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# The future is on

## Entergy Corporation
## Third quarter 2022 earnings call

November 2, 2022

# Caution regarding forward-looking statements and Regulation G compliance

In this presentation, and from time to time, Entergy Corporation makes certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, among other things, statements regarding Entergy’s 2022 earnings guidance; current financial and operational outlooks; industrial load growth outlooks; statements regarding its climate transition and resilience plans, goals, beliefs, or expectations; and other statements of Entergy’s plans, beliefs, or expectations included in this presentation. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this presentation. Except to the extent required by the federal securities laws, Entergy undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Forward-looking statements are subject to a number of risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied in such forward-looking statements, including (a) those factors discussed elsewhere in this presentation and in Entergy’s most recent Annual Report on Form 10-K, any subsequent Quarterly Reports on Form 10-Q, and Entergy’s other reports and filings made under the Securities Exchange Act of 1934; (b) uncertainties associated with (1) rate proceedings, formula rate plans, and other cost recovery mechanisms, including the risk that costs may not be recoverable to the extent or on the timeline anticipated by the utilities and (2) implementation of the ratemaking effects of changes in law; (c) uncertainties associated with (1) realizing the benefits of its resilience plan, including impacts of the frequency and intensity of future storms and storm paths, as well as the pace of project completion and (2) efforts to remediate the effects of major storms and recover related restoration costs; (d) risks associated with operating nuclear facilities, including plant relicensing, operating, and regulatory costs and risks; (e) changes in decommissioning trust fund values or earnings or in the timing or cost of decommissioning Entergy’s nuclear plant sites; (f) legislative and regulatory actions and risks and uncertainties associated with claims or litigation by or against Entergy and its subsidiaries; (g) risks and uncertainties associated with executing on business strategies, including strategic transactions that Entergy or its subsidiaries may undertake and the risk that any such transaction may not be completed as and when expected and the risk that the anticipated benefits of the transaction may not be realized; (h) impacts from terrorist attacks, geopolitical conflicts, cybersecurity threats, data security breaches, or other attempts to disrupt Entergy’s business or operations, and/or other catastrophic events; (i) the direct and indirect impacts of the COVID-19 pandemic on Entergy and its customers; and (j) effects on Entergy or its customers of (1) changes in federal, state, or local laws and regulations and other governmental actions or policies, including changes in monetary, fiscal, tax, environmental, or energy policies; (2) the effects of changes in commodity markets, capital markets, or economic conditions; and (3) the effects of technological change, including the costs, pace of development, and commercialization of new and emerging technologies.

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

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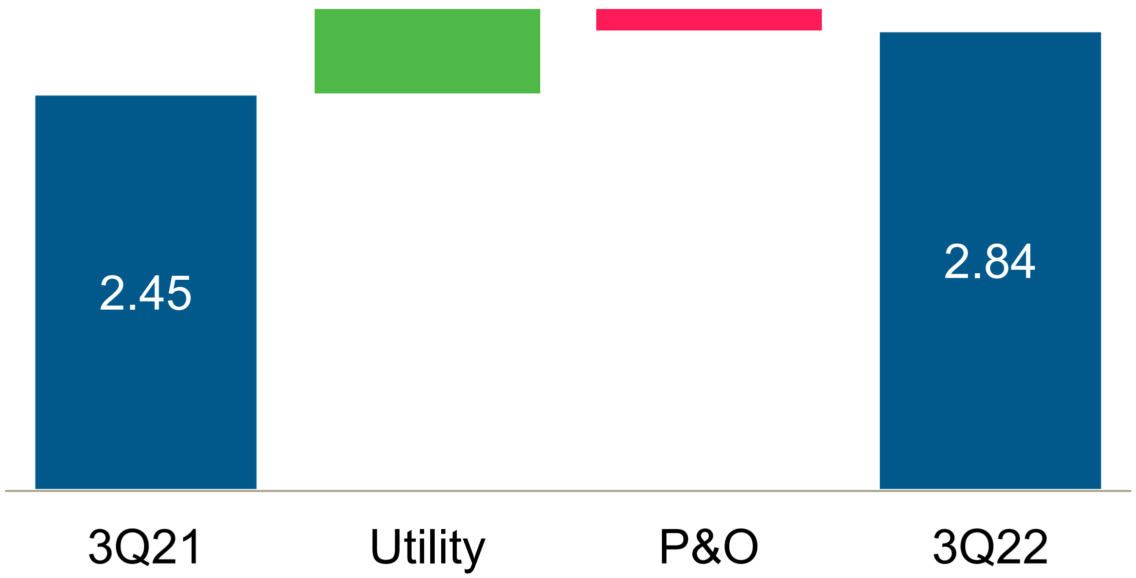
# Third quarter results

**Entergy adjusted EPS; $**



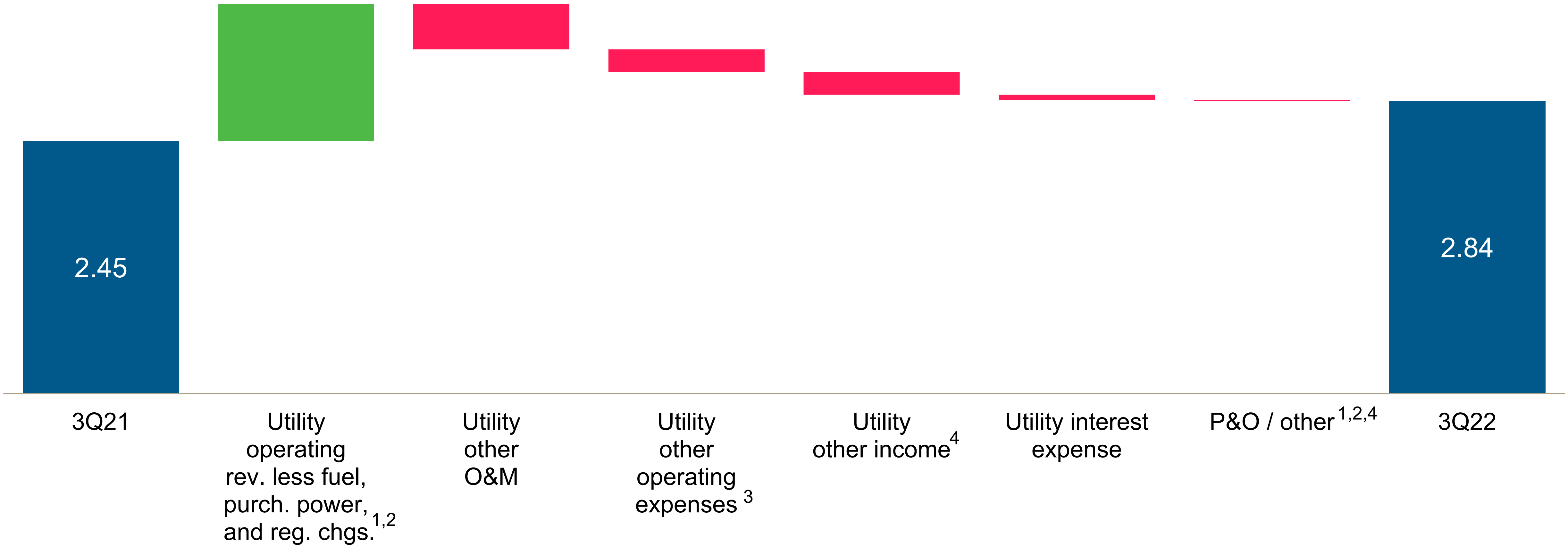

**Key takeaways**

- *Continued sales growth driven by new and expansion industrial projects; also benefitting from sales to cogen customers*
- *Utilizing flex spending to deliver steady, predictable growth*
- *Narrowing 2022 guidance range, raising floor by $0.10*

Calculations may differ due to rounding
See Financial summaries and Regulation G reconciliations section for earnings summary
205M and 202M diluted average common shares outstanding for 3Q22 and 3Q21, respectively

# Third quarter adjusted EPS

## Entergy adjusted EPS; $




See Financial summaries and Regulation G reconciliations section for earnings summary
205M and 202M diluted average common shares outstanding for 3Q22 and 3Q21, respectively

1. Utility operating rev. / reg. charges and Utility income taxes exclude $16M in 3Q22 and $17M in 3Q21 for the return of unprotected excess ADIT to customers (net effect neutral to earnings)
2. Utility Reg. charges and Utility noncontrolling interest exclude $10M in 3Q22 and $0 in 3Q21 for the effect of HLBV accounting and the approved deferral (net effect is neutral to earnings)
3. Other operating expenses include nuclear refueling outage expense, depreciation expense, taxes other than income taxes, and decommissioning expense
4. Excludes variances from affiliate preferred investments (largely earnings neutral)



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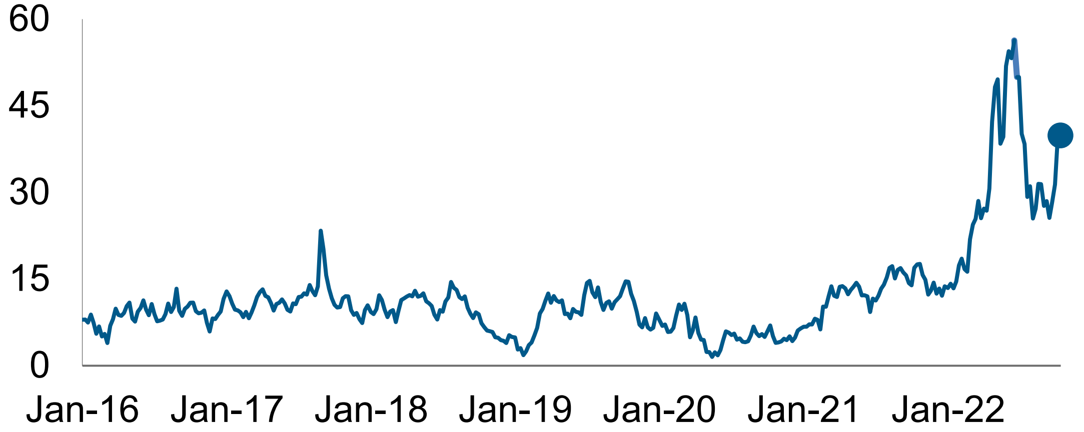
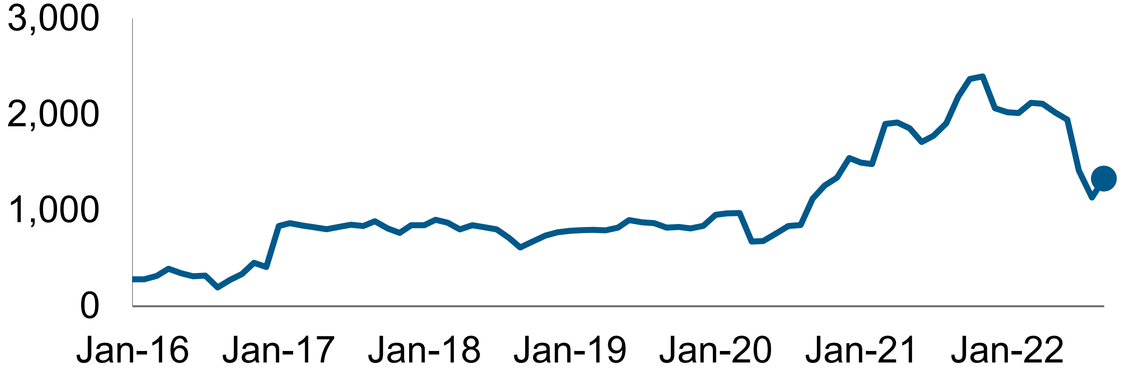
# Industrial customer metrics remain supportive

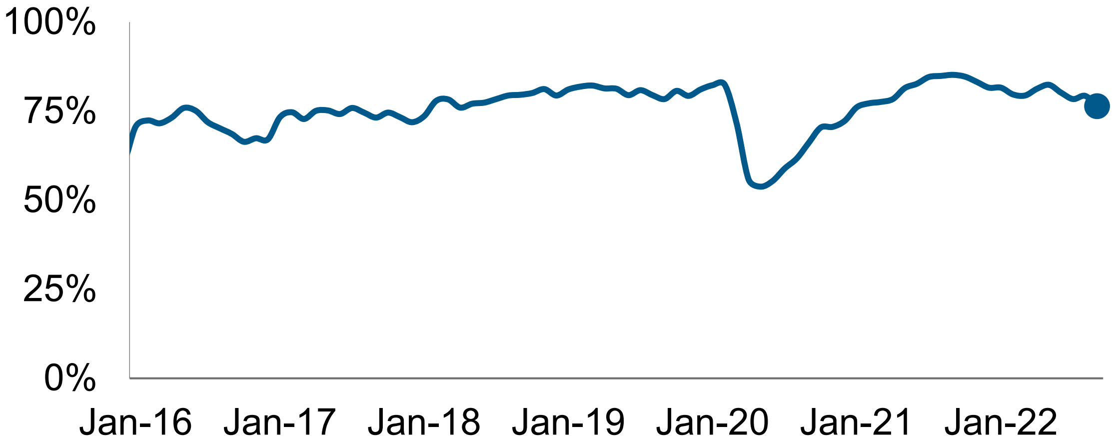
**Refining margins, Light Louisiana Sweet crude; 321 crack spread**



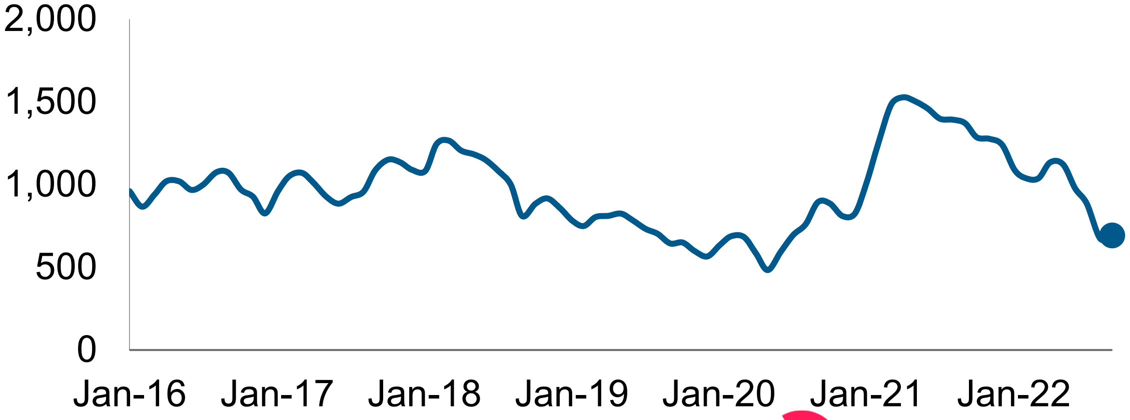

**Chlor-alkali, polyvinyl chloride margins; $ per metric ton**




**Steel; capacity utilization**




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




Sources: U.S. Energy Information Administration, American Iron and Steel Institute, Bloomberg, and internal analysis



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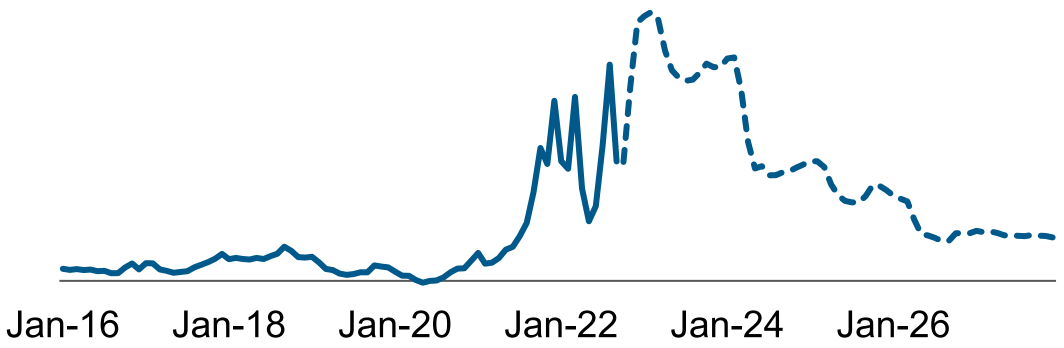
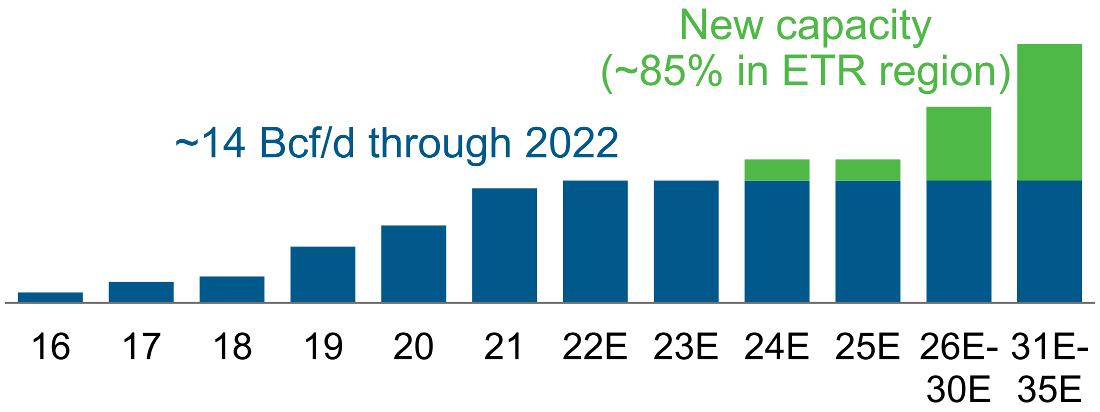
# U.S. to European spreads driving LNG expansion

## Ammonia exports benefiting; tight inventories support refining margins

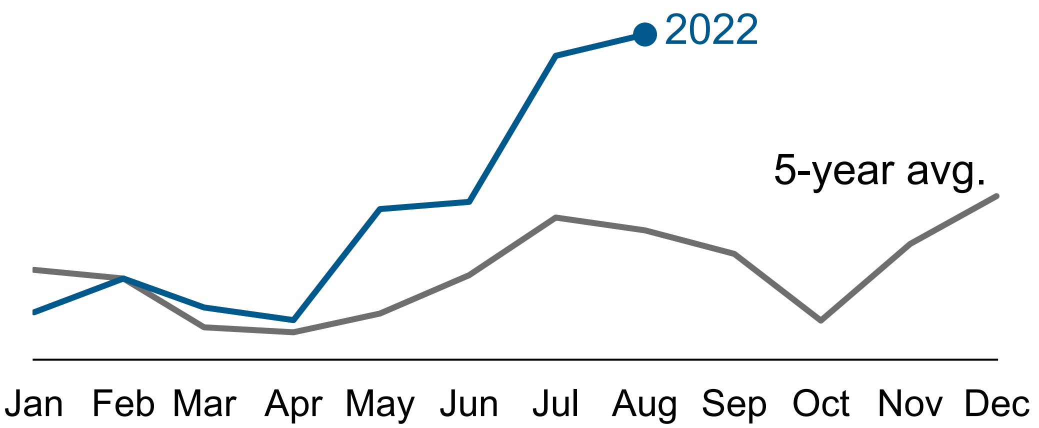
**NBP to Henry Hub spread; $/MMBtu**



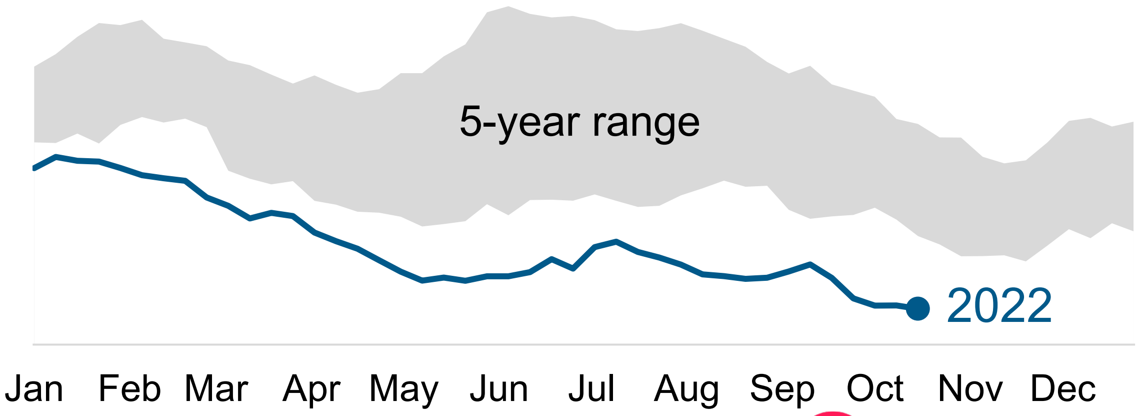

**U.S. LNG export capacity; Bcf/d**




**U.S. ammonia exports; 000s tons**



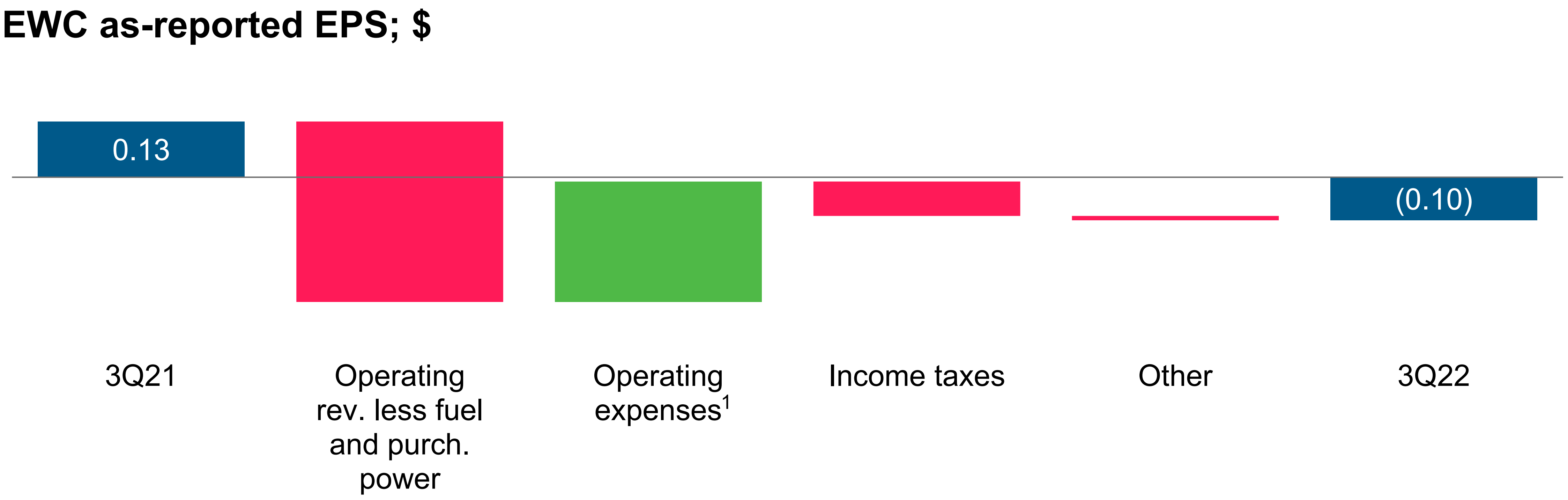

**U.S. gasoline + distillate stocks; 000's bbl**






Sources: U.S. Energy Information Administration, American Iron and Steel Institute, Bloomberg, and internal analysis

# Third quarter EWC as-reported EPS




See Financial summaries and Regulation G reconciliations section for earnings summary
205M and 202M diluted average common shares outstanding for 3Q22 and 3Q21, respectively
1. Operating expenses include other O&M, nuclear refueling outage expense, depreciation expense, taxes other than income taxes, and decommissioning expense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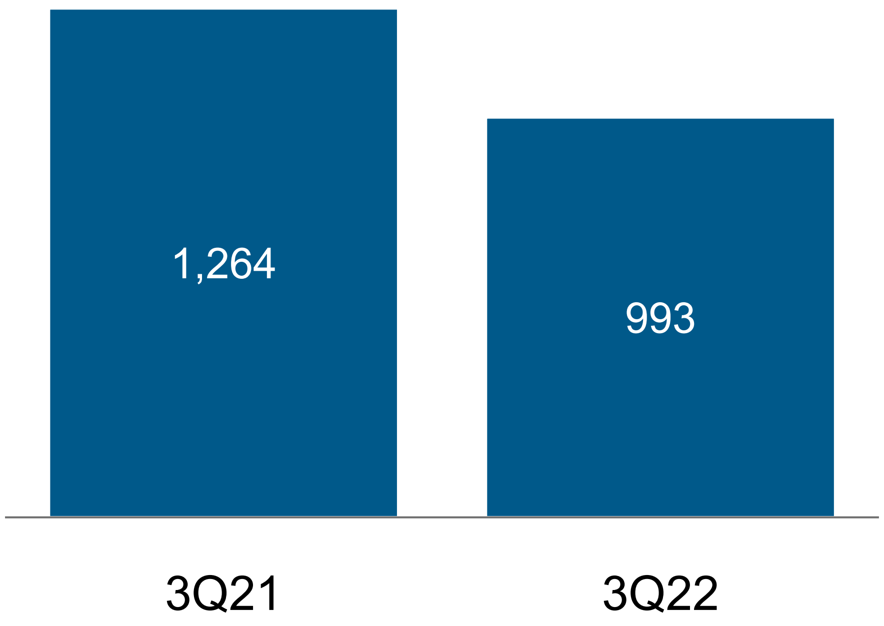
# Third quarter operating cash flow

**Consolidated OCF; $M**




**Key quarter-over-quarter drivers**

(–) *Utility fuel and purchased power payments*

(–) *EWC wind-down*

(–) *Utility O&M spending*

(–) *Utility refueling outage payments*

(+) *Utility customer receipts*

(+) *Lower pension contributions*

# Credit and liquidity

## Credit ratings[1] (outlooks)

| | E-AR | E-LA | E-MS | E-NO | E-TX | SERI | ETR |
|---|---|---|---|---|---|---|---|
| S&P | A (stable) | A (stable) | A (stable) | BBB (developing) | A (stable) | A (stable) | BBB+ (stable) |
| Moody's | A2 (positive) | A2 (negative) | A2 (positive) | Baa2 (negative) | A3 (stable) | Baa1 (negative) | Baa2 (negative) |

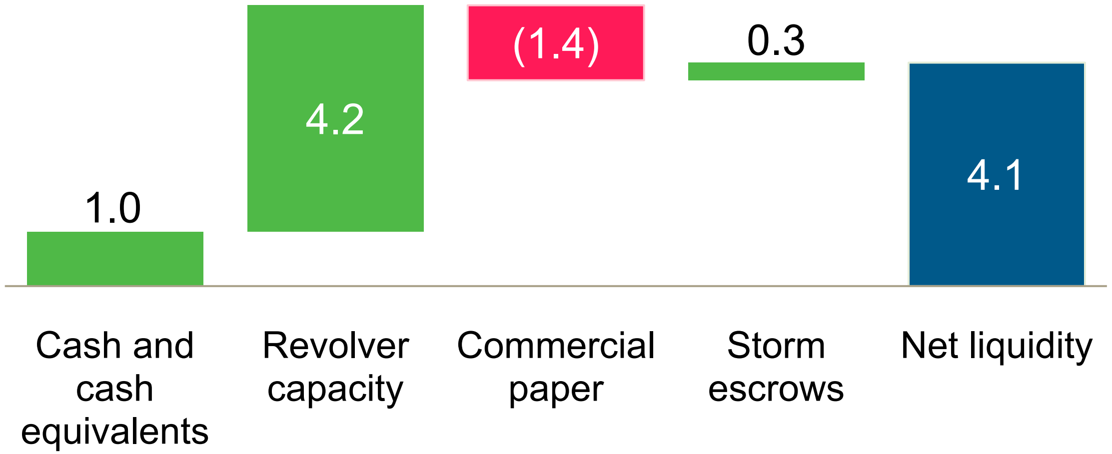
**Key updates**

- *CCNO approved $206M securitization financing for E-NO Ida recovery and storm escrow replenishment*

## Key ETR credit metrics

| | Agency expectation | Expected in range or better by 12/31/23 |
|---|---|---|
| Moody's | | |
| CFO pre-working capital to debt | >14%[2] | ✓ |
| Parent debt to total debt | <25% | ✓ |
| Standard & Poor's | | |
| FFO to debt | 14% – 16% | ✓ |

## Net liquidity, incl. storm escrows; $B as of 9/30/22




Calculations may differ due to rounding
1. Senior secured ratings for the OpCos and SERI; corporate credit rating for ETR
2. By 2023

# Balance sheet and credit impact from IRA

## Expect customer value from PTCs, net neutral to positive for cash/credit

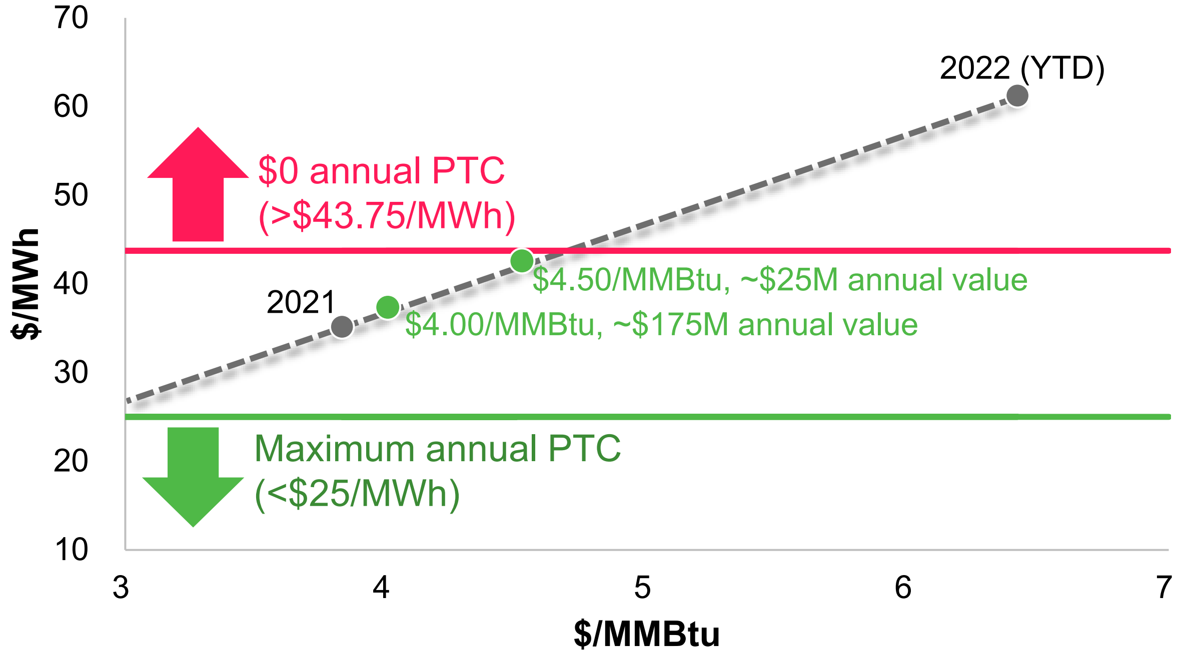
| | |
|---|---|
| **Corporate alternative minimum tax** | • Don't expect to be subject to CAMT until 2026 |
| **Production tax credits** | • Nuclear PTCs: annual benefits based on MISO LMP busbar pricing (realized benefits highly dependent on actual power prices)<br>• Solar PTCs: will benefit customer bills and make utility-owned projects more competitive |
| **Cash / credit impacts** | • Overall, expected to be neutral to slightly positive[1] |

### Nuclear PTCs – value illustration

- PTC value based on volatile commodity prices and unit production
- Will work with retail regulators to smooth out volatility for customers

**ETR nuclear fleet wtd. avg. MISO busbar price vs. Henry Hub natural gas price**

*Illustrative*




NOTE: Estimates assume that pending IRS guidance will allow use of MISO revenues to determine Nuclear PTC value (would include energy and capacity); correlation between gas and power prices will vary, especially with future solar additions; value will be based on actual unit production levels; PTC min and max price levels subject to annual adjustment
1. Assumes sufficient cash from PTCs is retained to offset BMT and tax gross-up on any PTCs that are credited directly to customers; value of retained PTCs reduces rate base



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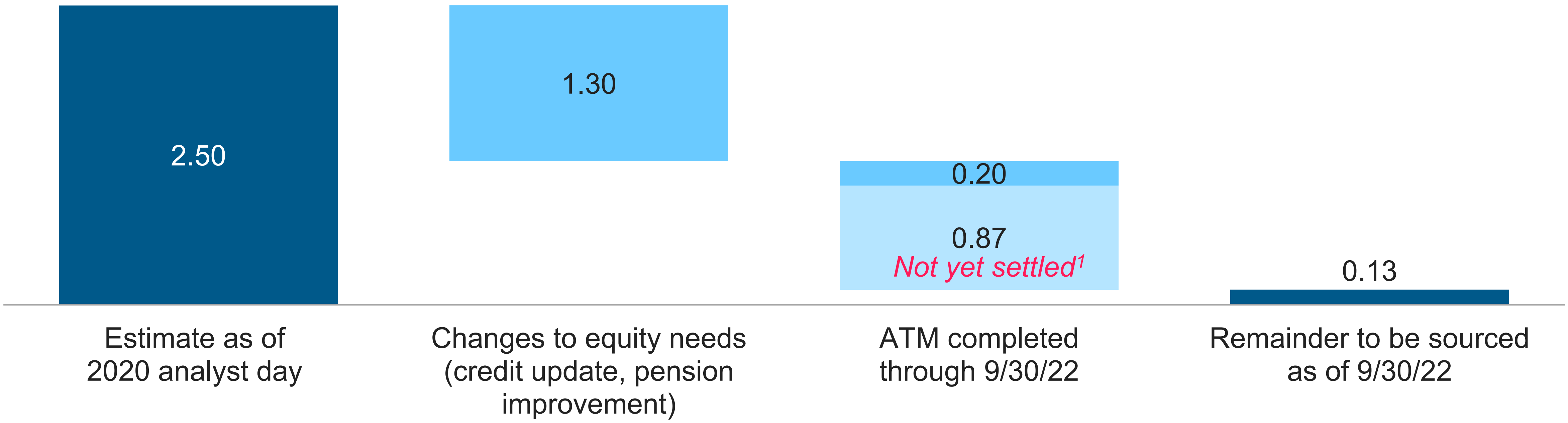
# Equity needs through 2024

## Estimated 2021–2024 equity needs; $B

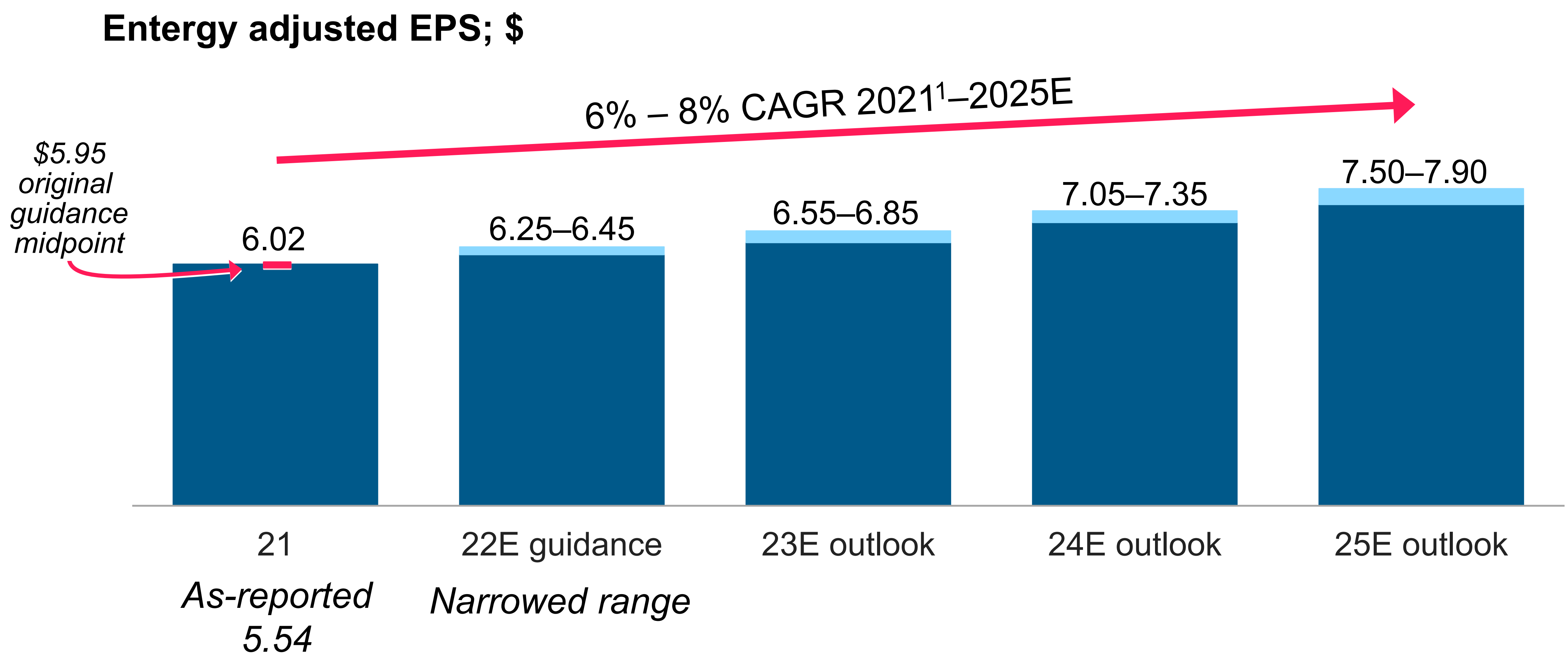



Calculations may differ due to rounding

1. Does not reflect adjustments, including reduction for common dividends between issuance and settlement

# Adjusted EPS guidance and outlooks

## Targeting 60% – 65% dividend payout






1. Based on original 2021 guidance midpoint of $5.95

# Looking ahead to the EEI financial conference

| Topic | Update |
|---|---|
| 2023 preview | Preliminary drivers for 2023E adjusted EPS growth |
| Strategic discussion | Including unique industrial growth, accelerated resilience, renewables expansion, IRA opportunities, and Entergy’s role in hydrogen economy |
| Utility capital plan | Preliminary three-year 2023E–2025E capital plan by OpCo |
| Rate base estimates | Extend through 2025E |

# Appendix

# A focus on sustainability leadership

## Environmental stewardship

*For a cleaner world*

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

## Social responsibility

*Promoting safety, opportunity, and equity*

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

## Robust governance

*Managing risks and opportunities*

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



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# Extensive and transparent sustainability reporting

Visit entergy.com/sustainability

## Disclosures

Integrated Report

TCFD-aligned Climate Report/Net-Zero Addendum

CDP Climate

CDP Water

Performance data table

EEI's ESG quantitative template

EEI's ESG qualitative template

EEI's AGA / ESG gas quantitative template

Global Reporting Initiative index

Sustainability Standards Accounting Board

## Supporting documents

U.N. Sustainable Development Goals Initiative

Principles of Corporate Governance

Code of Business Conduct and Ethics

Code of Entegrity

Stakeholder Engagement Principles

Public Policy and Advocacy Policy

Human Rights Statement



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# 2022 key deliverables

## 1Q

- ✓ E-LA 2021 renewable RFP selections
- ✓ E-TX green pricing tariff filing
- ✓ E-TX DCRF decision (PUCT)
- ✓ E-MS renewable RFP
- ✓ E-AR FRP rates effective
- ✓ E-MS annual FRP filing
- ✓ E-TX 2020 storm securitization complete *(completed 2Q)*
- ✓ E-LA 2020 storm cost recovery decision (LPSC)

## 2Q

- ✓ Sunflower Solar construction completed
- ✓ E-AR Green Promise tariff decision (APSC)
- ✓ E-TX TCRF decision (PUCT)
- ✓ MPSC approves settlement with SERI on its share of complaints *(added 2Q)*
- ✓ E-MS interim FRP rates effective[1]
- ✓ E-NO FRP filing
- ✓ E-LA FRP filing
- ✓ E-TX base rate case filing (*filed 3Q22*)
- ✓ E-LA 2020 storm securitization complete[2]
- ✓ E-LA Hurricane Ida cost recovery filing
- ✓ E-NO Hurricane Ida cost recovery filing
- ✓ Palisades shutdown
- ✓ Palisades sale to Holtec

## 3Q

- E-TX OCAPS decision (PUCT) *(now expected 4Q)*
- ✓ Driver solar decision (APSC) *(added 2Q)*
- E-LA accelerated resilience filing *(now expected 4Q)*
- ✓ E-NO accelerated resilience filing
- ✓ E-LA FRP rates effective
- ✓ E-NO FRP rates effective
- ✓ E-AR FRP filing

## 4Q

- MTEP 2022 approval
- Filing for E-LA 2021 renewable RFP selections *(now expected 1H23)*
- ✓ E-LA renewable / green tariff decision (LPSC)
- E-TX base rate case decision (PUCT) *(now expected 2Q23)*
- SERI UPSA formula rate complaint ALJ initial decision *(now expected 1Q23)*
- E-LA Hurricane Ida securitization complete *(now expected 1Q23)*
- ✓ Annual dividend review

Estimated timing as of February 2022; regulatory activity or other factors could lead to changes

1. E-MS FRP interim rates (up to 2%) were effective April 1; final rates for 2022 and 2021 look back effective August 1
2. Securitization proceeds for storm cost recovery, replenishment of storm escrow, and $1 billion for a portion of Hurricane Ida costs



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# Utility overview

### E-AR

- Electric utility – 728,000 customers
- Authorized ROE: 9.15% – 10.15%
- Forward test year FRP

### E-LA

- Electric and gas utility
  - 1,101,000 electric customers
  - 96,000 gas customers
- Authorized ROE: Electric 9.0% – 10.0% Gas 9.3% – 10.3%
- Electric FRP with riders (incl. capacity, transmission, and distribution), Gas RSP

### E-MS

- Electric utility – 461,000 customers
- Authorized ROE: 9.19% – 11.37%
- FRP with forward-looking features

### E-NO

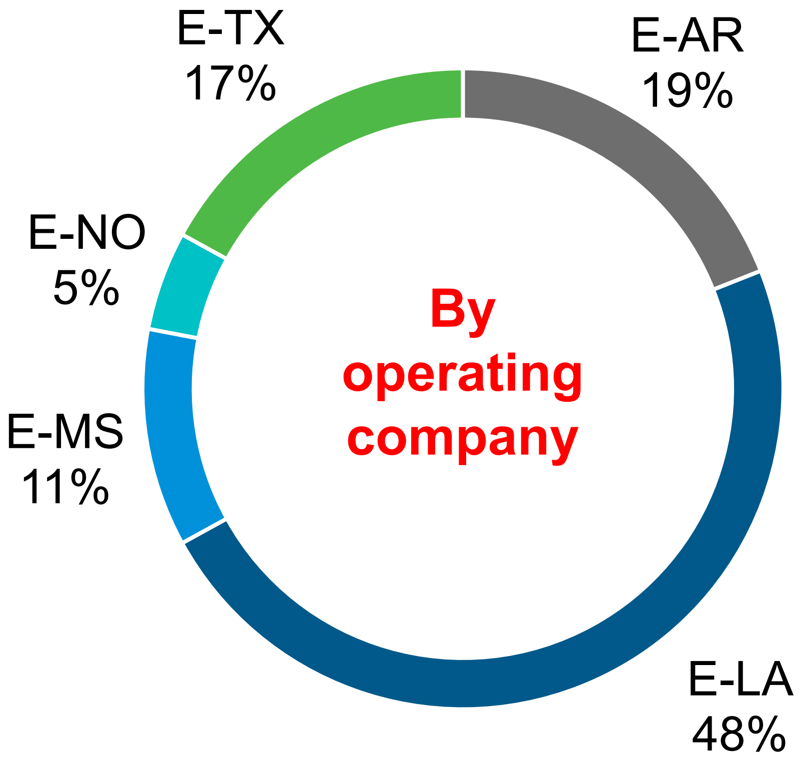
- Electric and gas utility
  - 209,000 electric customers
  - 110,000 gas customers
- Authorized ROE: 8.85% – 9.85%
- FRP with forward-looking features

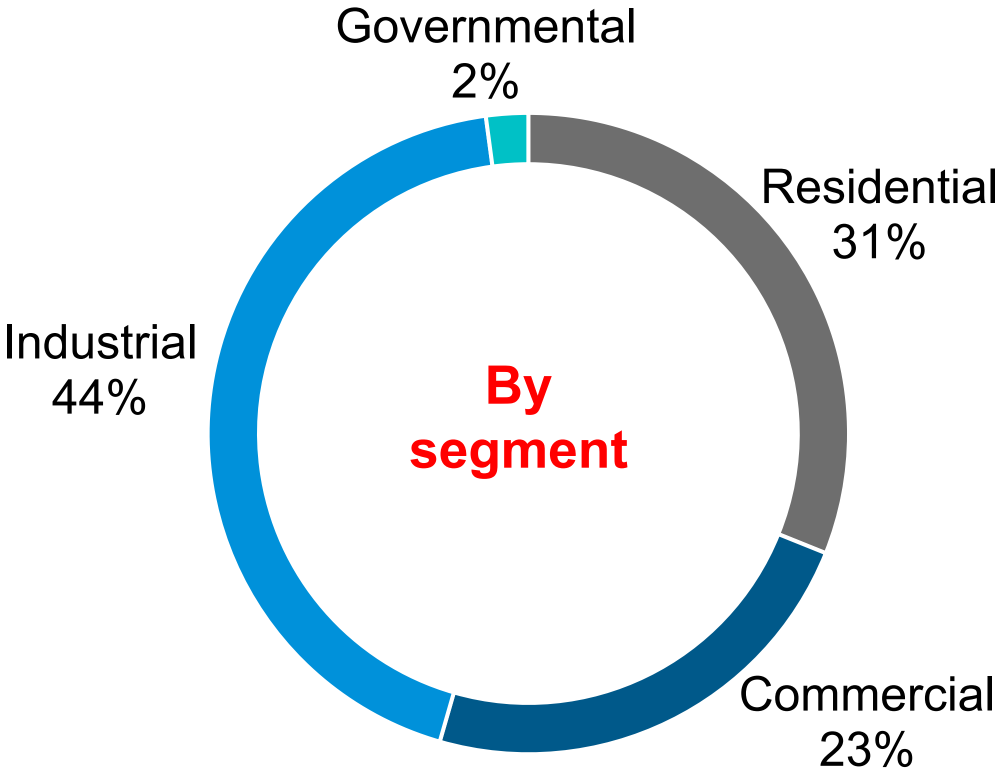
### E-TX

- Electric utility – 486,000 customers
- Authorized ROE: 9.65%
- Rate case and cost recovery riders (transmission, distribution, and generation)

Customer counts at the end of period 12/31/21
See operating company slides for more details

# Utility 2021 electric retail sales



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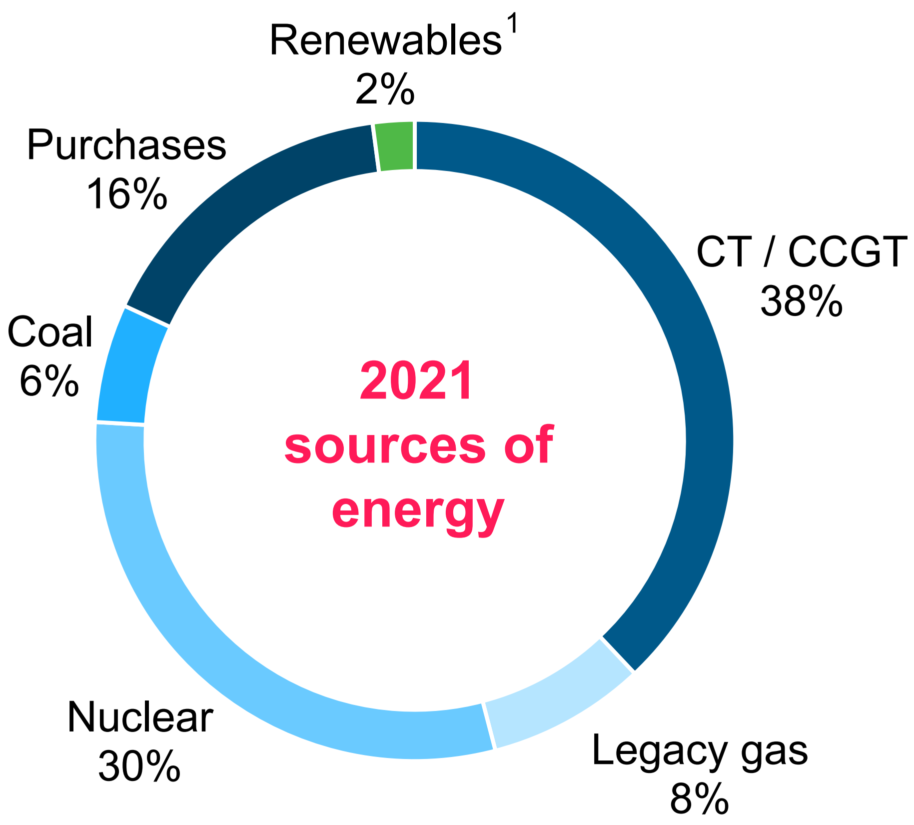
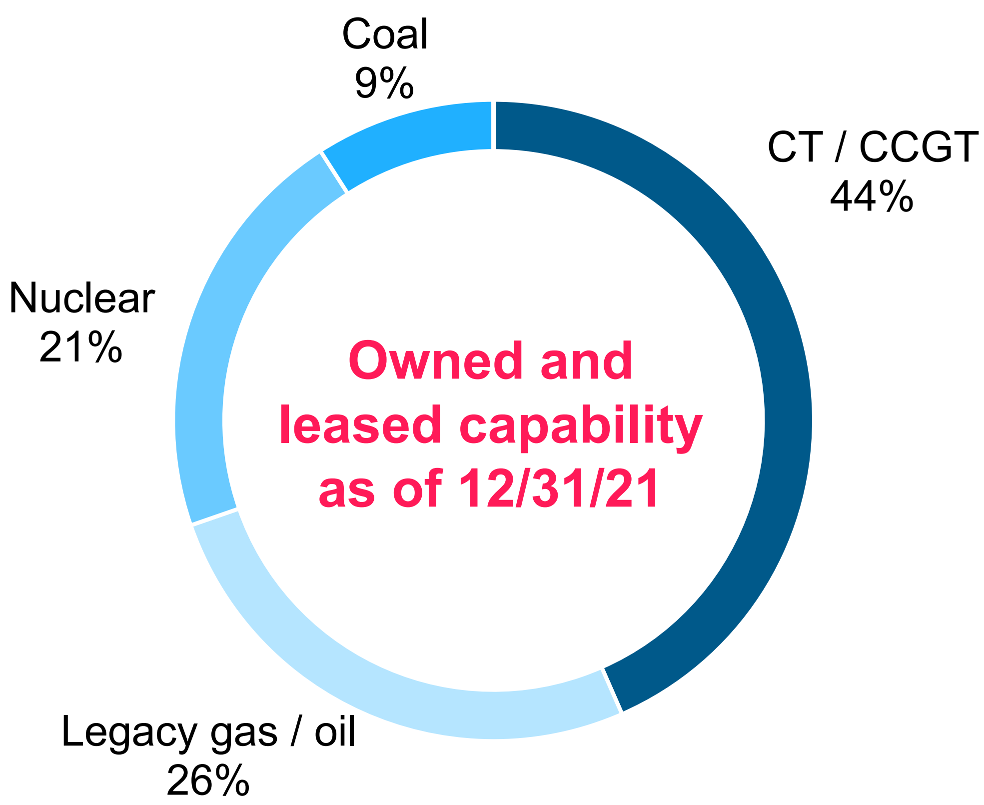
# Utility generation overview




1. Includes generation from both owned and purchased power resources as well as renewable energy credits

# Jurisdictional base rate filing frameworks

| | E-AR | E-LA | E-MS | E-NO | E-TX[1] | SERI |
|---|---|---|---|---|---|---|
| Latest filing date | 7/7/22 (FRP) | 5/31/22 (FRP) | 3/1/22 (FRP) | 4/29/22 (FRP) | 7/1/22 (rate case) | Monthly cost of service[2] |
| Next filing date | 7/7/23 (FRP) | By 5/31/23 (FRP) | By 3/1/23 (FRP) | By 4/30/23 (FRP) | 2027[3] (rate case) | Every month |
| Rate effective date | January following filing | September following filing | April following filing[4] | September following filing | 35 days after filing[5] | Immediate |
| Evaluation period | Forward test year ended 12/31 | Historical test year ended 12/31 plus transmission and distribution closed to plant above baseline through 8/31 of filing year; in-service rate adjustments permitted for certain generation additions | Historical test year ended 12/31 plus certain known and measurable changes through 12/31 of filing year | Historical test year ended 12/31 plus certain known and measurable changes through 12/31 of filing year | 12-month historical test year with available updates | Actual current month expense and prior month-end balance sheet |
| FRP term / post FRP framework | Five years (2021–2025 filing years); rate case after extension period | Three years (2021–2023 filing years) | No specified termination; option to file rate case as needed | Three years (2021–2023 filing years) | n/a | Monthly cost of service continues until terminated by mutual agreement |

1. In addition to base rate case filings, E-TX can file for interim recovery through its DCRF, TCRF, and GCRR
2. Not required to be filed per FERC order
3. Required to file base rate case every four years (PUCT may extend if non-material change in rates would result); base rate case also required 18 months after GCRR is utilized
4. Interim rate change up to 2% effective April 1, any rate change above 2% would be effective the month following the receipt of an MPSC order
5. May be suspended for an additional 150 days



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# Fuel recovery frameworks

| | Deferred fuel at 6/30/22, $M[1] | Deferred fuel at 9/30/22, $M[1] | Baseline recovery framework[2] |
|---|---|---|---|
| **E-AR** | 111 | 136 | • Rates reset annually based on projected cost for the period and deferred fuel balance |
| **E-LA** | 405 | 310 | • Rates reset monthly based on fuel cost from two months prior and rolling 12-month recovery of deferred balance |
| **E-MS** | 247[3] | 336[3] | • Rates reset annually to collect expected cost for the collection period and 9/30 deferred fuel balance |
| **E-NO** | 19 | 22 | • Rates reset monthly based on fuel cost from two months prior and a rolling 12-month recovery of deferred balance |
| **E-TX** | 189 | 322 | • Rates reset semi-annually based on historical and projected costs; may file as needed to incorporate material deferred balances into rates |

1. Current deferred fuel asset balances for electric sales
2. Baseline recovery framework can be adjusted if certain criteria are met or if the OpCo and the regulatory commission agree to a change
3. An ~$200M credit to E-MS's deferred fuel balance will be recorded upon FERC approval of the SERI / MPSC settlement agreement



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# Actively expanding renewable footprint

## In service

| | MW |
|---|---|
| Owned | 301 |
| PPA | 459 |
| | 760 |

## Approved / in progress

| Project | MW | Owned/ PPA | Est. in service[1] |
|---|---|---|---|
| Various solar projects (E-LA) | 12 | PPA | 2022 |
| St. James Solar (E-NO) | 20 | PPA | 2022 |
| Iris Solar (E-NO) | 50 | PPA | 2022 |
| Umbriel Solar (E-TX) | 150 | PPA | 2023 |
| Driver Solar (E-AR) | 250 | Owned | 2024 |
| Elizabeth Solar (E-LA) | 125 | PPA | 2024 |
| Sunlight Road Solar (E-LA) | 50 | PPA | 2024 |
| Walnut Bend Solar (E-AR) | 100 | Owned | 2024 |
| West Memphis Solar (E-AR) | 180 | Owned | 2024 |
| Vacherie Solar (E-LA) | 150 | PPA | 2025 |
| St. Jacques Solar (E-LA) | 150 | Owned | 2025 |
| | 1,237 | | |

## RFPs

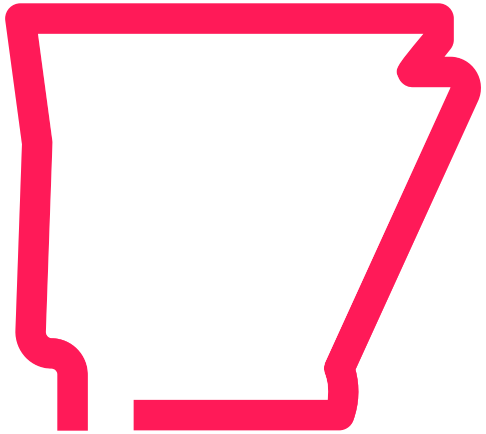
| Project | MW | Owned/ PPA | Est. in service[1] |
|---|---|---|---|
| 2021 E-LA solar[2] | 600 | TBD | 2024 |
| 2021 E-TX solar[2] | 400 | TBD | 2025 |
| 2021 E-AR solar and wind[2] | 500 | TBD | 2025 |
| 2022 E-MS solar and wind[2] | 500 | TBD | 2025–2026 |
| 2022 E-LA solar and wind | 1,500 | TBD | 2025 |
| 2022 E-AR solar and wind | 1,000 | TBD | 2025–2026 |
| 2022 E-TX solar and wind | 2,000 | TBD | TBD |
| 2022 Fall E-MS solar and wind | 500 | TBD | TBD |
| | 7,000 | | |

Additional details on Entergy's renewables energy are available at entergy.com/renewable-energy; additional details on RFPs are available at spofossil.entergy.com

Note: Timing and/or cost of certain projects may be impacted by supply chain issues, including the U.S. Department of Commerce circumvention investigation

1. Date of COD or entry of contract
2. Resources have been selected; additional information will be provided after parties reach definitive agreements

# Entergy Arkansas



## E-AR (currently in rates)

| Metric | Detail |
|---|---|
| Authorized ROE | 9.15% – 10.15% |
| Rate base | $8.7B retail rate base (2022 test year) |
| WACC (after-tax) | 5.17% |
| Equity ratio | 37.6% (47.0% excluding $1.7B ADIT at 0% cost rate) |
| Regulatory construct | Forward test year FRP; result outside authorized ROE range resets to midpoint; maximum rate change 4% of filing year total retail revenue (4% applies to the true-up of historical year result combined with the future projection) |
| Key rate changes in last 12 months | $72M FRP (1/1/22) |
| Riders | Fuel and purchased power, MISO, capacity, Grand Gulf, energy efficiency |



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# E-AR annual FRP filing

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

| | 2021 test year | 2023 test year |
|---|---|---|
| Earned ROE | 8.38% | 7.40% |
| Rate base (ADIT incl. in WACC, not rate base) | \$8.4B | \$9.2B |
| WACC (after-tax) | 5.19% | 5.25% |
| Equity ratio (traditional equity ratio) | 47% | 47% |
| **Revenue requirements to midpoint** | **\$15M** | **\$105M** |
| **Rate change requested** | **\$80M (cap)** | |

## Major drivers of proposed rate change

| Category | 2021 test year | 2023 test year |
|---|---|---|
| Cost of capital | 15 | 6 |
| Expense items | (27) | 53 |
| Rate base | 5 | 31 |
| Revenue / sales shortfall | 22 | 15 |
| **Total revenue requirement** | **15** | **105** |
| **Rate change requested** | **\$80M (cap)** | |

## Key dates

| Date | Event |
|---|---|
| 11/9/22 | Proposed hearing date |
| 12/14/22 | Commission ruling |

Calculations may differ due to rounding
See discussion of Rate and Regulatory Matters in the most recent Form 10-K and/or any subsequent Form 10-Qs



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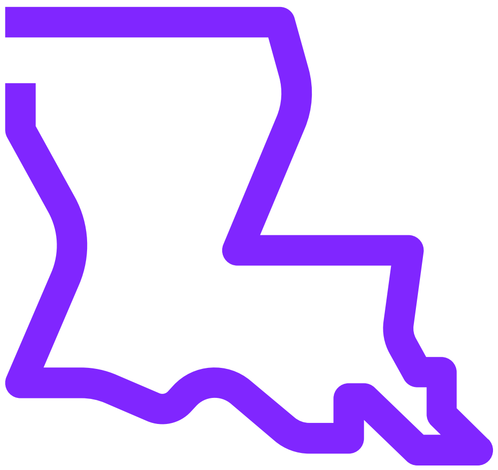
# Entergy Louisiana



## E-LA (currently in rates)

| Metric | Detail – electric[1] | Detail – gas |
|---|---|---|
| Authorized ROE | 9.0% – 10.0% | 9.3% – 10.3% |
| Rate base[2] | $14.4B (12/31/21 test year)<br>+ $0.4B for transmission rider<br>+ $0.2B for distribution rider | $0.13B (9/30/21 test year) |
| WACC (after-tax) | 6.62% | 6.76% |
| Equity ratio | 49.41% | 49.03% |
| Regulatory construct | FRP with riders | RSP[3] |
| Key rate changes in last 12 months | $65M base FRP, $40M transmission rider, $25M distribution rider, $(35M) MISO rider (offset in transmission revenue and other O&M), and $63M TRAM (largely offset in income tax expense) effective 9/1/22 | $4.4M base RSP; $0.4M IIRR-G |
| Riders / specific recovery | Fuel, capacity, MISO, transmission, distribution | Gas infrastructure |

1. Pending finalization of the 2021 (docket U-36381), 2020 (docket U-36092), 2019 (docket U-35581), 2018 (docket U-35205), and 2017 (docket U-34951) test year filings
2. As of the 2022 filing, the tax reform rider has $0.47B liability balance (which has an effect similar to a reduction in rate base)
3. 50 bps dead band, 51 bps–200 bps 50% sharing, >200 bps adjust to 200 bps plus 75 bps sharing; for infrastructure costs, 100% sharing above the band

# E-LA Ida cost recovery filing

## $1B Ida escrow received in May 2022

### Storm cost filing (docket U-36350)

- Phase I filing requests that storm restoration costs and carrying costs through December 2022 be deemed eligible for recovery (summary below in $M)

| | Restoration cost | Carrying cost | Total |
|---|---|---|---|
| **Hurricane Ida** | 2,543 | 57 | 2,600 |
| **2020 storm cost true-up** | 32 | 3 | 35 |
| **Total** | **2,575** | **59** | **2,635** |

- Costs to be financed through Phase II application will be net of the $1B Ida escrow received May 2022

### Key dates

| Date | Event |
|---|---|
| 11/14/22 | E-LA rebuttal testimony |
| 12/19/22 – 12/23/22 | Hearing |
| 1Q23 | Target to complete securitization |

Calculations may differ due to rounding
See discussion of Rate and Regulatory Matters in the most recent Form 10-K and/or any subsequent Form 10-Qs



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# Entergy Mississippi

## E-MS (currently in rates)

| Metric | Detail |
|---|---|
| Authorized ROE | 10.29% performance-adjusted midpoint (9.79% + 0.50% performance factor); 9.19% – 11.37% range (annual redetermination based on formula) |
| Rate base | $3.95B (2022 forward test year) |
| WACC (after-tax) | 6.71% |
| Equity ratio | 45.90% |
| Regulatory construct | FRP with forward-looking features; performance-based bandwidth; subject to annual “look-back” evaluation; maximum rate increase 4% of test year retail revenue (increase above 4% requires base rate case) |
| Key rate changes in last 12 months | $49M FRP (August 2022[1]); $34M FRP 2021 lookback (July 2022 – June 2023, offset by amortization of reg. provision[2]); $(6M) vegetation rider (April 2022) |
| Riders | Fuel, Grand Gulf, MISO, unit power cost, storm damage, ad valorem tax adjustment, vegetation, grid modernization, restructuring credit, PMR |

1. $24M interim rates effective April 2022; increased to $49M effective August 2022
2. $19M provision recorded in 4Q21 increased by $14M in July 2022



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# Entergy New Orleans

## E-NO (currently in rates)

| Metric | Detail – electric | Detail – gas |
|---|---|---|
| Authorized ROE | 8.85% – 9.85% (9.35% midpoint) | |
| Rate base | $1.2B (12/31/21 test year plus known and measurables through 12/31/22) | $0.2B (12/31/21 test year plus known and measurables through 12/31/22) |
| WACC (after-tax) | 6.88% | |
| Equity ratio | 51% | |
| Regulatory construct | FRP with forward-looking features | |
| Key rate changes in last 12 months | $22.9M FRP (9/1/22) | $1.8M FRP (9/1/22) |
| Riders / specific recovery | Fuel and purchased power, MISO, energy efficiency, environmental, capacity costs | Purchased gas |

# E-NO resilience and grid hardening filing

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

- Proposed projects include grid resilience, hardening projects, and microgrids
- Includes $1.5B investment over 10 years for CCNO consideration
- Proposed recovery via forward-looking rider

## Key dates

| Date | Event |
|---|---|
| 11/7/22 | Parties to file comments on plan proposals |
| 12/7/22 | Parties to file reply comments |
| 4/19/23 | Parties to file final comments on plan proposals |
| 4Q23 | Final decision |



See discussion of Rate and Regulatory Matters in the most recent Form 10-K and/or any subsequent Form 10-Qs

# E-NO Ida cost certification filing

## CCNO approved $206M securitization financing[1]

### Storm cost filing (docket UD-22-05 filed June 2022)

Storm cost summary, $M

| | Storm cost | Carrying costs | Total |
|---|---|---|---|
| **Hurricane Ida** | 170 | 9[2] | 179 |
| **Withdrawals from escrow** | (46) | - | (46) |
| **Total to be recovered** | **123** | **9** | **133** |

### Key dates (subject to CCNO approval)

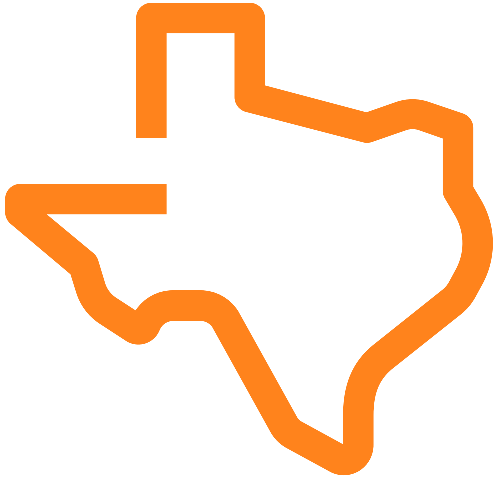
| Date | Event |
|---|---|
| 7/11/23 | Intervenor direct testimony |
| 8/15/23 | Advisors direct testimony |
| 8/29/23 | Hearing officer to certify the record |
| 2H23 | Expected CCNO decision |

Calculations may differ due to rounding

See discussion of Rate and Regulatory Matters in the most recent Form 10-K and/or any subsequent Form 10-Qs

1. To establish storm escrow; $125M to be immediately utilized for Ida costs
2. Calculated through December 2022

# Entergy Texas



**E-TX (currently in rates)**

| Metric | Detail |
|---|---|
| Authorized ROE | 9.65% |
| Rate base | $2.4B (12/31/17 test year)<br>+ $1.7B in cost recovery riders |
| WACC (after-tax) | 7.73% |
| Equity ratio | 50.90% |
| Regulatory construct | Rate case and cost recovery riders (distribution, transmission, and generation) |
| Key rate changes in last 12 months | $4.5M GCRR (8/25/22); $15M TCRF (3/4/22); $14M DCRF (1/24/22) |
| Riders | Fuel, capacity, cost recovery riders (DCRF, TCRF, and GCRR), rate case expenses, AMI surcharge, tax reform, among others |



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# E-TX base rate case filing

## Filing highlights (docket 53719)

- Proposed ROE: 10.8%
- Rate base: $4.4B
- Proposed cost of debt: 3.47%
- WACC (after-tax): 7.24%
- Equity ratio: 51.21%
- Preferred stock ratio: 0.81%

## Key dates

| Date | Event |
|---|---|
| 11/2/22 | Staff direct testimony |
| 11/16/22 | E-TX rebuttal testimony<br>Intervenor/Staff cross-rebuttal testimony |
| 12/5/22 – 12/13/22 | Hearing |
| 5/25/23 | Jurisdictional deadline for decision[2] |

## Major drivers of proposed rate change

| Category | Annual $M |
|---|---|
| New rate base | 200 |
| Change in ROE | 42 |
| Cost of debt | (78) |
| Change in capacity costs | (26) |
| Depreciation of new assets | 53 |
| Higher depreciation rates[1] | 84 |
| A&G and O&M expenses[1] | 85 |
| Amortization of intangibles[1] | 21 |
| Recovery of regulatory assets[1] | 17 |
| Sales growth | (55) |
| Other | (13) |
| **Base rate change** | **329** |
| Riders into base rates | 198 |
| **Net base rate change** | **131** |

Calculations may differ due to rounding
See discussion of Rate and Regulatory Matters in the most recent Form 10-K and/or any subsequent Form 10-Qs
1. If approved, the revenue requirement will be accompanied by an increase in expense, as follows: depreciation $84M, O&M $12M, amortization of intangibles $11M, and amortization of regulatory assets $12M
2. Rates will be retroactive to 12/3/22



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# E-TX OCAPS filing

## Project overview (docket 52487)

| Item | Details |
|---|---|
| MW | 1,215 |
| Estimated total investment | $1.55B[1] |
| Plant type | CCCT with hydrogen co-fire capability |
| Location | Bridge City, TX |
| In-service date | Late 2026 |
| Recovery mechanism | GCRR, TCRF, and base rates |

## Key dates

| Date | Event |
|---|---|
| 11/3/22 | Expected PUCT decision |

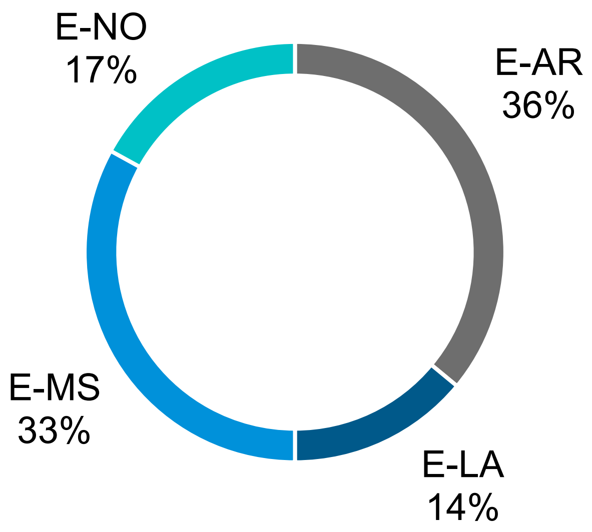
See discussion of Rate and Regulatory Matters in the most recent Form 10-K and/or any subsequent Form 10-Qs

1. Estimate as of October 2022 and is valid if limited notice to proceed is issued by 11/15/22

# System Energy Resources

## Grand Gulf Nuclear Station

### Energy and capacity allocation[1]




### SERI (most recent monthly bill)[2]

| Metric | Detail |
|---|---|
| Principal asset | An ownership and leasehold interest in Grand Gulf Nuclear Station |
| Authorized ROE | 10.94%[3] |
| Last calculated rate base | $1.71B |
| WACC (after-tax) | 7.64% |
| Equity ratio | 57%[3,4] |
| Regulatory construct | Monthly cost of service |

1. Percentages under SERI's UPSA
2. In accordance with the settlement agreement (see slide 35), effective with the July 2022 service month, E-MS's UPSA bill will be adjusted to reflect a 9.65% ROE, a 52% equity ratio, a rate base reduction for the advance collection of sale-leaseback rental costs, and the exclusion of certain long-term incentive plan performance unit costs from rates (subject to FERC approval)
3. Ongoing proceeding at FERC challenging SERI's authorized ROE and equity component (see next slides)
4. For SERI ratemaking, the sale leaseback obligation is excluded from the capital structure and instead is treated as an operating lease and recovered as an O&M cost



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# SERI settlement with MPSC

## SERI / MPSC global settlement

- On 6/23/22, SERI filed to request FERC approval for the settlement agreement with the MPSC covering all of the FERC dockets described in the slides that follow; the settlement with the MPSC is designed as a global settlement to resolve all disputes between SERI and the MPSC in FERC dockets
- As a result of the settlement, SERI will refund $235 million to E-MS; SERI has offered the same settlement to all of the other retail regulators (LPSC, APSC, and CCNO)
- If the other regulators elect to join the settlement, it is estimated that the total amount that SERI would refund would be $588 million (including E-MS's portion)
- The settlement also specifies an ROE of 9.65% and a capital structure not to exceed 52% equity to be used in UPSA billings effective 7/1/22 for a four-year period

## Next steps

| Date | Event |
|---|---|
| November 2022 | Requested FERC order on settlement |



See discussion of Rate and Regulatory Matters in the most recent Form 10-K and/or any subsequent Form 10-Qs

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# SERI FERC cases (1 of 3)

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

- Complaint alleging (1) SERI double-recovering costs by including both lease payments and the capital additions in UPSA billings and (2) SERI incorrectly excluded FIN 48 liabilities associated with uncertain tax position from UPSA billings
- ALJ initial decision issued 4/6/20

### Next steps

| Date | Event |
|---|---|
| TBD | FERC ruling on initial decision |

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

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

### Next steps

| Date | Event |
|---|---|
| TBD | FERC ruling on initial decision |



See discussion of Rate and Regulatory Matters in the most recent Form 10-K and/or any subsequent Form 10-Qs

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# SERI FERC cases (2 of 3)

## Prudence complaint (docket EL21-56)

- In March 2021, the LPSC, APSC, and CCNO filed a complaint alleging operational prudence claims, primarily:
  1. based on the plant's capacity factor and alleged safety performance, SERI imprudently operated Grand Gulf during the period 2016–2020, and
  2. the performance and/or management of the 2012 extended power uprate of Grand Gulf was imprudent
- In April 2021, SERI filed an answer disputing the allegations and requested FERC to dismiss the complaint
- In May 2021, the Complainants filed an answer in response to SERI's motion to dismiss

## Next steps

| Date | Event |
|---|---|
| TBD | FERC order on the complaint (e.g., set for hearing in whole or in part or grant or dismiss in whole or in part) |



See discussion of Rate and Regulatory Matters in the most recent Form 10-K and/or any subsequent Form 10-Qs

# SERI FERC cases (3 of 3)

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

- In Sept. 2020, the LPSC, APSC, MPSC, and CCNO filed a complaint alleging two categories of UPSA rate issues:
  1. violations of the filed rate that require refunds for prior periods, and
  2. elements of the UPSA that the retail regulators contend are unjust and unreasonable that require refunds for the 15-month refund period and changes to the UPSA prospectively
- In May 2021, FERC issued an order setting the complaint for hearing, establishing a refund effective date of September 2020, and holding the hearing procedures in abeyance pending FERC's review of the initial decision in the Grand Gulf sale-leaseback renewal and uncertain tax position case; SERI and complainants sought rehearing
  - In Aug. 2021, FERC issued an order addressing rehearing requests dismissing part of the complaint seeking an equity reopener, maintaining the abeyance for issues related to the proceeding addressing the sale-leaseback renewal and uncertain tax positions, lifting the abeyance for issues unrelated to that proceeding, and clarifying the scope of the hearing

## Next steps

| Date | Event |
|---|---|
| 3/30/23[1] | ALJ initial decision |

See discussion of Rate and Regulatory Matters in the most recent Form 10-K and/or any subsequent Form 10-Qs
1. Date subject to change depending upon length of hearing



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# EWC overview

## Non-nuclear plants

| | ISES 2[1] | Nelson 6[1] | RS Cogen[2] |
|---|---|---|---|
| COD | 1983 | 1982 | 2002 |
| Fuel / technology | Coal | Coal | CCGT cogen |
| Net MW owned | 121 | 60 | 213 |
| Market | MISO | MISO | MISO |

1. Entergy plans to retire all coal-powered capacity by the end of 2030
2. Entergy sold its interest in RS Cogen on 10/31/22

# Estimated EWC adjusted EBITDA

## Estimated EWC adjusted EBITDA; $M

| | **22E** |
|---|---|
| Operating revenues, less fuel and fuel-related expenses, and purchased power | 165 |
| Other O&M and nuclear refueling outage expense | (150) |
| Severance and retention expense | - |
| Asset impairments (includes gains / (losses), capital, fuel, refuel, DOE proceeds, other) | 165 |
| Other | - |
| **Estimated adjusted EBITDA** | **180** |



Calculations may differ due to rounding

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# Financial disclosures

# Progress against guidance

| Driver | Guidance assumption[1] | YTD result[1] | Full-year comments |
|---|---|---|---|
| ETR adjusted EPS | 6.15–6.45 | 5.94 | Guidance range narrowed to 6.25–6.45 |
| Estimated weather in sales | Normal | 0.42 | |
| Retail weather adj. sales growth | ~1.8% | 4.3% | Now expect ~3.5% full year growth driven largely by higher industrial (cogen) and higher commercial |
| Utility other O&M | (0.25) | (0.66) | Now expect ~(0.85) YoY (flex spending increase, subject to change) |
| Utility taxes other than income taxes | (0.15) | (0.18) | Now expect ~(0.20) YoY (change due partly to higher revenues) |
| Utility depreciation expense | (0.35) | (0.38) | Now expect ~$(0.50) YoY (change due to higher depr. rate at SERI (offset in revenue) and other forecast updates) |
| Utility interest expense | (0.15) | (0.15) | Now expect ~$(0.20) YoY (change due to higher debt) |
| Parent & Other (excl. inc. tax, share effect, affiliate preferred) | n/a | (0.11) | Now expect ~$(0.15) YoY (change due to donations and interest exp.) |
| Affiliate preferred | n/a | n/a | Excluded from analysis: largely earnings neutral for ETR |
| Effective income tax rate[2] | ~23% | 23.1% | |
| Fully diluted average shares | ~207M | 204M | Now expect ~205M |

1. All values in $/share except where noted
2. Excludes effects of the return of unprotected excess ADIT and HLBV accounting, which affect pre-tax earnings and/or income tax expense, but are earnings neutral



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# 2022 ETR adjusted EPS sensitivities

| Variable | Description of sensitivity | Estimated annual EPS impact |
|---|---|---|
| **Utility** | | |
| Retail sales growth | 1% change in residential MWh sold<br>1% change in commercial / governmental MWh sold<br>1% change in industrial MWh sold | +/- 0.09<br>+/- 0.05<br>+/- 0.02 |
| Other O&M | 1% change in expense | +/- 0.10 |
| Rate base | $100 million change in rate base in rates | +/- 0.02 |
| ROE | 25 basis point change in allowed ROE | +/- 0.20 |
| **Entergy Consolidated** | | |
| Interest expense | 1% change in interest rate on $1 billion debt | +/- 0.04 |
| Pension and OPEB | 25 bps change in discount rate | +/- 0.04 |
| Effective tax rate | 1% change in effective tax rate | +/- 0.08 |



As of February 2022

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# Financial summaries
# and
# Regulation G reconciliations



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# Earnings summary

## Table 1: Third quarter earnings summary

| | $ in millions | | Per share in $ | |
|---|---|---|---|---|
| | 3Q22 | 3Q21 | 3Q22 | 3Q21 |
| As-reported (after-tax) | | | | |
| Utility | 672 | 570 | 3.29 | 2.82 |
| Parent & Other | (92) | (65) | (0.45) | (0.32) |
| EWC | (19) | 26 | (0.10) | 0.13 |
| **Consolidated** | **561** | **531** | **2.74** | **2.63** |
| | | | | |
| Less adjustments | | | | |
| Utility | - | 11 | - | 0.05 |
| Parent & Other | - | - | - | - |
| EWC | (19) | 26 | (0.10) | 0.13 |
| **Consolidated** | **(19)** | **37** | **(0.10)** | **0.18** |
| | | | | |
| Adjusted (non-GAAP) | | | | |
| Utility | 672 | 559 | 3.29 | 2.77 |
| Parent & Other | (92) | (65) | (0.45) | (0.32) |
| EWC | - | - | - | - |
| **Consolidated** | **580** | **494** | **2.84** | **2.45** |

Calculations may differ due to rounding
205M and 202M diluted average common shares outstanding for 3Q22 and 3Q21, respectively
For additional details, see Appendix A in the earnings news release



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# Utility book ROEs

**Table 2: Utility book ROE summary**
**LTM ending September 30, 2022**
*($ in millions)*

| | | E-AR | E-LA | E-MS | E-NO | E-TX | Utility[1] |
|---|---|---|---|---|---|---|---|
| As-reported earnings available to common stock | (a) | 293 | 860 | 190 | 71 | 303 | 1,403 |
| | | | | | | | |
| Less adjustments: | | | | | | | |
| Income tax items, including state tax rate change | | (3) | 6 | | 2 | | 16 |
| E-LA and E-TX true-up for prior year's portion of the equity component of carrying costs for 2020 storms | | | 23 | | | 13 | 36 |
| E-LA contribution to the LURC related to securitization | | | (32) | | | | (32) |
| E-LA tax benefit related to securitization, net of customer-sharing | | | 126 | | | | 117 |
| SERI litigation settlement | | | | | | | (413) |
| Total adjustments | (b) | (3) | 123 | - | 2 | 13 | (276) |
| | | | | | | | |
| Adjusted earnings available to common stock (non-GAAP) | (c) = (a) - (b) | 296 | 737 | 191 | 69 | 290 | 1,679 |
| | | | | | | | |
| Average common equity | (d) | 3,647 | 8,740 | 1,908 | 665 | 2,552 | 18,423 |
| | | | | | | | |
| Adjustment for E-LA affiliate preferred (offset at P&O) | | | | | | | |
| Preferred investment, net of noncontrolling interest (beginning / ending average) | (e) | | 2,261 | | | | |
| Estimated equity financing for preferred investment (beginning / ending average) | (f) | | 1,378 | | | | |
| | | | | | | | |
| Interest and dividend income from affiliate preferred, net of noncontrolling interest | (g) | | 162 | | | | |
| | | | | | | | |
| Estimated debt financing for preferred investment | (h) | | 883 | | | | |
| Average cost of debt (after-tax) | (i) | | 2.97% | | | | |
| After-tax cost of debt financing for preferred investment | (j) = (h) x (i) | | 26 | | | | |
| | | | | | | | |
| Estimated earnings impact from affiliate preferred | (k) = (g) – (j) | | 135 | | | | |
| | | | | | | | |
| As-reported ROE | (a) / (d) | 8.0% | 9.8% | 10.0% | 10.7% | 11.9% | 7.6% |
| Adjusted ROE (non-GAAP) | (c) / (d) | 8.1% | 8.4% | 10.0% | 10.4% | 11.4% | 9.1% |
| Adjusted ROE, excluding average affiliate preferred (non-GAAP) | (c-k) / (d-f) | | 8.2% | | | | |

Calculations may differ due to rounding
1. Utility earnings do not equal the sum of the operating companies due primarily to SERI (as-reported earnings ~$(296M), adjusted earnings ~$(117M), and average common equity ~$929M) and Entergy Utility Holding Co.



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# Regulation G reconciliations

**Table 3: ETR adjusted earnings**
**Reconciliation of GAAP to Non-GAAP measures**

| | 3Q22 | 3Q21 |
|---|---|---|
| *(Pre-tax except for income taxes and totals; $ in millions)* | | |
| Net income (loss) attributable to ETR Corp. | 561 | 531 |
| Less adjustments: | | |
| Utility – Gain on sale | - | 15 |
| Utility – Income tax effect on gain on sale | - | (4) |
| EWC | (19) | 26 |
| ETR adjusted earnings (non-GAAP) | 580 | 494 |
| | | |
| Diluted average common shares outstanding (in millions) | 205 | 202 |
| | | |
| *(After-tax, per share in $)* | | |
| Net income (loss) attributable to ETR Corp. | 2.74 | 2.63 |
| Less adjustments: | | |
| Utility – Gain on sale | - | 0.05 |
| EWC | (0.10) | 0.13 |
| ETR adjusted earnings (non-GAAP) | 2.84 | 2.45 |

Calculations may differ due to rounding

# Regulation G reconciliations

**Table 4: ETR adjusted earnings**
**Reconciliation of GAAP to Non-GAAP measures**

| | 2021 |
|---|---|
| (After-tax, $ in millions) | |
| Net income (loss) attributable to ETR Corp. | 1,118 |
| Less adjustments: | |
| Utility – gain on sale | 11 |
| Utility – income tax valuation allowance | (8) |
| Utility – provision for uncertain tax position | (5) |
| Utility – state corporate income tax rate change | 29 |
| P&O – state corporate income tax rate change | (1) |
| EWC | (123) |
| ETR adjusted earnings (non-GAAP) | 1,215 |
| | |
| Diluted average common shares outstanding (in millions) | 201.9 |
| | |
| (After-tax, per share in $) | |
| Net income (loss) attributable to ETR Corp. | 5.54 |
| Less adjustments: | |
| Utility – gain on sale | 0.05 |
| Utility – income tax valuation allowance | (0.04) |
| Utility – provision for uncertain tax position | (0.02) |
| Utility – state corporate income tax rate change | 0.14 |
| EWC | (0.61) |
| ETR adjusted earnings (non-GAAP) | 6.02 |



Calculations may differ due to rounding

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