 2024. See Note 2 to the financial statements herein for discussion of the formula rate plan filing.

The volume/weather variance is primarily due to the effect of more favorable weather on residential and commercial sales and an increase in weather-adjusted commercial usage.

Total electric energy sales for Entergy Mississippi for the three months ended June 30, 2024 and 2023 are as follows:

	2024	2023	% Change
	(GWh)		
Residential	1,397	1,323	6
Commercial	1,172	1,105	6
Industrial	596	565	5
Governmental	101	99	2
Total retail	3,266	3,092	6
Sales for resale:			
Non-associated companies	970	1,209	(20)
Total	4,236	4,301	(2)

See Note 12 to the financial statements herein for additional discussion of Entergy Mississippi's operating revenues.

#### Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

Following is an analysis of the change in operating revenues comparing the six months ended June 30, 2024 to the six months ended June 30, 2023:

	Amount
	(In Millions)
2023 operating revenues	\$857.6
Fuel, rider, and other revenues that do not significantly affect net income	(22.3)
Retail electric price	13.8
Volume/weather	8.7
2024 operating revenues	\$857.8

Entergy Mississippi's results include revenues from rate mechanisms designed to recover fuel, purchased power, and other costs such that the revenues and expenses associated with these items generally offset and do not affect net income. "Fuel, rider, and other revenues that do not significantly affect net income" includes the revenue variance associated with these items.

The retail electric price variance is primarily due to increases in formula rate plan rates effective April 2023 and April 2024. See Note 2 to the financial statements herein and in the Form 10-K for further discussion of the formula rate plan filings.

The volume/weather variance is primarily due to the effect of more favorable weather on residential and commercial sales, partially offset by a decrease in weather-adjusted residential usage and a decrease in industrial usage. The decrease in industrial usage is primarily due to a decrease in demand from large industrial customers, primarily in the primary metals and wood products industries, and a decrease in demand from small industrial customers.

Total electric energy sales for Entergy Mississippi for the six months ended June 30, 2024 and 2023 are as follows:

	2024	2023	% Change
	(GWh)		
Residential	2,584	2,412	7
Commercial	2,135	2,120	1
Industrial	1,090	1,132	(4)
Governmental	188	192	(2)
Total retail	5,997	5,856	2
Sales for resale:			
Non-associated companies	2,958	2,773	7
Total	8,955	8,629	4

See Note 12 to the financial statements herein for additional discussion of Entergy Mississippi's operating revenues.

## Other Income Statement Variances

### Second Quarter 2024 Compared to Second Quarter 2023

Other regulatory charges (credits) - net includes regulatory credits of \$7.3 million, recorded in second quarter 2024, to reflect the effects of the joint stipulation reached in the 2024 formula rate plan filing proceeding. See Note 2 to the financial statements herein for discussion of the 2024 formula rate plan filing.

Interest expense increased primarily due to the issuance of \$300 million of 5.85% Series mortgage bonds in May 2024.

### Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

Other operation and maintenance expenses remained relatively unchanged, increasing \$0.5 million, primarily due to:

- an increase of \$3.4 million in contract costs related to operational performance, customer service, and organizational health initiatives;
- an increase of \$2.8 million in compensation and benefits costs primarily due to higher healthcare claims activity in 2024; and
- an increase of \$1.4 million in energy efficiency expenses primarily due to the timing of recovery from customers.

The increase was substantially offset by a \$7.1 million decrease in storm damage provisions. See Note 2 to the financial statements herein and in the Form 10-K for discussion of Entergy Mississippi's storm damage provision.

Taxes other than income taxes increased primarily due to increases in ad valorem taxes resulting from higher assessments.

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

Other regulatory charges (credits) - net includes regulatory credits of \$7.3 million, recorded in second quarter 2024, to reflect the effects of the joint stipulation reached in the 2024 formula rate plan filing proceeding. See Note 2 to the financial statements herein for discussion of the 2024 formula rate plan filing.



Interest expense increased primarily due to higher interest expense from carrying costs related to the deferred fuel balance and the issuance of \$300 million of 5.85% Series mortgage bonds in May 2024.

### Income Taxes

The effective income tax rates were 24.1% for the second quarter 2024 and 23.6% for the six months ended June 30, 2024. The differences in the effective income tax rates for the second quarter 2024 and the six months ended June 30, 2024 versus the federal statutory rate of 21% were primarily due to the accrual for state income taxes, partially offset by certain book and tax differences related to utility plant items.

The effective income tax rates were 25% for the second quarter 2023 and 24.8% for the six months ended June 30, 2023. The differences in the effective income tax rates for the second quarter 2023 and the six months ended June 30, 2023 versus the federal statutory rate of 21% were primarily due to the accrual for state income taxes, partially offset by certain book and tax differences related to utility plant items.

### Income Tax Legislation and Regulation

See “MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS - Income Tax Legislation and Regulation” herein and in the Form 10-K for discussion of income tax legislation and regulation.

### Liquidity and Capital Resources

#### **Cash Flow**

Cash flows for the six months ended June 30, 2024 and 2023 were as follows:

	2024	2023
	(In Thousands)	
Cash and cash equivalents at beginning of period	\$6,630	\$16,979
Net cash provided by (used in):		
Operating activities	185,304	173,548
Investing activities	(314,145)	(276,717)
Financing activities	125,324	94,643
Net decrease in cash and cash equivalents	(3,517)	(8,526)
Cash and cash equivalents at end of period	\$3,113	\$8,453

### Operating Activities

Net cash flow provided by operating activities increased \$11.8 million for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 primarily due to lower fuel costs and a decrease of \$9.7 million in storm spending in 2024 as compared to 2023. The increase was partially offset by the timing of recovery of fuel and purchased power costs and the timing of payments to vendors. See Note 2 to the financial statements in the Form 10-K for a discussion of fuel and purchased power cost recovery.

## Investing Activities

Net cash flow used in investing activities increased \$37.4 million for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 primarily due to:

- an increase of \$32 million in transmission construction expenditures primarily due to increased development in Entergy Mississippi's service area;
- an increase of \$27.9 million in non-nuclear generation construction expenditures primarily due to a higher scope of work on projects performed in 2024 as compared to 2023; and
- money pool activity.

The increase was partially offset by the substantial completion payment of approximately \$30.4 million in April 2023 for the purchase of the Sunflower Solar facility by a consolidated tax equity partnership. See Note 14 to the financial statements in the Form 10-K for discussion of the Sunflower Solar facility purchase.

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 \$26.9 million for the six months ended June 30, 2023. The money pool is an intercompany cash management program that makes possible intercompany borrowing and lending arrangements, and the money pool and other borrowing arrangements are designed to reduce the Registrant Subsidiaries' dependence on external short-term borrowings.

## Financing Activities

Net cash flow provided by financing activities increased \$30.7 million for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 primarily due to:

- the repayment, prior to maturity, of \$250 million of 3.10% Series mortgage bonds in June 2023;
- the repayment, prior to maturity, in May 2023, of \$50 million of an unsecured term loan due December 2023; and
- a decrease of \$17.7 million in common equity distributions paid in 2024 in order to maintain Entergy Mississippi's capital structure.

The increase was partially offset by:

- money pool activity;
- the repayment, prior to maturity, of \$100 million of 3.75% Series mortgage bonds in June 2024; and
- a capital contribution of \$25.7 million received in April 2023 from the noncontrolling tax equity investor in MS Sunflower Partnership, LLC and used by the partnership for payments in the acquisition of the Sunflower Solar facility. See Note 14 to the financial statements in the Form 10-K for discussion of the Sunflower Solar facility purchase.

Decreases in Entergy Mississippi's payable to the money pool are a use of cash flow, and Entergy Mississippi's payable to the money pool decreased \$33.4 million for the six months ended June 30, 2024 compared to increasing by \$104.6 million for the six months ended June 30, 2023.

## Capital Structure

Entergy Mississippi's debt to capital ratio is shown in the following table. The increase in the debt to capital ratio for Entergy Mississippi is primarily due to the net issuance of long-term debt in 2024.

	June 30, 2024	December 31, 2023
Debt to capital	51.6 %	50.5 %
Effect of subtracting cash	— %	(0.1 %)
Net debt to net capital (non-GAAP)	51.6 %	50.4 %

Net debt consists of debt less cash and cash equivalents. Debt consists of short-term borrowings, finance lease obligations, 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 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. The net debt to net capital ratio is a non-GAAP measure. 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. The following are updates to the information provided in the Form 10-K.

Following are the current annual amounts of Entergy Mississippi's planned construction and other capital investments.

	2024	2025	2026
	(In Millions)		
Planned construction and capital investment:			
Generation	\$145	\$735	\$735
Transmission	160	170	185
Distribution	325	325	290
Utility Support	45	55	55
Total	\$675	\$1,285	\$1,265

The updated capital plan for 2024-2026 reflects incremental capital investments for potential generation projects. In addition to routine capital spending to maintain operations, the capital plan includes investments in generation projects to modernize, decarbonize, and diversify Entergy Mississippi's portfolio, as well as to support customer growth; distribution and Utility support spending to improve reliability, resilience, and customer experience; transmission spending to improve reliability and resilience while also supporting renewables expansion and customer growth; and other investments.

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

June 30, 2024	December 31, 2023	June 30, 2023	December 31, 2022
(In Thousands)			
(\$40,355)	(\$73,769)	(\$104,624)	\$26,879

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

Entergy Mississippi has a credit facility in the amount of \$300 million scheduled to expire in June 2029. The credit facility includes fronting commitments for the issuance of letters of credit against \$5 million of the borrowing capacity of the facility. As of June 30, 2024, there were no cash borrowings and no letters of credit outstanding under the credit facility. In addition, Entergy Mississippi is a party to an uncommitted letter of credit facility as a means to post collateral to support its obligations to MISO and for other purposes. As of June 30, 2024, \$30.9 million in MISO letters of credit and \$10.2 million in non-MISO letters of credit were outstanding under this facility. See Note 4 to the financial statements herein for additional discussion of the credit facilities.

### **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. The following are updates to that discussion.

#### **Retail Rates**

##### **2024 Formula Rate Plan Filing**

In March 2024, Entergy Mississippi submitted its formula rate plan 2024 test year filing and 2023 look-back filing showing Entergy Mississippi's earned return on rate base for the historical 2023 calendar year to be within the formula rate plan bandwidth and projected earned return for the 2024 calendar year to be below the formula rate plan bandwidth. The 2024 test year filing showed a \$63.4 million rate increase was necessary to reset Entergy Mississippi's earned return on rate base to the specified point of adjustment of 7.10%, within the formula rate plan bandwidth. The 2023 look-back filing compared actual 2023 results to the approved benchmark return on rate base and reflected no change in formula rate plan revenues. In accordance with the provisions of the formula rate plan, Entergy Mississippi implemented a \$32.6 million interim rate increase, reflecting a cap equal to 2% of 2023 retail revenues, effective April 2024.

In December 2014 the MPSC ordered Entergy Mississippi to file an updated depreciation study at least once every four years. Pursuant to this order and Entergy Mississippi's filing cycle, Entergy Mississippi would have filed an updated depreciation report with its formula rate plan filing in 2023. However, in July 2022 the MPSC directed Entergy Mississippi to file its next depreciation study in connection with its 2024 formula rate plan filing notwithstanding the MPSC's prior order. Accordingly, Entergy Mississippi filed a depreciation study in February 2024. The study showed a need for an increase in annual depreciation expense of \$55.2 million. The calculated increase in annual depreciation expense was excluded from Entergy Mississippi's 2024 formula rate plan revenue increase request because the MPSC had not yet approved the proposed depreciation rates.

In June 2024, Entergy Mississippi and the Mississippi Public Utilities Staff entered into a joint stipulation that confirmed the 2024 test year filing, with the exception of immaterial adjustments to certain operation and maintenance expenses. After performance adjustments, the formula rate plan reflected an earned return on rate base of 6.08% for calendar year 2024, which resulted in a total revenue increase of \$64.6 million for 2024. The joint stipulation also recommended approval of a revised customer charge of \$31.82 per month for residential customers and \$53.10 per month for general service customers. Pursuant to the stipulation, Entergy Mississippi's 2023 look-

back filing reflected an earned return on rate base of 6.81%, resulting in an increase of \$0.3 million in the formula rate plan revenues for 2023. Finally, the stipulation recommended approval of Entergy Mississippi's proposed depreciation rates with those rates to be implemented upon request and approval at a later date. In June 2024 the MPSC approved the joint stipulation with rates effective in July 2024. The approval also included a reduction to the energy cost factor, resulting in a net bill decrease for a typical residential customer using 1,000 kWh per month. Also in June 2024, Entergy Mississippi recorded regulatory credits of \$7.3 million to reflect the difference between interim rates placed in effect in April 2024 and the rates reflected in the joint stipulation.

Also, in May 2024, Entergy Mississippi received approval from the MPSC for formula rate plan revisions that were necessary for Entergy Mississippi to comply with recently passed state legislation. The legislation allows Entergy Mississippi to make interim rate adjustments to recover the non-fuel related annual ownership cost of certain facilities that directly or indirectly provide service to customers who own certain data processing center projects as specified in the legislation. Entergy Mississippi filed its interim facilities rate adjustment report in May 2024 to recover approximately \$8.7 million of these costs over a six-month period with rates effective beginning in July 2024.

### **Fuel and purchased power cost recovery**

In June 2024 the MPSC approved a joint stipulation agreement between Entergy Mississippi and the Mississippi Public Utilities Staff for Entergy Mississippi's 2024 formula rate plan filing. The 2024 formula rate plan filing included the conclusion of the modified interim adjustments to Entergy Mississippi's energy cost recovery rider and power management rider, which were approved in October 2022 and allowed Entergy Mississippi to recover certain under-collected fuel balances. The stipulation provided for Entergy Mississippi to reduce its net energy cost factor. See **"Retail Rates - 2024 Formula Rate Plan Filing"** above for further discussion of the 2024 formula rate plan filing and the joint stipulation agreement.

### **Storm Cost Recovery Filings with Retail Regulators**

As discussed in the Form 10-K, Entergy Mississippi had approval from the MPSC to collect a storm damage provision of \$1.75 million per month. If Entergy Mississippi's accumulated storm damage provision balance exceeded \$15 million, the collection of the storm damage provision ceased until such time that the accumulated storm damage provision became less than \$10 million.

In December 2023, Entergy Mississippi filed a Notice of Storm Escrow Disbursement and Request for Interim Relief notifying the MPSC that Entergy Mississippi had requested disbursement of approximately \$34.5 million of storm escrow funds from its restricted storm escrow account. The filing also requested authorization from the MPSC, on a temporary basis, that the \$34.5 million of storm escrow funds be credited to Entergy Mississippi's storm damage provision, pending the MPSC's review of Entergy Mississippi's storm-related costs, and that Entergy Mississippi continue to bill its monthly storm damage provision without suspension in the event the storm damage provision balance exceeds \$15 million, in anticipation of a subsequent filing by Entergy Mississippi in this proceeding. The storm damage reserve exceeded \$15 million upon receipt of the storm escrow funds. Because the MPSC had not entered an order on Entergy Mississippi's filing on the requested relief to continue billing this provision, Entergy Mississippi suspended billing the monthly storm damage provision effective with February 2024 bills.

In March 2024, Entergy Mississippi made a combined dual filing which included a Notice of Intent to Make Routine Change in Rates and Schedules and a Motion for Determination relating to the above-described Notice of Storm Escrow Disbursement. The Notice of Intent proposed a new storm damage mitigation and restoration rider to supersede both the current storm damage rate schedule and the vegetation management rider schedule, in which the collection of both expenses would be combined. The proposal requests that the MPSC authorize Entergy Mississippi to collect a storm damage provision of \$5.2 million per month. Furthermore, if Entergy Mississippi's

accumulated storm damage provision balance exceeds \$70 million, collection of the storm damage provision would cease until such time that the accumulated storm damage provision becomes less than \$60 million.

The Mississippi Public Utilities Staff reviewed the storm-related costs submitted by Entergy Mississippi and found them prudent. In June 2024 the MPSC considered and unanimously granted the relief sought by Entergy Mississippi. The new combined storm damage mitigation and restoration rider became effective with the July 2024 billing cycle. Additionally, Entergy Mississippi made a compliance filing to cease billing under the existing vegetation management rider schedule as of the same billing cycle.

### **Federal Regulation**

See “MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS – **Federal Regulation**” in the Form 10-K for a discussion of federal regulation.

### **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. See “Other Information - **Environmental Regulation**” in Part II, Item 5 herein for updates regarding environmental proceedings and regulation.

### **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 utility regulatory accounting, taxation and uncertain tax positions, qualified pension and other postretirement benefits, and other contingencies.

### **New Accounting Pronouncements**

See the “**New Accounting Pronouncements**” section of Note 1 to the financial statements in the Form 10-K for a discussion of new accounting pronouncements and the “**New Accounting Pronouncements**” section of Entergy Corporation and Subsidiaries Management’s Financial Discussion and Analysis herein for updates to the discussion of new accounting pronouncements.

**ENTERGY MISSISSIPPI, LLC AND SUBSIDIARIES**  
**CONSOLIDATED INCOME STATEMENTS**  
For the Three and Six Months Ended June 30, 2024 and 2023  
(Unaudited)

	Three Months Ended		Six Months Ended	
	2024	2023	2024	2023
	(In Thousands)		(In Thousands)	
OPERATING REVENUES				
Electric	\$442,894	\$445,130	\$857,750	\$857,558
OPERATING EXPENSES				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	63,977	140,530	181,827	301,815
Purchased power	66,847	59,140	134,502	122,954
Other operation and maintenance	67,700	68,600	138,906	138,418
Taxes other than income taxes	37,496	35,301	75,806	71,035
Depreciation and amortization	67,131	65,346	133,048	129,375
Other regulatory charges (credits) - net	9,873	(25,947)	3,382	(58,790)
TOTAL	313,024	342,970	667,471	704,807
OPERATING INCOME	129,870	102,160	190,279	152,751
OTHER INCOME				
Allowance for equity funds used during construction	3,094	2,169	5,012	4,053
Interest and investment income	948	1,319	1,141	1,783
Miscellaneous - net	(1,772)	(3,438)	(3,393)	(5,521)
TOTAL	2,270	50	2,760	315
INTEREST EXPENSE				
Interest expense	28,499	25,433	54,896	49,377
Allowance for borrowed funds used during construction	(1,204)	(902)	(1,951)	(1,685)
TOTAL	27,295	24,531	52,945	47,692
INCOME BEFORE INCOME TAXES				
	104,845	77,679	140,094	105,374
Income taxes	25,280	19,414	33,097	26,169
NET INCOME	79,565	58,265	106,997	79,205
Net loss attributable to noncontrolling interest	(1,733)	(3,623)	(4,035)	(5,764)
EARNINGS APPLICABLE TO MEMBER'S EQUITY	\$81,298	\$61,888	\$111,032	\$84,969

See Notes to Financial Statements.

**ENTERGY MISSISSIPPI, LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For the Six Months Ended June 30, 2024 and 2023  
(Unaudited)

	2024	2023
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	\$106,997	\$79,205
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Depreciation and amortization	133,048	129,375
Deferred income taxes, investment tax credits, and non-current taxes accrued	24,931	26,736
Changes in assets and liabilities:		
Receivables	(26,254)	(6,155)
Fuel inventory	(2,331)	(5,919)
Accounts payable	475	(32,930)
Taxes accrued	(48,627)	(45,044)
Interest accrued	(1,845)	(724)
Deferred fuel costs	41,104	149,189
Other working capital accounts	(18,367)	(25,035)
Provisions for estimated losses	(11,575)	1,731
Other regulatory assets	5,325	(39,846)
Other regulatory liabilities	(3,415)	(55,443)
Pension and other postretirement funded status	(8,968)	(8,261)
Other assets and liabilities	(5,194)	6,669
Net cash flow provided by operating activities	185,304	173,548
INVESTING ACTIVITIES		
Construction expenditures	(319,053)	(276,530)
Allowance for equity funds used during construction	5,012	4,053
Change in money pool receivable - net	—	26,879
Payment for purchase of assets	—	(30,433)
Increase in other investments	(104)	(686)
Net cash flow used in investing activities	(314,145)	(276,717)
FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	396,105	396,861
Retirement of long-term debt	(200,000)	(400,000)
Capital contribution from noncontrolling interest	—	25,708
Changes in money pool payable - net	(33,414)	104,624
Common equity distributions paid	(22,300)	(40,000)
Other	(15,067)	7,450
Net cash flow provided by financing activities	125,324	94,643
Net decrease in cash and cash equivalents	(3,517)	(8,526)
Cash and cash equivalents at beginning of period	6,630	16,979
Cash and cash equivalents at end of period	\$3,113	\$8,453
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest - net of amount capitalized	\$55,538	\$48,771
Income taxes	\$2,356	\$—
Noncash investing activities:		
Accrued construction expenditures	\$22,334	\$66,818

See Notes to Financial Statements.



**ENTERGY MISSISSIPPI, LLC AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**ASSETS**  
**June 30, 2024 and December 31, 2023**  
**(Unaudited)**

	2024	2023
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	\$30	\$30
Temporary cash investments	3,083	6,600
Total cash and cash equivalents	3,113	6,630
Accounts receivable:		
Customer	124,274	121,389
Allowance for doubtful accounts	(2,226)	(3,312)
Associated companies	7,807	4,997
Other	22,637	17,697
Accrued unbilled revenues	85,998	71,465
Total accounts receivable	238,490	212,236
Fuel inventory - at average cost	18,527	16,196
Materials and supplies - at average cost	109,283	95,526
Prepayments and other	13,108	12,740
TOTAL	382,521	343,328
OTHER PROPERTY AND INVESTMENTS		
Non-utility property - at cost (less accumulated depreciation)	4,489	4,497
Storm reserve escrow account	759	656
TOTAL	5,248	5,153
UTILITY PLANT		
Electric	7,617,717	7,455,145
Construction work in progress	284,846	139,635
TOTAL UTILITY PLANT	7,902,563	7,594,780
Less - accumulated depreciation and amortization	2,435,037	2,346,327
UTILITY PLANT - NET	5,467,526	5,248,453
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
Other regulatory assets	573,751	579,076
Other	77,054	51,996
TOTAL	650,805	631,072
TOTAL ASSETS	\$6,506,100	\$6,228,006

See Notes to Financial Statements.

**ENTERGY MISSISSIPPI, LLC AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**LIABILITIES AND EQUITY**  
**June 30, 2024 and December 31, 2023**  
**(Unaudited)**

	2024	2023
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	\$—	\$100,000
Accounts payable:		
Associated companies	86,688	133,571
Other	112,595	92,659
Customer deposits	94,308	92,637
Taxes accrued	66,507	115,134
Interest accrued	19,692	21,537
Deferred fuel costs	171,749	130,645
Other	22,152	26,463
TOTAL	573,691	712,646
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	849,315	821,744
Accumulated deferred investment tax credits	13,373	13,811
Regulatory liability for income taxes - net	183,083	188,714
Other regulatory liabilities	35,912	33,696
Asset retirement cost liabilities	30,309	8,229
Accumulated provisions	27,906	39,481
Long-term debt	2,426,614	2,129,510
Other	72,986	71,961
TOTAL	3,639,498	3,307,146
Commitments and Contingencies		
EQUITY		
Member's equity	2,278,193	2,189,461
Noncontrolling interest	14,718	18,753
TOTAL	2,292,911	2,208,214
TOTAL LIABILITIES AND EQUITY	\$6,506,100	\$6,228,006

See Notes to Financial Statements.

**ENTERGY MISSISSIPPI, LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**For the Six Months Ended June 30, 2024 and 2023**  
**(Unaudited)**

	<u>Noncontrolling Interest</u>	<u>Member's Equity</u> (In Thousands)	<u>Total</u>
<b>Balance at December 31, 2022</b>	\$3,347	\$2,037,190	\$2,040,537
Net income (loss)	(2,141)	23,081	20,940
Common equity distributions	—	(12,500)	(12,500)
<b>Balance at March 31, 2023</b>	1,206	2,047,771	2,048,977
Net income (loss)	(3,623)	61,888	58,265
Common equity distributions	—	(27,500)	(27,500)
Capital contribution from noncontrolling interest	25,708	—	25,708
<b>Balance at June 30, 2023</b>	<u>\$23,291</u>	<u>\$2,082,159</u>	<u>\$2,105,450</u>
<b>Balance at December 31, 2023</b>	\$18,753	\$2,189,461	\$2,208,214
Net income (loss)	(2,302)	29,734	27,432
<b>Balance at March 31, 2024</b>	16,451	2,219,195	2,235,646
Net income (loss)	(1,733)	81,298	79,565
Common equity distributions	—	(22,300)	(22,300)
<b>Balance at June 30, 2024</b>	<u>\$14,718</u>	<u>\$2,278,193</u>	<u>\$2,292,911</u>

See Notes to Financial Statements.

**ENTERGY NEW ORLEANS, LLC AND SUBSIDIARIES**  
**MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS**

**Results of Operations**

**Net Income**

**Second Quarter 2024 Compared to Second Quarter 2023**

Net income increased \$7.3 million primarily due to higher volume/weather and higher retail electric price, partially offset by higher other operation and maintenance expenses.

**Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023**

Entergy New Orleans experienced a net loss of \$27.8 million for the six months ended June 30, 2024 compared to net income of \$24.0 million for the six months ended June 30, 2023 primarily due to a \$78.5 million (\$57.4 million net-of-tax) regulatory charge, recorded in first quarter 2024, primarily to reflect a settlement in principle between Entergy New Orleans and the City Council in April 2024 for additional sharing with customers of income tax benefits from the resolution of the 2016-2018 IRS audit. Also contributing to the net loss were higher other operation and maintenance expenses. See Note 10 to the financial statements herein for discussion of the April 2024 settlement in principle and Note 3 to the financial statements in the Form 10-K for discussion of the resolution of the 2016-2018 IRS audit.

**Operating Revenues**

**Second Quarter 2024 Compared to Second Quarter 2023**

Following is an analysis of the change in operating revenues comparing the second quarter 2024 to the second quarter 2023:

	<b>Amount</b>
	<b>(In Millions)</b>
2023 operating revenues	\$188.0
Fuel, rider, and other revenues that do not significantly affect net income	3.1
Volume/weather	6.9
Retail electric price	1.3
<b>2024 operating revenues</b>	<b>\$199.3</b>

Entergy New Orleans's results include revenues from rate mechanisms designed to recover fuel, purchased power, and other costs such that the revenues and expenses associated with these items generally offset and do not affect net income. "Fuel, rider, and other revenues that do not significantly affect net income" includes the revenue variance associated with these items.

The volume/weather variance is primarily due to the effect of more favorable weather on residential sales and an increase in weather-adjusted residential usage.

The retail electric price variance is primarily due to an increase in formula rate plan rates effective September 2023 in accordance with the terms of the 2023 formula rate plan filing. See Note 2 to the financial statements in the Form 10-K for discussion of the formula rate plan filing.

Total electric energy sales for Entergy New Orleans for the three months ended June 30, 2024 and 2023 are as follows:

	2024	2023	% Change
	(GWh)		
Residential	614	576	7
Commercial	531	508	5
Industrial	115	97	19
Governmental	198	187	6
Total retail	1,458	1,368	7
Sales for resale:			
Non-associated companies	476	551	(14)
Total	1,934	1,919	1

See Note 12 to the financial statements herein for additional discussion of Entergy New Orleans's operating revenues.

#### Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

Following is an analysis of the change in operating revenues comparing the six months ended June 30, 2024 to the six months ended June 30, 2023:

	Amount
	(In Millions)
2023 operating revenues	\$396.8
Fuel, rider, and other revenues that do not significantly affect net income	(11.1)
Retail electric price	2.8
Volume/weather	3.8
2024 operating revenues	\$392.3

Entergy New Orleans's results include revenues from rate mechanisms designed to recover fuel, purchased power, and other costs such that the revenues and expenses associated with these items generally offset and do not affect net income. "Fuel, rider, and other revenues that do not significantly affect net income" includes the revenue variance associated with these items.

The retail electric price variance is primarily due to an increase in formula rate plan rates effective September 2023 in accordance with the terms of the 2023 formula rate plan filing. See Note 2 to the financial statements in the Form 10-K for discussion of the formula rate plan filing.

The volume/weather variance is primarily due to the effect of more favorable weather on residential and commercial sales and an increase in weather-adjusted residential usage, partially offset by a decrease in weather-adjusted commercial usage.

Total electric energy sales for Entergy New Orleans for the six months ended June 30, 2024 and 2023 are as follows:

	2024	2023	% Change
	(GWh)		
Residential	1,094	1,030	6
Commercial	974	995	(2)
Industrial	200	196	2
Governmental	375	368	2
Total retail	2,643	2,589	2
Sales for resale:			
Non-associated companies	981	1,594	(38)
Total	3,624	4,183	(13)

See Note 12 to the financial statements herein for additional discussion of Entergy New Orleans's operating revenues.

### Other Income Statement Variances

#### Second Quarter 2024 Compared to Second Quarter 2023

Other operation and maintenance expenses increased primarily due to an increase of \$1.1 million in non-nuclear generation expenses primarily due to a higher scope of work during plant outages performed in 2024 as compared to 2023.

#### Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

Other operation and maintenance expenses increased primarily due to:

- the recognition of \$1.8 million in costs related to rate mitigation credits approved in the settlement of the 2023 formula rate plan filing. See Note 2 to the financial statements in the Form 10-K for discussion of the formula rate plan filing;
- an increase of \$1.6 million in contract costs related to operational performance, customer service, and organizational health initiatives;
- an increase of \$1.4 million in energy efficiency expenses primarily due to higher energy efficiency costs;
- an increase of \$1.4 million in compensation and benefits costs primarily due to higher healthcare claims activity in 2024;
- an increase of \$1.2 million in non-nuclear generation expenses primarily due to a higher scope of work during plant outages performed in 2024 as compared to 2023; and
- several individually insignificant items.

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

Other regulatory charges (credits) - net includes a regulatory charge of \$78.5 million, recorded in first quarter 2024, primarily to reflect a settlement in principle between Entergy New Orleans and the City Council in April 2024 for additional sharing with customers of income tax benefits from the resolution of the 2016-2018 IRS audit. See Note 10 to the financial statements herein for discussion of the April 2024 settlement in principle and Note 3 to the financial statements in the Form 10-K for discussion of the resolution of the 2016-2018 IRS audit.

Other income decreased primarily due to lower interest earned on money pool investments.

**Income Taxes**

The effective income tax rates were 26.2% for the second quarter 2024 and 29.8% for the six months ended June 30, 2024. The differences in the effective income tax rates for the second quarter 2024 and the six months ended June 30, 2024 versus the federal statutory rate of 21% were primarily due to the accrual for state income taxes.

The effective income tax rates were 29.4% for the second quarter 2023 and 30.5% for the six months ended June 30, 2023. The differences in the effective income tax rates for the second quarter 2023 and the six months ended June 30, 2023 versus the federal statutory rate of 21% were primarily due to the accrual for state income taxes and the amortization of state accumulated deferred income taxes as a result of tax rate changes, partially offset by certain book and tax differences related to utility plant items.

**Income Tax Legislation and Regulation**

See “MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS - **Income Tax Legislation and Regulation**” herein and in the Form 10-K for discussion of income tax legislation and regulation.

**Planned Sale of Gas Distribution Business**

See “MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS - **Planned Sale of Gas Distribution Businesses**” in the Form 10-K for discussion of the planned sale of Entergy New Orleans’s gas distribution business. The following is an update to that discussion.

In July 2024 the LPSC staff issued a report recommending LPSC approval of the application of Delta States Utilities LA, LLC (a Bernhard Capital Partners Management LP affiliate) and Entergy Louisiana and the transaction described therein as being in the public interest and proposing certain conditions. Entergy Louisiana anticipates that the LPSC will review the matter at its August Business and Executive meeting.

**Liquidity and Capital Resources****Cash Flow**

Cash flows for the six months ended June 30, 2024 and 2023 were as follows:

	<b>2024</b>	<b>2023</b>
	<b>(In Thousands)</b>	
Cash and cash equivalents at beginning of period	\$26	\$4,464
Net cash provided by (used in):		
Operating activities	45,416	100,950
Investing activities	(74,449)	12,900
Financing activities	35,565	23,057
Net increase in cash and cash equivalents	<u>6,532</u>	<u>136,907</u>
Cash and cash equivalents at end of period	<u>\$6,558</u>	<u>\$141,371</u>

### Operating Activities

Net cash flow provided by operating activities decreased \$55.5 million for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 primarily due to:

- the refund of \$34 million received from System Energy in January 2023 related to the sale-leaseback renewal costs and depreciation litigation as calculated in System Energy's January 2023 compliance report filed with the FERC. See Note 2 to the financial statements in the Form 10-K for further discussion of the refund and the related proceedings;
- lower collections from customers; and
- the timing of payments to vendors.

The decrease was partially offset by the timing of recovery of fuel and purchased power costs. See Note 2 to the financial statements in the Form 10-K for a discussion of fuel and purchased power cost recovery.

### Investing Activities

Entergy New Orleans's investing activities used \$74.4 million of cash for the six months ended June 30, 2024 compared to providing \$12.9 million of cash for the six months ended June 30, 2023 primarily due to the following activity:

- money pool activity;
- a decrease of \$5.0 million in distribution construction expenditures primarily due to a lower scope of work on projects in 2024 as compared to 2023, partially offset by higher capital expenditures for storm restoration in 2024; and
- a decrease of \$14.0 million in transmission construction expenditures primarily due to higher spending in 2023 related to Entergy New Orleans's construction of the New Orleans Sewerage and Water Board Sullivan substation.

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 \$1.1 million for the six months ended June 30, 2024 compared to decreasing by \$101.8 million for the six months ended June 30, 2023. The money pool is an intercompany cash management program that makes possible intercompany borrowing and lending arrangements, and the money pool and other borrowing arrangements are designed to reduce the Registrant Subsidiaries' dependence on external short-term borrowings.

### Financing Activities

Net cash flow provided by financing activities increased \$12.5 million for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 primarily due to the issuance in May 2024 of (1) \$35 million of 6.25% Series mortgage bonds, (2) \$65 million of 6.41% Series mortgage bonds, and (3) \$50 million of 6.54% mortgage bonds. The increase was partially offset by:

- the repayment, at maturity, of an \$85 million unsecured term loan in June 2024;
- money pool activity;
- additional borrowings of \$15 million in May 2023 on the unsecured term loan repaid in June 2024; and
- a \$15 million advance received in 2023 related to Entergy New Orleans's construction of the New Orleans Sewerage and Water Board Sullivan substation.

Decreases in Entergy New Orleans's payable to the money pool are a use of cash flow, and Entergy New Orleans's payable to the money pool decreased by \$21.7 million for the six months ended June 30, 2024.



## Capital Structure

Entergy New Orleans's debt to capital ratio is shown in the following table. The increase in the debt to capital ratio for Entergy New Orleans is primarily due to net loss in 2024.

	June 30, 2024	December 31, 2023
Debt to capital	48.8 %	45.8 %
Effect of excluding securitization bonds	— %	(0.2 %)
Debt to capital, excluding securitization bonds (non-GAAP) (a)	48.8 %	45.6 %
Effect of subtracting cash	(0.2 %)	— %
Net debt to net capital, excluding securitization bonds (non-GAAP) (a)	48.6 %	45.6 %

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

Net debt consists of debt less cash and cash equivalents. Debt consists of short-term borrowings, finance lease obligations, long-term debt, including the currently maturing portion, and the long-term payable due to an associated company. Capital consists of debt and equity. Net capital consists of capital less cash and cash equivalents. The debt to capital ratio excluding securitization bonds and net debt to net capital ratio excluding securitization bonds are non-GAAP measures. Entergy New Orleans 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 New Orleans's financial condition because the securitization bonds are non-recourse to Entergy New Orleans, as more fully described in Note 5 to the financial statements in the Form 10-K. Entergy New Orleans 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 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. The following are updates to the information provided in the Form 10-K.

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

June 30, 2024	December 31, 2023	June 30, 2023	December 31, 2022
(In Thousands)			
\$1,110	(\$21,651)	\$45,487	\$147,254

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 June 2027. The credit facility includes fronting commitments for the issuance of letters of credit against \$10 million of the borrowing capacity of the facility. As of June 30, 2024, there were no cash borrowings and no letters of credit outstanding under the credit facility. In addition, Entergy New Orleans is a party to an uncommitted letter of credit facility as a means to post collateral to support its obligations to MISO. As of June 30, 2024, a \$0.5 million letter of credit was outstanding under Entergy New Orleans's uncommitted letter of credit facility. See Note 4 to the financial statements herein for additional discussion of the credit facilities.

## Resilience and Grid Hardening

As discussed in the Form 10-K, in October 2021 the City Council passed a resolution and order establishing a docket and procedural schedule with respect to system resiliency and storm hardening. In July 2022, Entergy New Orleans filed with the City Council a response identifying a preliminary plan for storm hardening and resiliency projects, including microgrids, to be implemented over ten years at an approximate cost of \$1.5 billion. In February 2023 the City Council approved a revised procedural schedule requiring Entergy New Orleans to make a filing in April 2023 containing a narrowed list of proposed hardening projects. In April 2023, Entergy New Orleans filed the required application and supporting testimony seeking City Council approval of the first phase (five years and \$559 million) of a ten-year infrastructure hardening plan totaling approximately \$1 billion. Entergy New Orleans also sought, among other relief, City Council approval of a rider to recover from customers the costs of the infrastructure hardening plan. In February 2024 the City Council approved a resolution authorizing Entergy New Orleans to implement a resilience project to be partially funded by \$55 million of matching funding through the DOE's Grid Resilience and Innovation Partnerships program. The resolution also required Entergy New Orleans to submit, no later than July 2024, a revised resilience plan consisting of projects over a three-year period. In March 2024, Entergy New Orleans filed with the City Council for approval the requested three-year resilience plan, which includes \$168 million in hardening projects. The three-year resilience plan is in addition to the previously authorized resilience project to be partially funded by the DOE's Grid Resilience and Innovation Partnerships program. In July 2024 the City Council held a technical conference regarding Entergy New Orleans's three-year resilience plan.

## 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. The following are updates to that discussion.

### **Retail Rates**

#### 2024 Formula Rate Plan Filing

In April 2024, Entergy New Orleans submitted to the City Council its formula rate plan 2023 test year filing. Without the requested rate change in 2024, the 2023 test year evaluation report produced an electric earned return on equity of 8.66% and a gas earned return on equity of 5.87% compared to the authorized return on equity for each of 9.35%. Entergy New Orleans seeks approval of a \$12.6 million rate increase based on the formula set by the City Council in the 2018 rate case and approved again by the City Council in 2023. The formula would result in an increase in authorized electric revenues of \$7.0 million and an increase in authorized gas revenues of \$5.6 million. Following City Council review, the City Council's advisors issued a report in July 2024 seeking a reduction in Entergy New Orleans's requested formula rate plan revenues in an aggregate amount of approximately \$1.6 million for electric and gas together due to alleged errors. The City Council's advisors' report began a 35-day period to resolve any disputes among the parties regarding the formula rate plan. Resulting rates will be effective with the first billing cycle of September 2024 pursuant to the formula rate plan tariff. For any disputed rate adjustments, however, the City Council would set a procedural schedule that would extend the process for City Council approval of disputed rate adjustments.

### **Reliability Investigation**

As discussed in the Form 10-K, in August 2017 the City Council established a docket to investigate the reliability of the Entergy New Orleans distribution system and to consider implementing certain reliability standards and possible financial penalties for not meeting any such standards. In April 2018 the City Council adopted a resolution directing Entergy New Orleans to demonstrate that it has been prudent in the management and maintenance of the reliability of its distribution system. The City Council also approved a resolution that opened a

prudence investigation into whether Entergy New Orleans was imprudent for not acting sooner to address outages in New Orleans and whether fines should be imposed. In January 2019, Entergy New Orleans filed testimony in response to the prudence investigation asserting that it had been prudent in managing system reliability. In April 2019 the City Council advisors filed comments and testimony asserting that Entergy New Orleans did not act prudently in maintaining and improving its distribution system reliability in recent years and recommending that a financial penalty in the range of \$1.5 million to \$2 million should be assessed. Entergy New Orleans disagreed with the recommendation and submitted rebuttal testimony and rebuttal comments in June 2019. In November 2019 the City Council passed a resolution that penalized Entergy New Orleans \$1 million for alleged imprudence in the maintenance of its distribution system. In December 2019, Entergy New Orleans filed suit in Louisiana state court seeking judicial review of the City Council's resolution. In June 2022 the Orleans Civil District Court issued a written judgment that the penalty be set aside, reversed, and vacated. In August 2022 the Orleans Civil District Court issued written reasons for its judgment and also granted a post-judgment motion to remand for the City Council to take actions consistent with its judgment.

In April 2023 the City Council approved a resolution that established a procedural schedule to allow for the submission of additional evidence regarding the penalty imposed in 2019. In May 2023, Entergy New Orleans filed with the Orleans Civil District Court a petition for judicial review and (or alternatively) declaratory judgment of, together with a request for injunctive relief from, the City Council's April 2023 resolution. In June 2023 the City Council filed exceptions requesting the Orleans Civil District Court dismiss the suit as premature, and a hearing date was set on the exceptions. In September 2023, Entergy New Orleans filed an unopposed motion to continue the hearing on the City Council's exceptions without date, which was granted. In May 2024 the City Council approved a settlement in which Entergy New Orleans agreed to \$500 thousand in unrecovered distribution investment and will recover all verifiable regulatory costs associated with any reliability-related investigation, as well as any costs associated with the judicial reviews. In June 2024, Entergy New Orleans filed with the Orleans Civil District Court an unopposed motion to dismiss with prejudice and an order regarding its petition for judicial review. In July 2024 the dismissal order was signed.

### **Renewable Portfolio Standard Rulemaking**

As discussed in the Form 10-K, in May 2021 the City Council established the Renewable and Clean Portfolio Standard. In May 2023, Entergy New Orleans submitted its compliance demonstration report to the City Council for the 2022 compliance year, which describes and demonstrates Entergy New Orleans's compliance with the Renewable and Clean Portfolio Standard in 2022 and satisfies certain informational requirements. Entergy New Orleans requested, among other things, that the City Council determine that Entergy New Orleans achieved the target under the portfolio standard for 2022 and remains within the customer protection cost cap, and that the City Council approve a proposal to recover costs associated with 2022 compliance. In April 2024 the City Council approved a resolution finding Entergy New Orleans was in compliance with the 2022 requirements and that Entergy New Orleans did not exceed the customer protection cost cap, as well as approving Entergy New Orleans's proposal to recover costs.

### **Income Tax Audits**

As discussed in Note 3 to the financial statements herein and in the Form 10-K, in November 2023 the IRS completed its examination of the 2016 through 2018 tax years and issued a Revenue Agent Report for each federal filer under audit. Based on prior regulatory agreements and general rate-making principles, in fourth quarter 2023 Entergy New Orleans recorded a regulatory liability and associated regulatory charge of \$60 million (\$44 million net-of-tax). In April 2024, Entergy New Orleans and the City Council entered into a settlement in principle whereby Entergy New Orleans agreed to share with customers \$138 million of income tax benefits from the resolution of the 2016–2018 IRS audit. Based on this settlement in principle, in first quarter 2024, Entergy New Orleans increased the associated regulatory liability from \$60 million to \$138 million and recorded a corresponding \$78 million regulatory charge (\$57 million net-of-tax). The settlement in principle requires that the regulatory liability be amortized over 25 years with the unamortized balance included in rate base and the amortization treated

as a reduction to Entergy New Orleans's retail revenue requirement. In May 2024 the City Council approved the settlement.

### **Federal Regulation**

See "MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS – **Federal Regulation**" in the Form 10-K for a discussion of federal regulation.

### **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. See "Other Information - **Environmental Regulation**" in Part II, Item 5 herein for updates regarding environmental proceedings and regulation.

### **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 utility regulatory accounting, taxation and uncertain tax positions, qualified pension and other postretirement benefits, and other contingencies.

### **New Accounting Pronouncements**

See the "**New Accounting Pronouncements**" section of Note 1 to the financial statements in the Form 10-K for a discussion of new accounting pronouncements and the "**New Accounting Pronouncements**" section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis herein for updates to the discussion of new accounting pronouncements.

**ENTERGY NEW ORLEANS, LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
For the Three and Six Months Ended June 30, 2024 and 2023  
(Unaudited)

	Three Months Ended		Six Months Ended	
	2024	2023	2024	2023
	(In Thousands)		(In Thousands)	
OPERATING REVENUES				
Electric	\$178,664	\$168,216	\$335,605	\$337,911
Natural gas	20,677	19,800	56,697	58,925
TOTAL	199,341	188,016	392,302	396,836
OPERATING EXPENSES				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	18,314	18,974	49,139	70,998
Purchased power	64,318	65,929	124,700	132,549
Other operation and maintenance	41,720	38,961	85,052	72,188
Taxes other than income taxes	14,187	14,480	29,609	30,904
Depreciation and amortization	21,130	20,064	42,044	39,639
Other regulatory charges (credits) - net	1,659	2,288	83,179	1,187
TOTAL	161,328	160,696	413,723	347,465
OPERATING INCOME (LOSS)	38,013	27,320	(21,421)	49,371
OTHER INCOME				
Allowance for equity funds used during construction	511	280	889	730
Interest and investment income	316	2,400	457	4,451
Miscellaneous - net	381	(517)	352	(744)
TOTAL	1,208	2,163	1,698	4,437
INTEREST EXPENSE				
Interest expense	10,810	10,003	20,336	19,622
Allowance for borrowed funds used during construction	(214)	(136)	(371)	(355)
TOTAL	10,596	9,867	19,965	19,267
INCOME (LOSS) BEFORE INCOME TAXES	28,625	19,616	(39,688)	34,541
Income taxes	7,492	5,759	(11,841)	10,542
NET INCOME (LOSS)	\$21,133	\$13,857	(\$27,847)	\$23,999

See Notes to Financial Statements.

**ENTERGY NEW ORLEANS, LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For the Six Months Ended June 30, 2024 and 2023  
(Unaudited)

	2024	2023
	(In Thousands)	
OPERATING ACTIVITIES		
Net income (loss)	(\$27,847)	\$23,999
Adjustments to reconcile net income (loss) to net cash flow provided by operating activities:		
Depreciation and amortization	42,044	39,639
Deferred income taxes, investment tax credits, and non-current taxes accrued	(19,560)	10,247
Changes in assets and liabilities:		
Receivables	(111,913)	23,357
Fuel inventory	544	3,868
Accounts payable	(10,311)	(24,536)
Prepaid taxes and taxes accrued	7,345	(657)
Interest accrued	(1,220)	194
Deferred fuel costs	(51)	4,315
Other working capital accounts	(8,120)	(14,016)
Provisions for estimated losses	2,473	3,550
Other regulatory assets	11,073	2,930
Other regulatory liabilities	167,529	30,722
Pension and other postretirement funded status	(3,876)	(2,454)
Other assets and liabilities	(2,694)	(208)
Net cash flow provided by operating activities	45,416	100,950
INVESTING ACTIVITIES		
Construction expenditures	(72,409)	(88,480)
Allowance for equity funds used during construction	889	730
Changes in money pool receivable - net	(1,110)	101,767
Payments to storm reserve escrow account	(2,939)	(1,723)
Changes in securitization account	1,120	555
Decrease in other investments	—	51
Net cash flow provided by (used in) investing activities	(74,449)	12,900
FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	149,075	14,641
Retirement of long-term debt	(91,245)	(6,073)
Contribution from customer for construction	—	15,000
Change in money pool payable - net	(21,651)	—
Other	(614)	(511)
Net cash flow provided by financing activities	35,565	23,057
Net increase in cash and cash equivalents	6,532	136,907
Cash and cash equivalents at beginning of period	26	4,464
Cash and cash equivalents at end of period	\$6,558	\$141,371
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest - net of amount capitalized	\$20,159	\$18,719
Income taxes	\$2,598	\$2
Noncash investing activities:		
Accrued construction expenditures	\$4,263	\$8,496

**ENTERGY NEW ORLEANS, LLC AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**ASSETS**  
**June 30, 2024 and December 31, 2023**  
**(Unaudited)**

	2024	2023
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	\$26	\$26
Temporary cash investments	6,532	—
Total cash and cash equivalents	6,558	26
Securitization recovery trust account	1,306	2,422
Accounts receivable:		
Customer	71,412	67,258
Allowance for doubtful accounts	(5,824)	(7,770)
Associated companies	102,291	1,657
Other	6,883	5,270
Accrued unbilled revenues	35,763	31,087
Total accounts receivable	210,525	97,502
Deferred fuel costs	6,199	6,148
Fuel inventory - at average cost	2,754	3,298
Materials and supplies - at average cost	32,846	30,019
Prepaid taxes	—	1,574
Prepayments and other	19,146	11,482
TOTAL	279,334	152,475
OTHER PROPERTY AND INVESTMENTS		
Non-utility property - at cost (less accumulated depreciation)	832	832
Storm reserve escrow account	81,670	78,731
TOTAL	82,502	79,563
UTILITY PLANT		
Electric	2,078,423	2,046,928
Natural gas	408,508	401,846
Construction work in progress	40,512	25,424
TOTAL UTILITY PLANT	2,527,443	2,474,198
Less - accumulated depreciation and amortization	879,838	858,672
UTILITY PLANT - NET	1,647,605	1,615,526
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
Other regulatory assets (includes securitization property of \$— as of June 30, 2024 and \$506 as of December 31, 2023)	171,294	182,367
Deferred fuel costs	4,080	4,080
Other	84,269	63,964
TOTAL	259,643	250,411
TOTAL ASSETS	\$2,269,084	\$2,097,975

See Notes to Financial Statements.

**ENTERGY NEW ORLEANS, LLC AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**LIABILITIES AND EQUITY**  
**June 30, 2024 and December 31, 2023**  
**(Unaudited)**

	2024	2023
	(In Thousands)	
<b>CURRENT LIABILITIES</b>		
Currently maturing long-term debt	\$78,000	\$85,000
Payable due to associated company	1,275	1,275
Accounts payable:		
Associated companies	43,275	76,736
Other	38,150	39,813
Customer deposits	33,324	32,420
Taxes accrued	5,771	—
Interest accrued	7,314	8,534
Other	11,003	8,953
<b>TOTAL</b>	<b>218,112</b>	<b>252,731</b>
<b>NON-CURRENT LIABILITIES</b>		
Accumulated deferred income taxes and taxes accrued	176,689	195,615
Accumulated deferred investment tax credits	15,672	16,457
Regulatory liability for income taxes - net	34,411	36,061
Other regulatory liabilities	259,613	90,434
Accumulated provisions	90,597	88,124
Long-term debt (includes securitization bonds of \$— as of June 30, 2024 and \$5,415 as of December 31, 2023)	650,197	584,171
Long-term payable due to associated company	7,004	7,004
Other	37,882	20,624
<b>TOTAL</b>	<b>1,272,065</b>	<b>1,038,490</b>
Commitments and Contingencies		
<b>EQUITY</b>		
Member's equity	778,907	806,754
<b>TOTAL</b>	<b>778,907</b>	<b>806,754</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$2,269,084</b>	<b>\$2,097,975</b>
See Notes to Financial Statements.		



**ENTERGY NEW ORLEANS, LLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN MEMBER'S EQUITY**  
**For the Six Months Ended June 30, 2024 and 2023**  
**(Unaudited)**

	<u>Member's Equity</u> <u>(In Thousands)</u>
<b>Balance at December 31, 2022</b>	\$702,816
Net income	10,142
<b>Balance at March 31, 2023</b>	712,958
Net income	13,857
<b>Balance at June 30, 2023</b>	<u>\$726,815</u>
<b>Balance at December 31, 2023</b>	\$806,754
Net loss	(48,980)
<b>Balance at March 31, 2024</b>	757,774
Net income	21,133
<b>Balance at June 30, 2024</b>	<u>\$778,907</u>
See Notes to Financial Statements.	

**ENTERGY TEXAS, INC. AND SUBSIDIARIES**  
**MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS**

**Results of Operations**

**Net Income**

**Second Quarter 2024 Compared to Second Quarter 2023**

Net income increased \$1.8 million primarily due to higher volume/weather and higher other income, partially offset by higher other operation and maintenance expenses and higher depreciation and amortization expenses.

**Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023**

Net income decreased \$3.2 million primarily due to higher other operation and maintenance expenses and higher depreciation and amortization expenses, partially offset by higher volume/weather, higher retail electric price, and higher other income.

**Operating Revenues**

**Second Quarter 2024 Compared to Second Quarter 2023**

Following is an analysis of the change in operating revenues comparing the second quarter 2024 to the second quarter 2023:

	<b>Amount</b>
	<b>(In Millions)</b>
2023 operating revenues	\$464.4
Fuel, rider, and other revenues that do not significantly affect net income	32.5
Volume/weather	22.6
Retail electric price	(0.4)
<b>2024 operating revenues</b>	<b>\$519.1</b>

Entergy Texas's results include revenues from rate mechanisms designed to recover fuel, purchased power, and other costs such that the revenues and expenses associated with these items generally offset and do not affect net income. "Fuel, rider, and other revenues that do not significantly affect net income" includes the revenue variance associated with these items.

The volume/weather variance is primarily due to the effect of more favorable weather on residential and commercial sales and an increase in weather-adjusted residential and commercial usage. The increase in weather-adjusted residential usage is primarily due to an increase in customers.

The retail electric price variance is insignificant and primarily due to the implementation of the generation cost recovery relate-back rider for the Hardin County Peaking Facility effective over three months beginning in May 2023, substantially offset by an increase in base rates effective June 2023. See Note 2 to the financial statements in the Form 10-K for discussion of the generation cost recovery rider filings and the 2022 base rate case.

Total electric energy sales for Entergy Texas for the three months ended June 30, 2024 and 2023 are as follows:

	2024	2023	% Change
	(GWh)		
Residential	1,778	1,667	7
Commercial	1,234	1,181	4
Industrial	2,404	2,399	—
Governmental	68	67	1
Total retail	5,484	5,314	3
Sales for resale:			
Non-associated companies	229	136	68
Total	5,713	5,450	5

See Note 12 to the financial statements herein for additional discussion of Entergy Texas's operating revenues.

#### Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

Following is an analysis of the change in operating revenues comparing the six months ended June 30, 2024 to the six months ended June 30, 2023:

	Amount
	(In Millions)
2023 operating revenues	\$971.9
Fuel, rider, and other revenues that do not significantly affect net income	(40.8)
Retail electric price	9.2
Volume/weather	23.3
2024 operating revenues	\$963.6

Entergy Texas's results include revenues from rate mechanisms designed to recover fuel, purchased power, and other costs such that the revenues and expenses associated with these items generally offset and do not affect net income. "Fuel, rider, and other revenues that do not significantly affect net income" includes the revenue variance associated with these items.

The retail electric price variance is primarily due to an increase in base rates effective June 2023, partially offset by the implementation of the generation cost recovery relate-back rider for the Hardin County Peaking Facility effective over three months beginning in May 2023. See Note 2 to the financial statements in the Form 10-K for discussion of the 2022 base rate case and the generation cost recovery rider filings.

The volume/weather variance is primarily due to the effect of more favorable weather on residential sales and an increase in weather-adjusted residential usage. The increase in weather-adjusted residential usage is primarily due to an increase in customers.

Total electric energy sales for Entergy Texas for the six months ended June 30, 2024 and 2023 are as follows:

	2024	2023	% Change
	(GWh)		
Residential	3,089	2,914	6
Commercial	2,317	2,241	3
Industrial	4,458	4,592	(3)
Governmental	131	130	1
Total retail	9,995	9,877	1
Sales for resale:			
Non-associated companies	346	239	45
Total	10,341	10,116	2

See Note 12 to the financial statements herein for additional discussion of Entergy Texas's operating revenues.

## Other Income Statement Variances

### Second Quarter 2024 Compared to Second Quarter 2023

Other operation and maintenance expenses increased primarily due to:

- a gain of \$6.9 million on the partial sale of a service center in April 2023 as part of an eminent domain proceeding;
- an increase of \$2.3 million in power delivery expenses primarily due to higher transmission line inspection costs and higher transmission and distribution repairs and maintenance costs, partially offset by lower vegetation maintenance costs;
- an increase of \$2.0 million in contract costs related to operational performance, customer service, and organizational health initiatives;
- an increase of \$2.0 million in storm damage provisions;
- an increase of \$1.8 million in compensation and benefits costs primarily due to higher healthcare claims activity in 2024; and
- an increase of \$1.6 million in non-nuclear generation expenses primarily due to a higher scope of work performed in 2024 as compared to 2023.

Depreciation and amortization expenses increased primarily due to:

- the recognition of \$13.8 million in depreciation expense in second quarter 2024 for the 2022 base rate case relate back period, effective over six months beginning January 2024. The recognition of depreciation expense for the relate back period is effective over the same period as collections from the relate back surcharge rider and results in no effect on net income;
- an increase in depreciation rates effective with an increase in base rates in June 2023; and
- additions to plant in service.

See Note 2 to the financial statements in the Form 10-K for discussion of the 2022 base rate case.

Other income increased primarily due to an increase in the allowance for equity funds used during construction due to higher construction work in progress in 2024, including the Orange County Advanced Power Station project.

Interest expense increased primarily due to the issuance of \$350 million of 5.80% Series mortgage bonds in August 2023, partially offset by an increase in the allowance for borrowed funds used during construction due to higher construction work in progress in 2024, including the Orange County Advanced Power Station project.

#### Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

Other operation and maintenance expenses increased primarily due to:

- a gain of \$6.9 million on the partial sale of a service center in April 2023 as part of an eminent domain proceeding;
- an increase of \$5.1 million in power delivery expenses primarily due to higher transmission and distribution repairs and maintenance costs, higher reliability costs, and higher transmission line inspection costs, partially offset by lower vegetation maintenance costs;
- an increase of \$4.5 million in compensation and benefits costs primarily due to higher healthcare claims activity in 2024;
- an increase of \$3.7 million in storm damage provisions;
- an increase of \$3.6 million in contract costs related to operational performance, customer service, and organizational health initiatives;
- an increase of \$2.8 million in non-nuclear generation expenses primarily due to a higher scope of work performed in 2024 as compared to 2023; and
- several individually insignificant items.

Depreciation and amortization expenses increased primarily due to:

- the recognition of \$27.6 million in depreciation expense in 2024 for the 2022 base rate case relate back period, effective over six months beginning January 2024. The recognition of depreciation expense for the relate back period is effective over the same period as collections from the relate back surcharge rider and results in no effect on net income;
- an increase in depreciation rates effective with an increase in base rates in June 2023; and
- additions to plant in service.

See Note 2 to the financial statements in the Form 10-K for discussion of the 2022 base rate case.

Other income increased primarily due to an increase in the allowance for equity funds used during construction due to higher construction work in progress in 2024, including the Orange County Advanced Power Station project, and higher interest earned on money pool investments. The increase was partially offset by an increase of \$4 million in net periodic pension and other postretirement benefit non-service costs as a result of an increase in amortizations of the previously deferred surplus and deferrals of the deficit in the annual amount of actuarially determined pension and other postretirement benefits chargeable under the Entergy Texas reserve. See Note 11 to the financial statements in the Form 10-K for further discussion of the Entergy Texas reserve.

Interest expense increased primarily due to the issuance of \$350 million of 5.80% Series mortgage bonds in August 2023, partially offset by an increase in the allowance for borrowed funds used during construction due to higher construction work in progress in 2024, including the Orange County Advanced Power Station project.

#### Income Taxes

The effective income tax rates were 18.4% for the second quarter 2024 and 18.6% for the six months ended June 30, 2024. The differences in the effective income tax rates for the second quarter 2024 and the six months ended June 30, 2024 versus the federal statutory rate of 21% were primarily due to book and tax differences related to the allowance for equity funds used during construction and certain book and tax differences related to utility plant items.

The effective income tax rates were 19.6% for the second quarter 2023 and 19.4% for the six months ended June 30, 2023. The differences in the effective income tax rates for the second quarter 2023 and the six months ended June 30, 2023 versus the federal statutory rate of 21% were primarily due to book and tax differences related to the allowance for equity funds used during construction and certain book and tax differences related to utility plant items, partially offset by the accrual for state income taxes.

### **Income Tax Legislation and Regulation**

See “MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS - **Income Tax Legislation and Regulation**” herein and in the Form 10-K for discussion of income tax legislation and regulation.

### **Liquidity and Capital Resources**

#### **Cash Flow**

Cash flows for the six months ended June 30, 2024 and 2023 were as follows:

	<b>2024</b>	<b>2023</b>
	(In Thousands)	
Cash and cash equivalents at beginning of period	\$21,986	\$3,497
Net cash provided by (used in):		
Operating activities	292,420	308,266
Investing activities	(215,942)	(319,798)
Financing activities	26,442	10,857
Net increase (decrease) in cash and cash equivalents	102,920	(675)
Cash and cash equivalents at end of period	\$124,906	\$2,822

#### **Operating Activities**

Net cash flow provided by operating activities decreased \$15.8 million for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 primarily due to the timing of payments to vendors, lower collections from customers, and an increase of \$12.5 million in interest paid. The decrease was partially offset by a decrease of \$24.6 million in income taxes paid in 2024 as a result of lower estimated income tax payments in comparison to 2023 and a decrease of \$9.7 million in storm spending in 2024 as compared to 2023.

#### **Investing Activities**

Net cash flow used in investing activities decreased \$103.9 million for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 primarily due to money pool activity and a decrease of \$23.3 million in non-nuclear generation construction expenditures primarily due to lower spending on the Orange County Advanced Power Station project in 2024 as compared to 2023, partially offset by higher spending on the Legend Power Station and Lone Star Power Station projects in 2024. The decrease was partially offset by:

- an increase of \$55.2 million in transmission construction expenditures primarily due to increased spending on various transmission projects in 2024;
- an increase of \$50.8 million in distribution construction expenditures primarily due to higher capital expenditures as a result of increased development in Entergy Texas’s service area and higher capital expenditures for storm restoration in 2024;

- cash collateral of \$12.7 million posted in 2024 to support Entergy Texas's obligations to MISO; and
- the partial sale of a service center in April 2023 for \$11 million as part of an eminent domain proceeding.

Decreases in Entergy Texas's receivable from the money pool are a source of cash flow, and Entergy Texas's receivable from the money pool decreased \$296.7 million for the six months ended June 30, 2024 compared to decreasing by \$98.6 million for the six months ended June 30, 2023. The money pool is an intercompany cash management program that makes possible intercompany borrowing and lending arrangements, and the money pool and other borrowing arrangements are designed to reduce the Registrant Subsidiaries' dependence on external short-term borrowings.

### Financing Activities

Net cash flow provided by financing activities increased \$15.6 million for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 primarily due to an increase of \$16.3 million in prepaid deposits related to contributions-in-aid-of-construction primarily for customer and generator interconnection agreements.

### **Capital Structure**

Entergy Texas's debt to capital ratio is shown in the following table. The decrease in the debt to capital ratio for Entergy Texas is primarily due to net income in 2024.

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Debt to capital	49.9 %	50.9 %
Effect of excluding securitization bonds	(2.0 %)	(2.1 %)
Debt to capital, excluding securitization bonds (non-GAAP) (a)	47.9 %	48.8 %
Effect of subtracting cash	(1.1 %)	(0.2 %)
Net debt to net capital, excluding securitization bonds (non-GAAP) (a)	46.8 %	48.6 %

(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 finance lease obligations 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. The debt to capital ratio excluding securitization bonds and net debt to net capital ratio excluding securitization bonds are non-GAAP measures. 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. The following are updates to the information provided in the Form 10-K.

Following are the current annual amounts of Entergy Texas’s planned construction and other capital investments.

	2024	2025	2026
	(In Millions)		
Planned construction and capital investment:			
Generation	\$435	\$800	\$825
Transmission	315	320	375
Distribution	470	415	360
Utility Support	45	25	45
Total	\$1,265	\$1,560	\$1,605

The updated capital plan for 2024-2026 reflects a change in the timing of capital investment in certain potential generation projects. In addition to routine capital spending to maintain operations, the capital plan includes investments in generation projects to modernize, decarbonize, and diversify Entergy Texas’s portfolio, including Orange County Advanced Power Station, Lone Star Power Station, Segno Solar, and Votaw Solar; distribution and Utility support spending to improve reliability, resilience, and customer experience; transmission spending to improve reliability and resilience while also supporting renewables expansion and customer growth; and other investments.

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

June 30, 2024	December 31, 2023	June 30, 2023	December 31, 2022
(In Thousands)			
\$21,212	\$317,882	\$899	\$99,468

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 \$300 million scheduled to expire in June 2029. The credit facility includes fronting commitments for the issuance of letters of credit against \$30 million of the borrowing capacity of the facility. As of June 30, 2024, there were no cash borrowings and \$1.1 million in letters of credit outstanding under the credit facility. In addition, Entergy Texas is a party to an uncommitted letter of credit facility as a means to post collateral to support its obligations to MISO. As of June 30, 2024, \$79.7 million in letters of credit were outstanding under Entergy Texas’s uncommitted letter of credit facility. See Note 4 to the financial statements herein for additional discussion of the credit facilities.

### Legend Power Station and Lone Star Power Station

In June 2024, Entergy Texas filed an application seeking PUCT approval to amend Entergy Texas’s certificate of convenience and necessity to construct, own, and operate the Legend Power Station, a 754 MW combined-cycle combustion turbine facility, which will be enabled with both carbon capture and storage and hydrogen co-firing optionality, to be located in Jefferson County, Texas, and the Lone Star Power Station, a 453 MW simple-cycle combustion turbine facility, which will be enabled with hydrogen co-firing optionality, to be located in Liberty County, Texas. Legend Power Station will cost an estimated \$1.46 billion and Lone Star Power Station will cost an estimated \$735.3 million, in each case inclusive of the estimated costs of the generation



facilities, interconnection costs, transmission network upgrades, and an allowance for funds used during construction. As described in the application, Entergy Texas is considering alternative financing approaches for Legend Power Station and plans to pursue the financing option that is in the best interest of customers. In July 2024 the PUCT referred the proceeding to the State Office of Administrative Hearings and, also in July 2024, the ALJ with the State Office of Administrative Hearings adopted a procedural schedule, with a hearing on the merits scheduled to begin in October 2024. Subject to receipt of required regulatory approval and other conditions, both facilities are expected to be in service by mid-2028.

#### Segno Solar and Votaw Solar

In July 2024, Entergy Texas filed an application seeking PUCT approval to amend Entergy Texas's certificate of convenience and necessity to construct, own, and operate the Segno Solar facility, a 170 MW solar facility to be located in Polk County, Texas, and the Votaw Solar facility, a 141 MW solar facility to be located in Hardin County, Texas. The Segno Solar facility will cost an estimated \$351.6 million, and the Votaw Solar facility will cost an estimated \$303.8 million, in each case inclusive of estimated transmission interconnection and upgrade costs. Subject to receipt of required regulatory approval and other conditions, the Segno Solar facility is expected to be in service by early 2027, and the Votaw Solar facility is expected to be in service by mid-2028.

#### Resilience and Grid Hardening

In June 2024, Entergy Texas filed an application with the PUCT requesting approval of Phase I of its Texas Future Ready Resiliency Plan, a cost-effective set of measures to begin accelerating the resiliency of Entergy Texas's transmission and distribution system. Phase I is comprised of projects totaling approximately \$335.1 million, including approximately \$198 million of projects contingent upon Entergy Texas's receipt of grant funds in that amount from the Texas Energy Fund. The projects in Phase I include distribution and transmission hardening and modernization projects and targeted vegetation management projects to mitigate the risk of wildfire. Work on these projects is expected to commence within approximately three years of PUCT approval. The PUCT referred the proceeding to the State Office of Administrative Hearings in June 2024. In July 2024, Entergy Texas filed a motion, on behalf of the parties to the proceeding, requesting the ALJ with the State Office of Administrative Hearings adopt an agreed proposed procedural schedule, with a hearing on the merits scheduled for September 2024. A PUCT decision is expected in fourth quarter 2024.

#### Hurricane Beryl

In July 2024, Hurricane Beryl caused extensive damage to Entergy Texas's service area. The storm resulted in widespread power outages, as a result of extensive debris and damage to distribution and transmission infrastructure, and the loss of sales during the power outages. Total restoration costs for the repair and/or replacement of Entergy Texas's electric facilities damaged by Hurricane Beryl are currently estimated to be in the range of \$75 million to \$85 million. Based on the historic treatment of such costs in Entergy Texas's service area, management believes that recovery of restoration costs is probable. There are well established mechanisms and precedent for addressing these catastrophic events and providing for recovery of prudently incurred storm costs in accordance with applicable regulatory and legal principles. Because Entergy Texas has not gone through the regulatory process regarding these storm costs, however, there is an element of risk, and Entergy Texas is unable to predict with certainty the degree of success it may have in its recovery initiatives, the amount of restoration costs that it may ultimately recover, or the timing of such recovery.

**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. The following are updates to that discussion.

**Retail Rates****2022 Base Rate Case**

As discussed in the Form 10-K, in August 2023 the PUCT issued an order severing issues related to electric vehicle charging infrastructure in the 2022 base rate case proceeding to a separate proceeding. In December 2023 the PUCT referred the separate proceeding to resolve the issues related to electric vehicle charging infrastructure to the State Office of Administrative Hearings. A hearing on the merits was held in April 2024. In June 2024 the ALJ with the State Office of Administrative Hearings issued a proposal for decision concluding that it is appropriate for a vertically integrated electric utility, and Entergy Texas specifically, to own vehicle-charging facilities or other transportation electrification and charging infrastructure and recommending that both of Entergy Texas’s proposed transportation electrification riders be approved. A PUCT decision is expected in third quarter 2024.

**Distribution Cost Recovery Factor (DCRF) Rider**

In June 2024, Entergy Texas filed with the PUCT a request to set a new DCRF rider. The proposed rider is designed to collect from Entergy Texas’s retail customers approximately \$40.3 million annually based on its capital invested in distribution between January 1, 2022 and March 31, 2024. The PUCT adopted a procedural schedule in July 2024. A PUCT decision is expected in third quarter 2024.

**Federal Regulation**

See “MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS – **Federal Regulation**” in the Form 10-K for a discussion of federal regulation.

**Nuclear Matters**

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

**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.

**Environmental Risks**

See “MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS - **Environmental Risks**” in the Form 10-K for a discussion of environmental risks. See “**Other Information - Environmental Regulation**” in Part II, Item 5 herein for updates regarding environmental proceedings and regulation.

**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 Texas’s

accounting for utility regulatory accounting, taxation and uncertain tax positions, qualified pension and other postretirement benefits, and other contingencies.

### **New Accounting Pronouncements**

See the “**New Accounting Pronouncements**” section of Note 1 to the financial statements in the Form 10-K for a discussion of new accounting pronouncements and the “**New Accounting Pronouncements**” section of Entergy Corporation and Subsidiaries Management's Financial Discussion and Analysis herein for updates to the discussion of new accounting pronouncements.

**ENTERGY TEXAS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED INCOME STATEMENTS**  
For the Three and Six Months Ended June 30, 2024 and 2023  
(Unaudited)

	Three Months Ended		Six Months Ended	
	2024	2023	2024	2023
	(In Thousands)		(In Thousands)	
OPERATING REVENUES				
Electric	\$519,077	\$464,430	\$963,568	\$971,936
OPERATING EXPENSES				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	115,520	63,526	211,657	231,056
Purchased power	88,713	112,883	183,056	220,641
Other operation and maintenance	83,176	63,071	161,136	127,501
Taxes other than income taxes	22,979	28,717	47,546	56,713
Depreciation and amortization	90,824	66,009	180,329	125,400
Other regulatory charges (credits) - net	(12,477)	1,526	(13,452)	12,450
TOTAL	388,735	335,732	770,272	773,761
OPERATING INCOME	130,342	128,698	193,296	198,175
OTHER INCOME				
Allowance for equity funds used during construction	10,834	6,760	20,082	11,849
Interest and investment income	2,791	846	6,695	2,263
Miscellaneous - net	(3,186)	(1,941)	(5,498)	(1,502)
TOTAL	10,439	5,665	21,279	12,610
INTEREST EXPENSE				
Interest expense	34,483	26,847	66,449	53,809
Allowance for borrowed funds used during construction	(4,219)	(2,517)	(7,821)	(4,413)
TOTAL	30,264	24,330	58,628	49,396
INCOME BEFORE INCOME TAXES				
	110,517	110,033	155,947	161,389
Income taxes	20,295	21,576	28,981	31,259
NET INCOME	90,222	88,457	126,966	130,130
Preferred dividend requirements	518	518	1,036	1,036
EARNINGS APPLICABLE TO COMMON STOCK	\$89,704	\$87,939	\$125,930	\$129,094

See Notes to Financial Statements.

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**ENTERGY TEXAS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For the Six Months Ended June 30, 2024 and 2023  
(Unaudited)

	2024	2023
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	\$126,966	\$130,130
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Depreciation and amortization	180,329	125,400
Deferred income taxes, investment tax credits, and non-current taxes accrued	21,112	23,480
Changes in assets and liabilities:		
Receivables	(64,108)	12,534
Fuel inventory	1,877	(18,082)
Accounts payable	13,853	(5,725)
Taxes accrued	(21,155)	(45,549)
Interest accrued	(561)	(604)
Deferred fuel costs	80,220	98,042
Other working capital accounts	(9,386)	3,129
Provisions for estimated losses	(1,384)	455
Other regulatory assets	40,197	(19,688)
Other regulatory liabilities	(26,028)	(9,929)
Pension and other postretirement funded status	(8,190)	(4,191)
Other assets and liabilities	(41,322)	18,864
Net cash flow provided by operating activities	292,420	308,266
INVESTING ACTIVITIES		
Construction expenditures	(522,890)	(448,550)
Allowance for equity funds used during construction	20,082	11,849
Proceeds from sale of assets	—	11,000
Changes in money pool receivable - net	296,670	98,569
Changes in securitization account	2,856	7,248
Decrease (increase) in other investments	(12,660)	86
Net cash flow used in investing activities	(215,942)	(319,798)
FINANCING ACTIVITIES		
Retirement of long-term debt	(9,104)	(8,856)
Preferred stock dividends paid	(1,036)	(1,036)
Other	36,582	20,749
Net cash flow provided by financing activities	26,442	10,857
Net increase (decrease) in cash and cash equivalents	102,920	(675)
Cash and cash equivalents at beginning of period	21,986	3,497
Cash and cash equivalents at end of period	\$124,906	\$2,822
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest - net of amount capitalized	\$65,529	\$53,019
Income taxes	\$5,862	\$30,500
Noncash investing activities:		
Accrued construction expenditures	\$343,525	\$138,771

See Notes to Financial Statements.

**ENTERGY TEXAS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**ASSETS**  
**June 30, 2024 and December 31, 2023**  
**(Unaudited)**

	2024	2023
	(In Thousands)	
CURRENT ASSETS		
Cash and cash equivalents:		
Cash	\$26	\$1,497
Temporary cash investments	124,880	20,489
Total cash and cash equivalents	124,906	21,986
Securitization recovery trust account	2,340	5,195
Accounts receivable:		
Customer	119,885	88,468
Allowance for doubtful accounts	(933)	(1,484)
Associated companies	31,932	329,941
Other	39,732	24,416
Accrued unbilled revenues	90,934	72,771
Total accounts receivable	281,550	514,112
Deferred fuel costs	58,799	139,019
Fuel inventory - at average cost	48,970	50,847
Materials and supplies - at average cost	146,412	123,020
Prepayments and other	41,518	35,232
TOTAL	704,495	889,411
OTHER PROPERTY AND INVESTMENTS		
Investments in affiliates - at equity	130	214
Non-utility property - at cost (less accumulated depreciation)	376	376
Other	15,246	15,068
TOTAL	15,752	15,658
UTILITY PLANT		
Electric	8,144,778	7,931,340
Construction work in progress	1,215,214	857,707
TOTAL UTILITY PLANT	9,359,992	8,789,047
Less - accumulated depreciation and amortization	2,472,681	2,363,919
UTILITY PLANT - NET	6,887,311	6,425,128
DEFERRED DEBITS AND OTHER ASSETS		
Regulatory assets:		
Other regulatory assets (includes securitization property of \$243,478 as of June 30, 2024 and \$250,324 as of December 31, 2023)	556,409	596,606
Other	159,392	129,769
TOTAL	715,801	726,375
TOTAL ASSETS	\$8,323,359	\$8,056,572

See Notes to Financial Statements.

**ENTERGY TEXAS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**LIABILITIES AND EQUITY**  
**June 30, 2024 and December 31, 2023**  
**(Unaudited)**

	2024	2023
	(In Thousands)	
CURRENT LIABILITIES		
Accounts payable:		
Associated companies	\$56,359	\$74,423
Other	238,679	195,703
Customer deposits	40,988	39,999
Taxes accrued	57,732	78,887
Interest accrued	30,724	31,285
Other	23,979	16,237
TOTAL	448,461	436,534
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	843,464	814,905
Accumulated deferred investment tax credits	7,589	7,963
Regulatory liability for income taxes - net	103,806	114,759
Other regulatory liabilities	27,938	43,013
Asset retirement cost liabilities	17,228	11,743
Accumulated provisions	8,096	9,480
Long-term debt (includes securitization bonds of \$248,670 as of June 30, 2024 and \$257,592 as of December 31, 2023)	3,216,909	3,225,092
Other	405,276	274,421
TOTAL	4,630,306	4,501,376
Commitments and Contingencies		
EQUITY		
Common stock, no par value, authorized 200,000,000 shares; issued and outstanding 46,525,000 shares in 2024 and 2023	49,452	49,452
Paid-in capital	1,200,125	1,200,125
Retained earnings	1,956,265	1,830,335
Total common shareholder's equity	3,205,842	3,079,912
Preferred stock without sinking fund	38,750	38,750
TOTAL	3,244,592	3,118,662
TOTAL LIABILITIES AND EQUITY	\$8,323,359	\$8,056,572
See Notes to Financial Statements.		



**ENTERGY TEXAS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**For the Six Months Ended June 30, 2024 and 2023**  
**(Unaudited)**

	Preferred Stock	Common Stock	Common Equity Paid-in Capital	Retained Earnings	Total
	(In Thousands)				
<b>Balance at December 31, 2022</b>	\$38,750	\$49,452	\$1,050,125	\$1,541,134	\$2,679,461
Net income	—	—	—	41,673	41,673
Preferred stock dividends	—	—	—	(518)	(518)
<b>Balance at March 31, 2023</b>	38,750	49,452	1,050,125	1,582,289	2,720,616
Net income	—	—	—	88,457	88,457
Preferred stock dividends	—	—	—	(518)	(518)
<b>Balance at June 30, 2023</b>	\$38,750	\$49,452	\$1,050,125	\$1,670,228	\$2,808,555
<b>Balance at December 31, 2023</b>	\$38,750	\$49,452	\$1,200,125	\$1,830,335	\$3,118,662
Net income	—	—	—	36,744	36,744
Preferred stock dividends	—	—	—	(518)	(518)
<b>Balance at March 31, 2024</b>	38,750	49,452	1,200,125	1,866,561	3,154,888
Net income	—	—	—	90,222	90,222
Preferred stock dividends	—	—	—	(518)	(518)
<b>Balance at June 30, 2024</b>	\$38,750	\$49,452	\$1,200,125	\$1,956,265	\$3,244,592
See Notes to Financial Statements.					

## SYSTEM ENERGY RESOURCES, INC.

### MANAGEMENT'S FINANCIAL DISCUSSION AND ANALYSIS

System Energy's principal asset 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. As discussed in "**Complaints Against System Energy**" below and in Note 2 to the financial statements in the Form 10-K, System Energy and the Unit Power Sales Agreement are currently the subject of several litigation proceedings at the FERC (or on appeal from the FERC to the United States Court of Appeals for the Fifth Circuit).

#### **Results of Operations**

##### **Net Income**

##### **Second Quarter 2024 Compared to Second Quarter 2023**

Net income decreased \$0.9 million primarily due to the lower authorized rate of return on equity and capital structure limitations reflected in monthly bills issued to Entergy Arkansas effective with the November 2023 service month per the settlement agreement with the APSC and the lower authorized rate of return on equity and capital structure limitations reflected in monthly bills issued to Entergy New Orleans effective with the June 2024 service month per the settlement agreement with the City Council, substantially offset by an increase in operating revenues resulting from changes in rate base. See Note 2 to the financial statements herein and in the Form 10-K for discussion of the settlement with the APSC. See Note 2 to the financial statements herein for discussion of the settlement with the City Council.

##### **Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023**

Net income increased \$2.7 million primarily due to an increase in operating revenues resulting from changes in rate base, partially offset by the lower authorized rate of return on equity and capital structure limitations reflected in monthly bills issued to Entergy Arkansas effective with the November 2023 service month per the settlement agreement with the APSC and the lower authorized rate of return on equity and capital structure limitations reflected in monthly bills issued to Entergy New Orleans effective with the June 2024 service month per the settlement agreement with the City Council. See Note 2 to the financial statements herein and in the Form 10-K for discussion of the settlement with the APSC. See Note 2 to the financial statements herein for discussion of the settlement with the City Council.

##### **Income Taxes**

The effective income tax rates were 23.2% for the second quarter 2024 and 21.7% for the six months ended June 30, 2024. The difference in the effective income tax rate for the second quarter 2024 versus the federal statutory rate of 21% was primarily due to the accrual for state income taxes, partially offset by book and tax differences related to the allowance for equity funds used during construction.

The effective income tax rates were 22.8% for the second quarter 2023 and 23.2% for the six months ended June 30, 2023. The differences in the effective income tax rates for the second quarter 2023 and the six months ended June 30, 2023 versus the federal statutory rate of 21% were primarily due to the accrual for state income taxes, partially offset by certain book and tax differences related to utility plant items.

**Income Tax Legislation and Regulation**

See “MANAGEMENT’S FINANCIAL DISCUSSION AND ANALYSIS - **Income Tax Legislation and Regulation**” herein and in the Form 10-K for discussion of income tax legislation and regulation.

**Liquidity and Capital Resources****Cash Flow**

Cash flows for the six months ended June 30, 2024 and 2023 were as follows:

	<b>2024</b>	<b>2023</b>
	(In Thousands)	
Cash and cash equivalents at beginning of period	\$60	\$2,940
Net cash provided by (used in):		
Operating activities	27,420	60,571
Investing activities	(216,666)	11,262
Financing activities	220,264	(26,518)
Net increase in cash and cash equivalents	31,018	45,315
Cash and cash equivalents at end of period	<u>\$31,078</u>	<u>\$48,255</u>

**Operating Activities**

Net cash flow provided by operating activities decreased \$33.2 million for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 primarily due to:

- the refund of \$92 million made in May 2024 to Entergy Arkansas as a result of the settlement with the APSC. See Note 2 to the financial statements herein and in the Form 10-K for discussion of the settlement with the APSC;
- an increase in spending of \$20.1 million on nuclear refueling outage costs in 2024 as compared to 2023; and
- the timing of collection of receivables.

The decrease was partially offset by:

- aggregate refunds of \$103.5 million made in January 2023 related to the sale-leaseback renewal costs and depreciation litigation as calculated in System Energy’s January 2023 compliance report filed with the FERC. See Note 2 to the financial statements in the Form 10-K for further discussion of the refunds and the related proceedings; and
- refunds of \$19.3 million included in May 2023 service month bills under the Unit Power Sales Agreement to reflect the effects of the partial settlement agreement approved by the FERC in April 2023. See Note 2 to the financial statements in the Form 10-K for discussion of the Unit Power Sales Agreement complaint.

## Investing Activities

System Energy's investing activities used \$216.7 million of cash for the six months ended June 30, 2024 compared to providing \$11.3 million of cash for the six months ended June 30, 2023 primarily due to the following activity:

- an increase in cash used of \$108.8 million as a result of fluctuations in nuclear fuel activity due to variations from year to year in the timing and pricing of fuel reload requirements, material and services deliveries, and the timing of cash payments during the nuclear fuel cycle;
- money pool activity; and
- an increase of \$38.1 million in nuclear construction expenditures primarily due to higher spending in 2024 on Grand Gulf outage projects and upgrades.

Increases in System Energy's receivable from the money pool are a use of cash flow and System Energy's receivable from the money pool increased \$5.2 million for the six months ended June 30, 2024 compared to decreasing by \$80.1 million for the six months ended June 30, 2023. The money pool is an intercompany cash management program that makes possible intercompany borrowing and lending arrangements, and the money pool and other borrowing arrangements are designed to reduce the Registrant Subsidiaries' dependence on external short-term borrowings.

## Financing Activities

System Energy's financing activities provided \$220.3 million of cash for the six months ended June 30, 2024 compared to using \$26.5 million of cash for the six months ended June 30, 2023 primarily due to the following activity:

- the repayment, at maturity, of \$250 million of 4.10% Series mortgage bonds in April 2023;
- a capital contribution of \$150 million received from Entergy Corporation in January 2024 in order to maintain System Energy's capital structure;
- net long-term borrowings of \$82.6 million in 2024 compared to net repayments of \$34.8 million in 2023 on the nuclear fuel company variable interest entity's credit facility;
- the repayment, prior to maturity, in March 2023 of a \$50 million term loan due in November 2023;
- the issuance of \$325 million of 6.00% Series mortgage bonds in March 2023; and
- money pool activity.

Decreases in System Energy's payable to the money pool are a use of cash flow, and System Energy's payable to the money pool decreased \$12.2 million for the six months ended June 30, 2024.

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

## **Capital Structure**

System Energy's debt to capital ratio is shown in the following table. The decrease in the debt to capital ratio for System Energy is primarily due to the capital contribution of \$150 million received from Entergy Corporation in 2024, partially offset by the net issuance of long-term debt in 2024.

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Debt to capital	42.9 %	45.4 %
Effect of subtracting cash	(0.9 %)	— %
Net debt to net capital (non-GAAP)	42.0 %	45.4 %

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. The net debt to net capital ratio is a non-GAAP measure. 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. The following are updates to the information provided in the Form 10-K.

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

June 30, 2024	December 31, 2023	June 30, 2023	December 31, 2022
(In Thousands)			
\$5,238	(\$12,246)	\$14,880	\$94,981

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 \$120 million scheduled to expire in June 2027. As of June 30, 2024, \$104.1 million in loans were outstanding under the System Energy nuclear fuel company variable interest entity credit facility. See Note 4 to the financial statements herein for additional discussion of the variable interest entity credit facility.

### Federal Regulation

See the “**Rate, Cost-recovery, and Other Regulation - Federal Regulation**” section of Entergy Corporation and Subsidiaries Management’s Financial Discussion and Analysis in the Form 10-K and Note 2 to the financial statements herein and in the Form 10-K for a discussion of federal regulation.

### Complaints Against System Energy

See Note 2 to the financial statements in the Form 10-K for information regarding pending complaints against System Energy. System Energy and the Unit Power Sales Agreement are currently the subject of several litigation proceedings at the FERC (or on appeal from the FERC to the United States Court of Appeals for the Fifth Circuit), including challenges with respect to System Energy’s authorized return on equity and capital structure, renewal of its sale-leaseback arrangement, treatment of uncertain tax positions, a broader investigation of rates under the Unit Power Sales Agreement, and two prudence complaints, one challenging the extended power uprate completed at Grand Gulf in 2012 and the operation and management of Grand Gulf, particularly in the 2016-2020 time period, and the second challenging the operation and management of Grand Gulf in the 2021-2022 time period. Settlements that resolve all significant aspects of these complaints have been reached with the MPSC and the APSC and approved by the FERC. A settlement has been reached with the City Council and is pending FERC approval, as described in “**System Energy Settlement with the City Council**” below. An agreement in principle has been reached with the LPSC staff, as described in “**System Energy Settlement with the LPSC**” below. If the settlement with the City Council is approved by the FERC and the settlement with the LPSC staff is approved by the LPSC and

the FERC, it would resolve all significant aspects of these pending complaints. The following are updates to the discussion in the Form 10-K.

### **Return on Equity and Capital Structure Complaints**

As discussed in the Form 10-K, in March 2021 the FERC ALJ issued an initial decision in the proceeding initiated by the LPSC, the MPSC, the APSC, and the City Council against System Energy regarding the return on equity component of the Unit Power Sales Agreement. With regard to System Energy's authorized return on equity, the ALJ determined that the existing return on equity of 10.94% is no longer just and reasonable, and that the replacement authorized return on equity, based on application of the FERC's Opinion No. 569-A methodology, should be 9.32%. The ALJ further determined that System Energy should pay refunds for a fifteen-month refund period (January 2017-April 2018) based on the difference between the current return on equity and the replacement authorized return on equity. The ALJ determined that the April 2018 complaint concerning the authorized return on equity should be dismissed, and that no refunds for a second fifteen-month refund period should be due. With regard to System Energy's capital structure, the ALJ determined that System Energy's actual equity ratio is excessive and that the just and reasonable equity ratio is 48.15% equity, based on the average equity ratio of the proxy group used to evaluate the return on equity for the second complaint. The ALJ further determined that System Energy should pay refunds for a fifteen-month refund period (September 2018-December 2019) based on the difference between the actual equity ratio and the 48.15% equity ratio. If the ALJ's initial decision is upheld, the estimated refund for this proceeding is approximately \$25.3 million, which includes interest through June 30, 2024, and the estimated resulting annual rate reduction would be approximately \$15 million. As a result of the settlement agreements with the MPSC and the APSC, both the estimated refund and rate reduction exclude Entergy Mississippi's and Entergy Arkansas's portions. See **"System Energy Settlement with the MPSC"** in the Form 10-K and see **"System Energy Settlement with the APSC"** below and in the Form 10-K for discussion of the settlements. The estimated refund will continue to accrue interest until a final FERC decision is issued.

The ALJ initial decision is an interim step in the FERC litigation process, and an ALJ's determinations made in an initial decision are not controlling on the FERC. In April 2021, System Energy filed its brief on exceptions, in which it challenged the initial decision's findings on both the return on equity and capital structure issues. Also in April 2021 the LPSC, the APSC, the MPSC, the City Council, and the FERC trial staff filed briefs on exceptions. Reply briefs opposing exceptions were filed in May 2021 by System Energy, the FERC trial staff, the LPSC, the APSC, the MPSC, and the City Council. Refunds, if any, that might be required will only become due after the FERC issues its order reviewing the initial decision.

### **Grand Gulf Sale-leaseback Renewal Complaint and Uncertain Tax Position Rate Base Issue**

As discussed in the Form 10-K, in May 2018 the LPSC filed a complaint against System Energy and Entergy Services related to System Energy's renewal of a sale-leaseback transaction originally entered into in December 1988 for an 11.5% undivided interest in Grand Gulf Unit 1. The APSC, the MPSC, and the City Council subsequently intervened in the proceeding. A hearing was held before a FERC ALJ in November 2019. In April 2020 the ALJ issued the initial decision, and in December 2022 the FERC issued an order on the ALJ's initial decision, which affirmed it in part and modified it in part. The FERC's order directed System Energy to calculate refunds on three issues, and to provide a compliance report detailing the calculations. The FERC's order also disallows the future recovery of sale-leaseback renewal costs, which is estimated at approximately \$11.5 million annually for purchases from Entergy Arkansas, Entergy Louisiana, and Entergy New Orleans through July 2036. The three refund issues are rental expenses related to the renewal of the sale-leaseback arrangements; refunds, if any, for the revenue requirement impact of including accumulated deferred income taxes resulting from the decommissioning uncertain tax positions from 2004 through the present; and refunds for the net effect of correcting the depreciation inputs for capital additions attributable to the portion of plant subject to the sale-leaseback.

In January 2023, System Energy filed its compliance report with the FERC. With respect to the sale-leaseback renewal costs, System Energy calculated a refund of \$89.8 million, which represented all of the sale-

leaseback renewal rental costs that System Energy recovered in rates, with interest. With respect to the decommissioning uncertain tax position issue, System Energy calculated that no additional refunds are owed because it had already provided a one-time historical credit (for the period January 2016 through September 2020) of \$25.2 million based on the accumulated deferred income taxes that resulted from the IRS's partial acceptance of the decommissioning tax position, and because it has been providing an ongoing rate base credit for the accumulated deferred income taxes that resulted from the IRS's partial acceptance of the decommissioning tax position since October 2020. With respect to the depreciation refund, System Energy calculated a refund of \$13.7 million, which is the net total of a refund to customers for excess depreciation expense previously collected, plus interest, offset by the additional return on rate base that System Energy previously did not collect, without interest.

In January 2023, System Energy filed a request for rehearing of the FERC's determinations in the December 2022 order on sale-leaseback refund issues and future lease cost disallowances, the FERC's prospective policy on uncertain tax positions, and the proper accounting of System Energy's accumulated deferred income taxes adjustment for the Tax Cuts and Jobs Act of 2017; and a motion for confirmation of its interpretation of the December 2022 order's remedy concerning the decommissioning tax position. In January 2023 the retail regulators filed a motion for confirmation of their interpretation of the refund requirement in the December 2022 FERC order and a provisional request for rehearing. In February 2023 the FERC issued a notice that the rehearing requests have been deemed denied by operation of law. The deemed denial of the rehearing request initiated a sixty-day period in which aggrieved parties could petition for federal appellate court review of the underlying FERC orders; however, the FERC may issue a substantive order on rehearing as long as it continues to have jurisdiction over the case. In March 2023, System Energy filed in the United States Court of Appeals for the Fifth Circuit a petition for review of the December 2022 order. In March 2023, System Energy also filed an unopposed motion to stay the proceeding in the Fifth Circuit pending the FERC's disposition of the pending motions, and the court granted the motion to stay.

In August 2023 the FERC issued an order addressing arguments raised on rehearing and partially setting aside the prior order (rehearing order). The rehearing order addresses rehearing requests that were filed in January 2023 separately by System Energy and the LPSC, the APSC, and the City Council.

In the rehearing order, the FERC directs System Energy to recalculate refunds for two issues: (1) refunds of rental expenses related to the renewal of the sale-leaseback arrangements and (2) refunds for the net effect of correcting the depreciation inputs for capital additions associated with the sale-leaseback. With regard to the sale-leaseback renewal rental expenses, the rehearing order allows System Energy to recover an implied return of and on the depreciated cost of the portion of the plant subject to the sale-leaseback as of the expiration of the initial lease term. With regard to the depreciation input issue, the rehearing order allows System Energy to offset refunds so that System Energy may collect interest on the rate base recalculations that were part of the overall depreciation rate recalculations. The rehearing order further directs System Energy to submit within 60 days of the date of the rehearing order an additional compliance filing to revise the total refunds for these two issues. As discussed above, System Energy's January 2023 compliance filing calculated \$103.5 million in total refunds, and the refunds were paid in January 2023. In October 2023, System Energy filed its compliance report with the FERC as directed in the August 2023 rehearing order. The October 2023 compliance report reflected recalculated refunds totaling \$35.7 million for the two issues resulting in \$67.8 million in refunds that could be recouped by System Energy. As discussed below in "**System Energy Settlement with the APSC**," System Energy reached a settlement in principle with the APSC to resolve several pending cases under the FERC's jurisdiction, including this one, pursuant to which it has agreed not to recoup the \$27.3 million calculated for Entergy Arkansas in the compliance filing. Consistent with the compliance filing, in October 2023, Entergy Louisiana and Entergy New Orleans paid recoupment amounts of \$18.2 million and \$22.3 million, respectively, to System Energy.

On the third refund issue identified in the rehearing requests, concerning the decommissioning uncertain tax positions, the rehearing order denied all rehearing requests, re-affirmed the remedy contained in the December 2022 order, and did not direct System Energy to recalculate refunds or to submit an additional compliance filing. On this issue, as reflected in its January 2023 compliance filing, System Energy believes it has already paid the refunds due



under the remedy that the FERC outlined for the uncertain tax positions issue in its December 2022 order. In August 2023 the LPSC issued a media release in which it stated that it disagrees with System Energy's determination that the rehearing order requires no further refunds to be made on this issue.

In September 2023, System Energy filed a protective appeal of the rehearing order with the United States Court of Appeals for the Fifth Circuit. The appeal was consolidated with System Energy's prior appeal of the December 2022 order.

In September 2023 the LPSC filed with the FERC a request for rehearing and clarification of the rehearing order. The LPSC requests that the FERC reverse its determination in the rehearing order that System Energy may collect an implied return of and on the depreciated cost of the portion of the plant subject to the sale-leaseback, as of the expiration of the initial lease term, as well as its determination in the rehearing order that System Energy may offset the refunds for the depreciation rate input issue and collect interest on the rate base recalculations that were part of the overall depreciation rate recalculations. In addition, the LPSC requests that the FERC either confirm the LPSC's interpretation of the refund associated with the decommissioning uncertain tax positions or explain why it is not doing so. In October 2023 the FERC issued a notice that the rehearing request has been deemed denied by operation of law. In November 2023 the FERC issued a further notice stating that it would not issue any further order addressing the rehearing request. Also in November 2023 the LPSC filed with the United States Court of Appeals for the Fifth Circuit a petition for review of the FERC's August 2023 rehearing order and denials of the September 2023 rehearing request.

In December 2023 the United States Court of Appeals for the Fifth Circuit lifted the abeyance on the consolidated System Energy appeals, and it also consolidated the LPSC's appeal with the System Energy appeals. In March 2024, separate petition briefs were filed by System Energy and by the LPSC. Also in March 2024, the City Council filed an intervenor brief supporting the LPSC. In June 2024 counsel for the FERC filed the respondent's brief, arguing that the FERC's August 2023 rehearing order concerning the sale-leaseback and depreciation rate remedy issues should be affirmed and arguing that the dispute over the uncertain tax position issue is not yet ripe. In July 2024, System Energy and the LPSC each filed separate reply briefs.

### **LPSC Additional Complaints**

As discussed in the Form 10-K, in May 2020 the LPSC authorized its staff to file additional complaints at the FERC related to the rates charged by System Energy for Grand Gulf energy and capacity supplied to Entergy Louisiana under the Unit Power Sales Agreement. The following are updates to that discussion.

#### Unit Power Sales Agreement Complaint

As discussed in the Form 10-K, the first of the additional complaints was filed by the LPSC, the APSC, the MPSC, and the City Council in September 2020. The first complaint raises two sets of rate allegations: violations of the filed rate and a corresponding request for refunds for prior periods; and elements of the Unit Power Sales Agreement are unjust and unreasonable and a corresponding request for refunds for the 15-month refund period and changes to the Unit Power Sales Agreement prospectively. In May 2021 the FERC issued an order addressing the complaint, establishing a refund effective date of September 21, 2020, establishing hearing procedures, and holding those procedures in abeyance pending the FERC's review of the initial decision in the Grand Gulf sale-leaseback renewal complaint discussed above.

In November 2021 the LPSC, the APSC, and the City Council filed direct testimony and requested the FERC to order refunds for prior periods and prospective amendments to the Unit Power Sales Agreement. System Energy filed answering testimony in January 2022. In March 2022 the FERC trial staff filed direct and answering testimony recommending refunds and prospective modifications to the Unit Power Sales Agreement.



In April 2022, System Energy filed cross-answering testimony in response to the FERC trial staff's recommendations. In June 2022 the FERC trial staff submitted revised answering testimony, in which it recommended additional refunds associated with the accumulated deferred income tax balances in account 190. Also in June 2022, System Energy filed revised and supplemental cross-answering testimony to respond to the FERC trial staff's testimony and oppose its revised recommendation.

In May 2022 the LPSC, the APSC, and the City Council filed rebuttal testimony and asserted new claims. In June 2022 a new procedural schedule was adopted, providing for additional rounds of testimony and for the hearing to begin in September 2022. The hearing concluded in December 2022. Also in December 2022, a motion to extend the briefing schedule and the May 2023 deadline for the initial decision was granted.

In November 2022, System Energy filed a partial settlement agreement with the APSC, the City Council, and the LPSC that resolved the following issues raised in the Unit Power Sales Agreement complaint: advance collection of lease payments, aircraft costs, executive incentive compensation, money pool borrowings, advertising expenses, deferred nuclear refueling outage costs, industry association dues, and termination of the capital funds agreement. The settlement provided that System Energy would provide a black box refund of \$18 million (inclusive of interest), plus additional refund amounts with interest to be calculated for certain issues to be distributed to Entergy Arkansas, Entergy Louisiana, and Entergy New Orleans as the Utility operating companies other than Entergy Mississippi purchasing under the Unit Power Sales Agreement. The settlement further provided that if the APSC, the City Council, or the LPSC agrees to the global settlement System Energy entered into with the MPSC (see "**System Energy Settlement with the MPSC**" in the Form 10-K for discussion of the settlement), and such global settlement includes a black box refund amount, then the black box refund for this settlement agreement shall not be incremental or in addition to the global black box refund amount. The settlement agreement addressed other matters as well, including adjustments to rate base beginning in October 2022, exclusion of certain other costs, and inclusion of money pool borrowings, if any, in short-term debt within the cost of capital calculation used in the Unit Power Sales Agreement. In April 2023 the FERC approved the settlement agreement. The refund provided for in the settlement agreement was included in the May 2023 service month bills under the Unit Power Sales Agreement.

In May 2023 the presiding ALJ issued an initial decision finding that System Energy should have excluded multiple identified categories of accumulated deferred income taxes from rate base when calculating Unit Power Sales Agreement bills. Based on this finding, the initial decision recommended refunds; System Energy estimates that those refunds for Entergy Louisiana and Entergy New Orleans would total approximately \$69.9 million plus \$97.8 million of interest through June 30, 2024. The initial decision also finds that the Unit Power Sales Agreement should be modified such that a cash working capital allowance of negative \$36.4 million is applied prospectively. If the FERC ultimately orders these modifications to cash working capital be implemented, the estimated annual revenue requirement impact is expected to be immaterial. On the other non-settled issues for which the complainants sought refunds or changes to the Unit Power Sales Agreement, the initial decision ruled against the complainants.

The initial decision is an interim step in the FERC litigation process, and an ALJ's determination made in an initial decision is not controlling on the FERC. System Energy disagrees with the ALJ's findings concerning the accumulated deferred income taxes issues and cash working capital. In July 2023, System Energy filed a brief on exceptions to the initial decision's accumulated deferred income taxes findings. Also in July 2023, the APSC, the LPSC, the City Council, and the FERC trial staff filed separate briefs on exceptions. The APSC's brief on exceptions challenges the ALJ's determinations on the money pool interest and retained earnings issues. The LPSC's brief on exceptions challenges the ALJ's determinations regarding the sale-leaseback transaction costs, legal fees, and retained earnings issues. The City Council's brief on exceptions challenges the ALJ's determinations on the money pool and cash management issues. The FERC trial staff's brief on exceptions challenges the ALJ's determinations on the cash working capital issue as well as certain of the accumulated deferred income taxes issues. In August 2023 all parties filed separate briefs opposing exceptions. System Energy filed a brief opposing the exceptions of the APSC, the LPSC, and the City Council. The APSC, the LPSC, and the City Council filed separate briefs opposing the exceptions raised by System Energy and the FERC trial staff. The FERC trial staff filed its own

brief opposing certain exceptions raised by System Energy, the APSC, the LPSC, and the City Council. The case is now pending a decision by the FERC. Refunds, if any, that might be required will become due only after the FERC issues its order reviewing the initial decision.

#### LPSC Petition for a Writ of Mandamus

In March 2024 the LPSC filed a petition for a writ of mandamus, requesting that the United States Court of Appeals for the Fifth Circuit direct the FERC to take action on (1) System Energy's pending compliance filings (and the LPSC's protests) in response to the FERC's orders on the uncertain tax position rate base issue, as discussed above; and (2) the ALJ's pending initial decision in the return on equity and capital structure proceeding, also as discussed above. System Energy filed a notice of intervention in the proceeding.

In March 2024 the United States Court of Appeals for the Fifth Circuit directed the FERC to respond to the LPSC's petition. Also in March 2024, System Energy filed its response to the LPSC's petition, in which it opposed the LPSC's mandamus request on the compliance filing and took no position on the request for action on the return on equity and capital structure case. Later in March 2024, the FERC responded opposing both parts of the LPSC's petition, and the LPSC filed an opposed motion for leave to answer and its answer to the FERC's and System Energy's responses. In July 2024 the Fifth Circuit held oral argument on the petition. During oral argument, the FERC's counsel represented that the FERC intends to issue an order in the return on equity and capital structure proceeding by the end of the year. Later in July 2024 the Fifth Circuit issued an order denying the LPSC's petition.

#### **System Energy Settlement with the APSC**

As discussed in the Form 10-K, in October 2023, System Energy, Entergy Arkansas, and additional named Entergy parties involved in multiple docketed proceedings pending before the FERC reached a settlement in principle with the APSC to globally resolve all of their actual and potential claims in those dockets and with System Energy's past implementation of the Unit Power Sales Agreement. The settlement also covers the amended and supplemental complaint, discussed in "[Grand Gulf Prudence Complaint](#)" in the Form 10-K, filed by the LPSC, the APSC, and the City Council at the FERC in October 2023. System Energy, Entergy Arkansas, additional Entergy parties, and the APSC filed the settlement agreement and supporting materials with the FERC in November 2023. The Unit Power Sales Agreement is a FERC-jurisdictional formula rate tariff for sales of energy and capacity from System Energy's owned and leased share of Grand Gulf to Entergy Mississippi, Entergy Arkansas, Entergy Louisiana, and Entergy New Orleans. System Energy previously settled with the MPSC with respect to these complaints before the FERC.

The terms of the settlement with the APSC align with the \$588 million global black box settlement reached between System Energy and the MPSC in June 2022 and provide for Entergy Arkansas to receive a black box refund of \$142 million from System Energy, inclusive of \$49.5 million already received by Entergy Arkansas from System Energy. In November 2022 the FERC approved the System Energy settlement with the MPSC and stated that the settlement "appears to be fair and reasonable and in the public interest."

In addition to the black box refund of \$142 million described above, beginning with the November 2023 service month, the settlement provides for Entergy Arkansas's bills from System Energy to be adjusted to reflect an authorized rate of return on equity of 9.65% and a capital structure not to exceed 52% equity.

In December 2023 the FERC trial staff and the LPSC filed comments. The FERC trial staff commented that it "believes that the settlement is fair, and in the public interest," and neither it nor the LPSC oppose the settlement. In December 2023 the remaining black box refund to Entergy Arkansas was reclassified from long-term other regulatory liabilities to accounts payable - associated companies on System Energy's balance sheet. In March 2024 the FERC approved the settlement "because it appears to be fair and reasonable and in the public interest." System Energy paid the remaining black box refund of \$92 million to Entergy Arkansas in May 2024.

## System Energy Settlement with the City Council

In April 2024, System Energy, Entergy New Orleans, and additional named Entergy parties involved in multiple docketed proceedings pending before the FERC reached a settlement in principle with the City Council to globally resolve all of their actual and potential claims in those dockets and with System Energy's past implementation of the Unit Power Sales Agreement. The settlement also covers the amended and supplemental complaint, discussed in "[Grand Gulf Prudence Complaint](#)" in the Form 10-K, filed by the LPSC, the APSC, and the City Council at the FERC in October 2023. In May 2024, System Energy, Entergy New Orleans, additional named Entergy parties, and the City Council filed the settlement agreement and supporting materials with the FERC. The Unit Power Sales Agreement is a FERC-jurisdictional formula rate tariff for sales of energy and capacity from System Energy's owned and leased share of Grand Gulf to Entergy Mississippi, Entergy Arkansas, Entergy Louisiana, and Entergy New Orleans. As discussed above and in Note 2 to the financial statements in the Form 10-K, System Energy previously settled with the MPSC and the APSC with respect to these complaints before the FERC. Entergy Mississippi and Entergy Arkansas have nearly 65% of System Energy's share of Grand Gulf's output, after purchases from affiliates are considered. The settlements with the APSC, the MPSC, and the City Council represent almost 85% of System Energy's share of the output of Grand Gulf.

The terms of the settlement with the City Council align with the \$588 million global black box settlement amount reflected in the prior settlements reached between System Energy and the MPSC in June 2022 and between System Energy and the APSC in November 2023. The settlement provides for Entergy New Orleans to receive a black box refund of \$116 million from System Energy, inclusive of approximately \$18 million already received by Entergy New Orleans from System Energy. In November 2022 the FERC approved the System Energy settlement with the MPSC, and in March 2024 the FERC approved the System Energy settlement with the APSC. In both settlements, the FERC stated that the settlements "appear to be fair and reasonable and in the public interest." In March 2024 the \$98 million black box refund to Entergy New Orleans was reclassified from long-term other regulatory liabilities to accounts payable - associated companies on System Energy's balance sheet.

In addition to the black box refund of \$116 million described above, beginning with the June 2024 service month, the settlement provides for Entergy New Orleans's bills from System Energy to be adjusted to reflect an authorized rate of return on equity of 9.65% and a capital structure not to exceed 52% equity.

## System Energy Settlement with the LPSC

In July 2024, System Energy and the LPSC staff reached a settlement in principle to globally resolve all of the LPSC's actual and potential claims in multiple docketed proceedings pending before the FERC (including all docketed proceedings resolved by the MPSC, the APSC, and the City Council settlements) and with System Energy's past implementation of the Unit Power Sales Agreement. The settlement also covers the amended and supplemental complaint, discussed in "[Grand Gulf Prudence Complaint](#)" in the Form 10-K, filed by the LPSC, the APSC, and the City Council at the FERC in October 2023. The settling parties intend to file the settlement for approval by the FERC following the LPSC's approval of the settlement.

The terms of the settlement with the LPSC staff align with the \$588 million global black box settlement amount reflected in the prior settlements reached between System Energy and the MPSC in June 2022, between System Energy and the APSC in November 2023, and between System Energy and the City Council in April 2024. The settlement in principle provides for Entergy Louisiana to receive a black box refund of \$95 million from System Energy, inclusive of approximately \$15 million already received by Entergy Louisiana from System Energy. In June 2024 the remaining \$80 million black box refund to Entergy Louisiana was reclassified from long-term other regulatory liabilities to accounts payable - associated companies on System Energy's balance sheet.

In addition to the black box refund of \$95 million described above, beginning with the September 2024 service month, the settlement provides for Entergy Louisiana's bills from System Energy to be adjusted to reflect an authorized rate of return on equity of 9.65% and a capital structure not to exceed 52% equity.

## **System Energy Regulatory Liability for Pending Complaints**

As discussed in the Form 10-K, System Energy had recorded a regulatory liability related to complaints against System Energy, which was consistent with the settlement agreements reached with the MPSC and the APSC, taking into account amounts already or expected to be refunded. System Energy's remaining regulatory liability related to complaints against System Energy as of December 31, 2023 was \$178 million. As discussed above in "**System Energy Settlement with the City Council**," in first quarter 2024 the \$98 million black box refund to Entergy New Orleans was reclassified from the regulatory liability to accounts payable - associated companies on System Energy's balance sheet. As discussed above in "**System Energy Settlement with the LPSC**," in second quarter 2024 the \$80 million black box refund to Entergy Louisiana was reclassified from the regulatory liability to accounts payable - associated companies on System Energy's balance sheet.

## **Unit Power Sales Agreement**

### **System Energy Formula Rate Annual Protocols Formal Challenge Concerning 2022 Calendar Year Bills**

In February 2024, pursuant to the protocols procedures discussed in Note 2 to the financial statements in the Form 10-K, the LPSC and the City Council filed with the FERC a formal challenge to System Energy's implementation of the formula rate during calendar year 2022. The formal challenge alleges: (1) that the equity ratio charged in rates was excessive; and (2) that all issues in the pending Unit Power Sales Agreement complaint proceeding should also be reflected in calendar year 2022 bills. These allegations are identical to issues that were raised in the formal challenge to the calendar year 2020 and 2021 bills.

In March 2024, System Energy filed an answer to the formal challenge in which it requested that the FERC deny the formal challenge as a matter of law, or else hold the proceeding in abeyance pending the resolution of related dockets.

### **Pension Costs Amendment Proceeding**

As discussed in the Form 10-K, in October 2021, System Energy submitted to the FERC proposed amendments to the Unit Power Sales Agreement to include in the rate base the prepaid and accrued pension costs associated with System Energy's qualified pension plans. Based on data ending in 2020, the increased annual revenue requirement associated with the filing is approximately \$8.9 million. In March 2022 the FERC accepted System Energy's proposed amendments with an effective date of December 1, 2021, subject to refund pending the outcome of the settlement and/or hearing procedures. In August 2023 the FERC chief ALJ terminated settlement procedures and designated a presiding ALJ to oversee hearing procedures. In October 2023, System Energy filed direct testimony in support of its proposed amendments. Under the procedural schedule, testimony was filed through April 2024, and the hearing occurred from late May through early June 2024. The presiding ALJ's initial decision is expected in September 2024.

## **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. See "**Other Information - Environmental Regulation**" in Part II, Item 5 herein for updates regarding environmental proceedings and regulation.

### **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, utility regulatory accounting, taxation and uncertain tax positions, qualified pension and other postretirement benefits, and other contingencies.

### **New Accounting Pronouncements**

See the “**New Accounting Pronouncements**” section of Note 1 to the financial statements in the Form 10-K for a discussion of new accounting pronouncements and the “**New Accounting Pronouncements**” section of Entergy Corporation and Subsidiaries Management’s Financial Discussion and Analysis herein for updates to the discussion of new accounting pronouncements.

**SYSTEM ENERGY RESOURCES, INC.**  
**INCOME STATEMENTS**  
For the Three and Six Months Ended June 30, 2024 and 2023  
(Unaudited)

	Three Months Ended		Six Months Ended	
	2024	2023	2024	2023
	(In Thousands)		(In Thousands)	
<b>OPERATING REVENUES</b>				
Electric	\$145,934	\$138,384	\$298,554	\$309,956
<b>OPERATING EXPENSES</b>				
Operation and Maintenance:				
Fuel, fuel-related expenses, and gas purchased for resale	17,120	18,783	30,237	37,630
Nuclear refueling outage expenses	4,136	6,692	10,797	13,311
Other operation and maintenance	45,746	46,986	97,169	97,186
Decommissioning	10,815	10,391	21,522	20,678
Taxes other than income taxes	6,892	7,728	14,101	15,010
Depreciation and amortization	30,443	35,303	60,121	72,440
Other regulatory charges (credits) - net	27,188	(32,415)	22,215	(38,874)
<b>TOTAL</b>	<b>142,340</b>	<b>93,468</b>	<b>256,162</b>	<b>217,381</b>
<b>OPERATING INCOME</b>	<b>3,594</b>	<b>44,916</b>	<b>42,392</b>	<b>92,575</b>
<b>OTHER INCOME</b>				
Allowance for equity funds used during construction	1,451	1,605	3,885	3,423
Interest and investment income	38,967	1,638	46,940	7,402
Miscellaneous - net	(165)	(1,613)	72	(10,691)
<b>TOTAL</b>	<b>40,253</b>	<b>1,630</b>	<b>50,897</b>	<b>134</b>
<b>INTEREST EXPENSE</b>				
Interest expense	12,072	13,635	23,243	24,126
Allowance for borrowed funds used during construction	(594)	(436)	(1,453)	(791)
<b>TOTAL</b>	<b>11,478</b>	<b>13,199</b>	<b>21,790</b>	<b>23,335</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>32,369</b>	<b>33,347</b>	<b>71,499</b>	<b>69,374</b>
Income taxes	7,521	7,588	15,533	16,070
<b>NET INCOME</b>	<b>\$24,848</b>	<b>\$25,759</b>	<b>\$55,966</b>	<b>\$53,304</b>

See Notes to Financial Statements.

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**SYSTEM ENERGY RESOURCES, INC.**  
**STATEMENTS OF CASH FLOWS**  
**For the Six Months Ended June 30, 2024 and 2023**  
**(Unaudited)**

	2024	2023
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	\$55,966	\$53,304
Adjustments to reconcile net income to net cash flow provided by operating activities:		
Depreciation, amortization, and decommissioning, including nuclear fuel amortization	106,652	125,741
Deferred income taxes, investment tax credits, and non-current taxes accrued	28,258	17,865
Changes in assets and liabilities:		
Receivables	(9,335)	13,558
Accounts payable	74,527	(26,332)
Prepaid taxes and taxes accrued	(19,301)	(10,704)
Interest accrued	(620)	3,035
Other working capital accounts	(27,233)	5,569
Other regulatory assets	21,178	(16,683)
Other regulatory liabilities	(115,256)	27,611
Pension and other postretirement funded status	(6,952)	(4,758)
Other assets and liabilities	(80,464)	(127,635)
Net cash flow provided by operating activities	27,420	60,571
INVESTING ACTIVITIES		
Construction expenditures	(87,410)	(54,140)
Allowance for equity funds used during construction	3,885	3,423
Nuclear fuel purchases	(115,544)	(31,822)
Proceeds from sale of nuclear fuel	21	25,091
Decrease (increase) in other investments	23	(4)
Proceeds from nuclear decommissioning trust fund sales	455,082	151,463
Investment in nuclear decommissioning trust funds	(467,485)	(162,850)
Changes in money pool receivable - net	(5,238)	80,101
Net cash flow provided by (used in) investing activities	(216,666)	11,262
FINANCING ACTIVITIES		
Proceeds from the issuance of long-term debt	544,736	585,898
Retirement of long-term debt	(462,226)	(612,416)
Capital contribution from parent	150,000	—
Change in money pool payable - net	(12,246)	—
Net cash flow provided by (used in) financing activities	220,264	(26,518)
Net increase in cash and cash equivalents	31,018	45,315
Cash and cash equivalents at beginning of period	60	2,940
Cash and cash equivalents at end of period	\$31,078	\$48,255
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid (received) during the period for:		
Interest - net of amount capitalized	\$25,231	\$20,289
Income taxes	(\$2,326)	\$—
Noncash investing activities:		
Accrued construction expenditures	\$24,234	\$17,741
See Notes to Financial Statements.		



**SYSTEM ENERGY RESOURCES, INC.**  
**BALANCE SHEETS**  
**ASSETS**  
**June 30, 2024 and December 31, 2023**  
**(Unaudited)**

	2024	2023
	(In Thousands)	
<b>CURRENT ASSETS</b>		
Cash and cash equivalents:		
Cash	\$240	\$60
Temporary cash investments	30,838	—
Total cash and cash equivalents	31,078	60
Accounts receivable:		
Associated companies	71,436	54,544
Other	4,542	6,861
Total accounts receivable	75,978	61,405
Materials and supplies - at average cost	164,087	155,565
Deferred nuclear refueling outage costs	28,625	8,603
Prepayments and other	8,512	3,373
<b>TOTAL</b>	308,280	229,006
<b>OTHER PROPERTY AND INVESTMENTS</b>		
Decommissioning trust funds	1,450,321	1,342,317
<b>TOTAL</b>	1,450,321	1,342,317
<b>UTILITY PLANT</b>		
Electric	5,597,910	5,495,728
Construction work in progress	84,886	130,866
Nuclear fuel	205,975	160,655
<b>TOTAL UTILITY PLANT</b>	5,888,771	5,787,249
Less - accumulated depreciation and amortization	3,525,638	3,493,299
<b>UTILITY PLANT - NET</b>	2,363,133	2,293,950
<b>DEFERRED DEBITS AND OTHER ASSETS</b>		
Regulatory assets:		
Other regulatory assets	425,182	446,360
Other	12,895	730
<b>TOTAL</b>	438,077	447,090
<b>TOTAL ASSETS</b>	\$4,559,811	\$4,312,363

See Notes to Financial Statements.

**SYSTEM ENERGY RESOURCES, INC.**  
**BALANCE SHEETS**  
**LIABILITIES AND EQUITY**  
**June 30, 2024 and December 31, 2023**  
**(Unaudited)**

	2024	2023
	(In Thousands)	
CURRENT LIABILITIES		
Currently maturing long-term debt	\$72	\$57
Accounts payable:		
Associated companies	187,787	118,523
Other	43,623	73,580
Taxes accrued	8,100	27,401
Interest accrued	12,334	12,954
Other	4,351	4,354
TOTAL	256,267	236,869
NON-CURRENT LIABILITIES		
Accumulated deferred income taxes and taxes accrued	434,863	405,744
Accumulated deferred investment tax credits	45,278	46,960
Regulatory liability for income taxes - net	106,805	107,458
Other regulatory liabilities	668,309	782,912
Decommissioning	1,105,756	1,084,234
Pension and other postretirement liabilities	24,711	19,491
Long-term debt	822,762	738,402
Other	555	1,754
TOTAL	3,209,039	3,186,955
Commitments and Contingencies		
COMMON EQUITY		
Common stock, no par value, authorized 1,000,000 shares; issued and outstanding 789,350 shares in 2024 and 2023	1,066,850	916,850
Retained earnings (accumulated deficit)	27,655	(28,311)
TOTAL	1,094,505	888,539
TOTAL LIABILITIES AND EQUITY		
	\$4,559,811	\$4,312,363

See Notes to Financial Statements.

**SYSTEM ENERGY RESOURCES, INC.**  
**STATEMENTS OF CHANGES IN COMMON EQUITY**  
**For the Six Months Ended June 30, 2024 and 2023**  
**(Unaudited)**

	Common Stock	Retained Earnings (Accumulated Deficit)	Total
	(In Thousands)		
<b>Balance at December 31, 2022</b>	\$1,086,850	(\$137,083)	\$949,767
Net income	—	27,545	27,545
<b>Balance at March 31, 2023</b>	1,086,850	(109,538)	977,312
Net income	—	25,759	25,759
<b>Balance at June 30, 2023</b>	<u>\$1,086,850</u>	<u>(\$83,779)</u>	<u>\$1,003,071</u>
<b>Balance at December 31, 2023</b>	\$916,850	(\$28,311)	\$888,539
Net income	—	31,118	31,118
Capital contribution from parent	150,000	—	150,000
<b>Balance at March 31, 2024</b>	1,066,850	2,807	1,069,657
Net income	—	24,848	24,848
<b>Balance at June 30, 2024</b>	<u>\$1,066,850</u>	<u>\$27,655</u>	<u>\$1,094,505</u>

See Notes to Financial Statements.

## ENERGY 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. Also see Notes 1 and 2 to the financial statements herein and “**Item 5, Other Information, Environmental Regulation**” below for updates regarding environmental proceedings and regulation.

#### Item 1A. Risk Factors

There have been no material changes to the risk factors discussed in “**Part I, Item 1A. RISK FACTORS**” in the Form 10-K.

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

##### Issuer Purchases of Equity Securities (1)

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of a Publicly Announced Plan	Maximum \$ Amount of Shares that May Yet be Purchased Under a Plan (2)
4/01/2024-4/30/2024	—	\$—	—	\$350,052,918
5/01/2024-5/31/2024	—	\$—	—	\$350,052,918
6/01/2024-6/30/2024	—	\$—	—	\$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. In addition to this authority, the Board has authorized share repurchase programs to enable opportunistic purchases in response to market conditions. In October 2010 the Board granted authority for a \$500 million share repurchase program. 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 2024, Entergy withheld 101,960 shares of its common stock at \$99.31 per share, 75,018 shares of its common stock at \$98.86 per share, 1,731 shares of its common stock at \$103.94 per share, 316 shares of its common stock at \$102.64 per share, 232 shares of its common stock at \$102.77 per share, 41 shares of its common stock at \$100.15 per share, and 6 shares of its common stock at \$104.68 per share to pay income taxes due upon vesting of restricted stock granted and payout of performance units as part of its long-term incentive program.

- (1) See Note 12 to the financial statements in the Form 10-K for additional discussion of the stock-based compensation plans.
- (2) Maximum amount of shares that may yet be repurchased relates only to the \$500 million share repurchase program plan and does not include an estimate of the amount of shares that may be purchased to fund the exercise of grants under the stock-based compensation plans.

## **Item 5. Other Information**

### **U.S. Securities and Exchange Commission Investigation**

The Staff of the Division of Enforcement of the U.S. Securities and Exchange Commission has been conducting an investigation regarding Entergy's processes and controls relating to its accounting for materials and supplies inventory. Entergy is cooperating with the SEC staff's investigation and has engaged in discussions with the staff regarding a possible resolution of the investigation. There can be no assurance regarding the timing or terms of any potential resolution, by settlement or otherwise, and any potential impact of a resolution cannot be predicted. Management does not believe, however, that any resolution will have a material impact on Entergy's business, financial condition, or results of operations.

### **Rule 10b5-1 Trading Arrangements**

During the three months ended June 30, 2024, no director or officer of Entergy or any of the Registrant Subsidiaries adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" as each term is defined in Item 408(a) of Regulation S-K, except as follows:

On May 6, 2024, Andrew S. Marsh, Chair of the Board and Chief Executive Officer of Entergy, adopted a Rule 10b5-1 trading arrangement that is intended to satisfy the affirmative defense of Rule 10b5-1(c) with respect to options which will be expiring within the next two years. Mr. Marsh's Rule 10b5-1 trading arrangement provides for (a) 24,000 shares to be acquired by option exercise and subsequently sold on or prior to January 29, 2025 (the date on which those options expire) and (b) 45,000 shares to be acquired by option exercise and subsequently sold on or prior to January 28, 2026 (the date on which those options expire), each in accordance with the terms specified in the trading arrangement. The term of Mr. Marsh's Rule 10b5-1 trading arrangement expires on January 28, 2026. The first date that any transactions under Mr. Marsh's Rule 10b5-1 trading arrangement can occur is August 5, 2024.

On May 8, 2024, Haley Fisackerly, Chairman of the Board, President, and Chief Executive Officer of Entergy Mississippi, terminated a Rule 10b5-1 trading arrangement he had previously adopted on March 6, 2024, which was intended to satisfy the affirmative defense of Rule 10b5-1(c), had a term expiring on December 31, 2024, and provided for the sale of up to 1,000 shares of Entergy's common stock pursuant to the terms of the trading arrangement. As of the date of termination of the trading arrangement, Mr. Fisackerly had not sold any shares of common stock under its terms.

On May 10, 2024, Peter S. Norgeot, Jr., Executive Vice President and Chief Operating Officer of Entergy and a director of Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, and Entergy Texas, adopted a Rule 10b5-1 trading arrangement that is intended to satisfy the affirmative defense of Rule 10b5-1(c) with respect to previously granted and fully vested options. Mr. Norgeot's Rule 10b5-1 trading arrangement provides for up to 34,495 shares to be acquired by option exercise and subsequently sold until May 9, 2025 in accordance with the terms specified in the trading arrangement. The first date that any transactions under Mr. Norgeot's Rule 10b5-1 trading arrangement can occur is August 8, 2024.

### **Regulation of the Nuclear Power Industry**

The following is an update to the "**Regulation of the Nuclear Power Industry**" section of Part I, Item 1 of the Form 10-K.

### **NRC Reactor Oversight Process**

The NRC's Reactor Oversight Process is a program to collect information about plant performance, assess the information for its safety significance, and provide for appropriate licensee and NRC response. The NRC evaluates plant performance by analyzing two distinct inputs: inspection findings resulting from the NRC's

inspection program and performance indicators reported by the licensee. The evaluations result in the placement of each plant in one of the NRC's Reactor Oversight Process Action Matrix columns: "licensee response column," or Column 1, "regulatory response column," or Column 2, "degraded cornerstone column," or Column 3, "multiple/repetitive degraded cornerstone column," or Column 4, and "unacceptable performance," or Column 5. Plants in Column 1 are subject to normal NRC inspection activities. Plants in Column 2, Column 3, or Column 4 are subject to progressively increasing levels of inspection by the NRC with, in general, progressively increasing levels of associated costs. Continued plant operation is not permitted for plants in Column 5. All of the nuclear generating plants owned and operated by Entergy's Utility business are currently in Column 1, except Waterford 3. Entergy expects the NRC to determine that Waterford 3 entered Column 2, effective second quarter 2024, based on exceeding the threshold for reactor scrams in June 2024. Waterford 3 will remain in Column 2 until a supplemental inspection is satisfactorily completed.

## **Environmental Regulation**

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

### **National Ambient Air Quality Standards**

See the Form 10-K for discussion of the National Ambient Air Quality Standards (NAAQS) set by the EPA in accordance with the Clean Air Act. The following are updates to that discussion.

#### **Revised Fine Particulate (PM<sub>2.5</sub>) NAAQS**

In March 2024 the EPA issued a final rule which revised the primary annual NAAQS for fine particulate matter, also known as PM<sub>2.5</sub>, from 12 ug/m<sup>3</sup> to 9 ug/m<sup>3</sup>. This new standard was effective May 2024 and initial attainment/nonattainment designations for areas with available information are due within two years, by May 2026. For any areas designated as nonattainment for this revised standard, State Implementation Plans (SIPs) to address nonattainment requirements will be due within 18 months of the effective date of any initial nonattainment designations. Within Entergy's utility service territory, current regulatory agency air monitor data for Harris County, Texas and Hinds County, Mississippi reflect annual average PM<sub>2.5</sub> concentrations in excess of this new standard and monitors for several other areas reflect concentrations between 8-9 ug/m<sup>3</sup>. However, in May 2024 the EPA issued a retroactive data correction to eliminate a known bias in the ambient PM<sub>2.5</sub> data generated by certain ambient PM<sub>2.5</sub> monitors. Hinds County, Mississippi is expected to remain in attainment after this correction. Entergy will continue to work with state environmental agencies on appropriate methods for assessing attainment and nonattainment with this revised fine particulate NAAQS.

#### **Hazardous Air Pollutants**

As discussed in the Form 10-K, the EPA released the final Mercury and Air Toxics Standard (MATS) rule in December 2011, which had a compliance date, with a widely granted one-year extension, of April 2016. The required controls have been installed and are operational at all affected Entergy units. In May 2024 the EPA issued a final rule revising portions of the MATS rule, including a reduction to the emission limit for filterable particulate matter. The revised standard will become effective July 2027 and could require additional capital investment and/or additional other operation and maintenance costs at Entergy's coal-fired generating units. An additional one-year extension is possible for the installation of controls, if necessary. Entergy is currently evaluating its coal units to determine whether additional controls are necessary to comply with this new lower standard.

#### **Good Neighbor Plan/Cross-State Air Pollution Rule**

As discussed in the Form 10-K, in June 2023 the EPA published its final Federal Implementation Plan (FIP), known as the Good Neighbor Plan, to address interstate transport for the 2015 ozone NAAQS which would increase the stringency of the Cross-State Air Pollution Rule (CSAPR) program in all four of the states where the Utility operating companies operate. The FIP would significantly reduce ozone season NO<sub>x</sub> emission allowance

budgets and allocations for electric generating units. Entergy is currently assessing its compliance options for the FIP. Prior to issuance of the FIP, in February 2023 the EPA issued related SIP disapprovals for many states, including the four states in which the Utility operating companies operate, and these SIP disapprovals are the subject of many legal challenges, including a petition for review filed by Entergy Louisiana challenging the disapproval of Louisiana's SIP. Stays of the SIP disapprovals have been granted in all four states in which the Utility operating companies operate, and the FIP will not go into effect while the stays are in place. Decisions on the merits regarding the respective SIP disapprovals are expected in 2024. The FIP is also subject to numerous legal challenges in various federal circuit courts of appeals, and in June 2024 the U.S. Supreme Court issued an order, in challenges filed in the D.C. Circuit, staying enforcement of the FIP pending the D.C. Circuit Court's review of the rule.

### Greenhouse Gas Emissions

As discussed in the Form 10-K, in April 2021, President Biden announced a target for the United States in connection with the United Nations' "Paris Agreement" on climate change. The target consists of a 50-52 percent reduction in economy-wide net greenhouse gas emissions from 2005 levels by 2030. President Biden has also stated that a goal of his administration is for the electric power industry to decarbonize fully by 2035.

Consistent with the Biden administration's stated climate goals, in May 2024 the EPA finalized rules regulating greenhouse gas emissions from new combustion turbine electric generating units (EGUs) under Section 111(b) of the Clean Air Act and from certain existing coal- and gas-fired EGUs under Section 111(d) of the Clean Air Act.

For new gas combustion turbine EGUs, the final rule includes three subcategories of emission standards based on the unit's annual capacity factor. Applicable emission standards for each subcategory are: a heat-input based CO<sub>2</sub> emission standard for low load (<20% annual capacity factor) EGUs; an output-based CO<sub>2</sub> efficiency standard for intermediate load (>20% but <40% annual capacity factor) EGUs; and, for base load (>40% annual capacity factor) EGUs, a Phase 1 output-based CO<sub>2</sub> efficiency standard followed by a more stringent Phase 2 CO<sub>2</sub> standard which will apply beginning January 1, 2032. The Phase 2 standard was established based on an EPA determination that carbon capture and sequestration (CCS) represents the best system of emission reduction (BSER) for new base load combustion turbine EGUs. The final rule allows for a possible one year extension to the compliance date for the Phase 2 standard in circumstances where a source faces a delay in installation of controls due to factors outside of the control of the EGU owner/operator.

For existing generating units, the final rule includes emission guidelines issued under Section 111(d) of the Clean Air Act and allows states two years to develop a plan to implement the new emission guidelines with respect to subject emission units within their state. The final emission guidelines require reductions in CO<sub>2</sub> emissions from existing coal-fired generating units which plan to operate beyond January 1, 2032 and exempts coal-fired units which plan to permanently cease operations prior to this date. Due to Entergy's commitment to cease burning coal by the end of 2030, Entergy's coal-fired generating units are expected to be exempt from this aspect of the final rule. The emission guidelines also include CO<sub>2</sub> efficiency standards for existing gas-fired steam EGUs. These emission standards will apply beginning January 1, 2030. Entergy's existing gas-fired steam generating units are expected to meet these CO<sub>2</sub> emission standards. The EPA did not finalize emission guidelines for existing gas turbine EGUs and has announced plans to conduct a subsequent rulemaking for such units.

In September 2020, Entergy announced a commitment to achieve net-zero greenhouse gas emissions by 2050 inclusive of all businesses, all applicable gases, and all emission scopes. In 2022, Entergy enhanced its commitment to include an interim goal of 50% carbon-free energy generating capacity by 2030 and expanded its interim emission rate goal to include all purchased power. Due to stronger than initially expected sales growth, likely necessitating the development of new generation capacity that is not carbon-free, Entergy expects that achievement of the 50% carbon-free energy generating capacity goal will be delayed for a period beyond 2030 that has not been determined. In addition, while current planning assumptions indicate the 2030 emission rate goal remains achievable, its achievement could also be challenged as a result of the forecasted sales growth. See "**Risk**

**Factors”** in Part I, Item 1A of the Form 10-K for discussion of the risks associated with achieving these climate goals.

### **Coal Combustion Residuals**

As discussed in the Form 10-K, in April 2015 the EPA published the final coal combustion residuals (CCR) rule regulating CCRs destined for disposal in landfills or surface impoundments as non-hazardous wastes regulated under Resource Conservation and Recovery Act Subtitle D.

Pursuant to the 2015 CCR rule, Entergy operates groundwater monitoring systems surrounding its CCR landfills located at White Bluff, Independence, and Nelson. In May 2024 the EPA finalized a rule establishing management standards for legacy CCR surface impoundments (i.e., inactive surface impoundments at inactive power plants) and establishing a new class of units referred to as CCR management units (CCRMUs) (i.e., non-containerized CCR located at a regulated CCR facility). CCR utilized in roadbeds and embankments is excluded from the CCRMU definition. Entergy does not have any legacy impoundments; however, the definition of CCR management units includes on-site areas where CCR was beneficially used. This is contrary to the 2015 CCR rule which exempted beneficial uses that met certain criteria. Under this expanded rule, all facilities must identify and delineate any CCRMU greater than one ton and submit a facility evaluation report by February 2026. Any potential requirements for corrective action or operational changes under the various CCR rules continue to be assessed. Notably, ongoing litigation has resulted in the EPA’s continuing review of the rules. Consequently, the nature and cost of additional corrective action requirements may depend, in part, on the outcome of the litigation and further EPA review. Given the complexity and recency of the EPA guidance, Entergy is still evaluating the level of work that will ultimately be required to comply with the rule. Based on initial estimates of multiple possible remediation scenarios, Entergy recorded a \$42 million increase in its decommissioning cost liabilities for White Bluff and Independence, along with corresponding increases in the related asset retirement cost assets that will be depreciated over the remaining useful lives of the unit. Entergy will continue to update the asset retirement obligation as the requirements of the 2024 CCR rule are clarified. As of June 30, 2024, Entergy has recorded asset retirement obligations related to CCR management of \$71 million. Additionally, all three sites (White Bluff, Independence, and Nelson) are preparing to implement measures to meet the new and updated Effluent Limitation Guidelines discussed below.

### **Effluent Limitation Guidelines**

The 2015 Steam Electric Effluent Limitations Guidelines required, among other things, that there be no discharge of bottom ash transport water. In 2020 the EPA finalized the Reconsideration Rule, allowing limited discharges of bottom ash transport water up to 10% of system volume, under certain defined circumstances including significant (10-year, 24-hour) rain events. The 2020 rule also created a subcategory for units that permanently cease coal combustion by December 31, 2028. Entergy’s White Bluff facility filed a notice of planned participation for this subcategory in October 2021. In May 2024 the EPA finalized a supplemental rule that retains the “retirement by 2028” subcategory, creates a new “retirement by 2034” subcategory, otherwise reinstates the zero-discharge requirement for bottom ash transport water, and imposes new requirements for leachate after the facility ceases to burn coal. Thus, units which permanently cease combustion of coal by December 31, 2028 or December 31, 2034 are exempt from the zero-discharge requirement. However, for units in the 2034 subcategory, the 10% discharge allowance must be incorporated into the facility’s discharge permit. To be covered by this exemption, both Independence and Nelson Unit 6 will need to file Notices of Planned Participation in the 2034 subcategory by December 31, 2025. To help ensure facilities cease combustion of coal by the required subcategory 2028 and 2034 dates, zero discharge of bottom ash transport water is required after April 30, 2029 and April 30, 2035, respectively. Entergy continues to evaluate the compliance pathways and obligations of this rule.



**Item 6. Exhibits**

- \*4(a) - Twenty-Fifth Supplemental Indenture, dated as of May 1, 2024, to Mortgage Deed of Trust of Entergy New Orleans, dated as of May 1, 1987.
- 4(b) - Eighty-Seventh Supplemental Indenture, dated as of May 1, 2024 to Mortgage Deed of Trust of Entergy Arkansas, dated as of October 1, 1944 (4.66 to Form 8-K filed May 10, 2024 in 1-10764).
- 4(c) - Forty-Second Supplemental Indenture, dated as of May 1, 2024 to Mortgage Deed of Trust of Entergy Mississippi, dated as of February 1, 1988 (4.73 to Form 8-K filed May 16, 2024 in 1-31508).
- 4(d) - Indenture (For Unsecured Subordinated Debt Securities), dated as of May 1, 2024, between Entergy Corporation and The Bank of New York Mellon (4(a) to Form 8-K filed May 23, 2024 in 1-11299).
- 4(e) - Officer's Certificate for Entergy Corporation relating to Junior Subordinated Debentures due December 1, 2054 dated as of May 20, 2024 (4(b) to Form 8-K filed May 23, 2024 in 1-11299).
- 4(f) - Fourth Amended and Restated Credit Agreement dated as of June 11, 2024, among Entergy Corporation, as Borrower, the banks and other financial institutions listed on the signature pages thereof, as Lenders, Citibank, N.A., as Administrative Agent and LC Issuing Bank, MUFG Bank, Ltd., as LC Issuing Bank, and the other LC Issuing Banks from time to time parties thereto (4.1 to Form 8-K filed June 13, 2024 in 1-11299).
- 4(g) - Fourth Amended and Restated Credit Agreement dated as of June 11, 2024, among Entergy Arkansas, as Borrower, the banks and other financial institutions listed on the signature pages thereof, as Lenders, Citibank, N.A., as Administrative Agent, JPMorgan Chase Bank, N.A., as LC Issuing Bank, and the other LC Issuing Banks from time to time parties thereto (4.2 to Form 8-K filed June 13, 2024 in 1-10764).
- 4(h) - Fourth Amended and Restated Credit Agreement dated as of June 11, 2024, among Entergy Louisiana, as Borrower, the banks and other financial institutions listed on the signature pages thereof, as Lenders, Citibank, N.A., as Administrative Agent, Wells Fargo Bank, National Association and BNP Paribas, as LC Issuing Banks, and the other LC Issuing Banks from time to time parties thereto (4.3 to Form 8-K filed June 13, 2024 in 1-32718).
- 4(i) - First Amended and Restated Credit Agreement dated as of June 11, 2024, among Entergy Mississippi, as Borrower, the banks and other financial institutions listed on the signature pages thereof, as Lenders, Citibank, N.A., as Administrative Agent, JPMorgan Chase Bank, N.A., as LC Issuing Bank, and the other LC Issuing Banks from time to time parties thereto (4.4 to Form 8-K filed June 13, 2024 in 1-31508).
- 4(j) - Fourth Amended and Restated Credit Agreement dated as of June 11, 2024, among Entergy Texas, as Borrower, the banks and other financial institutions listed on the signature pages thereof, as Lenders, Citibank, N.A., as Administrative Agent, JPMorgan Chase Bank, N.A., BNP Paribas, Mizuho Bank, Ltd. and The Bank of Nova Scotia, as LC Issuing Banks, and the other LC Issuing Banks from time to time parties thereto (4.4 to Form 8-K filed June 13, 2024 in 1-34360).
- 4(k) - Fourth Amended and Restated Credit Agreement dated as of June 18, 2024, among Entergy New Orleans, as Borrower, the banks and other financial institutions listed on the signature pages thereof, as Lenders, Bank of America, N.A., as Administrative Agent and LC Issuing Bank, and the other LC Issuing Banks from time to time parties thereto (4 to Form 8-K filed June 18, 2024 in 1-35747).
- \*10(a) - Amendment No. 1 to First Amended and Restated 2019 Entergy Corporation Non-Employee Director Service Recognition Program, effective June 1, 2024.
- \*10(b) - Third Amended and Restated 2019 Entergy Corporation Non-Employee Director Stock Program, effective June 1, 2024.
- \*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) -	<a href="#"><u>Rule 13a-14(a)/15d-14(a) Certification for Entergy Arkansas.</u></a>
*31(e) -	<a href="#"><u>Rule 13a-14(a)/15d-14(a) Certification for Entergy Louisiana.</u></a>
*31(f) -	<a href="#"><u>Rule 13a-14(a)/15d-14(a) Certification for Entergy Louisiana.</u></a>
*31(g) -	<a href="#"><u>Rule 13a-14(a)/15d-14(a) Certification for Entergy Mississippi.</u></a>
*31(h) -	<a href="#"><u>Rule 13a-14(a)/15d-14(a) Certification for Entergy Mississippi.</u></a>
*31(i) -	<a href="#"><u>Rule 13a-14(a)/15d-14(a) Certification for Entergy New Orleans.</u></a>
*31(j) -	<a href="#"><u>Rule 13a-14(a)/15d-14(a) Certification for Entergy New Orleans.</u></a>
*31(k) -	<a href="#"><u>Rule 13a-14(a)/15d-14(a) Certification for Entergy Texas.</u></a>
*31(l) -	<a href="#"><u>Rule 13a-14(a)/15d-14(a) Certification for Entergy Texas.</u></a>
*31(m) -	<a href="#"><u>Rule 13a-14(a)/15d-14(a) Certification for System Energy.</u></a>
*31(n) -	<a href="#"><u>Rule 13a-14(a)/15d-14(a) Certification for System Energy.</u></a>
**32(a) -	<a href="#"><u>Section 1350 Certification for Entergy Corporation.</u></a>
**32(b) -	<a href="#"><u>Section 1350 Certification for Entergy Corporation.</u></a>
**32(c) -	<a href="#"><u>Section 1350 Certification for Entergy Arkansas.</u></a>
**32(d) -	<a href="#"><u>Section 1350 Certification for Entergy Arkansas.</u></a>
**32(e) -	<a href="#"><u>Section 1350 Certification for Entergy Louisiana.</u></a>
**32(f) -	<a href="#"><u>Section 1350 Certification for Entergy Louisiana.</u></a>
**32(g) -	<a href="#"><u>Section 1350 Certification for Entergy Mississippi.</u></a>
**32(h) -	<a href="#"><u>Section 1350 Certification for Entergy Mississippi.</u></a>
**32(i) -	<a href="#"><u>Section 1350 Certification for Entergy New Orleans.</u></a>
**32(j) -	<a href="#"><u>Section 1350 Certification for Entergy New Orleans.</u></a>
**32(k) -	<a href="#"><u>Section 1350 Certification for Entergy Texas.</u></a>
**32(l) -	<a href="#"><u>Section 1350 Certification for Entergy Texas.</u></a>
**32(m) -	<a href="#"><u>Section 1350 Certification for System Energy.</u></a>
**32(n) -	<a href="#"><u>Section 1350 Certification for System Energy.</u></a>
*101 INS -	Inline XBRL Instance Document - The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
*101 SCH -	Inline XBRL Schema Document.
*101 PRE -	Inline XBRL Presentation Linkbase Document.
*101 LAB -	Inline XBRL Label Linkbase Document.
*101 CAL -	Inline XBRL Calculation Linkbase Document.
*101 DEF -	Inline XBRL Definition Linkbase Document.
*104 -	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibits 101).

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.

\* Filed herewith.

\*\* Furnished, not filed, herewith.

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

/s/ Reginald T. Jackson

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Reginald T. Jackson  
Senior Vice President and Chief Accounting Officer  
(For each Registrant and for each as  
Principal Accounting Officer)

Date: August 2, 2024

**ENTERGY NEW ORLEANS, LLC**  
**(as successor to Entergy New Orleans, Inc.)**

**to**

**THE BANK OF NEW YORK MELLON**  
**(formerly The Bank of New York, successor to Harris Trust**  
**Company of New York and Bank of Montreal Trust Company)**

**As Trustee under the Mortgage and Deed of Trust,**  
**dated as of May 1, 1987 of Entergy New Orleans, LLC**

**TWENTY-FIFTH SUPPLEMENTAL INDENTURE**

**Providing among other things for**

**First Mortgage Bonds,**  
**6.25% Series due June 15, 2029**  
**(Twenty-ninth Series)**

**And**

**First Mortgage Bonds,**  
**6.41% Series due June 15, 2031**  
**(Thirtieth Series)**

**And**

**First Mortgage Bonds,**  
**6.54% Series due June 15, 2034**  
**(Thirty-first Series)**

**Dated as of May 1, 2024**

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**TWENTY-FIFTH SUPPLEMENTAL INDENTURE**, dated as of May 1, 2024, between ENTERGY NEW ORLEANS, LLC, a limited liability company of the State of Texas (formerly Entergy New Orleans Power, LLC and hereinafter sometimes called the “**Company**”), as successor to Entergy New Orleans, Inc., a corporation of the State of Louisiana converted to a corporation of the State of Texas on November 16, 2017 (hereinafter sometimes called the “**Original Company**”), whose post office address is 1600 Perdido Street, Building 505, New Orleans, Louisiana 70112, and THE BANK OF NEW YORK MELLON (formerly The Bank of New York, successor to Harris Trust Company of New York and Bank of Montreal Trust Company), a New York banking corporation, whose principal corporate trust office is located at 240 Greenwich Street, New York, New York 10286, as trustee under the Mortgage and Deed of Trust, dated as of May 1, 1987, executed and delivered by the Original Company (herein called the “**Original Indenture**”; the Original Indenture and any and all indentures and instruments supplemental thereto being herein called the “**Indenture**”);

WHEREAS, the Original Indenture has been duly recorded and filed as required in the State of Louisiana simultaneously with the recording and filing of the First Supplemental Indenture thereto, dated as of May 1, 1987, between the Original Company and BANK OF MONTREAL TRUST COMPANY (The Bank of New York Mellon, successor) and Z. GEORGE KLODNICKI (Stephen J. Giurlando, successor), as trustees (herein called the “**First Supplemental Indenture**”); and

WHEREAS, the Original Indenture was recorded in various Parishes in the State of Louisiana; and

WHEREAS, the Original Company executed and delivered to the Trustees (such term and all other defined terms used herein and not defined herein having the respective definitions to which reference is made in Article I below) its Second Supplemental Indenture, dated as of January 1, 1988, its Third Supplemental Indenture, dated as of March 1, 1993, its Fourth Supplemental Indenture, dated as of September 1, 1993, its Fifth Supplemental Indenture, dated as of April 1, 1995, its Sixth Supplemental Indenture, dated as of March 1, 1996, its Seventh Supplemental Indenture, dated as of July 1, 1998 (the “**Seventh Supplemental Indenture**”), its Eighth Supplemental Indenture, dated as of July 1, 2000 (the “**Eighth Supplemental Indenture**”), its Ninth Supplemental Indenture, dated as of February 1, 2001, its Tenth Supplemental Indenture, dated as of October 1, 2002, its Eleventh Supplemental Indenture, dated as of July 1, 2003, its Twelfth Supplemental Indenture dated as of August 1, 2004, its Thirteenth Supplemental Indenture dated as of August 15, 2004, its Fourteenth Supplemental Indenture dated as of June 1, 2005, its Fifteenth Supplemental Indenture, dated as of November 1, 2010, its Sixteenth Supplemental Indenture, dated as of November 1, 2012 (the “**Sixteenth Supplemental Indenture**”), and its Seventeenth Supplemental Indenture, dated as of June 1, 2013, which Supplemental Indentures have been duly recorded in various Parishes in the State of Louisiana; and

WHEREAS, the Original Company executed and delivered to the Trustee its Eighteenth Supplemental Indenture, dated as of March 3, 2016, in connection with the acquisition by the Original Company of certain real property and interests in real property situated in Arkansas, which Supplemental Indenture has been recorded in Union County, Arkansas and certain Parishes in Louisiana; and

WHEREAS, the Original Company executed and delivered to the Trustee its Nineteenth Supplemental Indenture, dated as of March 15, 2016, and its Twentieth Supplemental Indenture, dated as of May 1, 2016, each as a supplement to the Original Indenture, which Supplemental Indentures have been duly recorded in various Parishes in the State of Louisiana and in Union County, Arkansas; and

WHEREAS, pursuant to an Agreement and Plan of Merger dated as of March 18, 1999, Harris Trust Company of New York merged into Bank of Montreal Trust Company, Trustee under the Indenture, and effective July 1, 1999, the combined entity changed its name to Harris Trust Company of New York, and, by virtue of Section 9.03 of the Original Indenture, Harris Trust Company of New York became successor Trustee under the Indenture, without execution of any paper or the performance of any further act on the part of any other parties to the Indenture; and

WHEREAS, effective July 15, 2000, Harris Trust Company of New York and Mark F. McLaughlin resigned as Trustee and Co-Trustee, respectively, under the Indenture, and by the Eighth Supplemental Indenture, the Original Company appointed The Bank of New York and Stephen J. Giurlando as successor Trustee and successor Co-Trustee, respectively, effective July 15, 2000, and The Bank of New York and Stephen J. Giurlando accepted said respective appointments; and

WHEREAS, effective July 1, 2008, The Bank of New York changed its name to The Bank of New York Mellon; and

WHEREAS, effective November 1, 2010, Stephen J. Giurlando resigned as Co-Trustee under the Indenture; and

WHEREAS, effective as of November 16, 2017, the Original Company changed its state of incorporation from Louisiana to Texas and converted to a Texas corporation; and

WHEREAS, effective as of 11:58 p.m. Central Time, November 30, 2017, the Original Company allocated to the Company, among other things, all of its rights, powers, duties and obligations under the Indenture and the bonds outstanding thereunder and, subject to the Lien of the Indenture, all of the Mortgaged and Pledged Property as an entirety (the “2017 Transfer”) pursuant to a Plan of Merger between the Original Company and the Company (the “2017 Transfer Documents”), in connection with which, among other things, the Company succeeded to the ownership of all of the Original Company’s right, title and interest in and to the Mortgaged and Pledged Property as constituted immediately prior to the time that the 2017 Transfer became effective and succeeded to all of the Original Company’s rights, powers, duties and obligations under the Indenture and the bonds outstanding thereunder; and

WHEREAS, the Company executed and delivered to the Trustee the Twenty-first Supplemental Indenture, dated as of November 30, 2017 (“Twenty-first Supplemental Indenture”) in which the Company assumed and agreed to pay, duly and punctually, the principal of and interest on the bonds issued under the Indenture in accordance with the provisions of said bonds and any coupons and of the Indenture, and agreed to perform and fulfill all the covenants and conditions of the Indenture to be kept or performed by the Original Company, which Twenty-first Supplemental Indenture has been duly recorded in various

Parishes in the State of Louisiana, in Union County, Arkansas and with the Secretary of State of the State of Texas; and

WHEREAS, effective as of December 1, 2017, the name of the Company was changed from Entergy New Orleans Power, LLC to Entergy New Orleans, LLC; and

WHEREAS, the Company executed and delivered to the Trustee its Twenty-second Supplemental Indenture, dated as of September 15, 2018 (the “*Twenty-second Supplemental Indenture*”), its Twenty-third Supplemental Indenture, dated as of March 1, 2020 (the “*Twenty-third Supplemental Indenture*”) and its Twenty-fourth Supplemental Indenture, dated as of November 1, 2021 (the “*Twenty-fourth Supplemental Indenture*”), each as a supplement to the Original Indenture, which Twenty-second Supplemental Indenture, Twenty-third Supplemental Indenture and Twenty-fourth Supplemental Indenture have been duly recorded in various Parishes in the State of Louisiana, in Union County, Arkansas, and with the Secretary of State of the State of Texas, and, this Twenty-fifth Supplemental Indenture will be recorded in the same Parishes and County and with the same Secretary of State; and

WHEREAS, the Original Company or the Company has heretofore issued, in accordance with the provisions of the Indenture, the following series of bonds:

<u>Series</u>	<u>Principal Amount Issued</u>	<u>Principal Amount Outstanding</u>
10.95% Series due May 1, 1997	\$75,000,000	None
13.20% Series due February 1, 1991	1,400,000	None
13.60% Series due February 1, 1993	29,400,000	None
13.90% Series due February 1, 1995	9,200,000	None
7% Series due March 1, 2003	25,000,000	None
8% Series due March 1, 2023	45,000,000	None
7.55% Series due September 1, 2023	30,000,000	None
8.67% Series due April 1, 2005	30,000,000	None
8% Series due March 1, 2006	40,000,000	None
7% Series due July 15, 2008	30,000,000	None
8.125% Series due July 15, 2005	30,000,000	None
6.65% Series due March 1, 2004	30,000,000	None
6.75% Series due October 15, 2017	25,000,000	None
3.875% Series due August 1, 2008	30,000,000	None
5.25% Series due August 1, 2013	70,000,000	None
5.65% Series due September 1, 2029	40,000,000	None
5.60% Series due September 1, 2024	35,000,000	None
4.98% Series due July 1, 2010	30,000,000	None

5.10% Series due December 1, 2020	25,000,000	None
5.0% Series due December 1, 2052	30,000,000	30,000,000
3.90% Series due July 1, 2023	100,000,000	None
5.50% Series due April 1, 2066	110,000,000	110,000,000
4% Series due June 1, 2026	85,000,000	85,000,000



4.51% Series due September 30, 2033	60,000,000	60,000,000
3.00% Series due March 15, 2025	78,000,000	78,000,000
3.75% Series due March 15, 2040	62,000,000	62,000,000
4.19% Series due November 19, 2031	90,000,000	90,000,000
4.51% Series due November 19, 2036	70,000,000	70,000,000

; and

WHEREAS, Section 19.04 of the Original Indenture provides, among other things, that any power, privilege or right expressly or impliedly reserved to or in any way conferred upon the Company by any provision of the Indenture, whether such power, privilege or right is in any way restricted or is unrestricted, may be in whole or in part waived or surrendered or subjected to any restriction if at the time unrestricted, or to additional restriction if already restricted, and the Company may enter into any further covenants, limitations, restrictions or provisions for the benefit of any one or more series of bonds issued thereunder, or the Company may establish the terms and provisions of any series of bonds by an instrument in writing executed and acknowledged by the Company in such manner as would be necessary to entitle a conveyance of real estate to be recorded in all of the states in which any property at the time subject to the Lien of the Indenture shall be situated; and

WHEREAS, the Company desires to create three new series of bonds under the Indenture and to add to its covenants and agreements contained in the Indenture certain other covenants and agreements to be observed by it; and

WHEREAS, all things necessary to make this Twenty-fifth Supplemental Indenture a valid, binding and legal instrument have been performed, and the issue of said series of bonds, subject to the terms of the Indenture, has been in all respects duly authorized;

NOW, THEREFORE, THIS TWENTY-FIFTH SUPPLEMENTAL INDENTURE WITNESSETH: That ENTERGY NEW ORLEANS, LLC, in consideration of the premises and of Ten Dollars (\$10) to it duly paid by the Trustee at or before the ensealing and delivery of these presents, the receipt whereof is hereby acknowledged, and in order to secure the payment of both the principal of and interest and premium, if any, on the bonds from time to time issued under the Indenture, according to their tenor and effect and the performance of all provisions of the Indenture (including any modification made as in the Indenture provided) and of said bonds, has granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, hypothecated, affected, pledged, set over and confirmed and granted a security interest in, and hereby grants, bargains, sells, releases, conveys, assigns, transfers, mortgages, hypothecates, affects, pledges, sets over and confirms and grants a security interest (subject, however, to Excepted Encumbrances as defined in Section 1.06 of the Original Indenture) unto THE BANK OF NEW YORK MELLON, as Trustee under the Indenture, and to its successor or successors in said trust, and to said Trustee and its successors and assigns forever, (a) all of the Mortgaged and Pledged Property acquired by the Company from the Original Company pursuant to the 2017 Transfer Documents (including, but not limited to, (1) all rights, legal and equitable, of the Original Company (whether in accordance with Paragraph 32 of that certain Resolution No. R-86-112, adopted by the Council of the City of New Orleans on March 20, 1986 and accepted by the Original Company on March 25, 1986, as superseded by Resolution No. R-91-157, effective

October 4, 1991, or pursuant to other regulatory authorization or by operation of law or otherwise), in the event of the purchase and acquisition by the City of New Orleans (or any other governmental authority or instrumentality or designee thereof) of properties and assets of the Company, to recover and receive payment and compensation from the City (or from such other governmental authority or instrumentality or designee thereof or any other person) of an amount equal to the aggregate uncollected balance of (A) the deferrals of Grand Gulf 1 Costs (as defined in the Original Indenture) and the deferred carrying charges accrued thereon that have accumulated prior to the City or such other entity providing official notice to the Company of the City's or such other entity's intent to effect such purchase and acquisition and (B) if and to the extent that the City or such other entity and the Company agree that the City or such other entity is liable for all or a portion of the aggregate uncollected balance of such deferrals accumulating thereafter or a court of final resort so holds, such deferrals that have accumulated subsequent to such notice (said rights of the Company, together with the proceeds and products thereof, being defined in the Original Indenture as the "Municipalization Interest"); and (2) all properties of the Original Company specifically described in Article IX hereof) and improvements, extensions and additions thereto and renewals and replacements thereof, (b) the property made and used by the Company as the basis under any of the provisions of the Indenture for the authentication and delivery of additional bonds or the withdrawal of cash or the release of property, (c) such franchises, repairs and additional property as may be acquired, made or constructed by the Company (1) to maintain, renew and preserve the franchises covered by the Indenture, or (2) to maintain the property mortgaged and intended to be mortgaged under the Indenture, as an operating system or systems in good repair, working order and condition, or (3) in rebuilding or renewal of property, subject to the Lien of the Indenture, damaged or destroyed, or (4) in replacement of or substitution for machinery, apparatus, equipment, frames, towers, poles, wire, pipe, rails, ties, switches, tools, implements and furniture, subject to the Lien of the Indenture, which shall have become old, inadequate, obsolete, worn out, unfit, unadapted, unserviceable, undesirable or unnecessary for use in the operation of the property mortgaged and intended to be mortgaged under the Indenture, and (d) all other property, real, personal and mixed, acquired by the Company after the effective time of the 2017 Transfer (except any herein or in the Original Indenture, as heretofore supplemented, expressly excepted), now owned or, subject to the provisions of Section 15.03 of the Original Indenture, hereafter acquired by the Company (by purchase, consolidation, merger, donation, construction, erection or in any other way) and wheresoever situated, including (without in anywise limiting or impairing by the enumeration of the same the scope and intent of the foregoing or of any general description contained herein or in the Original Indenture, as heretofore supplemented) all real estate, lands, easements, servitudes, licenses, permits, franchises, privileges, rights of way and other rights in or relating to real estate or the occupancy of the same; all power sites, flowage rights, water rights, water locations, water appropriations, ditches, flumes, reservoirs, reservoir sites, canals, raceways, waterways, dams, dam sites, aqueducts, and all other rights or means for appropriating, conveying, storing and supplying water; all rights of way and roads; all plants for the generation of electricity by steam, water and/or other power; all power houses, gas plants, street lighting systems, standards and other equipment incidental thereto; all telephone, radio and television systems, air-conditioning systems, and equipment incidental thereto, water wheels, water works, water systems, steam heat and hot water plants, substations, electric, gas and water lines, service and supply systems, bridges, culverts, tracks, ice or refrigeration plants and equipment, offices,

buildings and other structures and the equipment thereof; all machinery, engines, boilers, dynamos, turbines, electric, gas and other machines, prime movers, regulators, meters, transformers, generators (including, but not limited to, engine driven generators and turbogenerator units), motors, electrical, gas and mechanical appliances, conduits, cables, water, steam heat, gas or other pipes, gas mains and pipes, service pipes, fittings, valves and connections, pole and transmission lines, towers, overhead conductors and devices, underground conduits, underground conductors and devices, wires, cables, tools, implements, apparatus, storage battery equipment, and all other fixtures and personalty; all municipal and other franchises, consents or permits; all lines for the transmission and distribution of electric current, gas, steam heat or water for any purpose including towers, poles, wires, cables, pipes, conduits, ducts and all apparatus for use in connection therewith and (except as herein or in the Original Indenture, as heretofore supplemented, expressly excepted) all the rights, title and interest of the Company in and to all other property of any kind or nature appertaining to and/or used and/or occupied and/or enjoyed in connection with any property herein or in the Original Indenture, as heretofore supplemented, described.

TOGETHER WITH all and singular the tenements, hereditaments, prescriptions, servitudes and appurtenances belonging or in anywise appertaining to the aforesaid property or any part thereof, with the reversion and reversions, remainder and remainders and (subject to the provisions of Section 11.01 of the Original Indenture) the tolls, rents, revenues, issues, earnings, income, product and profits thereof, and all the estate, right, title and interest and claim whatsoever, at law as well as in equity, which the Company now has or may hereafter acquire in and to the aforesaid property, rights and franchises and every part and parcel thereof.

IT IS HEREBY AGREED by the Company that, subject to the provisions of Section 15.03 of the Original Indenture, all the property, rights and franchises acquired by the Company (by purchase, consolidation, merger, donation, construction, erection or in any other way and including real property and interests situated in Louisiana, Arkansas and elsewhere) after the date hereof, except any herein or in the Original Indenture, as heretofore supplemented, expressly excepted, shall be and are as fully granted and conveyed hereby and as fully embraced within the Lien of the Original Indenture and the Lien hereof as if such property, rights and franchises were now owned by the Company and were specifically described herein and granted and conveyed hereby.

PROVIDED that, except as provided herein and in the Original Indenture with respect to the Municipalization Interest, the following are not and are not intended to be now or hereafter granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, hypothecated, affected, pledged, set over or confirmed hereunder, nor is a security interest therein hereby or by the Original Indenture, as heretofore supplemented, granted or intended to be granted, and the same are hereby expressly excepted from the Lien of the Indenture and the operation of this Twenty-fifth Supplemental Indenture, viz.: (1) cash, shares of stock, bonds, notes and other obligations and other securities not heretofore or hereafter specifically pledged, paid, deposited, delivered or held hereunder or covenanted so to be; (2) merchandise, equipment, apparatus, materials or supplies held for the purpose of sale or other disposition in the usual course of business or for the purpose of repairing or replacing (in whole or part) any rolling stock, buses, motor coaches, automobiles and other vehicles or aircraft or boats, ships, or other vessels and any fuel, oil and similar materials and supplies consumable in the operation of any of the

properties of the Company; rolling stock, buses, motor coaches, automobiles and other vehicles and all aircraft; boats, ships and other vessels; all timber, minerals, mineral rights and royalties; (3) bills, notes and other instruments and accounts receivable, judgments, demands, general intangibles and choses in action, and all contracts, leases and operating agreements not specifically pledged hereunder or under the Original Indenture or covenanted so to be; (4) the last day of the term of any lease or leasehold which may hereafter become subject to the Lien of the Indenture; (5) electric energy, gas, water, steam, ice, and other materials or products generated, manufactured, produced or purchased by the Company for sale, distribution or use in the ordinary course of its business; (6) any natural gas wells or natural gas leases or natural gas transportation lines or other works or property used primarily and principally in the production of natural gas or its transportation, primarily for the purpose of sale to natural gas customers or to a natural gas distribution or pipeline company, up to the point of connection with any distribution system; (7) the Company's franchise to be a corporation; and (8) any property heretofore released pursuant to any provisions of the Indenture; provided, however, that the property and rights expressly excepted from the Lien and operation of the Indenture in the above subdivisions (2) and (3) shall (to the extent permitted by law) cease to be so excepted in the event and as of the date that the Trustee or a receiver or trustee shall enter upon and take possession of the Mortgaged and Pledged Property in the manner provided in Article XII of the Original Indenture by reason of the occurrence of a Default.

TO HAVE AND TO HOLD all such properties, real, personal and mixed, granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, hypothecated, affected, pledged, set over or confirmed or in which a security interest has been granted by the Company as aforesaid, or intended so to be (subject, however, to Excepted Encumbrances as defined in Section 1.06 of the Original Indenture), unto (to the extent of its legal capacity to hold the same for the purposes hereof) THE BANK OF NEW YORK MELLON, and its successors and assigns forever.

IN TRUST NEVERTHELESS, for the same purposes and upon the same terms, trusts and conditions and subject to and with the same provisos and covenants as are set forth in the Original Indenture, as heretofore supplemented, this Twenty-fifth Supplemental Indenture being supplemental thereto.

AND IT IS HEREBY COVENANTED by the Company that all the terms, conditions, provisos, covenants and provisions contained in the Original Indenture, as heretofore supplemented, shall affect and apply to the property hereinbefore and hereinafter described and conveyed and to the estate, rights, obligations and duties of the Company and the Trustee and the beneficiaries of the trust with respect to said property, and to the Trustee and its successors as Trustee of said property in the same manner and with the same effect as if said property had been owned by the Company at the time of the execution of the Original Indenture and had been specifically and at length described in and conveyed to said Trustee by the Original Indenture as a part of the property therein stated to be conveyed.

The Company further covenants and agrees to and with the Trustee and its successor or successors in said trust under the Indenture, as follows:

ARTICLE I  
DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.01 Terms From the Original Indenture and First through Twenty-fourth Supplemental Indentures. Except as set forth in Section 1.02 below, all defined terms used in this Twenty-fifth Supplemental Indenture and not otherwise defined herein shall have the respective meanings ascribed to them in the Original Indenture or the First through the Twenty-fourth Supplemental Indentures, as the case may be.

Section 1.02 Certain Defined Terms. As used in this Twenty-fifth Supplemental Indenture, the following defined terms shall have the respective meanings specified unless the context clearly requires otherwise:

The term “**Bonds of the Thirtieth Series**” shall have the meaning specified in Section 3.01.

The term “**Bonds of the Thirty-first Series**” shall have the meaning specified in Section 4.01.

The term “**Bonds of the Twenty-ninth Series**” shall have the meaning specified in Section 2.01.

The term “**Business Day**” shall mean any day other than a Saturday or a Sunday or a day on which banking institutions in The City of New York are authorized or required by law or executive order to remain closed or a day on which the corporate trust office of the Trustee is closed for business.

Section 1.03 References are to Twenty-fifth Supplemental Indenture. Unless the context otherwise requires, all references herein to “Articles”, “Sections” and other subdivisions refer to the corresponding Articles, Sections and other subdivisions of this Twenty-fifth Supplemental Indenture, and the words “herein”, “hereof”, “hereby”, “hereunder” and words of similar import refer to this Twenty-fifth Supplemental Indenture as a whole and not to any particular Article, Section or other subdivision hereof or to the Original Indenture or any other supplemental indenture thereto.

Section 1.04 Number and Gender. Unless the context otherwise requires, defined terms in the singular include the plural, and in the plural include the singular. The use of a word of any gender shall include all genders.

ARTICLE II  
THE TWENTY-NINTH SERIES

Section 2.01 Bonds of the Twenty-ninth Series. Pursuant to Section 2.01 of the Original Indenture, there shall be a series of bonds designated 6.25% Series due June 15, 2029 (herein sometimes referred to as the “**Bonds of the Twenty-ninth Series**”), each of which shall also bear the descriptive title “First Mortgage Bond.” The form of Bonds of the Twenty-ninth Series shall

be substantially in the form of Exhibit A hereto. Bonds of the Twenty-ninth Series (which shall be issued in the aggregate principal amount of \$35,000,000) shall mature on June 15, 2029, and shall be issued only as fully registered bonds in denominations of One Hundred Thousand Dollars (\$100,000) and in any integral multiple of One Thousand Dollars (\$1,000) in excess thereof. Bonds of the Twenty-ninth Series shall bear interest at the rate of six and twenty-five one-hundredths percent (6.25%) per annum (except as hereinafter provided), payable semi-annually on June 15 and December 15 of each year, and at maturity or earlier redemption, the first interest payment to be made on June 15, 2024, for the period from the date of original issuance of the Bonds of the Twenty-ninth Series to, but not including, June 15, 2024; unless otherwise agreed between the Company and the registered owner of any Bonds of the Twenty-ninth Series registered in the name of such registered owner, the principal and interest on each said bond to be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York, New York, payable in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts. Unless otherwise agreed between the Company and the registered owner of any Bonds of the Twenty-ninth Series registered in the name of such registered owner, interest on Bonds of the Twenty-ninth Series may at the option of the Company be paid by check mailed to the registered owners thereof. Overdue principal and (to the extent permitted by law) overdue interest in respect of Bonds of the Twenty-ninth Series shall bear interest (before and after judgment) at the rate of seven and twenty-five one-hundredths percent (7.25%) per annum. Interest on the Bonds of the Twenty-ninth Series shall be computed on the basis of a 360-day year consisting of 12 thirty-day months. Interest on Bonds of the Twenty-ninth Series in respect of a portion of a month shall be calculated based on the actual number of days elapsed using a 30-day month. In any case where any interest payment date, redemption date or maturity of any Bond of the Twenty-ninth Series shall not be a Business Day, then payment of interest or principal need not be made on such date, but may be made on the next succeeding Business Day, with the same force and effect, and in the same amount, as if made on the corresponding interest payment date or redemption date, or at maturity, as the case may be, and, if such payment is made or duly provided for on such Business Day, no interest shall accrue on the amounts so payable for the period from and after such interest payment date, redemption date or maturity, as the case may be, to such Business Day.

All references in the Indenture to the principal amount of bonds shall, when used with respect to the Bonds of the Twenty-ninth Series, mean the unpaid principal amount thereof, except that, (a) for the purposes of transfers of fully registered bonds under Section 2.06 of the Original Indenture, the term “like principal amount” shall, when used with respect to the Bonds of the Twenty-ninth Series, mean “like aggregate unpaid principal amount”, and (b) for the purposes of exchanges of temporary bonds under Section 2.08 of the Original Indenture, the term “like aggregate principal amount” shall, when used with respect to the Bonds of the Twenty-ninth Series, mean “like aggregate unpaid principal amount.”

The Company reserves the right to establish at any time, by Resolution of the Board of Directors of the Company, a form of coupon bond, and of appurtenant coupons, for the Twenty-ninth Series and to provide for exchangeability of such coupon bonds with the bonds of said Series issued hereunder in fully registered form and to make all appropriate provisions for such purpose.

Section 2.02 Redemption of Bonds of the Twenty-ninth Series. (a) The Bonds of the Twenty-ninth Series shall be redeemable at the option of the Company, in whole or in part, upon notice mailed not less than ten (10) days nor more than sixty (60) days prior to the date fixed for redemption, at any time prior to May 15, 2029 (one (1) month prior to the maturity date of the Bonds of the Twenty-ninth Series) (the “***Twenty-ninth Series Par Call Date***”), at a redemption price equal to 100% of the principal amount so redeemed, and the Make-Whole Amount determined for the redemption date with respect to such principal amount. Each such notice shall specify such redemption date (which shall be a Business Day), the aggregate principal amount of the Bonds of the Twenty-ninth Series to be redeemed on such redemption date, the principal amount of each Bond of the Twenty-ninth Series held by such holder to be redeemed, and the interest to be paid on such redemption date with respect to such principal amount being redeemed, and shall set forth a calculation showing in reasonable detail the estimated Make-Whole Amount due in connection with such redemption (calculated as if the date of such notice were the redemption date). Not later than 12:00 noon (New York City time) on the Business Day prior to such redemption, the Company shall deliver to each holder of Bonds of the Twenty-ninth Series a written calculation of such Make-Whole Amount as of the specified redemption date. The Trustee shall have no obligation to determine the Make-Whole Amount or to verify the Company’s determination thereof.

As used herein, the following defined terms shall have the respective meanings specified unless the context clearly requires otherwise:

The term “***Make-Whole Amount***” means, with respect to any Bond of the Twenty-ninth Series, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Bond of the Twenty-ninth Series over the amount of such Called Principal, provided that the Make-Whole Amount may in no event be less than zero.

“***Called Principal***” means, with respect to any Bond of the Twenty-ninth Series, the principal of such Bond of the Twenty-ninth Series that is to be redeemed pursuant to subsection (a) of this Section 2.02.

“***Discounted Value***” means, with respect to the Called Principal of any Bond of the Twenty-ninth Series, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates (assuming that the maturity date of the Bonds of the Twenty-ninth Series is the Twenty-ninth Series Par Call Date) to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on a semiannual basis) equal to the Reinvestment Yield with respect to such Called Principal.

“***Reinvestment Yield***” means, with respect to the Called Principal of any Bond of the Twenty-ninth Series, the sum of (a) 0.50% plus (b) the yield to maturity implied by the “Ask Yield(s)” reported as of 10:00 a.m. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as “Page PX1” (or such other display as may replace Page PX1) on Bloomberg Financial Markets for the

most recently issued actively traded on-the-run U.S. Treasury securities (“**Reported**”) having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there are no such U.S. Treasury securities Reported having a maturity equal to such Remaining Average Life, then such implied yield to maturity will be determined by (i) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (ii) interpolating linearly between the “Ask Yields” Reported for the applicable most recently issued actively traded on-the-run U.S. Treasury securities with the maturities (1) closest to and greater than such Remaining Average Life and (2) closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Bond of the Twenty-ninth Series.

If such yields are not Reported or the yields Reported as of such time are not ascertainable (including by way of interpolation), then “Reinvestment Yield” means, with respect to the Called Principal of any Bond of the Twenty-ninth Series, the sum of (x) 0.50% plus (y) the yield to maturity implied by the U.S. Treasury constant maturity yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (or any comparable successor publication) for the U.S. Treasury constant maturity having a term equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there is no such U.S. Treasury constant maturity having a term equal to such Remaining Average Life, such implied yield to maturity will be determined by interpolating linearly between (1) the U.S. Treasury constant maturity so reported with the term closest to and greater than such Remaining Average Life and (2) the U.S. Treasury constant maturity so reported with the term closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Bond of the Twenty-ninth Series.

“**Remaining Average Life**” means, with respect to any Called Principal of any Bond of the Twenty-ninth Series, the number of years obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years, computed on the basis of a 360-day year comprised of twelve 30-day months and calculated to two decimal places, that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment (assuming that the maturity date of the Bonds of the Twenty-ninth Series is the Twenty-ninth Series Par Call Date).

“**Remaining Scheduled Payments**” means, with respect to the Called Principal of any Bond of the Twenty-ninth Series, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date (assuming that the maturity date of the Bonds of the Twenty-ninth Series is the Twenty-ninth Series Par Call Date), provided that if such Settlement Date is not a date on which interest payments are due to be made under the Bonds of the Twenty-ninth Series, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to subsection (a) of this Section 2.02.



**“Settlement Date”** means, with respect to the Called Principal of any Bond of the Twenty-ninth Series, the date on which such Called Principal is to be redeemed pursuant to subsection (a) of this Section 2.02.

(b) The Bonds of the Twenty-ninth Series shall also be redeemable at the option of the Company, in whole or in part, on not less than ten (10) days’ nor more than sixty (60) days’ notice prior to the date fixed for redemption, at any time on or after the Twenty-ninth Series Par Call Date, at a redemption price equal to the principal amount of the Bonds of the Twenty-ninth Series being redeemed plus accrued and unpaid interest thereon to, but not including, such redemption date.

(c) Bonds of the Twenty-ninth Series shall also be redeemable, at the option of the holders thereof, as provided in Section 3.04 of the First Supplemental Indenture, as heretofore and hereby amended. Any redemption under said Section 3.04, as amended, shall be at a redemption price equal to 100% of the principal amount of the Bonds of the Twenty-ninth Series being redeemed plus accrued and unpaid interest thereon to the redemption date.

(d) Bonds of the Twenty-ninth Series shall also be redeemable as follows:

Should all or substantially all of the Mortgaged and Pledged Property be taken by the City of New Orleans or any instrumentality or designee thereof by the exercise of the power of eminent domain or taken by the exercise by the City of New Orleans or any instrumentality or designee thereof of the right to purchase or otherwise acquire the same, or should such Mortgaged and Pledged Property be voluntarily sold, transferred or otherwise conveyed to the City of New Orleans or such instrumentality or designee thereof, then, in any such event, the Company shall, upon the consummation of such taking, sale, transfer or other conveyance (in any case whether or not the Lien of the Indenture is released with respect to such Mortgaged and Pledged Property), immediately request the Trustee to take, and upon receipt of such request the Trustee shall take, all requisite action to prepare (in consultation with the Company) and to mail written notice thereof to each registered holder of any Outstanding Bond of the Twenty-ninth Series, at his or her last address appearing upon the registry books, such notice (hereinafter referred to in this Section 2.02(d) as the **“Trustee’s Special Notice”**), to state that it is given pursuant to this Section 2.02(d) of this Twenty-fifth Supplemental Indenture and that the holder of any Bond or Bonds of the Twenty-ninth Series then Outstanding shall have the right to require the Company to redeem such Bond or Bonds of the Twenty-ninth Series, in whole or in part, on the terms and subject to the conditions hereinafter in this Section 2.02(d) set forth.

Upon the mailing of the Trustee’s Special Notice, the holder of any Bonds of the Twenty-ninth Series then Outstanding may, within forty-five (45) days from the date of the Trustee’s Special Notice, give the Trustee written notice of such holder’s intent to have his or her Bond or Bonds of the Twenty-ninth Series redeemed by the Company on the sixtieth (60<sup>th</sup>) day following the date of the Trustee’s Special Notice, upon delivery and surrender of such Bond or Bonds of the Twenty-ninth Series accompanied by such documentation as the Trustee or the Company may require. Unless on or prior to the forty-fifth (45<sup>th</sup>) day following the date of the Trustee’s Special Notice, such holder shall have, by further written notice to the Trustee, withdrawn or revoked such written notice of intent to have his or her Bond or Bonds of the Twenty-ninth Series so redeemed, the Company shall, on the sixtieth (60<sup>th</sup>) day following the date of the

Trustee's Special Notice, redeem any such Bond or Bonds of the Twenty-ninth Series that are properly delivered and surrendered for that purpose at the special redemption price of 101% of the principal amount thereof plus accrued and unpaid interest thereon to the redemption date.

(e) In the case of each partial redemption of the Bonds of the Twenty-ninth Series pursuant to subsection (a) or (b) of this Section 2.02, the principal amount of the Bonds of the Twenty-ninth Series to be redeemed shall be allocated by the Company among all of the Bonds of the Twenty-ninth Series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for redemption.

(f) In the case of each notice of redemption of Bonds of the Twenty-ninth Series pursuant to subsection (a) or (b) of this Section 2.02, if cash sufficient to pay the principal amount to be redeemed on the Settlement Date (which shall be a Business Day), together with interest on such principal amount accrued to such date and the applicable Make-Whole Amount, if any, is not paid as agreed upon by the Company and each registered owner of the affected Bonds of the Twenty-ninth Series, or, to the extent that there is no such agreement entered into with one or more such owners, deposited with the Trustee on or before the Settlement Date, then such notice of redemption shall be of no effect. If such cash is so paid or deposited, such principal amount of the Bonds of the Twenty-ninth Series shall be deemed paid for all purposes and interest on such principal amount shall cease to accrue. In case the Company pays any registered owner pursuant to an agreement with that registered owner, whether in the case of redemption or at maturity or otherwise, the Company shall notify the Trustee as promptly as practicable of such agreement and payment, and shall furnish the Trustee with a copy of such agreement and evidence of such payment, which may include a confirmation of wire transfer or other credit to an account designated by the registered owner, cancelled check or a receipt signed by the registered owner; in case the Company deposits any cash with the Trustee, the Company shall provide therewith a list of the registered owners and the amount of such cash each registered owner is to receive. The Trustee shall be under no duty to inquire into, may conclusively presume the correctness of, and shall be fully protected in relying upon the information set forth in any such notice, evidence of payment, list or agreement, and shall not be chargeable with knowledge of any of the contents of any such agreement. Any Bond of the Twenty-ninth Series redeemed in full shall be surrendered to the Company or the Trustee for cancellation on or before the Settlement Date (unless otherwise agreed between the Company and the registered owner) or, with respect to cash deposited with the Trustee, before payment of such cash by the Trustee; any Bond of the Twenty-ninth Series redeemed in part shall be surrendered to the Company or the Trustee on or before the Settlement Date (unless otherwise agreed between the Company and the registered owner) or, with respect to cash deposited with the Trustee before payment of such cash by the Trustee, for a substitute bond in the principal amount remaining unpaid.

Section 2.03 Transfer and Exchange. (a) At the option of the registered owner, any Bonds of the Twenty-ninth Series, upon surrender thereof for cancellation at the office or agency of the Company in the Borough of Manhattan, The City of New York, New York, shall be exchangeable for a like aggregate principal amount of Bonds of the Twenty-ninth Series of other authorized denominations.

Bonds of the Twenty-ninth Series shall be transferable, upon the surrender thereof for cancellation, together with a written instrument of transfer in form approved by the registrar duly

executed by the registered owner or by his or her duly authorized attorney, at the office or agency of the Company in the Borough of Manhattan, The City of New York, New York.

Upon any such exchange or transfer of Bonds of the Twenty-ninth Series, the Company may make a charge therefor sufficient to reimburse it for any tax or taxes or other governmental charge, as provided in Section 2.05 of the Original Indenture, but the Company hereby waives any right to make a charge in addition thereto for any such exchange or transfer of Bonds of the Twenty-ninth Series.

Section 2.04 Dating of Bonds and Interest Payments. (a) Each Bond of the Twenty-ninth Series shall be dated as of the date of authentication and shall bear interest from the last preceding interest payment date to which interest shall have been paid (unless the date of such bond is an interest payment date to which interest is paid, in which case from the date of such bond); provided that each Bond of the Twenty-ninth Series dated prior to June 15, 2024, shall bear interest from the date of original issuance thereof; and provided, further, that if any Bond of the Twenty-ninth Series shall be authenticated and delivered upon a transfer of, or in exchange for or in lieu of, any other Bond or Bonds of the Twenty-ninth Series upon which interest is in default, it shall be dated so that such bond shall bear interest from the last preceding date to which interest shall have been paid on the bond or bonds in respect of which such bond shall have been delivered or from its date of original issuance, if no interest shall have been paid on the Bonds of the Twenty-ninth Series.

(b) Notwithstanding the foregoing, Bonds of the Twenty-ninth Series shall be dated so that the person in whose name any Bond of the Twenty-ninth Series is registered at the close of business on the fifteenth day immediately preceding an interest payment date shall be entitled to receive the interest payable on the interest payment date notwithstanding the cancellation of such bond upon any transfer or exchange thereof subsequent to such close of business and prior to such interest payment date, except if, and to the extent that, the Company shall default in the payment of interest due on such interest payment date, in which case such defaulted interest shall be paid to the persons in whose names Outstanding Bonds of the Twenty-ninth Series are registered at the close of business on the Business Day immediately preceding the date of payment of such defaulted interest. Any Bond of the Twenty-ninth Series issued upon any transfer or exchange subsequent to such close of business and prior to such interest payment date shall bear interest from such interest payment date. In the event there shall be more than one registered owner of Bonds of the Twenty-ninth Series, then the Company shall not be required to make transfers or exchanges of bonds of said series for a period of fifteen (15) days immediately preceding any interest payment date of said series.

### ARTICLE III

#### THE THIRTIETH SERIES

Section 3.01 Bonds of the Thirtieth Series. Pursuant to Section 2.01 of the Original Indenture, there shall be a series of bonds designated 6.41% Series due June 15, 2031 (herein sometimes referred to as the “***Bonds of the Thirtieth Series***”), each of which shall also bear the descriptive title “First Mortgage Bond.” The form of Bonds of the Thirtieth Series shall be substantially in the form of Exhibit B hereto. Bonds of the Thirtieth Series (which shall be issued in the aggregate principal amount of \$65,000,000) shall mature on June 15, 2031, and shall be issued only as fully registered bonds in denominations of One Hundred Thousand Dollars

(\$100,000) and in any integral multiple of One Thousand Dollars (\$1,000) in excess thereof. Bonds of the Thirtieth Series shall bear interest at the rate of six and forty-one one-hundredths percent (6.41%) per annum (except as hereinafter provided), payable semi-annually on June 15 and December 15 of each year, and at maturity or earlier redemption, the first interest payment to be made on June 15, 2024, for the period from the date of original issuance of the Bonds of the Thirtieth Series to, but not including, June 15, 2024; unless otherwise agreed between the Company and the registered owner of any Bonds of the Thirtieth Series registered in the name of such registered owner, the principal and interest on each said bond to be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York, New York, payable in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts. Unless otherwise agreed between the Company and the registered owner of any Bonds of the Thirtieth Series registered in the name of such registered owner, interest on Bonds of the Thirtieth Series may at the option of the Company be paid by check mailed to the registered owners thereof. Overdue principal and (to the extent permitted by law) overdue interest in respect of Bonds of the Thirtieth Series shall bear interest (before and after judgment) at the rate of seven and forty-one one-hundredths percent (7.41%) per annum. Interest on the Bonds of the Thirtieth Series shall be computed on the basis of a 360-day year consisting of 12 thirty-day months. Interest on Bonds of the Thirtieth Series in respect of a portion of a month shall be calculated based on the actual number of days elapsed using a 30-day month. In any case where any interest payment date, redemption date or maturity of any Bond of the Thirtieth Series shall not be a Business Day, then payment of interest or principal need not be made on such date, but may be made on the next succeeding Business Day, with the same force and effect, and in the same amount, as if made on the corresponding interest payment date or redemption date, or at maturity, as the case may be, and, if such payment is made or duly provided for on such Business Day, no interest shall accrue on the amounts so payable for the period from and after such interest payment date, redemption date or maturity, as the case may be, to such Business Day.

All references in the Indenture to the principal amount of bonds shall, when used with respect to the Bonds of the Thirtieth Series, mean the unpaid principal amount thereof, except that, (a) for the purposes of transfers of fully registered bonds under Section 2.06 of the Original Indenture, the term “like principal amount” shall, when used with respect to the Bonds of the Thirtieth Series, mean “like aggregate unpaid principal amount”, and (b) for the purposes of exchanges of temporary bonds under Section 2.08 of the Original Indenture, the term “like aggregate principal amount” shall, when used with respect to the Bonds of the Thirtieth Series, mean “like aggregate unpaid principal amount.”

The Company reserves the right to establish at any time, by Resolution of the Board of Directors of the Company, a form of coupon bond, and of appurtenant coupons, for the Thirtieth Series and to provide for exchangeability of such coupon bonds with the bonds of said Series issued hereunder in fully registered form and to make all appropriate provisions for such purpose.

Section 3.02 Redemption of Bonds of the Thirtieth Series. (a) The Bonds of the Thirtieth Series shall be redeemable at the option of the Company, in whole or in part, upon notice mailed not less than ten (10) days nor more than sixty (60) days prior to the date fixed for

redemption, at any time prior to May 15, 2031 (one (1) month prior to the maturity date of the Bonds of the Thirtieth Series) (the “**Thirtieth Series Par Call Date**”), at a redemption price equal to 100% of the principal amount so redeemed, and the Make-Whole Amount determined for the redemption date with respect to such principal amount. Each such notice shall specify such redemption date (which shall be a Business Day), the aggregate principal amount of the Bonds of the Thirtieth Series to be redeemed on such redemption date, the principal amount of each Bond of the Thirtieth Series held by such holder to be redeemed, and the interest to be paid on such redemption date with respect to such principal amount being redeemed, and shall set forth a calculation showing in reasonable detail the estimated Make-Whole Amount due in connection with such redemption (calculated as if the date of such notice were the redemption date). Not later than 12:00 noon (New York City time) on the Business Day prior to such redemption, the Company shall deliver to each holder of Bonds of the Thirtieth Series a written calculation of such Make-Whole Amount as of the specified redemption date. The Trustee shall have no obligation to determine the Make-Whole Amount or to verify the Company’s determination thereof.

As used herein, the following defined terms shall have the respective meanings specified unless the context clearly requires otherwise:

The term “**Make-Whole Amount**” means, with respect to any Bond of the Thirtieth Series, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Bond of the Thirtieth Series over the amount of such Called Principal, provided that the Make-Whole Amount may in no event be less than zero.

“**Called Principal**” means, with respect to any Bond of the Thirtieth Series, the principal of such Bond of the Thirtieth Series that is to be redeemed pursuant to subsection (a) of this Section 3.02.

“**Discounted Value**” means, with respect to the Called Principal of any Bond of the Thirtieth Series, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates (assuming that the maturity date of the Bonds of the Thirtieth Series is the Thirtieth Series Par Call Date) to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on a semiannual basis) equal to the Reinvestment Yield with respect to such Called Principal.

“**Reinvestment Yield**” means, with respect to the Called Principal of any Bond of the Thirtieth Series, the sum of (a) 0.50% plus (b) the yield to maturity implied by the “Ask Yield(s)” reported as of 10:00 a.m. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as “Page PX1” (or such other display as may replace Page PX1) on Bloomberg Financial Markets for the most recently issued actively traded on-the-run U.S. Treasury securities (“**Reported**”) having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there are no such U.S. Treasury securities Reported having a maturity equal to such

Remaining Average Life, then such implied yield to maturity will be determined by (i) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (ii) interpolating linearly between the “Ask Yields” Reported for the applicable most recently issued actively traded on-the-run U.S. Treasury securities with the maturities (1) closest to and greater than such Remaining Average Life and (2) closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Bond of the Thirtieth Series.

If such yields are not Reported or the yields Reported as of such time are not ascertainable (including by way of interpolation), then “Reinvestment Yield” means, with respect to the Called Principal of any Bond of the Thirtieth Series, the sum of (x) 0.50% plus (y) the yield to maturity implied by the U.S. Treasury constant maturity yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (or any comparable successor publication) for the U.S. Treasury constant maturity having a term equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there is no such U.S. Treasury constant maturity having a term equal to such Remaining Average Life, such implied yield to maturity will be determined by interpolating linearly between (1) the U.S. Treasury constant maturity so reported with the term closest to and greater than such Remaining Average Life and (2) the U.S. Treasury constant maturity so reported with the term closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Bond of the Thirtieth Series.

**“Remaining Average Life”** means, with respect to any Called Principal of any Bond of the Thirtieth Series, the number of years obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years, computed on the basis of a 360-day year comprised of twelve 30-day months and calculated to two decimal places, that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment (assuming that the maturity date of the Bonds of the Thirtieth Series is the Thirtieth Series Par Call Date).

**“Remaining Scheduled Payments”** means, with respect to the Called Principal of any Bond of the Thirtieth Series, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date (assuming that the maturity date of the Bonds of the Thirtieth Series is the Thirtieth Series Par Call Date), provided that if such Settlement Date is not a date on which interest payments are due to be made under the Bonds of the Thirtieth Series, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to subsection (a) of this Section 3.02.

**“Settlement Date”** means, with respect to the Called Principal of any Bond of the Thirtieth Series, the date on which such Called Principal is to be redeemed pursuant to subsection (a) of this Section 3.02.

(b) The Bonds of the Thirtieth Series shall also be redeemable at the option of the Company, in whole or in part, on not less than ten (10) days’ nor more than sixty (60) days’ notice prior to the date fixed for redemption, at any time on or after the Thirtieth Series Par Call Date, at a redemption price equal to the principal amount of the Bonds of the Thirtieth Series being redeemed plus accrued and unpaid interest thereon to, but not including, such redemption date.

(c) Bonds of the Thirtieth Series shall also be redeemable, at the option of the holders thereof, as provided in Section 3.04 of the First Supplemental Indenture, as heretofore and hereby amended. Any redemption under said Section 3.04, as amended, shall be at a redemption price equal to 100% of the principal amount of the Bonds of the Thirtieth Series being redeemed plus accrued and unpaid interest thereon to the redemption date.

(d) Bonds of the Thirtieth Series shall also be redeemable as follows:

Should all or substantially all of the Mortgaged and Pledged Property be taken by the City of New Orleans or any instrumentality or designee thereof by the exercise of the power of eminent domain or taken by the exercise by the City of New Orleans or any instrumentality or designee thereof of the right to purchase or otherwise acquire the same, or should such Mortgaged and Pledged Property be voluntarily sold, transferred or otherwise conveyed to the City of New Orleans or such instrumentality or designee thereof, then, in any such event, the Company shall, upon the consummation of such taking, sale, transfer or other conveyance (in any case whether or not the Lien of the Indenture is released with respect to such Mortgaged and Pledged Property), immediately request the Trustee to take, and upon receipt of such request the Trustee shall take, all requisite action to prepare (in consultation with the Company) and to mail written notice thereof to each registered holder of any Outstanding Bond of the Thirtieth Series, at his or her last address appearing upon the registry books, such notice (hereinafter referred to in this Section 3.02(d) as the **“Trustee’s Special Notice”**), to state that it is given pursuant to this Section 3.02(d) of this Twenty-fifth Supplemental Indenture and that the holder of any Bond or Bonds of the Thirtieth Series then Outstanding shall have the right to require the Company to redeem such Bond or Bonds of the Thirtieth Series, in whole or in part, on the terms and subject to the conditions hereinafter in this Section 3.02(d) set forth.

Upon the mailing of the Trustee’s Special Notice, the holder of any Bonds of the Thirtieth Series then Outstanding may, within forty-five (45) days from the date of the Trustee’s Special Notice, give the Trustee written notice of such holder’s intent to have his or her Bond or Bonds of the Thirtieth Series redeemed by the Company on the sixtieth (60<sup>th</sup>) day following the date of the Trustee’s Special Notice, upon delivery and surrender of such Bond or Bonds of the Thirtieth Series accompanied by such documentation as the Trustee or the Company may require. Unless on or prior to the forty-fifth (45<sup>th</sup>) day following the date of the Trustee’s Special Notice, such holder shall have, by further written notice to the Trustee, withdrawn or revoked such written notice of intent to have his or her Bond or Bonds of the Thirtieth Series so redeemed, the Company shall, on the sixtieth (60<sup>th</sup>) day following the date of the Trustee’s

Special Notice, redeem any such Bond or Bonds of the Thirtieth Series that are properly delivered and surrendered for that purpose at the special redemption price of 101% of the principal amount thereof plus accrued and unpaid interest thereon to the redemption date.

(e) In the case of each partial redemption of the Bonds of the Thirtieth Series pursuant to subsection (a) or (b) of this Section 3.02, the principal amount of the Bonds of the Thirtieth Series to be redeemed shall be allocated by the Company among all of the Bonds of the Thirtieth Series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for redemption.

(f) In the case of each notice of redemption of Bonds of the Thirtieth Series pursuant to subsection (a) or (b) of this Section 3.02, if cash sufficient to pay the principal amount to be redeemed on the Settlement Date (which shall be a Business Day), together with interest on such principal amount accrued to such date and the applicable Make-Whole Amount, if any, is not paid as agreed upon by the Company and each registered owner of the affected Bonds of the Thirtieth Series, or, to the extent that there is no such agreement entered into with one or more such owners, deposited with the Trustee on or before the Settlement Date, then such notice of redemption shall be of no effect. If such cash is so paid or deposited, such principal amount of the Bonds of the Thirtieth Series shall be deemed paid for all purposes and interest on such principal amount shall cease to accrue. In case the Company pays any registered owner pursuant to an agreement with that registered owner, whether in the case of redemption or at maturity or otherwise, the Company shall notify the Trustee as promptly as practicable of such agreement and payment, and shall furnish the Trustee with a copy of such agreement and evidence of such payment, which may include a confirmation of wire transfer or other credit to an account designated by the registered owner, cancelled check or a receipt signed by the registered owner; in case the Company deposits any cash with the Trustee, the Company shall provide therewith a list of the registered owners and the amount of such cash each registered owner is to receive. The Trustee shall be under no duty to inquire into, may conclusively presume the correctness of, and shall be fully protected in relying upon the information set forth in any such notice, evidence of payment, list or agreement, and shall not be chargeable with knowledge of any of the contents of any such agreement. Any Bond of the Thirtieth Series redeemed in full shall be surrendered to the Company or the Trustee for cancellation on or before the Settlement Date (unless otherwise agreed between the Company and the registered owner) or, with respect to cash deposited with the Trustee, before payment of such cash by the Trustee; any Bond of the Thirtieth Series redeemed in part shall be surrendered to the Company or the Trustee on or before the Settlement Date (unless otherwise agreed between the Company and the registered owner) or, with respect to cash deposited with the Trustee before payment of such cash by the Trustee, for a substitute bond in the principal amount remaining unpaid.

Section 3.03 Transfer and Exchange. (a) At the option of the registered owner, any Bonds of the Thirtieth Series, upon surrender thereof for cancellation at the office or agency of the Company in the Borough of Manhattan, The City of New York, New York, shall be exchangeable for a like aggregate principal amount of Bonds of the Thirtieth Series of other authorized denominations.

Bonds of the Thirtieth Series shall be transferable, upon the surrender thereof for cancellation, together with a written instrument of transfer in form approved by the registrar duly



executed by the registered owner or by his or her duly authorized attorney, at the office or agency of the Company in the Borough of Manhattan, The City of New York, New York.

Upon any such exchange or transfer of Bonds of the Thirtieth Series, the Company may make a charge therefor sufficient to reimburse it for any tax or taxes or other governmental charge, as provided in Section 2.05 of the Original Indenture, but the Company hereby waives any right to make a charge in addition thereto for any such exchange or transfer of Bonds of the Thirtieth Series.

Section 3.04 Dating of Bonds and Interest Payments. (a) Each Bond of the Thirtieth Series shall be dated as of the date of authentication and shall bear interest from the last preceding interest payment date to which interest shall have been paid (unless the date of such bond is an interest payment date to which interest is paid, in which case from the date of such bond); provided that each Bond of the Thirtieth Series dated prior to June 15, 2024, shall bear interest from the date of original issuance thereof; and provided, further, that if any Bond of the Thirtieth Series shall be authenticated and delivered upon a transfer of, or in exchange for or in lieu of, any other Bond or Bonds of the Thirtieth Series upon which interest is in default, it shall be dated so that such bond shall bear interest from the last preceding date to which interest shall have been paid on the bond or bonds in respect of which such bond shall have been delivered or from its date of original issuance, if no interest shall have been paid on the Bonds of the Thirtieth Series.

(b) Notwithstanding the foregoing, Bonds of the Thirtieth Series shall be dated so that the person in whose name any Bond of the Thirtieth Series is registered at the close of business on the fifteenth day immediately preceding an interest payment date shall be entitled to receive the interest payable on the interest payment date notwithstanding the cancellation of such bond upon any transfer or exchange thereof subsequent to such close of business and prior to such interest payment date, except if, and to the extent that, the Company shall default in the payment of interest due on such interest payment date, in which case such defaulted interest shall be paid to the persons in whose names Outstanding Bonds of the Thirtieth Series are registered at the close of business on the Business Day immediately preceding the date of payment of such defaulted interest. Any Bond of the Thirtieth Series issued upon any transfer or exchange subsequent to such close of business and prior to such interest payment date shall bear interest from such interest payment date. In the event there shall be more than one registered owner of Bonds of the Thirtieth Series, then the Company shall not be required to make transfers or exchanges of bonds of said series for a period of fifteen (15) days immediately preceding any interest payment date of said series.

## ARTICLE IV

### THE THIRTY-FIRST SERIES

Section 4.01 Bonds of the Thirty-first Series. Pursuant to Section 2.01 of the Original Indenture, there shall be a series of bonds designated 6.54% Series due June 15, 2034 (herein sometimes referred to as the “***Bonds of the Thirty-first Series***”), each of which shall also bear the descriptive title “First Mortgage Bond.” The form of Bonds of the Thirty-first Series shall be substantially in the form of Exhibit C hereto. Bonds of the Thirty-first Series (which shall be issued in the aggregate principal amount of \$50,000,000) shall mature on June 15, 2034, and shall be issued only as fully registered bonds in denominations of One Hundred Thousand

Dollars (\$100,000) and in any integral multiple of One Thousand Dollars (\$1,000) in excess thereof. Bonds of the Thirty-first Series shall bear interest at the rate of six and fifty-four one-hundredths percent (6.54%) per annum (except as hereinafter provided), payable semi-annually on June 15 and December 15 of each year, and at maturity or earlier redemption, the first interest payment to be made on June 15, 2024, for the period from the date of original issuance of the Bonds of the Thirty-first Series to, but not including, June 15, 2024; unless otherwise agreed between the Company and the registered owner of any Bonds of the Thirty-first Series registered in the name of such registered owner, the principal and interest on each said bond to be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York, New York, payable in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts. Unless otherwise agreed between the Company and the registered owner of any Bonds of the Thirty-first Series registered in the name of such registered owner, interest on Bonds of the Thirty-first Series may at the option of the Company be paid by check mailed to the registered owners thereof. Overdue principal and (to the extent permitted by law) overdue interest in respect of Bonds of the Thirty-first Series shall bear interest (before and after judgment) at the rate of seven and fifty-four one-hundredths percent (7.54%) per annum. Interest on the Bonds of the Thirty-first Series shall be computed on the basis of a 360-day year consisting of 12 thirty-day months. Interest on Bonds of the Thirty-first Series in respect of a portion of a month shall be calculated based on the actual number of days elapsed using a 30-day month. In any case where any interest payment date, redemption date or maturity of any Bond of the Thirty-first Series shall not be a Business Day, then payment of interest or principal need not be made on such date, but may be made on the next succeeding Business Day, with the same force and effect, and in the same amount, as if made on the corresponding interest payment date or redemption date, or at maturity, as the case may be, and, if such payment is made or duly provided for on such Business Day, no interest shall accrue on the amounts so payable for the period from and after such interest payment date, redemption date or maturity, as the case may be, to such Business Day.

All references in the Indenture to the principal amount of bonds shall, when used with respect to the Bonds of the Thirty-first Series, mean the unpaid principal amount thereof, except that, (a) for the purposes of transfers of fully registered bonds under Section 2.06 of the Original Indenture, the term “like principal amount” shall, when used with respect to the Bonds of the Thirty-first Series, mean “like aggregate unpaid principal amount”, and (b) for the purposes of exchanges of temporary bonds under Section 2.08 of the Original Indenture, the term “like aggregate principal amount” shall, when used with respect to the Bonds of the Thirty-first Series, mean “like aggregate unpaid principal amount.”

The Company reserves the right to establish at any time, by Resolution of the Board of Directors of the Company, a form of coupon bond, and of appurtenant coupons, for the Thirty-first Series and to provide for exchangeability of such coupon bonds with the bonds of said Series issued hereunder in fully registered form and to make all appropriate provisions for such purpose.

Section 4.02 Redemption of Bonds of the Thirty-first Series. (a) The Bonds of the Thirty-first Series shall be redeemable at the option of the Company, in whole or in part, upon notice mailed not less than ten (10) days nor more than sixty (60) days prior to the date fixed for

redemption, at any time prior to March 15, 2034 (three (3) months prior to the maturity date of the Bonds of the Thirty-first Series) (the “**Thirty-first Series Par Call Date**”), at a redemption price equal to 100% of the principal amount so redeemed, and the Make-Whole Amount determined for the redemption date with respect to such principal amount. Each such notice shall specify such redemption date (which shall be a Business Day), the aggregate principal amount of the Bonds of the Thirty-first Series to be redeemed on such redemption date, the principal amount of each Bond of the Thirty-first Series held by such holder to be redeemed, and the interest to be paid on such redemption date with respect to such principal amount being redeemed, and shall set forth a calculation showing in reasonable detail the estimated Make-Whole Amount due in connection with such redemption (calculated as if the date of such notice were the redemption date). Not later than 12:00 noon (New York City time) on the Business Day prior to such redemption, the Company shall deliver to each holder of Bonds of the Thirty-first Series a written calculation of such Make-Whole Amount as of the specified redemption date. The Trustee shall have no obligation to determine the Make-Whole Amount or to verify the Company’s determination thereof.

As used herein, the following defined terms shall have the respective meanings specified unless the context clearly requires otherwise:

The term “**Make-Whole Amount**” means, with respect to any Bond of the Thirty-first Series, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Bond of the Thirty-first Series over the amount of such Called Principal, provided that the Make-Whole Amount may in no event be less than zero.

“**Called Principal**” means, with respect to any Bond of the Thirty-first Series, the principal of such Bond of the Thirty-first Series that is to be redeemed pursuant to subsection (a) of this Section 4.02.

“**Discounted Value**” means, with respect to the Called Principal of any Bond of the Thirty-first Series, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates (assuming that the maturity date of the Bonds of the Thirty-first Series is the Thirty-first Series Par Call Date) to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on a semiannual basis) equal to the Reinvestment Yield with respect to such Called Principal.

“**Reinvestment Yield**” means, with respect to the Called Principal of any Bond of the Thirty-first Series, the sum of (a) 0.50% plus (b) the yield to maturity implied by the “Ask Yield(s)” reported as of 10:00 a.m. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as “Page PX1” (or such other display as may replace Page PX1) on Bloomberg Financial Markets for the most recently issued actively traded on-the-run U.S. Treasury securities (“**Reported**”) having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there are no such U.S. Treasury securities Reported having a maturity equal to such

Remaining Average Life, then such implied yield to maturity will be determined by (i) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (ii) interpolating linearly between the “Ask Yields” Reported for the applicable most recently issued actively traded on-the-run U.S. Treasury securities with the maturities (1) closest to and greater than such Remaining Average Life and (2) closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Bond of the Thirty-first Series.

If such yields are not Reported or the yields Reported as of such time are not ascertainable (including by way of interpolation), then “Reinvestment Yield” means, with respect to the Called Principal of any Bond of the Thirty-first Series, the sum of (x) 0.50% plus (y) the yield to maturity implied by the U.S. Treasury constant maturity yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (or any comparable successor publication) for the U.S. Treasury constant maturity having a term equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there is no such U.S. Treasury constant maturity having a term equal to such Remaining Average Life, such implied yield to maturity will be determined by interpolating linearly between (1) the U.S. Treasury constant maturity so reported with the term closest to and greater than such Remaining Average Life and (2) the U.S. Treasury constant maturity so reported with the term closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Bond of the Thirty-first Series.

**“Remaining Average Life”** means, with respect to any Called Principal of any Bond of the Thirty-first Series, the number of years obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years, computed on the basis of a 360-day year comprised of twelve 30-day months and calculated to two decimal places, that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment (assuming that the maturity date of the Bonds of the Thirty-first Series is the Thirty-first Series Par Call Date).

**“Remaining Scheduled Payments”** means, with respect to the Called Principal of any Bond of the Thirty-first Series, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date (assuming that the maturity date of the Bonds of the Thirty-first Series is the Thirty-first Series Par Call Date), provided that if such Settlement Date is not a date on which interest payments are due to be made under the Bonds of the Thirty-first Series, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to subsection (a) of this Section 4.02.

**“Settlement Date”** means, with respect to the Called Principal of any Bond of the Thirty-first Series, the date on which such Called Principal is to be redeemed pursuant to subsection (a) of this Section 4.02.

(b) The Bonds of the Thirty-first Series shall also be redeemable at the option of the Company, in whole or in part, on not less than ten (10) days’ nor more than sixty (60) days’ notice prior to the date fixed for redemption, at any time on or after the Thirty-first Series Par Call Date, at a redemption price equal to the principal amount of the Bonds of the Thirty-first Series being redeemed plus accrued and unpaid interest thereon to, but not including, such redemption date.

(c) Bonds of the Thirty-first Series shall also be redeemable, at the option of the holders thereof, as provided in Section 3.04 of the First Supplemental Indenture, as heretofore and hereby amended. Any redemption under said Section 3.04, as amended, shall be at a redemption price equal to 100% of the principal amount of the Bonds of the Thirty-first Series being redeemed plus accrued and unpaid interest thereon to the redemption date.

(d) Bonds of the Thirty-first Series shall also be redeemable as follows:

Should all or substantially all of the Mortgaged and Pledged Property be taken by the City of New Orleans or any instrumentality or designee thereof by the exercise of the power of eminent domain or taken by the exercise by the City of New Orleans or any instrumentality or designee thereof of the right to purchase or otherwise acquire the same, or should such Mortgaged and Pledged Property be voluntarily sold, transferred or otherwise conveyed to the City of New Orleans or such instrumentality or designee thereof, then, in any such event, the Company shall, upon the consummation of such taking, sale, transfer or other conveyance (in any case whether or not the Lien of the Indenture is released with respect to such Mortgaged and Pledged Property), immediately request the Trustee to take, and upon receipt of such request the Trustee shall take, all requisite action to prepare (in consultation with the Company) and to mail written notice thereof to each registered holder of any Outstanding Bond of the Thirty-first Series, at his or her last address appearing upon the registry books, such notice (hereinafter referred to in this Section 4.02(d) as the **“Trustee’s Special Notice”**), to state that it is given pursuant to this Section 4.02(d) of this Twenty-fifth Supplemental Indenture and that the holder of any Bond or Bonds of the Thirty-first Series then Outstanding shall have the right to require the Company to redeem such Bond or Bonds of the Thirty-first Series, in whole or in part, on the terms and subject to the conditions hereinafter in this Section 4.02(d) set forth.

Upon the mailing of the Trustee’s Special Notice, the holder of any Bonds of the Thirty-first Series then Outstanding may, within forty-five (45) days from the date of the Trustee’s Special Notice, give the Trustee written notice of such holder’s intent to have his or her Bond or Bonds of the Thirty-first Series redeemed by the Company on the sixtieth (60<sup>th</sup>) day following the date of the Trustee’s Special Notice, upon delivery and surrender of such Bond or Bonds of the Thirty-first Series accompanied by such documentation as the Trustee or the Company may require. Unless on or prior to the forty-fifth (45<sup>th</sup>) day following the date of the Trustee’s Special Notice, such holder shall have, by further written notice to the Trustee, withdrawn or revoked such written notice of intent to have his or her Bond or Bonds of the Thirty-first Series so redeemed, the Company shall, on the sixtieth (60<sup>th</sup>) day following the date of the Trustee’s

Special Notice, redeem any such Bond or Bonds of the Thirty-first Series that are properly delivered and surrendered for that purpose at the special redemption price of 101% of the principal amount thereof plus accrued and unpaid interest thereon to the redemption date.

(e) In the case of each partial redemption of the Bonds of the Thirty-first Series pursuant to subsection (a) or (b) of this Section 4.02, the principal amount of the Bonds of the Thirty-first Series to be redeemed shall be allocated by the Company among all of the Bonds of the Thirty-first Series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for redemption.

(f) In the case of each notice of redemption of Bonds of the Thirty-first Series pursuant to subsection (a) or (b) of this Section 4.02, if cash sufficient to pay the principal amount to be redeemed on the Settlement Date (which shall be a Business Day), together with interest on such principal amount accrued to such date and the applicable Make-Whole Amount, if any, is not paid as agreed upon by the Company and each registered owner of the affected Bonds of the Thirty-first Series, or, to the extent that there is no such agreement entered into with one or more such owners, deposited with the Trustee on or before the Settlement Date, then such notice of redemption shall be of no effect. If such cash is so paid or deposited, such principal amount of the Bonds of the Thirty-first Series shall be deemed paid for all purposes and interest on such principal amount shall cease to accrue. In case the Company pays any registered owner pursuant to an agreement with that registered owner, whether in the case of redemption or at maturity or otherwise, the Company shall notify the Trustee as promptly as practicable of such agreement and payment, and shall furnish the Trustee with a copy of such agreement and evidence of such payment, which may include a confirmation of wire transfer or other credit to an account designated by the registered owner, cancelled check or a receipt signed by the registered owner; in case the Company deposits any cash with the Trustee, the Company shall provide therewith a list of the registered owners and the amount of such cash each registered owner is to receive. The Trustee shall be under no duty to inquire into, may conclusively presume the correctness of, and shall be fully protected in relying upon the information set forth in any such notice, evidence of payment, list or agreement, and shall not be chargeable with knowledge of any of the contents of any such agreement. Any Bond of the Thirty-first Series redeemed in full shall be surrendered to the Company or the Trustee for cancellation on or before the Settlement Date (unless otherwise agreed between the Company and the registered owner) or, with respect to cash deposited with the Trustee, before payment of such cash by the Trustee; any Bond of the Thirty-first Series redeemed in part shall be surrendered to the Company or the Trustee on or before the Settlement Date (unless otherwise agreed between the Company and the registered owner) or, with respect to cash deposited with the Trustee before payment of such cash by the Trustee, for a substitute bond in the principal amount remaining unpaid.

Section 4.03 Transfer and Exchange. (a) At the option of the registered owner, any Bonds of the Thirty-first Series, upon surrender thereof for cancellation at the office or agency of the Company in the Borough of Manhattan, The City of New York, New York, shall be exchangeable for a like aggregate principal amount of Bonds of the Thirty-first Series of other authorized denominations.

Bonds of the Thirty-first Series shall be transferable, upon the surrender thereof for cancellation, together with a written instrument of transfer in form approved by the registrar duly

executed by the registered owner or by his or her duly authorized attorney, at the office or agency of the Company in the Borough of Manhattan, The City of New York, New York.

Upon any such exchange or transfer of Bonds of the Thirty-first Series, the Company may make a charge therefor sufficient to reimburse it for any tax or taxes or other governmental charge, as provided in Section 2.05 of the Original Indenture, but the Company hereby waives any right to make a charge in addition thereto for any such exchange or transfer of Bonds of the Thirty-first Series.

Section 4.04 Dating of Bonds and Interest Payments. (a) Each Bond of the Thirty-first Series shall be dated as of the date of authentication and shall bear interest from the last preceding interest payment date to which interest shall have been paid (unless the date of such bond is an interest payment date to which interest is paid, in which case from the date of such bond); provided that each Bond of the Thirty-first Series dated prior to June 15, 2024, shall bear interest from the date of original issuance thereof; and provided, further, that if any Bond of the Thirty-first Series shall be authenticated and delivered upon a transfer of, or in exchange for or in lieu of, any other Bond or Bonds of the Thirty-first Series upon which interest is in default, it shall be dated so that such bond shall bear interest from the last preceding date to which interest shall have been paid on the bond or bonds in respect of which such bond shall have been delivered or from its date of original issuance, if no interest shall have been paid on the Bonds of the Thirty-first Series.

(b) Notwithstanding the foregoing, Bonds of the Thirty-first Series shall be dated so that the person in whose name any Bond of the Thirty-first Series is registered at the close of business on the fifteenth day immediately preceding an interest payment date shall be entitled to receive the interest payable on the interest payment date notwithstanding the cancellation of such bond upon any transfer or exchange thereof subsequent to such close of business and prior to such interest payment date, except if, and to the extent that, the Company shall default in the payment of interest due on such interest payment date, in which case such defaulted interest shall be paid to the persons in whose names Outstanding Bonds of the Thirty-first Series are registered at the close of business on the Business Day immediately preceding the date of payment of such defaulted interest. Any Bond of the Thirty-first Series issued upon any transfer or exchange subsequent to such close of business and prior to such interest payment date shall bear interest from such interest payment date. In the event there shall be more than one registered owner of Bonds of the Thirty-first Series, then the Company shall not be required to make transfers or exchanges of bonds of said series for a period of fifteen (15) days immediately preceding any interest payment date of said series.

## ARTICLE V

### OTHER PROVISIONS FOR RETIREMENT OF BONDS

Section 5.01 Exchange or Redemption upon Merger or Consolidation. The second sentence of subsection (a) of Section 3.04 of the First Supplemental Indenture, as amended and restated by the Seventh Supplemental Indenture, and as subsequently amended, is hereby further amended to insert the following words immediately after the words “the Twenty-fourth Supplemental Indenture”:

“, shall (as to the New LP&L Bonds being exchanged for the Bonds of the Twenty-ninth Series, the Bonds of the Thirtieth Series or the Bonds of the Thirty-first Series, as the case may be) be subject to redemption at the option of the Company on terms similar to those provided in the Twenty-fifth Supplemental Indenture,”

Section 5.02 Redemption Price upon Merger or Consolidation. The redemption price for any Bonds of the Twenty-ninth Series, any Bonds of the Thirtieth Series and any Bonds of the Thirty-first Series redeemed pursuant to subsection (b) of Section 3.04 of the First Supplemental Indenture, as amended and restated by the Seventh Supplemental Indenture, and as subsequently amended, shall be equal to 100% of the principal amount of the Bonds of the Twenty-ninth Series, the principal amount of the Bonds of the Thirtieth Series or the principal amount of the Bonds of the Thirty-first Series, as the case may be, to be redeemed, plus accrued and unpaid interest thereon to the redemption date.

## ARTICLE VI

### COVENANTS

Section 6.01 Maintenance of Paying Agency. So long as any Bonds of the Twenty-ninth Series, any Bonds of the Thirtieth Series or any Bonds of the Thirty-first Series are Outstanding, the Company covenants that the office or agency of the Company in the Borough of Manhattan, The City of New York, New York, where the principal of or interest on any Bonds of the Twenty-ninth Series, any Bonds of the Thirtieth Series or any Bonds of the Thirty-first Series shall be payable, shall also be an office or agency where any such bonds may be transferred or exchanged and where notices, presentations or demands to or upon the Company in respect of such bonds or in respect of the Indenture may be given or made.

Section 6.02 Further Assurances. From time to time whenever reasonably requested by the Trustee or the holders of a majority in principal amount of Bonds of the Twenty-ninth Series, Bonds of the Thirtieth Series or Bonds of the Thirty-first Series, as the case may be, then Outstanding, the Company will make, execute and deliver or cause to be made, executed and delivered any and all such further and other instruments and assurances as may be reasonably necessary or proper to carry out the intention of or to facilitate the performance of the terms of the Indenture or to secure the rights and remedies of the holders of such Bonds.



## ARTICLE VII

### CONSENT TO AMENDMENTS

Section 7.01 Consent to Amendments. Each initial and future holder of Bonds of the Twenty-ninth Series, Bonds of the Thirtieth Series and Bonds of the Thirty-first Series, by its acquisition of an interest in such bonds, irrevocably (a) consents to the amendments set forth in (i) Article V, Sections 5.05 and 5.06 of the Sixteenth Supplemental Indenture, and (ii) Article III, Sections 3.01 through 3.10 of the Twenty-first Supplemental Indenture, in each case without any other or further action by any holder of such bonds, and (b) designates the Trustee, and its successors, as its proxy with irrevocable instructions to vote and deliver written consents on behalf of such holder in favor of such amendments at any bondholder meeting, in lieu of any bondholder meeting, in any consent solicitation or otherwise.

## ARTICLE VIII

### MISCELLANEOUS PROVISIONS

Section 8.01 Acceptance of Trusts. The Trustee hereby accepts the trusts herein declared, provided, created or supplemented and agrees to perform the same upon the terms and conditions herein and in the Original Indenture, as heretofore supplemented, set forth and upon the following terms and conditions:

The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Twenty-fifth Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are solely made by the Company. In general, each and every term and condition contained in Article XVI of the Original Indenture shall apply to and form part of this Twenty-fifth Supplemental Indenture with the same force and effect as if the same were herein set forth in full with such omissions, variations and insertions, if any, as may be appropriate to make the same conform to the provisions of this Twenty-fifth Supplemental Indenture.

Section 8.02 Effect of Twenty-fifth Supplemental Indenture under Louisiana Law. It is the intention and it is hereby agreed that so far as concerns that portion of the Mortgaged and Pledged Property situated within the State of Louisiana, the general language of conveyance contained in this Twenty-fifth Supplemental Indenture is intended and shall be construed as words of hypothecation and not of conveyance, and that so far as the said Louisiana property is concerned, this Twenty-fifth Supplemental Indenture shall be considered as an act of mortgage and pledge and granting of a security interest under the laws of the State of Louisiana, and the Trustee herein named is named as mortgagee and pledgee and secured party in trust for the benefit of itself and of all present and future holders of bonds issued under the Indenture and any coupons thereto issued hereunder, and is irrevocably appointed special agent and representative of the holders of such bonds and coupons and vested with full power in their behalf to effect and enforce the mortgage and pledge and a security interest hereby constituted for their benefit, or otherwise to act as herein provided for.

Section 8.03 Record Date. The holders of the Bonds of the Twenty-ninth Series, the Bonds of the Thirtieth Series and the Bonds of the Thirty-first Series shall be deemed to have consented and agreed that the Company may, but shall not be obligated to, fix a record date for the purpose of determining the holders of the Bonds of the Twenty-ninth Series, the Bonds of the Thirtieth Series and the Bonds of the Thirty-first Series entitled to consent, if any such consent is required, to any amendment or supplement to the Indenture or the waiver of any provision thereof or any act to be performed thereunder. If a record date is fixed, those persons who were holders of the Bonds of the Twenty-ninth Series, the Bonds of the Thirtieth Series and the Bonds of the Thirty-first Series at such record date (or their duly designated proxies), and only those persons, shall be entitled to consent to such amendment, supplement or waiver or to revoke any consent previously given, whether or not such persons continue to be holders of the Bonds of the Twenty-ninth Series, the Bonds of the Thirtieth Series and the Bonds of the Thirty-first Series after such record date. No such consent shall be valid or effective for more than 90 days after such record date.

Section 8.04 Titles. The titles of the several Articles and Sections of this Twenty-fifth Supplemental Indenture shall not be deemed to be any part hereof.

Section 8.05 Counterparts. This Twenty-fifth Supplemental Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 8.06 Governing Law. The laws of the State of New York shall govern this Twenty-fifth Supplemental Indenture, the Bonds of the Twenty-ninth Series, the Bonds of the Thirtieth Series and the Bonds of the Thirty-first Series, except to the extent that the validity or perfection of the Lien of the Indenture, or remedies thereunder, are governed by the laws of a jurisdiction other than the State of New York.

ARTICLE IX  
SPECIFIC DESCRIPTION OF PROPERTY  
PARAGRAPH ONE

The Electric Generating Plants, Plant Sites and Stations of the Original Company, including all electric works, power houses, buildings, pipelines and structures owned by the Original Company and all land of the Original Company on which the same are situated and all of the Original Company's lands, together with the buildings and improvements thereon, and all rights, ways, servitudes, prescriptions, and easements, rights-of-way, permits, privileges, licenses, poles, wires, machinery, implements, switchyards, electric lines, equipment and appurtenances, forming a part of said plants, sites or stations, or any of them, or used or enjoyed, or capable of being used or enjoyed in conjunction with any of said power plants, sites, stations, lands and property.

PARAGRAPH TWO

The Electric Substations, Switching Stations, Microwave installations and UHF-VHF installations of the Original Company, and the Sites therefor, including all buildings, structures, towers, poles, all equipment, appliances and devices for transforming, converting, switching, transmitting and distributing electric energy, and for communications, and the lands of the Original Company on which the same are situated, and all of the Original Company's lands,

rights, ways, servitudes, prescriptions, easements, rights-of-way, machinery, equipment, appliances, devices, licenses and appurtenances forming a part of said substations, switching stations, microwave installations or UHF-VHF installations, or any of them, or used or enjoyed or capable of being used or enjoyed in conjunction with any of them.

#### PARAGRAPH THREE

All and singular the Miscellaneous Lands and Real Estate or Rights and Interests therein of the Original Company, and buildings and improvements thereon, now owned, or, subject to the provisions of Section 15.03 of the Original Indenture, hereafter acquired during the existence of this trust.

#### PARAGRAPH FOUR

The Electric Transmission Lines of the Original Company, including the structures, towers, poles, wires, cables, switch racks, conductors, transformers, insulators, pipes, conduits, electric submarine cables, and all appliances, devices and equipment used or useful in connection with said transmission lines and systems, and all other property, real, personal or mixed, forming a part thereof or appertaining thereto, together with all rights-of-way, easements, prescriptions, servitudes, permits, privileges, licenses, consents, immunities and rights for or relating to the construction, maintenance or operation thereof, through, over, across, under or upon any public streets or highways or other lands, public or private.

#### PARAGRAPH FIVE

The Electric Distribution Lines and Systems of the Original Company, including the structures, towers, poles, wires, insulators and appurtenances, appliances, conductors, conduits, cables, transformers, meters, regulator stations and regulators, accessories, devices and equipment and all of the Original Company's other property, real, personal or mixed, forming a part of or used, occupied or enjoyed in connection with or in anywise appertaining to said distribution lines and systems, together with all of the Original Company's rights-of-way, easements, permits, prescriptions, privileges, municipal or other franchises, licenses, consents, immunities and rights for or relating to the construction, maintenance or operation thereof, through, over, across, under, or upon any public streets or highways or other lands or property, public or private.

#### PARAGRAPH SIX

The Gas Distributing Systems of the Original Company, whether now owned or, subject to the provisions of Section 15.03 of the Original Indenture, hereafter acquired, including gas regulator stations, gas main crossings, odorizing equipment, gas metering stations, shops, service buildings, office buildings, expansion tanks, conduits, gas mains and pipes, mechanical storage sheds, boilers, service pipes, fittings, city gates, pipelines, booster stations, reducer stations, valves, valve platforms, connections, meters and all appurtenances, appliances, devices and equipment and all the Original Company's other property, real, personal or mixed forming a part of or used, occupied or enjoyed in connection with or in anywise appertaining to said distributing systems, or any of them, together with all of the Original Company's rights-of-way, easements, prescriptions, servitudes, privileges, immunities, permits and franchises, licenses, consents and rights for or relating to the construction, maintenance or operation thereof, in, on, through, across or under any public streets or highways or other lands or property, public or private.

#### PARAGRAPH SEVEN

All of the franchises, privileges, permits, grants and consents for the construction, operation and maintenance of electric and gas systems in, on and under streets, alleys, highways, roads, public grounds and rights-of-way and all rights incident thereto which were granted to the Original Company or its predecessors by the governing and regulatory bodies of the City of New Orleans, State of Louisiana.

Also all other franchises, privileges, permits, grants and consents owned by the Original Company for the construction, operation and maintenance of electric and gas systems in, on or under the streets, alleys, highways, roads, and public grounds, areas and rights-of-way and/or for the supply and sale of electricity or natural gas and all rights incident thereto, subject, however, to the provisions of Section 15.03 of the Original Indenture.

IN WITNESS WHEREOF, ENTERGY NEW ORLEANS, LLC has caused its company name to be hereunto affixed, and this instrument to be signed by its President, one of its Vice Presidents, its Treasurer or one of its Assistant Treasurers, for and on its behalf, and THE BANK OF NEW YORK MELLON has caused its corporate name to be hereunto affixed, and this instrument to be signed by one of its Vice Presidents, Senior Associates or Associates, all as of the day and year first above written.

ENTERGY NEW ORLEANS, LLC

By: /s/ Kevin J. Marino  
Name: Kevin J. Marino  
Title: Assistant Treasurer

Executed and delivered by  
ENTERGY NEW ORLEANS, LLC  
in the presence of:

By: /s/ Shannon Ryerson  
Name: Shannon Ryerson

By: /s/ Jennifer Favalora  
Name: Jennifer Favalora

THE BANK OF NEW YORK MELLON  
As Trustee

By: /s/ Francine Kincaid  
Name: Francine Kincaid  
Title: Vice President

Executed and delivered by  
THE BANK OF NEW YORK MELLON  
in the presence of:

By: /s/ Leslie Morales  
Name: Leslie Morales

By: /s/ Glenn Kunak  
Name: Glenn Kunak

STATE OF LOUISIANA    )  
                                  ) SS.:  
PARISH OF ORLEANS    )

On this 8th day of May, 2024, before me appeared KEVIN J. MARINO, to me personally known, who, being duly sworn, did say that he is an Assistant Treasurer of ENTERGY NEW ORLEANS, LLC, and that the above instrument was signed on behalf of said entity by authority of its Board of Directors, and said KEVIN J. MARINO acknowledged said instrument to be the free act and deed of said entity.

/s/ Dawn A. Balash  
Dawn A. Balash  
State of Louisiana, Parish of Orleans  
Notary Public Identification No. 140967  
My commission expires at my death

STATE OF NEW YORK    )

) ss.:

COUNTY OF NEW YORK    )

On this 14<sup>th</sup> day of May, 2024, before me appeared Francine Kincaid to me personally known or proved to me on the basis of satisfactory evidence and, who, being by me duly sworn, did say that she is a Vice President of THE BANK OF NEW YORK MELLON, and that the above instrument was signed on behalf of said entity by authority of its Board of Directors, and said Vice President acknowledged said instrument to be the free act and deed of said entity.

/s/ Rafal Bar

Rafal Bar

Notary Public State of New York

Registration No. 01BA6293822

Qualified in Kings County

Commission expires 01/31/2026



EXHIBIT A

[FORM OF BOND OF THE TWENTY-NINTH SERIES]

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION. EACH TRANSFEREE OF THIS SECURITY, BY ACCEPTANCE OF THIS SECURITY REGISTERED IN ITS NAME (OR THE NAME OF ITS NOMINEE) WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS SET FORTH IN THE FIRST MORTGAGE BOND PURCHASE AGREEMENT PURSUANT TO WHICH THIS SECURITY WAS ISSUED.

FIRST MORTGAGE BOND,  
6.25% Series due June 15, 2029

PPN 29365@ AF3

No. R-\_\_\_\_\_ \$\_\_\_\_\_

ENTERGY NEW ORLEANS, LLC, a limited liability company duly organized and existing under the laws of the State of Texas (the "Company"), for value received, hereby promises to pay to \_\_\_\_\_ or registered assigns, at the office or agency of the Company in The City of New York, New York, the principal sum of \_\_\_\_\_ (\$\_\_\_\_\_) on June 15, 2029, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts, and to pay in like manner to the registered owner hereof interest thereon from the date of original issuance hereof, if the date of this bond is prior to June 15, 2024, or, if the date of this bond is on or after June 15, 2024, from the June 15 or December 15 immediately preceding the date of this bond to which interest has been paid (unless the date hereof is an interest payment date to which interest has been paid, in which case from the date hereof), at the rate of six and twenty-five one-hundredths percent (6.25%) per annum in like coin or currency on June 15 or December 15 of each year, commencing June 15, 2024, and at maturity or earlier redemption until the principal of this bond shall have become due and been duly paid or provided for, and to pay interest (before and after judgment) on any overdue principal, premium, if any, and (to the extent permitted by law) on any overdue interest at the rate of seven and twenty-five one-hundredths percent (7.25%) per annum. Interest on this bond shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on this bond in respect of a portion of a month shall be calculated based on the actual number of days elapsed using a 30-day month.

The interest so payable on any interest payment date will, subject to certain exceptions provided in the Mortgage hereinafter referred to, be paid to the person in whose name this bond is registered at the close of business on the fifteenth day immediately preceding such interest payment date. Unless otherwise agreed between the Company and the registered owner of this

bond, at the option of the Company, interest may be paid by check mailed on or prior to such interest payment date to the address of the person entitled thereto as such address shall appear on the register of the Company.

This bond shall not become obligatory until The Bank of New York Mellon, the Trustee under the Mortgage, or its successor thereunder, shall have signed the form of authentication certificate endorsed hereon.

This bond is one of a series of bonds of the Company issuable in series and is one of a duly authorized series of First Mortgage Bonds, 6.25% Series due June 15, 2029 (herein called Bonds of the Twenty-ninth Series), all bonds of all series issued under and equally secured by a Mortgage and Deed of Trust (herein, together with any indenture supplemental thereto including the Twenty-fifth Supplemental Indenture dated as of May 1, 2024, called the Mortgage), dated as of May 1, 1987, duly executed by the Company to The Bank of New York Mellon (successor to Bank of Montreal Trust Company), as Trustee. Reference is made to the Mortgage for a description of the mortgaged and pledged property, assets and rights, the nature and extent of the lien and security, the respective rights, limitations of rights, covenants, obligations, duties and immunities thereunder of the Company, the holders of bonds and the Trustee and the terms and conditions upon which the bonds are, and are to be, secured, the circumstances under which additional bonds may be issued and the definition of certain terms herein used, to all of which, by its acceptance of this bond, the holder of this bond agrees.

The principal hereof may be declared or may become due prior to the maturity date hereinbefore named on the conditions, in the manner and at the time set forth in the Mortgage, upon the occurrence of a Default as in the Mortgage provided. The Mortgage provides that in certain circumstances and upon certain conditions, such a declaration and its consequences or certain past defaults and the consequences thereof may be waived by such affirmative vote of holders of bonds as is specified in the Mortgage.

The Mortgage contains provisions permitting the Company and the Trustee to execute supplemental indentures amending the Mortgage for certain specified purposes without the consent of holders of bonds. With the consent of the Company and to the extent permitted by and as provided in the Mortgage, the rights and obligations of the Company and/or the rights of the holders of the Bonds of the Twenty-ninth Series and/or the terms and provisions of the Mortgage may be modified or altered by such affirmative vote or votes of the holders of bonds then Outstanding as are specified in the Mortgage.

Each holder of this bond, by its acquisition of an interest in this bond, irrevocably (a) consents to the amendments set forth in (i) Article V, Sections 5.05 and 5.06 of the Sixteenth Supplemental Indenture, and (ii) Article III, Sections 3.01 through 3.10 of the Twenty-first Supplemental Indenture, in each case without any other or further action by the holder of this bond, and (b) designates the Trustee, and its successors, as its proxy with irrevocable instructions to vote and deliver written consents on behalf of such holder in favor of such amendments at any bondholder meeting, in lieu of any bondholder meeting, in any consent solicitation or otherwise.

Any consent or waiver by the holder of this bond (unless effectively revoked as provided in the Mortgage) shall be conclusive and binding upon such holder and upon all future holders of this bond and of any bonds issued in exchange or substitution herefor, irrespective of whether or not any notation of such consent or waiver is made upon this bond or such other bond.

In case the Company, as permitted by the Mortgage, shall convey or transfer, subject to the lien of the Mortgage, all or substantially all of the mortgaged and pledged property as an entirety to a successor, the Company may be released and discharged from all obligations under the bonds of this series which are assumed by such successor.

The bonds are issuable as registered bonds without coupons in the denominations of \$100,000 and in any integral multiple of \$1,000 in excess thereof. At the office or agency to be maintained by the Company in The City of New York, New York, and in the manner and subject to the provisions of the Mortgage, bonds may be exchanged for a like aggregate principal amount of bonds of other authorized denominations, without payment of any charge other than a sum sufficient to reimburse the Company for any tax or other governmental charge incident thereto. This bond is transferable as prescribed in the Mortgage by the registered owner hereof in person, or by his or her duly authorized attorney, at the office or agency of the Company in The City of New York, New York, upon surrender of this bond, and upon payment, if the Company shall require it, of the transfer charges provided for in the Mortgage, and, thereupon, a new fully registered bond of the same series for a like principal amount will be issued to the transferee in exchange hereof as provided in the Mortgage. The Company and the Trustee may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment and for all other purposes, and neither the Company nor the Trustee shall be affected by any notice to the contrary.

This bond is redeemable at the option of the Company under certain circumstances in the manner and at such redemption price as is provided in the Twenty-fifth Supplemental Indenture. This bond is also redeemable at the option of the owner upon the events, in the manner, and at such redemption prices as are specified in the Twenty-fifth Supplemental Indenture. This bond is also mandatorily redeemable under certain circumstances in the manner and at such redemption price as is provided in the Twenty-fifth Supplemental Indenture.

No recourse shall be had for the payment of the principal of or interest on this bond against any incorporator or any past, present or future subscriber to the capital stock, stockholder, officer or director of the Company or of any predecessor or successor corporation, as such, either directly or through the Company or any predecessor or successor corporation, under any rule of law, statute or constitution or by the enforcement of any assessment or otherwise, all such liability of incorporators, subscribers, stockholders, officers and directors being released by the holder or owner hereof by the acceptance of this bond and being likewise waived and released by the terms of the Mortgage.

As provided in the Mortgage, this bond shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, Entergy New Orleans, LLC has caused this bond to be signed in its company name by its Chairman of the Board, Chief Executive Officer, President or one of its Vice Presidents by his or her signature or a facsimile thereof, and its company seal to be impressed or imprinted hereon and attested by its Secretary or one of its Assistant Secretaries by his or her signature or a facsimile thereof.

Dated:

ENTERGY NEW ORLEANS, LLC

By: \_\_\_\_\_

Name:

Title:

Attest:

By: \_\_\_\_\_

Name:

Title:

[FORM OF TRUSTEE'S AUTHENTICATION CERTIFICATE]

This bond is one of the bonds, of the series herein designated, described or provided for in the within-mentioned mortgage.

Dated:

THE BANK OF NEW YORK MELLON,  
as Trustee,

By: \_\_\_\_\_

Authorized Signatory

EXHIBIT B

[FORM OF BOND OF THE THIRTIETH SERIES]

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION. EACH TRANSFEREE OF THIS SECURITY, BY ACCEPTANCE OF THIS SECURITY REGISTERED IN ITS NAME (OR THE NAME OF ITS NOMINEE) WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS SET FORTH IN THE FIRST MORTGAGE BOND PURCHASE AGREEMENT PURSUANT TO WHICH THIS SECURITY WAS ISSUED.

FIRST MORTGAGE BOND,  
6.41% Series due June 15, 2031

PPN 29365@ AG1

No. R- \_\_\_\_\_ \$ \_\_\_\_\_

ENTERGY NEW ORLEANS, LLC, a limited liability company duly organized and existing under the laws of the State of Texas (the “*Company*”), for value received, hereby promises to pay to \_\_\_\_\_ or registered assigns, at the office or agency of the Company in The City of New York, New York, the principal sum of \_\_\_\_\_ (\$ \_\_\_\_\_) on June 15, 2031, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts, and to pay in like manner to the registered owner hereof interest thereon from the date of original issuance hereof, if the date of this bond is prior to June 15, 2024, or, if the date of this bond is on or after June 15, 2024, from the June 15 or December 15 immediately preceding the date of this bond to which interest has been paid (unless the date hereof is an interest payment date to which interest has been paid, in which case from the date hereof), at the rate of six and forty-one one-hundredths percent (6.41%) per annum in like coin or currency on June 15 or December 15 of each year, commencing June 15, 2024, and at maturity or earlier redemption until the principal of this bond shall have become due and been duly paid or provided for, and to pay interest (before and after judgment) on any overdue principal, premium, if any, and (to the extent permitted by law) on any overdue interest at the rate of seven and forty-one one-hundredths percent (7.41%) per annum. Interest on this bond shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on this bond in respect of a portion of a month shall be calculated based on the actual number of days elapsed using a 30-day month.

The interest so payable on any interest payment date will, subject to certain exceptions provided in the Mortgage hereinafter referred to, be paid to the person in whose name this bond is registered at the close of business on the fifteenth day immediately preceding such interest payment date. Unless otherwise agreed between the Company and the registered owner of this

bond, at the option of the Company, interest may be paid by check mailed on or prior to such interest payment date to the address of the person entitled thereto as such address shall appear on the register of the Company.

This bond shall not become obligatory until The Bank of New York Mellon, the Trustee under the Mortgage, or its successor thereunder, shall have signed the form of authentication certificate endorsed hereon.

This bond is one of a series of bonds of the Company issuable in series and is one of a duly authorized series of First Mortgage Bonds, 6.41% Series due June 15, 2031 (herein called Bonds of the Thirtieth Series), all bonds of all series issued under and equally secured by a Mortgage and Deed of Trust (herein, together with any indenture supplemental thereto including the Twenty-fifth Supplemental Indenture dated as of May 1, 2024, called the Mortgage), dated as of May 1, 1987, duly executed by the Company to The Bank of New York Mellon (successor to Bank of Montreal Trust Company), as Trustee. Reference is made to the Mortgage for a description of the mortgaged and pledged property, assets and rights, the nature and extent of the lien and security, the respective rights, limitations of rights, covenants, obligations, duties and immunities thereunder of the Company, the holders of bonds and the Trustee and the terms and conditions upon which the bonds are, and are to be, secured, the circumstances under which additional bonds may be issued and the definition of certain terms herein used, to all of which, by its acceptance of this bond, the holder of this bond agrees.

The principal hereof may be declared or may become due prior to the maturity date hereinbefore named on the conditions, in the manner and at the time set forth in the Mortgage, upon the occurrence of a Default as in the Mortgage provided. The Mortgage provides that in certain circumstances and upon certain conditions, such a declaration and its consequences or certain past defaults and the consequences thereof may be waived by such affirmative vote of holders of bonds as is specified in the Mortgage.

The Mortgage contains provisions permitting the Company and the Trustee to execute supplemental indentures amending the Mortgage for certain specified purposes without the consent of holders of bonds. With the consent of the Company and to the extent permitted by and as provided in the Mortgage, the rights and obligations of the Company and/or the rights of the holders of the Bonds of the Thirtieth Series and/or the terms and provisions of the Mortgage may be modified or altered by such affirmative vote or votes of the holders of bonds then Outstanding as are specified in the Mortgage.

Each holder of this bond, by its acquisition of an interest in this bond, irrevocably (a) consents to the amendments set forth in (i) Article V, Sections 5.05 and 5.06 of the Sixteenth Supplemental Indenture, and (ii) Article III, Sections 3.01 through 3.10 of the Twenty-first Supplemental Indenture, in each case without any other or further action by the holder of this bond, and (b) designates the Trustee, and its successors, as its proxy with irrevocable instructions to vote and deliver written consents on behalf of such holder in favor of such amendments at any bondholder meeting, in lieu of any bondholder meeting, in any consent solicitation or otherwise.

Any consent or waiver by the holder of this bond (unless effectively revoked as provided in the Mortgage) shall be conclusive and binding upon such holder and upon all future holders of

this bond and of any bonds issued in exchange or substitution herefor, irrespective of whether or not any notation of such consent or waiver is made upon this bond or such other bond.

In case the Company, as permitted by the Mortgage, shall convey or transfer, subject to the lien of the Mortgage, all or substantially all of the mortgaged and pledged property as an entirety to a successor, the Company may be released and discharged from all obligations under the bonds of this series which are assumed by such successor.

The bonds are issuable as registered bonds without coupons in the denominations of \$100,000 and in any integral multiple of \$1,000 in excess thereof. At the office or agency to be maintained by the Company in The City of New York, New York, and in the manner and subject to the provisions of the Mortgage, bonds may be exchanged for a like aggregate principal amount of bonds of other authorized denominations, without payment of any charge other than a sum sufficient to reimburse the Company for any tax or other governmental charge incident thereto. This bond is transferable as prescribed in the Mortgage by the registered owner hereof in person, or by his or her duly authorized attorney, at the office or agency of the Company in The City of New York, New York, upon surrender of this bond, and upon payment, if the Company shall require it, of the transfer charges provided for in the Mortgage, and, thereupon, a new fully registered bond of the same series for a like principal amount will be issued to the transferee in exchange hereof as provided in the Mortgage. The Company and the Trustee may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment and for all other purposes, and neither the Company nor the Trustee shall be affected by any notice to the contrary.

This bond is redeemable at the option of the Company under certain circumstances in the manner and at such redemption price as is provided in the Twenty-fifth Supplemental Indenture. This bond is also redeemable at the option of the owner upon the events, in the manner, and at such redemption prices as are specified in the Twenty-fifth Supplemental Indenture. This bond is also mandatorily redeemable under certain circumstances in the manner and at such redemption price as is provided in the Twenty-fifth Supplemental Indenture.

No recourse shall be had for the payment of the principal of or interest on this bond against any incorporator or any past, present or future subscriber to the capital stock, stockholder, officer or director of the Company or of any predecessor or successor corporation, as such, either directly or through the Company or any predecessor or successor corporation, under any rule of law, statute or constitution or by the enforcement of any assessment or otherwise, all such liability of incorporators, subscribers, stockholders, officers and directors being released by the holder or owner hereof by the acceptance of this bond and being likewise waived and released by the terms of the Mortgage.

As provided in the Mortgage, this bond shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, Entergy New Orleans, LLC has caused this bond to be signed in its company name by its Chairman of the Board, Chief Executive Officer, President or one of its Vice Presidents by his or her signature or a facsimile thereof, and its company seal to be impressed or imprinted hereon and attested by its Secretary or one of its Assistant Secretaries by his or her signature or a facsimile thereof.

Dated:

ENTERGY NEW ORLEANS, LLC

By: \_\_\_\_\_

Name:

Title:

Attest:

By: \_\_\_\_\_

Name:

Title:

[FORM OF TRUSTEE'S AUTHENTICATION CERTIFICATE]

This bond is one of the bonds, of the series herein designated, described or provided for in the within-mentioned mortgage.

Dated:

THE BANK OF NEW YORK MELLON,  
as Trustee,

By: \_\_\_\_\_

Authorized Signatory



EXHIBIT C

[FORM OF BOND OF THE THIRTY-FIRST SERIES]

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION. EACH TRANSFEREE OF THIS SECURITY, BY ACCEPTANCE OF THIS SECURITY REGISTERED IN ITS NAME (OR THE NAME OF ITS NOMINEE) WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS SET FORTH IN THE FIRST MORTGAGE BOND PURCHASE AGREEMENT PURSUANT TO WHICH THIS SECURITY WAS ISSUED.

FIRST MORTGAGE BOND,  
6.54% Series due June 15, 2034

PPN 29365@ AH9

No. R-\_\_\_\_\_ \$ \_\_\_\_\_

ENTERGY NEW ORLEANS, LLC, a limited liability company duly organized and existing under the laws of the State of Texas (the "Company"), for value received, hereby promises to pay to \_\_\_\_\_ or registered assigns, at the office or agency of the Company in The City of New York, New York, the principal sum of \_\_\_\_\_ (\$ \_\_\_\_\_) on June 15, 2034, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts, and to pay in like manner to the registered owner hereof interest thereon from the date of original issuance hereof, if the date of this bond is prior to June 15, 2024, or, if the date of this bond is on or after June 15, 2024, from the June 15 or December 15 immediately preceding the date of this bond to which interest has been paid (unless the date hereof is an interest payment date to which interest has been paid, in which case from the date hereof), at the rate of six and fifty-four one-hundredths percent (6.54%) per annum in like coin or currency on June 15 or December 15 of each year, commencing June 15, 2024, and at maturity or earlier redemption until the principal of this bond shall have become due and been duly paid or provided for, and to pay interest (before and after judgment) on any overdue principal, premium, if any, and (to the extent permitted by law) on any overdue interest at the rate of seven and fifty-four one-hundredths percent (7.54%) per annum. Interest on this bond shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on this bond in respect of a portion of a month shall be calculated based on the actual number of days elapsed using a 30-day month.

The interest so payable on any interest payment date will, subject to certain exceptions provided in the Mortgage hereinafter referred to, be paid to the person in whose name this bond is registered at the close of business on the fifteenth day immediately preceding such interest payment date. Unless otherwise agreed between the Company and the registered owner of this

bond, at the option of the Company, interest may be paid by check mailed on or prior to such interest payment date to the address of the person entitled thereto as such address shall appear on the register of the Company.

This bond shall not become obligatory until The Bank of New York Mellon, the Trustee under the Mortgage, or its successor thereunder, shall have signed the form of authentication certificate endorsed hereon.

This bond is one of a series of bonds of the Company issuable in series and is one of a duly authorized series of First Mortgage Bonds, 6.54% Series due June 15, 2034 (herein called Bonds of the Thirty-first Series), all bonds of all series issued under and equally secured by a Mortgage and Deed of Trust (herein, together with any indenture supplemental thereto including the Twenty-fifth Supplemental Indenture dated as of May 1, 2024, called the Mortgage), dated as of May 1, 1987, duly executed by the Company to The Bank of New York Mellon (successor to Bank of Montreal Trust Company), as Trustee. Reference is made to the Mortgage for a description of the mortgaged and pledged property, assets and rights, the nature and extent of the lien and security, the respective rights, limitations of rights, covenants, obligations, duties and immunities thereunder of the Company, the holders of bonds and the Trustee and the terms and conditions upon which the bonds are, and are to be, secured, the circumstances under which additional bonds may be issued and the definition of certain terms herein used, to all of which, by its acceptance of this bond, the holder of this bond agrees.

The principal hereof may be declared or may become due prior to the maturity date hereinbefore named on the conditions, in the manner and at the time set forth in the Mortgage, upon the occurrence of a Default as in the Mortgage provided. The Mortgage provides that in certain circumstances and upon certain conditions, such a declaration and its consequences or certain past defaults and the consequences thereof may be waived by such affirmative vote of holders of bonds as is specified in the Mortgage.

The Mortgage contains provisions permitting the Company and the Trustee to execute supplemental indentures amending the Mortgage for certain specified purposes without the consent of holders of bonds. With the consent of the Company and to the extent permitted by and as provided in the Mortgage, the rights and obligations of the Company and/or the rights of the holders of the Bonds of the Thirty-first Series and/or the terms and provisions of the Mortgage may be modified or altered by such affirmative vote or votes of the holders of bonds then Outstanding as are specified in the Mortgage.

Each holder of this bond, by its acquisition of an interest in this bond, irrevocably (a) consents to the amendments set forth in (i) Article V, Sections 5.05 and 5.06 of the Sixteenth Supplemental Indenture, and (ii) Article III, Sections 3.01 through 3.10 of the Twenty-first Supplemental Indenture, in each case without any other or further action by the holder of this bond, and (b) designates the Trustee, and its successors, as its proxy with irrevocable instructions to vote and deliver written consents on behalf of such holder in favor of such amendments at any bondholder meeting, in lieu of any bondholder meeting, in any consent solicitation or otherwise.

Any consent or waiver by the holder of this bond (unless effectively revoked as provided in the Mortgage) shall be conclusive and binding upon such holder and upon all future holders of this bond and of any bonds issued in exchange or substitution herefor, irrespective of whether or not any notation of such consent or waiver is made upon this bond or such other bond.

In case the Company, as permitted by the Mortgage, shall convey or transfer, subject to the lien of the Mortgage, all or substantially all of the mortgaged and pledged property as an entirety to a successor, the Company may be released and discharged from all obligations under the bonds of this series which are assumed by such successor.

The bonds are issuable as registered bonds without coupons in the denominations of \$100,000 and in any integral multiple of \$1,000 in excess thereof. At the office or agency to be maintained by the Company in The City of New York, New York, and in the manner and subject to the provisions of the Mortgage, bonds may be exchanged for a like aggregate principal amount of bonds of other authorized denominations, without payment of any charge other than a sum sufficient to reimburse the Company for any tax or other governmental charge incident thereto. This bond is transferable as prescribed in the Mortgage by the registered owner hereof in person, or by his or her duly authorized attorney, at the office or agency of the Company in The City of New York, New York, upon surrender of this bond, and upon payment, if the Company shall require it, of the transfer charges provided for in the Mortgage, and, thereupon, a new fully registered bond of the same series for a like principal amount will be issued to the transferee in exchange hereof as provided in the Mortgage. The Company and the Trustee may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment and for all other purposes, and neither the Company nor the Trustee shall be affected by any notice to the contrary.

This bond is redeemable at the option of the Company under certain circumstances in the manner and at such redemption price as is provided in the Twenty-fifth Supplemental Indenture. This bond is also redeemable at the option of the owner upon the events, in the manner, and at such redemption prices as are specified in the Twenty-fifth Supplemental Indenture. This bond is also mandatorily redeemable under certain circumstances in the manner and at such redemption price as is provided in the Twenty-fifth Supplemental Indenture.

No recourse shall be had for the payment of the principal of or interest on this bond against any incorporator or any past, present or future subscriber to the capital stock, stockholder, officer or director of the Company or of any predecessor or successor corporation, as such, either directly or through the Company or any predecessor or successor corporation, under any rule of law, statute or constitution or by the enforcement of any assessment or otherwise, all such liability of incorporators, subscribers, stockholders, officers and directors being released by the holder or owner hereof by the acceptance of this bond and being likewise waived and released by the terms of the Mortgage.

As provided in the Mortgage, this bond shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, Entergy New Orleans, LLC has caused this bond to be signed in its company name by its Chairman of the Board, Chief Executive Officer, President or one of its Vice Presidents by his or her signature or a facsimile thereof, and its company seal to be impressed or imprinted hereon and attested by its Secretary or one of its Assistant Secretaries by his or her signature or a facsimile thereof.

Dated:

ENTERGY NEW ORLEANS, LLC

By: \_\_\_\_\_

Name:

Title:

Attest:

By: \_\_\_\_\_

Name:

Title:

[FORM OF TRUSTEE'S AUTHENTICATION CERTIFICATE]

This bond is one of the bonds, of the series herein designated, described or provided for in the within-mentioned mortgage.

Dated:

THE BANK OF NEW YORK MELLON,  
as Trustee,

By: \_\_\_\_\_

Authorized Signatory

**Amendment No. 1 to the First Amended and Restated 2019 Entergy Corporation  
Non-Employee Director Service Recognition Program**

This Amendment (this “Amendment”) to the First Amended and Restated 2019 Entergy Corporation Non-Employee Director Service Recognition Program (as may be amended from time to time, the “Amended SRP”) is made as of June 1, 2024. Capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Amended SRP.

**WHEREAS**, Section 4.1 of the Amended SRP permits the Board to amend the Amended SRP;

**WHEREAS**, the Board desires to amend the Amended SRP to increase the amount of compensation paid thereunder to better align it with current market practice;

**NOW, THEREFORE**, pursuant to Section 4.1 of the Amended SRP, the Amended SRP is hereby amended as follows, effective as of the June 1, 2024:

1. Sections 3.1(a) and 3.1(b) of the Amended SRP are amended and restated to read in their entirety as follows, respectively:
    - a. Annual Awards. Subject to Section 3.1(b), on each Award Date, the account maintained under the Amended SRP for each Eligible Non-Employee Director will be credited with an annual award of Equity Units. The number of Equity Units shall be determined by dividing \$80,000 (\$85,000 for Award Dates in or after 2025) by the per-share closing price of the Common Stock on the NYSE on the Award Date.
    - b. Pro-Rated Awards. Eligible Non-Employee Directors who serve on the Board for a portion of a Year of Service shall receive a prorated SRP Award. Eligible Non-Employee Directors who commence service on the Board during a Year of Service and continue in service through the next Award Date shall be credited on the next Award Date with the number of Equity Units equal to \$80,000 (\$85,000 for Award Dates in or after 2025) divided by the per-share closing price of the Common Stock on the NYSE on the Award Date multiplied by a fraction, the numerator of which is the actual number of days the individual served as a Non-Employee Director during the Year of Service and the denominator of which is 365 days. For Non-Employee Directors who Separate from the Board during a Year of Service, their accounts will be credited on the last trading day of the month in which the Non-Employee Director Separates from the Board with the number of Equity Units equal to \$80,000 (\$85,000 for any Separation on or after June 1, 2024) divided by the per-share
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closing price of the Common Stock on the NYSE on such date multiplied by a fraction, the numerator of which is the actual number of days the individual served as a Non-Employee Director during the Year of Service and the denominator of which is 365 days.

**IN WITNESS WHEREOF**, the Company, by its duly authorized officer, has executed this Amendment to the Amended SRP, as of the date first indicated above.

ENTERGY CORPORATION

By: \_\_\_\_/s/ Daniel T. Falstad\_\_\_\_\_

Name: Daniel T. Falstad

Title: Secretary

**The Third Amended and Restated  
2019 Entergy Corporation Non-Employee Director Stock Program**

**1. General**

This Third Amended and Restated 2019 Entergy Corporation Non-Employee Director Stock Program (the "Amended 2019 Stock Program") effective as of June 1, 2024 (the "Effective Date") hereby amends and restates the Second Amended and Restated 2019 Entergy Corporation Non-Employee Director Stock Program established pursuant to Article 10 of the 2019 Entergy Corporation Omnibus Incentive Plan (the "2019 OIP"); the terms of which are incorporated into this Amended 2019 Stock Program. References in this Amended 2019 Stock Program to any specific 2019 OIP provision do not limit the applicability of any other 2019 OIP provision. This Amended 2019 Stock Program shall, along with the terms of the 2019 OIP, govern Awards granted after the Effective Date. Capitalized terms used in this Amended 2019 Stock Program that are not otherwise defined shall have the meanings assigned to them in the 2019 OIP. In the event of a conflict between the terms of the 2019 OIP and this Amended 2019 Stock Program, the terms of the 2019 OIP shall prevail.

**2. Purpose**

The purpose of the Amended 2019 Stock Program is to promote the interests of the Company and its shareholders by attracting and retaining Non-Employee Directors, as defined below, of outstanding ability and enabling Non-Employee Directors to participate in the long-term growth and financial success of the Company.

**3. Eligibility**

The only persons eligible to participate in this Amended 2019 Stock Program are members of the Board who are not employees of a System Company ("Non-Employee Directors").

**4. Administration**

Pursuant to Article 3 of the 2019 OIP, the Board shall administer the Amended 2019 Stock Program with respect to any Award granted to a Non-Employee Director; provided, however, that the Board may delegate its authority to administer the Amended 2019 Stock Program **to any committee or subcommittee of the Board that is comprised solely of Non-Employee Directors.**

**5. Quarterly Stock Awards**

**1.1 Quarterly Stock Awards.** Subject to the provisions of Section 4(a) and Article 10 of the 2019 OIP and Sections 6 and 7 of this Amended 2019 Stock Program, each Non-Employee Director shall receive on an Award Date (as defined in Section 5.3 below) a quarterly grant of shares of Common Stock equal in value to \$23,125 (the "Quarterly Stock Award") as of such Award Date for serving as a Non-Employee Director during the entire calendar quarter ending on, or immediately prior to, such Award Date. The number of shares of Common Stock granted on an Award Date shall be determined

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by dividing (a) \$23,125 by (b) the closing price of a share of Common Stock on the New York Stock Exchange ("NYSE") on such Award Date. Any fractional share that results from this determination shall be rounded up to the next whole share and shall be included in the applicable Quarterly Stock Award.

**1.2 Consideration.** Each Quarterly Stock Award is granted in exchange for services rendered during the calendar quarter ending on, or immediately prior to, the Award Date and does not require the payment of consideration.

**1.3 Award Dates.** Quarterly Stock Awards will be granted on the last day of May, August, November and February of each year or, if such date is a day on which the NYSE is not open for trading, the next succeeding NYSE trading day (each an "Award Date").

**1.4 Proration.** If a Non-Employee Director serves as a Non-Employee Director for less than the full calendar quarter ending on, or immediately prior to, an Award Date, the number of shares of Common Stock awarded to the Non-Employee Director on such Award Date shall be determined by multiplying the number of shares (including fractional shares) of Common Stock such Non-Employee Director would have received on such Award Date had he or she served as a Non-Employee Director for the full calendar quarter by a fraction, the numerator of which is the actual number of days (up to 90) the individual served as a Non-Employee Director during the applicable calendar quarter and the denominator of which is 90 days. Any fractional share that results from this determination shall be rounded up to the next whole share and shall be included in the pro-rated Quarterly Stock Award to the Non-Employee Director.

**1.5 Employment by System Company.** If a Non-Employee Director subsequently becomes an employee of a System Company while remaining a member of the Board, the former Non-Employee Director's participation in this Amended 2019 Stock Program will be terminated effective immediately upon his or her employment by the System Company. The change in the Non-Employee Director's employment status shall have no effect on Quarterly Stock Awards granted prior to his or her employment by a System Company; provided that the former Non-Employee Director shall be entitled to a pro-rated Quarterly Stock Award for the calendar quarter in which he or she becomes an employee of a System Company in accordance with Section 5.4 of the Amended 2019 Stock Program.

**1.6 Taxes.** If required by applicable law, the Non-Employee Director shall pay to the Company any amount necessary to satisfy applicable federal, state or local tax withholding requirements attributable to the Quarterly Stock Awards promptly upon notification of the amounts due. If required to pay withholding taxes, the Non-Employee Director may, to the extent consistent with the requirements of Code Section 409A and regulations thereunder, elect to pay such taxes from the shares of Common Stock that otherwise would be distributed to such Non-Employee Director, or from a combination of cash and shares of Common Stock. As provided in Section 4(b) of the 2019 OIP,

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Common Stock related to that portion of an Award utilized for the payment of withholding taxes shall not again be available for Awards under the 2019 OIP.

**1.7 Delivery.** The Company may deliver shares of Common Stock representing a Quarterly Stock Award by book-entry credit to the account of the Non-Employee Director or by the delivery of certificated shares. The Company may affix to these shares any legend that it determines to be necessary or advisable.

### **Deferral**

In lieu of taking delivery of shares of Common Stock on an Award Date, a Non-Employee Director may elect to defer the receipt of such Quarterly Stock Award to a subsequent calendar year provided that he or she files an irrevocable written deferral election with the Board no later than the 31<sup>st</sup> day of December of the calendar year immediately preceding the calendar year in which the Non-Employee Director commences the services to which the Award Date relates. Accordingly, for those Quarterly Stock Awards granted with respect to the quarters ending on the last day of May, August and November, such deferral election must be filed by December 31 of the calendar year immediately preceding such Award Dates and, for those Quarterly Stock Awards granted with respect to quarters ending on the last day of February, such deferral election must be filed by December 31 of the second calendar year immediately preceding such Award Dates. Any person who shall become a Non-Employee Director during any calendar year, and who was not a Non-Employee Director of the Company before the beginning of such calendar year, may elect, within 30 days after the Non-Employee Director's term begins, to defer the receipt of the Quarterly Stock Awards earned during the remainder of such calendar year and the calendar quarter ending the last day of February of the succeeding calendar year from and after the date of such election Quarterly Stock Awards deferred pursuant to this Section 6 shall be deferred as equity units, each of which shall have the value, as of the Award Date, of one (1) share of Common Stock. Equity units do not represent actual shares of Common Stock and no shares of Common Stock will be purchased or acquired for the payout of any Quarterly Stock Award deferred under this Amended 2019 Stock Program. On each Award Date, the deferred equity units shall be credited to each Non-Employee Director's bookkeeping account maintained by the Company with respect to such Non-Employee Director's deferrals.

The Non-Employee Director's written deferral election must specify the date on which the deferred equity units will be paid ("Payment Date"), which Payment Date must be no earlier than January 2<sup>nd</sup> of the third calendar year immediately following the calendar year in which the applicable Award Date occurs. Quarterly Stock Awards deferred pursuant to this Section shall accrue dividend equivalents, which dividend equivalents will be paid on the Payment Date together with interest calculated at an annual rate based upon the 52-week U.S. Treasury Bill Rate as in effect on the first business day of each year. On each Payment Date, equity units deferred and elected to be paid out on such date shall be paid in cash in an amount equal to (a) the number of equity units outstanding on the Payment Date multiplied by the closing price of a share of Common Stock on the NYSE as of the close of business on the Payment Date or, if such Payment Date is a day on which the NYSE is not open for trading, the closing price of Common Stock on the next succeeding NYSE trading day, plus (b) the amount of all accrued dividend equivalents with respect to such equity units and (c) interest on the dividend equivalents through such Payment Date.

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In the case of any Quarterly Stock Award deferred pursuant to this Section 6, no shares of Common Stock shall be purchased, distributed or contributed at the time of the deferral, and none of the Company, the 2019 OIP or this Amended 2019 Stock Program shall be required to set aside a fund or assets for the payment of any such deferred amount. No Non-Employee Director shall look to any other person or entity other than the Company for the payment of benefits under this Amended 2019 Stock Program. The Non-Employee Directors or any other person or entity having or claiming a right to payments hereunder shall rely solely on the unsecured obligation of the Company to the Non-Employee Director set forth herein. Nothing in this Amended 2019 Stock Program shall be construed to give a Non-Employee Director or any other person or entity any right, title, interest, or claim in or to any specific asset, fund, reserve, account or property of any kind whatsoever, owned by the Company or any of its Affiliates or in which the Company or any of its Affiliates may have any right, title or interest now or in the future. Each Non-Employee Director shall have the right to enforce his or her claim under the Amended 2019 Stock Program in the same manner as any other unsecured creditor of the Company and its Affiliates.

**7. Miscellaneous**

The Board reserves the right at any time to amend the terms and conditions set forth in this Amended 2019 Stock Program to the extent permitted under the 2019 OIP. Further, the Amended 2019 Stock Program is intended to comply with the requirements of Code Section 409A and the regulations thereunder and shall be administered in accordance with Code Section 409A and the regulations thereunder to the extent this Amended 2019 Stock Program is subject thereto. To the extent that any provision of the Amended 2019 Stock Program would conflict with the requirements of Code Section 409A and the regulations thereunder or would cause the administration of the 2019 Stock Program to fail to satisfy such requirements, such provision shall be deemed null and void to the extent permitted by applicable law. Each payment under this Amended 2019 Stock Program shall be deemed a separate payment for purposes of Code Section 409A.

The obligations of the Company under the Amended 2019 Stock Program shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to substantially all of the assets and business of the Company.

## CERTIFICATIONS

I, Andrew S. Marsh, certify that:

I have reviewed this quarterly report on Form 10-Q of Entergy Corporation;

1. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
2. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
3. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
4. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Andrew S. Marsh

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Andrew S. Marsh  
Chair of the Board and Chief Executive Officer  
of Entergy Corporation

Date: August 2, 2024

## CERTIFICATIONS

I, Kimberly A. Fontan, certify that:

I have reviewed this quarterly report on Form 10-Q of Entergy Corporation;

1. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
2. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
3. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
4. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Kimberly A. Fontan

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Kimberly A. Fontan  
Executive Vice President and Chief Financial Officer  
of Entergy Corporation

Date: August 2, 2024

## CERTIFICATIONS

I, Laura R. Landreaux, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Entergy Arkansas, LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Laura R. Landreaux

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Laura R. Landreaux  
Chair of the Board, President, and  
Chief Executive Officer of Entergy Arkansas, LLC

Date: August 2, 2024

## CERTIFICATIONS

I, Kimberly A. Fontan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Entergy Arkansas, LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Kimberly A. Fontan

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Kimberly A. Fontan  
Executive Vice President and Chief Financial Officer  
of Entergy Arkansas, LLC

Date: August 2, 2024

## CERTIFICATIONS

I, Phillip R. May, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Entergy Louisiana, LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Phillip R. May, Jr.

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Phillip R. May, Jr.  
Chairman of the Board, President, and Chief Executive  
Officer of Entergy Louisiana, LLC

Date: August 2, 2024

## CERTIFICATIONS

I, Kimberly A. Fontan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Entergy Louisiana, LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Kimberly A. Fontan

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Kimberly A. Fontan  
Executive Vice President and Chief Financial Officer  
of Entergy Louisiana, LLC

Date: August 2, 2024



## CERTIFICATIONS

I, Haley R. Fisackerly, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Entergy Mississippi, LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Haley R. Fisackerly

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Haley R. Fisackerly  
Chairman of the Board, President, and Chief Executive Officer  
of Entergy Mississippi, LLC

Date: August 2, 2024

## CERTIFICATIONS

I, Kimberly A. Fontan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Entergy Mississippi, LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Kimberly A. Fontan

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Kimberly A. Fontan  
Executive Vice President and Chief Financial Officer  
of Entergy Mississippi, LLC

Date: August 2, 2024

## CERTIFICATIONS

I, Deanna D. Rodriguez, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Entergy New Orleans, LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Deanna D. Rodriguez

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Deanna D. Rodriguez  
Chair of the Board, President, and Chief Executive Officer  
of Entergy New Orleans, LLC

Date: August 2, 2024

## CERTIFICATIONS

I, Kimberly A. Fontan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Entergy New Orleans, LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Kimberly A. Fontan

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Kimberly A. Fontan  
Executive Vice President and Chief Financial Officer  
of Entergy New Orleans, LLC

Date: August 2, 2024

## CERTIFICATIONS

I, Eliecer Viamontes, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Entergy Texas, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Eliecer Viamontes

Eliecer Viamontes  
Chairman of the Board, President, and Chief Executive Officer  
of Entergy Texas, Inc.

Date: August 2, 2024

## CERTIFICATIONS

I, Kimberly A. Fontan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Entergy Texas, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Kimberly A. Fontan

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Kimberly A. Fontan  
Executive Vice President and Chief Financial Officer  
of Entergy Texas, Inc.

Date: August 2, 2024

## CERTIFICATIONS

I, Roderick K. West, certify that:

1. I have reviewed this quarterly report on Form 10-Q of System Energy Resources, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Roderick K. West

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Roderick K. West  
Chairman of the Board, President, and Chief Executive Officer  
of System Energy Resources, Inc.

Date: August 2, 2024

## CERTIFICATIONS

I, Kimberly A. Fontan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of System Energy Resources, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Kimberly A. Fontan

Kimberly A. Fontan  
Executive Vice President and Chief Financial Officer  
of System Energy Resources, Inc.

Date: August 2, 2024



CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Andrew S. Marsh, Chair of the Board and Chief Executive Officer of Entergy Corporation (the "Company"), certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods presented in the Report.

/s/ Andrew S. Marsh

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Andrew S. Marsh  
Chair of the Board and Chief Executive Officer  
of Entergy Corporation

Date: August 2, 2024

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Kimberly A. Fontan, Executive Vice President and Chief Financial Officer of Entergy Corporation (the "Company"), certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods presented in the Report.

/s/ Kimberly A. Fontan

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Kimberly A. Fontan  
Executive Vice President and Chief Financial Officer  
of Entergy Corporation

Date: August 2, 2024

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Laura R. Landreaux, Chair of the Board, President, and Chief Executive Officer of Entergy Arkansas, LLC (the "Company"), certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods presented in the Report.

/s/ Laura R. Landreaux

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Laura R. Landreaux

Chair of the Board, President, and Chief Executive  
Officer of Entergy Arkansas, LLC

Date: August 2, 2024

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Kimberly A. Fontan, Executive Vice President and Chief Financial Officer of Entergy Arkansas, LLC (the "Company"), certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods presented in the Report.

/s/ Kimberly A. Fontan

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Kimberly A. Fontan  
Executive Vice President and Chief Financial Officer  
of Entergy Arkansas, LLC

Date: August 2, 2024

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Phillip R. May, Jr., Chairman of the Board, President, and Chief Executive Officer of Entergy Louisiana, LLC (the "Company"), certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods presented in the Report.

/s/ Phillip R. May, Jr.

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Phillip R. May, Jr.

Chairman of the Board, President, and Chief Executive  
Officer of Entergy Louisiana, LLC

Date: August 2, 2024

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Kimberly A. Fontan, Executive Vice President and Chief Financial Officer of Entergy Louisiana, LLC (the "Company"), certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods presented in the Report.

/s/ Kimberly A. Fontan

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Kimberly A. Fontan  
Executive Vice President and Chief Financial Officer  
of Entergy Louisiana, LLC

Date: August 2, 2024

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Haley R. Fisackerly, Chairman of the Board, President, and Chief Executive Officer of Entergy Mississippi, LLC (the "Company"), certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods presented in the Report.

/s/ Haley R. Fisackerly

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Haley R. Fisackerly  
Chairman of the Board, President, and Chief Executive  
Officer of Entergy Mississippi, LLC

Date: August 2, 2024

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Kimberly A. Fontan, Executive Vice President and Chief Financial Officer of Entergy Mississippi, LLC (the "Company"), certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods presented in the Report.

\_\_\_\_\_  
/s/ Kimberly A. Fontan

Kimberly A. Fontan  
Executive Vice President and Chief Financial Officer  
of Entergy Mississippi, LLC

Date: August 2, 2024



CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Deanna D. Rodriguez, Chair of the Board, President, and Chief Executive Officer of Entergy New Orleans, LLC (the "Company"), certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods presented in the Report.

/s/ Deanna D. Rodriguez

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Deanna D. Rodriguez  
Chair of the Board, President, and Chief Executive  
Officer of Entergy New Orleans, LLC

Date: August 2, 2024

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Kimberly A. Fontan, Executive Vice President and Chief Financial Officer of Entergy New Orleans, LLC (the "Company"), certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods presented in the Report.

/s/ Kimberly A. Fontan

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Kimberly A. Fontan  
Executive Vice President and Chief Financial Officer  
of Entergy New Orleans, LLC

Date: August 2, 2024

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Eliecer Viamontes, Chairman of the Board, President, and Chief Executive Officer of Entergy Texas, Inc. (the "Company"), certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods presented in the Report.

/s/ Eliecer Viamontes

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Eliecer Viamontes  
Chairman of the Board, President, and Chief Executive Officer  
of Entergy Texas, Inc.

Date: August 2, 2024

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Kimberly A. Fontan, Executive Vice President and Chief Financial Officer of Entergy Texas, Inc. (the "Company"), certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods presented in the Report.

\_\_\_\_\_  
/s/ Kimberly A. Fontan

Kimberly A. Fontan  
Executive Vice President and Chief Financial Officer  
of Entergy Texas, Inc.

Date: August 2, 2024

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Roderick K. West, Chairman of the Board, President, and Chief Executive Officer of System Energy Resources, Inc. (the "Company"), certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods presented in the Report.

/s/ Roderick K. West

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Roderick K. West  
Chairman of the Board, President, and Chief Executive Officer  
of System Energy Resources, Inc.

Date: August 2, 2024

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Kimberly A. Fontan, Executive Vice President and Chief Financial Officer of System Energy Resources, Inc. (the "Company"), certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods presented in the Report.

/s/ Kimberly A. Fontan

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Kimberly A. Fontan  
Executive Vice President and Chief Financial  
Officer of System Energy Resources, Inc.

Date: August 2, 2024