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# EDITED TRANSCRIPT

ETR - Entergy Corp at Barclays CEO Energy Power Conference

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## CORPORATE PARTICIPANTS

**Leo Denault** *Entergy Corporation - Chairman of the Board and CEO*

## PRESENTATION

### Unidentified Participant

We've got Entergy Corporation. Leo Denault, who's the Chairman of the Board and CEO, is going to talk to us about the Entergy story. Leo?

**Leo Denault** - *Entergy Corporation - Chairman of the Board and CEO*

Thank you, Dan. And thank you all for coming out this morning and for listening on the webcast.

What I'd like to do is -- well, first of all, I have to tell you that some of what I'm going to say includes forward-looking statements, so you should refer to our website and SEC disclosures for more information.

What I'd like to do is give you a little bit of a landscape of where we're heading as a company. As you know, we have two major business lines within Entergy on the merchant side of the business with EWC, as well as the utility. And we're at a point in time right now where in both of the businesses, the trends we see are positive and favorable for us moving forward.

There's volatility associated with both sides of the business. Anytime you're involved in a business that's either weather-related -- like the utility- or commodity-based, like EWC, where the weather actually plays a role in the commodities that determine our price levels -- you're going to see volatility.

So in the near term, we continue to see volatility in the business. But as we look at the trends for the longer term, we think there's some really positive things for sustainable opportunities for us as we go forward.

If you look at where we sit in the utility, we got a significant investment opportunity associated with a couple of things. One is the industrial renaissance that's occurring within the jurisdictions that we serve, an aging infrastructure, environmental compliance, Fukushima-related costs. There's a groundswell of activity for us to continue to invest in the business in ways that are somewhat unique to us given what's going on with the industrial activity along the Gulf Coast in particular.

A big basis for that is not only the price of the commodity natural gas that a lot of these folks, but also our electric rates. Our electric rates are very low. And what we believe is that the confluence of events of what's occurring with the investment in the infrastructure, the load growth, our already-low rates and actions that we've taken that I'll talk about here in a minute -- that the things line up really well for us to be able to grow earnings while we invest in maintaining and improving reliability and customer service, all while we continue to have highly competitive rates vis-a-vis other utilities in the country and even within our region.

When we look at the EWC business -- obviously, we still have a lot of work to do on issues like market design and regulatory structures and the like. But we are in some of the most constrained markets in the country -- declining reserve margins. Those markets are getting tighter, which is improving price, even though we have a lot of work to do on market design, et cetera.

The plants that we operate operate really well. They're very vital to the regions, and we do a really good job of hedging those plants to allow us to take advantage of our point of view, whatever that point of view may be. Right now, we see again positive signs for long-term opportunities within that option, that option value that we have inside this business.

So let's start with the utility and get into a little bit more detail about what we have going on there. The types of investments that we're talking about, traditional type of utility investments for the most part. I know there's a lot of people investing in a lot of other types of things.



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The primary driver of investment for us over the next five to 10 years is probably going to be in the generation space. New generation to meet load, new generation to meet the needs of the system because of the aging infrastructure that we have.

So generation's going to play a big role. Transmission will play a big role as we look to continue to maintain and improve the reliability of the system as well as hook up new customers, as well as some of the new planning processes that are going on within MISO, et cetera.

So generation, transmission; also obviously distribution and other opportunities that we have within the mix. Environmental compliance, Fukushima-related costs -- all of those things in utility are the types of things that we're going to look at. And again, it's because of new load, because of aging resources, and compliance with regulatory, whether they be environmental or otherwise.

Over the course of the next several years between 2013 and 2016, we should see about \$2.1 billion to \$2.5 billion of rate-based growth associated with that investment. And if we take that out beyond that into 2018, we can see another \$2.5 billion of rate-based growth on top of that. Or it could be more, depending on certain things that occur with the growth story with the compliance with the aging infrastructure that we have.

Where the load shows up is important to both the transmission and the generation story. We've got a plan for how we would serve the load that we see coming in. Believe it or not, one of the ways to do that is the merger of EGSL and ELL that will provide some flexibility on how we utilize the long and the short of those utilities to serve this load. The other is MISO South, where there is excess capacity in the market that we can utilize to serve some of this load.

The reason the location of the load is important, however, is if you look at where it sits, some of it is bumping up against ERCOT -- which is electrically difficult for us to utilize service load -- and obviously the Gulf of Mexico. Because of where that load is in those major load pockets, that requires in the long-term resource plan the need for new generation to put that closer; also transmission, to make sure that we can support the new load, hook up the new load, hook up the new generation and support the volume of what we see coming in there, which is, as we've mentioned in the past, quite significant.

The other area that we're looking at in terms of the need for new generation is the age of the existing fleet. A significant amount of our nonnuclear generation is over 30 years old. We retired about 25 units since 2010 as part of our resource plan as we've acquired new units, et cetera, over the last several years.

That aging infrastructure is going to continue to age, obviously. And so we continue to [review] resources. That's why we have RFPs, et cetera, in Arkansas and Louisiana right now.

So if you look at where we sit from an investment standpoint, got routine maintenance, we got the new generation like the Ninemile 6 plant. We've got the environment compliance, et cetera. We've got the new load that we have to meet.

Now, if you look at between now and 2016 in particular, the new load that we talked about, the 1,700 megawatts of new load that we see showing up between now and then -- that's not going to change the capital program much one way or the other. That 1,700 megawatts associated with a lot of major large projects -- those large projects take a while to develop and site.

So that number probably isn't going to deviate much from 1,700. Even if it does, though, the capital program between now and 2016 is probably going to stay pretty static. There could be some transmission [then] moves one way or the other, et cetera, because of the load. But that's not really going to change, just a little bit more or a little bit less.

When you start to get out beyond 2016, that's where you're going to start to see potential for the load growth to have some impact, as we have to bring in a significant amount of new generation, because of the load, because of the age of the infrastructure, et cetera, that we have going on there.

So what could change is, probably in the near term, mostly timing. As you know, we have a couple of RFPs out, one in Arkansas and one in Louisiana. Those RFPs in Louisiana include self-build. They do not in Arkansas. So the opportunities in those RFPs, self-build in Louisiana, across both those



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RFPs would include the acquisition of existing resources, somebody else building the plant, or PPAs. Some of that could be capital in either of those RFPs, or it could be PPAs.

It's most likely that what might happen is a timing thing, as opposed to a volume thing. Depending on what the RFPs result in, if it's an acquisition, that can change the timing versus, say, a self-build or a PPA of what the capital might look like in both of those RFPs. But where the load shows up and when, as we start to get out beyond 2016, could have an impact on timing as well.

The other thing I would mention is that 2018 is obviously not the end of the story here. We believe this is going to continue on for quite awhile after 2018 as well. That 1,700 megawatts of load not only helps drive the resource needs that we have, but obviously it helps pay for the resource needs we might have. Remember, as I mentioned, competitive rates are a big driver of this economic development activity, something that's really important to us.

The more you have this load show up, as we use that as a backstop for the resources that we have to replace because they're aged, that we were going to have to do anyway, to the extent that they help pay for the resources that we built to serve them -- that helps us continue to maintain lower rates, particularly as it relates to things like environmental compliance or other things that we would have to do regardless of what the load size would be coming forward.

A lot of people ask us about whether or not we're seeing the load actually show up, and we are. This is a list of some of the major projects that we've seen coming online or being announced. They're in various stages right now.

For example, the Sempra LNG facility, with [final] investment decision just recently, though all the parties involved in that -- we've seen the Sasol plant get all their permitting and everything done with the Army Corps of Engineers just recently as well.

One of the plants that we -- just to give you a feel for how real this is, the Methanex facility is one of the plants that we've got coming into our region. This is a plant that was actually located in Chile, in South America, that they disassembled, took apart, put on barges and shipped to South Louisiana. All the stuff is there. Now the first phase of that plant's going to show up at the end of this year. The second phase will show up in 2016.

You don't make those kinds of decisions to disassemble a plant in one country and move it to another unless you believe that the commodity price differential is going to continue to stay and that the rate levels that we have and the support that we can provide is going to be useful going forward.

We do, like other people, see some of the energy efficiency and distributed generation impacts on our system. As it relates to energy efficiency, we have programs in place in all of our jurisdictions to actually recover program costs, to be able to get some contribution to loss fixed costs, et cetera. So these are regulatory programs in the energy efficiency world, where we are providing the opportunity to customers, and we're actually being able to make sure we're held harmless from it by the way we run it through the regulatory process.

We have about 9,500 solar installations in Louisiana. That's a little bit different story. Certainly, we see the impact like other people do. There's significant not only federal but state incentives in Louisiana, plus in that metering program.

Certainly, this offsets some of that load growth that we see in the industrial segment. But certainly 9,500 rooftop solar installations in Louisiana is not going to make up for the size and the kind of projects that we see elsewhere.

We do have a net metering issue going through the regulatory commission in Louisiana right now. Obviously, what we would support is net metering policies that don't have that subsidization of one customer group by another. All of that together is what results in our 3.5% to 3.75% load growth between now and 2016.

And as I mentioned earlier, that's just a snapshot between now and 2016. We think that this is going to continue on for another seven to 10 years, given that it's all driven by the price of natural gas and the difference between US natural gas, international natural gas and oil. Those are the major



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drivers, plus our electric rates. And the jurisdictions that we're in are very favorable for economic development, very favorable for business as relates to tax policy, workforce training, infrastructure [in] the Gulf of Mexico, the Mississippi River and all of those sorts of things.

I mentioned rate levels being very important across our system. Our industrial rates are 25% below the national average. If you look at Entergy Texas and the Louisiana companies, where a significant amount of this industrial activity is occurring, it's over 30% below the national average at those operating companies. That helps continue this process of us being an attractive place to locate manufacturing facilities across our service territory.

In addition to that, between the load growth, our already low rates; we've spent a lot of time, particularly over the course of the last 18 months, managing costs, managing our operations, geared towards economic development as it relates to the utility and creating, for example, a new capital projects group. That capital projects group is going to maintain oversight of all that construction build-out that I talked about earlier. It's been a long time since we built utility power plant.

So for example, the Ninemile 6 plant that's under construction right now in Louisiana -- that plant scheduled to come online the beginning of 2015. It's first major project where we've had this capital projects group be involved. Right now, we're looking at that. This should probably actually come online at the end of this year. So it should come online early as well. That group's going to be highly involved in all of this capital that we've got going forward.

Again, our HCM program, where we manage costs, \$250 million of costs, out of the system to help in the utility space, maintain those low rates; the joining of MISO not only giving us access to that excess capacity that MISO South has, but also should save our customers about \$1.4 billion over the first 10 years.

Under the design of the way MISO works today with the interconnection between it and SPP, the business combination of ELL and EGSL, while not as big as a real merger might be in terms of cost savings, it will reduce costs, it will provide efficiency, it will get access to generation, it will provide us one regulatory process instead of two -- those sorts of things that make us more efficient in the space of economic development and maintaining those low customer rates and continuing to grow the business.

Obviously, you have to tie all that together with a regulatory strategy and regulatory opportunities to make that work for you. In all of our jurisdictions where we've seen a need for new generation -- and again, new generation is the major focus of where we think the big dollars will be in the capital program -- we've had pretty favorable regulatory outcomes on that already. We don't really need to change much in that space.

If you look at acquisitions that we've made, typically whether it's in Arkansas, Mississippi or Louisiana, those acquisitions -- we make the acquisition, and almost contemporaneously with that, those plants end up serving customers, keeping rates low, and they're in the rate picture.

Ninemile 6, for example, will be just like that. Soon as Ninemile 6 goes online, it should be in rates right after that. Obviously, we'll do a [pre-emptive] review after the fact to come back and make sure that everything turned out the way we all anticipated it. It's a very efficient way to do that.

So in Louisiana, not only do we have acquisitions that have worked that way, similar to what we've seen in Mississippi and in Arkansas; in Louisiana we have precedent for handling new build that way as well. And as you saw, a majority of that new infrastructure along the Gulf Coast is in Louisiana. So those are very favorable regulatory outcomes.

2012, we had \$2 billion plus of rate base put into rates without having a general rate case. We continue to see those as opportunities. Certainly, we need some changes that we're trying to put in place, help us with transmission. So for example, in Texas, we do have transmission riders, distribution riders and capacity riders. In Mississippi, we're looking at forward test [tiers] in our current filing there, as well as trying to make sure that we can do things to be constructive in other areas of the spend, not just the generation front.

So in the end, if you put all that together, it supports that 5% to 7% growth that we see in earnings and utilities. And the capital spent to meet the customer needs, the load growth to help keep customer rates down, as well as the regulatory picture that we put in place, that we continue to evolve with -- it should help us get to and continue to earn those [allowed] ROEs going forward.



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You put all that together, and it's a pretty unique story, fueled by a lot of things that are somewhat old-fashioned in the utility space these days. And that is, our customer base and the load that we serve is actually growing to help make this work the way it was always intended to work.

So with that, I'll turn to EWC. I mentioned EWC. Obviously, there's volatility associated with it, because it's commodity-based business. But the fundamentals of it are that we need to continue to operate the plants very well, make sure that we're producing the electricity that we need to produce safely and securely. We need to make sure that we continue to operate Indian Point and move that forward. And obviously, what we need to do is make sure that we manage the risk around those in the commodity markets in a way that's constructive and consistent with our point of view.

So if we start with the operations side, we've put a lot of focus on that over the course of the last 18 months. That focus has paid off. We continue to operate those plants very, very well. If you look at where we are this year versus last year, with about 560 gigawatt hours more out of the system than we had last year -- that results in about \$37 million of revenue on volume alone associated with the way we've been able to improve the operations of the fleet.

The hedging strategy that we've had in place has been very successful in capturing the optionality that's based in those markets in capturing our point of view. We tee it up against our point of view. We did very well, obviously, in the last two winters. When we saw that markets were around our point of view, we spent a lot of time this year during second quarter on getting 2015 hedged out consistent with our point of view.

Probably could've done a better job in the second quarter on 2016, but we have done some things since this was updated in 2016 that are consistent with our point of view, mostly in a put option world, so that we can continue to take advantage of that uplift that we see in the markets between now and 2016, where we have protected ourselves in the downside a little bit more than what we see here. And before you ask, I can't disclose how much.

The other thing that's very important, obviously, to the story is what happens with Indian Point. Indian Point is certainly a vital asset within this region. If you go down the list of what it does -- base load, clean, reliable power; onsite fuel, very limited impacts on something like Indian Point as it relates to polar vortices, hurricanes, other kinds of super-storms, et cetera. These are -- it's a very vital part of the infrastructure in this part of the country, very difficult to replace.

We actually have more supporters than detractors, almost two to one of people for versus against. And any kind of attempt to replace the plant with other technologies, other resources, transmission, distributed generation, gas plants, is really going to be costly, not just dollars, but to the environment, and reliability as well.

The licensing process that we're going through has a couple of different things that are really important. One is the NRC process, and that continues to go through the normal NRC process. I say "normal," although because it's Indian Point, and because as we've gone through time things have become longer and longer to achieve, certainly this going to take a really long time, as it already has, to get through that process.

Also involved here at the state level, at least initially, have to with the water quality certificate and the coastal zone management consistent [to the finding]. Those processes happen -- they start here in the states. They don't necessarily end here in the states; they end in federal agencies, sometimes in federal court.

Obviously, we believe we have a very good case to get through all the requirements that we have to get through with Indian Point to get it relicensed. Unfortunately, the process, just by virtue of the way it works, both at the federal level and at the state level, it starts in one place, particularly if you look at the states -- [CZM] you might go from the states to the Department of Commerce and into federal court. These just going to take a long period of time, even if some of these things start to happen faster than they have in the past. For example, the CZM's already been delayed twice.

So this is a 2018 or beyond resolution in its current form, if it goes through the entire process. It's just not happening real fast. Processes aren't designed to happen real fast. And given the places these could end up, if you have to go through all the way to the end of the process, just the



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way that process works -- again, we're looking at 2018 or beyond before there would be an absolute resolution to where we sit. And that actually assumes things move relatively rapidly from here.

There's been a lot of talk in the Northeast, and in New York in particular, as it relates to Energy Highway, the rev process here. Those things obviously have a lot of hurdles to go through, whether it's transmission build, gas infrastructure build, or microgrids, rooftop solar, Smart Grids, et cetera.

There really is no efficient way to replace Indian Point. Even if that were the case, that doesn't change the legal regulatory processes that I just mentioned. Those are based on the law and regulations, et cetera. And those have a different place. So while this might occur at some point in time in the future, that doesn't necessarily impact what's going on in the regulatory legal processes.

I will say that all of these, if you think about what they are -- new technologies, new computer systems, new investments -- they're very difficult, they're very long timelines, very expensive. And as you go through the process, what you're likely to find is that there's very limited opportunities to be able to replace a non-emitting base load resource that has very low operating cost as it relates to the marginal cost powers.

One thing that I'll mention, too -- you hear a lot of discussion about things like Lower Hudson Valley, and people who are -- the capacity markets there, people who are trying to fight against that because of what it's doing to the price of power -- that it'll increase rates.

We talked about on the Analyst Day -- there was a slide in our Analyst Day presentation; it's in the appendix of our materials. Today, if you look at what's happened since 2004, for example, with rate levels, the wholesale price of power is not what's driven New York's electric rates, retail electric rates, to be as high as they are. It is the TV sector and things like the types of proposals here that have actually made the big wedge of why those rates are so high.

So at the end of the day, these will have a much bigger impact on the cost of electricity in the region than anything that would happen in the Lower Hudson Valley. It may be less efficient in terms of bringing new capacity into the market than a well-designed market structure associated with the capacity in energy markets.

We're not the only ones. I think even if you were to talk to the commissioners here in New York, they would tell you that energy diversity, supply diversity, is important. IHS Energy surveyed it. Our study that was just done, that talks about the most economic way to fulfill the needs of a system like this, is with diversity.

Got a significant amount of reliance occurring on natural gas nationwide. As you see coal retired because of environment and economic reasons, you start to see some of the nuclear plants come out. All that really does is make the existing base load capacity more valuable in the markets and more important, particularly when you get into New England and New York markets, where you've got not only transmission constraints, not only a lack of diversity occurring because of the retirements of the types of units that we've got -- we've got a lagging gas infrastructure and an inability to actually get that to rapidly respond, whether it's New England or New York, or other parts of the country. But particularly in the markets where we serve is that quite difficult.

From an environmental standpoint, if you look at taking nuclear out of the picture, it's very difficult to meet environmental objectives. If you look at the [regy] states, if you were to take all the nuclear out of the regy states, there's no way that they'd be able to meet their cap. In fact, obviously if you take nuclear out of the picture in New York, very difficult to meet their own objectives of where they would like to see carbon going in the future.

You've also, as I mentioned -- this relates to our point of view -- seen declining reserves associated with the markets we serve, whether it's New England or New York. What this show is, if you just have the trend where we sit today of where things were going, you would hit reserve margin reliability criteria around 2017.

If you look at market prices, and one of the components of our point of view around heat rate -- if you look at the implied heat rates in today's current forward prices of power, they go from prompt, being around 8,500 heat rate down to about 7,500 by the time you hit the reserve margin criteria here.



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That backwardation, we believe, probably isn't going to occur. We've seen it over time -- as you get to the prompt, the heat rates rise. Because liquidity in the market just is such that there's not a lot of power trades done out on that end of the curve. So you've got a more liquid gas curve, a less liquid power curve, that gets that implied heat rate to backwardate like that.

Our point of view actually would be that this won't occur for a little while after that, maybe closer to 2020. So what we would see is that in that heat rate uplift not necessarily 1,000 points, but maybe 400 or 500 points. And that's where our point of view would be in terms of heat rate as we go out into the future.

Another component of our point of view is around the price of natural gas. What we do see with natural gas is increased demand for power generation as you have that lack of diversity and the powers [that] it's occurring because of the retirement of coal, because all the new builds are going to be gas. And with retirement of nuclear, and even to support renewables when they show up, there's increased generation demand, increased industrial demand, which is driving our utility forecast in the South, for example, and other parts -- [and] increased exports to Mexico. We're continuing to export more natural gas to Mexico.

What we see that doing is shifting us back into some of the dry plays. What's been really prevalent over the course of the last couple years is targeting those wet plays, taking advantage of that oil price differential and what's going on in liquids. So what we see is that as that demand grows, we're going to get more and more into the dry plays. Those are higher-cost plays. That's why they've been un-emphasized by the E&P market to date as they go after wet plays. But when that gas demand improves, we believe that that's going to have some mild impact in the price of natural gas going forward as well.

So if you put all that together, you've got well-run assets in constrained markets, with a heading strategy that's been proven to be very successful over the course of the last few years to take advantage of the volatility in those markets. We've got vital resources that are difficult to replace. They're difficult from an environment standpoint, difficult from an economic standpoint, difficult from a reliability standpoint; all things that are important to the market in fuel diversity.

And our ability to manage that risk -- we believe that that's where we should see some upside in the market, upsides in this business as well, above what current forward prices would tell you, and as we also believe that we'll continue to operate Indian Point for years into the future.

All of that put together, based on our point of view -- we believe that we hit that 2% to 4% EPS growth. Admittedly, where markets are today, with that backwardated heat rate, lower gas prices than what we believe -- that's a lot flatter going out between now and 2016 if you use current market. But as I said, we believe that that's going to be higher going forward for all those reasons that I mentioned.

Which kind of brings me back to the overall story. We have some exciting trends in both sides of the business. If you look at that growth opportunity, as it relates to the utility, with 3.5% to 3.75% load growth, that's pretty unique. The generation needs for that, as well as the generation needs for the aging infrastructure, the transmission needs that go along with all of that, the regulatory structures in place that allow us to recover those dollars in a pretty efficient manner, so that we can also maintain low rates, continue to be competitive -- we think that's going to continue on for a long period of time now, beyond 2016 or beyond 2018.

And again, if we look at what's going on in the power markets where we are, the facilities that we have and the constraints that exist -- if you really think about it, you want clean, reliable, low-cost power in the regions -- nuclear plants have to play a part of that mix, or you'll never meet your goals. Energy diversity is important. You start to pull away from that with the infrastructure, as difficult as it is to site -- whether it's transmission or pipelines, that calls for the need for some of these existing plants to be maintained into the near future.

With that, I have three minutes and 57 seconds to answer questions.

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### Unidentified Participant

Very good. Thank you, Leo.



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Microphone's coming around.

## QUESTIONS AND ANSWERS

### Unidentified Audience Member

Leo, on point of view, my question is -- why are we shedding more and more [in kyankeets] like a piece of gold going out in an environment? Could you elaborate on that, as to what you're shedding more and more [in kyankee]?

### Leo Denault - Entergy Corporation - Chairman of the Board and CEO

With the size of the plant, the market it's in, the capital and O&M associated with it going forward -- we evaluated that based on our point of view, and it still didn't make the cut. It doesn't make it even in the market that we see going forward. It's as simple as that.

It's the smallest, it's got the highest cost structure on a per-unit basis. It's got all those costs as it relates to Fukushima costs, the O&M, et cetera -- it just didn't make it. Believe me, for a lot of reasons that aren't just the economics, it's not a decision that we made lightly.

Yes, sir?

### Unidentified Audience Member

Is it Indian Point 2 and 3 that's up for renewal?

### Leo Denault - Entergy Corporation - Chairman of the Board and CEO

They both are.

### Unidentified Audience Member

Both are?

### Leo Denault - Entergy Corporation - Chairman of the Board and CEO

2 has actually passed its license life and operating in that timely renewal doctrine. And 3's is 2015 --

### Unidentified Audience Member

2015?

### Leo Denault - Entergy Corporation - Chairman of the Board and CEO

-- toward the end of 2015 is when the license --



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**Unidentified Audience Member**

Is it 20 years you're going for?

**Leo Denault** - *Entergy Corporation - Chairman of the Board and CEO*

Yes. Yes.

**Unidentified Audience Member**

Thank you.

**Unidentified Participant**

Other questions for Leo?

Leo, you talked a little bit about the impact of 111(d) on your unregulated generation portfolio. Can you talk a little bit about how it impacts your regulated portfolio, given the demand growth you see there? And what, if any, changes will you advocate for in the response period?

**Leo Denault** - *Entergy Corporation - Chairman of the Board and CEO*

Well, we're still evaluating 111(d) and how it impacts our entire fleet north and south.

What I can say -- and I can't tell you what our comments will be, because we've got till October to do those, and we're pulling all that together, and I know some people have asked for an extension beyond that October date to see when comments would be due -- what I can say about 111(d) -- we've long been a proponent of doing certain things about climate change. It's been a long part of our history as a company.

As we've always looked at it, though, we've had a set of principles that we thought needed to be abided by to make that work. Had to be market-based, it had to provide the right kind of flexibility, had to really make a difference.

And what we're struggling with right now is we don't see that. We don't see those principles in 111(d). So it's -- the intension might be the right thing. But right now, what we don't see is the way it handles nuclear as being constructive. Some of the things they're doing seem to not achieve the objectives. It's not market-based; there's a lot of things in it that we're looking at, that it just doesn't seem to line up with those principles that we set out.

**Unidentified Participant**

Thank you.

Well, if there are no other questions for Leo, we do have a breakout session, with will be in Liberty 5, for individual questions.

Thanks very much, Leo.

**Leo Denault** - *Entergy Corporation - Chairman of the Board and CEO*

Thank you.

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