

Creating solutions for tomorrow *Today.*

*Bill Mohl
President and CEO
Entergy Gulf States Louisiana, L.L.C.*

October 4, 2011



Louisiana Utilities Mission

*“To Provide Safe, Reliable, Affordable
Energy to Our Customers”*



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Entergy and the Baton Rouge Area

- 3,016 square miles
- Employs over 1,320 people in the region

In 2010:

- Spent more than \$149 million on payroll, services and materials
- Contributed more than \$53.9 million in taxes and franchise fees
- Employees volunteer in initiatives to improve the communities in which they live
 - including Entergy programs that help the elderly, disabled and financially disadvantaged



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Looking to the Future



- Strong focus on economic development and business growth
- Sustaining affordable electricity costs
- Anticipating energy needs of the future



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Focus on Economic Development

- Site selection website
- Expanded economic development department
- Helped create more than 25,000 new Louisiana jobs since 2005



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Sustaining Affordable Electricity Costs



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Louisiana: Low Electricity Prices

Louisiana 2010 electricity costs*

12th lowest residential electricity costs

14th lowest industrial electricity costs

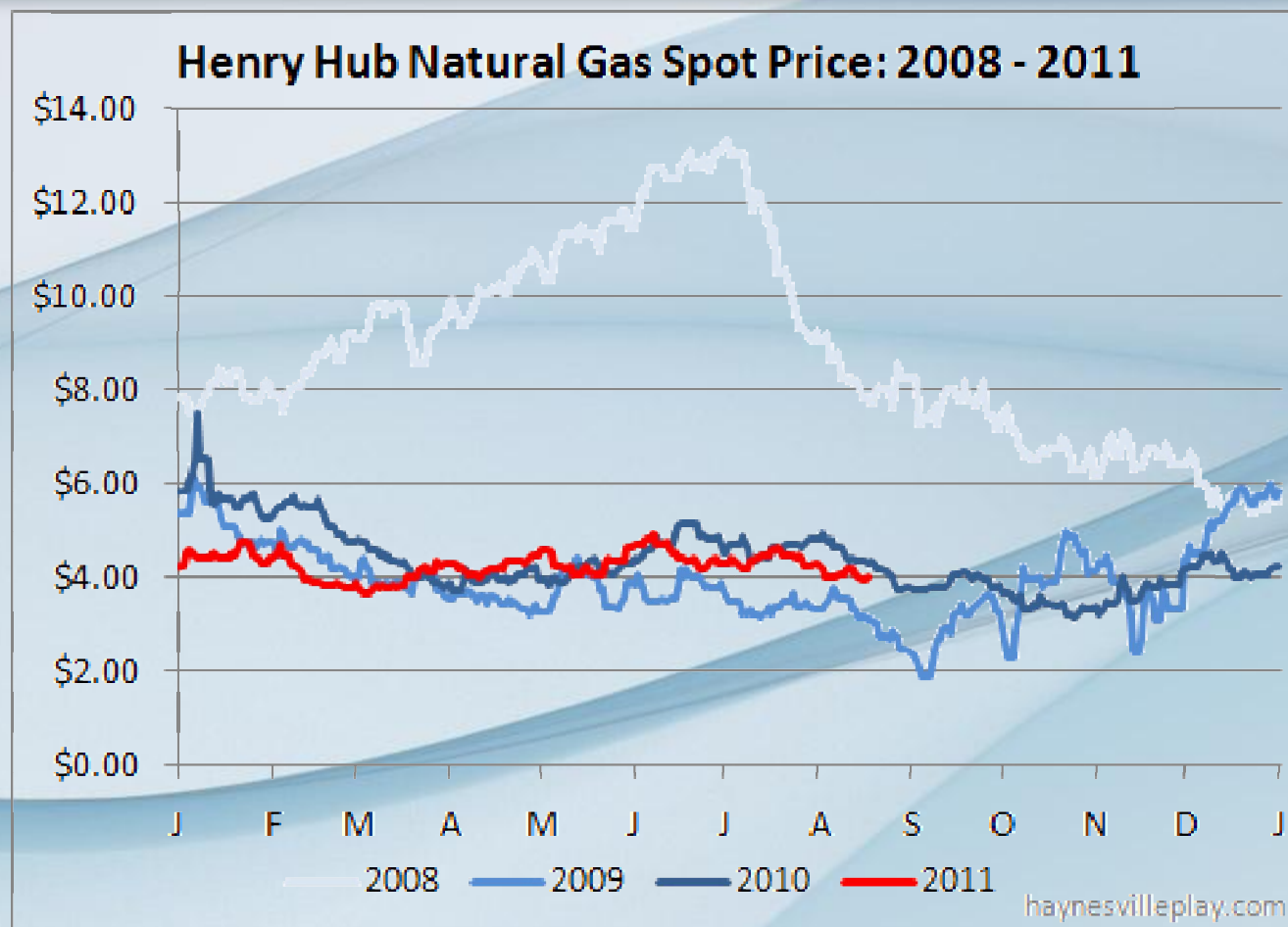
* U.S. Department of Energy



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Natural Gas Price Changes

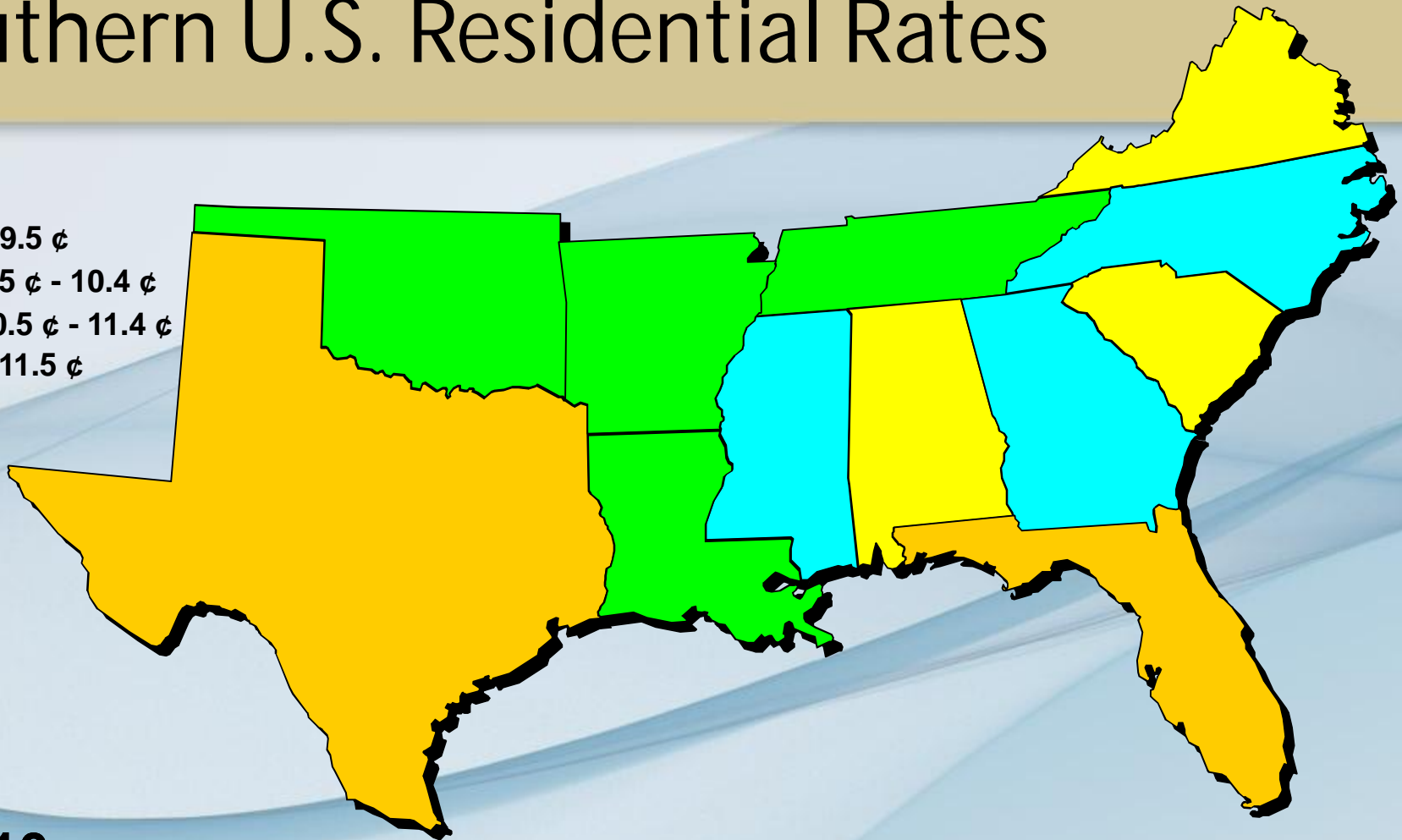
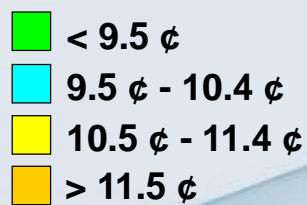


*Average residential customer can power their home
for about \$4 a day*



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Southern U.S. Residential Rates



2010

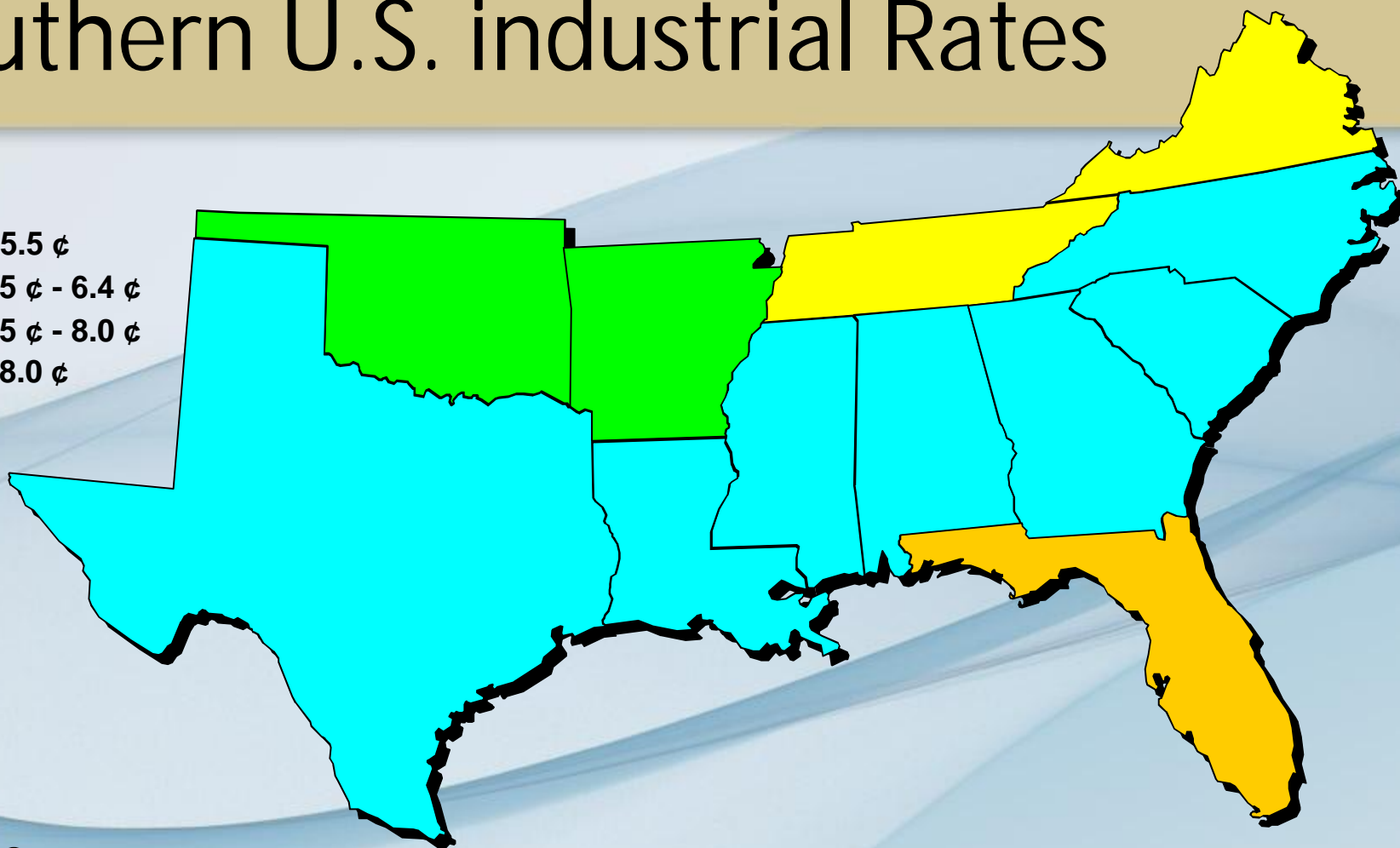
Source: U.S. Dept of Energy, EIA, Form EIA-826

- Entergy Gulf States Louisiana Average 9.5¢/kWh
- U.S. Average 11.6¢/kWh



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Southern U.S. industrial Rates



2010

Source: U.S. Dept of Energy, EIA, Form EIA-826

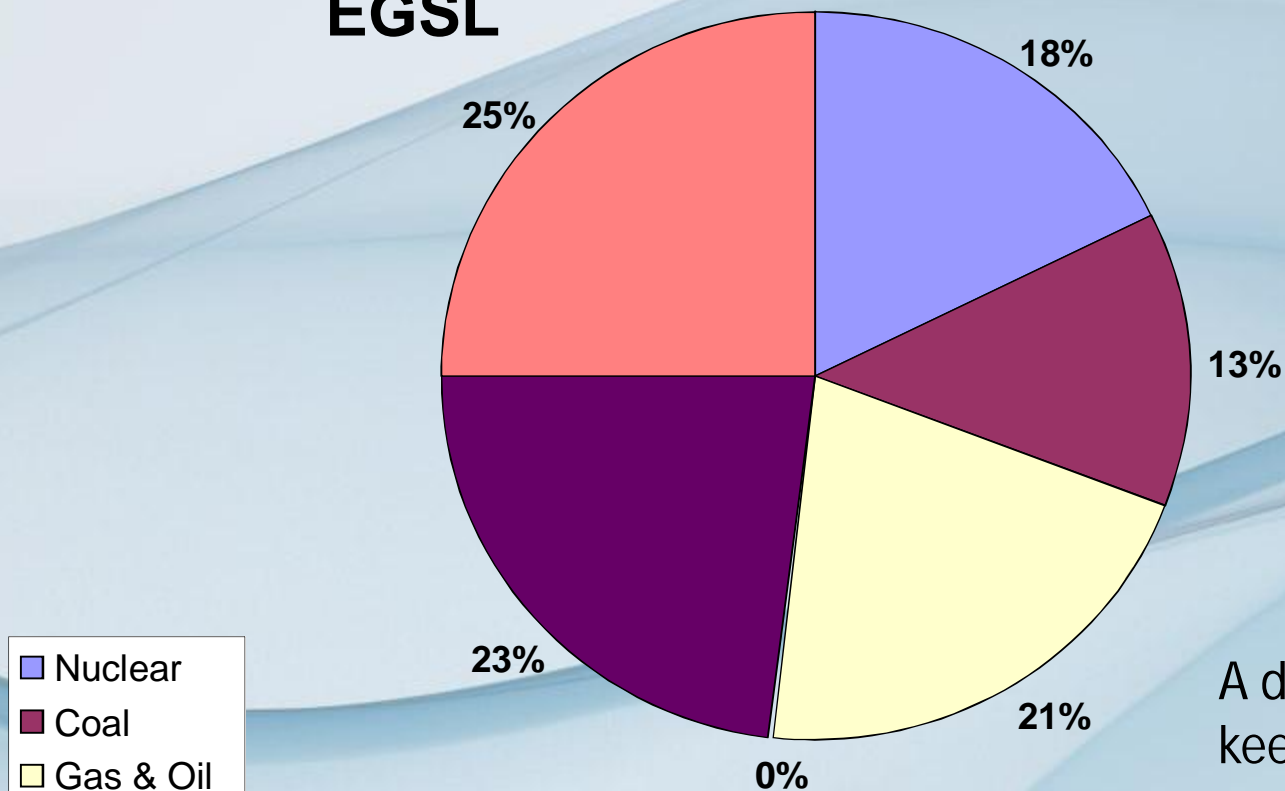
- Entergy Gulf States Louisiana Average 5.9¢/kWh
- U.S. Average 6.8 ¢/kWh



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2010 Fuel Mix by Utility

EGSL



A diverse fuel mix helps keep fuel costs low.



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Anticipating Future Energy Needs



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Electricity Demand is Growing

- U.S. DOE estimates demand will increase by 30 percent between 2008 and 2035
- Escalating technology
- 1989 – average customer used about 900 kWh per month
- 2011 – average customer used about 1,300 kWh per month



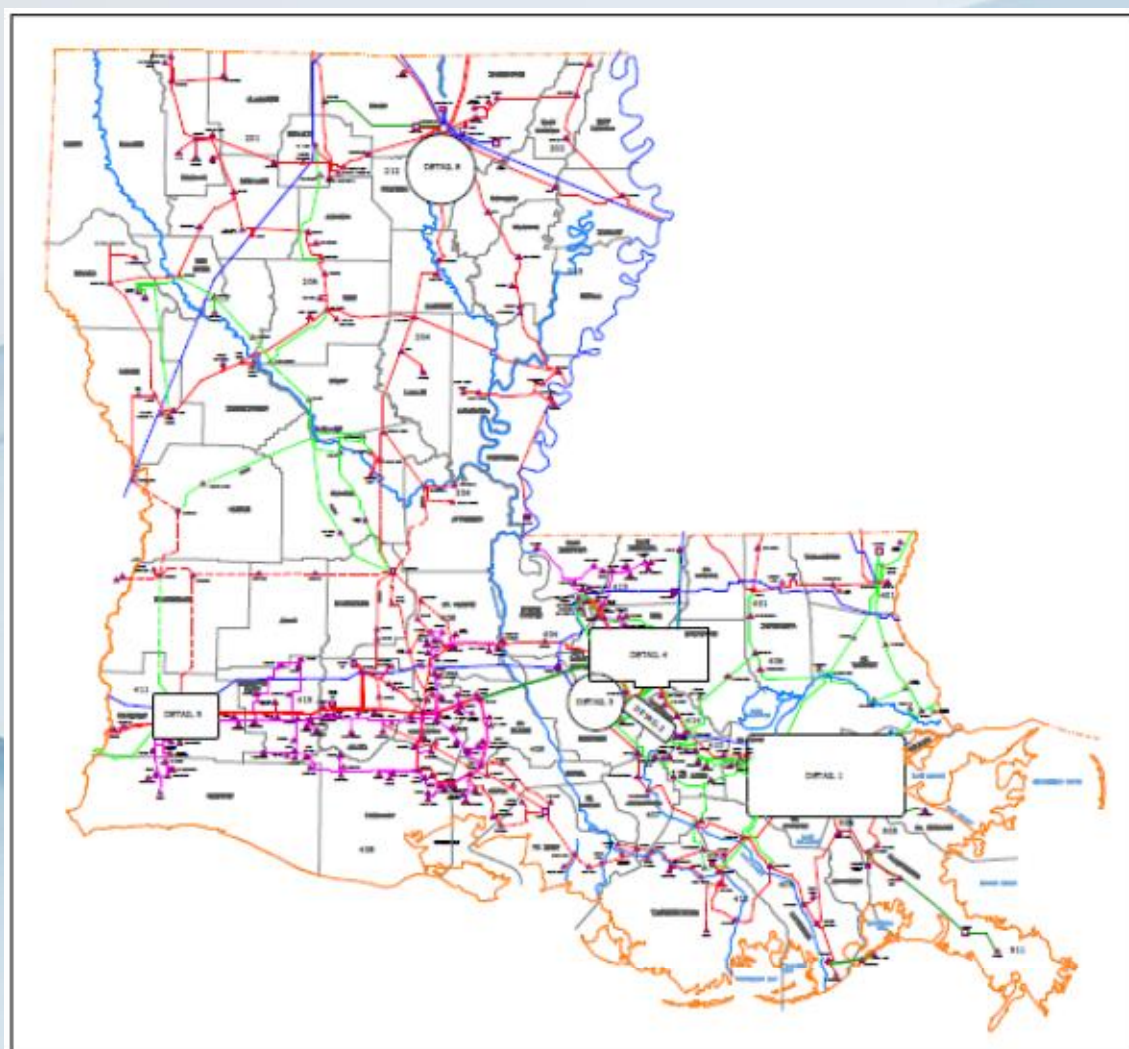
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Transmission Investment and Market Structures



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Investing in Transmission



Entergy Transmission Construction Plan 2011-2013

From 2011 to 2013, Entergy plans to invest an estimated \$500 million to expand and bolster the transmission system throughout the state.

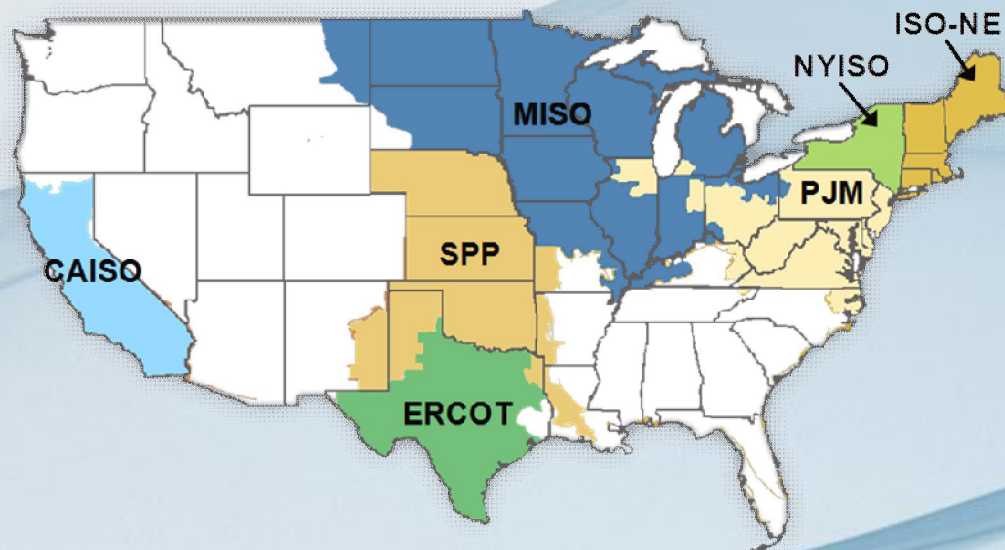


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Entergy has Proposed to Move to an RTO

Role of an RTO

- Manages the dispatch of generation and transmission of electricity.
- Manages supply, demand and cost of production while maintaining reliability.
- Allows access to a vast network of electricity buyers and sellers.
- Not all RTOs have all these features.

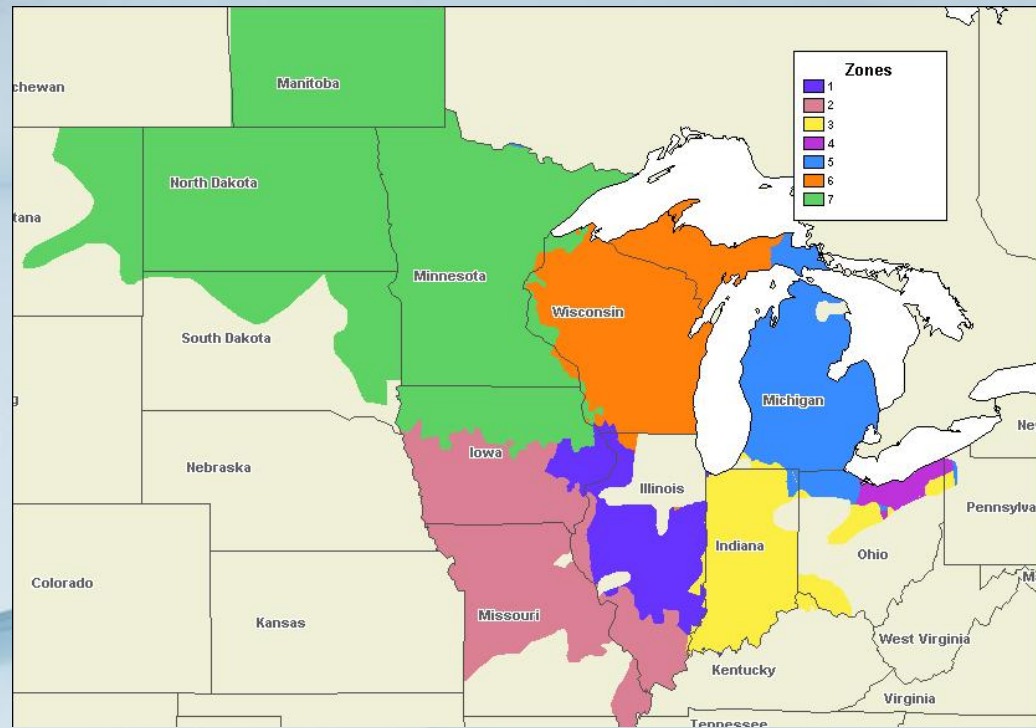


There are currently seven RTOs in the United States, which serve about 60 percent of the U.S. energy load.



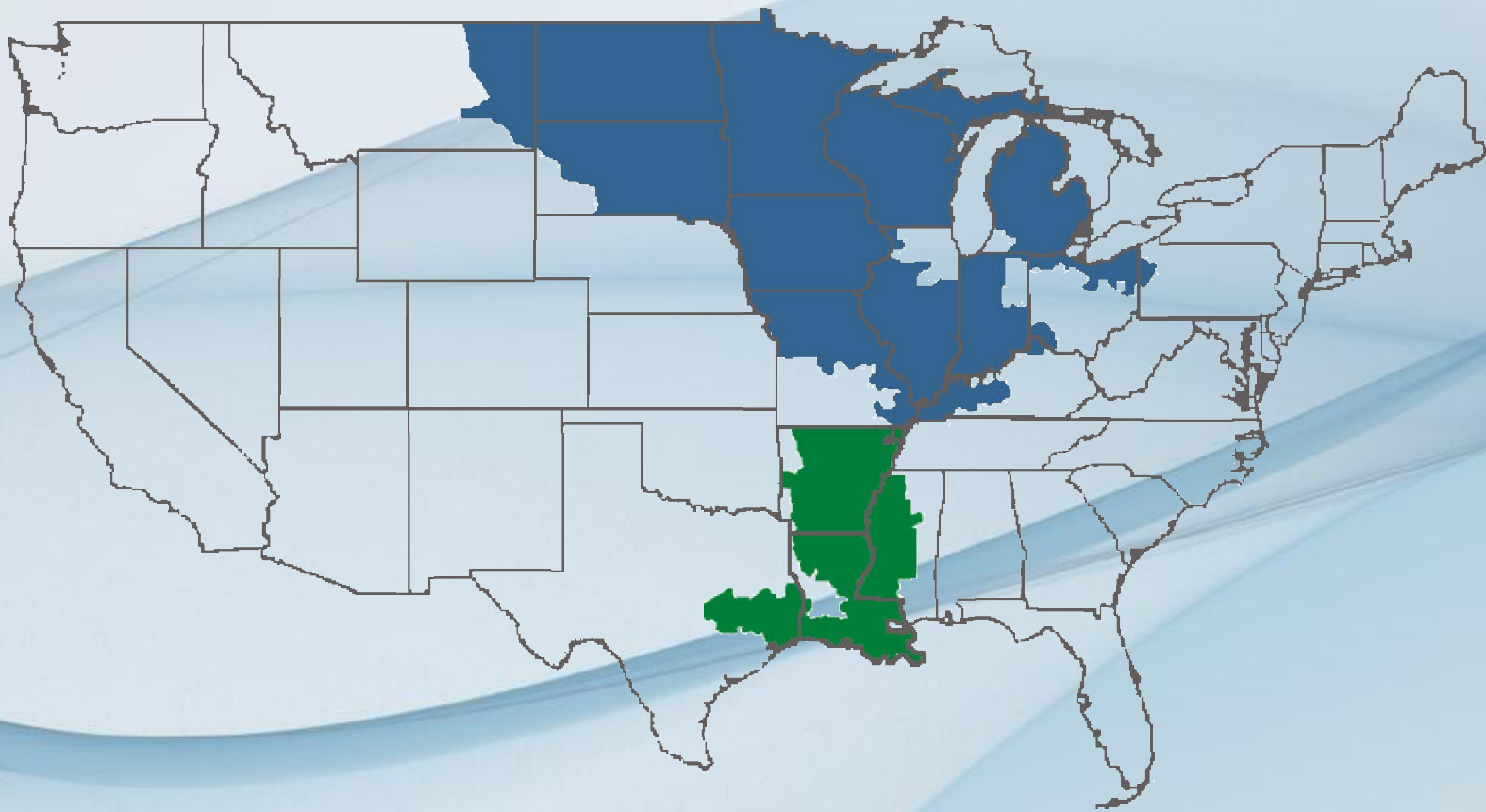
Entergy has Proposed to Join the MISO RTO

- Currently, MISO operates in 12 U.S. states and Manitoba, Canada. This large footprint will help to increase efficiencies, system reliability and savings for all Entergy customers.
- Established Day 2 market.



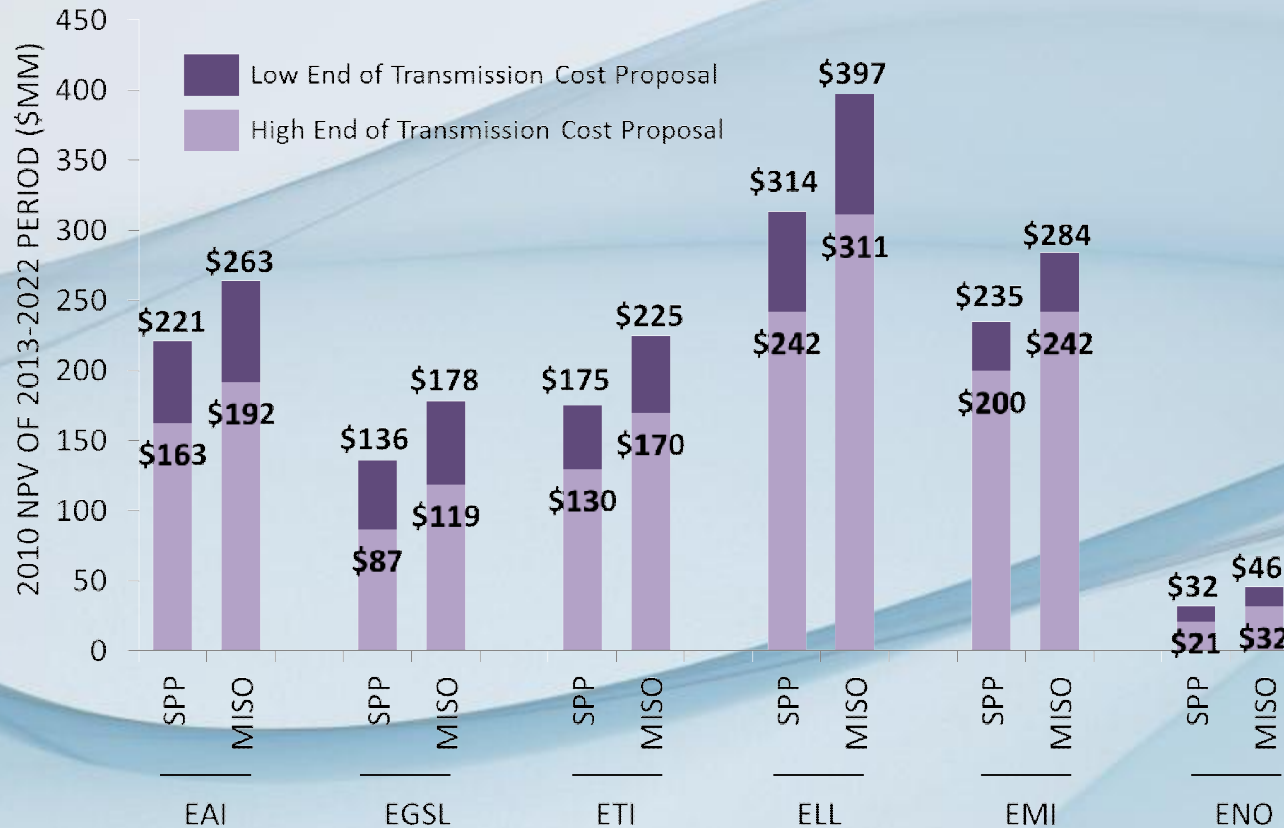
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Expanded Benefits from Larger Scale



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MISO Provides Increased Benefits to Customers



Comparison
of RTO Net
Benefits by
Operating
Company
(2010 NPV
of 2013 – 2022
period)



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Next Steps

- Regulatory filings will be made with local regulators in Fall 2011.
- FERC filing in 2012.
- Target: receive all approvals and join MISO RTO by no later than December 2013.



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Transforming Our Generation Resources

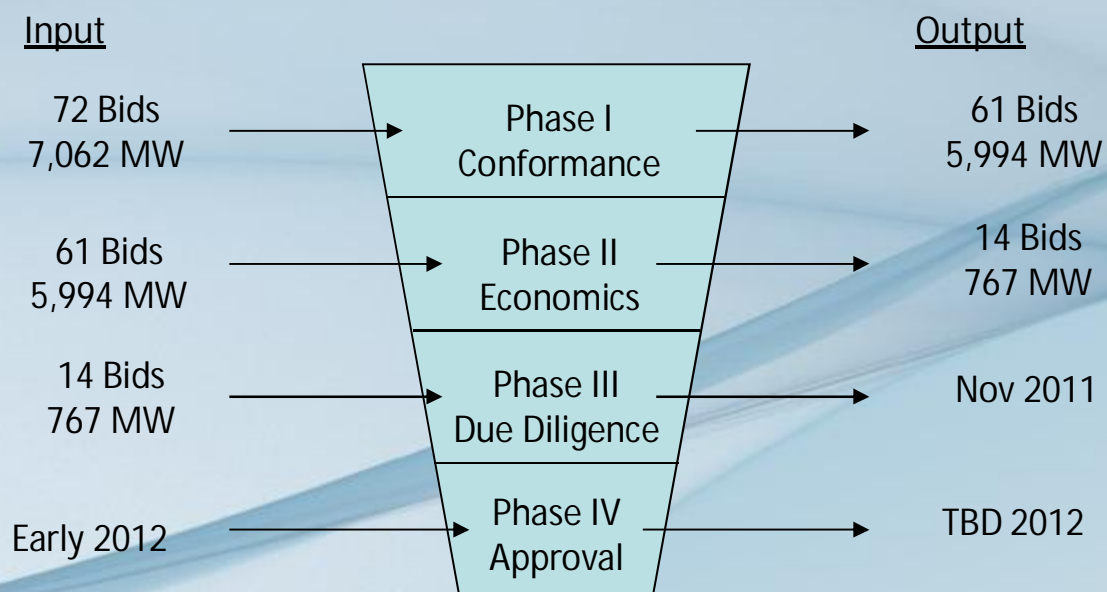
- Clean generation portfolio transformation
- Perryville
- Ouachita
- Acadia Power Block Unit 2
- Ninemile 6 CCGT (\$720M)
- Long-term contracts with energy suppliers
- Added more than 2,400 MW of long-term capacity in Louisiana since 2002



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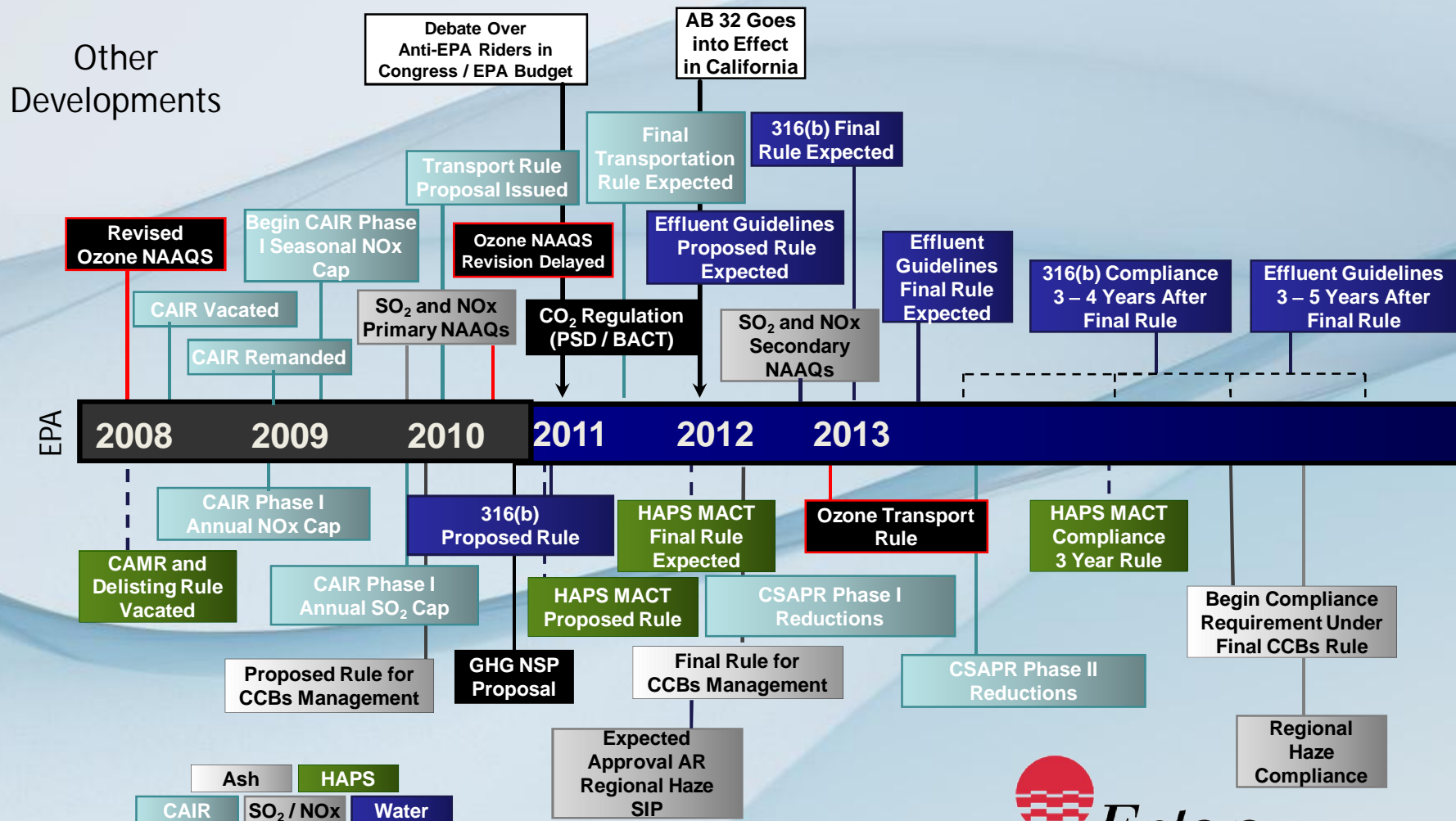
Renewable Resources

- LPSC initiated exploration of a possible Renewable Portfolio Standard (RPS) in January 2009.
- After detailed evaluation and analysis, a pilot was approved in mid-2010 with two main parts:
 - 5-year “Standard Offer Tariff” with a 3¢/kWh premium.
 - Long-term Request for Proposal (RFP).
- Currently in Phase III of the RFP process.



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Environmental Compliance Challenge



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Future Challenges

- Capital Investment Requirements
 - *Generation Infrastructure Needs*
 - *Transmission Expansion*
 - *EPA Regulations*
- Increased Regulation and Compliance
 - *Cyber Security*
 - *Reliability Requirements*
 - *FERC/NERC Oversight*



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Questions



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