

ENTERGY CORP /DE/
Form 425
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Subject Company: Entergy Corporation

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The following information was included in Entergy Corporation's Investor Release, dated April 25, 2013, regarding Entergy Corporation's pending transaction with ITC Holdings Corp.

A. Spin-Merge of Transmission Business

In December 2011, the Entergy and ITC boards of directors approved a definitive agreement under which Entergy will spin off and then merge its electric transmission business with a subsidiary of ITC. The transaction is targeted to close in 2013 and is subject to the satisfaction of certain closing conditions. Regulatory filings include the Entergy Utility operating companies' retail regulators and the Missouri Public Service Commission, as well as several federal agencies. ITC shareholders approved the transaction on April 16, 2013.

Appendix A provides a summary of certain activities that are pending.

Appendix A: Regulatory Summary Table for Spin-Merge of Transmission Business (see Appendix F for definitions of certain abbreviations or acronyms)

Proceeding

Pending Activities

Retail Regulators

Request / Recent Activity: On Feb. 19, 2013, ETI, in conjunction with ITC Holdings Corp. and ITC MidSouth LLC, collectively ITC, filed a joint application with the PUCT seeking approval for the Entergy companies' proposal to spin off and merge the Utility's transmission business with ITC, including approval for change of control of the transmission assets and transaction-related steps in the spin-merge. Separately, ETI filed for recovery of ITC-related costs post closing through the transmission rider mechanism. In April 2013, the LPSC Staff, APSC Staff and other parties filed testimony in the proceedings pending at the LPSC and APSC, respectively, identifying concerns with the proposed transaction and concluding that the transaction in its current form does not satisfy the applicable criteria for approval. The LPSC Staff testimony also included a comprehensive set of conditions should the LPSC determine that the transaction is in the public interest. Conditions were also recommended by the Arkansas Attorney General should the APSC consider approving the transaction. Intervening parties previously filed testimony in the CCNO and MPSC proceedings.

Although EAI serves no retail customers in Missouri, a joint application was also filed with the Missouri PSC on Feb. 14, 2013 out of an abundance of caution related to EAI's limited transmission assets located in Missouri. On April 17, 2013, the Missouri PSC voted to consolidate the ITC transaction proceeding with EAI's MISO notice proceeding also pending before the Missouri PSC for purposes of hearing.

Next Steps: PUCT Staff and CCNO Advisors will file testimony in May 2013. MPSC Staff will file testimony in June 2013. The Utility operating companies will file rebuttal testimony from mid-May through mid-July. A hearing in the PUCT proceeding is scheduled in late May 2013. The Missouri PSC has scheduled a hearing in June 2013. Hearings are scheduled in July 2013 in the APSC, LPSC and CCNO proceedings; the MPSC hearing is scheduled for early August 2013. The jurisdictional deadline for a decision in Texas is Aug. 18, 2013. In ETI's transmission rider proceeding, a procedural schedule was set that provides for a hearing in

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July 2013; other parties have appealed that schedule to the PUCT.

Federal Energy Regulatory
Commission

Sections 203, 205 and 305(a) Filings Recent Activity: On March 22, 2013, FERC extended by 180 days the timing for action on the Utility operating companies and ITC's Sept. 24, 2012 joint application requesting certain approvals related to the proposal to spin off and merge the Utility's transmission business with ITC. The FERC tolling order was based on the two comment period extensions provided in the docket.

Next Steps: FERC is anticipated to issue a decision, set for hearing and settlement procedures, or otherwise act on the application by Sept. 18, 2013.

Section 204 Filings Recent Activity: On Oct. 31, 2012, three separate applications under Section 204 of the FPA were submitted to FERC (two by Entergy and one by ITC). The Entergy applications seek authorization related to certain debt financings necessary to effectuate the ITC transaction. The ITC application seeks authorizations related to certain post-closing financings. The applications request that FERC grant the requested authorizations within ninety days from the date of the application. Entergy has responded to the lone protest filed in these dockets, as well as a request for additional information from FERC Staff.

Next Steps: There is no set deadline for FERC to take action on the application.

Internal Revenue Service

Request / Recent Activity: In July 2012, Entergy Corporation submitted a request to the IRS seeking a private letter ruling substantially to the effect that certain requirements for the tax-free treatment of the distribution of TransCo are met.

Next Steps: The IRS is expected to make a determination on the request in the first half of 2013.

Nuclear Regulatory
Commission

Request / Recent Activity: On Sept. 27, 2012, Entergy Operations, Inc. on behalf of EAI, EGSL, ELL and SERI submitted an application to the NRC for approval of certain nuclear plant license transfers and amendments as part of the steps to complete the transaction.

Next Steps: The NRC is expected to complete its formal review by mid-2013.

Securities and Exchange
Commission

Request / Recent Activity: ITC filed Amendment No. 3 to Form S-4 Registration Statement on Feb. 20, 2013 and the Proxy Statement / 424(b) Prospectus on Feb. 27, 2013. The Form S-4 became effective on Feb. 25, 2013. ITC shareholders approved the merger agreement at a special meeting of shareholders on April 16, 2013.

Next Steps: The newly-formed TransCo will prepare and file a registration statement for the TransCo common units. The filing is expected to be made in mid-2013.

Hart-Scott-Rodino Notification

Request / Recent Activity: On Dec. 14, 2012, Entergy and ITC each filed a premerger notification under the HSR Act. The 30-day waiting period required under the HSR Act expired on Jan. 14, 2013.

F. Definitions

Appendix F provides definitions of certain operational performance measures, as well as GAAP and non-GAAP financial measures, all of which are referenced in this release. Financial measures defined in the below table include measures prepared in accordance with GAAP, as well as non-GAAP measures. Non-GAAP measures are included in this release in order to provide metrics that remove the effect of not routine financial impacts from commonly used financial metrics.

Appendix F: Definitions of Operational Performance Measures, GAAP and Non-GAAP Financial Measures and Abbreviations or Acronyms**Utility Operational Performance Measures**

| | |
|----------------------------|---|
| GWh billed | Total number of GWh billed to all retail and wholesale customers |
| O&M expense per MWh | Operation, maintenance and refueling expenses per MWh of billed sales, excluding fuel |
| Number of retail customers | Number of customers at end of period |

Entergy Wholesale Commodities Operational Performance Measures

| | |
|--|---|
| Net revenue | Operating revenue less fuel, fuel related expenses and purchased power |
| Owned capacity | Installed capacity owned and operated by EWC, including investments in wind generation accounted for under the equity method of accounting; EWC acquired RISEC, a 583 MW natural gas-fired combined-cycle generating plant, on Dec. 20, 2011 |
| GWh billed | Total number of GWh billed to customers, excluding investments in wind generation accounted for under the equity method of accounting |
| Average realized revenue per MWh | As-reported revenue per MWh billed, excluding revenue from the amortization of the Palisades below-market PPA and/or investments in wind generation accounted for under the equity method of accounting |
| Non-fuel O&M expense per MWh | Operation, maintenance and refueling expenses per MWh billed, excluding fuel and investments in wind generation accounted for under the equity method of accounting |
| Capacity factor | Normalized percentage of the period that the nuclear plants generate power |
| Production cost per MWh | Fuel and non-fuel operation and maintenance expenses according to accounting standards that directly relate to the production of electricity per MWh (based on net generation) |
| Refueling outage days | Number of days lost for scheduled refueling outage during the period |
| Planned TWh of generation | Amount of output expected to be generated by EWC resources considering plant operating characteristics, outage schedules and expected market conditions which impact dispatch, assuming timely renewal of plant operating licenses and uninterrupted normal operations at all plants; non-nuclear also includes purchases from affiliated and non-affiliated counterparties under long-term contracts and excludes energy and capacity from EWC's wind investment accounted for under the equity method of accounting and Ritchie |
| Percent of planned generation under contract | Percent of planned generation output sold or purchased forward under contracts, forward physical contracts, forward financial contracts or options that mitigate price uncertainty (consistent with assumptions used in earnings guidance) that may or may not require regulatory approval or approval of transmission rights |
| Unit-contingent | Transaction under which power is supplied from a specific generation asset; if the asset is not operating, seller is generally not liable to buyer for any damages |
| Unit-contingent with availability guarantees | Transaction under which power is supplied from a specific generation asset; if the asset is not operating, seller is generally not liable to buyer for any damages, unless the actual availability over a specified period of time is below an availability threshold specified in the contract |
| Firm LD | Transaction that requires receipt or delivery of energy at a specified delivery point (usually at a market hub not associated with a specific asset) or settles financially on notional quantities; if a party fails to deliver or receive energy, defaulting party must compensate the other party as specified in the contract; a portion of which may be capped through the use of risk management products |
| Offsetting positions | Transactions for the purchase of energy, generally to offset a Firm LD transaction |
| Cost-based contracts | Contracts priced in accordance with cost-based rates, a ratemaking concept used for the design and development of rate schedules to ensure that the filed rate schedules recover only the cost of providing the service; these contracts are on owned non-utility resources located within Entergy's utility service territory, which do not operate under market-based rate authority |
| Planned net MW in operation | Amount of capacity to be available to generate power and/or sell capacity; non-nuclear also includes purchases from affiliated and non-affiliated counterparties under long-term contracts and excludes energy and capacity from EWC's wind investment accounted for under the equity method of accounting and Ritchie |
| Percent of capacity sold forward | Percent of planned qualified capacity sold to mitigate price uncertainty under physical or financial transactions |
| Bundled capacity and energy contract | A contract for the sale of installed capacity and related energy, priced per megawatt-hour sold |

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Capacity contract

A contract for the sale of the installed capacity product in regional markets managed by ISO New England and the New York Independent System Operator

Appendix F: Definitions of Operational Performance Measures, GAAP and Non-GAAP Financial Measures and Abbreviations or Acronyms (continued)**Entergy Wholesale Commodities Operational Performance Measures (continued)**

| | |
|--|---|
| Average revenue per MWh on contracted volumes | Revenue on a per unit basis at which generation output reflected in contracts is expected to be sold to third parties (including offsetting positions) at the minimum contract prices and at forward market prices at a point in time, given existing contract or option exercise prices based on expected dispatch or capacity, excluding the revenue associated with the amortization of the below-market PPA for Palisades; revenue will fluctuate due to factors including market price changes affecting revenue received on puts, collars and call options, positive or negative basis differentials, option premiums and market prices at time of option expiration, costs to convert firm LD to unit-contingent and other risk management cost; also, excludes payments owed under the value sharing agreements, if any |
| Average revenue under contract per kW per month (applies to capacity contracts only) | Revenue on a per unit basis at which capacity is expected to be sold to third parties, given existing contract prices and/or auction awards |
| Expected sold and market revenue per MWh | Total energy and capacity revenue on a per unit basis at which total planned generation output, capacity or a combination is expected to be sold given contract terms and market prices at a point in time, including estimates for market price changes affecting revenue received on puts, collars and call options, positive or negative basis differentials, option premiums and market prices at time of option expiration, costs to convert Firm LD to unit-contingent and other risk management cost |

Financial Measures GAAP

| | |
|--|--|
| Return on average invested capital as-reported | 12-months rolling net income attributable to Entergy Corporation (Net Income) adjusted to include preferred dividends and tax-effected interest expense divided by average invested capital |
| Return on average common equity as-reported | 12-months rolling Net Income divided by average common equity |
| Cash flow interest coverage | 12-months cash flow from operating activities plus 12-months rolling interest paid, divided by interest expense |
| Book value per share | Common equity divided by end of period shares outstanding |
| Revolver capacity | Amount of undrawn capacity remaining on corporate and subsidiary revolvers |
| Total debt | Sum of short-term and long-term debt, notes payable, capital leases and preferred stock with sinking fund on the balance sheet less non-recourse debt, if any |
| Debt of joint ventures (Entergy's share) | Debt issued by business joint ventures at EWC |
| Leases (Entergy's share) | Operating leases held by subsidiaries capitalized at implicit interest rate |
| Debt to capital ratio | Gross debt divided by total capitalization |
| Securitization debt | Debt associated with securitization bonds issued to recover storm costs from hurricanes Rita, Ike and Gustav at ETI; the 2009 ice storm at EAI and investment recovery of costs associated with the cancelled Little Gypsy repowering project at ELL |

Financial Measures Non-GAAP

| | |
|---|--|
| Operational earnings | As-reported Net Income adjusted to exclude the impact of special items |
| Adjusted EBITDA | Earnings before interest, income taxes, depreciation and amortization and interest and investment income excluding decommissioning expense and other than temporary impairment losses on decommissioning trust fund assets |
| Operational adjusted EBITDA | Adjusted EBITDA excluding effects of special items |
| Return on average invested capital operational | 12-months rolling operational Net Income adjusted to include preferred dividends and tax-effected interest expense divided by average invested capital |
| Return on average common equity operational | 12-months rolling operational Net Income divided by average common equity |
| Total gross liquidity | Sum of cash and revolver capacity |
| Debt to capital ratio, excluding securitization debt | Gross debt divided by total capitalization, excluding securitization debt |
| Net debt to net capital ratio, excluding securitization debt | Gross debt less cash and cash equivalents divided by total capitalization less cash and cash equivalents, excluding securitization debt |
| Net debt to net capital ratio, including off-balance sheet liabilities, excluding securitization debt | Sum of gross debt and off-balance sheet debt less cash and cash equivalents divided by sum of total capitalization and off-balance sheet debt less cash and cash equivalents, excluding securitization debt |

Appendix F: Definitions of Operational Performance Measures, GAAP and Non-GAAP Financial Measures and Abbreviations or Acronyms (continued)

Abbreviations or Acronyms

| | |
|-------|---|
| APSC | Arkansas Public Service Commission |
| B&E | LPSC Business and Executive Session |
| CCNO | Council of the City of New Orleans |
| DOE | U.S. Department of Energy |
| EAI | Entergy Arkansas, Inc. |
| EGSL | Entergy Gulf States Louisiana, L.L.C. |
| ELL | Entergy Louisiana, LLC |
| EMI | Entergy Mississippi, Inc. |
| EPA | U.S. Environmental Protection Agency |
| ENOI | Entergy New Orleans, Inc. |
| ETI | Entergy Texas, Inc. |
| EWC | Entergy Wholesale Commodities |
| FERC | Federal Energy Regulatory Commission |
| FPA | Federal Power Act |
| FRP | Formula rate plan |
| GAAP | Generally accepted accounting principles |
| IRS | Internal Revenue Service |
| ITC | ITC Holdings Corp. |
| HSR | Hart-Scott-Rodino Antitrust Improvements Act |
| LPSC | Louisiana Public Service Commission |
| MISO | Midwest Independent Transmission System Operator |
| MPSC | Mississippi Public Service Commission |
| NRC | Nuclear Regulatory Commission |
| OATT | FERC-jurisdictional Open Access Transmission Tariff |
| PPA | Power purchase agreement |
| PSC | Public Service Commission |
| PUCT | Public Utility Commission of Texas |
| SERI | System Energy Resources, Inc. |
| RISEC | Rhode Island State Energy Center |
| ROE | Return on equity |
| RTO | Regional transmission organization |
| SEC | U.S. Securities and Exchange Commission |

Additional Information and Where to Find It

ITC filed a registration statement on Form S-4 (Registration No. 333-184073) with the SEC registering the offer and sale of shares of ITC common stock to be issued to Entergy shareholders in connection with the proposed transactions. This registration statement was declared effective by the SEC on Feb. 25, 2013. ITC shareholders are urged to read the prospectus included in the ITC registration statement and any other relevant documents because they contain important information about TransCo and the proposed transactions. In addition, TransCo will file a registration statement with the SEC registering the offer and sale of TransCo common units to be issued to Entergy shareholders in connection with the proposed transactions. Entergy shareholders are urged to read the prospectus included in the ITC registration statement and the prospectus to be included in the TransCo registration statement (when available) and any other relevant documents, because they contain important information about ITC, TransCo and the proposed transactions. The registration statements, prospectuses and other documents relating to the proposed transactions (when they are available) can be obtained free of charge from the SEC's website at www.sec.gov. The documents, when available, can also be obtained free of charge from Entergy upon written request to Entergy Corporation, Investor Relations, P.O. Box 61000, New Orleans, LA 70161 or by calling Entergy's Investor Relations information line at 1-888-ENTERGY (368-3749), or from ITC upon written request to ITC Holdings Corp., Investor Relations, 27175 Energy Way, Novi, MI 48377 or by calling 248-946-3000.

In this news release, and from time to time, Entergy makes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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 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 in: (i) Entergy's Form 10-K for the year ended Dec. 31, 2012 and (ii) Entergy's other reports and filings made under the Securities Exchange Act of 1934; (b) uncertainties associated with rate proceedings, formula rate plans and other cost recovery mechanisms; (c) uncertainties associated with efforts to remediate the effects of major storms and recover related restoration costs; (d) nuclear plant relicensing, operating and regulatory risks, including any changes resulting from the nuclear crisis in Japan following its catastrophic earthquake and tsunami; (e) legislative and regulatory actions and risks and uncertainties associated with claims or litigation by or against Entergy and its subsidiaries; (f) conditions in commodity and capital markets during the periods covered by the forward-looking statements, in addition to other factors described elsewhere in this release and subsequent securities filings and (g) risks inherent in the proposed spin-off and subsequent merger of Entergy's electric transmission business with a subsidiary of ITC Holdings Corp. Entergy cannot provide any assurances that the spin-off and merger transaction will be completed and cannot give any assurance as to the terms on which such transaction will be consummated. The spin-off and merger transaction is subject to certain conditions precedent, including regulatory approvals.