

ENTERGY CORP /DE/  
Form 425  
January 29, 2013

POWERING TOMORROW

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An Inside View of Entergy's Transmission Initiatives

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Filed by Entergy Corporation Pursuant to Rule 425

Under the Securities Act of 1933

Subject Company: Entergy Corporation

Commission File No. 001-11299

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Entergy SEC Disclosure

**FORWARD-LOOKING INFORMATION**

In this communication, and from time to time, Entergy makes certain forward-looking statements within the meaning of the Reform Act of 1995. Except to the extent required by the federal securities laws, Entergy undertakes no obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events, or otherwise. Forward-looking statements involve a number of uncertainties. There are factors that could cause actual results to differ materially from those expressed or implied in the forward-looking statements, including (i) those factors discussed in Entergy's Annual Report on Form 10-K for the year ended December 31, 2011, its Quarterly Reports on Form 10-Q for the quarters ended March 31, 2012, June 30, 2012 and September 30, 2012, and other filings made by Entergy with the Securities and Exchange Commission (the "SEC"); (ii) the following transactional factors (in addition to others described elsewhere in this communication):

statement/prospectus included in the registration statement on Form S-4 that ITC filed with the SEC on September 25, 2012 in proposed transactions, and in subsequent securities filings) involving risks inherent in the contemplated transaction, including: shareholder approval, (2) failure of Entergy and its shareholders to recognize the expected benefits of the transaction, (3) failure of Entergy to obtain regulatory approvals necessary to consummate the transaction or to obtain regulatory approvals on favorable terms, (4) the ability of Entergy LLC (TransCo) and ITC to obtain the required financings, (5) delays in consummating the transaction or the failure to consummate the transaction exceeding the expected costs of the transaction, and (7) the failure to receive an IRS ruling approving the tax-free status of the transaction and regulatory actions; and (iv) conditions of the capital markets during the periods covered by the forward-looking statements. ITC cannot give assurance that certain conditions precedent, including regulatory approvals, approval of ITC's shareholders and the availability of financing, will be completed, nor can it give assurances that such transactions will be consummated.

#### ADDITIONAL INFORMATION AND WHERE TO FIND IT

On September 25, 2012, ITC filed a registration statement on Form S-4 (Registration No. 333-184073) with the SEC registering common stock to be issued to Entergy shareholders in connection with the proposed transactions, but this registration statement will not become effective. This registration statement includes a proxy statement of ITC that also constitutes a prospectus of ITC, and ITC shareholders. In addition, TransCo will file a registration statement with the SEC registering TransCo common units to be issued to Entergy shareholders in connection with the proposed transactions. Entergy shareholders are urged to read the proxy statement included in the ITC registration statement and the proxy statement/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. ITC shareholders are urged to read the proxy statement/prospectus included in the ITC Registration Statement and any other relevant documents because they contain important information about TransCo and the proposed transactions. The proxy statement/prospectus 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](http://www.sec.gov).

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.

Presenting today:

Presenting today:

Rick Riley

Rick Riley

Mark McCulla

Mark McCulla

Jeanne Kenney

Jeanne Kenney

Joe Domino

Joe Domino

3

Steps taken  
ON BEHALF OF CUSTOMERS

4

Service improvements

Service improvements

More options

More options

More information

More information

Greater control



Greater control  
Community investment  
Community investment

5

Continually working to  
MEET FUTURE NEEDS

Expanded generation

Expanded generation

Maintained some of the nation's

Maintained some of the nation's

lowest rates

lowest rates

MISO Initiative  
MISO Initiative  
ITC Transaction  
ITC Transaction  
Powering  
TOMORROW

Rick Riley  
Rick Riley  
VICE PRESIDENT  
VICE PRESIDENT  
ENERGY DELIVERY  
ENERGY DELIVERY

7

Entergy s  
TRANSMISSION BUSINESS  
15,000 + circuit miles of  
15,000 + circuit miles of  
transmission lines at voltage  
transmission lines at voltage  
levels of 69 kV and above  
levels of 69 kV and above  
Spans portions of five states

Spans portions of five states

Approx. 1,500 substations

Approx. 1,500 substations

Transmission headquarters

Transmission headquarters

Employees, vehicles, other

Employees, vehicles, other

buildings and more

buildings and more

8

Developed city-by-city,  
Developed city-by-city,  
in patchwork fashion  
in patchwork fashion

-

-

not nationally

not nationally

Fragmented

Fragmented

Inefficient

Inefficient

9

The existing U.S.

TRANSMISSION GRID



10

Plans announced April 2011

Manages the dispatch of generation

Regional transmission planning process

Coordinate regional operation of transmission

Brings buyers and sellers Into a centrally  
managed organized market

Results in greater efficiency

Drives value to Entergy customers

Features of a  
REGIONAL TRANSMISSION ORGANIZATION

11

Plans announced December 2011

Plans announced December 2011

Shifts ownership of Entergy's

Shifts ownership of Entergy's

transmission business

transmission business

A singular focus in transmission,

A singular focus in transmission,

delivering proven results

delivering proven results

Introducing fully separated,

INDEPENDENT TRANSMISSION

12

Substantial

FUTURE CAPITAL INVESTMENT REQUIRED

Estimates of \$1.5 trillion

Estimates of \$1.5 trillion

to \$2 trillion

to \$2 trillion

Compliance requirements

Compliance requirements

Environmental regulations  
Environmental regulations

Mark McCulla  
VICE PRESIDENT  
TRANSMISSION REGULATORY COMPLIANCE  
13

14  
Entergy's historical Interest  
IN RTOs  
Encouragement from Regulators  
2000  
2003  
2006  
2012  
-



Joint RTO application with SPP  
rejected by FERC

-

Joint effort with SETRANS fell apart

-

Establishment of ICT

-

SPP has served as ICT since then

-

SPP contract expired November

-

MISO is now serving as the ICT

15

Regional focus

Immense energy pool from  
Canada to Gulf

Efficient, proven Day 2 market

Projected customer savings of  
\$1.4B in first decade

One of the country's

FIRST AND LARGEST RTOs

Jeanne Kenney  
VICE PRESIDENT  
PERFORMANCE MANAGEMENT  
Leading Transmission Regulatory Implementation Team (TRIT)  
16

Invest  
Invest  
Issue Debt  
Issue Debt  
Project Delays  
Project Delays  
Rate Base  
Rate Base  
Attrition (CapX > Depn)

Attrition (CapX > Depn)

Dilution

Dilution

Rate Case

Rate Case

Issue Equity

Issue Equity

Regulatory Lag

Regulatory Lag

Capital Markets

Capital Markets

17

Large and growing

CHALLENGES TO FINANCING GRID

18

Investment to

CRITICAL INFRASTRUCTURE

Similarly, utilities must

Similarly, utilities must

invest in transmission

invest in transmission

infrastructure.

infrastructure.

CapX/depreciation ratio trends  
DEMAND SIGNIFICANT EXTERNAL FINANCING  
Note: FERC data from Energy Velocity  
The  
rapid  
increase  
in  
capital  
expenditures  
for

transmission  
in  
recent  
years,  
combined  
with  
the  
long  
depreciation  
lives  
for  
transmission  
assets,

means that transmission capital expenditures in particular far exceed their related depreciation cash flows.

4

3

2

1

0

2010

2009

2008

2007

2006

2005

2004

2003

2002

2001

2000

Overall

Generation

Distribution

Transmission

2.6

3.0

1.9

3.7

1.1

0.7

1.8

1.5

19



Create larger footprint; upsize balance sheet

Duke / Progress

Northeast Utilities / NSTAR

PPL / LG&E

First Energy / Allegheny

Exelon / Constellation

Achieve greater certainty in regulations

e.g., Formula rate plans, future test years,  
specific rider recovery, CWIP in rates, etc.

e.g., FPL Rate Hike Request

Align business model with capital needs

e.g., AEP TransCo

20

Industry is responding

WITH DIFFERENT APPROACHES

Consolidate

Build Regulatory

Flexibility / Certainty

Change Business Model

Largest company of its kind  
Largest company of its kind  
More than 15,000 miles of  
More than 15,000 miles of  
transmission lines  
transmission lines  
Operations in seven  
Operations in seven  
states:

states:

Michigan, Iowa, Illinois,  
Michigan, Iowa, Illinois,  
Minnesota, Missouri, Kansas,  
Minnesota, Missouri, Kansas,  
Oklahoma

Oklahoma

Has RTO experience as

Has RTO experience as

transmission-owning member of

transmission-owning member of

both MISO and SPP

both MISO and SPP

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INDEPENDENT TRANSMISSION COMPANY

ITC is the nation's largest

22  
750 employees  
750 employees  
New ITC Midsouth region  
New ITC Midsouth region  
Headquartered in Jackson, MS  
Headquartered in Jackson, MS

New corporate citizen  
New corporate citizen

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Entergy's long advocacy for  
INDEPENDENT TRANSMISSION

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Regulators retain control and influence over  
TRANSMISSION ASSETS

Retail Regulators

Retail Regulators

Will

Will



still  
still  
set  
set  
OpCos  
OpCos  
retail  
retail  
revenue  
revenue  
requirements  
requirements

Will still have jurisdiction over retail rate design  
Will still have jurisdiction over retail rate design

Will have a role on MISO advisory committee  
Will have a role on MISO advisory committee

Will have siting authority  
Will have siting authority

May intervene in some FERC proceedings  
May intervene in some FERC proceedings

HEARINGS ACROSS JURISDICTIONS

25

LPSC -

EGSLÆLL

Hearings

9/5/12

9/20

NO City Council ENO

9/12/12

APSC

EAI

9/28/12

Hearings

MPSC

EMI

10/5/12

Direct/Rebuttal/Sur-rebuttal/Rejoinder/Protests

Hearings

Hearings

2/8

7/31

3/29

9/25

PUCT

ETI

NOTE:

EAI, ELL, EGSL, EMI and ENO schedules have been approved by the Regulators

rest are in process of finalization. Blue symbols stand for various critical dates related to Staff

Rebuttal, Intervenor Rebuttal, Responses, Sur-rebuttal and Rejoinders

PUCT preference

Filing dates

Filing dates

Hearings

Hearings

Decision

Decision

ITC/ETR

under discussion

Missouri PSC -

EAI

1/13

EOM May

8/23

proposed

close date

Discussions

between ETR &

ITC

Discussions

w/regulators/

staff/parties

Settlement

Settlement

Process

Process

Stipula-

tions

finalized

Approval

8/09

Hearings

APSC will typically not discuss settlement until after  
direct testimony filed; settlements must be proposed  
to commission 10 days before hearings

9/15

FERC

9/26/12

203/5

10/31/12

204

204

204

203/5

203/5

204

203/5

Technical Conference

Technical Conference

Procedural schedules for

2012

2013

Sep

Oct

Nov

Dec

Jan

Feb

Mar

Apr

May

June

July

Aug

Sep

26

Expansive, super-regional energy  
marketplace

Financial capacity for investment

Improved reliability

Lower long-term costs while  
enhancing the grid

Multifaceted

BENEFITS TO ENTERGY CUSTOMERS

UTILITY  
OPCOS  
ENTERGY  
WHOLESALE  
COMMODITIES  
MID SOUTH  
TRANSCO LLC  
(NEW HOLDCO)  
ITC MERGER

SUB

Transco Subs

ITC After

Generation

Distribution

Retail customer service

ENTERGY SHAREHOLDERS

OWN STOCK IN TWO COMPANIES

ETR After

Transmission

Up to \$700M

recapitalization

(pre-close)

ETR and

OpCos

reduce

debt by

\$1.775B

\$1.775B DEBT

TRANSFERRED

WITH ASSETS

TRUST

Up to ~5%

ITC Shares

ITC

Shares

ETR

Shares

ETR

Shares

Up to ~5%

Proposed

Spin-Merge

of

Transmission

Business

ENTERGY

SHAREHOLDERS

ITC

SHAREHOLDERS

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The Merger Transaction

END STATE

Transmission  
Manager  
Directs Regional  
Transmission, Dispatch  
and Movement of  
Electricity  
Transmission Owner  
Builds, Operates and  
Maintains Physical



Transmission Assets

Utility

Generates and

Distributes

Provides Customer

Service

28

Electricity.

Electricity.

Rick Riley  
VICE PRESIDENT  
ENERGY DELIVERY  
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From the Current to the  
FUTURE GRID

Current grid is fragmented,  
Current grid is fragmented,  
inefficient  
inefficient

211,000 transmission line  
211,000 transmission line  
miles  
miles  
More than 140 operators  
More than 140 operators

Huge regional  
Huge regional  
market  
market  
Improved  
Improved  
infrastructure  
infrastructure  
Efficient use of  
Efficient use of

transmission system

transmission system

More secure energy

More secure energy

future

future

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FUTURE GRID

Creating the

Financial strength and flexibility; two balance sheets  
Financial strength and flexibility; two balance sheets  
to finance investments in the grid  
to finance investments in the grid  
Singular focus in areas of expertise: Entergy on  
Singular focus in areas of expertise: Entergy on  
generation and distribution; ITC on transmission  
generation and distribution; ITC on transmission  
Opportunity afforded by a new corporate citizen and  
Opportunity afforded by a new corporate citizen and

new investment in our communities and region

new investment in our communities and region

New model creates key benefits:

STRENGTH, EXPERTISE, OPPORTUNITY

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Estimated impact to average (1,000kWh/mo)  
Estimated impact to average (1,000kWh/mo)  
residential customer monthly bill is **about a dollar**.  
residential customer monthly bill is **about a dollar**.

The benefits of the transaction  
The benefits of the transaction

-  
-  
improved reliability and efficiency  
improved reliability and efficiency

-  
-  
lower overall costs of delivered energy  
lower overall costs of delivered energy  
are expected to offset the modest change in rates.  
are expected to offset the modest change in rates.

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For our customers,

WHAT

IS

THE

IMPACT

TO

BILLS?

Closing conditions, regulatory reviews

**AND APPROVALS REQUIRED**

The transaction is subject to the satisfaction of customary closing conditions.

Primary filings and approvals required are summarized below.

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Authority

Entergy's Retail

Regulators

Change of control of transmission assets

Affiliate transaction approvals related to steps in the spin/merge

Authorization to incur debt in some jurisdictions

Federal Energy

Regulatory Commission

Change of control of transmission assets (203 filing)

Acceptance of jurisdictional agreements (205 filing)

Authorization to assume debt/issue securities (204 filings)

Changes to System Agreement to remove provisions related to transmission planning and equalization

ITC filing to establish new rate tariffs for the ITC operating companies

Hart-Scott-Rodino Act

Pre-merger notification to review potential antitrust and competition issues

Internal Revenue Service

Private letter ruling substantially to the effect that certain requirements for a tax-free treatment of the distribution of TransCo are met

Securities and Exchange

Commission

ITC Form S-4 and Proxy Statement (including audited TransCo financial statements and disclosures), and

TransCo Registration Statement

ITC Shareholders

Approval required for:

Merger,

Issuance of shares to ITC shareholders, and

Amendment to ITC charter to increase authorized number of shares

Requirements

Entergy's current ICT agreement with SPP is replaced by ICT agreement with MISO

ITC Midsouth OpCos become TOs in MISO immediately following transaction close and participate in MISO MTEP as TOs

MISO assumes functional control of transmission system and continues as

Reliability Coordinator; ICT  
agreement is terminated  
MISO and ITC file with FERC  
Attachment O templates and tariff  
sheets to implement formula rates; no  
rate pancaking  
MISO is the Transmission Provider  
under MISO Tariff with select Entergy  
processes retained under new Module  
B-1 for transition period  
For the transition period, MISO will  
delegate select tasks to ITC via  
Appendix I Agreement  
Transco Close  
MISO replaces SPP as the  
Independent Coordinator of  
Transmission (ICT)  
(December 2012)  
ITC Midsouth OpCos become  
Transmission Owners in  
MISO  
(upon closing)  
Entergy OpCos become  
Market Participants in  
MISO  
(December 2013)  
35  
Entergy MISO Integration and the  
ITC TRANSACTION  
Entergy OpCos become Market  
Participants in MISO  
Module B-1 is cancelled  
Delegation of Module B-1  
functions to ITC under TOA  
Appendix I terminates

Joe Domino  
Joe Domino  
CHIEF INTEGRATION OFFICER  
CHIEF INTEGRATION OFFICER  
36

PMO Update  
PMO Update



<https://myentergy.entergy.com/sites/transco/Pages>  
<http://comm.prod.entergy.com/ieFocus>  
<http://www.entergy.com/futurepower>  
<http://www.entergy.com/transmissionmerger>

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Resources and  
COMMUNICATION SUPPORT

THANK YOU  
THANK YOU  
Q&A  
Q&A  
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